Standard International Holdings S.A.

2003

Report and Consolidated Accounts

Standard Bank

Standard Bank London Limited
Cannon Bridge House 25 Dowgate Hill London EC4R 2SB
Tel (44 20) 7815 3000 Fax (44 20) 7815 3099
Visit our website on www.standardbank.com

Standard Bank

incorporating
Standard Bank London Limited
Standard Bank Asia Limited

Strong performance across all major business units and regions.

Operating income increased by 43%.

Pre-tax profit of £72.1m.

Investment banks established in Brazil and Russia.

Credit provisioning charges reduced by 39% to £18.6m.

Improvement in cost-to-income ratio from 71.9% to 65.6%.

Total assets increased to £7,422m, up 33%.

Capital adequacy ratio of 16.9%.

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 (SBL), 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 Limited (SBOG).

Established in 1992 when Standard Bank London Limited received its authorisation under the UK Banking Act 1987, the Group now has capital resources of £505 million and employs more than 900 people.

Australia
China
Hong Kong
Malaysia
Singapore

Argentina
Brazil
Mexico
Peru
United States of America

Czech Republic
Iran
Italy
Romania
Russia
Turkey
United Arab Emirates
United Kingdom

Principal product areas

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

The Global Markets division comprises SIH's customer-focused debt capital markets and treasury activities. The division is an originator of debt security financing for banks, corporations and parastatal issuers within the world's developing markets. It trades emerging market bonds as well as other sovereign and corporate credits, offering a service to investors across the yield curve. 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 Group's expertise extends across all major and developing market currencies.

Within the Principal Trading division, the fixed income unit invests in debt securities issued by a wide variety of sovereign, parastatal and corporate borrowers in the world's developing and developed markets. An equity derivatives unit focuses on convertible bond arbitrage, dual listed arbitrage and volatility trading in selected developed economies.

The Resource Banking division encompasses banking activities in precious metals, base metals and energy markets. This division offers a comprehensive range of services across these product classes, including trading, risk management, project finance, structured trade finance and corporate advisory. The client base encompasses all sections of the industry, including producers, consumers, merchants, fund managers and governments worldwide.

The Banking division is a leading provider of trade finance, forfaiting, corporate banking, telecommunications and specialised finance services. Utilising its strengths across the world's developing markets and possessing a strong distribution capability, the Group offers flexible financing for commodities and capital goods.

In Asset Management, the Group leverages its expertise in developing markets and high yield assets into investment products that can be distributed on a wholesale basis. The division specialises in managing assets in developing market and global high yielding debt products, 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. With the Group's geographic footprint and specialist product range providing a key differentiating factor, the division complements the long-established traditional private client 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 UK bank authorised and regulated by the Financial Services Authority and 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. The bank is a shareholder in the London Clearing House and has two seats on the New York Mercantile Exchange (Comex division).

Standard Bank Asia Limited is a fully licensed bank in Hong Kong and is regulated by the Hong Kong Monetary Authority. It 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.

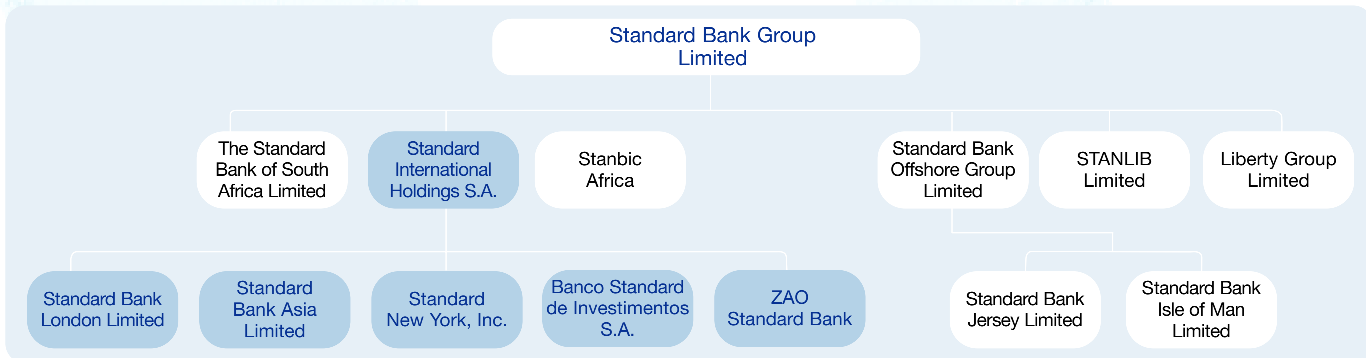
Standard New York, Inc. has two operating subsidiaries, Standard Americas, Inc. and Standard New York Securities, Inc. The latter and its Miami branch are registered broker/dealers in securities and members of the National Association of Securities Dealers, Inc. and the National Futures Association.

During the year the Group completed the upgrade of its Brazilian subsidiary, Banco Standard de Investimentos S.A., to investment bank status and established a bank in Russia, ZAO Standard Bank. These entities enhance the Group's ability to participate in the local treasury and debt capital markets.

Standard Bank Group

The Standard Bank Group Limited, based in Johannesburg, is the ultimate holding company for the global activities of the Group. With total assets of US$81 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 investment 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

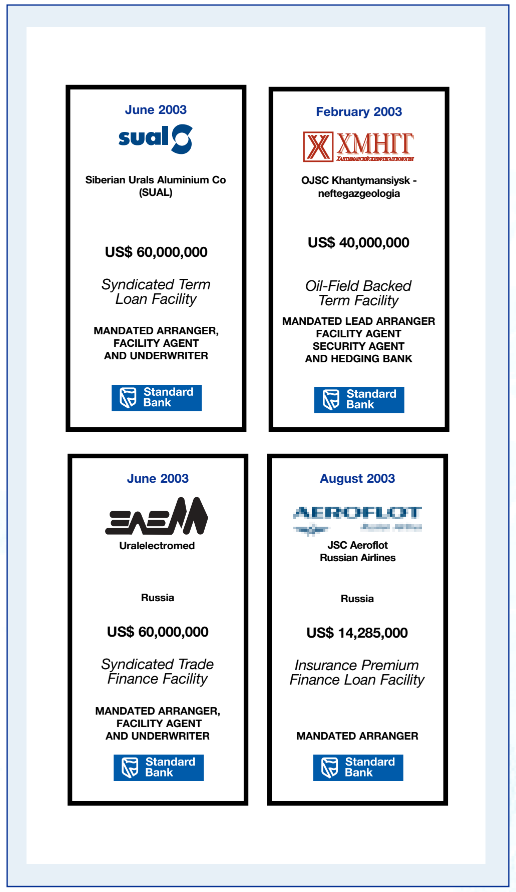


All principal product areas and major regions of the Group performed well in 2003. Operating results benefited from improved market conditions, increased customer flows, enhanced regional and product penetration and improvements in operating efficiencies.

Our franchise remains strongly focused on developing markets – principally debt and currency products – and on natural resources. These are areas in which the Group's capabilities and profile are already well established and upon which we continue to build and develop.

All major businesses enjoyed increased volumes. Customer revenues grew strongly, supported by an increased client focus and enhancements to the product range. The principal trading areas also performed well, taking advantage of favourable market conditions.

The establishment of new investment banks in Brazil and Russia was completed during the year. Significant progress was also made in extending the regional penetration of all core product areas.



Our franchise remains strongly focused on developing markets – principally debt and currency products – and on natural resources.

The charge in respect of provisions against credit losses was significantly below that for 2002.

Global Markets

The Global Markets division, representing the Group's client-driven debt capital markets and treasury activities, delivered strong results, with revenues significantly up on the prior year.

The bond origination group recorded an excellent year on the back of strong issuance out of Latin America, particularly Brazil. Standard Bank is now a leader in this market in Brazil, having topped the 2003 league tables for the arrangement of Brazilian non-public international bond issues.

The local markets business continues to grow, supported by a broader product range and enhanced geographic penetration. The development of SIH's new Brazilian and Russian banks will provide further impetus to this business.

The client financing business enjoyed a good year despite increased competition and tightening spreads. The portfolio remains well collateralised and is diverse in terms of clients and geography. The sales/trading area also performed well on the back of increased client flow.

The tightening of credit spreads experienced across all fixed income markets during the year provided support to the fixed income investment book, with market opportunities also being taken to decrease the book's size. The tightening spread environment similarly aided the credit trading business, assisting the marketing of yield-enhancing derivative products.

The foreign exchange and money markets activities reported increasing volumes, with further strengthening and diversification of the customer base. The collateral management business completed a number of significant structured transactions.

Principal Trading

The Principal Trading division produced very strong results, with the fixed income unit taking full advantage of the year's yield spread tightening in many emerging market and high yield credits. Revenue contributions were well diversified geographically from Asia, Latin America and Eastern Europe. The equity derivatives trading unit enjoyed a healthy performance in its first full year of operations.

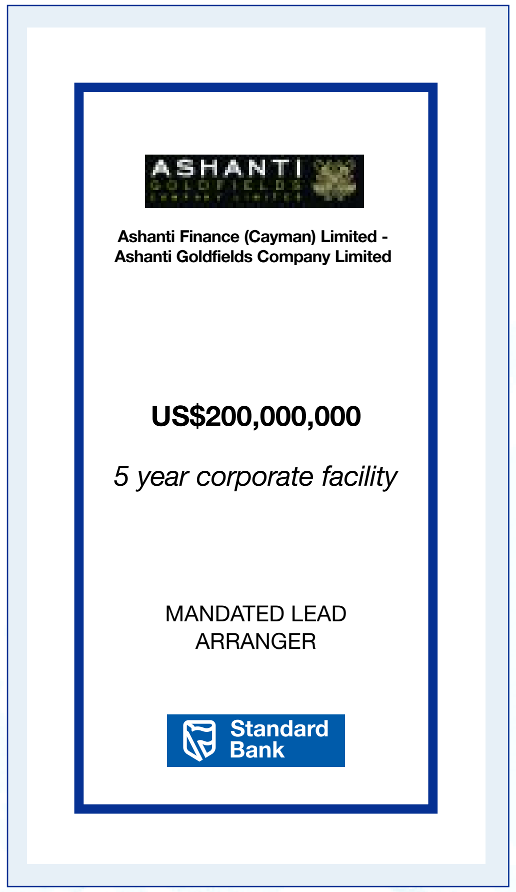
Resource Banking

The Resource Banking division enjoyed a record performance, with excellent results from both its precious and base metals interests.

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

The precious metals business performed strongly during the year despite a continued reduction in forward hedging by gold producers. Regional expansion continued to contribute to increased business flows and revenue streams. Whilst physical bullion demand dropped off in the Middle East during the second half of the year, activity in Eastern Europe and volumes in Asia continued to grow.

