Standard International Holdings S.A.

Report and Consolidated Accounts

2004

Standard Bank

Incorporating
Standard Bank London Limited
Standard Bank Asia Limited
Banco Standard de Investimentos S.A.
ZAO Standard Bank

Contents | Standard International Holdings S.A.

Strong operating performance across core business units and regions.

Solid growth in **customer flows**.

Significant enhancement of **operating platform**.

Pre-tax profit of US$110.0 million.

Credit provisions raised against mining and energy exposures.

Capital resources exceed US$1 billion.

Capital adequacy ratio of 16.5%.

Total assets increased to US$14.9 billion, up 12%.

Standard International Holdings S.A. (SIH or the Group) is the Luxembourg based holding company for the international investment banking activities of the Standard Bank Group, a leading South African banking and financial services organisation. SIH's principal subsidiaries include Standard Bank London Limited, Standard Bank Asia Limited (Hong Kong), Standard New York, Inc., Banco Standard de Investimentos S.A. (Brazil) and ZAO Standard Bank (Russia). The Standard Bank Group's offshore retail, stockbroking, trust and other private banking activities are held through another holding company, Standard Bank Offshore Group (SBOG).

Australia
China
Hong Kong
Malaysia
Singapore

Argentina
Brazil
Mexico
Peru
United States of America

Czech Republic
Iran
Italy
Russia
Turkey
United Arab Emirates
United Kingdom

Established in 1992 when Standard Bank London Limited received its authorisation under the UK Banking Act 1987, the Group as at 31 December 2004 has capital resources in excess of US$1 billion and employs more than 1,000 people. The Group's activities are carried out through an international network of offices located in major international financial centres and also in key developing economies.

Principal product areas

The Group's franchise is focused on developing markets - primarily debt, interest rate and currency products - and natural resources. Principal product areas are the following:

The Global Markets division comprises SIH's customer-driven debt capital markets and treasury activities, encompassing both the cash products and derivatives markets. The division is an originator of debt securities financing for bank, corporate and quasi-government issuers within the world's developing markets. It makes markets across the yield curve to investors in emerging markets bonds as well as other sovereign and corporate credits. A comprehensive range of foreign exchange, money market and interest rate products is provided, ranging from simple risk management tools to sophisticated investment structures. The division's expertise extends across all of the major and developing market currencies.

The Principal Trading division houses the Group's proprietary activities, which comprise investing and trading primarily in debt securities issued by a wide variety of sovereign, quasi-government and corporate borrowers in Africa, Asia, Europe and Latin America.

The Resource Banking division encompasses banking activities in the commodities markets in which the Group is involved, namely the precious metals, base metals and energy markets. The division offers a comprehensive range of services to clients across these market sectors, including trading, risk management, project finance, structured trade finance and corporate advisory. The client base extends across all sections of the industry, including producers, consumers, merchants, fund managers and governments worldwide. With many of the producers located in emerging markets, the Group's developing markets capabilities supplement the division's metals and energy expertise in enabling the Group to better understand and service the needs of its customers.

The Banking division focuses on the provision of trade and corporate financing, telecommunications finance and specialised finance across the emerging markets. Trade finance and syndicated loans are primary components of the business. A discrete distribution unit focuses on distributing risk originated by other units within the Group, including syndicated loans, forfaiting paper and structured transactions.

Within the Asset Management division, the Group seeks to leverage its expertise in developing markets and high yield assets into investment products that can be distributed to investors on a wholesale basis. The division specialises in managing developing market debt, currency and money market funds as well as global high yielding debt funds, with a focus on achieving low volatility absolute returns.

The Private Client Services division serves high net worth clients through the Group's developing markets network. By distributing a combination of the Group's specialist developing markets and resources product range, together with selected third party products, the division complements the traditional private banking, asset management and fiduciary activities of SBOG.

Principal subsidiaries

Standard Bank London Limited is the principal operating subsidiary of the Group in terms of balance sheet size and profitability. Standard Bank London Limited is a bank authorised and regulated by the United Kingdom Financial Services Authority. It is a member of the London Stock Exchange, the London Bullion Market Association, the London Metal Exchange and the London Platinum and Palladium Market and is Chairman of the London Platinum and Palladium Fixing.

Standard Bank Asia Limited is a licensed bank in Hong Kong regulated by the Hong Kong Monetary Authority and has been granted deemed registered institution status by the Securities and Futures Commission. Standard Bank Asia Limited serves as the hub for the Group's Asian activities. Its subsidiary, Standard Merchant Bank (Asia) Limited, operates in Singapore with an Asian Currency Unit licence.

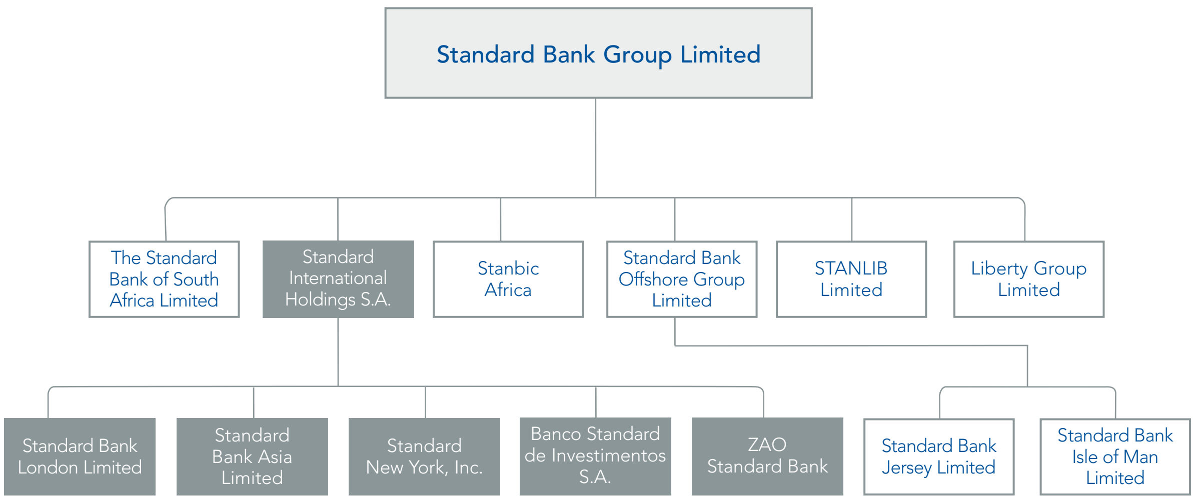
Standard New York, Inc. has two operating subsidiaries: Standard New York Securities, Inc., which is registered with the Securities and Exchange Commission as a broker dealer and is a member of the National Association of Securities Dealers; and Standard Americas, Inc., which is registered with the Securities and Exchange Commission as an investment adviser and with the Commodity Futures Trading Commission as a commodity trading adviser and commodity pool operator, and is a member of the National Futures Association.

Banco Standard de Investimentos S.A. is a Brazilian investment bank regulated by the Central Bank of Brazil. ZAO Standard Bank is a Russian investment bank regulated by the Central Bank of the Russian Federation. The recent establishment of these licensed banking operations is in line with the Group's strategy of developing a material presence in key emerging markets, as well as facilitating the Group's participation in the local currency and debt capital markets. During the year ZAO Standard Bank received a securities licence from the Federal Services and Securities Market, a precious metals licence from the Central Bank of Russia and a precious metals export licence from the Ministry of Foreign Trade.

Standard Bank Group

The Standard Bank Group Limited, based in Johannesburg, is the ultimate holding company for the global activities of the Standard Bank Group. With total assets in excess of US$100 billion and employing more than 35,000 people worldwide, the Standard Bank Group is one of Africa's leading banking and financial services organisations. In addition to its international operations of SIH and SBOG, the principal African operations of the Standard Bank Group comprise The Standard Bank of South Africa (SBSA), which offers a full range of retail and commercial banking services in South Africa; Stanbic Africa, which provides banking services throughout sub-Saharan Africa; Liberty Group, which provides a comprehensive range of investment and life assurance products; and STANLIB, which offers wealth and asset management services.

Standard Bank Group structure



The Group reported satisfactory results for the year ended 31 December 2004. All principal product areas and major regions of the Group performed well, benefiting from strong customer flows and increased geographic and product penetration. Strong performances were achieved by, inter alia, the Global Markets, Metals Trading, Banking and Asset Management businesses. Results for the year were, however, dampened by the need for additional provisions to be raised against mining and energy exposures, as well as by losses in the now closed equity derivatives principal trading business.

Viewed over a longer time horizon, the Group made significant progress during the year in advancing and strengthening its business franchise and operating platform. The Group took major strides in further enhancing its product range, deepening its regional penetration, and upgrading its IT, support and risk structures. These achievements are critical to the future growth of the business.

Global Markets

The Global Markets division reported a year of strong growth, continuing to build on its customer-focused strategy.

The interest rate trading activities delivered reasonable revenue growth, despite the less favourable global trading environment caused by a decline in interest rate volatility in the US dollar and most of the other major currencies. The Brazilian, Turkish and Russian operations all performed strongly. The foreign exchange businesses also recorded an increase in volumes, aided by a strong customer focus and increasing geographic diversity.

December 2004

CHELYABINSK TUBE ROLLING PLANT

Chelyabinsk Tube Rolling Plant OAO

Russian Federation

US$ 190,000,000

EBRD A/B Loan Acquisition Finance Facility

Mandated Arranger and Bookrunner

Standard Bank

All principal product areas and major regions of the Group performed well, benefiting from strong customer flows and increased geographic and product penetration.

The credit trading business produced a record performance, benefiting from increased customer flows and the delivery of higher-value customised credit derivative products to clients.

The debt origination unit reported revenues slightly below those of the prior year. The unit nevertheless increased its product and regional diversity, executing SIH's first securitisation deals in Brazil and Hong Kong. The customer financing business performed solidly, despite strong competition and relatively tight spreads.

The initiative to build a customer-facing equity derivatives business outside of South Africa achieved key milestones, with the trading system and operational infrastructure in Asia implemented during the year. This enabled the business to generate its first revenue streams.

The division's primary focus for 2005 continues to be the building of scale in the division's core products and regions, to be achieved by concentrating on the delivery of customer-driven structured interest rate, currency, credit, equity and securitised products.

Global Markets continues to invest in its staff and systems, to ensure that its ability to provide customers with tailored solutions in capital markets and treasury products is maintained and enhanced.

Principal Trading

The Principal Trading division produced weaker results than in 2003. The fixed income unit had another good year, comfortably outperforming its market benchmarks. Debt positions undertaken in Argentina, the Czech Republic, Kenya, Italy, Malaysia, Thailand and the United Kingdom contributed significant revenues. During the year the Group took the strategic decision to close its recently established equity derivatives principal trading business, which suffered losses as implied volatility dropped to multi-year lows.

Resource Banking

The Resource Banking division enjoyed a strong operating performance, with excellent results from the metals trading businesses and the power and trade finance units.

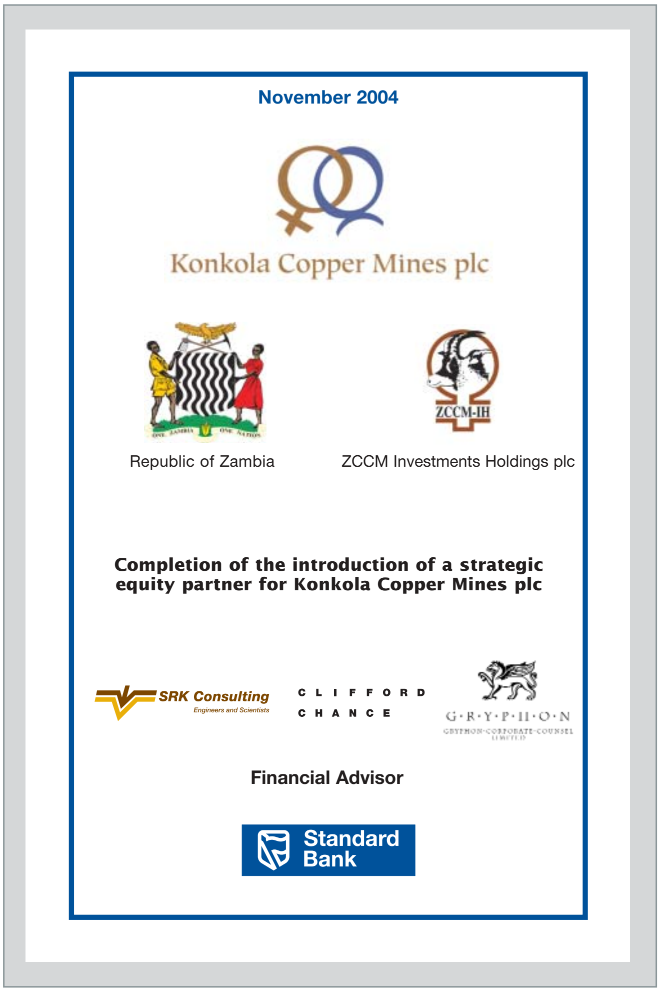
A key element of the division's strategy is to focus on business which links the Group's specialist project and commodity finance activities together with its advisory, trading and hedging capabilities. With SIH regarded as one of the few financial institutions able to provide a comprehensive solution to commodity producers, consumers and merchants on a global basis, the Group's profile and reputation in the resource banking sector continues to strengthen.

The precious metals business delivered satisfactory results, despite a continued reduction in forward hedging by gold producers. The business reported record trading volumes, driven largely by short-dated trading flows from hedge funds and retail buying interest. Continuing regional expansion, with particular focus on the banking sector, led to a corresponding increase in business flows. Physical bullion activity in Eastern Europe and volumes in Asia continued to grow. The net results of the precious metals business were, however, adversely impacted by credit losses suffered during the year.

The base metals business reported record revenues, driven by strong growth in client activity aided by sustained price rises and increased volatility in most metals. The continuing growth of the Chinese economy and resultant demand for metal was a major factor in market buoyancy. The Group's specialist presence in that region has been a significant contributor to the business's success. The base metals business has continued to expand product capabilities, most notably within the finance-related physical arena.

The positive achievements of the energy business were overshadowed by the default, late in the year, of an Asian customer on its structured positions with the Group, leading to the raising of a significant provision. The Group is actively pursuing all practical means of optimising its recovery from this customer.

The mining finance business is regarded as a leading arranger and provider of structured facilities for the development of mining projects globally, with particular experience in developing economies and mid-tier markets. Notable successes during the year included the first major internationally-syndicated term financing for a domestic Russian precious metals mining company.



The structured commodity finance business reported excellent growth. Energy financing was particularly strong and notable transactions were closed in relation to assets in Nigeria, Bulgaria and Egypt. Metals financing performed particularly well in China, with SIH benefiting from its strong relationships with key producers in that country.

The power and infrastructure activities closed a number of advisory and debt-related transactions in Eastern Europe, Africa and South America. SIH continues to develop its exclusive cooperation agreement with leading carbon credits specialist EcoSecurities.

During the year the resource advisory unit provided corporate finance advice on a number of successfully completed transactions in Central Asia, Africa, Australia and North America, thereby underlining and strengthening SIH's global presence in the resources sector.

The base metals business reported record revenues, driven by strong growth in client activity aided by sustained price rises and increased volatility in most metals.

Banking

The Banking division delivered another encouraging performance. Revenues were significantly up on the prior year, with a particularly strong showing from the telecommunications and specialised finance businesses. Liquidity in emerging markets debt remained strong despite negative sentiment in Russia around mid-year, and margins in general continued to tighten. A number of banks that pulled back from emerging market risk in previous years have re-entered the market, resulting in increased competition.

