Standard Bank Group provisional results and dividend announcement
for the year ended 31 December 2013

Standard Bank

The Standard Bank Group Limited's (group) summary consolidated financial statements (results) are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, the requirements of the Companies Act applicable to summary financial statements, the framework, measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the requirements of IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the results have been derived are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the group's previous consolidated annual financial statements with the exception of the changes as noted on pages 38 to 39.

Whilst this report is itself not audited, the consolidated annual financial statements, from which the summary consolidated annual financial statements on pages 14 to 44 were derived, were audited by KPMG Inc. and PricewaterhouseCoopers Inc, who expressed an unmodified opinion thereon. That audit report does not necessarily report on all of the information contained in this report.

Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement and, more specifically, the nature of the information that has been audited, they should obtain a copy of the auditor's report together with the accompanying audited consolidated annual financial statements, both of which are available for inspection at the company's registered office.

The directors of Standard Bank Group Limited take full responsibility for the preparation of this report and that the selected financial information has been correctly extracted from the underlying consolidated annual financial statements.

The results discussed in this announcement are presented on a normalised basis, unless indicated as being on an IFRS basis. For further explanation, refer to page 10.

This report contains *pro forma* constant currency information. For further details refer to page 13.

Contents

Financial highlights

Headline earnings

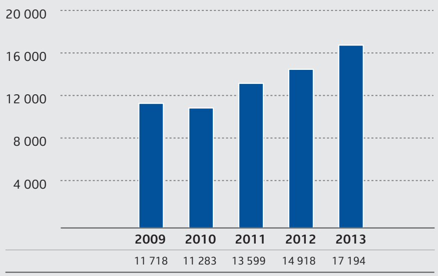
R17 194 million, up 15%

2012
R14 918 million

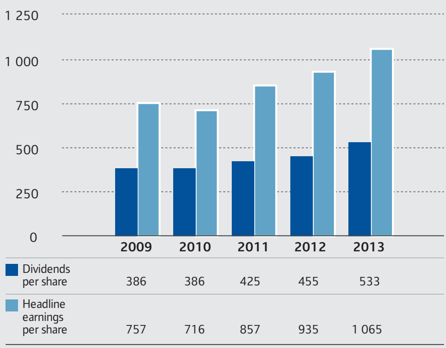
Headline earnings per share	Return on equity (ROE)	Tier I capital adequacy ratio
1 065 cents	**14.1%**	**13.2%**
2012: 935 cents	2012: 14.0%	2012: 11.2%

Net asset value per share	Cost-to-income ratio	Credit loss ratio
8 127 cents	**58.5%**	**1.04%**
2012: 7 136 cents	2012: 58.9%	2012: 1.08%

Headline earnings (Rm)
CAGR (2009 – 2013): 10%



Headline earnings and dividends per share (cents)
CAGR (2009 – 2013): Headline earnings per share: 9%
Dividends per share: 8%



The preparation of the group's results was supervised by the group financial director, Simon Ridley, BCom (Natal), CA(SA), AMP (Oxford). These results were made publicly available on 6 March 2014.

Investors are referred to **www.standardbank.com/reporting** where a detailed analysis of the group's financial results, including an income statement and a statement of financial position for The Standard Bank of South Africa Limited and Standard Bank Plc, can be found.

Overview of financial results

Group results

The group has produced a satisfactory performance in 2013, increasing headline earnings per share by 14% and net asset value per share by 14%. Group return on equity (ROE) has increased to 14.1% from 14.0% in 2012. Total income and expenses grew by 10% while credit impairments rose just 5%, reflecting a more normalised level of corporate credit losses. A final dividend of 300 cents per share has been declared bringing the total dividend for the year to 533 cents per share, a 17% increase on 2012.

Underlying momentum in our business units was maintained during the year with particularly pleasing growth evident in our subsidiaries in the rest of Africa, where 44% growth in aggregate headline earnings was achieved. We made further substantial progress in group restructures and implementing our Africa-focused strategy, and our positioning in selected countries in Africa reflects our confidence in its economic prospects. We continue to use our South African scale, as well as our access to pools of capital around the world, to provide products and services that deliver value to our clients across the continent.

Operating environment

Global economic activity and trade increased throughout the course of 2013, particularly in the second half of the year, but risks remain. While the recovery in the United States (US) and Japan appears to be gaining traction, economic conditions in the Eurozone remain fragile and doubts about the sustainability of China's economic expansion persist. The volatile performance of currencies, bonds and equities in emerging markets, particularly those countries with large current account deficits, reflect international concern over the impact of the removal of significant monetary support by the US Federal Reserve.