The base metals business reported significantly increased earnings, driven by strong growth in



client activity resulting from sustained price rises in most metals. The Group's position as one of the base metals market leaders is complemented by a geographical strength in the key commodity countries of Russia and China.

The energy team continued to expand its regional, technical and product capability. The team's product mix now covers crude oil, refined oil products, natural gas, coal and UK electricity.

Mining finance recorded a good year, with project awards won for transactions as far afield as Zambia and Uzbekistan. The structured commodity finance team also experienced significant growth, with a number of long dated physical base metals financing transactions having been concluded. The oil and gas sector saw a geographically diverse range of financing

The bond origination group recorded an excellent year on the back of strong issuance out of Latin America, particularly Brazil.

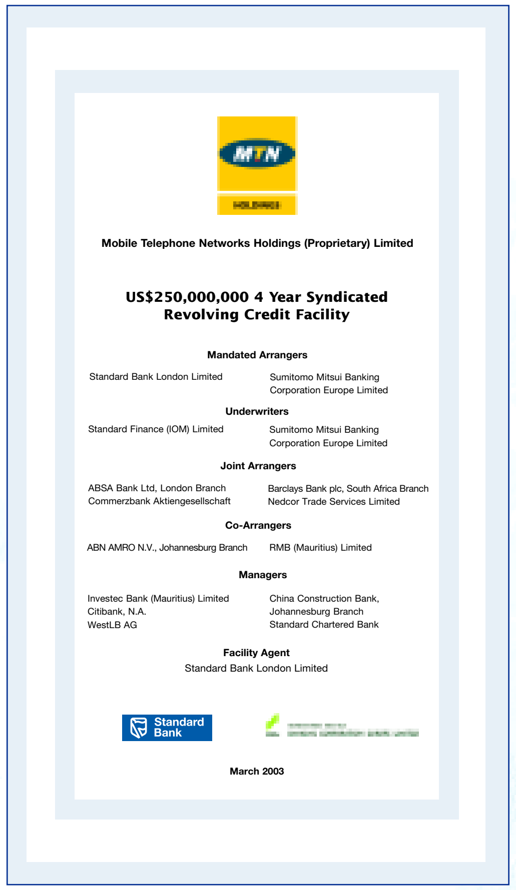
structures, including the successful completion of term trade finance mandates for significant producers.

The power finance team reported increased revenues, with transactions completed in Brazil and Eastern Europe. During the year the team formalised a capability in the carbon emissions arena to prepare for UK and European carbon credit activity and the possible ratification of the Kyoto protocol.

Resource advisory achieved a solid performance, closing a number of significant assignments. The team has been further strengthened in New York and in mainland China, increasing the business's global presence.

Banking

The Banking division achieved satisfactory overall results. Market conditions were mixed over the year, with the telecommunications finance and African trade finance teams enjoying relatively strong markets. Elsewhere, competitive pressures continued to force down margins.



With SIH regarded as one of the few financial institutions able to provide a comprehensive solution to mining customers on a global basis, the Group's profile and reputation in the resource banking sector continues to strengthen.

The forfaiting & syndications business maintained overall volumes as well as its market leadership position. Key markets were Brazil, China, India, Kazakhstan, Romania, Russia and Turkey. The portfolio was reduced over the year due to a strategic repositioning of Chinese activity and a concentration on primary market business. Revenues remained evenly balanced between margin and trading income.

The African trade finance business concluded another successful year, continuing to develop business opportunities in conjunction with the Stanbic Africa network and the Corporate and Investment Banking division of SBSA. Outside of Africa, the new banking operations in Russia and Brazil provide a platform for structured trade finance opportunities.

The telecommunications finance business reported particularly strong results, extending its market leadership position in Africa to other developing markets, particularly Eastern Europe. With these markets continuing to be a focus of major mobile telecoms operators and vendors, the business closed substantial syndicated financing transactions. One of these resulted in the Group being awarded Project Finance Magazine's 2003 "Middle East/Africa Telecoms Deal of the Year".

The corporate banking business had a satisfactory year with offshore financing arranged for a number of high profile South African corporates under competitive conditions. The business is dedicated to supporting multinational companies and developing global relationships, working closely

with other operations of the Standard Bank Group.

A specialised finance business has been established that focuses on insurance premium finance and acquisition finance.

Asset Management

The Asset Management business grew significantly during 2003, with third party assets under management now in excess of US$1,700 million. Growth was supported by our third party distribution network in the developing market mutual fund and global high yield products. Structured capital-guaranteed products have also been introduced in order to meet customer demand. The division achieved strong investment performance over its entire range of funds.

The Energy, Infrastructure and Resources Funds business, which implements debt, mezzanine and private equity funds focused on the Group's specialist product areas and geographic markets, continued to grow. The US$300 million Emerging Africa Infrastructure Fund made its first two commitments during 2003. The launch of a private equity energy, power and industrial fund focusing on the Gulf Co-operation Council countries is anticipated for mid-2004.

Private Client Services

The Private Client Services division performed well, reporting solid revenue growth. A relatively young business, the division's primary focus is to broaden its client base. Significant advances have been made into some of the Group's regional markets, particularly the Middle East and Latin America.

Outlook

The markets in which the Group operates have, over the past 15 months, provided a more stable business environment relative to that of the previous year. As a result the Group has been able to make significant strides in further developing its franchise, enhancing its regional penetration and refining its product range.

Subject to there being no material deterioration in market conditions, we are optimistic about prospects for 2004.

Profit and loss account

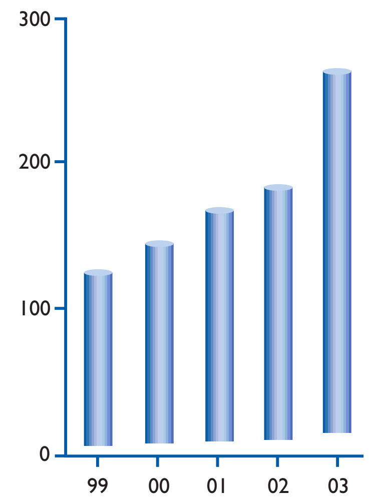
Operating income increased to £263.1m, a rise of 43% over the prior year. This continues the trend of year-on-year compound growth, highlighted in the chart.

Net interest income for the year was £53m, down 15% from 2002. This decrease resulted primarily from a reduction in size of the investment bond portfolio over the year, in conjunction with a weakening in the US$ versus sterling exchange rate.

Non-interest income, at £210.1m, was 74% higher than the prior year. Within non-interest income, net fee and commission income increased by 50% to £35.5m, benefiting from good performances within the Group's bond origination, financing and advisory activities. Dealing profits, at £174.2m, increased by 80% as a consequence of the trading businesses having experienced much improved trading conditions and increased customer activity. Exceptional performances were achieved by, in particular, the Precious and Base Metals, Global Markets and Principal Trading areas.

Operating expenses increased by £40m to £172.5m. The growth of 31% compared with the prior year was primarily a function of increased performance-related staff costs coupled with continued investment in the growth of the business. The establishment of banks in Brazil and Russia occurred during the year as well as significant investment in the IT system infrastructure, both front and back office. Staff costs rose by £26m to £106.5m, an increase of 32%. The average number of employees during the year was 886, an increase of 3% over the prior year. Other operating expenses (including depreciation and amortisation) totalled £66.1m, up 29% on the prior year, reflecting growth in information technology costs, occupancy costs and amortisation of goodwill arising on acquisition. The cost-to-income ratio improved from 71.9% to 65.6%.

Provisions for credit-related losses, comprising provisions for bad and doubtful debts and write-off of fixed asset investments, showed a total charge



Operating income
£m

to the profit and loss account for the year of £18.6m. This is a significant reduction on the prior year charge. The level of general bad debt provision increased to 1.9% of the risk-weighted banking portfolio.

As a consequence of the above the Group achieved a profit before tax of £72.1m, an increase of 245% over the prior year.

The tax charge on the profit was at an effective rate of 29.3%, in line with the UK corporate tax rate of 30%. A more detailed breakdown of the tax charge for the year is provided in note 5 to the financial statements.

Balance sheet

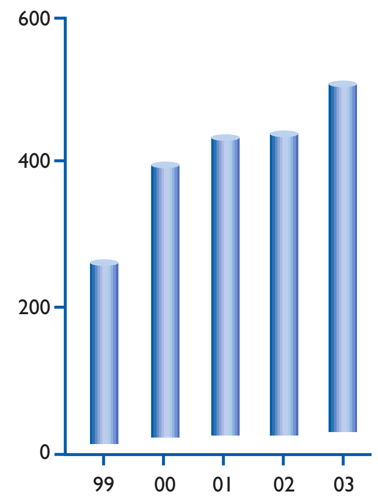
The total assets of the Group amounted to £7,422.2m at year-end, reflecting an increase of 33%. The strength of the balance sheet has been preserved with some 70% of the Group's credit and issuer risk being of investment grade.

On the asset side of the balance sheet, loans to customers increased by 13% to £1,246.5m and secured loans arising from purchase and resale agreements were up by 197% to £871.6m. Risk-weighted assets were 13% higher than the prior year, at £3,092m. On the liability side, funding from banks increased by 31% to

£3,100.8m, of which SBOG-sourced retail deposits approached £1,000m. Customer deposits remained significant at £1,436.4m.

The Group's capital resources increased to £505m 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 16.9%, well above the minimum required by the Financial Services Authority.

With effect from 1 January 2004 the Group has changed its reporting currency from sterling to US dollars following the change to US dollars of the measurement currency of a number of companies within the Group. The reason for the change is to align the currency of the Group's capital base to that of the major exposures carried.



Capital resources
£m

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 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, which set policies that generally apply 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 and Portfolio Risk, Country Risk, Compliance and Legal, Internal Audit, Operational Risk and Asset Recovery, each reporting to the Director of Risk, SBL.

Market risk

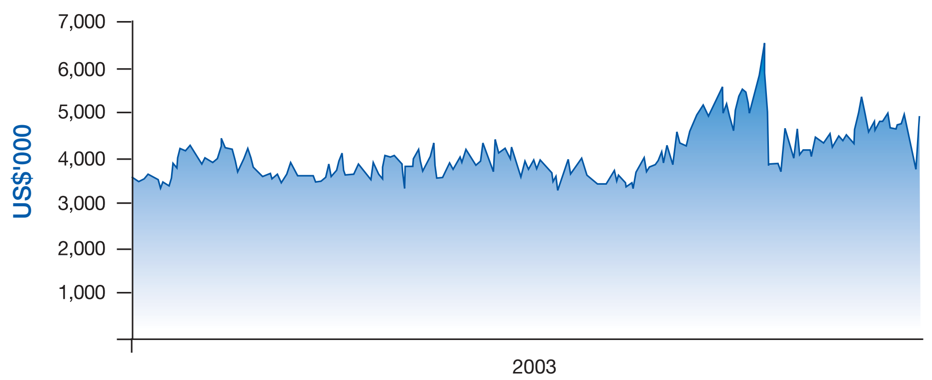
Trading risk management is primarily the responsibility of traders, overseen by trading management on the desk. The Group provides its traders with appropriate technology and assures itself that risks are measured, monitored and controlled by the independent processes and that risk limits are overseen by the Market and Portfolio 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 stop loss limits and limits on option greeks, interest rate gaps and basis point values. These risk measures are supported by stress testing and scenario analysis. Disclosure of market risk is provided in note 34 to the financial statements.