The specialised finance business closed a number of high-profile acquisition financings, including the first Russian acquisition financing seen in international markets, arranged and underwritten jointly with the European Bank for Reconstruction and Development. The business broadened its presence in Turkey, Asia, Russia and Central America, and further growth is expected in these regions in 2005.

The telecommunications finance business reported further strong results as it continued to broaden its franchise geographically. The business consolidated its position as the pre-eminent telecommunications advisory and financing team in Africa, whilst also developing into a market player in cellular financing in the Russia/ Commonwealth of the Independent States (CIS) region. The Group also launched its activities in the Americas during 2004 and will extend into Asia in 2005.

June 2004
EUROZINC
Portugal
US$ 100,000,000
Acquisition and Working Capital Facility
Mandated Lead Arranger, Agent and Security Trustee
Standard Bank

December 2004
Polymetal
Russian Federation
US$ 105,000,000
Secured 5 Year Precious Metals Finance Facility
Mandated Lead Arranger, Agent and Security Trustee
Standard Bank

November 2004
Bank Saderat PLC
UK / Iran
US$ 120,000,000
Syndicated Term Loan Facility
Mandated Lead Arranger and Sole Bookrunner
Standard Bank

November 2004
celtel
Celtel International BV
Africa
US$ 190,000,000
Combined Revolving and Term Loan Facilities
Mandated Arranger and Bookrunner
Standard Bank

2004 saw the distribution group arrange and successfully close 45 syndicated financings for emerging market borrowers, located primarily in Eastern Europe, the CIS, the Middle East, Asia and Africa.

The trade and corporate financing group had a satisfactory year, despite operating in highly competitive markets. The forfaiting and bank syndications markets saw considerable tightening of margins over the year, particularly in the key markets of Turkey, Kazakhstan, China, Brazil and Russia.

The distribution group had a successful year, placing over US$8 billion of syndicated loans, trade finance and forfaiting paper. With SIH as a key player in arranging and placing debt in emerging markets, 2004 saw the distribution group arrange and successfully close 45 syndicated financings for emerging market borrowers, located primarily in Eastern Europe, the CIS, the Middle East, Asia and Africa. During the year the group's distribution capabilities were enhanced in Asia and Latin America and it is expected that activity in these two geographic regions will increase in 2005, supporting SIH's origination teams in the recycling of risk.

Asset Management

The Asset Management division, which offers a range of emerging market, high yield and principal protected products, continued its excellent growth during 2004. Third party assets under management exceeded US$2 billion for the first time. Solid investment performance was achieved across the range of funds in challenging market conditions, with the division's absolute return investment philosophy providing strong protection to investors.

The investment teams for both emerging markets and high yield products were significantly strengthened during the year, with several key hires. A number of the funds achieved three year track records during the year, and one additional fund was launched to complement the existing range.

In relation to the Energy, Infrastructure and Resources Funds business, the Emerging Africa Infrastructure Fund continued to perform well in a difficult market. A third of the fund's US$300 million capital had been committed by the end of 2004 and prospects for an increased level of business in 2005 are reasonable.

Private Client Services

The Private Client Services division delivered a solid performance, reporting strong revenue growth over the prior year, particularly in Asia and the Middle East. The addition of a highly regarded team in Taiwan, together with the expansion of the division's booking capability to include Singapore, has enhanced the division's ability to service clients in the Asian region. The business has also benefited from SIH's development of banking subsidiaries in Sao Paulo and Moscow.

Outlook

Whilst the markets in which the Group operates continue to provide a relatively stable business environment, the level of competition in developing economies continues to increase and margins remain under pressure. This notwithstanding, the Group has during the year made significant strides in further enhancing its franchise, strengthening its customer base, deepening its regional penetration and upgrading its IT, support and risk structures.

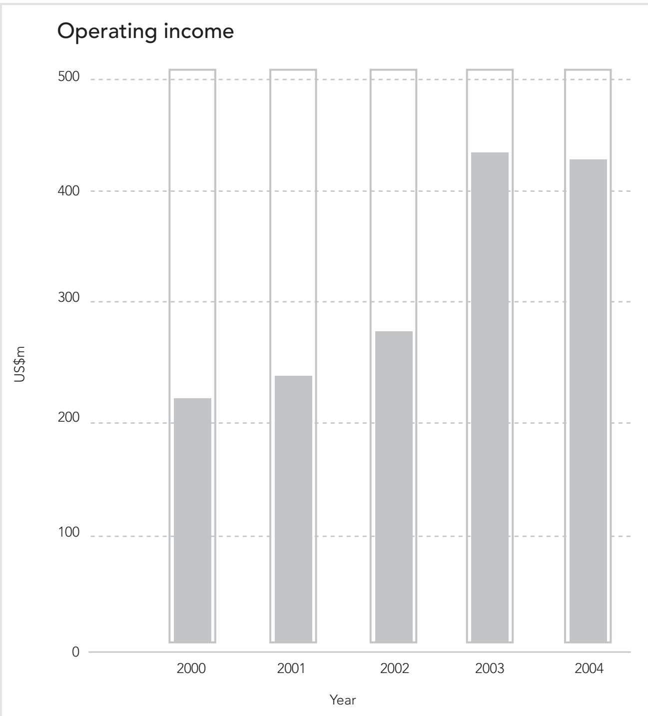
The Group is therefore optimistic about prospects for 2005.

Profit and loss account

Operating income amounted to US$427.0m, down 1.4% on the prior year. This reflects the impact of lower dealing income in the period. Over a five year period operating income has grown by a compound annual growth rate of 18%.

Net interest income for the year was US$59.1m, down 32% from 2003. The decrease resulted primarily from a transfer of investment assets to trading books held at fair value. The interest flows associated with these positions are now included within dealing profits.

Non-interest income, at US$367.9m, represents a 6% increase over the prior year of US$345.8m. Within non-interest income, net fee and commission income increased by 57% to US$92.1m, benefiting from good performances within the Group's asset management, financing and advisory activities. Dealing profits, at US$275.8m, reflect a 4% reduction on 2003 as a consequence of losses in the recently established principal equities trading business, which has subsequently been terminated, as well as the exceptionally high trading profits achieved in the prior year. Strong performances were achieved in the Base and Precious Metals trading, Global Markets and Principal Trading fixed income areas.



Operating expenses increased by 5% to US$298.8m. The development of the newly established banks in Brazil and Russia continued in the year as well as significant investment in the IT system infrastructure, both front and back office. The relatively modest increase in costs was primarily a function of focused cost management and reduced performance related staff costs. Staff costs, at US$189.7m, were up 8% on the prior year of US$175.2m. The average number of employees during the year was 968, an increase of 9%. Other operating expenses (including depreciation and amortisation) totalled US$109.1m, in line with the prior year. The cost-to-income ratio increased from 65.6% to 69.4% as a consequence of the lower revenues.

Provisions for credit related losses, comprising provision for bad and doubtful debts and fixed asset investment write-offs, showed a total charge to the profit and loss account for the year of US$18.3m, down US$12.3m on the prior year. The net reduction comprises a 36% increase in specific debt charges, associated with mining and energy related exposures, offset by a reduced performing portfolio debt provision requirement.

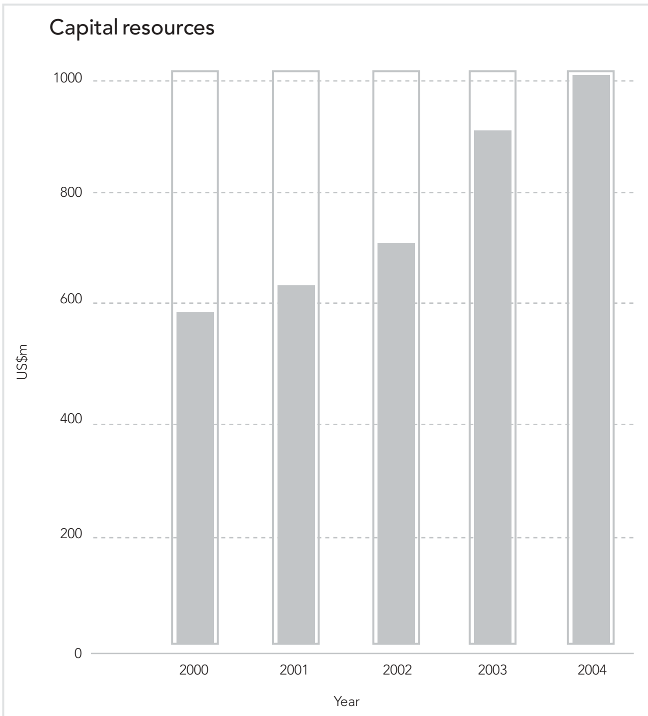
As a consequence of the above the Group achieved a profit before tax of US$110.0m, a decrease of 7% relative to the prior year.

The tax charge on the profit equated to an effective rate of 27.5%, below the UK corporate tax rate of 30%, due to the impact of differently taxed profits in overseas locations and the utilisation of losses and untaxed income. A more detailed breakdown of the tax charge for the year is provided in note 5 to the financial statements.

Balance sheet

The total assets of the Group amounted to US$14,859.4m at year-end, reflecting an increase of 12%. The strength of the balance sheet has been preserved with some 67% of the Group's credit and issuer risk being of investment grade.

On the asset side of the balance sheet, loans to customers increased by 19% to US$2,653.4m and secured loans



arising from purchase and resale agreements were up by 100% to US$3,115.6m. Risk-weighted assets were 13% higher than the prior year, at US$6,224.8m. On the liability side, funding from banks increased by 16% to US$6,441.7m, of which SBOG-sourced retail deposits were US$2,461.4m. Customer deposits, at US$3,099.6m, also reflected strong growth of 21%.

The Group's capital resources increased to US$1,012.9m at the end of the year, including current year retained earnings. Allowing for the transfer to reserves of the current period profit, the capital adequacy ratio at the end of the period was 16.5%, well above the minimum required by the Financial Services Authority.

With effect from 1 January 2004 the Group changed its functional currency from sterling to US dollars following the conversion of share capital and subordinated debt to US dollars at the end of 2003. The reason for the change is to align the currency of the Group's capital base to that of the major exposures carried. The accounts are accordingly now presented in US dollars with the sterling amounts of the prior year converted to US dollars at an exchange rate of 1.78805 for balance sheet items, representing the rate at close of business on 31 December 2003, and a rate of 1.6459 for income statement items, being the average rate of exchange for the year then ended.

The parent company, SBG, currently prepares the group accounts under South African accounting standards, which are closely aligned with International Financial Reporting Standards (IFRS). The SBG will convert to IFRS for the next financial reporting period and it is intended that SIH will similarly adopt these standards for 2005.

Risk management

Overall responsibility for risk management rests with the Board. Day-to-day responsibility is delegated to the Boards and Executive Committees of Standard Bank London Limited, Standard Bank Asia Limited, Banco Standard de Investimentos S.A. and ZAO Standard Bank and their sub-committees which review, inter alia, summaries of market, credit, operational and country risks. The Assets & Liabilities Committees are responsible for market and liquidity risk, the Credit Committees are responsible for credit and country risk and the Business Management Committee is responsible for operational risk.

The senior committees of the Group, to which others refer for advice, guidance and oversight, are those of Standard Bank London Limited (SBL), which set policies that generally are applied group-wide to all SIH entities.

The Risk Department covers all SIH operations and is independent of the front office, reporting directly to the Chief Executive. There are separate Heads of Credit, Market Risk, Risk Methodology, Country Risk, Compliance and Legal, Internal Audit, Operational Risk and Asset Recovery, each reporting to the Director of Risk, SBL.

Market risk

Trading risk management is primarily the responsibility of traders, overseen by trading management on the desk. The Group provides its traders with appropriate technology and assures itself that risks are measured, monitored and controlled by the independent processes and that risk limits are overseen by the Market Risk department.

The Group utilises a variety of measurement methodologies to assess market risk. Value at Risk is used in the trading areas, supplemented by traditional risk management techniques such as cash portfolio limits, limits on option greeks, interest rate gaps, basis point values and limits on various stress tests. These risk measures are supported by further stress testing and scenario analysis. Disclosure of market risk is provided in note 35 to the financial statements.

Liquidity is a key risk in a number of markets and the Group has an integrated approach to risk measurement that combines liquidity, market and credit risks. This approach is consistent across the measurement of credit and country risks for leveraged products and the market risks for the Group's own proprietary positions. Credit and country risk in the Group is measured and controlled on both a gross and "weighted" basis. Weightings are used to reflect the differing liquidity of both our own financial assets and those held as collateral. In this way higher levels of liquidity are reflected in a lower limit usage.

Credit risk

A formal structure exists for the approval of credit including Credit Committees that meet weekly. The Group has a formal credit grading process and monitors economic capital, incurred and expected losses using both internally and externally developed models and systems across its portfolios.

The Group further mitigates credit risk through the use of documentation that permits netting and collateralisation. These effects are recognised in risk measurement where there are appropriate legal and jurisdictional approvals.

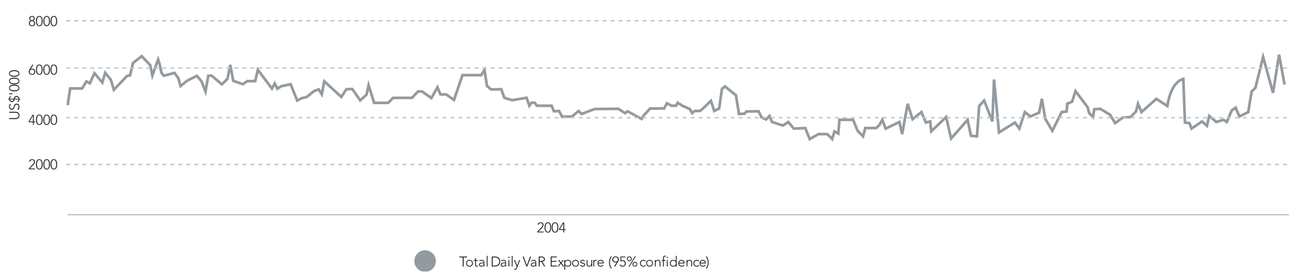
A Country Risk Committee meets on a monthly basis to approve country risk appetite limits for countries other than sub-Saharan Africa. Limits for sub-Saharan Africa are referred to South Africa for decision.

Problematic debts are independently managed by the Asset Recovery Unit which focuses on managing problem credit exposures before default occurs and maximising recoveries from provisioned accounts.

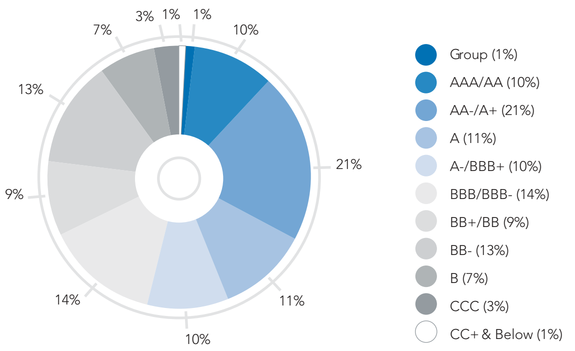
Operational risk

Operational risk is managed through systems and procedures to monitor transactions and positions, the documentation of transactions and a programme of review by Internal Audit. The latter is independent of line management and reports to the SBL Board Audit Committee. Internal audit evaluates the adequacy and effectiveness of the Group's systems of internal control, to provide assurance that all significant risks are properly identified and managed. Any significant control weaknesses are reported to the Board Audit Committee.

