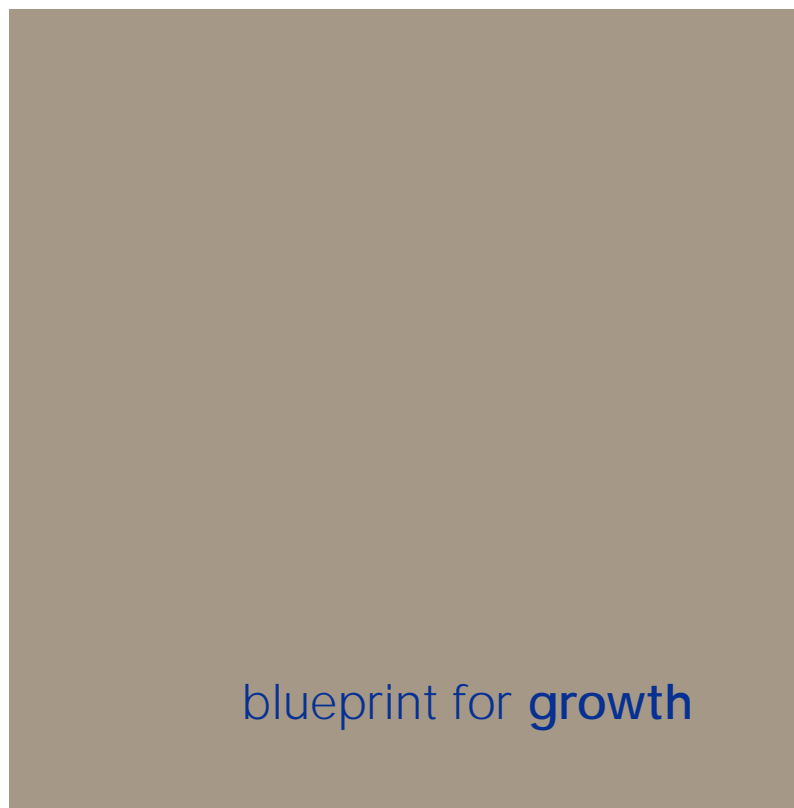


Analysis of financial results

for the six months ended 30 June 2004





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Group results in brief

- Headline earnings
- ROE
- Cost-to-income ratio
- Credit loss ratio
- Headline earnings per ordinary share
- Dividend per ordinary share

R3 389 million, 15% up

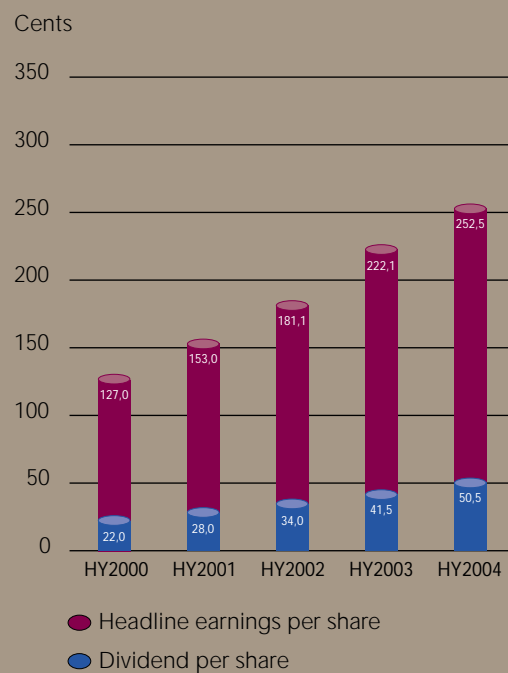
23,0% (1H03: 22,5%)

55,9% (1H03: 54,9%)

0,72% (1H03: 1,17%)

252,5 cents, 14% higher

50,5 cents, 22% up





Chief executive



Jacko Maree 48
Group chief executive
B Com (Stellenbosch)
MA (Oxford) PMD (Harvard)
Appointed 1999

Major operating units



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



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



Ben Kruger 45
Managing director
Corporate and Investment Banking
B Com (Hons) (Pretoria)
CA (SA) AMP (Harvard)
Appointed 2002



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



Myles Ruck 49
Chief executive
Liberty Group
B Bus Sc (UCT) PMD (Harvard)
Appointed 2003

Retail Banking

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

Africa

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

Corporate and Investment Banking

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

International

Investment banking activities for emerging markets and private client banking through offices in 21 countries outside Africa.

Liberty (effective holding 29,5%)

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

Other exco members



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



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



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



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



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



Highlights



		Jun '04	% change	Jun '03	Dec '03
Standard Bank Group					
Earnings					
Headline earnings	Rm	3 389	15	2 958	6 280
Attributable earnings	Rm	3 360	14	2 942	6 378
Other indicators					
Headline EPS	cents	252,5	14	222,1	470,7
EPS	cents	250,3	13	220,9	478,1
Fully diluted EPS	cents	245,4	12	218,5	472,2
Dividend per share	cents	50,5	22	41,5	151,0
Net asset value per share	cents	2 228	12	1 983	2 154
Ordinary shareholders' funds	Rm	30 000	13	26 442	28 835
Price-to-book	times	1,9		1,7	1,8
ROE	%	23,0		22,5	22,9
Capital adequacy	%	15,4		14,6	14,9
Standard Bank operations					
Earnings					
Headline earnings	Rm	3 260	14	2 858	6 010
Attributable earnings	Rm	3 216	13	2 854	5 999
Operating profit	Rm	4 691	10	4 259	8 771
Balance sheet					
Total assets	Rm	435 251	1	432 679	444 371
Advances	Rm	231 436	17	198 232	220 375
Deposits	Rm	294 063	14	257 125	272 677
Other indicators					
ROE	%	24,2		23,9	24,0
Price-to-book	times	2,0		1,6	1,8
Net interest margin	%	2,94		3,46	3,50
Non-interest revenue to total income	%	57,0		51,0	52,8
Credit provision for the period (income statement)	Rm	829	(26)	1 124	1 848
– to average loans and advances	%	0,72		1,17	0,91
Total loans and advances credit provision (balance sheet)	Rm	3 908	1	3 882	3 908
– to gross loans and advances	%	1,66		1,92	1,74
Cost-to-income ratio	%	55,9		54,9	56,2
Effective tax rate (including indirect taxes)	%	30,2		32,1	31,0
Number of employees		35 209	2	34 585	35 034

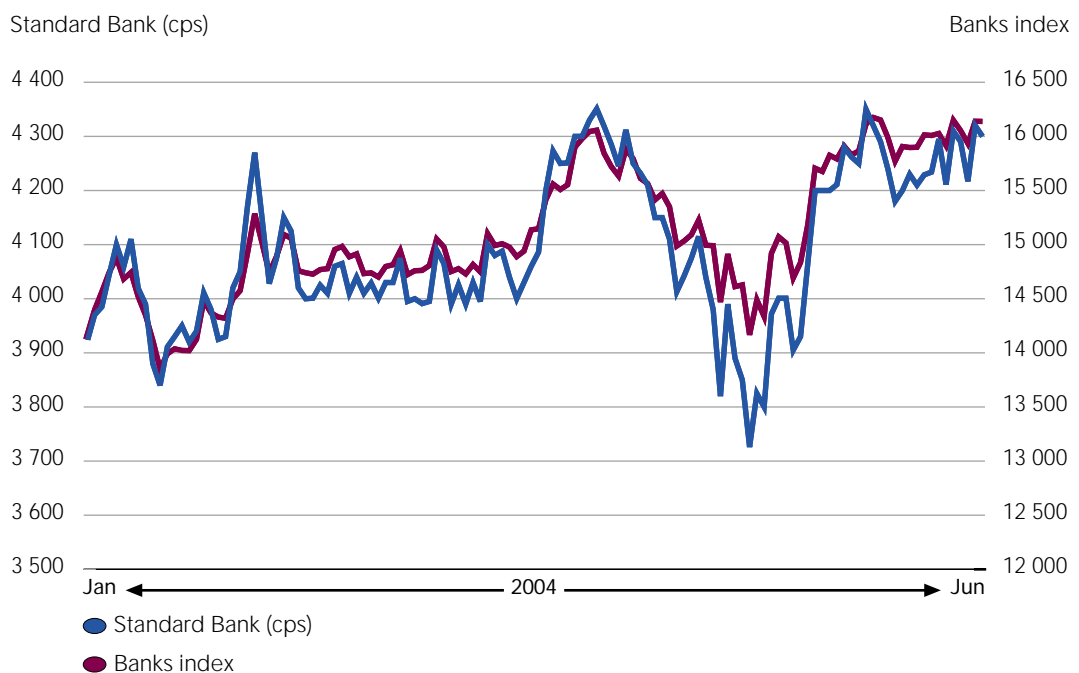


The first six months of 2004 was characterised by

- Continued favourable domestic economic conditions
- Lower interest rates with average prime having declined by 535 basis points
- Continued strength of the rand
- Export and mining companies under pressure
- Record increase in residential property prices and strong new vehicle sales
- Increased consumer spending
- A relatively stable equity market
- Weakening of the US dollar against GBP and Euro
- Volatile currency and commodity markets
- Return to volatility in debt security prices in developing markets
- Increasing US interest rates

Financial highlights for the six months

- Strong lending and transactional growth, both domestically and in Africa
- Growing market share in card, mortgage lending and vehicle and asset finance
- Margin compression caused by lower domestic interest rates and higher reliance on wholesale funding
- Improved credit environment resulting in lower credit losses
- Good growth in domestic trading income
- Good performance in International commodity and foreign exchange trading
- Costs in line with budget
- Strong rand reduced translated earnings from non-South African sources
- Currency translation impact on foreign net assets of (R825) million
- Liberty benefited from improved investment returns





Income statement



	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Standard Bank operations				
Interest income	16 664	(11)	18 763	36 796
Interest expense	11 287	(13)	12 922	25 359
Net interest income before provision for credit losses	5 377	(8)	5 841	11 437
Provision for credit losses	829	(26)	1 124	1 848
Net interest income	4 548	(4)	4 717	9 589
Non-interest revenue	7 139	17	6 085	12 790
Total income	11 687	8	10 802	22 379
Operating expenses	6 996	7	6 543	13 608
Staff costs	3 924	5	3 724	7 581
Other operating expenses	3 072	9	2 819	6 027
Operating profit	4 691	10	4 259	8 771
Income from associates	46	28	36	102
Goodwill	(61)	27	(48)	(173)
Exceptional items	17	(61)	44	144
Income before taxation	4 693	9	4 291	8 844
Taxation	1 418	3	1 377	2 741
Income after taxation	3 275	12	2 914	6 103
Attributable to minorities	59	(2)	60	104
Standard Bank income attributable to ordinary shareholders	3 216	13	2 854	5 999
Liberty				
Operating profit	675	19	565	1 713
Realised investment gains attributable to shareholders' assets	61		32	471
Goodwill	(6)		(72)	(78)
Income before taxation	730	39	525	2 106
Taxation	237	2	232	823
Income after taxation	493	68	293	1 283
Attributable to minorities	349		205	904
Liberty income attributable to ordinary shareholders	144	64	88	379
Group income attributable to ordinary shareholders	3 360	14	2 942	6 378
Headline earnings	3 389	15	2 958	6 280

Balance sheet

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Assets				
Standard Bank operations	435 251	1	432 679	444 371
Cash and short-term negotiable securities	52 326	15	45 637	44 099
Derivative assets	76 199	(20)	95 492	104 723
Trading assets	31 880	(12)	36 240	31 811
Investment securities	17 251	(33)	25 859	19 487
Loans and advances	231 436	17	198 232	220 375
Other assets	22 474	(17)	27 218	19 787
Interest in associates	237	(33)	355	541
Goodwill and other intangible assets	506	(12)	576	508
Property and equipment	2 942	(4)	3 070	3 040
Liberty	97 829	14	86 081	96 195
Current assets	3 705	2	3 631	3 687
Investments	93 508	14	81 959	91 869
Goodwill and other intangible assets	249	71	146	276
Equipment and furniture	367	6	345	363
Total assets	533 080	3	518 760	540 566
Equity and liabilities				
Liabilities	496 511	2	486 485	505 302
Standard Bank operations	407 230	(0)	408 175	417 518
Derivative liabilities	70 672	(26)	95 159	98 634
Trading liabilities	12 751	(28)	17 752	18 162
Deposit and current accounts	294 063	14	257 125	272 677
Other liabilities and provisions	22 777	(27)	31 113	20 989
Subordinated bonds	6 967	(1)	7 026	7 056
Liberty	89 281	14	78 310	87 784
Other liabilities	2 676	(4)	2 792	2 444
Convertible bonds	1 408	(18)	1 714	1 500
Policyholder liabilities	85 197	15	73 804	83 840
Capital and reserves	30 008	13	26 450	28 843
Share capital and premium	2 572	11	2 321	2 415
Reserves	27 436	14	24 129	26 428
Minority interest	6 561	13	5 825	6 421
Total equity and liabilities	533 080	3	518 760	540 566