In South Africa, households continued to struggle despite the accommodative interest rate environment. Growth in household consumption expenditure, which accounts for approximately two-thirds of total GDP, moderated further in 2013. South African consumer confidence remains low and disposable incomes have stagnated on the back of rising inflation and lower wage payments, partly because of strike activity in 2013. However, in sync with a slower pace of spending, personal debt levels declined slightly and household net wealth improved, but total fixed investment growth remained sluggish in 2013.

In spite of the exposure to faltering commodity prices, expansion in sub-Saharan African economies has remained resilient and has not been confined to resource-rich countries, reflecting the positive impact of better macroeconomic policies and institutions. Growth of around 5% for the region is expected by the International Monetary Fund (IMF) for 2013.

Revenue

Total revenue increased by 10% over the year with net interest income (NII) growing strongly by 15% and non-interest revenue (NIR) up by 6%. The significant depreciation of the rand across most currencies throughout the course of 2013 assisted revenue growth and, on a constant currency basis, total revenue was 7% higher than in 2012.

The NII growth of 15% was achieved in spite of moderate customer loan growth of 9% within banking activities. Continued repricing of the residential mortgage portfolio in South Africa and the product mix benefit resulting from growth in higher-margin unsecured lending and rest of Africa portfolios resulted in further margin expansion.

Net fee and commission growth of 9% over the year was driven mostly by a good performance from Personal & Business Banking (PBB) which achieved 11% growth despite no price increases on personal transactional accounts during the year. PBB's strategy to protect and grow its customer base, including the launch of its customer reward programme, UCount, during the year was rewarded with significantly higher transaction activity, mostly in electronic banking channels. Further good growth was experienced in bancassurance income which supported PBB's fee and commission levels. Corporate & Investment Banking (CIB) fee and commission levels were affected by a decline in knowledge-based fee and commission levels but good growth was experienced in transaction-based activity across the African continent.

Trading revenue grew by 15% due mainly to a strong performance in the rest of Africa and from commodity trading, while equity trading benefited from the release of a provision made in 2012 relating to a claim against the group that was settled in our favour during the course of the year. Difficult and volatile conditions persisted in fixed income and currency trading during the year in South Africa and outside Africa, due in part to uncertainty over the withdrawal of liquidity support to financial markets by the US Federal Reserve.

Credit impairments

Credit impairments increased by 5% over the year and the credit loss ratio decreased to 1.04% from 1.08% in 2012. Stabilisation in the inclusive personal term loan portfolio in South Africa in the second half of the year was evident due to reduced risk appetite in this section of the market and careful management of non-performing accounts. PBB's credit loss ratio of 1.47% (2012: 1.39%) was affected mainly by small and medium enterprise (SME) lending in the rest of Africa and higher losses in card products and instalment sale and finance leases off low bases in 2012. Steady improvement in the residential property market continued during the year and non-performing loans along with credit losses in the mortgage portfolio continued to decline.

CIB's credit losses declined by R943 million in 2013 and its credit loss ratio declined to a more normalised 0.36% from the high level of 0.63% in 2012, in spite of a small number of high value credit impairments in South Africa and the rest of Africa. The non-recurrence of specific provisioning mainly against Middle East exposures, as well as a recovery received in respect of a previously written-off exposure in CIB outside Africa assisted the improvement.

Operating expenses

Operating expenses increased by 10% in 2013 and by 4% on a constant currency basis.

Staff costs increased by 11%, and by 7% on a constant currency basis, while fixed and variable remuneration increased by 10% and 15%, respectively. Sharply improved profitability in CIB and in our African subsidiaries contributed to the higher variable remuneration increase. Total headcount within banking activities declined by 1% due to lower staffing levels in administrative functions in both South Africa and outside Africa. This was outweighed by an increase in employee levels in our African subsidiaries which is consistent with group strategy. Other operating expenses increased by 13% and by 6% on a constant currency basis. The group's cost-to-income ratio improved to 58.5% from 58.9% in 2012.

Loans and advances

Loans and advances to customers increased by 9% in 2013. PBB growth of 8% captures the lower growth in residential mortgages of 3% and higher growth in personal unsecured lending of 22%. CIB loans and advances growth of 11% is boosted by rand weakness and grew by 7% on a constant currency basis in line with its strategy to contain growth in risk-weighted assets.