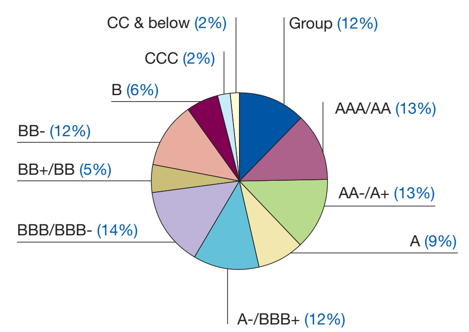
Liquidity is recognised as a key risk in a number of markets and the Group has an integrated approach to risk measurement that combines liquidity, market and credit risks. This approach is consistent across the measurement of credit and country risks for leveraged products and the market risks for the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

Credit risk

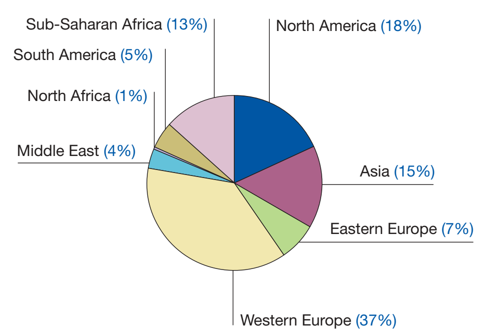
A formal structure exists for the approval of credit including Credit Committees that meet weekly.



Total daily VaR exposure (95% confidence)



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



Credit and issuer risk by region

The Group has a formal credit grading process and monitors economic capital and expected losses using both internally developed models and the KMV system across its portfolios. The General Debt Provision and structured credit provisions are compared to the results from these models to benchmark their adequacy.

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.

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.

The Operational Risk department is responsible for implementing self-assessment programmes in each business unit, analysing key risk indicators and allocating economic capital. 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 programs are performed to assess compliance with prescribed policies and procedures.

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.

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, eligible bills, promissory notes and debt 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 30.

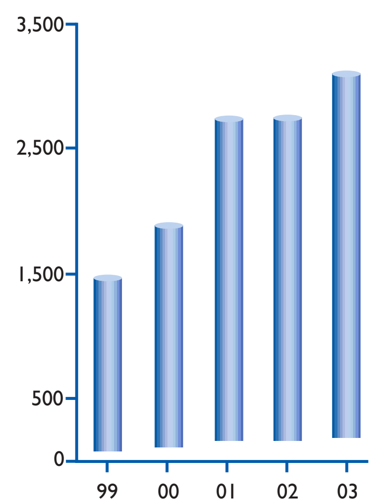
The Group's credit and country risks are well diversified, although as an active participant in the international banking markets, it has a sectoral concentration of risk to financial institutions. The largest exposures are to the US, EU countries and South Africa.

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. Other market risks include equity risk of an arbitrage nature, interest rate and currency risk, and commodity price and volatility risk.

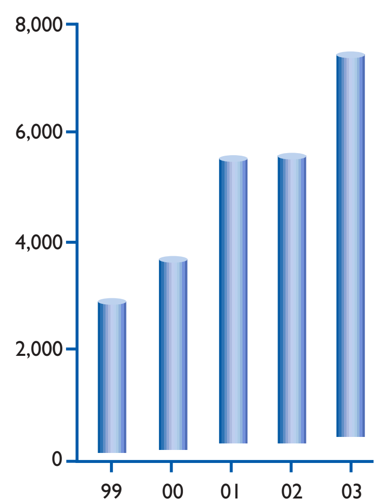
Liquidity/funding risk is mitigated by way of the utilisation of third party term finance. At the date of this report, Standard Bank London Limited benefits from the use of US$350m of five-year funding and US$190m of three-year funding, raised through the syndicated loan market. Additionally the bank has US$150m of third party term subordinated debt which qualifies as regulatory capital.

	2003 £'000	2002 £'000	2001 £'000	2000 £'000	1999 £'000
For the year					
Operating income	**263,148**	183,637	167,376	144,687	124,991*
Profit on ordinary activities before taxation	**72,053**	20,902	46,594	55,460	39,489*
Profit attributable to ordinary shareholders	**50,830**	17,705	36,641	46,799	25,520*
At the year end					
Total capital resources	**504,964**	440,443	433,465	396,893	263,373
Total assets	**7,422,241**	5,561,773	5,491,772	3,669,809	2,876,660
Total risk weighted assets	**3,092,371**	2,741,640	2,736,438	1,879,337	1,450,497
Capital ratio					
Capital adequacy ratio	**16.9%**	16.6%	16.4%	21.7%	18.8%
Return on average shareholders' funds†					
Before taxation	**18.0%**	5.6%	13.4%	18.7%	16.0%
After taxation	**12.7%**	4.8%	10.6%	15.8%	10.3%
Other information					
Cost-to-income ratio	**65.6%**	71.9%	63.5%	66.4%	73.4%
Average number of employees	**886**	863	681	578	548

* annualised on a pro-rata basis
† including group subordinated debt



Risk weighted assets
£m



Total assets
£m

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 Bodoni	Senior Vice-President - Dexia Banque Internationale à Luxembourg S.A.
R A G Leith	Chief Executive - Standard Bank London Limited
R M Mansell-Jones	formerly Chairman - Barlow International Plc
P W Metcalf	Deputy Chairman - Liberty Ermitage Luxembourg S.A.
S P Ridley	Chief Financial Officer - Standard Bank Group
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	Partner - Jones Day
D E Cooper	Chairman - Standard Bank Group Limited
B J Kruger *	Managing Director - Corporate and 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

The directors who currently hold office are as follows:

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
B A Ooi	Debt Origination

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	Director - John Swire & Sons (HK) Limited

Standard New York, Inc.

Executive Directors

W S Dorson	Chief Executive
A Maartens	Finance and Operations

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, develop 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 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 at least 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 at least 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, Richard Mansell-Jones, Jacko Maree and Myles Ruck.

Standard International Holdings S.A.

Report and Consolidated Accounts 2003

The directors present their report and accounts for the year ended 31 December 2003.

Basis of preparation

The company is incorporated in Luxembourg, whilst the Group's principal operating subsidiary, Standard Bank London Limited, is incorporated in the United Kingdom. The directors therefore consider it appropriate that the financial statements be prepared in accordance with generally accepted accounting practice in the UK. Accordingly, the Group financial statements have been prepared under UK Accounting Standards and as if the Companies Act 1985 had applied to the company. Also, as permitted under Luxembourg company law, the financial statements have been prepared in pounds sterling.

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 merchant banking, financial and related services throughout the world. The Group's principal subsidiary undertakings are listed in note 16 to the financial statements.

Standard Bank London Limited provides a range of banking and related financial services. The bank is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange, the London Bullion Market Association, the London Metal Exchange, the London Platinum and Palladium Market and 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 exempt dealer status by the Securities and Futures Commission.

Standard New York Securities, Inc. is a registered broker/dealer in securities and a member of the National Association of Securities Dealers, Inc. and the National Futures Association.

Standard Americas, Inc. is a member of the National Futures Association.

During the year ZAO Standard Bank received its banking licence from the Central Bank of Russia and Banco Standard de Investimentos S.A. its licence from the Central Bank of Brazil.

On 29 May 2003 Standard Bank London Holdings Limited was re-registered as a public company, becoming Standard Bank London Holdings Plc.

On 29 August 2003 Standard Bank London Limited issued a new class of share, 'A' ordinary shares, which may receive preferential dividends at the option of the directors. Standard Bank Group Limited subscribed for one of these shares for a consideration of £80 million. The directors of Standard Bank London Limited subsequently declared and paid a dividend of £80 million to the holder of the 'A' ordinary share.

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

Capital

On 19 December 2003 the company converted its share capital and share premium from sterling to US dollars at a rate of 1.7674 dollars to the pound sterling resulting in US$20,717,869.30 of issued 'A' ordinary share capital and US$883,753.02 of issued 'B' ordinary share capital. The par value of the 15,000,000 authorised shares was cancelled but the number of authorised and issued shares remains unchanged. The resulting share premium account was US$129,122,249.68. The share capital is set out in note 26 to the accounts. At the same date the company repaid its existing sterling subordinated debt and entered into an agreement for the equivalent dollar subordinated debt, the details of which are set out in note 25 to the accounts.

Also on 19 December 2003 other companies within the Group, being Standard Bank London Limited, Standard Bank London Holdings Plc and SBIC Investments S.A., converted their share capitals and subordinated loans to US dollars. Within Standard Bank London Limited the following changes occurred to facilitate this:

- the authorised share capital of the company was increased by the creation of 500,000,000 ordinary shares of US$1 each and one 'A' ordinary share of US$1;
- issue of two US$1 ordinary shares and 1 US$1 'A' ordinary share each for US$1;
- purchase by the company of 160,000,000 of £1 ordinary shares for a consideration of US$1 and the creation of a capital redemption reserve;
- purchase by the company of one 'A' ordinary share of £1 for a consideration of US$1; and
- issue of 424,175,996 ordinary shares of US$1 as bonus shares to Standard Bank London Holdings Plc out of the capital redemption reserve and share premium account.

As from 1 January 2004 the company along with the other group companies referred to above have changed their measurement currency from sterling to US dollars and consequently all other reserves have been converted into US dollars as of that date at a rate of 1.7881.

At the year-end capital resources amounted to £504,964,000 (2002: £440,443,000).

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 £50,830,000 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. R A G Leith was appointed on 1 January 2003 and T G Wheeler on 21 February 2003. I G Gibson resigned on 30 January 2003 and M J Edmonds on 25 April 2003. Q A F Buckland resigned on 21 May 2003.

None of the directors held any beneficial interest in the ordinary share capital of the company or any of its subsidiaries at 31 December 2003.

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, a Group newsletter and an internal staff publication.

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

By order of the board

JH Maree
Director
27 February 2004

180 rue des Aubépines
L-1145 Luxembourg

Registered in Luxembourg No 39445

Report of the directors
Standard International Holdings S.A.

Statement of directors' responsibilities
Standard International Holdings S.A.

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors acknowledge responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company to enable them to ensure that the accounts comply with Luxembourg Company Law 1915, as subsequently amended. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and the Group and to prevent and detect fraud and other irregularities.

Report of the auditors
Standard International Holdings S.A.