Statement of changes in shareholders' funds



	Share capital and premium Rm	Translation reserve Rm	Statutory general credit risk reserve Rm	Cash flow hedging reserve Rm	Available-for-sale reserve Rm	Revaluation and other reserves Rm	Retained earnings Rm	Total Rm
Balance at 1 January 2003 as previously reported	2 282	2 347	242	20	370	257	20 310	25 828
Change in accounting policy							144	144
Balance at 1 January 2003 – restated	2 282	2 347	242	20	370	257	20 454	25 972
Items accounted for directly in reserves		(1 866)	(58)	3	80	(26)	58	(1 809)
Currency translation effect		(1 934)						(1 934)
Currency hedges of a net investment – fair value changes		68						68
Cash flow hedges – fair value changes				3				3
Decrease in statutory general credit risk reserve			(58)				58	–
Mark-to-market of available-for-sale assets*					12			12
Unrealised investment gains/(losses) attributable to shareholders' funds*					68	(26)		42
Realised investment gains attributable to shareholders' funds recycled to the income statement*					(78)			(78)
Group income							6 378	6 378
Dividends paid							(1 753)	(1 753)
Issue of share capital and share premium	133							133
Balance at 31 December 2003	2 415	481	184	23	372	231	25 137	28 843
Balance at 1 January 2004	2 415	481	184	23	372	231	25 137	28 843
Items accounted for directly in reserves		(825)	(20)	(18)	(20)	(2)	20	(865)
Currency translation effect		(844)						(844)
Currency hedges of net investment – fair value changes		19						19
Cash flow hedges – fair value changes				(18)				(18)
Decrease in statutory general credit risk reserve			(20)				20	–
Mark-to-market of available-for-sale assets*					(18)			(18)
Unrealised investment gains/(losses) attributable to shareholders' funds*					(2)	(2)		(4)
Realised investment gains attributable to shareholders' funds recycled to the income statement*					(17)			(17)
Group income							3 360	3 360
Dividends paid							(1 470)	(1 470)
Issue of share capital and share premium	157							157
Balance at 30 June 2004	2 572	(344)	164	5	335	229	27 047	30 008

* Net of minorities and related tax



Analysis of group results

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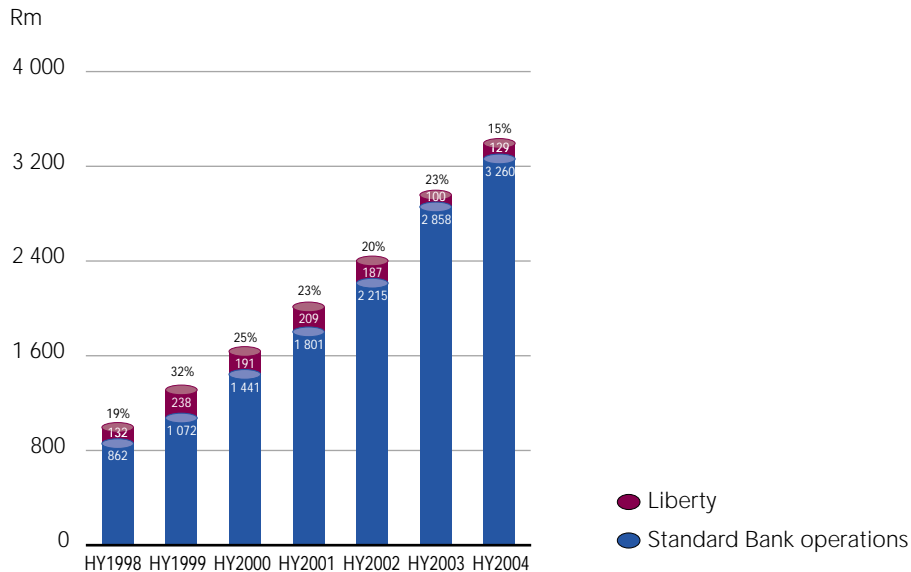
- 10 Headline earnings
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Headline earnings



CAGR (HY1998 – HY2004): Standard Bank Group = 23%
Standard Bank operations = 25%



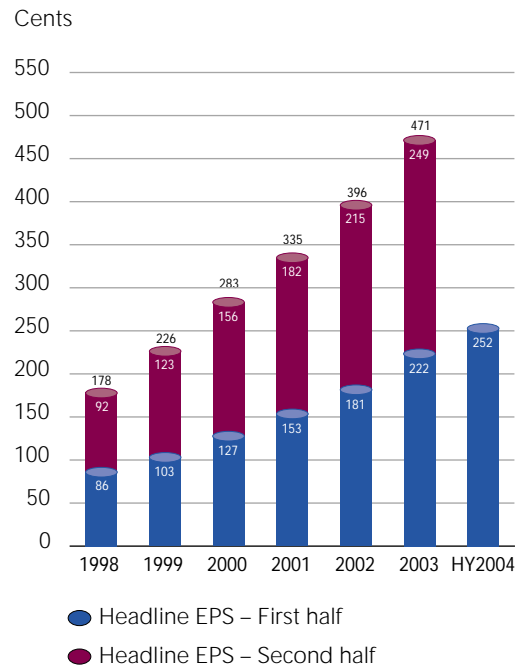
Reconciliation of headline earnings

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Group income attributable to ordinary shareholders	3 360	14	2 942	6 378
Standard Bank income adjusted for:				
Goodwill amortised	61		48	173
Exceptional items	(17)		(44)	(162)
Exceptional items before tax:	(17)		(44)	(144)
– profit on sale of properties	(17)		(38)	(238)
– impairment of properties	–		–	41
– impairment of intangibles	–		–	116
– profit on sale of subsidiaries and divisions	–		–	(57)
– other capital profits	–		(6)	(6)
Taxation on the above items	–		–	(18)
Liberty income adjusted for:	(15)		12	(109)
Goodwill amortised and impaired	6		72	78
Realised investment gains attributable to shareholders' assets	(61)		(32)	(471)
Capital gains tax	4		2	25
Attributable to minorities	36		(30)	259
Headline earnings	3 389	15	2 958	6 280

Headline earnings and dividend per share

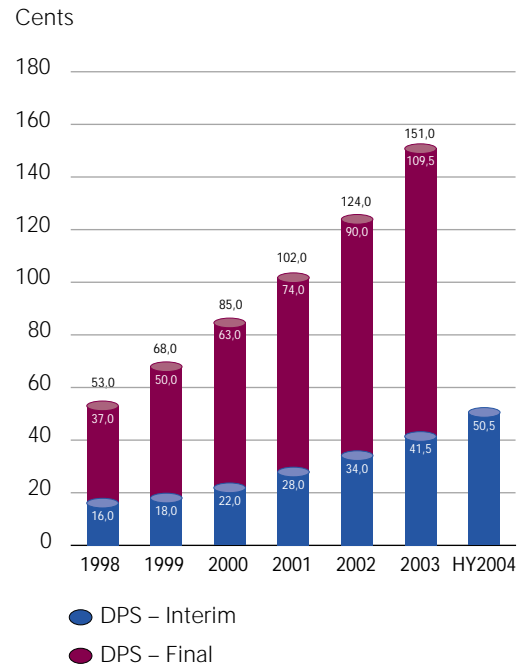
Headline earnings per share

CAGR (HY1998 – HY2004) = 20%



Dividend per share (DPS)

CAGR (HY1998 – HY2004) = 21%

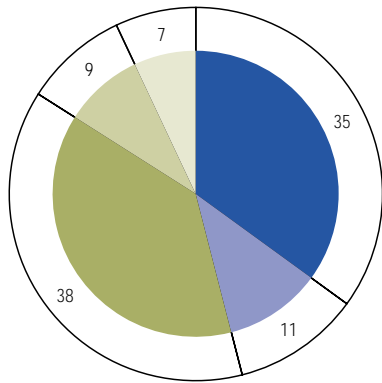
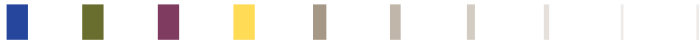


	Jun '04	% change	Jun '03	Dec '03
Headline earnings (Rm)	3 389	15	2 958	6 280
Headline earnings per share (cents)	252,5	14	222,1	470,7
Fully diluted headline earnings per share (cents)	247,5	13	219,6	464,9
Total dividends declared per share (cents)	50,5	22	41,5	151,0
– interim	50,5	22	41,5	41,5
– final				109,5
Dividend cover (times)	5,0		5,4	3,1
Number of ordinary shares in issue				
– end of period (thousands)	1 346 484		1 333 526	1 338 730
– weighted average (thousands)	1 342 406		1 332 003	1 334 099

In line with the group's policy to declare interim dividends at one-third of the prior year total dividend, a dividend of 50,5 cents was declared.



Headline earnings contribution by business unit



- Corporate and Investment Banking 35% (2003: 36%)
- International 11% (2003: 17%)
- Retail Banking 38% (2003: 34%)
- Africa 9% (2003: 8%)
- Other (including Liberty) 7% (2003: 5%)

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Domestic Banking	2 560	22	2 101	4 641
Retail Banking	1 274	26	1 011	2 542
Corporate and Investment Banking	1 201	13	1 065	2 150
Other domestic operations	85		25	(51)
Africa	297	19	249	489
International	371	(26)	499	866
<i>International USD</i>	56	(10)	62	115
Stanlib	22	(29)	31	40
Central funding and eliminations	10		(22)	(26)
Standard Bank operations	3 260	14	2 858	6 010
Liberty	129	29	100	270
Standard Bank Group	3 389	15	2 958	6 280

Retail Banking

- Strong lending growth, especially in mortgage advances, card and vehicle and asset finance
- Improved credit risk management and lower incidence of default
- Negative endowment effect due to lower interest rate environment
- Increased transaction volumes across all products from higher customer base
- Increased infrastructure expenditure and staff costs due to increased volumes

Corporate and Investment Banking

- Good advances growth in property, structured debt financing and foreign lending
- Strong fee growth from re-pricing, increased volumes and advisory income
- Good trading performance in foreign exchange and capital markets
- Negative endowment effect due to lower interest rate environment
- Lower credit defaults in an improved credit environment

Africa

- Strong growth in Uganda, Ghana and Zambia driven mainly by increased lending
- Poor performance in Congo and Malawi
- Acquisitions in Mozambique and Botswana
- Negative currency translation effect

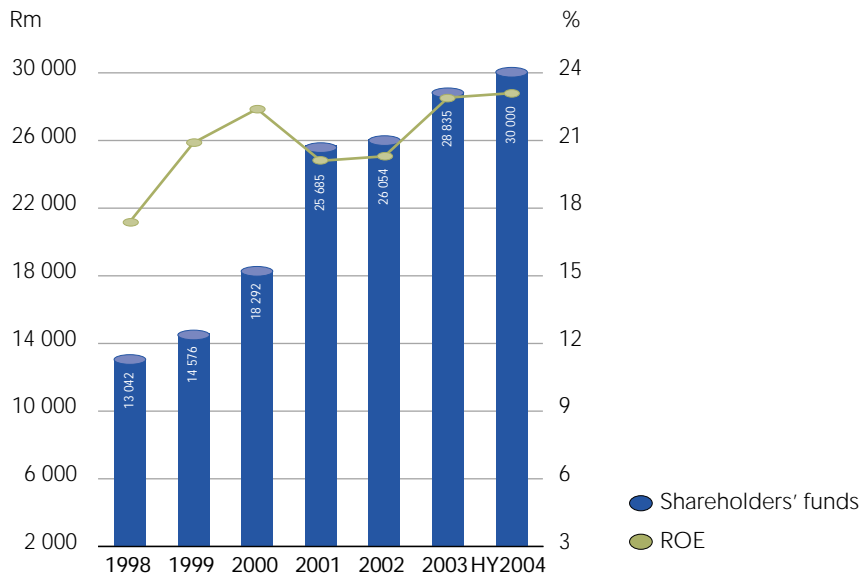
International

- Buoyant base metals markets
- Foreign exchange trading taking advantage of market volatility
- Good growth in assets under management
- Asset price pressure brought about by increasing US interest rates
- Negative currency translation effect

Liberty

- Operational indicators positive
- Higher investment returns positively impacting operating profits from insurance operations

Return on equity



	Jun '04		Jun '03		Dec '03	
	Average equity Rm	ROE %	Average equity Rm	ROE %	Average equity Rm	ROE %
Domestic Banking	17 395	29,4	13 635	30,8	14 780	31,4
Retail Banking	8 452	30,1	7 179	28,2	7 919	32,1
Corporate and Investment Banking	7 604	31,6	6 456	33,0	6 861	31,3
Other domestic operations	1 339	12,7				
Africa	1 986	29,9	1 590	31,3	1 727	28,3
International	5 645	13,1	5 926	16,8	5 910	14,7
<i>International USD</i>		12,7		17,4		14,7
Stanlib	151	29,1	350	17,7	243	16,5
Central funding and eliminations	1 743	1,1	2 389	(1,8)	2 343	(1,1)
Standard Bank operations	26 920	24,2	23 890	23,9	25 003	24,0
Liberty	2 498	10,3	2 358	8,5	2 442	11,1
Standard Bank Group	29 418	23,0	26 248	22,5	27 445	22,9

- Cost of equity estimate (average HY2003)

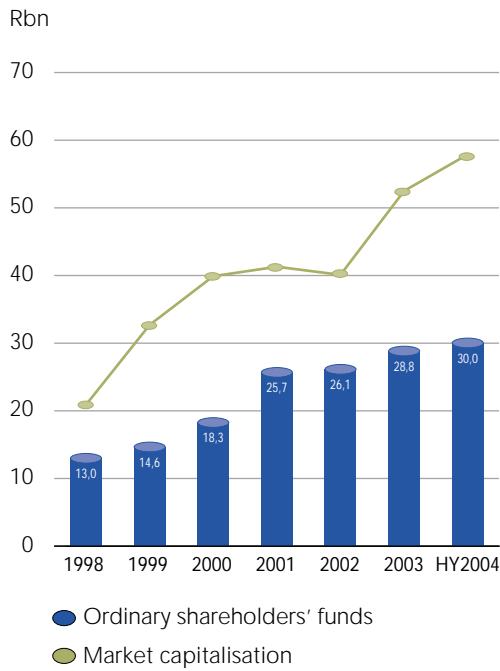
Domestic Banking	14,3%	(16,3%)
Africa (aggregate)	18,2%	(20,1%)
International (USD)	11,6%	(11,2%)
Standard Bank operations	14,0%	(16,5%)
Liberty	12,7%	(14,2%)
Standard Bank Group	14,1%	(15,8%)