Capital, funding and liquidity

Throughout the course of 2013, the group made considerable progress in building its common equity tier I and tier I capital levels and is well placed to meet the rising capital adequacy ratios required by the South African Reserve Bank (SARB) by 2016. The group's 31 December 2013 Basel III tier I ratio increased to 13.2% from the pro forma Basel III ratio of 11.2% at 31 December 2012. The effect of the weaker rand on capital invested in subsidiaries outside of South Africa boosted shareholders' equity by approximately R6,3 billion and increased qualifying common equity tier I capital by 8% over the year.

The group's liquidity position remains strong with appropriate liquidity buffers of R154,2 billion in

excess of regulatory requirements at 31 December 2013. These significant levels of liquidity are appropriately conservative given the group's liquidity stress-testing philosophy and in view of potential change in regulatory requirements.
The group's long-term funding ratio (which measures funding-related liabilities with a remaining maturity of six months or more as a percentage of total funding-related liabilities) declined to 19.4% during 2013. This is in alignment with reduced long-dated asset positions, particularly in CIB, and adopting a more active term asset distribution strategy. This strategy has been adopted to better utilise scarce and expensive capital and term funding resources.

Deposits increased by 8% over the year with a low increase of 4% in more expensive wholesale deposits which reflected the lower level of term deposits from asset managers and companies, mainly in South Africa. Good growth in call deposits, reflecting client preference for liquidity, only partially made up this term deposit decline. PBB continued to grow its retail priced deposit base strongly, increasing this source of funding by 20% over the year mainly in current accounts and call deposits across all geographies in which it operates.

The Basel Committee on Banking Supervision (BCBS) has proposed the two liquidity ratios, namely the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), as part of the Basel III requirements. The SARB confirmed that the LCR will be applied to the South African banking industry from 2015 and that a committed liquidity facility will also be made available, at a fee, to assist banks in meeting this ratio. The proposals for the NSFR, which will be implemented in 2018, have recently been moderated. Notwithstanding the changes, further term funding will have to be raised by all South African banks to fully meet the proposed Basel III liquidity regime in South Africa and certain other emerging markets.

Overview of business unit performance

Headline earnings by business unit

	Change %	**2013 Rm**	2012 Rm
Personal & Business Banking	14	**8 358**	7 343
Corporate & Investment Banking	49	**6 591**	4 419
Central and other	(93)	**34**	493
Banking activities excluding earnings from Argentina	22	**14 983**	12 255
Discontinued operation – Argentina	(100)		673
Banking activities	16	**14 983**	12 928
Liberty	11	**2 211**	1 990
Standard Bank Group	15	**17 194**	14 918

Personal & Business Banking

PBB reported headline earnings of R8 358 million in 2013, an increase of 14% which was principally due to 18% growth in NII after accounting for credit impairments. PBB South Africa increased earnings by 15% to R8 538 million and PBB rest of Africa reported a loss of R361 million. PBB's ROE declined to 18.5% from 19.4% in 2012.

Transactional products grew total income by 8% in spite of the short-term effect of the implementation of various pricing-based measures to retain and attract customers in both 2012 and 2013. Good growth was achieved in transactional and saving products, and increased term deposits in the rest of Africa supported net interest income that was affected by lower endowment income in the rest of Africa. Headline earnings for transactional products fell marginally to R2 727 million in 2013 (2012: R2 789 million) due to higher operating costs and the lower endowment income.

Mortgages delivered a strong performance during 2013, lifting headline earnings to R1 516 million from R966 million in 2012. In South Africa higher pricing on the portfolio that more appropriately reflected underlying risk helped income increase by 21%, in spite of a low 3% increase in net mortgage balances. Credit impairments and non-performing loans both declined due to enhanced credit collection activities and a steady recovery in the South African housing market.

Within instalment sale and finance leases, headline earnings fell to R181 million from R229 million in 2012 in spite of 15% growth in total income during the year that was helped by good loan growth in certain African countries. Deterioration in the credit quality within personal markets led to an increase in both non-performing loans and credit impairments off a relatively low base in 2012.

Card products increased headline earnings by 11% to R1 334 million, in spite of a substantial increase in credit impairment charges which had been expected due to the low level of impairments in 2012. Income growth of 13% was driven by increased transaction volumes and the full-year impact of an increased number of high-value corporate merchants following account initiatives and upgrades. The credit loss ratio of 3.26% for 2013 (2012: 1.73%) reflects a more normalised level of impairments given the risk profile of business generated.

Strong income growth of 24% in lending products reflected the growth primarily in overdraft and revolving credit plan products following a focused approach on limit changes and higher limit utilisation in South Africa. Higher impairments were also recorded due to the loan book growth, but the credit loss ratio declined slightly in 2013. Headline earnings increased by 25% in 2013 to R785 million.