Independent Auditors' report to the shareholders of Standard International Holdings S.A. Luxembourg

We have audited the accompanying consolidated balance sheet of Standard International Holdings S.A. ('the Company') and its subsidiaries ('the Group') as at 31 December 2003, and the related consolidated profit and loss account for the year ended 31 December 2003 on pages 22 to 54 and we have read the related consolidated management report.

These consolidated accounts and the consolidated management report are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on these consolidated accounts based on our audit and to check the consistency of the consolidated management report with them.

We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached consolidated accounts, which have been prepared in accordance with generally accepted accounting principles in the United Kingdom, give a true and fair view of the consolidated financial position of Standard International Holdings S.A. as at 31 December 2003 and of the consolidated results of its operations for the year then ended and have been properly prepared in accordance with the provisions of the United Kingdom Companies Act 1985 as if those provisions had applied to these accounts.

The directors' report is in accordance with the consolidated accounts.

KPMG Audit
Réviseurs d'Entreprises

SNye

Stephen Nye
Luxembourg, 27 February 2004

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

for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Interest receivable		**145,096**	168,417
Interest receivable and similar income arising from debt securities		**28,759**	43,107
Other interest receivable and similar income		**116,337**	125,310
Interest payable		**(92,070)**	(105,725)
Net interest income		**53,026**	62,692
Fees and commissions receivable		**53,138**	32,900
Fees and commissions payable		**(17,617)**	(9,151)
Dealing profits	2	**174,243**	96,696
Other operating income		**358**	500
Operating income	3	**263,148**	183,637
Administrative expenses	4	**(167,485)**	(127,040)
Depreciation and amortisation		**(5,043)**	(5,055)
Provisions for bad and doubtful debts	12	**(21,392)**	(3,963)
Amounts recovered from/(written off) fixed asset investments	13	**2,825**	(26,677)
Profit on ordinary activities before taxation		**72,053**	20,902
Tax on profit on ordinary activities	5	**(21,125)**	(3,173)
Profit on ordinary activities after taxation		**50,928**	17,729
Minority interest		**(98)**	(24)
Profit attributable to ordinary shareholders and retained for the year	27	**50,830**	17,705

The entire operating income is derived from continuing operations.
Movements in reserves are shown in note 27.
The accounting policies and notes on pages 26 to 54 should be read as part of the financial statements.
Certain comparative figures have been restated (refer to note 2).

Consolidated balance sheet
Standard International Holdings S.A.

as at 31 December 2003

	Note	2003 £'000	2002 £'000
Assets			
Treasury bills and other eligible bills	8	**22,871**	16,968
Loans and advances to banks	9	**1,021,298**	641,397
Secured loans arising from purchase and resale agreements	10	**871,555**	293,657
Loans and advances to customers	11	**1,246,525**	1,102,586
Debt securities	13	**1,707,901**	1,753,294
Equity shares	14	**59,257**	102,627
Unsettled dealing balances receivable	15	**1,443,047**	991,532
Intangible fixed assets - goodwill	17	**3,580**	4,989
Tangible fixed assets	18	**7,246**	8,551
Other assets	19	**987,228**	567,681
Prepayments and accrued income		**51,733**	78,491
Total assets		**7,422,241**	5,561,773
Liabilities			
Deposits by banks	20	**3,100,812**	2,363,370
Secured deposits arising from sale and repurchase agreements	21	**710,200**	407,180
Customer accounts	22	**1,436,399**	1,332,570
Short positions	23	**728,599**	516,893
Unsettled dealing balances payable	15	**137,064**	91,089
Other liabilities	24	**705,480**	326,777
Accruals and deferred income		**98,723**	83,451
		6,917,277	5,121,330
Capital resources			
Subordinated loan capital	25	**192,620**	172,037
Minority interest - equity		**116**	184
Equity shareholders' funds		**312,228**	268,222
Called up share capital	26	**12,222**	12,222
Share premium	27	**73,058**	73,058
Other reserves	27	**81,222**	1,222
Profit and loss account	27	**145,726**	181,720
Total capital resources		**504,964**	440,443
Total liabilities including shareholders' funds		**7,422,241**	5,561,773
Memorandum items			
Contingent liabilities	28	**54,582**	73,995
Commitments	28	**373,418**	281,628
		428,000	355,623

The notes on pages 26 to 54 should be read as part of the financial statements.

Approved by the board of directors and signed on its behalf on 27 February 2004 by:

J H Maree
Chairman

R A G Leith
Director

Company balance sheet
Standard International Holdings S.A.

as at 31 December 2003

	Note	2003 £'000	2002 £'000
Assets			
Fixed assets			
Investments:			
Shares in group undertakings	16	**36,507**	36,933
Subordinated loans to group undertakings	16	**237,802**	246,037
		274,309	282,970
Current assets			
Cash at bank		**4,595**	198
Prepayments and accrued income		**187**	336
Amounts owed by group undertakings		**124,431**	140,293
		129,213	140,827
Current liabilities			
Creditors amounts falling due within one year:			
Other creditors		**(417)**	(322)
Amounts owed to group undertakings		**(15,832)**	(53,881)
		(16,249)	(54,203)
Net current assets		**112,964**	86,624
Total assets less current liabilities		**387,273**	369,594
Capital resources			
Subordinated loan capital	25	**192,620**	172,037
Equity shareholders' funds:		**194,653**	197,557
Called up share capital	26	**12,222**	12,222
Share premium	27	**73,058**	73,058
Other reserves	27	**1,222**	1,222
Profit and loss account	27	**108,151**	111,055
Total capital resources		**387,273**	369,594

The notes on pages 26 to 54 should be read as part of the financial statements.

Approved by the board of directors and signed on its behalf on 27 February 2004 by:

J H Maree
Chairman

R A G Leith
Director

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

for the year ended 31 December 2003

	2003 Group £'000	2003 Company £'000	2002 Group £'000	2002 Company £'000
Profit for the financial year	**50,830**	**3,461**	17,705	4,956
Currency translation differences on foreign currency net investments	**(6,824)**	**(6,365)**	(4,030)	7
Total recognised gains and losses relating to the year	**44,006**	**(2,904)**	13,675	4,963

Reconciliation of movement in capital resources

for the year ended 31 December 2003

	2003 Group £'000	2003 Company £'000	2002 Group £'000	2002 Company £'000
Shareholders' funds (notes 26 and 27)				
Profit for the financial year	**50,830**	**3,461**	17,705	4,956
Other recognised gains and losses for the year	**(6,824)**	**(6,365)**	(4,030)	7
Net addition to/(reduction in) shareholders' funds	**44,006**	**(2,904)**	13,675	4,963
Opening shareholders' funds	**268,222**	**197,557**	254,547	192,594
Closing shareholders' funds	**312,228**	**194,653**	268,222	197,557
Subordinated loan capital (note 25)				
Opening loan capital	**172,037**	**172,037**	178,740	178,740
Additional loan capital issued	**27,963**	**27,963**	–	–
Conversion of GBP loan capital	**–**	**–**	–	–
GBP loan capital redeemed	**(110,000)**	**(110,000)**	–	–
USD loan capital issued	**110,000**	**110,000**	–	–
Foreign exchange translation adjustments	**(7,380)**	**(7,380)**	(6,703)	(6,703)
Closing loan capital	**192,620**	**192,620**	172,037	172,037
Minority interests – equity	**116**	**–**	184	–
Total capital resources	**504,964**	**387,273**	440,443	369,594

1 Principal accounting policies

(a) Basis of preparation

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 the financial statements be prepared in accordance with generally accepted accounting principles in the UK. Accordingly, the company's financial statements have been prepared under UK Accounting Standards and as if the Companies Act 1985 had applied to the company. As permitted under Luxembourg company law, the financial statements have been prepared in pounds sterling.

Certain comparative figures have been restated in order to ensure comparability between the two periods. Details of the adjustments are shown in the affected notes.

(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.

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.

(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 sterling 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.

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 between average rates for the year and 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 borrowers' 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'.

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' valuations, 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.

In the prior year, investment securities encompassed assets purchased as part of leveraged credit products and included collateralised debt obligations. Where these assets were purchased for term investment, they were held at cost less provision for any impairment in value. During the current year, these assets have been transferred to the trading book at market value following a change in the intention necessarily to hold these securities to maturity for commercial reasons. Such assets are now included in the balance sheet at market value after adjusting for illiquidity where appropriate.

(f) Derivatives

Derivatives are 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 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 with accordance 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 payable or interest receivable 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 and unsettled dealing balances receivable 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. The general provision covers the inherent risk of loan losses which, although they have not been separately identified, are assumed to be present in any loan portfolio. The provision is arrived at on the basis of the structure and risk characteristics of the credit portfolio taking into account the prevailing economic, political and market conditions. A credit model is used to determine the expected loss from the portfolio and assist in the determination of the general debt provision.

(m) Shares in group undertakings

Shares in group undertakings are stated at cost less any provision for permanent diminution 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 payable or receivable.

(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 on an accruals basis.

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.

		2003 £'000	Restated 2002 £'000
2	**Dealing profits**		
	Dealing profits comprise:		
	commodities	**58,198**	32,133
	foreign exchange	**25,606**	10,211
	debt securities and interest rate	**68,434**	53,542
	equities	**22,005**	810
		174,243	96,696

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; and
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. The comparative figures have been restated better to reflect the source of income.

		2003 £'000	2002 £'000
3	**Operating income**		
	Operating income includes:		
	Dividend income from equity shares	**2,124**	28
	Profit/(loss) on sale of investment securities	**9,329**	(24)
	Loss on transfer of investments to trading portfolio (note 1(e))	**(5,368)**	–

	2003 £'000	2002 £'000
4 Administrative expenses		
Staff costs:	**106,465**	80,895
salaries	**94,106**	71,363
social security costs	**8,440**	6,340
other pension costs	**3,919**	3,192
Operating lease rentals:	**5,673**	5,908
furniture and equipment	**122**	143
other	**5,551**	5,765
Remuneration paid to the auditors and their associates:	**1,628**	1,745
statutory audit services	**889**	796
non-audit services	**739**	949
assurance services	**95**	559
tax advisory services	**440**	317
other non-audit services	**204**	73
Other administrative costs	**53,719**	38,492
	167,485	127,040

Auditors' remuneration in respect of audit services to the company was £15,000 (2002: £15,000)

The average number of persons employed by the Group, including salaried directors, during the year was 886 (2002: 863) of which 577 (2002: 514) were employed in the United Kingdom.

Certain of the company's subsidiaries operate defined contribution pension or 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 £3,074,161 (2002: £2,589,482). There were no outstanding contributions due to the funds at year end (2002: £ nil).