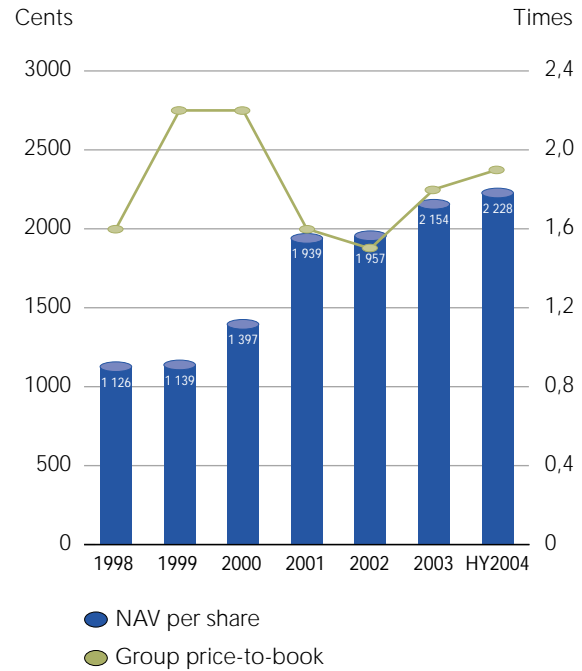
Shareholders' funds



Market capitalisation



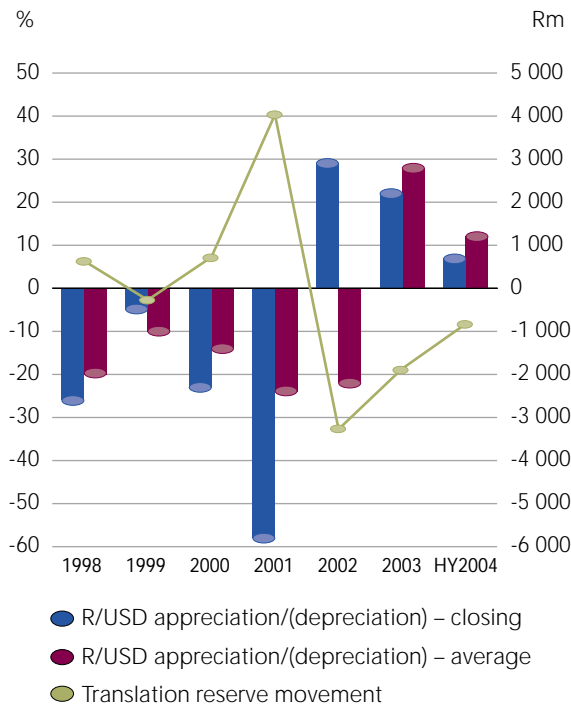
Price-to-book vs shareholders' funds



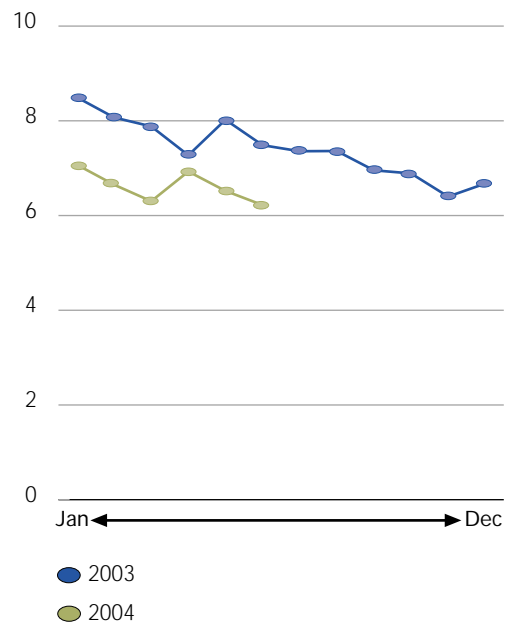
	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Ordinary shareholders' funds	30 000	13	26 442	28 835
Less: Portion attributable to Liberty	(2 511)		(2 304)	(2 484)
Banking operations ordinary shareholders' funds	27 489		24 138	26 351
Market capitalisation	57 899	32	43 740	52 451
Less: Liberty share of market capitalisation	(4 009)		(4 010)	(4 290)
Banking operations market capitalisation	53 890	36	39 730	48 161
Group price-to-book (times)	1,9		1,7	1,8
Banking operations price-to-book (times)	2,0		1,6	1,8

Currency translation effects

Exchange rate movements



Rand/dollar monthly closing exchange rate



Exchange rates

	Jun' 04	Jun '03	Dec '03
Average R/USD	6,66	8,02	7,55
Closing R/USD	6,22	7,49	6,68
Rand appreciation (weighted for the group) vs African currencies:			
– period end	16%	31%	25%
– average for the period	15%	36%	28%

Effective 1 January 2004, the reporting currency for entities under International was converted to USD

Movement in translation reserve

	Jun' 04 Rm	Jun '03 Rm	Dec '03 Rm
Domestic Banking	(39)	(73)	(133)
Africa	(178)	(221)	(314)
International	(405)	(620)	(854)
Central funding	(220)	(374)	(626)
Liberty	(2)	(4)	(7)
Gross translation differences	(844)	(1 292)	(1 934)
Currency hedging gains	19		68
Standard Bank Group	(825)	(1 292)	(1 866)
Balance of translation reserve	(344)	1 055	481

**Impact of currency fluctuations on results******Income statement**

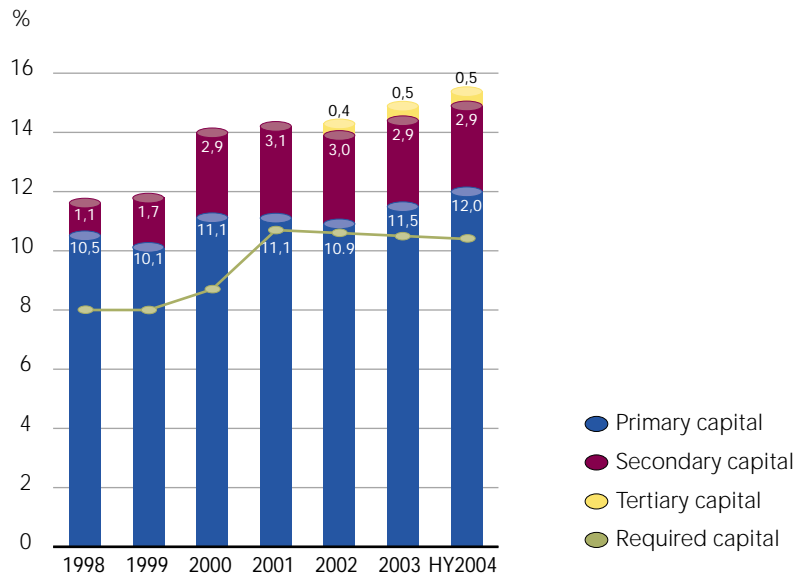
	Actual Jun '04 Rm	Currency translation effect* Jun '04 Rm	Adjusted Jun '04 Rm	Growth actual %	Growth adjusted %	Actual Jun '03 Rm
Standard Bank operations						
Net interest income before provision for credit losses	5 377	(146)	5 523	(8)	(5)	5 841
Provision for credit losses	829	(32)	861	(26)	(23)	1 124
Net interest income	4 548	(114)	4 662	(4)	(1)	4 717
Non-interest revenue	7 139	(374)	7 513	17	23	6 085
Total income	11 687	(488)	12 175	8	13	10 802
Operating expenses	6 996	(321)	7 317	7	12	6 543
Operating profit	4 691	(167)	4 858	10	14	4 259
Income from associates	46	-	46			36
Goodwill and exceptional items	(44)	4	(48)			(4)
Income before taxation	4 693	(163)	4 856	9	13	4 291
Taxation	1 418	(43)	1 461	3	6	1 377
Income after taxation	3 275	(120)	3 395	12	17	2 914
Attributable to minorities	59	(4)	63			60
Standard Bank income attributable to ordinary shareholders	3 216	(116)	3 332	13	17	2 854
Liberty						
Liberty income attributable to ordinary shareholders	144	-	144	64	64	88
Group income attributable to ordinary shareholders	3 360	(116)	3 476	14	18	2 942
Headline earnings	3 389	(120)	3 509	15	19	2 958
Ratios						
ROE (%)	23,0		23,2			22,5
Headline earnings growth (%)	14,6		18,6			23,2
Cost-to-income ratio (%)	55,9		56,1			54,9
Credit loss ratio (%)	0,72		0,75			1,17

* Currency translation effect represents the currency movement for International, Central funding and African operations

** The currency fluctuations are based on restating the current period earnings at the prior period exchange rate

Capital adequacy

Capital ratios



	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Share capital and reserves	30 000	13	26 442	28 835
Minority interest	525	47	358	494
Shareholders' funds not qualifying as Tier I capital [§]	(164)		(269)	(184)
Impairments	(673)	20	(560)	(862)
Tier I capital	29 688	14	25 971	28 283
Preference share capital	8	–	8	8
Tier II bonds	5 540	(2)	5 652	5 722
Provision for performing loans	1 440	7	1 352	1 349
Revaluation reserve	180	>100	67	110
Tier II capital	7 168	1	7 079	7 189
Tier III capital	1 311	(5)	1 374	1 334
Total capital	38 167	11	34 424	36 806
Risk-weighted assets - closing				
On-balance sheet	197 847	9	182 203	181 907
Off-balance sheet	15 083	(9)	16 573	14 052
Total banking book	212 930	7	198 776	195 959
Trading activity notional assets	34 911	(6)	37 016	51 066
Total risk-weighted assets	247 841	5	235 792	247 025
Group primary capital to risk-weighted assets (%)	12,0		11,0	11,5
Group total capital to risk-weighted assets (%)	15,4		14,6	14,9
Banking capital to risk-weighted assets (%)	15,0		14,2	14,4
Aggregate regulatory capital requirement (%)*	10,4		10,6	10,5
Primary subsidiaries				
Standard Bank of South Africa (%) – Total	13,2		12,0	12,5
– Tier I	9,2		7,8	8,5
Standard International Holdings (%)	16,6		16,6	15,3
Liberty Group (calculated in terms of the Long-term Insurance Act) – CAR (times covered)	2,5		2,6	2,6

* Some foreign jurisdictions require higher than 10% capital adequacy resulting in a 10,4% aggregate requirement for the group's banking operations

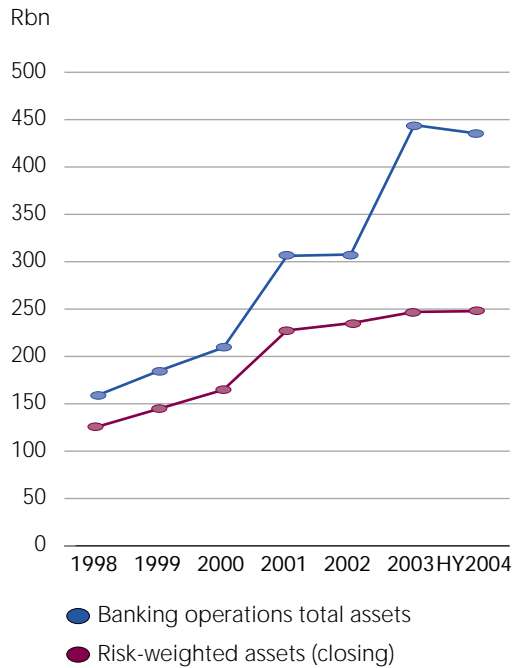
§ Impairment for regulatory purposes, arising from additional general provisions on performing loans to comply with a regulatory general debt provisioning matrix



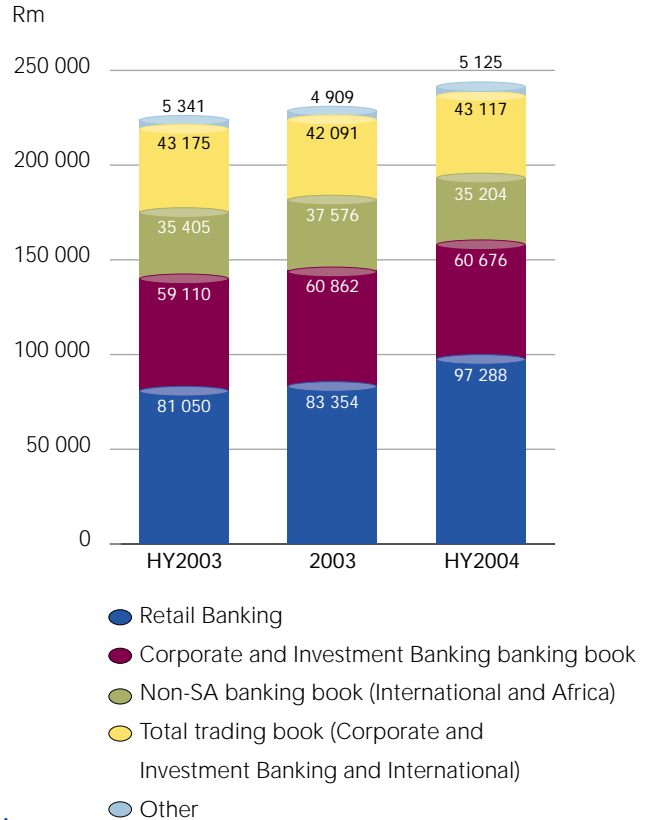
Risk-weighted assets



Risk-weighted asset trend



Standard Bank operations:
Composition of average risk-weighted assets



Average risk-weighted assets per business unit

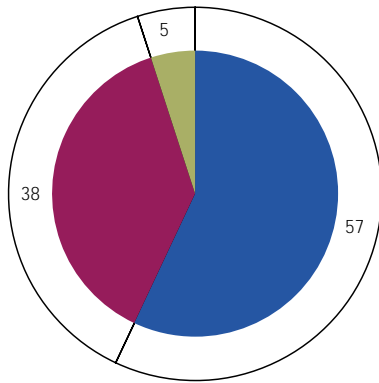
	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Domestic Banking	180 656	8	166 614	169 747
Retail Banking	97 288	20	81 050	83 354
Corporate and Investment Banking	80 785	(3)	83 229	83 996
Other domestic operations	2 583	11	2 335	2 397
Africa	14 852	24	11 966	12 426
International	43 360	2	42 495	44 107
Stanlib	1 207	7	1 126	1 218
Central funding	1 335	(29)	1 880	1 294
Standard Bank operations	241 410	8	224 081	228 792
Liberty	9 998	15	8 713	9 330
Standard Bank Group	251 408	8	232 794	238 122
Return on risk-weighted assets (annualised)	2,7%		2,5%	2,6%