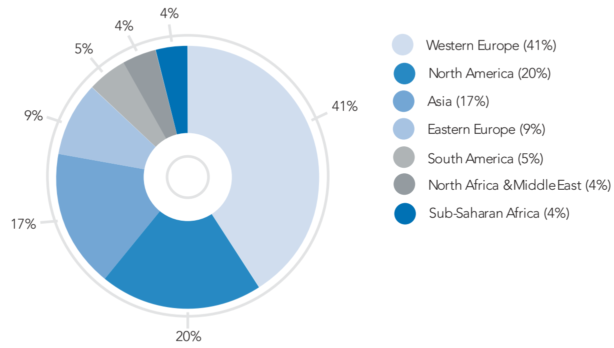
Value at risk



Credit and issue risk by rating (S & P equivalent)



Credit and issuer risk by region



The Operational Risk department is responsible for monitoring and reviewing operational risk and information security policy, and for implementing self-assessment programmes in each business unit, analysing key risk indicators and maintaining the operational loss database. Additionally it manages the control and administration of the new product process.

The Group also maintains contingency facilities to support operations in the event of disasters.

Compliance and legal risk

The Compliance department oversees the increasingly complex and prescriptive regulatory environment in the Group's subsidiaries and offices. Monitoring and other programmes are performed to assess compliance with prescribed policies and procedures.

Legal risk is managed through a combination of internal legal counsel, external legal advisers and through use of standardised legal documentation and documentation policies.

Risk profile

The Group's trading activities comprise both customer related and principal business. These activities result in the Group holding positions in foreign exchange, commodities and marketable securities for its own account and to facilitate client business.

The Group's non-trading portfolios of financial instruments include loans, deposits, and debt and equity securities. Certificates of deposit are highly liquid and form an important part of the Group's liquidity portfolio. Disclosure of the Group's non-trading book interest rate risk is provided in Note 31.

The Group's credit and country risk is well diversified, although as an active participant in the international banking markets, it has a sectoral concentration of risk to financial institutions. The largest exposures are to the US, UK, EU countries and Canada. The largest emerging market exposures are to China and Russia, both investment grade countries.

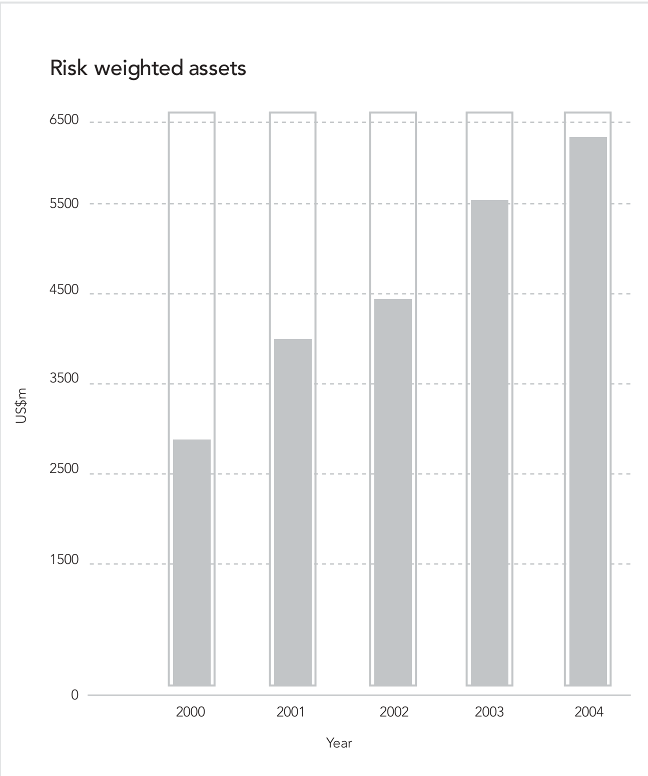
Main market risks relate primarily to credit spread risk from emerging market obligors, diversified across countries, a majority of which exhibit high degrees of liquidity, and commodity price and volatility risk. Other market risks include interest rate and currency risk, and to a limited extent, equity price risk.

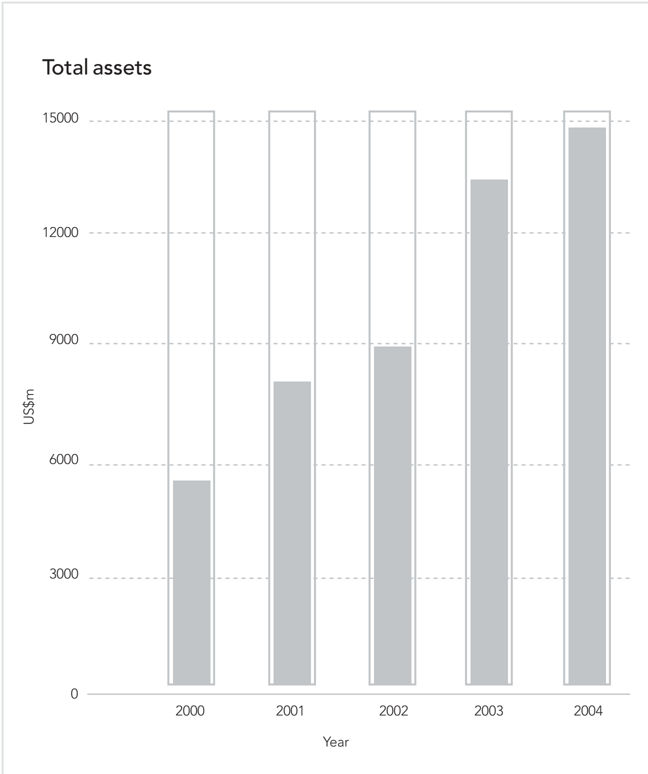
Liquidity/funding risk is mitigated by way of the utilisation of third party term finance. As at the date of this report, Standard Bank London Limited benefits from the use of US$350m of five-year funding and US$190m of three-year funding, raised through the syndicated loan market. Additionally the Group has US$250m of third party term subordinated debt which qualifies as regulatory capital.

Five year financial summary | Standard International Holdings S.A.

	2004 US$m	2003 US$m	2002 US$m	2001 US$m	2000 US$m
For the year					
Operating income	427	433	277	240	219
Profit on ordinary activities before taxation	110	119	31	67	83
Profit attributable to ordinary shareholders	80*	84	27	53	71
At the year end					
Total capital resources	1,013	903	710	630	593
Total assets	14,859	13,271	8,965	7,990	5,478
Total risk weighted assets	6,225	5,529	4,419	3,981	2,806
Capital ratio					
Capital adequacy ratio	16.5%	16.9%	16.6%	16.4%	21.7%
Return on average shareholders' funds†					
Before taxation	14.8%	18.0%	5.6%	13.4%	18.7%
After taxation	10.8%	12.7%	4.8%	10.6%	15.8%
Other information					
Cost-to-income ratio	69.4%	65.6%	71.9%	63.5%	66.4%
Average number of employees	968	886	863	681	578

† including Standard Bank Group subordinated debt and as determined in functional currency
* prior to dividends paid by a subsidiary undertaking (note 6)





Directors | Standard International Holdings S.A.

The directors who currently hold office are as follows:

Standard International Holdings S.A.

Chairman	
J H Maree	Group Chief Executive - Standard Bank Group Limited
Directors	
J E Bodoni	Managing Director - Experta Corporate & Trust Services S.A. Luxembourg
R A G Leith	Chief Executive - Standard Bank London Limited
R M Mansell-Jones	formerly Chairman - Barlow International Plc
M Hickey	Managing Director - Liberty Ermitage Luxembourg S.A.
S P Ridley	Chief Financial Officer - Standard Bank Group Limited
T G Wheeler	Finance Director - Standard Bank London Limited

Standard Bank London Limited

Chairman	
J H Maree	Group Chief Executive - Standard Bank Group Limited
Executive Directors	
R A G Leith	Chief Executive
M J Botha	Resource Banking
D Feld	Principal Trading
I G Gibson	Private Client Services and Asset Management
N J Holden	Risk
W S Dorson	Americas
J M K Pearson	Europe and Middle East
T G Wheeler	Finance and Operations
M J Wilde	Asia
Non-Executive Directors	
D P H Burgess	formerly Partner - Jones Day
D E Cooper	Chairman - Standard Bank Group Limited
B J Kruger *	Managing Director - Corporate & Investment Banking, The Standard Bank of South Africa Limited
R M Mansell-Jones	formerly Chairman - Barlow International Plc
M J D Ruck	Chief Executive - Liberty Group Limited
C J Sheridan	formerly Chief Executive - Samuel Montagu & Co Limited
T R Smeeton	formerly Head of Foreign Exchange Division - Bank of England
B A Ursell	formerly Chief Executive - British & Commonwealth Merchant Bank Limited

* Alternate to M J D Ruck

Directors | Standard International Holdings S.A.

Standard Bank Asia Limited

Chairman
R A G Leith

Executive Directors

M J Wilde	Chief Executive
R A Y Herries	Deputy Chairman
J T Chenoweth	Managing Director
P C Z Chu	Global Markets
A K H Chui	Finance and Operations

Non-Executive Directors

G C Goh	formerly Area Treasurer - Standard Chartered Bank, Hong Kong
S Mar	Managing Partner - Nexia Charles Mar Fan and Co.
A H Smith	formerly Vice Chairman, Asia Pacific - Credit Suisse First Boston
T G Wheeler	Finance Director - Standard Bank London Limited
B P T Wong	formerly Director - John Swire & Sons (HK) Limited

Standard New York, Inc.

Executive Directors

W S Dorson	Chief Executive
A Maartens	Finance and Operations

Banco Standard de Investimentos S.A.

Executive Director

F Solferini	Chief Executive

Non-Executive Directors

W S Dorson	Director - Standard Bank London Limited
B J Koen	Head of Global Markets - Standard Bank London Limited
L C Mendonca de Barros	formerly Minister - Federative Republic of Brazil
J R Opice	Senior Partner - Machado, Meyer, Sendacz e Opice Advogados
T G Wheeler	Finance Director - Standard Bank London Limited

ZAO Standard Bank

Chairman

J M K Pearson	Director - Standard Bank London Limited

Executive Directors

P Hurley	Chief Executive
S Thomas	Director

Non-Executive Directors

M J Botha	Director - Standard Bank London Limited
O Sheiko	formerly Standard Bank London Limited Representative in Moscow
T G Wheeler	Finance Director - Standard Bank London Limited

The board of Standard Bank London Limited, the principal operating subsidiary of the Group, delegates certain functions and responsibilities to the following board committees.

Executive Committee

This Committee is responsible for the day-to-day management of the bank. Subject to the overall authority of the board, it meets regularly, normally weekly, and as required, inter alia, to develop business strategy, initiate and review strategic initiatives, review and approve annual business plans, monitor financial performance against budget, approve the introduction of new products, authorise/approve appointment of staff to senior managerial positions and review the activities of executive sub-committees.

Membership: The Committee comprises all executive directors and certain senior executives, namely Robert Leith (Chairman), Martin Botha, Michael Crabb, William Dorson, David Feld, Ian Gibson, Neil Holden, Brad Koen, Jonathan Pearson, Patrick Tam, Malcolm Wilde and Timothy Wheeler.

The major executive sub-committees, supporting the Executive Committee in fulfilling its responsibilities, are the Credit Committee, the Assets and Liabilities Committee and the Business Management Committee.

Audit Committee

This non-executive Committee monitors the process for identifying, evaluating and managing risks and controls. In particular, this includes the quality, integrity and reliability of compliance, financial and accounting control systems. Its other responsibilities are to review the scope of external and internal audit, to receive regular reports from Internal Audit and KPMG Audit Plc, and to review the financial statements focusing in particular on accounting policies, areas of management judgement and estimates. The Committee meets quarterly.

Membership: Richard Mansell-Jones (Chairman), Patrick Burgess, Derek Cooper, Christopher Sheridan and Terry Smeeton.

Risk Management Committee

The objective of this non-executive Committee is to provide an independent review and challenge to the bank's risk policies and the composition of the risk portfolio, its concentrations and the risk-taking decisions of the bank, covering all aspects of risk - market, credit, country and operational. It complements the Audit Committee which also studies, inter alia, risk controls and their operation, but from a different perspective. The Committee meets quarterly.

Membership: Bruce Ursell (Chairman), Patrick Burgess, Derek Cooper, Richard Mansell-Jones, Jacko Maree, Myles Ruck and Christopher Sheridan.

Remuneration Committee

This non-executive Committee approves remuneration policy and long-term incentive schemes, sets the remuneration of executive directors and other senior executives and approves guidelines for the company's annual salary and incentive reviews.

Membership: Christopher Sheridan (Chairman), Derek Cooper, Jacko Maree, Richard Mansell-Jones, and Myles Ruck.

Standard International Holdings S.A.

Report and Consolidated Accounts

2004

Report of the directors

The directors present their report and accounts for the year ended 31 December 2004.

Basis of preparation

Although exempt under Luxembourg Company Law 1915 Article 316, the directors wish to prepare consolidated financial statements. The company is incorporated in Luxembourg, whilst the company's principal operating subsidiary, Standard Bank London Limited, is incorporated in the United Kingdom. The directors therefore consider it appropriate that these financial statements be prepared in accordance with generally accepted accounting principles in the United Kingdom. Accordingly, the company's consolidated financial statements have been prepared under United Kingdom accounting standards and as if the Companies Act 1985 had applied to the company.

Principal activities and business review

The principal activity of the company continues to be the holding of investments in subsidiaries.

The company provides, through its subsidiaries, an extensive range of investment banking, financial and related services throughout the world. Details of the Group's principal subsidiary undertakings are listed in note 17 to the financial statements.

Standard Bank London Limited is a bank authorised and regulated by the United Kingdom Financial Services Authority providing a range of banking and related financial services. It is a member of the London Stock Exchange, the London Bullion Market Association, the London Metal Exchange and the London Platinum and Palladium Market and is Chairman of the London Platinum and Palladium Fixing. Standard Bank London Limited is a shareholder in LCH.Clearnet Group Limited and has two seats on the New York Mercantile Exchange (Comex division).

Standard Bank Asia Limited is a fully licensed bank in Hong Kong regulated by the Hong Kong Monetary Authority and has been granted deemed registered institution status by the Securities and Futures Commission.

Standard New York Securities, Inc. is registered with the Securities and Exchange Commission as a broker/dealer and is a member of the National Association of Securities Dealers.

Standard Americas, Inc. is registered with the Securities and Exchange Commission as an investment adviser, with the

Commodity Futures Trading Commission as a commodity trading adviser and commodity pool operator, and is a member of the National Futures Association.

ZAO Standard Bank is a licensed bank in the Russian Federation regulated by the Central Bank of Russia. During the year it received a securities licence from the Federal Services and Securities Market, a precious metals licence from the Central Bank of Russia and a precious metals export licence from the Ministry of Foreign Trade.

Banco Standard de Investimentos S.A. is licensed by the Central Bank of Brazil for investment banking activities.

During the year Standard Resources (China) Limited, a subsidiary of Standard Bank London Limited, was incorporated in the People's Republic of China. This company will assist in expanding the Group's base metals business in China.

A review of the activities of the Group is described in the business review on pages 4 to 7.