	2003 £'000	2002 £'000
5 Taxation		
UK corporation tax at 30% (2002: 30%):		
current year	**21,094**	883
prior year	**6,010**	(11)
Overseas tax:		
current year	**4,600**	2,807
prior year	**–**	(4)
	31,704	3,675
Deferred tax:		
current year	**(9,910)**	(374)
prior year	**(669)**	(128)
	21,125	3,173

The corporation tax liability for the year has been offset by £757,000 (2002: £897,000) group relief for losses of other group companies which have been surrendered.

The current tax charge for the year is higher (2002: lower) than the standard rate of corporation tax in the UK 30% (2002: 30%). The differences are explained below.

	2003 £'000	2002 £'000
Profit on ordinary activities before tax	**72,053**	20,902
Corporation tax at 30% (2002: 30%)	**21,616**	6,271
Effects of:		
Non-deductible expenses / (non-assessable income)	**8,619**	454
Utilisation of losses	**(2,871)**	(1,492)
Impact of differently taxed profits in overseas locations	**(3,249)**	(1,678)
Adjustment to tax charge in respect of prior years	**6,010**	(15)
Amortisation of goodwill	**423**	411
Other	**1,156**	(276)
	31,704	3,675
Deferred tax	**(10,579)**	(502)
	21,125	3,173
Effective tax rate before deferred tax	**44.00%**	17.58%
Effective tax rate after deferred tax	**29.32%**	15.18%

	2003 £'000	2002 £'000
6 Directors' emoluments		
The total remuneration paid to the directors of the company:		
emoluments	**1,478**	646
pension contributions	**37**	398
Remuneration of the highest paid director:		
emoluments	**990**	347
pension contributions	**22**	383

The number of directors to whom retirement benefits are accruing under a defined contribution pension scheme is 2 (2002: 2).

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

	2003 £'000
At 1 January 2003	**424**
Members leaving	**(251)**
Increase in value of brought forward awards	**873**
At 31 December 2003	**1,046**

7 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 £3,461,000 (2002: £4,956,000) has been included in the Group profit and loss account.

	2003 £'000	2002 £'000
8 Treasury and other eligible bills		
Treasury bills	**10,109**	10,541
Other eligible bills	**12,762**	6,427
	22,871	16,968
Treasury bills and other eligible bills comprise:		
Investment	**–**	6,427
Trading	**22,871**	10,541
	22,871	16,968

Prior year treasury bills and other eligible bills held for investment purposes were mainly short term in maturity with a market value not materially different from book value.

Notes to the accounts
Standard International Holdings S.A.

	2003 £'000	2002 £'000
9 Loans and advances to banks		
Cash and balances at central banks	**3,573**	219
Repayable on demand	**235,030**	67,185
Remaining maturity:		
3 months or less	**578,094**	332,730
1 year or less but over 3 months	**80,622**	66,414
5 years or less but over 1 year	**108,403**	158,348
over 5 years	**15,765**	20,632
General and specific credit provisions	**(189)**	(4,131)
	1,021,298	641,397
Included above are the following amounts due from group undertakings:		
unsubordinated	**39,599**	35,660
subordinated	**9,000**	9,000
10 Secured loans arising from purchase and resale agreements		
Repayable on demand	**24,573**	23,675
Remaining maturity:		
3 months or less	**778,057**	181,542
1 year or less but over 3 months	**21,543**	77,286
5 years or less but over 1 year	**47,382**	11,154
	871,555	293,657
Included above are amounts due from group undertakings	**62,145**	175,323
11 Loans and advances to customers		
Remaining maturity:		
on demand or short notice	**488,597**	305,983
3 months or less but not on demand	**349,868**	271,178
1 year or less but over 3 months	**36,972**	260,195
5 years or less but over 1 year	**282,633**	231,689
over 5 years	**134,788**	73,037
General and specific credit provisions	**(46,333)**	(39,496)
	1,246,525	1,102,586
Included above are the following amounts due from group undertakings:		
unsubordinated	**1,808**	1,846
subordinated	**400**	400

12 General and specific credit provisions

	2003 Specific £'000	2003 General £'000	2003 Total £'000	2002 Specific £'000	2002 General £'000	2002 Total £'000
Balance sheet movements:						
At 1 January	25,566	20,069	45,635	27,744	21,653	49,397
Exchange movements	(1,682)	(402)	(2,084)	(2,571)	(347)	(2,918)
Charge against profits	18,369	3,023	21,392	5,200	(1,237)	3,963
Amounts written off	(1,741)	–	(1,741)	(5,389)	–	(5,389)
Other movements	–	11	11	582	–	582
At 31 December	40,512	22,701	63,213	25,566	20,069	45,635
Allocated against:						
Loans and advances to:						
Banks	189	–	189	4,099	32	4,131
Customers	23,632	22,701	46,333	19,459	20,037	39,496
Derivative contracts	11,098	–	11,098	–	–	–
Unsettled dealing balances	5,593	–	5,593	2,008	–	2,008
	40,512	22,701	63,213	25,566	20,069	45,635

Gross non-performing assets included above and provisions thereon:

	2003 Assets £'000	2003 Provisions £'000	2002 Assets £'000	2002 Provisions £'000
Loans and advances to:				
Banks	1,360	189	3,448	2,442
Customers	39,142	23,632	46,500	19,459
Unsettled dealing balances	20,049	5,593	4,623	2,008
	60,551	29,414	54,571	23,909

13 Debt securities

	2003 £'000	2002 £'000
a) Analysed by issuer		
Investment securities:		
Non UK government	12,625	113,505
Other issuers		
Bank certificates of deposits	–	37,908
Other	132,221	443,571
Other securities:		
Non UK government	475,696	472,166
Other issuers		
Bank certificates of deposits	95,106	71,115
Other	992,253	615,029
	1,707,901	1,753,294
b) Analysed by listing status		
Listed on a recognised UK exchange	225,927	169,460
Listed elsewhere	967,839	1,012,984
Unlisted	514,135	570,850
	1,707,901	1,753,294
c) Analysed by maturity		
Due within one year	508,604	561,349
Due one year and over	1,199,297	1,191,945
	1,707,901	1,753,294

At 31 December 2003, the market value of listed debt securities held for investment purposes was £44,404,000 (2002: £381,448,000); balance sheet value £44,356,000 (2002: £371,617,000). The directors' valuation of unlisted debt securities held for investment purposes was £99,964,000 (2002: £218,002,000); balance sheet value £100,490,000 (2002: £223,367,000).

d) Movement in investment securities

	Cost £'000	Amortised discounts and premiums £'000	Provisions £'000	Book value £'000
At 1 January 2003	605,734	15,927	(26,677)	594,984
Exchange movements	(19,277)	–	–	(19,277)
Acquisitions	264,861	–	–	264,861
Disposals and maturities	(402,035)	–	15,960	(386,075)
Transfers	(299,529)	(15,927)	2,783	(312,673)
Amounts recovered from fixed asset investments	–	–	2,825	2,825
Provisions made	–	–	(2,278)	(2,278)
Provisions written back	–	–	5,103	5,103
Amortisation of discounts and premiums	–	201	–	201
At 31 December 2003	149,754	201	(5,109)	144,846

	2003 £'000	2002 £'000
14 Equity shares		
a) Analysed by issuer		
Investment securities:		
Listed on a recognised UK exchange	–	–
Listed elsewhere	82	–
Unlisted	3,958	11,420
Other securities:		
Listed on a recognised UK exchange	76	677
Listed elsewhere	50,727	87,164
Unlisted	4,414	3,366
	59,257	102,627

At 31 December 2003, the market value of listed equity shares held for investment purposes was £82,000 (2002: £nil), balance sheet value £82,000 (2002: £nil). The directors' valuation of unlisted equity shares held for investment purposes was £3,958,000 (2002: £12,956,000), balance sheet value £3,958,000 (2002: £11,420,000).

	Book Value £'000
b) Movement in investment shares	
At 1 January 2003	11,420
Exchange adjustments	(1,172)
Acquisitions	3,515
Disposals	(9,723)
At 31 December 2003	4,040

	2003 £'000	2002 £'000
15 Unsettled dealing balances		
a) Receivable		
Normal market transactions	195,986	110,542
Forward sale transactions		
3 months or less, but not on demand or short notice	848,974	709,936
1 year or less, but over 3 months	374,895	173,062
5 years or less but over 1 year	14,950	–
over 5 years	13,835	–
Specific credit provisions	(5,593)	(2,008)
	1,443,047	991,532
Included above are amounts due from group undertakings	11,338	16,077

	2003 £'000	2002 £'000
15 Unsettled dealing balances (continued)		
b) Payable		
Normal market transactions	137,064	91,089
Included above are amounts due to group undertakings	1,576	3,308
16 Investments		
Company		
Shares in group undertakings - at cost	36,507	36,933

The subsidiary undertakings are as follows:

Company	Activity	Country of Incorporation	Interest in ordinary shares %
Ayrton (Europe) Limited #	Holding company	England	100
Ayrton Holdings Limited #	Holding company	England	100
Ayrton Metals Limited #	Dormant	England	100
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	Banking	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 Limited	Dormant	England	100
Standard Yatirim Menkul Kiymetler 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.
\# Liquidation in process of dormant companies.

All subsidiary undertakings are accounted for using acquisition accounting.

	2003 £'000	2002 £'000
16 Investments (continued)		
Company		
Dated subordinated loan capital in group undertakings		
Repayable in more than five years:		
Term Subordinated Unsecured Floating Rate GBP Loan Stock 2011	**–**	184,000
Term Subordinated Unsecured Floating Rate USD Loan Stock 2050	**181,875**	–
Step-Up Subordinated Unsecured Floating Rate USD Loan Stock 2010	**55,927**	62,037
	237,802	246,037

On 19 December 2003 the borrower redeemed the £184,000,000 Term Subordinated Unsecured Floating Rate GBP Loan Stock in exchange for the issue of US$325,201,600 Term Subordinated Unsecured Floating Rate USD Loan Stock.

Interest on the Term Subordinated Unsecured Floating Rate USD Loan Stock 2050 is payable on March 31 and September 30 of each year at the six month London interbank offered rate for deposits in US dollars plus 225 basis points. The principal is payable at par at maturity on September 30, 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 USD Loan Stock 2010 is payable every three months at the London interbank offered rate for 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 five years from date of issue at the option of the borrower and subject to the consent of the Financial Services Authority.