- The gap between total and risk-weighted assets is mainly due to the home loan book and grossing up of derivative balances
- Retail Banking: strong asset growth
- Corporate and Investment Banking: subdued lending growth, reduced counterparty risk due to rand strength and revised netting practices
- Africa: increased due to acquisitions
- International: moderate increase due to currency translation effect

Product reporting



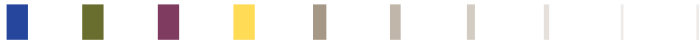
Total income (%)



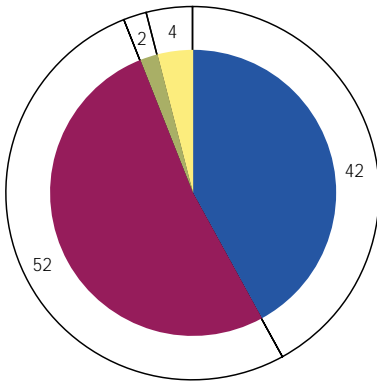
- Total retail 57% (HY2003: 54%)
- Total wholesale 38% (HY2003: 41%)
- Total fund management 5% (HY2003: 5%)

Total income

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Total retail	7 178	11	6 492	13 411
Instalment finance	636	5	606	1 170
Mortgage advances	1 122	16	965	1 925
Card debtors	852	24	686	1 568
Retail transactional products	4 122	7	3 852	7 967
Bancassurance	425	22	347	785
Other	21		36	(4)
Total wholesale	4 783	(3)	4 914	9 748
Commodities and resource banking	611	26	485	1 164
Global markets	1 954	(16)	2 325	3 935
Banking and trade finance	1 684	7	1 580	3 323
Corporate finance and investments	94	(41)	158	404
Structured debt and Property	440	20	366	922
Total fund management	594	9	546	1 153
Other	(39)		(26)	(85)
Standard Bank Group	12 516	5	11 926	24 227



Headline earnings (%)



- Total retail 42% (2003: 37%)
- Total wholesale 52% (2003: 57%)
- Total fund management 2% (2003: 3%)
- Life insurance 4% (2003: 3%)

Headline earnings

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Total retail	1 414	29	1 099	2 760
Instalment finance	130	13	115	260
Mortgage advances	264	30	203	563
Card debtors	127	63	78	145
Retail transactional products	772	19	647	1 594
Bancassurance	127	46	87	209
Other	(6)		(31)	(11)
Total wholesale	1 749	4	1 675	3 167
Commodities and resource banking	127	31	97	218
Global markets	828	(6)	879	1 435
Banking and trade finance	491	21	407	815
Corporate finance and investments	36	(43)	63	215
Structured debt and Property	267	17	229	484
Total fund management	68	(16)	81	81
Life insurance	129	29	100	270
Other	29		3	2
Standard Bank Group	3 389	15	2 958	6 280



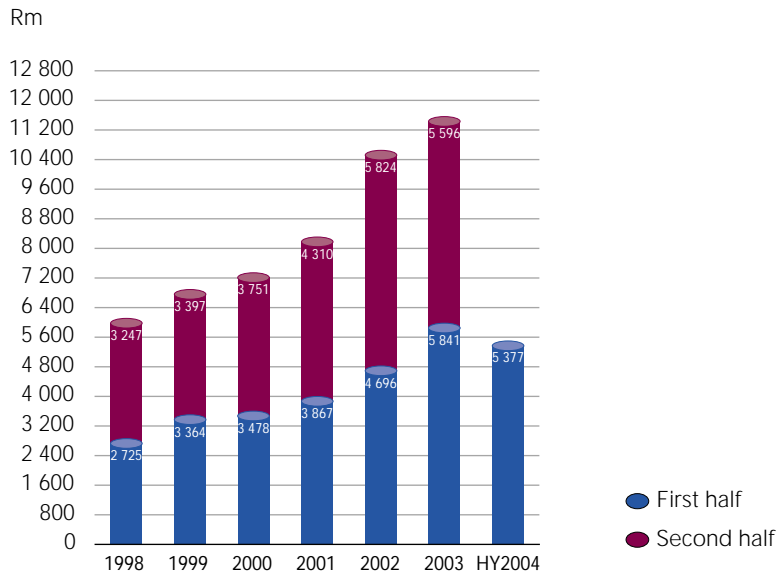
Standard Bank operations

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25	Provision for credit losses
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30	Headcount analysis
31	Analysis of loans and advances
32	Domestic market share analysis



Net interest income



	Jun '04		Jun '03		Dec '03	
	Net interest income Rm	Net interest margin* %	Net interest income Rm	Net interest margin* %	Net interest income Rm	Net interest margin* %
Domestic Banking	4 391	3,31	4 302	3,63	8 688	3,73
Retail Banking	3 496	5,68	3 342	6,95	6 773	6,63
Corporate and Investment Banking	955	1,41	1 042	1,52	2 081	1,65
Other domestic operations	(60)		(82)		(166)	
Africa	709	5,74	637	6,20	1 421	6,72
International	277	0,55	678	1,48	1 094	1,21
Stanlib	(27)		26		47	
Central funding and eliminations	27		198		187	
Total net interest income	5 377	2,94	5 841	3,46	11 437	3,50

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

Favourable

- Strong growth in retail advances in Domestic Banking
- Africa reported strong growth in Uganda, Botswana and Ghana due to increased lending, increased margins and higher treasury bill yields
- Consolidation of Mozambique, previously equity accounted
- Acquisition of Investec Botswana
- Increased proportion of higher yielding retail assets

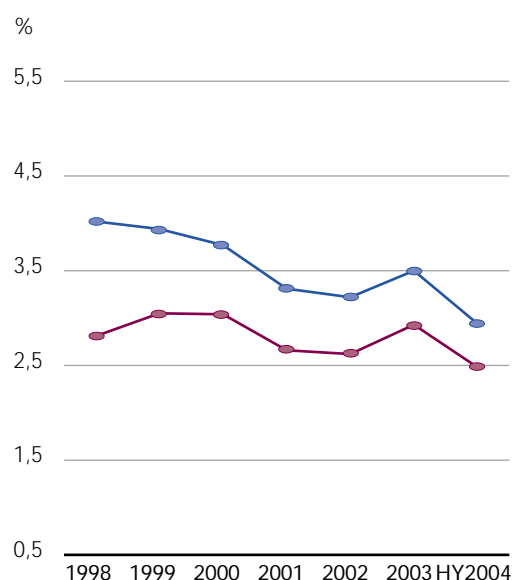
Adverse

- Negative endowment impact in Domestic Banking due to the lower interest rate environment
- Lower average US interest rates
- International's banking book portfolio of bonds was scaled down substantially and transferred to trading book
- Retail deposits growing slower than retail assets
- Negative currency translation effect

Margin analysis

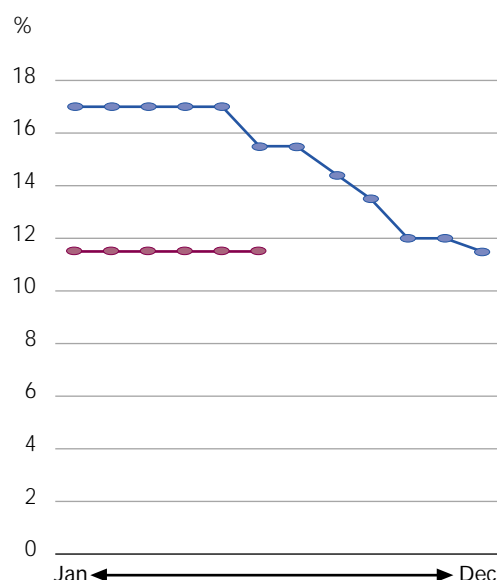


Net interest margin



● Net interest margin before provisions
● Net interest margin after provisions

Prime-rate



● 2003
● 2004

Movement in group margin*

	%
Group margin – June 2003	3,46
Domestic Banking	(0,33)
Africa	(0,03)
International	(0,26)
Stanlib	(0,02)
Central funding	(0,04)
Improved mix arising from domestic growth	0,16
Group margin – June 2004	2,94

* Margin calculated on group monthly average assets

Movement in Domestic Banking margin**

	%
Domestic Banking margin – June 2003	3,73
Balance sheet reallocations	(0,10)
Restated margin – June 2003	3,63
Lending – improved rates against prime benchmark and higher retail asset component	0,40
Funding – more reliance on wholesale funds	(0,25)
Endowment impact – lower interest earned on equity and transactional balances	(0,66)
Asset/liability management and other wholesale banking activities	0,19
Domestic Banking margin – June 2004	3,31

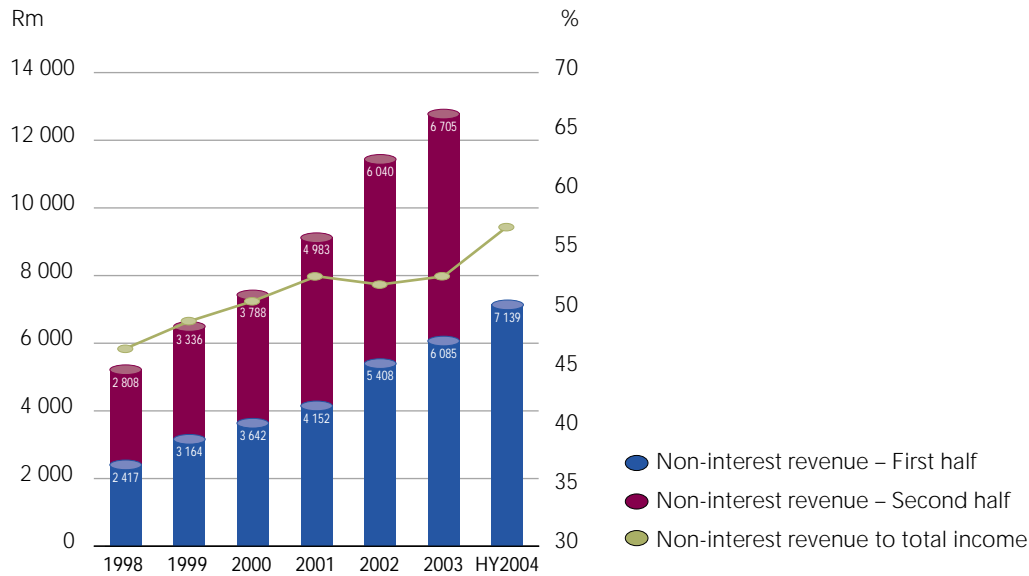
** Margin calculated on Domestic Banking monthly average assets



Non-interest revenue



Non-interest revenue CAGR (HY1998 – HY2004) = 20%



	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Non-interest revenue				
Fees and commission revenue	4 613	19	3 871	7 984
Point of representation	1 975	18	1 680	3 440
Electronic banking	340	20	284	599
Knowledge based fees and commission	553	20	460	935
Card based commission	687	21	570	1 189
Insurance – fees and commission	230	24	185	408
Documentation and administration fees	153	13	136	261
Foreign currency service fees	241	30	186	445
Other	434	17	370	707
Trading income	2 022	8	1 875	3 779
Commodities	487	90	256	767
Forex	865	23	706	1 563
Debt securities	572	(15)	674	918
Equities	74	(68)	232	378
Other	24	>100	7	153
Total other income	504	49	339	1 027
Banking and other	168	>100	71	293
Property related income	149	16	128	390
Insurance – underwriting bancassurance profit	187	34	140	344
Total non-interest revenue	7 139	17	6 085	12 790

Favourable

- Increased transaction volumes and growth in the customer base particularly in Retail Banking
- Volume driven fee income growth due to larger asset base under management
- Improved commodity trading income in International
- More volatile currency markets resulting in increased trading opportunities
- Lower loss ratio in Stanbic Insurance Limited and higher embedded product sales

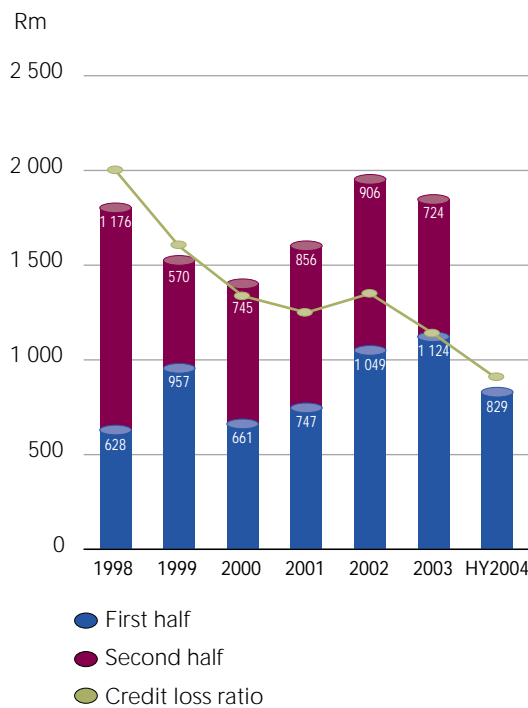
- Consolidation of Mozambique, previously equity accounted