Capital

Further to the conversion of share capital from sterling to US dollars by the company in December 2003, as from 1 January 2004 the company changed its functional currency from sterling to US dollars and consequently all other reserves were converted to US dollars as of that date at a rate of 1.78805. The company's subsidiaries Standard Bank London Limited, Standard Bank London Holdings Plc and SBIC Investments S.A. also converted their share capital and subordinated loans to US dollars in December 2003 and changed their functional currency from sterling to US dollars with effect from 1 January 2004. Their other reserves were translated into US dollars at that date at a rate of 1.78805, being the rate at the close of business at 31 December 2003.

On 14 July 2004 the company issued US$100m of Step-Up Subordinated Unsecured Floating Rate USD Loan Notes due 2014. Interest on these notes is payable every three months at the London interbank offered rate for three-month deposits in US dollars plus 250 basis points until 15 July 2009 when this increases to 300 basis points.

On 6 December 2004 Standard Bank London Limited paid a dividend of US$42m on its US dollar "A" ordinary share to Standard Bank Group Limited. On 29 December 2004 the company repaid US$33m of Perpetual Subordinated Unsecured Floating Rate USD Loan Stock to SBIC Finance Limited.

At the year-end Group capital resources amounted to US$1,012,866,000 (2003: US$902,900,000).

Results and dividends

The Group's results for the period are shown in the consolidated profit and loss account on page 22.

The retained profit for the year of US$37,615,000 has been transferred to reserves. The directors do not recommend payment of a dividend.

Directors and directors' interests

The names of the current directors of the company are set out on page 14. P W Metcalf resigned on 7 May 2004 and M Hickey was appointed in his place as of that date.

None of the directors held any beneficial interest in the ordinary share capital of the company or any of its subsidiaries at 31 December 2004.

Transactions with directors and related parties

No loans, arrangements or agreements require disclosure under the Companies Act 1985 or Financial Reporting Standard No. 8 regarding transactions with related parties.

Directors' liability insurance

The company's main operating subsidiaries have maintained directors' and officers' liability insurance during the year.

Employees

It is the Group's policy to ensure that all employees and job applicants are given equal opportunities and that they do not face discrimination on the grounds of ethnic origin, colour, religion, sex or disability. Should an employee become disabled during his or her career with the Group, every effort will be made to ensure continued employment, with appropriate training if necessary.

Employee involvement in the Group's business is encouraged and information is disseminated through communication meetings and a Group newsletter.

The Group recognises its responsibilities to provide a safe working environment for all its staff and measures are in place to ensure that the Health and Safety at Work regulations are observed.

Auditors

KPMG Audit Plc have indicated their willingness to continue as auditors of the Group. Accordingly, a resolution is to be proposed at the annual general meeting for the reappointment of KPMG Audit Plc as auditors of the Group.

By order of the board

JH Maree
Director
18 February 2005

180 rue des Aubépines
L-1145 Luxembourg

Registered in Luxembourg No 39445

The directors of Standard International Holding S.A. (the directors) are responsible for the preparation of these consolidated financial statements for the year ending 31 December 2004 on the basis set out in note 1(a) to the consolidated financial statements. In preparing these consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the independent auditors to the directors of Standard International Holdings S.A.

We have audited the consolidated financial statements on pages 22 to 53 which have been prepared for the reasons and on the basis set out in note 1(a).

This report is made solely to the directors, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the directors those matters we have been engaged to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors have accepted responsibility for preparing the consolidated financial statements as if with applicable United Kingdom law and accounting standards applied to them. Our responsibilities, as independent auditors, are established in the United Kingdom by our engagement letter and by our profession's ethical guidance.

Under the terms of engagement we report to you our opinion as to whether the consolidated financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, as if those requirements were to apply. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the basis of preparation set out in note 1(a).

KPMG Audit Plc

KPMG Audit Plc
18 February 2005
Chartered Accountants

Consolidated profit and loss account | Standard International Holdings S.A.

for the year ended 31 December 2004

	Note	2004 US$'000	Restated 2003 US$'000
Interest income		319,063	281,595
Interest income and similar income arising from debt securities		1,875	47,334
Other interest income and similar income		317,188	234,261
Interest expense		(259,977)	(194,320)
Net interest income		59,086	87,275
Fees and commissions income		100,382	62,827
Fees and commissions expense		(8,247)	(4,363)
Dealing profits	2	275,782	286,787
Other operating income		–	589
Operating income	3	427,003	433,115
Administrative expenses	4	(291,155)	(275,664)
Depreciation and amortisation		(7,616)	(8,300)
Provision for bad and doubtful debts	13	(18,255)	(35,209)
Amounts recovered from fixed asset investments		–	4,650
Profit on ordinary activities before taxation		109,977	118,592
Tax on profit on ordinary activities	5	(30,226)	(34,770)
Profit on ordinary activities after taxation		79,751	83,822
Minority interest		(42,136)	(161)
Profit attributable to minorities		(136)	(161)
Dividends paid by a subsidiary undertaking	6	(42,000)	–
Retained profit for the year		37,615	83,661

The entire operating income is derived from continuing operations.

The accounting policies and notes on pages 26 to 53 should be read as part of the financial statements.

Certain comparative figures have been restated (refer to note 1(a)).

Movement in reserves are shown in note 28.

Consolidated balance sheet | Standard International Holdings S.A.

as at 31 December 2004

	Note	2004 US$'000	2003 US$'000
Assets			
Treasury bills and other eligible bills	9	260,968	40,894
Loans and advances to banks	10	1,566,625	1,826,132
Secured loans arising from purchase and resale agreements	11	3,115,557	1,558,384
Loans and advances to customers	12	2,653,394	2,228,849
Debt securities	14	3,694,576	3,053,812
Equity shares	15	66,855	105,954
Unsettled dealing balances receivable	16	1,692,611	2,580,240
Intangible fixed assets - goodwill	18	4,680	6,401
Tangible fixed assets	19	11,106	12,956
Other assets	20	1,691,720	1,765,213
Prepayments and accrued income		101,344	92,501
Total assets		14,859,436	13,271,336
Liabilities			
Deposits by banks	21	6,441,652	5,544,407
Secured deposits arising from sale and repurchase agreements	22	661,369	1,269,873
Customer accounts	23	3,099,550	2,568,353
Short positions	24	1,654,474	1,302,771
Unsettled dealing balances payable	16	294,676	245,077
Other liabilities	25	1,550,334	1,261,434
Accruals and deferred income		144,515	176,521
		13,846,570	12,368,436
Capital resources			
Subordinated loan capital	26	411,414	344,414
Minority interest - equity		466	207
Equity shareholders' funds		600,986	558,279
Called up share capital	27	21,602	21,602
Share premium	28	129,122	129,122
Other reserves	28	145,204	145,204
Profit and loss account	28	305,058	262,351
Total capital resources		1,012,866	902,900
Total liabilities including shareholders' funds		14,859,436	13,271,336
Memorandum items			
Contingent liabilities	29	204,661	97,595
Commitments	29	471,670	667,690
		676,331	765,285

The notes on pages 26 to 53 should be read as part of the financial statements.

Approved by the board of directors on 18 February 2005.

J H Maree, Chairman

R A G Leith, Director

Company balance sheet | Standard International Holdings S.A.

as at 31 December 2004

	Note	2004 US$'000	2003 US$'000
Assets			
Fixed assets			
Investments:			
Shares in group undertakings	17	65,276	65,276
Subordinated loans to group undertakings	17	425,202	425,202
		490,478	490,478
Current assets			
Cash at bank		52,470	8,216
Prepayments and accrued income		2,312	334
Amounts owed by group undertakings		256,727	222,489
		311,509	231,039
Current liabilities			
Creditors: amounts falling due within one year			
Other creditors		(1,975)	(744)
Amounts owed to group undertakings		(36,505)	(28,308)
		(38,480)	(29,052)
Net current assets		273,029	201,987
Total assets less current liabilities		763,507	692,465
Capital resources			
Subordinated loan capital	26	411,414	344,414
Equity shareholders' funds.		352,093	348,051
Called up share capital	27	21,602	21,602
Share premium	28	129,122	129,122
Other reserves	28	2,160	2,160
Profit and loss account	28	199,209	195,167
Total capital resources		763,507	692,465

The notes on pages 26 to 53 should be read as part of the financial statements.

Approved by the board of directors on 18 February 2005.

Statement of total recognised gains and losses | Standard International Holdings S.A.

for the year ended 31 December 2004

	2004		2003	
	Group	Company	Group	Company
	US$'000	US$'000	US$'000	US$'000
Retained profit for the financial year	37,615	4,042	83,661	5,696
Currency translation differences on foreign currency net investments	5,092	–	42,258	23,903
Total recognised gains and losses relating to the year	42,707	4,042	125,919	29,599

Reconciliation of movement in capital resources

for the year ended 31 December 2004

	2004		2003	
	Group	Company	Group	Company
	US$'000	US$'000	US$'000	US$'000
Shareholders' funds (notes 27 and 28)				
Profit for the financial year	37,615	4,042	83,661	5,696
Other recognised gains and losses for the year	5,092	–	42,258	23,903
Net addition to shareholders' funds	42,707	4,042	125,919	29,599
Opening shareholders' funds	558,279	348,051	432,360	318,452
Closing shareholders' funds	600,986	352,093	558,279	348,051
Subordinated loan capital (note 26)				
Opening loan capital	344,414	344,414	277,315	277,315
Additional loan capital issued	100,000	100,000	50,000	50,000
Loan capital repaid	(33,000)	(33,000)	–	–
Conversion of GBP loan capital	–	–	–	–
GBP loan capital redeemed	–	–	(194,414)	(194,414)
USD loan capital issued	–	–	194,414	194,414
Foreign exchange translation adjustments	–	–	17,099	17,099
Closing loan capital	411,414	411,414	344,414	344,414
Minority interests - equity	466	–	207	–
Total capital resources	1,012,866	763,507	902,900	692,465

1 Principal accounting policies

(a) Basis of preparation

Although exempt under Luxembourg Company Law 1915 Article 316, the directors wish to prepare consolidated financial statements. The company is incorporated in Luxembourg, whilst the company's principal operating subsidiary, Standard Bank London Limited, is incorporated in the United Kingdom. The directors therefore consider it appropriate that these financial statements be prepared in accordance with generally accepted accounting principles in the United Kingdom. Accordingly, the company's consolidated financial statements have been prepared under United Kingdom accounting standards and as if the Companies Act 1985 had applied to the company.

Certain comparative figures have been restated in order to ensure comparability between the two periods.

(b) Accounting convention

The accounts have been prepared under the historical cost convention. The accounts are presented in accordance with the applicable accounting standards of the Accounting Standards Board (ASB), the Statements of Recommended Accounting Practice (SORPs) issued by the British Bankers' Association and in compliance with the special provisions of Part VII Chapter II of and Schedule 9 to the UK Companies Act 1985 relating to banking companies, as if those provisions applied.

Turnover is not shown as all revenues are derived from banking and associated activities.

Under Financial Reporting Standard Nos. 1 (Cash Flow Statements) and 8 (Related Party Transactions), the company is exempt from the disclosure requirements contained in FRS 1 and from FRS 8 in respect of transactions with members of the Standard Bank Group Limited, on the grounds that the company is a wholly-owned subsidiary undertaking of Standard Bank Group Limited whose consolidated accounts are publicly available.

With effect from 1 January 2004 the Group's functional currency was changed from sterling to US dollars. The reason for the change was to align the functional currency to the currency which best reflects the economic substance of the underlying events and circumstances of the bank. The Group is exposed to the US dollar more than to any other currency in relation to its exposures and revenue streams and, from this year, its capital base.

(c) Basis of consolidation

The consolidated financial statements comprise the accounts of Standard International Holdings S.A. and its subsidiary undertakings. The subsidiary undertakings have accounting dates which are co-terminous to the holding company.

All significant intra-group transactions have been eliminated on consolidation.

(d) Foreign currencies

Assets and liabilities denominated in foreign currencies are expressed in US dollars at exchange rates ruling at the balance sheet date. All exchange differences are reflected in the profit and loss account. The results of overseas subsidiary undertakings are translated at average rates of exchange for the year. The comparative figures have been presented in US dollars, at a rate of 1.78805 for balance sheet items and at 1.6459 for income statement items, being the rates as at close of business on 31 December 2003 and the average for the year then ended respectively.

Other translation differences arising from the application of year-end exchange rates to opening net assets of subsidiary undertakings and to related foreign currency borrowings are taken to reserves. Differences arising on consolidation of the results of overseas subsidiary undertakings from average rates for the year to year-end rates are taken to reserves.

(e) Treasury bills, debt securities and equity shares

Treasury bills, debt securities and equity shares intended to be held on a continuing basis are disclosed as investment securities and are included in the balance sheet at cost less provision for impairment in value.

Where dated investment securities have been purchased at a premium or discount, these premiums and discounts are amortised through the profit and loss account over the period to maturity. If the maturity is at the borrower's option within a specified range of years, the maturity date which gives the more conservative result is adopted. These securities are included in the balance sheet at cost adjusted for the amortisation of premiums and discounts arising on acquisition. The amortisation of premiums and discounts is included in 'Interest receivable'. Any profit or loss on realisation of these securities is recognised in the profit and loss account as it arises and included in 'Profit on sale of investment securities'.

During the prior year, the Group made the decision not to hold securities on a continuing basis except in very limited cases.

Other treasury bills, debt securities, equity shares and short positions in securities are included in the balance sheet at market value after appropriate adjustment for illiquidity. Changes in the market value of such assets and liabilities are recognised in the profit and loss account as dealing profits as they arise. For liquid portfolios, securities are valued by reference to bid or offer prices as appropriate. Where independent prices are not available these securities are stated at directors' valuation, by discounting the expected future cash flows, using an appropriate interest rate adjusted for the credit risk of the counterparty, or using information from independent data providers and applying 'proxy pricing' techniques. In addition, adjustments are made for illiquid positions where appropriate.

(f) Derivatives

Derivatives may be used to hedge interest rate, exchange rate and equity exposures related to non-trading positions. Instruments used for hedging purposes include swaps, credit derivatives, forward rate agreements, futures, options and combinations of these instruments. In addition, the use of derivatives and their sale to customers as risk management products is an integral part of the bank's trading activities. Derivatives entered into for trading purposes include swaps, forward rate agreements, futures, options, equity and credit derivatives and combinations of these instruments.

- *Derivatives used for non-trading purposes*

Derivatives used for hedging purposes and designated as such are measured on an accruals basis consistent with the assets, liabilities, positions or future cash flows being hedged. The gains and losses on these instruments (arising from changes in fair value) are not recognised in the profit and loss account immediately as they arise. When the hedged transaction occurs, the gain or loss is recognised in the profit and loss account at the same time as the hedged item.

Profits and losses on interest rate swaps and foreign exchange contracts entered into for hedging purposes are measured on an accrual accounting basis, included in the related category of income and expense. Amounts paid or received over the life of futures contracts are deferred until the contract is closed and then amortised over the remaining period to maturity of the underlying hedged item.

Premiums paid or received in respect of total return swaps hedging an asset or liability are amortised over the life of the total return swap against either interest payable or interest receivable. Where a credit event occurs which triggers a recovery under the total return swap then the recovery will be offset against the profit and loss charge on the underlying asset or liability.