17 Intangible fixed assets

	Cost £'000	Amortisation £'000	Net book value £'000
Goodwill			
At 1 January 2003	**7,045**	**(2,056)**	**4,989**
Charge for the year	**–**	**(1,409)**	**(1,409)**
At 31 December 2003	**7,045**	**(3,465)**	**3,580**

18 Tangible fixed assets

	Motor vehicles £'000	Computers, equipment & software £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 January 2003	859	13,858	11,813	26,530
Exchange adjustments	(15)	(250)	(481)	(746)
Additions	145	1,972	609	2,726
Disposals	(382)	(1,180)	(1,329)	(2,891)
At 31 December 2003	**607**	**14,400**	**10,612**	**25,619**
Depreciation				
At 1 January 2003	459	10,719	6,801	17,979
Exchange adjustments	(9)	(264)	(239)	(512)
Charge for year	150	2,184	1,300	3,634
Disposals	(246)	(1,164)	(1,318)	(2,728)
At 31 December 2003	**354**	**11,475**	**6,544**	**18,373**
Net book value				
At 31 December 2003	**253**	**2,925**	**4,068**	**7,246**
At 31 December 2002	400	3,139	5,012	8,551

	2003 £'000	2002 £'000
19 Other assets		
Derivative contracts	**670,373**	329,103
Gold bullion	**171,449**	157,907
Metal stocks	**106,863**	61,947
Taxation (receivable within one year)	**–**	567
Deferred taxation	**14,225**	3,664
Other	**24,318**	14,493
	987,228	567,681
Included above are amounts due from group undertakings	**279,343**	9,738

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

	Amount provided		Full potential assets	Restated
	2003 £'000	2002 £'000	**2003 £'000**	2002 £'000
Timing differences on:				
capital allowances	**1,349**	906	**1,349**	906
general bad debt provision	**6,312**	–	**6,312**	6,011
other short term timing differences	**5,912**	2,758	**5,912**	2,758
Unutilised tax losses	**652**	–	**652**	1,895
	14,225	3,664	**14,225**	11,570

The movements in the deferred taxation balance were as follows:

	2003 £'000
Deferred taxation asset at beginning of year	**3,664**
Other movements	**(18)**
Amount credited to profit and loss account	**10,579**
Deferred taxation asset at end of year	**14,225**

Notes to the accounts
Standard International Holdings S.A.

	2003 £'000	2002 £'000
20 Deposits by banks		
Repayable on demand	**765,004**	819,856
With agreed maturity dates or periods of notice, by remaining maturity:		
3 months or less but not repayable on demand	**1,496,771**	951,937
1 year or less but over 3 months	**155,236**	204,914
5 years or less but over 1 year	**573,514**	327,095
over 5 years	**110,287**	59,568
	3,100,812	2,363,370
Included above are amounts owing to group undertakings	**1,976,163**	1,605,719
21 Secured deposits arising from sale and repurchase agreements		
Repayable in:		
3 months or less	**536,561**	296,026
1 year or less but over 3 months	**173,639**	111,154
	710,200	407,180

The market value of assets transferred under sale and repurchase transactions was £734,903,000 (2002: £418,724,000)

	2003 £'000	2002 £'000
22 Customer accounts		
Repayable on demand	**548,587**	227,651
With agreed maturity dates or periods of notice, by remaining maturity:		
3 months or less but not repayable on demand	**736,568**	1,077,651
1 year or less but over 3 months	**71,179**	21,753
5 years or less but over 1 year	**80,065**	5,515
	1,436,399	1,332,570
Included above are amounts owing to group undertakings	**86,760**	62,819
23 Short positions		
Treasury bills:		
treasury bills and similar securities	**240,123**	4,032
Debt securities:		
government securities	**219,880**	342,961
other	**149,104**	145,016
Other dealing positions:		
equities	**119,492**	24,884
	728,599	516,893

		2003 £'000	2002 £'000
24	**Other liabilities**		
	Derivative contracts	**614,995**	288,267
	Taxation (due within one year)	**26,772**	4,135
	Other	**63,713**	34,375
		705,480	326,777
	Included above are amounts due to group undertakings	**243,454**	8,234
25	**Subordinated loan capital**		
	Company and Group		
	Perpetual Subordinated Unsecured Floating Rate GBP Loan Stock	**–**	80,000
	Perpetual Subordinated Unsecured Floating Rate USD Loan Stock	**79,076**	–
	Term Subordinated Unsecured Floating Rate GBP Loan Stock 2011	**–**	30,000
	Term Subordinated Unsecured Floating Rate USD Loan Stock 2050	**29,654**	–
	Step-Up Term Subordinated Unsecured Floating Rate USD Loan Stock 2010	**55,927**	62,037
	Term Subordinated Unsecured Floating Rate USD Notes 2005	**27,963**	–
		192,620	172,037

On 19 December 2003 the Company redeemed the £80,000,000 Perpetual Subordinated Unsecured Floating Rate GBP Loan Stock in exchange for the issue to the same holder of US$141,392,000 Perpetual Subordinated Unsecured Floating Rate USD Loan Stock.

Interest on the Perpetual Subordinated Unsecured Floating Rate USD Loan Stock is payable on 31 March and 30 September of each year at the six month London interbank offered rate for deposits in US dollars plus 225 basis points.

On 19 December 2003 the Company redeemed the £30,000,000 Term Subordinated Unsecured Floating Rate GBP Loan Stock 2011 in exchange for the issue to the same holder of US$53,022,000 Term Subordinated Unsecured Floating Rate USD Loan Stock 2050.

Interest on the Term Subordinated Unsecured Floating Rate USD Loan Stock 2050 is payable on 31 March and 30 September of each year at the six month London interbank offered rate for 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.

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

Interest on the Step-Up Term Subordinated Unsecured Floating Rate USD Loan Stock 2010 is payable every three months at the London interbank offered rate for 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 five years from date of issue at the option of the borrower and subject to the consent of the Financial Services Authority.

On 21 February 2003 the Company issued US$50,000,000 of Term Subordinated Unsecured Floating Rate USD Notes 2005. Interest on these notes is payable every three months at the London interbank offered rate for 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.

		2003 £'000	2002 £'000
26	**Called up share capital**		
	Company and Group		
	Authorised		
	15,000,000 ordinary shares of £10 each	**–**	150,000
	14,000,000 ordinary Class A shares	**138,383**	–
	1,000,000 ordinary Class B shares	**9,885**	–
	Issued and fully paid		
	1,172,223 ordinary Class A shares of £10 each	**–**	11,722
	50,003 ordinary Class B shares of £10 each	**–**	500
	1,172,223 ordinary Class A shares	**11,722**	–
	50,003 ordinary Class B shares	**500**	–
		12,222	12,222

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.

On 19 December 2003, the company converted its share capital from sterling to US dollars. The reason for the change was to align the currency of capital base of the company to that of the major exposures carried.

		2003 Group £'000	2003 Company £'000
27	**Reserves**		
	Share premium	73,058	73,058
	Statutory reserve	1,222	1,222
	Other non distributable reserve	80,000	–
		81,222	1,222

The statutory reserve is not available for distribution to shareholders except upon dissolution of the company.

	Group £'000	Company £'000
Profit and loss account		
At 1 January 2003	181,720	111,055
Exchange adjustment	(6,824)	(6,365)
Retained profit for the year	50,830	3,461
Transfer to other non distributable reserve (refer to note below)	(80,000)	–
At 31 December 2003	145,726	108,151

On 19 August 2003, Standard Bank London Limited, a subsidiary company, issued one 'A' ordinary share of £1 for £80m to the Group's ultimate parent company, Standard Bank Group Limited. On the same day it declared a dividend to the 'A' ordinary shareholder of £80m. In substance this transaction capitalised £80m of distributable reserves of the Group. The accounting treatment reflects the substance of the transaction.

28 Memorandum items

	2003		2002	
	Contract amount £'000	**Risk weighted amount £'000**	Contract amount £'000	Risk weighted amount £'000
(a) Contingent liabilities				
Guarantees and assets pledged as collateral security	**54,582**	**21,801**	73,995	47,452

Assets of £7,190,000 (2002: £8,111,000) 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.

	2003 Contract amount £'000	2003 Risk weighted amount £'000	2002 Contract amount £'000	2002 Risk weighted amount £'000
(b) Commitments				
Documentary credits and short-term trade related transactions	**243,603**	**185,662**	177,130	77,876
Undrawn formal standby facilities, credit lines and other commitments to lend:				
less than 1 year	**104,948**	**51,555**	80,435	42,384
1 year and over	**24,867**	**19,382**	24,063	15,469
	373,418	**256,599**	281,628	135,729
Amounts with group undertakings:				
contingent liabilities	**6,442**	**–**	3,929	–
commitments	**40,926**	**–**	51,085	–

Assets of £15,879,000 (2002: £26,412,000) have been lodged as security against the above commitments.

29 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.

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.

	2003 Non-trading	**2003** Customer facilitation and proprietary trading			2002 Non-trading	2002 Customer facilitation and proprietary trading		
	Notional principal £'000	**Notional principal £'000**	**Gross positive fair value £'000**	**Gross negative fair value £'000**	Notional principal £'000	Notional principal £'000	Gross positive fair value £'000	Gross negative fair value £'000
Exchange rate contracts	**517,606**	**18,579,881**	**811,830**	**761,694**	734,541	13,826,249	614,151	583,044
Interest rate contracts	**1,254,721**	**19,568,352**	**118,058**	**129,689**	1,502,099	12,016,485	97,096	89,296
Commodity contracts	**10,783**	**28,253,742**	**1,365,877**	**1,376,795**	–	17,120,210	291,606	288,552
Equity contracts	**269**	**126,601**	**14,001**	**2,032**	155,092	91,746	6,884	–
Credit derivatives	**58,398**	**934,441**	**28,831**	**12,814**	–	222,613	2,960	10,969
Total	**1,841,777**	**67,463,017**	**2,338,597**	**2,283,024**	2,391,732	43,277,303	1,012,697	971,861

29 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:	2003 One year or less £'000	2003 Between one and five years £'000	2003 Five years or more £'000	2003 Total £'000	2002 One year or less £'000	2002 Between one and five years £'000	2002 Five years or more £'000	2002 Total £'000
Net positive fair value:								
Financial institutions	188,437	94,607	15,730	298,774	104,999	40,812	26,400	172,211
Other	268,300	167,583	39,481	475,364	60,561	42,795	14,212	117,568
Total	456,737	262,190	55,211	774,138	165,560	83,607	40,612	289,779
Notional principal:								
Financial institutions	10,387,884	3,987,598	300,313	14,675,795	19,020,549	3,672,758	482,354	23,175,661
Other	10,991,291	4,428,802	195,699	15,615,792	7,067,759	905,892	37,224	8,010,875
Total	21,379,175	8,416,400	496,012	30,291,587	26,088,308	4,578,650	519,578	31,186,536

Counterparty location:	2003 Notional principal £'000	2003 Risk weighted amount £'000	2003 Net positive fair value £'000	2002 Notional principal £'000	2002 Risk weighted amount £'000	2002 Net positive fair value £'000
OECD financial institutions	8,975,332	360,988	107,663	15,056,375	247,358	143,858
Other OECD counterparties	6,013,787	203,564	208,447	4,092,153	130,663	55,351
Total	14,989,119	564,552	316,110	19,148,528	378,021	199,209
Non-OECD counterparties	15,302,468	921,072	458,028	12,038,008	1,476,476	90,570
Total	30,291,587	1,485,624	774,138	31,186,536	1,854,497	289,779