In the bancassurance and wealth product set, increased premiums following growth in the short-term insurance policy base as well as continued growth in the policy base in core banking products and in the joint venture with Liberty helped total income to grow 20%. Insurance profits improvement in certain African countries, moderate growth in expenses, and increased profitability in Standard Bank Offshore Group supported the 19% growth in headline earnings to R1 815 million.

Corporate & Investment Banking

CIB recorded headline earnings of R6 591 million, representing a 49% increase on the prior year. Moderate revenue growth of 9% (2% on a constant currency basis) masks the continued strong growth in the CIB rest of Africa franchise which now accounts for 39% of total revenues generated. Credit impairments were substantially lower than 2012, as expected. Total costs were up 4%, and down by 6% on a constant currency basis, due to restructuring initiatives undertaken in our outside Africa business in 2012. CIB's ROE improved to 14.3% from 9.6% in 2012 following improved earnings and intensive focus on capital utilisation in the year.

Our transactional products and services (TPS) business recorded a strong revenue performance in 2013, growing revenues by 19%, and now contributing 31% of CIB's overall revenues. This was primarily driven by higher net interest income in spite of a negative endowment impact notably in East Africa and certain other African countries where interest rates decreased significantly in 2013. All product areas performed well with cash management, trade finance and investor services growing revenues strongly. Rest of Africa now accounts for 50% of the overall TPS revenue generated.

Our global markets business increased revenues by 16% on 2012. This growth was as a result of our strategic focus on rest of Africa where revenues increased by over 50% supported by a positive trading environment. It was a challenging year for global markets in South Africa, where increased regulation and competition compressed trading margins. Outside Africa also experienced difficult trading due to uncertainty relating to the reduction in the US Federal Reserve's quantitative easing program. However, total headline earnings benefited from the well contained cost growth, following the restructuring initiatives undertaken in our outside Africa business in 2012, and grew strongly from R1 225 million to R2 403 million.

Investment banking reported revenues of R6,1 billion, 7% below 2012 as a result of further progress made in its strategy to focus on Africa and its core sectors, while at the same time significantly reducing its portfolio outside Africa. The reduction in revenue lost was largely offset by strong revenue growth of 29% in the rest of Africa portfolio. The level of credit impairments improved off the high level of R1,7 billion in 2012 to R919 million consisting of a small number of large provisions. Headline earnings declined by 6% .

Real estate and principal investment management revenues reduced by 13% mainly due to the non-recurrence of gains on principal investments recorded in 2012 and lower property revenue, but headline earnings rose 24% due to tax credits received in the current year.

Central and other

Headline earnings declined to R34 million from R1 166 million in the prior year which had included the contribution of R673 million from the group's 75% investment in Standard Bank Argentina, the majority of which was sold in the last quarter of 2012. The attributable income from the 20% holding that the group retains in Argentina amounted to R249 million in the current period. The non-recurrence of a prior year profit release of the cash flow hedge reserve and more general overhead costs held centrally contributed to the headline earnings reduction.

Liberty

The financial results reported are the consolidated results of our 54.1% investment in Liberty. Bancassurance results are included in PBB. Liberty's headline earnings for the year increased by 11% to R4 076 million of which R2 211 million was attributable to the group.

Liberty's return on equity at 24.7% and return on group equity value of 16.1% are highly satisfactory and are well ahead of the group's medium term target levels. Liberty continues to produce positive experience variances in its long-term insurance business and its balance sheet management capability successfully managed the volatile interest rate and currency markets experienced during 2013. This performance has been supported by innovative new products, solid insurance new business growth, good investment performance, growth in assets under management and demonstrated ability to manage to model.

Long-term indexed insurance sales of R6 948 million were up 15% on the prior year. This, combined with improved pricing, produced a 21% improvement in the group embedded value of long-term insurance new business to R839 million at an overall margin of 2.2% (2012: 2.0%). This performance was achieved despite approximately a R100 million reduction in value due to the increase in discount rate in line with increased long term interest rates. The new Evolve and Stable Growth investment product ranges, launched in 2012, have been very successful. Group asset management net cash inflows of R15,7 billion were 10% up on 2012, despite a drawdown of R7 billion of assets under a government mandate in East Africa. STANLIB's South African business had a particularly good year attracting R21,7 billion of net cash inflows of which R19,4 billion went into higher margin non-money market retail and institutional mandates. Assets under management across the group grew by 16% to R611 billion.