When the underlying position or cash flow is terminated prior to the hedging transaction, or an anticipated transaction is no longer likely to occur, the hedging transaction is measured on the fair value accounting basis, as described in the section on derivatives used for trading purposes below, prior to being terminated or transferred. If the hedging instrument is terminated early, the profit or loss on termination is amortised over the remaining life of the hedged item. The profit or loss arising from the fair value measurement is included in the category of income or expense relating to the previously hedged transaction.

- *Derivatives used for trading purposes*

Derivatives entered into as trading transactions, together with any associated hedging thereof, are measured at fair value and the resultant profits and losses are included in dealing profits. Assets and liabilities resulting from gains and losses on derivative and foreign exchange contracts are reported gross in other assets or liabilities, reduced by the effects of qualifying netting agreements with counterparties.

The fair value of derivatives is determined by calculating the expected cash flows under the terms of each specific contract, discounted back to present value. The expected cash flows for each contract are determined by reference to actual cash flows implicit in observable market prices. The effect of discounting expected cash flows back to present value is achieved by constructing discount curves derived from the market price of the most appropriate observable interest rate products such as deposits, interest rate futures and swaps. In addition, the bank maintains fair value adjustments reflecting the effect of bid to offer spreads, the cost of credit risk (where this is not embedded in the fair value) and to reflect the cost of exiting illiquid or other significant positions.

(g) Collateral and netting

The Group enters into master netting agreements with counterparties whenever possible and, when appropriate, obtains collateral. Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis.

Where the amounts owed by both the Group and the counterparty are determinable and in freely convertible currencies, and where the Group has the ability to insist on net settlement which is assured beyond doubt, and is based on a legal right under the netting agreement that would survive the insolvency of the counterparty, transactions with positive fair values are netted against transactions with negative fair values. This treatment is in accordance with Basel guidance.

The Group obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of a lien over the customer's assets and gives the Group a claim on these assets for both existing and future liabilities.

The Group also receives collateral in the form of cash or securities in respect of other credit instruments, such as stock lending contracts, and derivative contracts in order to reduce credit risk. Collateral received in the form of securities is not recorded on the balance sheet. Collateral received in the form of cash is recorded on the balance sheet with a corresponding liability. These items are assigned to deposits received from banks or counterparties in the case of cash collateral received and to loans and advances to banks or customers in the case of cash collateral paid away. Any interest payable or receivable arising is recorded as interest expense or interest income respectively.

(h) Depreciation

Fixed assets, other than improvements to leasehold property included in fixtures, fittings and equipment, are depreciated on a straight-line basis over their estimated useful lives at rates ranging from 15% to 50% per annum. Improvements to leasehold property are depreciated on a straight-line basis over the period of the lease or over such lesser period as is considered appropriate.

(i) Operating leases

Rentals payable under operating leases are charged to the profit and loss account on an accruals basis.

(j) Pension costs

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amounts charged against profits represent the contributions payable to the scheme in respect of the accounting period.

(k) Deferred taxation

Deferred tax is recognised in full on timing differences between the accounting and taxation treatment of income and expenditure, subject to assessment of the recoverability of deferred tax assets. Deferred tax balances are not discounted.

(l) Provisions for bad and doubtful debts

Loans and advances to banks and customers, unsettled dealing balances receivable and derivative contracts are stated after deducting both specific and general provisions. Specific provisions are made where the repayment of identified loans is in doubt and reflect an estimate of the amount of loss expected. When there is no realistic prospect of recovery, the outstanding debt is written off. Interest on doubtful debts is credited to a suspense account, which is netted in the balance sheet against relevant balances.

A credit provision against performing loans (general provision) is established to cover loan losses which, although not separately identified, are inherent in the loan portfolio. The provision is based on the structure and risk characteristics of the credit portfolio taking into account the prevailing economic, political and market conditions and data. A credit model is used to estimate the incurred loss from the portfolio and assists in the determination of this provision.

(m) Shares in Group undertakings

Shares in Group undertakings are stated at cost less any provision for impairment in value.

(n) Sale and repurchase agreements

Securities that have been sold with an agreement to repurchase continue to be shown on the balance sheet and the sale proceeds are recorded as secured deposits arising from sale and repurchase agreements. Securities acquired in reverse repurchase transactions are not recognised on the balance sheet and the purchase price is recorded as secured loans arising from purchase and resale agreements. The difference between the sale and repurchase price is accrued evenly over the life of the transaction and charged to the profit and loss account as interest expense or income, or recognised as dealing profits.

(o) Income recognition

Fee income is accounted for in the period in which it is earned. Where the fee is charged to cover the costs of a continuing service to a customer or is interest in nature, the fee is recognised over the life of the underlying transaction.

Interest income is recognised in the profit and loss account as it accrues except in the case of doubtful debts (see (l) above).

(p) Securities transactions

Amounts outstanding under securities transactions are shown on the balance sheet as unsettled dealing balances receivable or payable. Settlement of these transactions is on the basis of delivery versus payment.

For bond transactions that are due to settle on a date beyond the market norm (forward transactions), the Group holds additional cover and has the right to call for variation margin. Where such transactions are terminated leaving an uncovered amount receivable, these amounts are disclosed on the balance sheet within loans and advances to banks or customers.

(q) Segmental reporting

The main activity of the Group is investment banking. In the opinion of the directors, this is the only reportable class of business. The directors also consider that the business is not delimited by geographical boundaries.

(r) Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given and associated costs over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life, not exceeding 20 years.

On the subsequent disposal or termination of a business, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

In the company's accounts, the investment in subsidiary undertakings is stated at cost (less any impairment in value).

	2004 US$'000	2003 US$'000
2 Dealing profits		
Dealing profits comprise:		
Commodities	111,978	95,788
Foreign exchange	42,915	42,145
Debt securities and interest rate	138,807	112,636
Equities	(17,918)	36,218
	275,782	286,787

Dealing profits arise from the use of the following customer facilitation and proprietary trading activities:

Commodities - physical, forward, futures and option contracts in precious metals, base metals and energy.
Foreign exchange - foreign exchange spot, forwards and option contracts.
Debt securities and interest rate - debt securities, interest rate futures, swaps, forward rate agreements and credit derivatives.
Equities - equity and equity derivatives.

Dealing profits include related fee and investment income as well as associated funding costs as a result of trading operations.

	2004 US$'000	2003 US$'000
3 Operating income		
Operating income includes:		
Dividend income from equity shares	3,706	3,496
(Loss)/profit on sale of investment securities	(811)	15,355
Loss on transfer from investment to trading portfolio	–	(8,835)
4 Administrative expenses		
Staff costs:	189,712	175,231
salaries	166,825	154,889
social security costs	14,776	13,891
other pension costs	8,111	6,451
Operating lease rentals:	11,475	9,337
furniture and equipment	127	201
other	11,348	9,136
Remuneration paid to the auditors and their associates:	2,820	2,680
statutory audit services	1,929	1,463
non-audit services	891	1,217
assurance services	155	156
tax advisory services	733	724
other non-audit services	3	337
Other administrative costs	87,148	88,416
	291,155	275,664

Auditors' remuneration in respect of audit services to the company was US$18,000 (2003: US$24,689).

4 Administrative expenses (continued)

The average number of persons employed by the Group, including salaried directors, during the year was 968 (2003: 886) of which 586 (2003: 577) were employed in the United Kingdom.

Certain of the company's subsidiaries operate defined contribution pension and provident schemes. The assets of the schemes are held separately from those of the companies concerned in independently administered funds. Included in other pension costs are contributions paid by Group companies which amounted to US$6,612,843 (2003: US$5,059,762). There were no outstanding contributions due to the fund at year end (2003: US$nil).

	2004 US$'000	2003 US$'000
5 Taxation		
UK corporation tax at 30% (2003: 30%):		
current year	10,262	34,718
prior year	–	9,892
Overseas tax:		
current year	13,845	7,572
prior year	–	–
	24,107	52,182
Deferred tax:		
current year	6,119	(16,311)
prior year	–	(1,101)
	30,226	34,770

The corporation tax liability for the year has been offset by US$565,000 (2003: US$1,245,946) group relief for losses of other Group companies which have been surrendered. The current tax charge for the year is lower (2003: higher) than the standard rate of corporation tax in the UK 30% (2003: 30%). The differences are explained below.

	2004 US$'000	2003 US$'000
Profit on ordinary activities before tax	109,977	118,592
Corporation tax at 30% (2003: 30%)	32,993	35,578
Effects of:		
Non-deductible expenses	5,729	14,186
Change in general bad debt provision	(5,894)	–
Difference between book depreciation and capital allowances	(624)	716
Utilisation of losses	(1,767)	(4,725)
Impact of differently taxed profits in overseas locations	(1,017)	(5,348)
Adjustment to tax charge in respect of prior years	(8,151)	9,892
Amortisation of goodwill	756	696
Other	2,082	1,187
	24,107	52,182
Deferred tax	6,119	(17,412)
capital allowances	624	(716)
general bad debt provision	5,894	(9,936)
other short term timing differences	(399)	(6,760)
	30,226	34,770
Effective tax rate before deferred tax	21.92%	44.00%
Effective tax rate after deferred tax	27.48%	29.32%

6 Dividends paid by a subsidiary undertaking

The directors of a subsidiary undertaking, Standard Bank London Limited, declared and paid a dividend of US$42,000,000 to the holder of its one 'A' ordinary share, Standard Bank Group Limited. Under the terms of this share, the directors of Standard Bank London Limited can elect to declare a dividend exclusively to the holder of the share. The Group, through Standard Bank London Holdings Plc, holds 100% of the ordinary shares issued by Standard Bank London Limited, which shares rank equally with the 'A' ordinary share with regard to voting rights and amounts receivable upon winding up.

	2004 US$'000	2003 US$'000
7 Directors' emoluments		
The total remuneration paid to the directors of the company:		
emoluments	2,213	2,433
pension contributions	74	61
Remuneration of the highest paid director		
emoluments	1,487	1,629
pension contributions	45	36

The number of directors to whom retirement benefits are accruing under a defined contribution pension scheme is 2 (2003: 2).

The value of the long-term incentive scheme awards accrued in respect of qualifying services was:

	2004 US$'000
At 1 January 2004	1,561
Decrease in value of brought forward awards	(711)
At 31 December 2004	850

8 Company profit

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of Standard International Holdings S.A. has not been presented. The company profit of US$4,042,000 (2003: US$5,696,000) has been included in the Group profit and loss account.

	2004 US$'000	2003 US$'000
9 Treasury and other eligible bills		
Treasury bills	28,321	18,075
Other eligible bills	232,647	22,819
	260,968	40,894
Treasury bills and other eligible bills comprise:		
Trading	260,968	40,894
	260,968	40,894

	2004 US$'000	2003 US$'000
10 Loans and advances to banks		
Cash and balances at central banks	12,941	6,389
Repayable on demand	555,518	420,245
Remaining maturity:		
3 months or less	730,588	1,033,661
1 year or less but over 3 months	204,580	144,155
5 years or less but over 1 year	54,810	193,830
over 5 years	8,188	28,189
General and specific credit provisions	–	(337)
	1,566,625	1,826,132
Included above are the following amounts due from group undertakings:		
unsubordinated	37,547	70,805
subordinated	17,382	16,092
11 Secured loans arising from purchase and resale agreements		
Repayable on demand	–	43,938
Remaining maturity:		
3 months or less	2,722,705	1,391,205
1 year or less but over 3 months	308,131	38,520
5 years or less but over 1 year	84,721	84,721
	3,115,557	1,558,384
Included above are amounts due from group undertakings	94,212	111,118
12 Loans and advances to customers		
Remaining maturity:		
on demand or short notice	1,092,589	873,625
3 months or less but not on demand	252,414	625,592
1 year or less but over 3 months	490,155	66,108
5 years or less but over 1 year	752,793	505,362
over 5 years	152,940	241,008
General and specific credit provisions	(87,497)	(82,846)
	2,653,394	2,228,849
Included above are the following amounts due from group undertakings:		
unsubordinated	550	3,233
subordinated	772	715

13 General and specific credit provisions

	2004 Specific US$'000	2004 General US$'000	2004 Total US$'000	2003 Specific US$'000	2003 General US$'000	2003 Total US$'000
Balance sheet movements:						
At 1 January	72,437	40,591	113,028	41,211	32,350	73,561
Exchange movements	637	8	645	4,106	3,245	7,351
Charge against/(release to) profits	40,983	(22,728)	18,255	30,233	4,976	35,209
Amounts written off	(37,740)	–	(37,740)	(3,113)	–	(3,113)
Other movements	9,136	(24)	9,112	–	20	20
At 31 December	85,453	17,847	103,300	72,437	40,591	113,028
Allocated against:						
Loans and advances to:						
Banks	–	–	–	337	–	337
Customers	69,650	17,847	87,497	42,255	40,591	82,846
Debt securities	8,104	–	8,104	–	–	–
Derivative contracts	4,000	–	4,000	19,845	–	19,845
Unsettled dealing balances	3,699	–	3,699	10,000	–	10,000
	85,453	17,847	103,300	72,437	40,591	113,028

Gross non-performing assets included above and provisions thereon:

	2004 Assets US$'000	2004 Provisions US$'000	2003 Assets US$'000	2003 Provisions US$'000
Loans and advances to:				
Banks	–	–	2,432	337
Customers	89,458	69,650	69,988	42,255
Unsettled dealing balances	6,674	3,699	35,848	10,000
Debt Securities	15,059	8,104	–	–
	111,191	81,453	108,268	52,592

General credit provisions against performing loans

A credit provision against the performing loans has been established to cover loan losses which, although not separately identified, are inherent in the loan portfolio at the balance sheet date. In order to quantify these inherent but unidentified credit losses, the bank uses an in-house developed credit model which is based on current and evolving market practices. During the year the parameters and market data used in this credit model to estimate the losses inherent in the portfolio were re-assessed resulting in a reduction in the provision requirement. The re-assessment is consistent with market practices and accords with current expectations of loss severities and estimates of the period over which losses in the portfolio emerge.

	2004 US$'000	2003 US$'000
14 Debt securities		
a) Analysed by issuer		
Investment securities:		
Government - non UK	28,288	22,574
Other issuers	2,015	236,419
Other securities:		
Government - non UK	824,226	850,568
Other issuers		
Bank certificates of deposits	909,864	170,053
Other	1,930,183	1,774,198
	3,694,576	3,053,812
b) Analysed by listing status		
Listed on a recognised UK exchange	351,480	403,969
Listed elsewhere	1,871,836	1,730,545
Unlisted	1,471,260	919,298
	3,694,576	3,053,812
c) Analysed by maturity		
Due within one year	1,965,606	909,409
Due one year and over	1,728,970	2,144,403
	3,694,576	3,053,812

At 31 December 2004, the market value of listed debt securities held for investment purposes was US$30,303,000 (2003: US$79,397,000); balance sheet value US$30,303,000 (2003: US$79,310,746). The directors' valuation of unlisted debt securities held for investment purposes was nil (2003: US$178,740,630); balance sheet value nil (2003: US$179,681,145).

d) Movement in investment securities

	Cost US$'000	Amortised discounts and premiums US$'000	Provisions US$'000	Book value US$'000
At 1 January 2004	267,768	359	(9,135)	258,992
Acquisitions	5,749	–	–	5,749
Disposals and maturities	(139,023)	–	–	(139,023)
Transfers to the trading book	(104,191)	(359)	9,135	(95,415)
At 31 December 2004	30,303	–	–	30,303

	2004 US$'000	2003 US$'000
15 Equity shares		
a) Analysed by issuer		
Investment securities:		
Listed other than on a recognised UK exchange	–	147
Unlisted	1,010	7,077
Other securities:		
Listed on a recognised UK exchange	1,681	136
Listed elsewhere	36,709	90,702
Unlisted	27,455	7,892
	66,855	105,954

At 31 December 2004, the market value of listed equity shares held for investment purposes was nil (2003: US$146,618), balance sheet value nil (2003: US$146,618). The directors' valuation of unlisted equity shares held for investment purposes was US$1,010,000 (2003: US$7,077,102), balance sheet value US$1,010,000 (2003: US$7,077,102).