Adverse

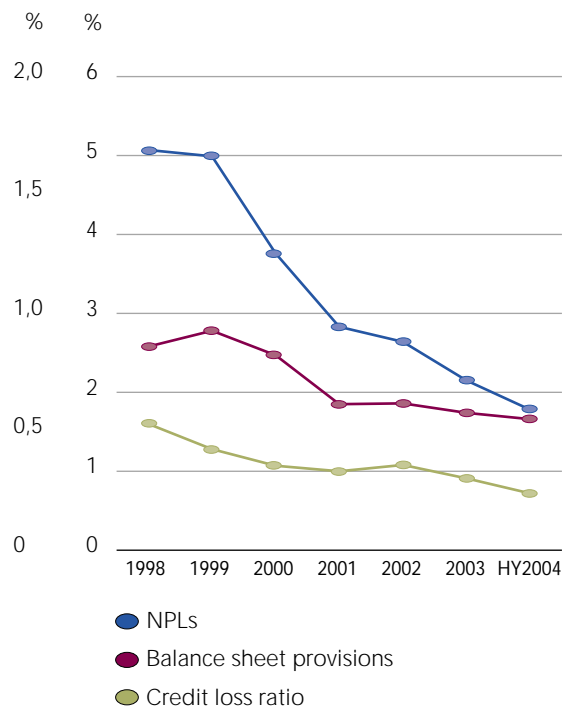
- Unfavourable trading conditions in precious metals experienced by Corporate and Investment Banking
- Decline in emerging market debt prices compared to a strong rally in 2003
- Disappointing performance in equity trading for International
- Negative currency translation effect

Provision for credit losses

Provisioning



Credit loss history



Income statement charge

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Loans, overdrafts and other corporate exposures	280	(47)	527	888
Card debtors	71	65	43	68
Mortgage advances	180	(33)	268	283
Instalment finance	107	18	91	159
Provisions for non-performing loans	638	(31)	929	1 398
Provisions for performing loans	191	(2)	195	450
Total income statement charge	829	(26)	1 124	1 848

Credit loss ratio by business unit (%)

Business Unit	Jun '04 (%)	Jun '03 (%)	Dec '03 (%)
Domestic Banking	0,70	1,14	0,83
Retail Banking	1,02	1,59	1,11
Corporate and Investment Banking	0,04	0,38	0,31
Africa	0,26	0,89	1,71
International	0,74	0,95	0,78

Standard Bank operations

	Jun '04 (%)	Jun '03 (%)	Dec '03 (%)
Standard Bank operations	0,72	1,17	0,91

Favourable

- Improved credit environment and focus on collection processes in Domestic Banking
- Rehabilitation of non-performing accounts resulting in release of provisions in International and Corporate and Investment Banking
- Higher recoveries in Uganda and Malawi

Adverse

- Higher performing loan provisions raised by Retail Banking, due to strong lending growth
- Higher provisions for performing loans in Africa
- Provisions against mining exposures in International



Non-performing loans



Criteria for classification of loans and advances

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

* Classified as non-performing for accounting purposes

Classification of gross external loans and advances

June 2004	Non-performing loans				Performing loans		
	Total	Sub-standard	Doubtful	Loss	Total	Special mention	Standard
Domestic Banking	186 804	1 830	1 335	533	3 698	2 581	180 525
Retail Banking	131 300	1 281	1 182	333	2 796	2 531	125 973
Corporate and Investment Banking	55 301	549	153	148	850	50	54 401
Other domestic operations	203	-	-	52	52	-	151
Africa	12 266	94	57	75	226	301	11 739
International	36 175	59	173	14	246	989	34 940
Other	99	-	-	-	-	-	99
Gross loans and advances	235 344	1 983	1 565	622	4 170	3 871	227 303
Percentage of total book	100,00%	0,84%	0,67%	0,26%	1,77%	1,65%	96,58%
December 2003							
Domestic Banking	170 169	1 861	1 406	683	3 950	2 453	163 766
Retail Banking	114 428	1 228	1 191	312	2 731	2 361	109 336
Corporate and Investment Banking	55 667	633	215	321	1 169	92	54 406
Other domestic operations	74	-	-	50	50	-	24
Africa	11 024	83	59	108	250	237	10 537
International	43 025	310	277	26	613	839	41 573
Other	65	-	-	-	-	-	65
Gross loans and advances	224 283	2 254	1 742	817	4 813	3 529	215 941
Percentage of total book	100,00%	1,01%	0,78%	0,36%	2,15%	1,57%	96,28%

Analysis of non-performing loans

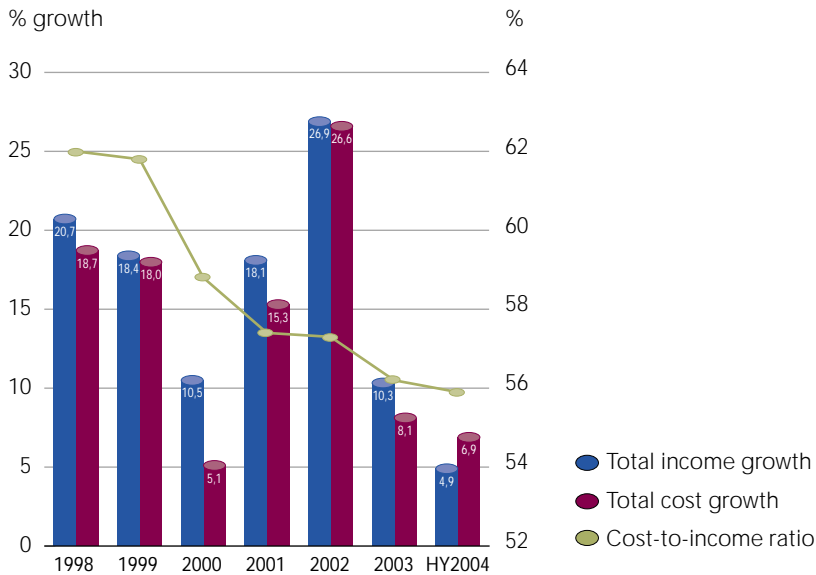
	Gross NPLs		Securities and expected recoveries		Net after securities and expected recoveries		Provision for net NPLs		Gross provision coverage	
	Jun '04	Dec '03	Jun '04	Dec '03	Jun '04	Dec '03	Jun '04	Dec '03	Jun '04	Dec '03
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	%	%
Retail Banking	2 796	2 731	1 546	1 592	1 250	1 139	1 250	1 139	45	42
Mortgage advances	1 679	1 749	1 201	1 307	478	442	478	442	28	25
Card debtors	93	81	22	35	71	46	71	46	76	57
Instalment finance	405	290	181	126	224	164	224	164	55	57
Retail branches	619	611	142	124	477	487	477	487	77	80
Corporate and Investment Banking	850	1 169	499	842	351	327	351	327	41	28
Other domestic operations	52	50	–	–	52	50	52	50	100	100
Domestic Banking	3 698	3 950	2 045	2 434	1 653	1 516	1 653	1 516	45	38
Africa	226	250	97	104	129	146	129	146	57	58
International	246	613	40	255	206	358	206	358	84	58
Total group NPLs	4 170	4 813	2 182	2 793	1 988	2 020	1 988	2 020	48	42
Staff home loan impairment i.t.o. AC 133							69	104		
Provisions for sovereign risk							97	74		
Credit risk inherent in other asset classes							101	220		
							2 255	2 418		
							% to gross advances			
									Jun '04	Dec '03
Gross NPLs									1,8	2,1
Less: Securities and collateral									(0,9)	(1,2)
Less: Provision for non-performing loans									(0,9)	(0,9)
Net NPLs									0,0	0,0
Coverage: Gross*									48%	42%
: Net**									100%	100%
Gross advances (Rm)									235 344	224 283

* Gross coverage = NPLs provision/Gross NPLs

** Net coverage = NPLs provision/(Gross NPLs – Security)



Operating expenses



Operating expenses

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Domestic Banking	4 926	10	4 495	9 478
Retail Banking	4 041	11	3 635	7 463
Corporate and Investment Banking	1 115	9	1 027	2 271
Other domestic operations (net recoveries)	(230)	38	(167)	(256)
Africa	738	17	630	1 319
International	1 165	(7)	1 249	2 407
Stanlib	182	(8)	197	458
Central funding and eliminations	(15)		(28)	(54)
Standard Bank operations	6 996	7	6 543	13 608

Cost-to-income ratio (%)

	Jun '04	Shift	Jun '03	Dec '03
Domestic Banking	53,7	0,2	53,5	54,5
Retail Banking	61,0	0,4	60,6	60,2
Corporate and Investment Banking	42,6	0,7	41,9	44,4
Africa	60,9	2,1	58,8	57,2
International	63,6	5,9	57,7	61,2
Standard Bank operations	55,9	1,0	54,9	56,2

Favourable

- Low inflation rate helped contain cost growth
- Reduced rand cost of imported software and IT equipment
- Positive currency translation effect

Adverse

- Higher staff complement in Retail Banking, Africa and International (discussed under headcount analysis)

Other operating expenses



Other operating expenses by business unit

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Domestic Banking	2 288	9	2 104	4 508
Retail Banking	2 630	11	2 379	4 870
Corporate and Investment Banking	561	9	515	1 197
Other domestic operations (net recoveries)	(903)	14	(790)	(1 559)
Africa	382	21	316	674
International	352	0	351	682
Stanlib	80	(2)	82	231
Central funding and eliminations	(30)		(34)	(68)
Total other operating expenses	3 072	9	2 819	6 027

Summary of other operating expenses

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Information technology*	512	(4)	533	1 115
Depreciation and amortisation	423	8	393	831
Premises	554	15	482	1 048
Other	1 583	12	1 411	3 033
Total other operating expenses	3 072	9	2 819	6 027

* Total information technology spend, including depreciation and IT staff costs amounted to R1 155m (HY2003: R1 099m)

Favourable

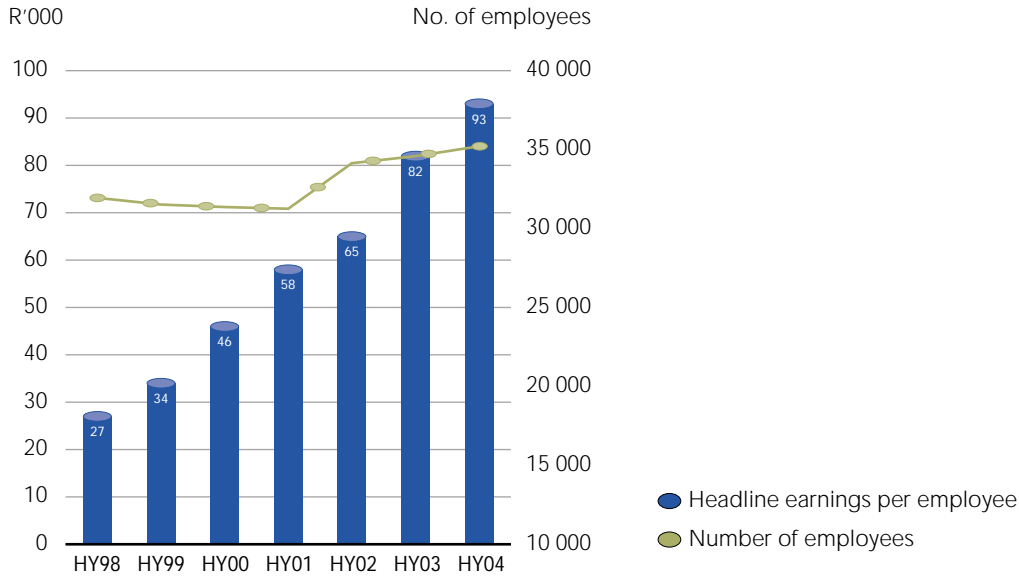
- Low inflation rate contained cost growth
- First-half timing differences on IT projects
- Positive currency translation effect

Adverse

- Increased infrastructural expenditure due to the extension of the distribution channels
- Additional marketing campaigns
- Higher insurance premiums paid
- Consolidation of Mozambique, previously equity accounted
- Increased central support functions to support the Africa growth strategy
- Higher spend on security costs



Headcount analysis



	Jun '04	% change	Jun '03	Dec '03
Domestic Banking	27 305	(0)	27 350	27 687
Retail Banking	18 117	2	17 787	18 169
Corporate and Investment Banking	3 008	(1)	3 035	2 987
Other domestic operations	6 180	(5)	6 528	6 531
Credit	1 396	(5)	1 477	1 505
Business Operations	3 038	(6)	3 234	3 195
Group Technology and e-Commerce	1 093	(4)	1 140	1 141
Group HR, Risk, Finance and other	653	(4)	677	690
Africa	5 936	11	5 339	5 488
International	1 432	11	1 291	1 318
Stanlib	536	(11)	605	541
Standard Bank operations	35 209	2	34 585	35 034

Favourable

- Process improvements in business operations
- Rationalisation in Stanlib
- Restructuring and outsourcing of support functions in other domestic operations

Adverse

- Higher staff complement in Retail Banking due to increased volumes
- Acquisition of Mozambique and Investec Botswana
- Increased risk management and central support functions in line with Africa growth strategy
- Expansion of back office functions in International

Analysis of loans and advances

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Gross loans and advances	235 344	16	202 114	224 283
– Mortgage advances	89 687	35	66 494	77 456
– Instalment finance	32 670	26	25 908	29 655
– Card debtors	6 673	31	5 112	5 600
– Structured debt finance	20 911	28	16 310	19 119
– Other loans	85 403	(3)	88 290	92 453
Less: provision for performing and non-performing loans	3 908	1	3 882	3 908
– Provision for non-performing loans	2 255	(15)	2 655	2 418
– Provision for performing loans	1 653	35	1 227	1 490
Net loans and advances	231 436	17	198 232	220 375

Net loans and advances by business unit

	Jun '04 Total Rm	% change	Jun '03 Total Rm	Jun '04 External* Rm	% change	Jun '03 External Rm
Domestic Banking	188 919	24	152 859	183 874	24	148 882
Retail Banking	129 350	32	97 984	129 350	32	97 984
Corporate and Investment Banking	59 439	8	54 917	54 394	7	50 940
Other domestic operations	130		(42)	130		(42)
Africa	12 065	21	9 939	11 952	20	9 922
International	37 533	(17)	44 967	35 592	(10)	39 515
Stanlib	20	–	20	19	–	19
Central funding	4 441	33	3 331	(1)		(106)
Eliminations	(11 542)		(12 884)			
Standard Bank operations	231 436	17	198 232	231 436	17	198 232

* External advances reflect advances at divisional level excluding intragroup lending