30 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 2003, non-trading book interest rate risk, after taking account of off-balance sheet hedges, comprises:

	Not more than three months £m	More than three months but not more than six months £m	More than six months but not more than one year £m	More than one year but not more than five years £m	More than five years £m	Non-interest bearing £m	Trading £m	Total £m
Assets:								
Treasury bills and other eligible bills	–	–	–	–	–	–	23	23
Loans and advances to banks	627	64	15	34	–	7	274	1,021
Secured loans arising from purchase and resale agreements	516	–	11	–	–	–	345	872
Loans and advances to customers	490	6	8	72	57	106	508	1,247
Debt securities	2	10	28	104	1	–	1,563	1,708
Equity shares	–	–	–	–	–	4	55	59
Unsettled dealing balances receivable	10	–	43	–	–	88	1,302	1,443
Other assets	–	–	–	–	37	45	967	1,049
Total assets	1,645	80	105	210	95	250	5,037	7,422
Liabilities:								
Deposits by banks	385	360	86	79	–	4	2,187	3,101
Secured deposits arising from sale and repurchase agreements	–	–	–	–	–	–	710	710
Customer accounts	512	14	2	74	–	127	707	1,436
Short positions	–	–	–	–	–	–	728	728
Unsettled dealing balances payable	6	2	–	–	–	70	59	137
Other liabilities	–	–	–	–	–	160	646	806
Subordinated loan capital	79	–	–	28	85	–	–	192
Minority and Shareholders' funds	–	–	–	–	–	312	–	312
Total liabilities	982	376	88	181	85	673	5,037	7,422
Off-balance sheet items	(284)	145	77	74	(12)	–	–	–
Interest rate sensitivity gap	379	(151)	94	103	(2)	(423)	–	–
Cumulative gap	379	228	322	425	423	–	–	–

Included above are sundry debtors and creditors.

30 Non-trading book interest rate risk (continued)

31 December 2002	Not more than three months £m	More than three months but not more than six months £m	More than six months but not more than one year £m	More than one year but not more than five years £m	More than five years £m	Non-interest bearing £m	Trading £m	Total £m
Assets:								
Treasury bills and other eligible bills	6	–	–	–	–	–	11	17
Loans and advances to banks	283	37	136	133	18	–	34	641
Secured loans arising from purchase and resale agreements	–	–	–	11	–	–	283	294
Loans and advances to customers	518	64	183	1	18	–	318	1,102
Debt securities	131	76	31	265	92	–	1,158	1,753
Equity shares	–	–	–	–	–	19	83	102
Unsettled dealing balances receivable	23	1	1	2	–	4	961	992
Other assets	–	–	–	–	–	170	490	660
Total assets	961	178	351	412	128	193	3,338	5,561
Liabilities:								
Deposits by banks	321	102	99	273	–	–	1,568	2,363
Secured deposits arising from sale and repurchase agreements	–	–	–	–	–	–	407	407
Customer accounts	564	10	1	5	–	86	667	1,333
Short positions	–	–	–	–	–	–	517	517
Unsettled dealing balances payable	3	11	–	–	–	–	77	91
Other liabilities	–	–	–	–	–	309	102	411
Subordinated loan capital	–	–	–	–	172	–	–	172
Minority and Shareholders' funds	–	–	–	–	–	267	–	267
Total liabilities	888	123	100	278	172	662	3,338	5,561
Off-balance sheet items	(56)	45	220	(156)	(53)	–	–	–
Interest rate sensitivity gap	17	100	471	(22)	(97)	(469)	–	–
Cumulative gap	17	117	588	566	469	–	–	–

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 34. 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 to 12.

31 Currency risk

The Group's net investments in overseas operations at 31 December 2003 were as follows:

Functional currency of the operation involved	Net investments in overseas operations and structural currency risk 2003 £'000	2002 £'000
Czech Koruna	**1,190**	785
HK Dollar	**122**	88
Singapore Dollar	**5,014**	6,041
Turkish Lira	**2,170**	765
Malaysian Ringgit	**58**	49
Brazilian Real*	**15,077**	4,580
Russian Rouble	**12,051**	–
US Dollar	**108,303**	99,298
	143,985	111,606

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

32 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:

	2003 Gains £'000	Losses £'000	Total net gains/(losses) £'000	2002 Gains £'000	Losses £'000	Total net gains/(losses) £'000
Unrecognised gains and losses on hedges at 1 January	**14,157**	**(43,357)**	**(29,200)**	35,483	(44,466)	(8,983)
Gains and losses arising in previous years recognised in current year	**(8,861)**	**37,322**	**28,461**	(29,700)	24,207	(5,493)
Gains and losses arising in previous years not recognised in current year	**5,296**	**(6,035)**	**(739)**	5,783	(20,259)	(14,476)
Gains and losses arising in current year not recognised	**3,707**	**(2,872)**	**835**	8,374	(23,098)	(14,724)
Unrecognised gains and losses on hedges at 31 December	**9,003**	**(8,907)**	**96**	14,157	(43,357)	(29,200)
Of which: Gains and losses expected to be recognised within one year	**5,217**	**(4,808)**	**409**	7,622	(10,288)	(2,666)
Gains and losses expected to be recognised in the second year or later	**3,786**	**(4,099)**	**(313)**	6,535	(33,069)	(26,534)

33 Fair values

The fair value of the financial assets and liabilities of the Group at 31 December 2003 comprises:

	2003		2002	
	Book Value	Fair Value	Book Value	Fair Value
	£'000	£'000	£'000	£'000
Trading book financial assets and liabilities:				
Assets:				
Treasury bills	22,871	22,871	10,541	10,541
Discounted bills	85,650	85,650	–	–
Debt securities	1,467,949	1,467,949	1,087,195	1,087,195
Equity shares	55,217	55,217	91,207	91,207
Certificates of deposits	95,106	95,106	71,115	71,115
Gold bullion	171,449	171,449	157,907	157,907
Metal positions	106,863	106,863	61,947	61,947
Derivative financial instruments:				
Interest rate contracts	50,977	50,977	33,133	33,133
Foreign exchange contracts	343,429	343,429	233,509	233,509
Commodity contracts	235,573	235,573	55,355	55,355
Equity contracts	13,795	13,795	7,107	7,107
Credit derivative contracts	25,051	25,051	–	–
Liabilities:				
Short positions	(728,599)	(728,599)	(516,893)	(516,893)
Derivative financial instruments:				
Interest rate contracts	(62,718)	(62,718)	(14,892)	(14,892)
Foreign exchange contracts	(293,397)	(293,397)	(216,449)	(216,449)
Commodity contracts	(246,491)	(246,491)	(50,892)	(50,892)
Equity contracts	(1,825)	(1,825)	–	–
Credit derivative contracts	(10,564)	(10,564)	(6,034)	(6,034)
Non-trading book financial assets and liabilities for which an active and liquid market exists:				
Assets:				
Treasury bills	–	–	6,427	6,427
Discounted bills	104,777	103,174	206,790	206,790
Debt securities	144,846	144,368	557,076	561,533
Equity shares	4,040	4,040	11,420	12,956
Certificates of deposits	–	–	37,908	37,917
Derivative financial instruments:				
Interest rate contracts	9,925	9,489	15,499	14,213
Foreign exchange contracts	2,785	10,746	18,244	23,740
Equity contracts	–	795	–	–
Commodity contracts	9	9	–	–
Liabilities:				
Certificates of deposits	(151,654)	(151,654)	(65,947)	(65,947)
Derivative financial instruments:				
Interest rate contracts	(8,268)	(6,970)	(18,834)	(28,287)
Foreign exchange contracts	(1,390)	(1,125)	(2,430)	(2,133)
Credit derivative contracts	(91)	(2,692)	–	–
Equity contracts	–	(795)	–	–

34 Market risk

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

	2003	2002
	£'000	£'000
Value at risk:		
At 31 December	2,705	1,677
Highest	3,568	3,063
Lowest	1,800	1,045
Average	2,238	1,917

The market risk figures above are derived from monthly figures covering the year to 31 December 2003.

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 page 10.

35 Operating lease commitments

Annual commitments under non-cancellable operating leases were as follows:

	2003	2002
	£'000	£'000
Leasehold property		
Operating leases which expire:		
within one year	1,088	442
in the second to fifth years inclusive	4,408	1,433
in five years or more	8,067	5,485

	2003 £'000	2002 £'000
36 Assets and liabilities denominated in foreign currency		
Assets:		
denominated in sterling	**792,533**	201,937
denominated in other currencies	**6,629,708**	5,359,836
Total assets	**7,422,241**	5,561,773
Liabilities and reserves:		
denominated in sterling	**680,889**	822,008
denominated in other currencies	**6,741,352**	4,739,765
Total liabilities and reserves	**7,422,241**	5,561,773

37 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 2003

Profit and loss account
Standard Bank London Limited

for the year ended 31 December 2003

	2003 £'000	2002 £'000
Interest receivable	**128,742**	148,240
Interest receivable and similar income arising from debt securities	**22,559**	34,772
Other interest receivable and similar income	**106,183**	113,468
Interest payable	**(86,843)**	(95,495)
Interest payable on group subordinated debt	**(4,635)**	(5,595)
Other interest payable	**(82,208)**	(89,900)
Net interest income	**41,899**	52,745
Fees and commissions receivable	**18,035**	29,160
Fees and commissions payable	**(18,211)**	(32,117)
Dealing profits	**155,083**	86,565
Other operating income	**–**	175
Operating income	**196,806**	136,528
Administrative expenses	**(123,461)**	(93,531)
Depreciation	**(2,679)**	(2,580)
Provision for bad and doubtful debts	**(19,909)**	(4,864)
Amounts recovered from/(written off) fixed asset investments	**2,825**	(26,677)
Profit on ordinary activities before taxation	**53,582**	8,876
Tax on profit on ordinary activities	**(22,753)**	(3,123)
Profit on ordinary activities after taxation	**30,829**	5,753
Dividends	**(80,000)**	-
Retained (loss)/profit for the year	**(49,171)**	5,753

Balance sheet
Standard Bank London Limited

as at 31 December 2003

	2003 £'000	2002 £'000
Assets		
Treasury bills and other eligible bills	**22,871**	16,968
Loans and advances to banks	**652,467**	531,991
Secured loans arising from purchase and resale agreements	**870,072**	293,650
Loans and advances to customers	**1,210,013**	1,017,695
Debt securities	**1,152,859**	1,148,977
Equity shares	**57,406**	102,592
Unsettled dealing balances receivable	**1,442,556**	987,944
Shares in group undertakings	**10,347**	10,347
Tangible fixed assets	**3,542**	4,529
Other assets	**971,888**	548,325
Prepayments and accrued income	**46,481**	72,977
Total assets	**6,440,502**	4,735,995
Liabilities		
Deposits by banks	**2,961,977**	2,396,421
Secured deposits arising from sale and repurchase agreements	**721,089**	505,645
Customer accounts	**931,615**	720,638
Short positions	**511,847**	248,236
Unsettled dealing balances payable	**131,832**	82,323
Other liabilities	**690,074**	329,270
Accruals and deferred income	**87,146**	69,852
	6,035,580	4,352,385
Capital resources		
Subordinated loan capital	**110,292**	117,037
Equity shareholders' funds	**294,630**	266,573
Called up share capital	**240,000**	160,000
Profit and loss account	**54,630**	106,573
Total capital resources	**404,922**	383,610
Total liabilities including shareholders' funds	**6,440,502**	4,735,995
Memorandum items		
Contingent liabilities	**53,617**	57,848
Commitments	**226,870**	224,643
	280,487	282,491

Approved by the board of directors and signed on its behalf on 25 February 2004.