	Book value US$'000
b) Movement in investment shares	
At 1 January 2004	7,224
Acquisitions	1,010
Transfers to the trading book	(7,224)
At 31 December 2004	1,010

	2004 US$'000	2003 US$'000
16 Unsettled dealing balances		
a) Receivable		
Normal market transactions	168,714	350,433
Forward sale transactions		
3 months or less but not on demand or short notice	1,089,069	1,518,008
1 year or less but over 3 months	410,845	670,331
5 years or less but over 1 year	27,682	26,731
over 5 years	–	24,737
Specific credit provision	(3,699)	(10,000)
	1,692,611	2,580,240
Included above are amounts due from group undertakings	–	20,273
b) Payable		
Normal market transactions	113,399	245,077
Forward purchase transactions		
3 months or less but not on demand or short notice	174,547	–
1 year or less but over 3 months	6,730	–
	294,676	245,077
Included above are amounts due to group undertakings	6,194	2,818
17 Investments		
Company		
Shares in group undertakings - at cost	65,276	65,276

17 Investments (continued)

The principal subsidiary undertakings are as follows:

Company	Activity	Country of incorporation	Interest in ordinary shares %
Banco Standard de Investimentos S.A.	Banking	Brazil	100
SBIC Investments S.A.	Holding company	Luxembourg	99.8*
Standard Americas, Inc.	Trading company	United States of America	100
Standard Aval s.r.o.	Trade & other finance	Czech Republic	100
Standard Bank Asia Limited	Banking	Hong Kong	100
Standard Bank London Holdings Plc	Holding company	England	100
Standard Bank London Limited	Banking	England	100†
Standard Commodities (Asia) Limited	Introducing broker	Hong Kong	100
Standard London (Asia) Limited	Trading company	Hong Kong	100
Standard London (Asia) Sendirian Berhad	Introducing broker	Malaysia	100
Standard Merchant Bank (Asia) Limited	Banking	Singapore	100
Standard New York Securities, Inc.	Broker/ dealer	United States of America	100
Standard New York, Inc.	Holding company	United States of America	100
Standard Resources (China) Limited	Trading company	The People's Republic of China	100
Standard Resources Limited	Dormant	England	100
Standard Yatirim Menkul Kiymeter A.S.	Broker/ dealer	Turkey	100
ZAO Standard Bank	Banking	Russia	100

All the above are unlisted subsidiary undertakings and are included in the consolidated accounts.

* Denotes equity held directly by Standard International Holdings S.A.

† One 'A' ordinary share in Standard Bank London Limited is held directly by Standard Bank Group Limited.

All subsidiary undertakings are accounted for using acquisition accounting.

Standard Resources (China) Limited was incorporated during the year.

	2004 US$'000	2003 US$'000
Company		
Dated subordinated loan capital in group undertakings		
Repayable in more than five years:		
Subordinated Unsecured Floating Rate USD Loan Stock 2050	**325,202**	325,202
Step-Up Subordinated Unsecured Floating Rate USD Loan Stock 2010	**100,000**	100,000
	425,202	425,202

Interest on the Subordinated Unsecured Floating Rate USD Loan Stock 2050 is payable on 31 March and 30 September of each year at the London interbank offered rate for six month deposits in US dollars plus 225 basis points. The principal is payable at par at maturity on 30 September 2050 but may be repaid at par prior to maturity upon five years and two days' notice from either the holder or the issuer and subject to the consent of the Financial Services Authority. As at the date of signature of these accounts, no such notice had been given or received.

Interest on the Step-Up Subordinated Unsecured Floating Rate Loan Stock 2010 is payable every three months at the London interbank offered rate for three month deposits in US dollars plus 300 basis points until 25 November 2005 when this increases to 350 basis points. The principal is repayable at par at maturity on 24 November 2010 but may be repaid at par on 25 November 2005 at the option of the borrower and subject to the consent of the Financial Services Authority.

18 Intangible fixed assets

	Cost US$'000	Amortisation US$'000	Net book value US$'000
Goodwill			
At 1 January 2004	12,597	(6,196)	6,401
Charge for the year	–	(2,518)	(2,518)
Exchange and other movements	797	–	797
At 31 December 2004	13,394	(8,714)	4,680

19 Tangible fixed assets

	Motor vehicles US$'000	Computers, equipment & software US$'000	Fixtures, fittings & equipment US$'000	Total US$'000
Cost				
At 1 January 2004	1,085	25,747	18,974	45,806
Exchange adjustments	22	28	44	94
Additions	186	3,279	620	4,085
Disposals	(75)	(842)	(387)	(1,304)
At 31 December 2004	**1,218**	**28,212**	**19,251**	**48,681**
Depreciation				
At 1 January 2004	632	20,517	11,701	32,850
Exchange adjustments	15	22	34	71
Charge for the year	166	2,783	2,149	5,098
Disposals	(73)	(41)	(330)	(444)
At 31 December 2004	**740**	**23,281**	**13,554**	**37,575**
Net book value at 31 December 2004	**478**	**4,931**	**5,697**	**11,106**
At 31 December 2003	453	5,230	7,273	12,956

	2004 US$'000	2003 US$'000
20 Other assets		
Derivative contracts	1,172,428	1,198,661
Gold bullion	159,146	306,559
Metal stocks	259,023	191,077
Taxation (receivable within one year)	5,325	-
Deferred taxation	18,970	25,435
Other	76,828	43,481
	1,691,720	1,765,213
Included above are amounts due from group undertakings	28,190	499,479

The major components of the deferred taxation asset are as follows:

	Amount provided		Full potential assets	
	2004 US$'000	2003 US$'000	2004 US$'000	2003 US$'000
Timing differences on:				
capital allowances	1,788	2,412	1,788	2,412
general bad debt provision	5,393	11,286	5,393	11,286
other short term timing differences	10,984	10,571	10,984	10,571
Unutilised tax losses	805	1,166	805	1,166
	18,970	25,435	18,970	25,435

The movements in the deferred taxation balance were as follows:

	2004 US$'000
Deferred taxation asset at 1 January 2004	25,435
Amount charged to profit and loss account	(6,119)
Other movements	(346)
Deferred taxation asset at 31 December 2004	18,970

	2004 US$'000	2003 US$'000
21 Deposits by banks		
Repayable on demand	**2,106,141**	1,367,865
With agreed maturity dates or periods of notice, by remaining maturity:		
3 months or less but not repayable on demand	**3,255,563**	2,676,301
1 year or less but over 3 months	**478,163**	277,570
5 years or less but over 1 year	**601,785**	1,025,472
over 5 years	**–**	197,199
	6,441,652	5,544,407
Included above are amounts owing to group undertakings	**4,679,044**	3,533,478
22 Secured deposits arising from sale and repurchase agreements		
Repayable in:		
3 months or less	**471,424**	959,398
1 year or less but over 3 months	**189,945**	310,475
	661,369	1,269,873

The market value of assets transferred under sale and repurchase transactions was US$740,520,868 (2003: US$1,314,043,000)

	2004 US$'000	2003 US$'000
23 Customer accounts		
Repayable on demand	**1,223,645**	980,901
With agreed maturity dates or periods of notice, by remaining maturity:		
3 months or less but not repayable on demand	**1,316,477**	1,317,020
1 year or less but over 3 months	**170,950**	127,272
5 years or less but over 1 year	**384,036**	143,160
over 5 years	**4,442**	–
	3,099,550	2,568,353
Included above are amounts owing to group undertakings	**377,609**	155,131

	2004 US$'000	2003 US$'000
24 Short positions		
Treasury bills:		
treasury bills and similar securities	425,538	429,352
Debt securities:		
government securities	498,915	393,156
other	722,159	266,605
Other dealing positions:		
equities	7,862	213,658
	1,654,474	1,302,771

	2004 US$'000	2003 US$'000
25 Other liabilities		
Derivative contracts	1,336,983	1,099,642
Taxation (due within one year)	34,660	47,870
Other	178,691	113,922
	1,550,334	1,261,434
Included above are amounts due to group undertakings	267,086	435,308

	2004 US$'000	2003 US$'000
26 Subordinated loan capital		
Company and Group		
Perpetual Subordinated Unsecured Floating Rate USD Loan Stock	108,392	141,392
Subordinated Unsecured Floating Rate USD Loan Stock 2050	53,022	53,022
Step-Up Subordinated Unsecured Floating Rate USD Notes 2010	100,000	100,000
Step-Up Subordinated Unsecured Floating Rate USD Notes 2014	100,000	–
Subordinated Unsecured Floating Rate USD Notes 2005	50,000	50,000
	411,414	344,414

26 Subordinated loan capital (continued)

Interest on the Perpetual Subordinated Unsecured Floating Rate USD Loan Stock is payable on 31 March and 30 September of each year at the London interbank offered rate for six month deposits in US dollars plus 225 basis points. On 29 December 2004 the company repaid US$33,000,000 of the Perpetual Subordinated Unsecured Floating Rate USD Loan Stock.

Interest on the Subordinated Unsecured Floating Rate USD Loan Stock 2050 is payable on 31 March and 30 September of each year at the London interbank offered rate for six month deposits in US dollars plus 225 basis points. The principal is repayable at par at maturity on 30 September 2050 but may be repaid at par prior to maturity upon five years and two days' notice from either the holder or the issuer and subject to the consent of the Financial Services Authority. As at the date of signature of these accounts, no such notice had been given or received.

The holder of both the Perpetual Subordinated Unsecured Floating Rate USD Loan Stock and the Subordinated Unsecured Floating Rate USD Loan Stock 2050 has waived its right to interest receivable.

Interest on the Step-Up Subordinated Unsecured Floating Rate USD Notes 2010 is payable every three months at the London interbank offered rate for three month deposits in US dollars plus 300 basis points until 25 November 2005 when this increases to 350 basis points. Principal is repayable at par at maturity on 24 November 2010 but may be repaid at par on 25 November 2005 at the option of the borrower and subject to the consent of the Financial Services Authority.

On 14 July 2004 the Company issued US$100,000,000 of Step-Up Subordinated Unsecured Floating Rate USD Notes 2014. Interest on the Step-Up Subordinated Unsecured Floating Rate USD Notes 2014 is payable every three months at the London interbank offered rate for three month deposits in US dollars plus 250 basis points until 15 July 2009 when this increases to 300 basis points. Principal is repayable at par at maturity on 14 July 2014 but may be repaid at par on 15 July 2009 at the option of the borrower and subject to the consent of the Financial Services Authority.

Interest on the Subordinated Unsecured Floating Rate Notes 2005 is payable every three months at the London interbank offered rate for three month deposits in US dollars plus 275 basis points. The principal is repayable at par at maturity on 21 February 2005.

Claims in respect of the loan capital are subordinated to the claims of other creditors.

		2004 US$'000	2003 US$'000
27 Called up share capital			
Company			
Authorised			
14,000,000	ordinary Class A shares	244,578	244,578
1,000,000	ordinary Class B shares	17,470	17,470
Issued and fully paid			
1,172,223	ordinary Class A shares	20,718	20,718
50,003	ordinary Class B shares	884	884
		21,602	21,602

The rights of the ordinary Class A and B shares are identical with regard to voting rights and amounts receivable upon winding up. Ordinary Class B shares carry a preferential right to dividends, the extent of which may be determined by the company at a general meeting.

28 Reserves

	2004		2003	
	Group US$'000	Company US$'000	Group US$'000	Company US$'000
Share premium account				
Balance as at 1 January	129,122	129,122	117,766	117,766
Exchange and other movements	–	–	11,356	11,356
Balance as at 31 December	129,122	129,122	129,122	129,122
Other reserves				
Statutory reserve				
Balance as at 1 January	2,160	2,160	1,970	1,970
Exchange and other movements	–	–	190	190
Balance as at 31 December	2,160	2,160	2,160	2,160
Other non-distributable reserves				
Balance as at 1 January	143,044	–	–	–
Transfer from profit and loss account	–	–	143,044	–
Balance as at 31 December	143,044	–	143,044	–
Total other reserves	145,204	2,160	145,204	2,160
Profit and loss account				
Balance as at 1 January	262,351	195,167	292,923	179,015
Exchange and other movements	5,092	–	28,811	10,456
Retained profit for the year	37,615	4,042	83,661	5,696
Transfer to other reserves	–	–	(143,044)	–
Balance as at 31 December	305,058	199,209	262,351	195,167

Other non-distributable reserves relates to the capitalisation of reserves in Standard Bank London Limited, a subsidiary company, created during the prior year on the issue of one 'A' ordinary share to the Group's ultimate parent company, Standard Bank Group Limited.

29 Memorandum items

	2004		2003	
	Contract amount US$'000	Risk weighted amount US$'000	Contract amount US$'000	Risk weighted amount US$'000
(a) Contingent liabilities				
Guarantees and assets pledged as collateral security	204,661	98,732	97,595	38,981

Assets of US$4,515,262 (2003: US$12,856,080) have been lodged as security against the above contingent liabilities.

From time to time the Group is involved in litigation, receives claims from tax authorities or claims arising from the conduct of its business. Based upon available information and, where appropriate, legal advice, the directors do not believe that there are any potential or actual proceedings, or other claims, which will have a material adverse impact on the Group's financial position.

	2004		2003	
	Contract amount US$'000	Risk weighted amount US$'000	Contract amount US$'000	Risk weighted amount US$'000
(b) Commitments				
Documentary credits and short-term trade related transactions	406,336	333,647	435,575	331,973
Undrawn formal standby facilities, credit lines and other commitments to lend:				
less than 1 year	40,228	15,080	187,652	92,183
1 year and over	25,106	25,106	44,463	34,656
	471,670	373,833	667,690	458,812
Amounts with group undertakings:				
contingent liabilities	54,181	–	11,518	–
commitments	52,426	–	73,178	–

Assets of US$19,961,285 (2003: US$28,392,446) have been lodged as security against the above commitments.

30 Off-balance sheet financial instruments

The Group enters into various off-balance sheet financial instruments as principal either as a trading activity, for customer facilitation, or for risk management.

From the current year, the Group took the decision to book all derivative contracts at fair value except for a limited number which are specifically designated as hedges for accounting purposes.

The following tables give the notional principal amounts, the gross positive and negative fair values, residual maturity and risk weighted amounts of off-balance sheet financial instruments. The notional principal amounts shown are not necessarily exchanged, but serve as a point of reference for determining future payments. The gross positive fair value represents the theoretical claims, before the application of netting agreements, that the Group would have if every counterparty to which it was exposed defaulted at once and the Group were to replace the contracts. These amounts do not represent actual or expected costs.

Exchange rate contracts comprise mainly forward foreign exchange contracts including gold, and currency options. Interest rate contracts are primarily interest rate swaps and financial futures. Commodity contracts represent base metal forward and option contracts.

Equity contracts comprise mainly equity option and futures contracts.

Credit derivatives comprise total return swaps and credit default swaps.