Favourable

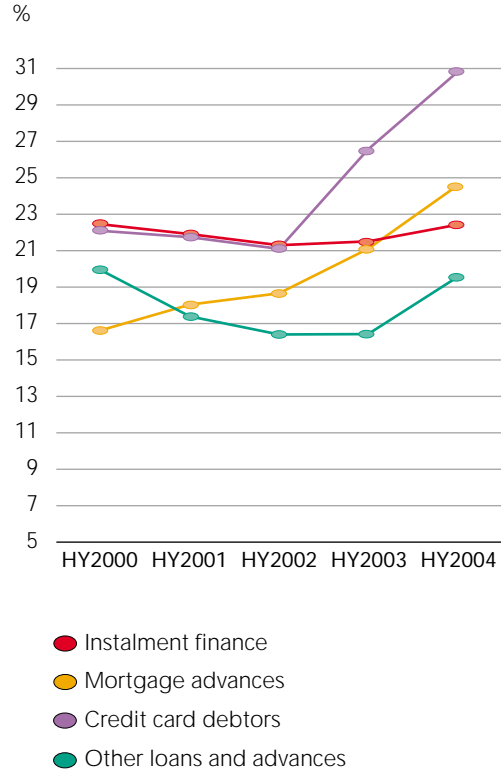
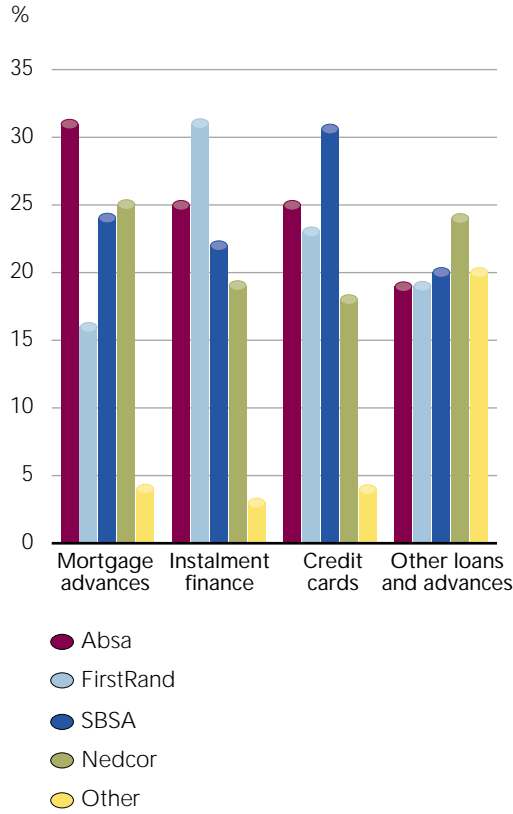
- Increased market share in Domestic due to strong retail lending growth, particularly mortgage advances and vehicle and asset finance
- Structured Debt Finance paid out on a number of significant deals
- Inclusion of Mozambique and Investec Botswana in Africa operations

Adverse

- Lower levels of corporate demand and avoidance of low margin business by Corporate and Investment Banking
- Negative currency translation effect



Domestic market share analysis



Mortgage advances

- New business market share consistently at 25%
- Comparatively young book with low fall off
- Greater focus on sales through the branch network and mobile force
- Good arrangement with originators

Instalment finance

- Increased cross-selling to bank customers
- National passenger new vehicle sales up 20%

Card debtors

- Increased number of accounts through cross-selling
- Reduction in minimum repayment balance

Other loans and advances

- Increased lending to medium-sized businesses
- Increased lending in Structured Debt Finance



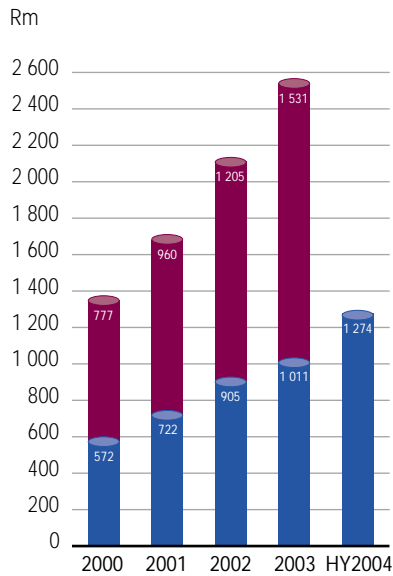
Business unit review

Contents

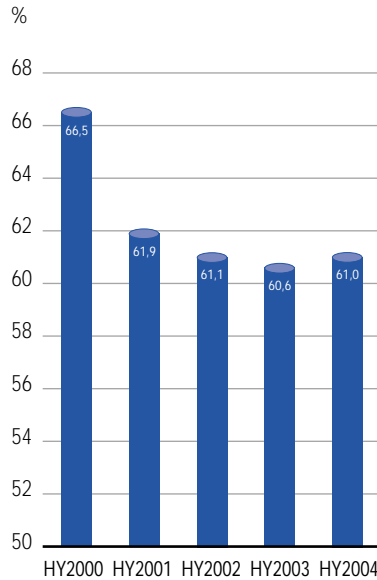
- 34 Retail Banking
- 35 Corporate and Investment Banking
- 36 Africa
- 37 International
- 38 Liberty
- 40 Stanlib



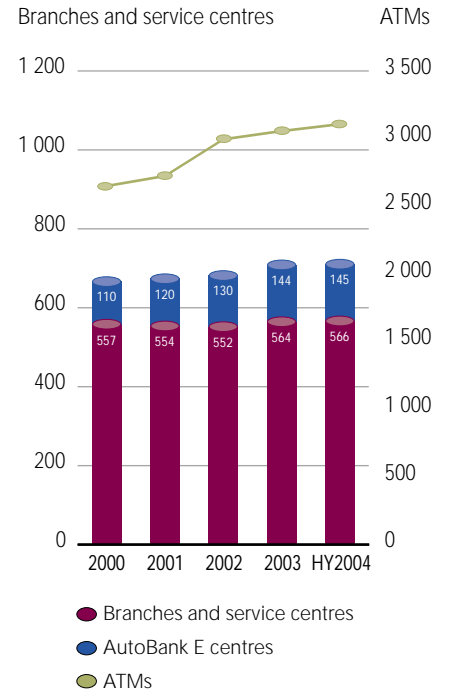
Headline earnings



Cost-to-income



Points of representation



Income statement

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Net interest income before provision for credit losses	3 496	5	3 342	6 773
Provision for credit losses	626	(17)	750	1 128
Net interest income	2 870	11	2 592	5 645
Non-interest revenue	3 126	18	2 656	5 618
Operating expenses	4 041	11	3 635	7 463
Operating profit	1 955	21	1 613	3 800
Income from associates	38		9	28
Taxation	719	18	611	1 286
Headline earnings	1 274	26	1 011	2 542
Total advances	129 350	32	97 984	112 751
Cost-to-income ratio (%)	61,0		60,6	60,2
ROE (%)	30,1		28,2	32,1
Credit loss ratio (%)	1,02		1,59	1,11

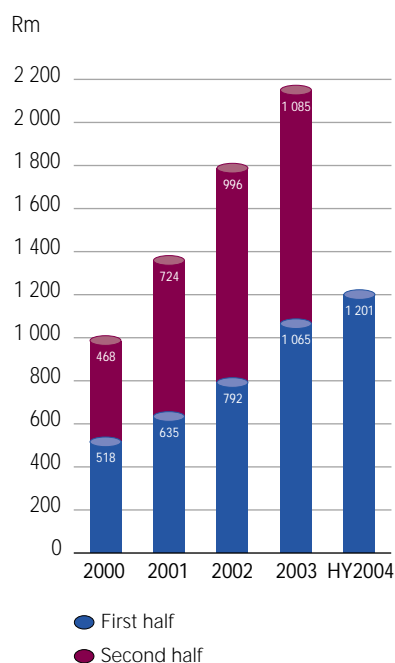
Favourable

- Lower non-performing loan provisions due to improved collection processes and a better credit environment
- Growth in advances, especially in mortgages and vehicle and asset finance
- Increased customer base resulting in increased transactions across all products
- Lower insurance loss ratio in SIL and increased bancassurance volumes
- Increased ABIL joint venture income

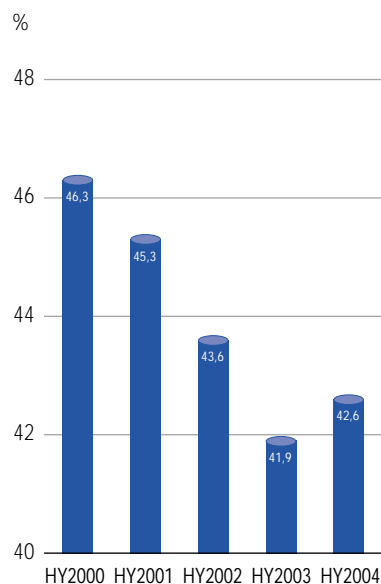
Adverse

- Endowment effect due to lower interest rate environment
- Increased infrastructure expenditure due to the extension of the distribution channels
- Higher temporary staff costs due to increased business volumes and increased points of representation
- Increase in cash holding and cash handling costs
- Increased performing loan provisions due to the rapid advances growth

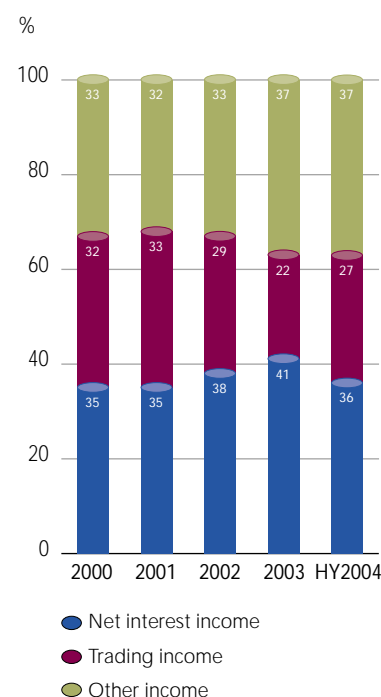
Headline earnings



Cost-to-income



Income contribution



Income statement

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Net interest income before provision for credit losses	955	(8)	1 042	2 081
Provision for credit losses	13	(88)	106	177
Net interest income	942	1	936	1 904
Non-interest revenue	1 664	18	1 412	3 037
Operating expenses	1 115	9	1 027	2 271
Operating profit	1 491	13	1 321	2 670
Income from associates	8	(47)	15	41
Taxation	294	14	257	544
Income after taxation	1 205	12	1 079	2 167
Attributable to minorities	4	(71)	14	17
Headline earnings	1 201	13	1 065	2 150
Total advances	59 439	8	54 917	57 178
Cost-to-income ratio (%)	42,6		41,9	44,4
ROE (%)	31,6		33,0	31,3
Credit loss ratio (%)	0,04		0,38	0,31

Favourable

- Good growth in the foreign currency lending book
- Increased property finance lending and structured debt financing
- Lower provisioning for performing and non-performing loans
- Strong fee income growth due to re-pricing opportunities, higher advisory billings and higher transactional volumes
- Favourable trading performances across most desks

Adverse

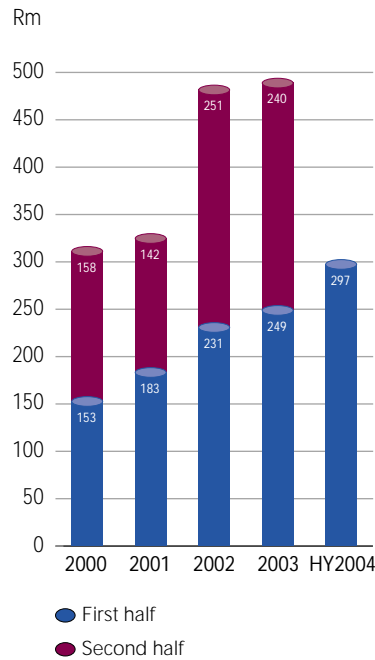
- Decrease in call loan book (excluding property lending)
- Endowment effect due to lower interest rate environment
- High growth in IT expenditure
- Higher effective direct tax rate
- Unfavourable trading conditions in commodities, specifically precious metals



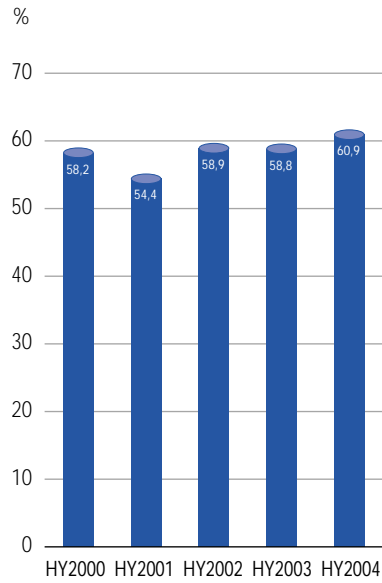
Africa



Headline earnings



Cost-to-income



Income statement

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Net interest income before provision for credit losses	709	11	637	1 421
Provision for credit losses	15	(65)	43	172
Net interest income	694	17	594	1 249
Non-interest revenue	502	16	434	884
Operating expenses	738	17	630	1 319
Operating profit	458	15	398	814
Income from associates	-	(100)	13	33
Taxation	129	(2)	132	303
Income after taxation	329	18	279	544
Attributable to minorities	32	7	30	55
Headline earnings	297	19	249	489
Total advances	12 065	21	9 939	10 674
Cost-to-income ratio (%)	60,9		58,8	57,2
ROE (%)	29,9		31,3	28,3
Credit loss ratio (%)	0,26		0,89	1,71