Strategic update

The group's strategy is to build the leading Africa-focused financial services organisation. Our intention, therefore, is also to build the leading wealth management and insurance businesses in Africa. In line with this, the group has created executive oversight for the group's wealth, insurance and non-bank financial services interests which broaden the group's value propositions. Demand for non-bank financial services is expected to grow rapidly on the African continent and, by more tightly integrating these businesses, we will be able to improve both our capital and our cost efficiency.

Additionally, we have entered into an agreement with the Industrial and Commercial Bank of China (ICBC) in terms of which ICBC will acquire a controlling interest in our global markets business outside Africa, focusing on commodities, fixed income, currencies, credit and equities products. We believe the platform that has been developed over many years has the potential to create considerably more value through growing its franchise and generating incremental revenues from a wider spectrum of opportunities than are currently available to it given our narrower strategic focus on Africa.

In partnership with ICBC, we intend to create a new and larger commodity and financial markets platform and expand the strategic emphasis for the global markets business outside Africa to include a focus on China by becoming part of China's leading banking group. Shareholders are being requested to approve the transaction at a general meeting on 28 March 2014, and we are currently working with the relevant regulatory authorities to obtain their approval. Completion of the transaction is expected towards the end of 2014.

Prospects

The global economic outlook appears somewhat brighter in recent months due to the strengthening of US growth. However, the distribution of expected growth is unbalanced with the Eurozone struggling to lift economic activity. Robust economic growth of around 6% is expected generally across sub-Saharan Africa in 2014, but only a mild improvement to 2.2% growth is expected for South Africa assuming some negative impact from higher interest rates and subdued consumer demand.

We are confident of our positioning across Africa and of the quality and dedication of our people to serve and provide value for our clients. The considerable progress we have made in realigning our available resources and intensifying our focus on the expanding markets on the African continent has delivered an enviable franchise off which the group is able to drive sustainable growth. Competition is high in all the markets we serve and business operating environments remain challenging. However, the group's capital and liquidity strength, together with our firm commitment to our strategy which includes the building of world-class information systems, provides substantial opportunity to elevate our ROE and deliver higher levels of economic value to our shareholders over the medium term.

Sim Tshabalala
Group chief executive

Ben Kruger
Group chief executive

Fred Phaswana
Chairman

5 March 2014

Declaration of dividends

Shareholders of Standard Bank Group Limited (the company) are advised of the following dividend declarations out of income reserves in respect of ordinary shares and preference shares.

Ordinary shares

Ordinary shareholders are advised that the board of directors (the board) has resolved to declare a final gross cash dividend of 300,00 cents per ordinary share (the cash dividend) to ordinary shareholders recorded in the register of the company at the close of business on Friday, 11 April 2014. The last day to trade to participate in the dividend is Friday, 4 April 2014. Ordinary shares will commence trading *ex* dividend from Monday, 7 April 2014. No STC credits were utilised as part of the ordinary dividend declaration.

The salient dates and times for the cash dividend are set out in the table that follows.

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 7 April 2014, and Friday, 11 April 2014, both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their Central Securities Depository Participant (CSDP) or broker credited or updated on Monday, 14 April 2014.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders.

Preference shares

Preference shareholders are advised that the board has resolved to declare the following interim distributions:

- 6.5% first cumulative preference shares (first preference shares) dividend No. 89 of 3,25 cents (gross) per first preference share, payable on Monday, 7 April 2014, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday, 4 April 2014. The last day to trade to participate in the dividend is Friday, 28 March 2014. First preference shares will commence trading *ex* dividend from Monday, 31 March 2014. No STC credits were utilised as part of the dividend declaration in respect of the first preference shares.
- Non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 19 of 329,94 cents (gross) per second preference share, payable on Monday, 7 April 2014, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday, 4 April 2014. The total STC credits utilised as part of the declaration amount to R14 990 633 and consequently the STC credits utilised per share amount to 28,29369 cents per second preference share. Second preference shareholders will, therefore, receive a net dividend of 284,69305 cents per second preference share. The last day to trade to participate in the dividend is Friday, 28 March 2014. Second preference shares will commence trading *ex* dividend from Monday, 31 March 2014.

The salient dates and times for the preference share distributions are set out in the table that follows.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 31 March 2014 and Friday, 4 April 2014, both days inclusive. Preference shareholders (first and second) who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 7 April 2014.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders.