Standard Bank Asia Limited

(extracts from the audited accounts)
for the year ended 31 December 2003

Profit and loss account
Standard Bank Asia Limited

for the year ended 31 December 2003

	2003 US$'000	Restated 2002 US$'000
Interest income	25,842	34,898
Interest expense	(14,407)	(21,110)
Net interest income	11,435	13,788
Fee and commission income	21,933	12,678
Fee and commission expense	(1,808)	(760)
Other operating income	30,024	10,806
Operating income	61,584	36,512
Operating expenses	(31,682)	(26,611)
Operating profit before provisions	29,902	9,901
(Charge for)/write-back of bad and doubtful debts	(1,114)	1,098
Operating profit	28,788	10,999
Gain/(loss) on disposal of tangible fixed assets	43	(3)
(Provisions)/write-back of provisions against held-to-maturity securities	(836)	261
Profit before taxation	27,995	11,257
Income tax	(3,631)	(1,277)
Profit attributable to shareholders	24,364	9,980

Balance sheet
Standard Bank Asia Limited

as at 31 December 2003

	2003 US$'000	Restated 2002 US$'000
Assets		
Cash and short-term funds	610,969	672,249
Placements with banks and other financial institutions	19,873	25,000
Trade bills	56,434	34,995
Certificates of deposit held	27,664	82,888
Other investment securities	346,862	336,739
Advances and other accounts	357,485	188,698
Current taxation	–	253
Held-to-maturity securities	165,838	217,710
Deferred tax assets	1,576	2,760
Fixed assets	1,911	2,000
Total assets	1,588,612	1,563,292
Liabilities		
Deposits and balances of banks and other financial institutions	124,205	2,110
Deposits from customers	825,236	915,980
Certificates of deposit issued	19,319	19,229
Exchange Fund Bills and Notes	387,563	429,941
Current taxation	2,530	–
Other accounts and provisions	67,785	58,631
	1,426,638	1,425,891
Capital resources		
Share capital	72,000	72,000
Reserves	89,974	65,401
Shareholders' funds	161,974	137,401
Total liabilities and capital resources	1,588,612	1,563,292

Approved and authorised for issue by the board of directors and signed on its behalf on 13 February 2004.

Standard Bank Group Limited
5 Simmonds Street
Johannesburg 2001
Republic of South Africa

Main switchboard	:	(27 11) 636 9111
Facsimile	:	(27 11) 636 5617
Website	:	www.sbic.co.za
Group Chief Executive	:	Jacko Maree

Standard Bank London Limited
Cannon Bridge House
25 Dowgate Hill
London
EC4R 2SB

Main switchboard	:	(44 20) 7815 3000
Facsimile	:	(44 20) 7815 3099
Website	:	www.standardbank.com
Chief Executive	:	Robert Leith
Global markets	:	Brad Koen
Proprietary 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)
Torre Alem Plaza
Av. L.N. Alem 855, 22nd Floor
C1001AAD Buenos Aires
Argentina

Main switchboard	:	(54 11) 5031 5500
Facsimile	:	(54 11) 5031 5599
Representative	:	Fernando Canzani

Australia Representative Office
(Standard Bank London Limited)
Level 42, Gateway
1 Macquarie Place
Sydney
NSW 2000
Australia

Main switchboard	:	(61 2) 8221 0600
Facsimile	:	(61 2) 8221 0699
Representative	:	Kelvin Russell

Brazil Representative Office
(Standard Bank London Limited)
Edificio Plaza Iguatemi,
Av. Brigadeiro Faria Lima,
2277, 12º andar – J.Paulistano,
01452-000 Sao Paulo
Brazil

Main switchboard	:	(55 11) 3030 4300
Facsimile	:	(55 11) 3030 4456
Representative	:	Fabio Solferini

China Representative Office
(Standard Bank London Limited)
15th floor, HSBC Tower
101 Yin Cheng East Road
Pudong New Area
Shanghai 200120
The People's Republic of China

Main switchboard	:	(86 21) 6841 2666
Facsimile	:	(86 21) 6841 2333
Representative	:	Victor Yu

Dubai Representative Office
(Standard Bank London Limited)
16th Floor
Emirates Towers
PO Box 504904
Dubai
United Arab Emirates

Main switchboard	:	(971 4) 3300 011
Facsimile	:	(971 4) 3300 169
Representative	:	Jeffrey Rhodes

Mexico Representative Office
(Standard Bank London Limited)
Campos Eliseos 345
Edificio Omega, Piso 5
Col. Chapultepec Polanco
11560 Mexico City, DF
Mexico

Main switchboard	:	(5255) 5279 4500
Facsimile	:	(5255) 5279 4504
Representative	:	David Whittemore

Milan Representative Office
(Standard Bank London Limited)
Largo Treves, 5
20121 Milan
Italy

Main switchboard	:	(39 02) 6200 4521
Facsimile	:	(39 02) 6200 4528
Contact	:	Umberto Forasassi

Moscow Representative Office
(Standard Bank London Limited)
Business Center 'Mokhovaya'
4/7 Vozdizhenka Str.
Building 2
Moscow 125009
Russian Federation

Main switchboard	:	(7095) 721 3800
Facsimile	:	(7095) 721 3801
Representative	:	Sharon Thomas

Peru Representative Office
(Standard Bank London Limited)
Edificio Fundación
Oficina 702
Av. José Pardo 513
Lima 18, Peru

Main switchboard	:	(5 11) 445 9696
Facsimile	:	(5 11) 447 8137
Representative	:	Luis Saenz

Contact information
Standard International Holdings S.A.

Romania Representative Office
(Standard Bank London Limited)
No. 71-75, Dr Staicovici Street
Forum 2000 Office Building, 6th Floor,
Sector 5,
Bucharest
Romania

Main switchboard	:	(40 21) 410 28 90
Facsimile	:	(40 21) 410 17 73
Representative	:	Radu Deac

Tehran Representative Office
(Standard Bank London Limited)
114 Khaled Eslamboli Avenue
Tehran 15167
Iran

Main switchboard	:	(98 21) 878 1595
Facsimile	:	(98 21) 878 2224
Representative	:	Mohammed Ali Kadjar

Turkey Representative Office
(Standard Bank London Limited)
Baltalimani Cad. No:4
Ressam Şevket Dağ Yalisi
34450 Rumelihisari
Sariyer
Istanbul
Turkey

Main switchboard	:	(90 212) 323 4878
Facsimile	:	(90 212) 343 4874
Representative	:	Murat Talayhan

Banco Standard de Investimentos S.A.
Edificio Plaza Iguatemi,
Av. Brigadeiro Faria Lima,
2277, 12º andar – J.Paulistano,
01452-000 Sao Paulo
Brazil

Main switchboard	:	(55 11) 3030 4300
Facsimile	:	(55 11) 3030 4456
Director	:	Fabio Solferini

Standard Aval s.r.o.
Americká 16
120 00, Praha 2
Czech Republic

Main switchboard	:	(420 2) 22 51 79 50
Facsimile	:	(420 2) 22 51 82 45
Director	:	Pavel Mošna

Standard New York, Inc.
Standard New York Securities, Inc.
Standard Americas, Inc.
19th Floor
320 Park Avenue
New York, N.Y. 10022
USA

Main switchboard	:	(1 212) 407 5000
Facsimile	:	(1 212) 407 5025
Managing Director	:	William Dorson
Head of New York Office	:	Bruce Fields

Standard Americas, Inc., Miami
Standard New York Securities, Inc., Miami
Suite 3200
1001 Brickell Bay Drive
Miami
Florida 33131
USA

Main switchboard	:	(1 305) 349 0500
Facsimile	:	(1 305) 349 0559
Head of Miami Office	:	Brian Sephton

Standard Bank Asia Limited
36th Floor
Two Pacific Place
88 Queensway
Hong Kong

Main switchboard	:	(852) 2822 7888
Facsimile	:	(852) 2822 7999
Chief Executive	:	Malcolm Wilde
Deputy Chairman	:	Robert Herries
Managing Director	:	Tom Chenoweth

Standard Merchant Bank (Asia) Limited
80 Raffles Place
No 55-02 UOB Plaza 1
Singapore 048624

Main switchboard	:	(65) 6533 4111
Facsimile	:	(65) 6533 4555
Managing Director	:	Saw Jin Hong

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

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

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

Standard Yatirim Menkul Kiymetler A.S.
Baltalimani Cad. No:4
Ressam Şevket Dağ Yalisi
34450 Rumelihisari
Sarıyer
Istanbul
Turkey
Main switchboard : (90 212) 323 4888
Facsimile : (90 212) 323 4849
Director : Murat Talayhan

ZAO Standard Bank
Business Center 'Mokhovaya'
4/7 Vozdizhenka Str.
Building 2
Moscow 125009
Russian Federation
Main switchboard : (7095) 721 3800
Facsimile : (7095) 721 3801
Acting Chief Executive : Sharon Thomas

Offshore Services
Chairman : Robert Leith
Chief Executive : Ian Gibson

Jersey

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 : Nigel Simpson
Standard Bank Fund Administration Jersey Limited
Managing Director : Peter Hart

Standard Bank House
47-49 La Motte Street
St Helier
Jersey JE4 8XR
Channel Islands
Main switchboard : (44 1534) 881188
Facsimile : (44 1534) 881199
Website : www.sboff.com

Isle of Man

Managing Director : Karl Foden

Standard Bank Isle of Man Limited
Managing Director : John Coyle
Standard Bank Trust Company (Isle of Man) Limited
Managing Director : Lee Penrose

Standard Bank House
One Circular Road
Douglas
Isle of Man IM1 1SB
Main switchboard : (44 1624) 643643
Facsimile : (44 1624) 643800
Website : www.sboff.com

Mauritius

Standard Bank Trust Company (Mauritius) Limited
Les Jamalacs
Vieux Conseil Street
Port Louis
Mauritius
Main switchboard : (230) 202 4200
Facsimile : (230) 202 4210
Managing Director : Roshan Natho