Favourable

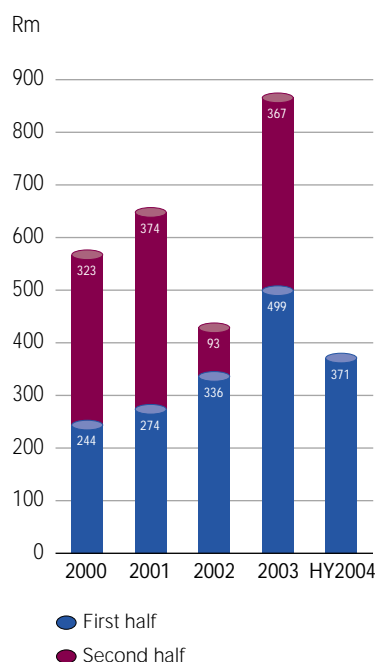
- Strong growth in loan book and treasury bill holdings in Uganda, Botswana (including the Investec acquisition) and Ghana
- Higher bad debt recoveries in Uganda, Kenya, Malawi and Nigeria
- Growth in foreign currency advances and government securities in Zambia
- Growth in non-interest revenue from retail, particularly in Uganda
- Re-pricing initiatives and reducing revenue leakages

Adverse

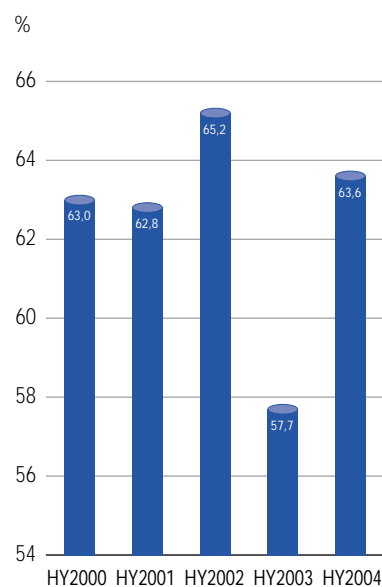
- Endowment impact of declining interest rates in Malawi, Ghana, Botswana, Uganda, Zambia, Namibia, Lesotho and Mozambique
- Branch refurbishments and systems implementations in Uganda
- Sluggish economy in Malawi and Congo
- Increased risk management and central support functions to support the Africa growth strategy
- Negative currency translation effect



Headline earnings



Cost-to-income



Income statement

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Net interest income before provision for credit losses	277	(59)	678	1 094
Provision for credit losses	153	(22)	197	317
Net interest income	124	(74)	481	777
Non-interest revenue	1 555	5	1 486	2 842
Operating expenses	1 165	(7)	1 249	2 407
Operating profit	514	(28)	718	1 212
Taxation	143	(35)	219	346
Headline earnings	371	(26)	499	866
Headline earnings (USD)	56	(10)	62	115
Total advances	37 533	(17)	44 967	43 311
Average exchange rate – USD	6,66		8,02	7,55
Cost-to-income ratio (%)	63,6		57,7	61,2
ROE (%)	13,1		16,8	14,7
Credit loss ratio (%)	0,74		0,95	0,78

Favourable

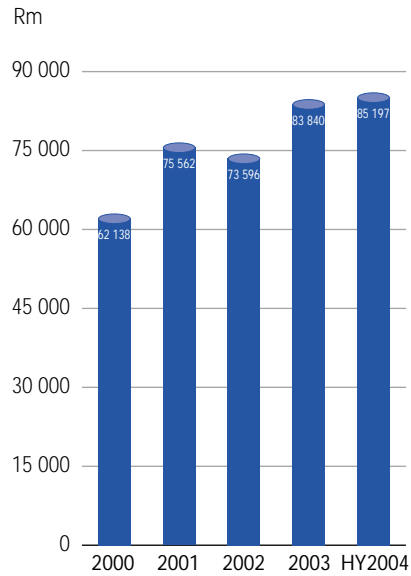
- Strong client flow and trading opportunities from buoyant base metals markets
- Foreign exchange trading took advantage of market volatility and good volumes
- Growth in Asset Management revenues based on good underlying performance
- Increased product coverage in Russia and Brazil
- Rehabilitation of, and cash receipts on, accounts resulting in release of provisions

Adverse

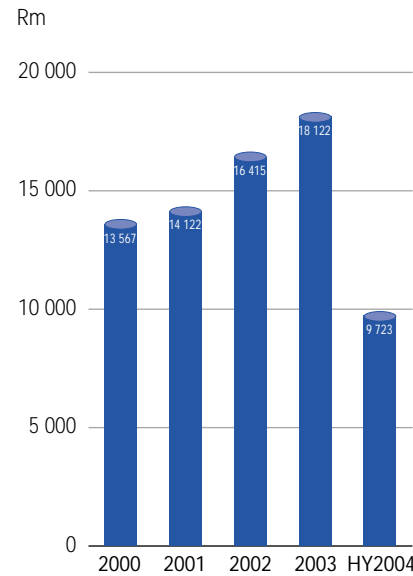
- Emerging market debt price pressure following increasing US interest rate environment and regional market uncertainty
- Increased competition in developing economies
- Margin pressure in low interest rate environment
- Provisions against mining exposures
- Negative currency translation effect



Policyholder liabilities



Net premium income and inflows from investment contracts



Liberty Life highlights

		Jun '04	% change	Jun '03	Dec '03
Net premium income and inflows from investment contracts	Rm	9 723	21	8 004	18 122
Headline EPS	cents	167,2	29	130,0	346,4
Headline earnings	Rm	460	29	356	949
Earnings	Rm	499	70	294	1 162
Total assets	Rm	98 197	13	86 567	96 558
Ordinary shareholders' funds	Rm	8 922	8	8 266	8 782
Policyholder liabilities	Rm	85 197	15	73 804	83 840
Total embedded value	Rm	15 887	9	14 623	15 817
Dividend per share declared for the period	cents	162	-	162	278

Favourable

- New business up 16,6% to R6 342m
- New business margins increased to 20,9%
- Net cash inflows from insurance operations up 37,7% to R2 382m
- Weighted average investment return was 0,2% compared to (3,6%) for the same prior year period

Adverse

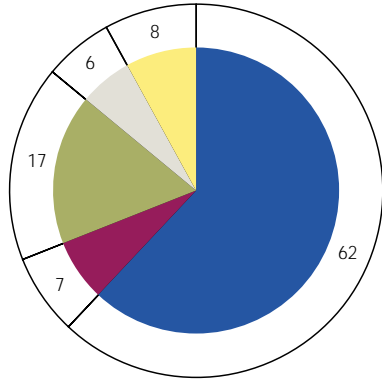
- Lower new business volumes and margins in Corporate Benefits
- Cost of investment guarantee reserves
- Non-recurring expenses relating to retrenchments and renovation costs

Reconciliation of Liberty earnings

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Liberty Life				
Headline earnings	460	29	356	949
Net investment gains	45		10	291
Realised investment gains attributable to shareholders' assets	49		12	316
Capital gains tax attributable to realised shareholders' investment gains	(4)		(2)	(25)
Goodwill amortisation and impairment	(6)		(72)	(78)
Total earnings	499	70	294	1 162
Libhold (holding: 54,0%; Jun '03: 54,4%; Dec '03: 54,2%)				
Headline earnings (adjusted for Stanlib)	238	30	183	494
Adjusted earnings	241		181	497
Consolidated headline earnings from Liberty Life	249		194	515
Less: Stanlib income consolidated in Standard Bank operations	(8)		(13)	(18)
Libhold attributable earnings	(3)		2	(3)
Libhold (expenses)/income	(2)		3	(1)
Preference dividends	(1)		(1)	(2)
Net investment gains	31		16	241
Realised investment gains attributable to shareholders' assets	26		7	171
Adjustment for goodwill and recognition of profits on sale of Stanlib	7		10	84
Capital gains tax attributable to realised shareholders' investment gains	(2)		(1)	(14)
Goodwill amortisation and impairment	(3)		(39)	(42)
Total earnings	266	66	160	693
Standard Bank Group (effective holding 29,5%; Jun '03: 29,8%; Dec '03: 29,6%)				
Headline earnings	129	29	100	270
Net investment gains	17		9	132
Realised investment gains attributable to shareholders' assets	18		9	140
Capital gains tax attributable to realised shareholders' investment gains	(1)			(8)
Goodwill amortisation and impairment	(2)		(21)	(23)
Liberty income attributable to Standard Bank Group	144	64	88	379

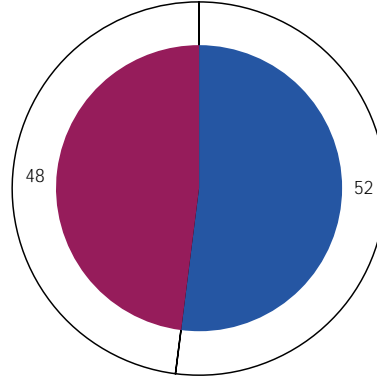


Funds under administration – Wealth Management



- Single manager unit trusts 62% (2003: 59%)
- Linked products 7% (2003: 9%)
- Structured products 17% (2003: 20%)
- Multi-Manager 6% (2003: 6%)
- Africa 8% (2003: 6%)

Assets under management – Asset Management



- Life funds 52% (2003: 52%)
- Segregated funds 48% (2003: 48%)

Income statement

	Jun '04 Rm	% change	Jun '03 Rm	Dec '03 Rm
Operating profit	89	31	68	104
Taxation	44		21	33
Income after tax	45	(4)	47	71
Attributable to minorities	23	44	16	31
Headline earnings	22	(29)	31	40

Assets under management

	Jun '04 Rbn	% change	Jun '03 Rbn	Dec '03 Rbn
Stanlib Asset Management assets under management	154	17	132	153
Stanlib Wealth Management funds under administration	31	55	20	25
Total assets under management	185	22	152	178

Favourable

- Net inflows of R6,2 billion
- Increase in value of assets under management
- New management team
- Cost reduction program

Adverse

- Decreased interest income due to capital reduction prior to empowerment deal
- Preference dividends paid treated as funding costs
- Effective percentage shareholding declined from 65% to 49%



Other information

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50	Accounting issues

**The proposed introduction of direct black share ownership to Standard Bank Group**

Standard Bank Group (SBG) announced on 15 July 2004 that it will be selling an effective 10% interest in its South African banking operations to a broad-based grouping of black entities in a deal worth about R4,3 billion. The proposed transaction is subject to the fulfilment of certain conditions which includes the approval of SBG shareholders.

The transaction is intended to enable SBG to meet the ownership requirements set out in the Charter. The Charter scorecard provides an objective and broad-based set of indicators for measuring a financial institution's success in meeting the objectives of the Charter. One of the terms of the Charter is that, in order for a financial institution to earn the full 12 points allocated in the scorecard to direct ownership, 10% of the equity in its South African operations, together with control over all of the voting rights attached to that equity interest, must be held by black people by 2010. In addition, 33% of the members of the board of directors of the financial institution must be black.

The black ownership initiative participants (collectively referred to as the "black partners") comprise:

- Safika Holdings and Millennium Consolidated Investments (MCI), known as the Tutuwa Consortium;
- current, as well as future, black employees of SBG as defined in the Financial Sector Charter, including black non-executive directors ("the black employees"); and
- a community trust made up of various regional business and community empowerment groupings.

Both Safika and MCI are empowered companies founded by individuals who were influential in the unfolding of the democratic process in the early 1990s. These individuals have since established themselves as prominent businessmen with proven track records.

The black employees under the black ownership initiative will comprise two categories, being the black non-executive directors together with some 2 500 managerial black employees who will be the beneficiaries of a trust that purchases about

38,9 million SBG ordinary shares and non-managerial black employees who will be awarded about 1,3 million SBG ordinary shares at no cost to employees via a bonus allocation of 100 SBG shares each.

A similar bonus allocation will be made to all group employees worldwide who do not form part of the black ownership initiative or who are currently not participants in the SBG's share incentive scheme.

The aim of the community trust is to facilitate broad-based empowerment of regional business and community groupings.

At present, 10% of SBG's South African banking operations is valued at approximately R4,3 billion and is equivalent to approximately 7,54% of the issued ordinary share capital of SBG and, deducting the value of the Andisa Capital (Proprietary) Limited empowerment transaction previously concluded, is equivalent to 7,47% of the issued ordinary share capital of SBG. The black partners will together hold 100,5 million SBG ordinary shares whose value is equivalent to 10% of SBG's South African banking operations.

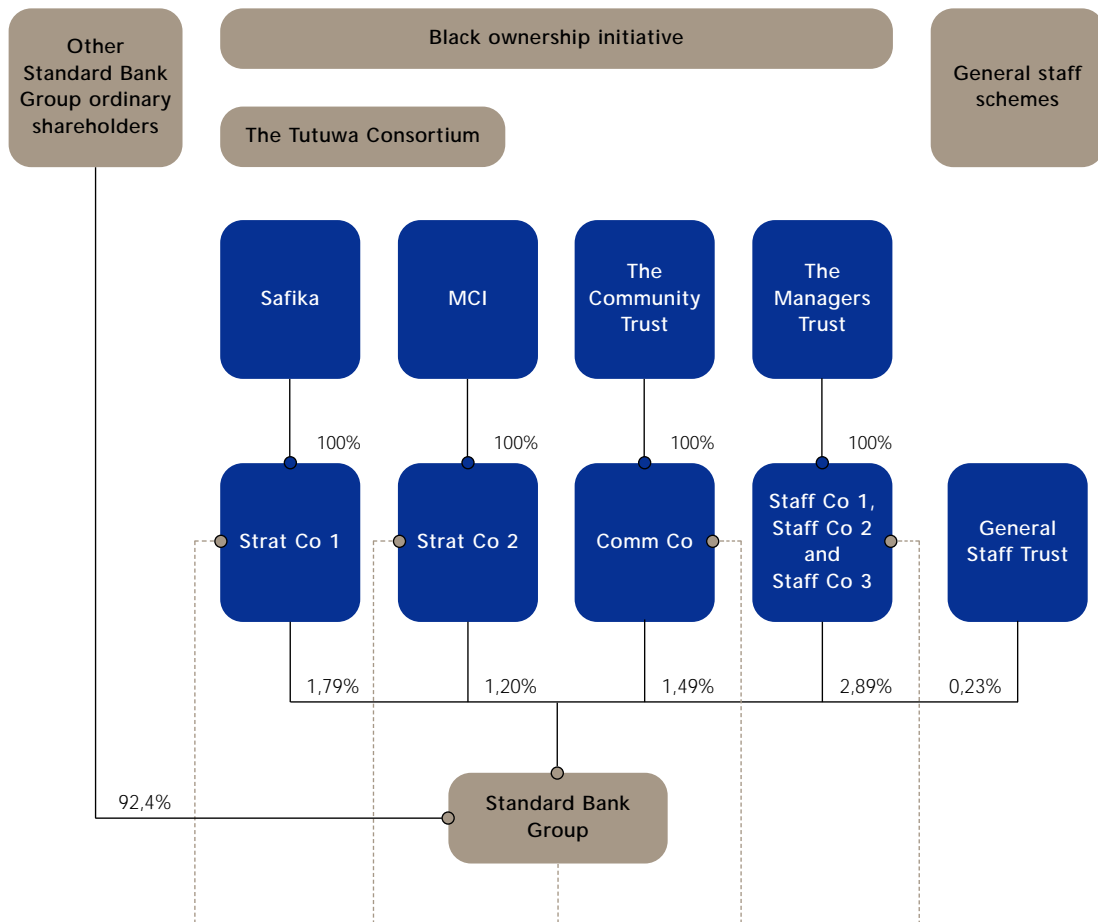
SBG will facilitate the black ownership initiative through the acquisition of SBG ordinary shares from shareholders. The proposal is that each SBG ordinary shareholder disposes of 7,6% of their ordinary shares held in SBG, at R40,50 per SBG ordinary share. The discount represents a cost of 15 cents per share to the SBG ordinary shareholders and is important for the sustainability of the black ownership initiative. SBG ordinary shareholders will still receive the 2004 interim dividends in respect of the ordinary shares disposed of to facilitate the black ownership initiative. This represents an effective discount of 3,57% to the SBG closing share price on Friday, 9 July 2004 of R42,50.