The relevant dates for the payment of dividends are as follows:

	Ordinary shares	6.5% cumulative, preference shares (First preference shares)	Non-redeemable, non-cumulative non-participating preference shares (Second preference shares)
JSE Limited			
Share code	**SBK**	**SBKP**	**SBPP**
ISIN	**ZAE000109815**	**ZAE000038881**	**ZAE000056339**
Namibian Stock Exchange (NSX)			
Share code	**SNB**		
ISIN	**ZAE000109815**		
Dividend number	**89**	**89**	**18**
Gross distribution/dividend per share (cents)	**300,00**	**3,25**	**329,94**
Last day to trade in order to be eligible for the cash dividend	**Friday, 4 April 2014**	**Friday, 28 March 2014**	**Friday, 28 March 2014**
Shares trade *ex* the cash dividend	**Monday, 7 April 2014**	**Monday, 31 March 2014**	**Monday, 31 March 2014**
Record date in respect of the cash dividend	**Friday, 11 April 2014**	**Friday, 4 April 2014**	**Friday, 4 April 2014**
Dividend cheques posted and CSDP/broker accounts credited/updated (payment date)	**Monday, 14 April 2014**	**Monday, 7 April 2014**	**Monday 7 April 2014**

The above dates are subject to change. Any changes will be released on SENS and published in the South African and Namibian press.

Tax implications

The cash dividend received under the ordinary shares and the preference shares is likely to have tax implications for both resident and non-resident ordinary and preference shareholders. Such shareholders are therefore encouraged to consult their professional tax advisers.

In terms of the Income Tax Act, 58 of 1962, the cash dividend will, unless exempt, be subject to dividend withholding tax (DT) that was introduced with effect from 1 April 2012. South African resident ordinary and preference shareholders that are not exempt from DT, will be subject to DT at a rate of 15% of the cash dividend, and this amount will be withheld from the cash dividend with the result that they will receive a net amount of 255,00 cents per ordinary share, 2,7625 cents per first preference share and 284,69305 cents per second preference share (after taking STC credits into consideration). Non-resident ordinary and preference shareholders may be subject to DT at a rate of less than 15% depending on their country of residence and the applicability of any Double Tax Treaty between South Africa and their country of residence.

The issued share capital of the company, as at declaration date, is as follows:

- 1 617 987 124 ordinary shares
- 8 000 000 first preference shares
- 52 982 248 second preference shares

The company's tax reference number is 9800/211/71/7 and registration number is 1969/017128/06.

Overview

Normalised results

With effect from 2004, the group's results reported under IFRS have been normalised to reflect the group's view of the economics and legal substance of the following arrangements (normalised results):

- Preference share funding for the group's Tutuwa transaction is deducted from equity and reduces the shares in issue in terms of IFRS.
- Group company shares held for the benefit of Liberty policyholders result in a reduction of the number of shares in issue and the exclusion of fair value adjustments and dividends on these shares. The IFRS requirement causes an accounting mismatch between income from investments and changes in policyholders' liabilities.
- The group also enters into transactions on its own shares to facilitate client trading activities. As part of its normal trading operations, a group subsidiary offers to its clients trading positions over listed shares, including its own shares. To hedge the risk on these trades, the group buys (sells short) its own shares in the market. Although the share exposure on the group's own shares is deducted/(added) from/(to) equity and the related fair value movements are reversed in the income statement on consolidation, the client trading position and fair value movements are not eliminated, resulting in an accounting mismatch.

A common element in these transactions relates to shares in issue which are deemed by IFRS to be treasury shares. Consequently, the net value of the shares is recognised in equity and the number of shares used for per-share calculation purposes is materially lower than the economic substance, resulting in inflated per-share ratios. The deemed treasury share adjustments reinstate the shares as issued, recognise the related transaction in the statement of financial position as an asset or liability (as appropriate) and recognise changes in the value of the related transaction (together with dividend income) within the income statement.

On 8 November 2013 the group announced that it was in discussions regarding the disposal of a controlling stake in its global markets business outside Africa through the sale of a controlling interest in Standard Bank Plc, the group's London banking operation (disposal of OA GM). This was followed by an announcement on 29 January 2014 that transaction agreements had been signed with ICBC. The transaction is subject to Standard Bank shareholder approval and various regulatory approvals.

Whilst IFRS deems OA GM to be a discontinued operation, OA GM was managed and reported as part of the group's continuing operations throughout 2013. Accordingly, the group's normalised results are reported before recognising the IFRS discontinued operations' adjustments relating to OA GM (deemed disposal adjustments) as more fully set out on page 14.

The normalised results reflect the basis on which management manages the group and is consistent with that reported in the group's segmental report. The normalised adjustments have been made within Liberty, and central and other.

The result of these normalised adjustments is shown in the table below.