	2004 Non-trading	2004 Customer facilitation and proprietary trading			2003 Non-trading	2003 Customer facilitation and proprietary trading		
	Notional principal US$'000	Notional principal US$'000	Gross positive fair value US$'000	Gross negative fair value US$'000	Notional principal US$'000	Notional principal US$'000	Gross positive fair value US$'000	Gross negative fair value US$'000
Exchange rate contracts	174,471	34,959,827	1,382,599	1,551,488	925,506	33,221,757	1,451,593	1,361,947
Interest rate contracts	–	35,802,415	208,750	248,091	2,243,504	34,989,192	211,093	231,891
Commodity contracts	–	58,123,810	3,006,395	3,005,059	19,280	50,519,103	2,442,256	2,461,778
Equity contracts	–	31,151	8,861	9,354	481	226,369	25,034	3,633
Credit derivatives	–	2,732,172	70,237	27,405	104,418	1,670,827	51,552	22,912
Total	174,471	131,649,375	4,676,842	4,841,397	3,293,189	120,627,248	4,181,528	4,082,161

30 Off-balance sheet financial instruments (continued)

The residual maturity and the location of counterparty exposures arising from over the counter and non-margined exchange traded contracts are set out below. The risk weighted amounts have been calculated in accordance with the Financial Services Authority's requirements. The net positive fair value represents the claims, after taking netting agreements into account, that the Group would have if every counterparty to which it was exposed defaulted at once and the Group were to replace the contracts.

Residual maturity:	2004				2003			
	One year or less US$'000	Between one and five years US$'000	Five years or more US$'000	Total US$'000	One year or less US$'000	Between one and five years US$'000	Five years or more US$'000	Total US$'000
Net positive fair value:								
Financial institutions	175,551	67,866	10,641	254,058	336,935	169,162	28,126	534,223
Other	544,244	241,377	63,438	849,059	479,734	299,646	70,594	849,974
Total	719,795	309,243	74,079	1,103,117	816,669	468,808	98,720	1,384,197
Notional principal:								
Financial institutions	12,263,501	1,500,803	60,617	13,824,921	18,574,056	7,130,024	536,975	26,241,055
Other	18,965,867	7,299,608	636,273	26,901,748	19,652,978	7,918,920	349,919	27,921,817
Total	31,229,368	8,800,411	696,890	40,726,669	38,227,034	15,048,944	886,894	54,162,872

Counterparty location:	2004			2003		
	Notional principal US$'000	Risk weighted amount US$'000	Net positive fair value US$'000	Notional principal US$'000	Risk weighted amount US$'000	Net positive fair value US$'000
OECD financial institutions	9,406,044	524,196	202,397	16,048,342	677,496	192,506
Other OECD counterparties	7,494,206	390,830	349,071	10,752,952	558,136	372,714
Total	16,900,250	915,026	551,468	26,801,294	1,235,632	565,220
Non-OECD counterparties	23,826,419	3,901,839	551,649	27,361,578	1,781,494	818,977
Total	40,726,669	4,816,865	1,103,117	54,162,872	3,017,126	1,384,197

31 Non-trading book interest rate risk

The Group carries interest rate exposure in the non-trading book. Instruments are allocated to time bands by reference to the earlier of their next contractual interest rate repricing date and their maturity date. At 31 December 2004, non-trading book interest rate risk, comprises:

	Not more than three months	More than three months but not more than six months	More than six months but not more than one year	More than one year but not more than five years	More than five years	Non-interest bearing	Trading	Total
	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Assets:								
Treasury bills and other eligible bills	–	–	–	–	–	–	261	261
Loans & advances to banks	1,224	41	163	55	8	13	63	1,567
Secured loans arising from purchase and resale agreements	1,972	–	–	–	–	–	1,144	3,116
Loans and advances to customers	373	219	239	750	146	1	925	2,653
Debt securities	1	33	11	–	–	–	3,650	3,695
Equity shares	–	–	–	2	–	–	65	67
Unsettled dealing balances receivable	–	–	–	–	–	8	1,685	1,693
Other assets	3	–	–	–	–	219	1,585	1,807
Total assets	3,573	293	413	807	154	241	9,378	14,859
Liabilities and capital resources:								
Deposits by banks	959	340	55	601	–	2	4,485	6,442
Secured deposits arising from sale and repurchase agreements	10	–	–	–	–	–	651	661
Customer accounts	1,640	66	44	131	7	255	957	3,100
Short positions	–	–	–	–	–	–	1,654	1,654
Unsettled dealing balances payable	–	–	–	–	–	–	295	295
Other liabilities	–	–	–	–	–	359	1,336	1,695
Subordinated loan capital	50	–	–	–	361	–	–	411
Minority and shareholders' funds	–	–	–	–	–	601	–	601
Total	2,659	406	99	732	368	1,217	9,378	14,859
Off-balance sheet items	–	–	–	–	–	–	–	–
Interest rate sensitivity gap	914	(113)	314	75	(214)	(976)	–	–
Cumulative gap	914	801	1,115	1,190	976	–	–	–

Included above are sundry debtors and creditors.

31 Non-trading book interest rate risk (continued)

31 December 2003	Not more than three months US$m	More than three months but not more than six months US$m	More than six months but not more than one year US$m	More than one year but not more than five years US$m	More than five years US$m	Non-interest bearing US$m	Trading US$m	Total US$m
Assets:								
Treasury bills and other eligible bills	–	–	–	–	–	–	41	41
Loans & advances to banks	1,121	114	28	61	–	12	490	1,826
Secured loans arising from purchase and resale agreements	921	–	20	–	–	–	617	1,558
Loans and advances to customers	876	10	14	129	102	190	908	2,229
Debt securities	4	18	50	186	2	–	2,794	3,054
Equity shares	–	–	–	–	–	7	99	106
Unsettled dealing balances receivable	18	–	77	–	–	157	2,328	2,580
Other assets	–	–	–	–	66	82	1,729	1,877
Total assets	2,940	142	189	376	170	448	9,006	13,271
Liabilities and capital resources:								
Deposits by banks	689	643	153	142	–	7	3,910	5,544
Secured deposits arising from sale and repurchase agreements	–	–	–	–	–	–	1,270	1,270
Customer accounts	916	25	4	132	–	227	1,264	2,568
Short positions	–	–	–	–	–	–	1,303	1,303
Unsettled dealing balances payable	11	4	–	–	–	125	105	245
Other liabilities	–	–	–	–	–	285	1,154	1,439
Subordinated loan capital	142	–	–	50	152	–	–	344
Minority and shareholders' funds	–	–	–	–	–	558	–	558
Total	1,758	672	157	324	152	1,202	9,006	13,271
Off-balance sheet items	(507)	258	138	133	(22)	–	–	–
Interest rate sensitivity gap	675	(272)	170	185	(4)	(754)	–	–
Cumulative gap	675	403	573	758	754	–	–	–

These figures do not demonstrate the exposure of the Group to particular interest rates as the assets and liabilities included above have been consolidated across all currencies. The Group's trading book interest rate risk is included in the consolidated market risk figures set out in note 35. All other categories of market risk to which the Group is exposed, including commodity, equity and foreign exchange risk, is included in the trading book. The Group's approach to risk management is described in the Risk management and profile on pages 10 and 11.

32 Currency risk

The Group's net investments in overseas operations at 31 December 2004 were as follows:

Functional currency of the operation involved	Net investments in overseas operations and structural currency risk 2004 US$'000	2003 US$'000
Brazilian Real*	28,426	26,958
Chinese Renminbi	206	–
Czech Koruna	3,582	2,128
HK Dollar	259	218
Malaysian Ringgit	125	104
Russian Rouble	26,000	21,548
Singapore Dollar	11,643	8,965
Turkish Lira	5,083	3,880
US Dollar	–	193,651
	75,324	257,452

* The capital has been invested in US dollar-linked assets in order to preserve the value of the capital.

33 Hedges on non-trading activities

The Group principally hedges interest rate risk using interest rate swaps. Gains and losses on instruments used for hedging are accounted for in the same way as the underlying instruments. The estimated current value of the contracts entered into to hedge future cash flows is set out below based on quoted market prices where available:

	2004			2003		
	Gains US$'000	Losses US$'000	Total net gains/losses US$'000	Gains US$'000	Losses US$'000	Total net gains/losses US$'000
Unrecognised gains and losses on hedges at 1 January	16,098	(15,926)	172	25,313	(77,524)	(52,211)
Gains and losses arising in previous years recognised in current year	(16,098)	15,926	(172)	(15,843)	66,734	50,891
Gains and losses arising in previous years not recognised in current year	–	–	–	9,470	(10,790)	(1,320)
Gains and losses arising in current year not recognised	10,422	–	10,422	6,628	(5,136)	1,492
Unrecognised gains and losses on hedges at 31 December	10,422	–	10,422	16,098	(15,926)	172
Of which:						
Gains and losses expected to be recognised within one year	10,422	–	10,422	9,328	(8,597)	731
Gains and losses expected to be recognised in the second year or later	–	–	–	6,770	(7,329)	(559)

34 Fair values

The fair value of the financial assets and liabilities of the Group at 31 December 2004 comprises:

	2004		2003	
	Book value US$'000	Fair value US$'000	Book value US$'000	Fair value US$'000
Trading book financial assets and liabilities:				
Assets:				
Treasury bills	28,321	28,321	18,075	18,075
Discounted bills	232,647	232,647	175,965	175,965
Debt securities	2,754,409	2,754,409	2,624,766	2,624,766
Equity shares	65,845	65,845	98,731	98,731
Certificates of deposits	909,864	909,864	170,053	170,053
Gold bullion	159,146	159,146	306,559	306,559
Metal positions	259,023	259,023	191,077	191,077
Derivative financial instruments:				
Interest rate contracts	72,574	72,574	91,150	91,150
Foreign exchange contracts	511,895	511,895	614,069	614,069
Commodity contracts	528,251	528,251	421,216	421,216
Equity contracts	8,910	8,910	24,666	24,666
Credit derivative contracts	50,798	50,798	44,792	44,792
Liabilities:				
Short positions	(1,654,474)	(1,654,474)	(1,302,771)	(1,302,771)
Derivative financial instruments:				
Interest rate contracts	(110,645)	(110,645)	(112,143)	(112,143)
Foreign exchange contracts	(682,105)	(682,105)	(524,610)	(524,610)
Commodity contracts	(526,915)	(526,915)	(440,738)	(440,738)
Equity contracts	(9,353)	(9,353)	(3,263)	(3,263)
Credit derivative contracts	(7,965)	(7,965)	(18,888)	(18,888)
Non-trading book financial assets and liabilities for which an active and liquid market exists:				
Assets:				
Treasury bills	–	–	–	–
Discounted bills	–	–	187,347	184,480
Debt securities	30,303	30,303	258,993	258,138
Equity shares	1,010	1,010	7,223	7,223
Certificates of deposits	–	–	–	–
Derivative financial instruments:				
Interest rate contracts	–	–	17,746	16,967
Foreign exchange contracts	–	–	4,980	19,214
Equity contracts	–	–	–	1,421
Commodity contracts	–	–	16	16
Liabilities:				
Certificates of deposits	(247,677)	(247,677)	(271,164)	(271,165)
Derivative financial instruments:				
Interest rate contracts	–	–	(14,784)	(12,463)
Foreign exchange contracts	–	–	(2,485)	(2,012)
Credit derivative contracts	–	–	(163)	(4,813)
Equity contracts	–	–	–	(1,421)

35 Market risk

The Group's consolidated market risk from trading activities comprises:

	2004 US$'000	2003 US$'000
Value at Risk:		
At 31 December	5,480	4,837
Highest	6,561	6,379
Lowest	3,063	3,219
Average	4,570	4,001

The market risk figures above are derived from monthly figures covering the year to 31 December 2004.

Group management sets market risk appetite in terms of a 95% confidence value at risk measure based on three years historical data and a one day holding period. The value at risk numbers reported here are in accordance with that methodology. The Group also calculates value at risk and other related statistical information for other confidence levels and holding periods for comparison and management control.

The nature of the Group's market risks, particularly in emerging fixed income capital markets, requires us to complement value at risk calculations with stress-testing, cash and stop-loss limits. This is because the markets in which we operate are at times illiquid, rendering statistical measures of risk of limited value in preventing loss, although they do give a fair indication of the market risk we run when markets are behaving normally.

The Group's approach to market risk management is described in the Risk management and profile on pages 10 and 11.

	2004 US$'000	2003 US$'000
36 Operating lease commitments		
Annual commitments under non-cancellable operating leases were as follows:		
Leasehold property		
Operating leases which expire:		
within one year	2,349	1,945
in the second to fifth years inclusive	4,119	7,881
in five years or more	9,000	14,424

37 Assets and liabilities denominated in foreign currency

	2004 US$'000	2003 US$'000
Assets:		
denominated in functional currency	9,645,984	1,417,088
denominated in other currencies	5,213,452	11,854,248
Total assets	14,859,436	13,271,336
Liabilities & reserves:		
denominated in functional currency	10,340,984	1,217,462
denominated in other currencies	4,518,452	12,053,874
Total liabilities and reserves	14,859,436	13,271,336

The Group changed its functional currency from sterling to US dollars with effect from 1 January 2004.