It is proposed that the black ownership initiative be capitalised through fixed rate redeemable preference shares with a 20-year term. The redemption profile of such preference shares is dependent on the future dividend stream of SBG, thus further enhancing the sustainability of the black ownership initiative as it is not linked to the performance of the SBG share price.



Resultant structure

The simplified shareholding structure of Standard Bank Group subsequent to the proposed transaction is set out below:



Preference shares and special preference shares



	Jun '04		Dec '03	
	Number of shares (million)	% holding	Number of shares (million)	% holding
Ten major shareholders				
Old Mutual Group	179,7	13,3	185,0	13,8
Public Investment Commissioner	174,4	13,0	168,1	12,6
Sanlam Group	57,8	4,3	57,2	4,3
Liberty Group ⁽¹⁾	57,2	4,2	63,0	4,7
Investment Solutions	39,3	2,9	43,6	3,3
Transnet Pension Fund	29,8	2,2	33,8	2,5
Hartford Capital Appreciation Fund (US)	18,5	1,4	8,8	0,7
Metlife	17,4	1,3	19,2	1,4
Sentinel Mining Industry Retirement Fund	16,8	1,3	17,3	1,3
Eskom Pension Fund	16,3	1,2	14,3	1,0
	607,2	45,1	610,3	45,6

¹ Policyholders' funds

JSE Securities Exchange statistics

Share and bond codes

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

	Jun '04	Jun '03	Dec '03
Share prices (cents)			
– High for the period	4 398	3 430	3 960
– Low for the period	3 686	2 650	2 650
– Closing	4 300	3 280	3 918
Shares traded			
– Number of shares ('000)	433 251	541 823	908 309
– Value of shares (Rm)	17 692	16 134	28 794
– Turnover in shares traded (%)	64,4 [*]	81,3 [*]	67,8

^{*} Annualised

Credit ratings	Short-term	Long-term	Outlook
The Standard Bank of South Africa Limited			
Fitch Ratings (June 2004)			
Foreign currency	F3	BBB	Stable
Local currency		A-	Stable
National	F1+(zaf)	AA+(zaf)	Stable
Standard & Poor's (January 2004) public information rating			
Local currency		BBBpi	
Moody's Investors Services (July 2003) public information rating			
Bank deposit rating	P-2	Baa2	Stable
Financial strength rating			C+
RSA Sovereign ratings: Foreign currency			
Fitch Ratings		BBB	
Standard and Poor's		BBB	
Moody's Investors Services		Baa2	
RSA Sovereign ratings: Local currency			
Fitch Ratings		A-	
Standard and Poor's		A	
Moody's Investors Services		A2	



Standard Bank Group

CAGR

Compound annual growth rate.

Dividend cover (times)

Headline earnings per share divided by ordinary dividend per share declared in respect of that period.

Earnings per share (cents)

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

Headline earnings (Rm)

Earnings attributable to ordinary shareholders excluding goodwill amortisation, capital profits and losses, and recycled profits and losses on available-for-sale financial instruments.

Headline earnings per share (cents)

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

Net asset value per share (cents)

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

Price-to-book (times)

Market capitalisation divided by ordinary shareholders' funds.

Return on ordinary equity (ROE)

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

Return on risk-weighted assets

Headline earnings, as a percentage of the group's average risk-weighted assets.

Shares issued

The actual number of shares in issue at year-end.

Standard Bank operations

Cost-to-income ratio (%)

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

Credit loss ratio (%)

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

Effective tax rate (%)

The income statement tax charge as a percentage of income before tax.

Net interest margin (%)

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

Non-interest revenue to total income (%)

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

Non-performing loan provisions

Provisions for specific identified credit losses, net of the present value of estimated recoveries.

Performing loan provisions

Provisions for unidentified credit losses inherent in the performing loan book.

ROE (%)

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

Africa

Operations in Africa other than South Africa.

Central funding and eliminations

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

Domestic Banking

Activities managed in South Africa excluding Stanlib and centralised funding activities.

International

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



	Domestic Banking			
	Retail Banking	Corporate and Investment Banking	Other domestic operations	Total
	Rm	Rm	Rm	Rm
Interest income	6 954	9 362	(1 320)	14 996
Interest expense	3 458	8 407	(1 260)	10 605
Net interest income before provision for credit losses	3 496	955	(60)	4 391
Provision for credit losses	626	13		639
Provision for non-performing loans	452	12		464
Provision for performing loans	174	1		175
Net interest income	2 870	942	(60)	3 752
Non-interest revenue	3 126	1 664	(4)	4 786
Fees and commission income	2 993	610	(3)	3 600
Trading income		709	(27)	682
Other income	133	345	26	504
Total income	5 996	2 606	(64)	8 538
Operating expenses	4 041	1 115	(230)	4 926
Staff costs	1 411	554	673	2 638
Other operating expenses	2 630	561	(903)	2 288
Operating profit	1 955	1 491	166	3 612
Income from associates	38	8		46
Goodwill and exceptional items	(10)		15	5
Income before taxation:				
Standard Bank operations	1 983	1 499	181	3 663
Liberty				
Taxation	719	294	81	1 094
Income after taxation	1 264	1 205	100	2 569
Attributable to minorities		4		4
Income attributable to ordinary shareholders	1 264	1 201	100	2 565
Headline earnings	1 274	1 201	85	2 560
ROE (%)	30,1	31,6		29,4
Cost-to-income ratio (%)	61,0	42,6		53,7
Credit loss ratio (%)	1,02	0,04		0,70
Total assets	131 311	184 837	7 120	323 268
Average equity	8 452	7 604	1 339	17 395
Net interest margin (%)	5,68	1,41		3,31
Total liabilities	122 447	176 998	5 456	304 901
Number of employees	18 117	3 008	6 180	27 305

International	Africa	Stanlib	Central funding and eliminations	Standard Bank operations	Liberty	Standard Bank Group
Rm	Rm	Rm	Rm	Rm	Rm	Rm
934	1 141	23	(430)	16 664		16 664
657	432	50	(457)	11 287		11 287
277	709	(27)	27	5 377		5 377
153	15		22	829		829
153	(1)		22	638		638
	16			191		191
124	694	(27)	5	4 548		4 548
1 555	502	298	(2)	7 139		7 139
387	369	278	(21)	4 613		4 613
1 168	115	17	40	2 022		2 022
	18	3	(21)	504		504
1 679	1 196	271	3	11 687		11 687
1 165	738	182	(15)	6 996		6 996
813	356	102	15	3 924		3 924
352	382	80	(30)	3 072		3 072
514	458	89	18	4 691		4 691
				46		46
(18)	(18)		(13)	(44)		(44)
496	440	89	5	4 693		4 693
143	129	44	8	1 418	730	730
353	311	45	(3)	3 275	237	1 655
	32	23		59	493	3 768
					349	408
353	279	22	(3)	3 216	144	3 360
371	297	22	10	3 260	129	3 389
13,1	29,9	29,1		24,2	10,3	23,0
63,6	60,9			55,9		55,9
0,74	0,26			0,72		0,72
111 364	24 565	1 300	(25 246)	435 251	97 829	533 080
5 645	1 986	151	1 743	26 920	2 498	29 418
0,55	5,74			2,94		2,94
107 045	22 279	1 099	(28 094)	407 230	89 281	496 511
1 432	5 936	536		35 209	3 379	38 588



	Domestic Banking			
	Retail Banking	Corporate and Investment Banking	Other domestic operations	Total
	Rm	Rm	Rm	Rm
Interest income	7 918	13 010	(4 560)	16 368
Interest expense	4 576	11 968	(4 478)	12 066
Net interest income before provision for credit losses	3 342	1 042	(82)	4 302
Provision for credit losses	750	106	1	857
Provision for non-performing loans	662	65	7	734
Provision for performing loans	88	41	(6)	123
Net interest income	2 592	936	(83)	3 445
Non-interest revenue	2 656	1 412	30	4 098
Fees and commission income	2 534	531	6	3 071
Trading income		545		545
Other income	122	336	24	482
Total income	5 248	2 348	(53)	7 543
Operating expenses	3 635	1 027	(167)	4 495
Staff costs	1 256	512	623	2 391
Other operating expenses	2 379	515	(790)	2 104
Operating profit	1 613	1 321	114	3 048
Income from associates	9	15		24
Goodwill and exceptional items	1	(12)	37	26
Income before taxation:				
Standard Bank operations	1 623	1 324	151	3 098
Liberty				
Taxation	611	257	89	957
Income after taxation	1 012	1 067	62	2 141
Attributable to minorities		14		14
Income attributable to ordinary shareholders	1 012	1 053	62	2 127
Headline earnings	1 011	1 065	25	2 101
ROE (%)	28,2	33,0		30,8
Cost-to-income ratio (%)	60,6	41,9		53,5
Credit loss ratio (%)	1,59	0,38		1,14
Total assets	99 963	227 422	3 716	331 101
Average equity	7 179	6 456		13 635
Net interest margin (%)	6,95	1,52		3,63
Total liabilities	93 448	220 450	2 787	316 685
Number of employees	17 787	3 035	6 528	27 350

International	Africa	Stanlib	Central funding and eliminations	Standard Bank operations	Liberty	Standard Bank Group
Rm	Rm	Rm	Rm	Rm	Rm	Rm
1 291	1 173	46	(115)	18 763		18 763
613	536	20	(313)	12 922		12 922
678	637	26	198	5 841		5 841
197	43		27	1 124		1 124
163	32			929		929
34	11		27	195		195
481	594	26	171	4 717		4 717
1 486	434	239	(172)	6 085		6 085
318	281	210	(9)	3 871		3 871
1 151	128	23	28	1 875		1 875
17	25	6	(191)	339		339
1 967	1 028	265	(1)	10 802		10 802
1 249	630	197	(28)	6 543		6 543
898	314	115	6	3 724		3 724
351	316	82	(34)	2 819		2 819
718	398	68	27	4 259		4 259
	13		(1)	36		36
(15)	(5)	6	(16)	(4)		(4)
703	406	74	10	4 291		4 291
					525	525
219	132	21	48	1 377	232	1 609
484	274	53	(38)	2 914	293	3 207
	30	16		60	205	265
484	244	37	(38)	2 854	88	2 942
499	249	31	(22)	2 858	100	2 958
16,8	31,3	17,7		23,9	8,5	22,5
57,7	58,8			54,9		54,9
0,95	0,89			1,17		1,17
110 028	20 949	1 677	(31 076)	432 679	86 081	518 760
5 926	1 590	350	2 389	23 890	2 358	26 248
1,48	6,20			3,46		3,46
105 769	19 205	1 249	(34 733)	408 175	78 310	486 485
1 291	5 339	605		34 585	3 317	37 902

**Change in accounting policy**

The group adopted AC 501, Accounting for Secondary Tax on Companies (STC), with effect from 1 January 2004. As required by AC 501, a deferred tax asset is recognised for unused STC credits to the extent that the group expects that it will utilise the credits to reduce its STC liability in future. No deferred tax asset was previously recognised for unused STC credits. The impact of adopting AC 501 is as follows:

	Jun '03	Dec '03
	Rm	Rm
Income statement		
Reduction in taxation and increase in earnings	16	32
Balance sheet		
Increase in retained earnings and increase in deferred tax asset included in other assets	160	176

There was no impact on minorities' interest. Comparative amounts have been restated accordingly. The impact of the change in accounting policy on the current period's earnings is insignificant.

Regroupings

The following comparative numbers were regrouped with no impact on earnings, equity or total assets:

- Property trading profits of R138 million at December 2003 were included in trading income and are now disclosed in other income within non-interest revenue.
- Short sales of financial assets amounting to R4 372 million at June 2003 were included under other liabilities at June 2003 and are now presented as part of trading liabilities. This change had already been processed and published in the December 2003 results.
- Investment surpluses within Liberty Life were presented after minorities interest but is now presented as part of income before tax. The related capital gains tax and minority interest

relating to these investment surpluses have been accounted for in the respective line items in the income statement. The exceptional item line has been adjusted to include goodwill impairment previously included in operating profit.

Impact of AC 133

The group adopted AC 133 in 2003. The current period reduction in headline earnings of R17 million is not considered material to the results of the group.



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