Normalised headline earnings

for the year ended 31 December 2013

	Weighted average number of shares '000	**Headline earnings Rm**	Growth on 2012 %
Disclosed on an IFRS basis	**1 566 694**	**16 986**	17
Tutuwa initiative	**42 909**	**188**	
Group shares held for the benefit of Liberty policyholders	**6 896**	**56**	
Share exposures held to facilitate client trading activities	**(1 825)**	**(36)**	
Normalised	**1 614 674**	**17 194**	15

Reconciliation of statement of financial position adjustments to achieve IFRS

	Deemed treasury share adjustments		Deemed disposal adjustments		Total IFRS adjustments	
	2013	2012	**2013**	2012	**2013**	2012
	Rm	Rm	**Rm**	Rm	**Rm**	Rm
Assets						
Cash and balances with central banks			**(14 099)**		**(14 099)**	
Financial investments, trading and pledged assets	**(1 555)**	(1 731)	**(67 915)**		**(69 470)**	(1 731)
Loans and advances	**(1 199)**	(2 721)	**(58 556)**		**(59 755)**	(2 721)
Loans and advances to banks			**(30 655)**		**(30 655)**	
Loans and advances to customers	**(1 199)**	(2 721)	**(27 901)**		**(29 100)**	(2 721)
Derivative and other assets			**(42 714)**		**(42 714)**	
Intangible assets			**(339)**		**(339)**	
Property and equipment			**(271)**		**(271)**	
Non-current assets held for sale			**183 284**		**183 284**	
Total assets	**(2 754)**	(4 452)	**(610)**		**(3 364)**	(4 452)
Equity and liabilities						
Equity	**(2 724)**	(4 378)	**(610)**		**(3 334)**	(4 378)
Equity attributable to ordinary shareholders	**(1 929)**	(3 534)	**(610)**		**(2 539)**	(3 534)
Non-controlling interest	**(795)**	(844)			**(795)**	(844)
Liabilities	**(30)**	(74)			**(30)**	(74)
Deposit and current accounts			**(65 043)**		**(65 043)**	
Deposits from banks			**(41 756)**		**(41 756)**	
Deposits from customers			**(23 287)**		**(23 287)**	
Derivative, trading and other liabilities	**(30)**	(74)	**(62 014)**		**(62 044)**	(74)
Subordinated debt			**(7 447)**		**(7 447)**	
Non-current liabilities held for sale			**134 504**		**134 504**	
Total equity and liabilities	**(2 754)**	(4 452)	**(610)**		**(3 364)**	(4 452)

Reconciliation of income statement adjustments to achieve IFRS

	Deemed treasury share adjustments		Deemed disposal adjustments		Total IFRS adjustments	
	2013 Rm	2012 Rm	**2013 Rm**	2012 Rm	**2013 Rm**	2012 Rm
Net interest income	**(153)**	(218)	**23**	(49)	**(130)**	(267)
Non-interest revenue	**54**	25	**(2 412)**	(2 074)	**(2 358)**	(2 049)
Net fee and commission revenue			**37**	375	**37**	375
Trading revenue	**54**	25	**(2 445)**	(2 104)	**(2 391)**	(2 079)
Other revenue			**(4)**	(345)	**(4)**	(345)
Income from investment management and life insurance activities	**(166)**	(297)			**(166)**	(297)
Total income	**(265)**	(490)	**(2 389)**	(2 123)	**(2 654)**	(2 613)
Specific credit impairment charges			**(56)**	(86)	**(56)**	(86)
Income after credit impairment charges	**(265)**	(490)	**(2 333)**	(2 037)	**(2 598)**	(2 527)
Revenue sharing agreements with group companies			**(142)**	(115)	**(142)**	(115)
Income after revenue sharing agreements and policyholders' benefits	**(265)**	(490)	**(2 475)**	(2 152)	**(2 740)**	(2 642)
Operating expenses in banking activities			**(2 807)**	(3 605)	**(2 807)**	(3 605)
Staff costs			**(1 673)**	(1 846)	**(1 673)**	(1 846)
Other operating expenses			**(1 134)**	(1 320)	**(1 134)**	(1 320)
Restructure charge				(439)		(439)
Net income before indirect taxation	**(265)**	(490)	**332**	1 453	**67**	963
Indirect taxation			**(58)**	(145)	**(58)**	(145)
Profit before direct taxation	**(265)**	(490)	**390**	1 598	**125**	1 108
Direct taxation	**16**	4	**(29)**	(20)	**(13)**	(16)
Profit from continuing operations	**(281)**	(494)	**419**	1 618	**138**	1 124
Discontinued operations			**(1 022)**	(1 618)	**(1 022)**	(1 618)
Profit for the year	**(281)**	(494)	**(603)**		**(884)**	(494)
Attributable to non-controlling interests	**(74)**	(135)			**(74)**	(135)
Attributable to preference shareholders	**1**	(5)			**1**	(5)
Attributable to ordinary shareholders	**(208)**	(354)	**(603)**		**(811)**	(354)
Headline adjustable items			**603**		**603**	
Headline earnings	**(208)**	(354)			**(208)**	(354)