38 Ultimate holding company

The parent undertaking is Standard Bank Group Limited, a company incorporated in the Republic of South Africa. Consolidated accounts are prepared for Standard Bank Group Limited. These accounts are available for inspection at:

9th Floor
Standard Bank Centre
5 Simmonds Street
Johannesburg 2001
Republic of South Africa

Standard Bank London Limited

(extracts from the audited accounts)
for the year ended 31 December

2004

Profit and loss account | Standard Bank London Limited

for the year ended 31 December 2004

	2004 US$'000	Restated 2003 US$'000
Interest income	275,467	245,982
Interest income and similar income arising from debt securities	–	37,130
Other interest income and similar income	275,467	208,852
Interest expense	(221,324)	(177,020)
Interest expense on group subordinated debt	(8,633)	(7,629)
Other interest expense	(212,691)	(169,391)
Net interest income	54,143	68,962
Fees and commissions income	69,791	29,683
Fees and commissions expense	(60,252)	(29,973)
Dealing profits	238,937	255,251
Other operating income	–	–
Operating Income	302,619	323,923
Administrative expenses	(213,541)	(203,205)
Depreciation	(3,330)	(4,409)
Provisions for bad and doubtful debts	(21,515)	(32,768)
Amounts recovered from fixed asset investments	–	4,649
Operating profit on ordinary activities before taxation	64,233	88,190
Tax on profit on ordinary activities	(27,917)	(37,449)
Profit on ordinary activities after taxation	36,316	50,741
Dividends	(42,000)	(131,672)
Retained loss for the financial year	(5,684)	(80,931)

Balance sheet | Standard Bank London Limited

as at 31 December 2004

	2004 US$'000	2003 US$'000
Assets		
Treasury bills and other eligible bills	260,968	40,894
Loans and advances to banks	804,502	1,166,644
Secured loans arising from purchase and resale agreements	3,115,557	1,555,732
Loans and advances to customers	2,285,728	2,163,564
Debt securities	2,765,607	2,061,370
Equity shares	44,464	102,645
Unsettled dealing balances receivable	1,787,389	2,579,362
Shares in group undertakings	733	18,501
Tangible fixed assets	5,405	6,333
Other assets	1,659,038	1,737,784
Prepayments and accrued income	94,683	83,110
Total assets	12,824,074	11,515,939
Liabilities		
Deposits by banks	6,176,839	5,296,163
Secured deposits arising from sale and repurchase agreements	677,720	1,289,343
Customer accounts	2,078,083	1,665,774
Short positions	1,228,781	915,208
Unsettled dealing balances payable	294,673	235,722
Other liabilities	1,517,303	1,233,888
Accruals and deferred income	132,339	155,821
	12,105,738	10,791,919
Capital resources		
Subordinated loan capital	197,207	197,207
Equity shareholders' funds	521,129	526,813
Called up share capital	424,176	424,176
Profit and loss account	96,953	102,637
Total capital resources	718,336	724,020
Total liabilities including shareholders' funds	12,824,074	11,515,939
Memorandum items		
Contingent liabilities	168,322	95,870
Commitments	173,170	405,655
	341,492	501,525

Standard Bank Asia Limited

(extracts from the audited accounts)
for the year ended 31 December

2004

Profit and loss account | Standard Bank Asia Limited

for the year ended 31 December 2004

	2004 US$'000	2003 US$'000
Interest income	40,232	25,842
Interest expense	(24,189)	(14,407)
Net interest income	16,043	11,435
Fee and commission income	31,468	21,933
Fee and commission expense	(2,710)	(1,808)
Other operating income	22,459	30,024
Operating income	67,260	61,584
Operating expenses	(33,073)	(31,682)
Operating profit before provisions	34,187	29,902
Write-back of/(charge for) bad and doubtful debts	110	(1,114)
Operating profit	34,297	28,788
Gain on disposal of tangible fixed assets	–	43
Write-back of provisions/(provisions made) against held-to-maturity securities	3,220	(836)
Profit before taxation	37,517	27,995
Income tax	(6,228)	(3,631)
Profit attributable to shareholders	31,289	24,364
Dividend attributable to the year:		
Interim dividend declared and paid during the year	30,000	–

Balance sheet | Standard Bank Asia Limited

as at 31 December 2004

	2004 US$'000	2003 US$'000
Assets		
Cash and short-term funds	741,338	610,969
Placements with banks and other financial institutions	232,979	19,873
Trade bills	61,229	56,434
Certificates of deposit held	14,791	27,664
Other investments in securities	503,738	346,862
Advances and other accounts	411,154	357,485
Held-to-maturity securities	–	165,838
Deferred tax assets	817	1,576
Fixed assets	1,250	1,911
Total assets	1,967,296	1,588,612
Liabilities		
Deposits and balances of banks and other financial institutions	266,908	124,205
Deposits from customers	882,390	825,236
Certificates of deposit issued	19,295	19,319
Exchange Fund Bills and Notes	425,507	387,563
Current taxation	3,312	2,530
Other accounts and provisions	206,260	67,785
	1,803,672	1,426,638
Capital resources		
Share capital	72,000	72,000
Reserves	91,624	89,974
Shareholder's funds	163,624	161,974
Total liabilities and capital resources	1,967,296	1,588,612

Banco Standard de Investimentos S.A.

(extracts from the audited accounts)
for the year ended 31 December

2004

Profit and loss account | Banco Standard de Investimentos S.A.

for the year end 31 December 2004

	2004 R$'000	2003 R$'000
Financial operations income	14,620	785
Loans	2,568	–
Securities	12,052	785
Financial operations expenses	(16,339)	238
Money markets	(7,435)	(960)
Borrowings and on-lending	(43)	(34)
Results of foreign exchange operations	(2,361)	2,501
Derivative financial instruments	(6,405)	(1,269)
Provision for doubtful loans	(95)	–
Results of financial operations	(1,719)	1,023
Other operating (expenses)/income	(2,277)	2,070
Service fee income	20,331	18,050
Personnel expenses	(15,506)	(10,683)
Other administrative expenses	(5,007)	(3,704)
Tax expenses	(2,089)	(1,591)
Other income	–	18
Other expenses	(6)	(20)
Results before income tax and profit sharing	(3,996)	3,093
Income tax and social contribution taxes	(290)	(156)
Provision for income tax	(43)	(806)
Provision for social contribution	(20)	(299)
Deferred tax assets	(227)	949
Profit sharing	(131)	(245)
Net (loss)/income	(4,417)	2,692

Balance sheet | Banco Standard de Investimentos S.A.

as at 31 December 2004

	2004 R$'000	2003 R$'000
Assets		
Cash and cash equivalents	306	853
Interbank funds applied	29,125	7,504
Securities and derivative financial instruments	61,106	150,161
Loans	23,194	–
Foreign exchange portfolio	–	182,727
Other receivables	5,777	4,144
Investments	3	3
Fixed assets	908	545
Deferred charges	637	166
Total assets	121,056	346,103
Liabilities		
Deposits	31,141	608
Borrowings	133	74,235
Derivative financial instruments	4,996	1,475
Foreign exchange portfolio	–	182,830
Other liabilities	8,253	8,110
	44,523	267,258
Capital resources		
Foreign capital	75,398	73,265
Capital reserve	95	95
Revenue reserve	1,040	5,485
Total liabilities and capital resources	121,056	346,103

ZAO Standard Bank

(extracts from the audited accounts)
for the year ended 31 December

2004

Profit and loss account | ZAO Standard Bank

for the year ended 31 December 2004

	2004 US$'000	2003 US$'000
Interest income	4,164	2,468
Interest expense	(1,243)	(556)
Net interest income before provision for impairment	2,921	1,912
Reversal of/(charge to) provision for impairment	41	(478)
Net interest income after provision for impairment	2,962	1,434
Fee and commission income	1,899	343
Fee and commission expense	(112)	(5)
Net fee and commission income	1,787	338
Net income from trading securities	1,531	59
Net income from foreign exchange	3,075	110
Net loss from securities available for sale	(811)	(329)
Net income/(loss) from trading money-market instruments	802	(191)
Other income	23	–
Other operating income/(loss)	4,620	(351)
General administrative expenses	(5,600)	(3,322)
Operating expenses	(5,600)	(3,322)
Profit/(loss) before tax	3,769	(1,901)
Income tax expense	(667)	–
Net profit/(loss)	3,102	(1,901)

Balance sheet | ZAO Standard Bank

as at 31 December 2004

	2004 US$'000	2003 US$'000
Assets		
Placements with the Central Bank of the Russian Federation	12,941	6,344
Placements with banks and other financial institutions	21,388	28,015
Derivative financial instruments	1,645	187
Trading securities	11,661	3,176
Securities available for sale	31,051	24,944
Loans to customers	17,656	18,963
Other assets	583	143
Property and equipment	582	541
Total assets	97,507	82,313
Liabilities		
Derivative financial instruments	19	191
Deposits and balances from banks and other financial institutions	25,973	38,331
Current accounts and deposits from customers	41,448	18,755
Other liabilities	3,817	3,491
Deferred tax liabilities	250	–
	71,507	60,768
Shareholder's equity		
Share capital	20,472	20,472
Additional paid in capital	2,500	2,500
Foreign currency translation reserve	1,827	474
Retained earnings/(accumulated losses)	1,201	(1,901)
Total shareholder's equity	26,000	21,545
Total liabilities and shareholder's equity	97,507	82,313

Standard Bank Group Limited

Address	: 5 Simmonds Street Johannesburg 2001 Republic of South Africa	Main switchboard Facsimile Website	: (27 11) 636 9111 : (27 11) 636 4207 : www.standardbank.co.za
Group Chief Executive	: Jacko Maree		

Standard Bank London Limited

Address	: Cannon Bridge House 25 Dowgate Hill London EC4R 2SB	Main switchboard Facsimile Website	: (44 20) 7815 3000 : (44 20) 7815 3099 : www.standardbank.com
Chief Executive	: Robert Leith		
Global markets	: Brad Koen		
Principal trading	: David Feld		
Resource banking	: Martin Botha		
Banking	: Mike Crabb		
Asset management & Private client services	: Ian Gibson		
Finance and operations	: Tim Wheeler		
Risk management	: Neil Holden		

Argentina Representative Office (Standard Bank London Limited)

Address	: Torre Alem Plaza Av. L.N. Alem 855, 22nd Floor C1001AAD Buenos Aires Argentina	Main switchboard Facsimile	: (54 11) 5031 5500 : (54 11) 5031 5599
Representative	: Fernando Canzani		

Australia Representative Office (Standard Bank London Limited)

Address	: Level 42, Gateway 1 Macquarie Place Sydney NSW 2000 Australia	Main switchboard Facsimile	: (61 2) 8221 0600 : (61 2) 8221 0699
Representative	: Kelvin Russell		

Brazil Representative Office (Standard Bank London Limited)

Address	: Edificio Plaza Iguatemi Av. Brigadeiro Faria Lima 2277, 12º andar - J.Paulistano 01452-000 Sao Paulo Brazil	Main switchboard Facsimile	: (55 11) 3030 4300 : (55 11) 3030 4456
Representative	: Fabio Solferini		

China Representative Office (Standard Bank London Limited)

Address	: 15th floor, HSBC Tower 101 Yin Cheng East Road Pudong New Area Shanghai 200120 The People's Republic of China	Main switchboard Facsimile	: (86 21) 6841 2666 : (86 21) 6841 2333
Representative	: Victor Yu		

Dubai Representative Office (Standard Bank London Limited)

Address	: 16th Floor Emirates Towers PO Box 504904 Dubai United Arab Emirates	Main switchboard Facsimile	: (971 4) 3300 011 : (971 4) 3300 169
Representative	: Jeffrey Rhodes		

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Address	: Campos Eliseos 345 Edificio Omega, Piso 5, Col. Chapultepec Polanco 11560 Mexico City, DF Mexico	Main switchboard Facsimile	: (5255) 5279 4500 : (5255) 5279 4504
Representative	: Francisco Hernandez Lozano		

Milan Representative Office (Standard Bank London Limited)

Address	: Largo Treves, 5 20121 Milan Italy	Main switchboard Facsimile	: (39 02) 6200 4521 : (39 02) 6200 4528
Representative	: Umberto Forasassi		

Moscow Representative Office (Standard Bank London Limited)

Address	: Business Center 'Mokhovaya' 4/7 bld. 2, Vozdvizhenka Str. Building 2 Moscow 125009 Russian Federation	Main switchboard Facsimile	: (7 095) 783 3800 : (7 095) 783 3801
Representative	: Sharon Thomas		

Peru Representative Office (Standard Bank London Limited)

Address	: Edificio Fundación Oficina 702 Av. José Pardo 513 Lima 18, Peru	Main switchboard Facsimile	: (5 11) 445 9696 : (5 11) 447 8137
Representative	: Luis Saenz		

Tehran Representative Office (Standard Bank London Limited)

Address	: 114 Khaled Eslamboli Avenue Tehran 15167 Iran	Main switchboard Facsimile	: (98 21) 878 1595 : (98 21) 878 2224
Representative	: Mohammed Ali Kadjar		

Turkey Representative Office (Standard Bank London Limited)

Address	: Baltalimanı Cad. No:4 Ressam Şevket Dağ Yalısı 34450 Rumelihisarı Sarıyer Istanbul, Turkey	Main switchboard Facsimile	: (90 212) 323 4878 : (90 212) 323 4874
Representative	: Murat Talayhan		

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Standard Resources (China) Limited

Address	: Suite 2123 21st floor, HSBC Tower 101 Yin Cheng East Road Pudong New Area Shanghai 200120 The People's Republic of China	Main switchboard Facsimile	: (86 21) 6841 1686 : (86 21) 2890 3131
Contact	: Wei Liu		

Standard Yatirim Menkul Kiymetler A.S.

Address	: Baltalimanı Cad. No:4 Ressam Şevket Dağ Yalısı 34450 Rumelihisarı Sarıyer Istanbul, Turkey	Main switchboard Facsimile	: (90 212) 323 4888 : (90 212) 323 4850
Director	: Murat Talayhan		

Banco Standard de Investimentos S.A.

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Director	: Fabio Solferini		

Standard Aval s.r.o.

Address	: Americka 16 120 00, Praha 2 Czech Republic	Main switchboard Facsimile	: (420 2) 22 51 79 50 : (420 2) 22 51 82 45
Director	: Pavel Mošna		

Standard New York, Inc.
Standard New York Securities, Inc.
Standard Americas, Inc.

Address	: 19th Floor 320 Park Avenue New York, N.Y. 10022 USA	Main switchboard Facsimile	: (1 212) 407 5000 : (1 212) 407 5025
Managing Director	: William Dorson		

Standard Americas, Inc., Miami
Standard New York Securities, Inc., Miami

Address	: Suite 3200 1001 Brickell Bay Drive Miami Florida 33131, USA	Main switchboard Facsimile	: (1 305) 349 0500 : (1 305) 349 0559
Head of Miami Office	: Peter Wallin		

Standard Bank Asia Limited

Address	: 36th Floor Two Pacific Place 88 Queensway Hong Kong	Main switchboard Facsimile	: (852) 2822 7888 : (852) 2822 7999
Chief Executive	: Malcolm Wilde		
Deputy Chairman	: Robert Herries		
Managing Director	: Tom Chenoweth		

Standard Merchant Bank (Asia) Limited

Address	: 80 Raffles Place No 55-02 UOB Plaza 1 Singapore 048624	Main switchboard Facsimile	: (65) 6533 4111 : (65) 6533 4555
Managing Director	: Saw Jin Hong		

Standard Bank of South Africa - Taipei branch

Address	: 13th Floor, No 218 Section 2 Dunhua South Road Taipei City 106, Taiwan	Main switchboard Facsimile	: (886 2) 2192 4488 : (886 2) 2377 6911
General Manager	: Michael Swo		

Standard London (Asia) Sdn Bhd

Address	: Level 32, Suite B, Menara Maxis Kuala Lumpur City Centre 50088 Kuala Lumpur Malaysia	Main switchboard Facsimile	: (60 3) 2380 8080 : (60 3) 2380 8033
Director	: Chay Wai Leong		

ZAO Standard Bank

Address	: Business Center 'Mokhovaya' 4/7 Vozdviheika St Building 2 Moscow 125009	Main switchboard Facsimile	: (7 095) 783 3800 : (7 095) 783 3801
Chief Executive	: Philip Hurley		

Offshore Services

Chairman : Robert Leith
Chief Executive : Ian Gibson

Jersey

Address : Standard Bank House
47-49 La Motte Street
St Helier
Jersey JE4 8XR
Channel Islands

Main switchboard : (44 1534) 881188
Facsimile : (44 1534) 881199

Standard Bank Jersey Limited

Managing Director Banking : Martyn Samphier
Managing Director Asset Management & Stockbroking : Haydn Taylor
Managing Director Private Client Services : Lindsay Bateman

Standard Bank Offshore Trust Company Jersey Limited

Managing Director : Justin Greig

Standard Bank Fund Administration Jersey Limited

Managing Director : Peter Hart

Isle of Man

Address: : Standard Bank House
One Circular Road
Douglas
Isle of Man IM1 1SB

Main switchboard : (44 1624) 643643
Facsimile : (44 1624) 643800

Managing Director : Karl Foden

Standard Bank Isle of Man Limited

Managing Director : John Coyle

Standard Bank Trust Company (Isle of Man) Limited

Managing Director : Justin Greig

Mauritius

Standard Bank Trust Company (Mauritius) Limited

Address : Les Jamalacs
Vieux Conseil Street
Port Louis, Mauritius

Main switchboard : (230) 202 4200
Facsimile : (230) 202 4210

Managing Director : Roshan Natho

Standard Bank

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