Pro forma constant currency information

The *pro forma* constant currency information disclosed in these results is the responsibility of the group's directors. The *pro forma* constant currency information has been presented to illustrate the impact of changes in currency rates on the group's results and hence may not fairly present the group's results of operations. In determining the change in constant currency terms, the comparative financial reporting period's results have been adjusted for the difference between the current and prior period's average exchange rates (determined as the average of the daily exchange rates). The measurement has been performed for each of the group's currencies, materially that of the US dollar, Nigerian naira, Kenyan shilling, Zambian kwacha and Ugandan shilling. The *pro forma* constant currency information has been reviewed by the group's external auditors and their unmodified review report is available for inspection at the company's registered office.

The following average exchange rates were used in the determination of the *pro forma* constant currency information.

	US dollar	Nigerian naira	Kenyan shilling	Zambian kwacha	Ugandan shilling
2013 average exchange rate	**9,64**	**0,06**	**0,11**	**0,0018**	**0,0037**
2012 average exchange rate	8,21	0,05	0,10	0,0016	0,0033

Provisional results in accordance with IFRS

Discontinued operation – disposal of the group's controlling interest in the global markets business outside Africa

On 8 November 2013 the group announced that it was in discussions regarding the disposal of a controlling stake in its global markets business outside Africa through the sale of a controlling interest in SB Plc, the group's London banking operation (disposal of OA GM). This was followed by an announcement on 29 January 2014 that transaction agreements had been signed with the ICBC. The transaction is subject to Standard Bank shareholder approval and various regulatory approvals. Accordingly, the group's IFRS results have been adjusted as follows:

- Presentation of OA GM's 2013 assets and liabilities in the statement of financial position as single line items titled: non-current assets held for sale and non-current liabilities held for sale.
- Presentation of OA GM's 2013 and 2012's results as a single line item in the group's discontinued operations in the income statement. In addition, the previously eliminated intercompany transactions between the group's continuing and discontinued operations have been presented separately within the group's continuing and discontinued operations as applicable.
- Recognition of an impairment loss, being the difference between OA GM's fair value less costs to sell and its recognised carrying value. This impairment loss has been limited to the value of OA GM's non-financial assets, being its property and equipment and intangible assets. The remaining loss will be recognised in the income statement at the time at which the transaction is completed.

Whilst IFRS deems OA GM to be a discontinued operation, OA GM was managed and reported as part of the group's continuing operations throughout 2013. Accordingly the group's normalised results are reported recognising the IFRS discontinued operation's adjustments relating to OA GM. The normalised results reflect the basis on which management manages the group and is consistent with that reported in the group's segmental report. The IFRS adjustments as set out above have been recognised as part of the IFRS adjustments to the group's segment report in arriving at the group's reported IFRS results.

The fair value of OA GM was determined using valuation techniques that incorporate unobservable inputs. Accordingly, the non-current assets and liabilities held for sale have been classified within level 3 of the fair value hierarchy. However, for disclosure purposes, the financial assets and liabilities within the non-current assets and liabilities held for sale classification that are measured at fair value have been categorised as level 1, 2 and 3 as appropriate in the fair value disclosures of these results.

Financial statistics

for the year ended 31 December 2013

	Change %	**2013**	2012[1]
Number of ordinary shares in issue (000's)			
End of period	3	**1 584 449**	1 535 917
Weighted average	3	**1 566 694**	1 521 510
Diluted weighted average	2	**1 598 161**	1 573 168
Cents per ordinary share			
Headline earnings	13	**1 084,2**	957,2
Continuing operations	9	**1 110,9**	1 019,3
Discontinued operation	(57)	**(26,7)**	(62,1)
Diluted headline earnings	14	**1 057,1**	925,8
Continuing operations	10	**1 083,2**	985,8
Discontinued operation	(57)	**(26,1)**	(60,0)
Dividend	17	**533,0**	455,0
Net asset value	13	**8 138**	7 232
Financial performance (%)			
Return on equity on continuing operations		**14.2**	14.2
Net interest margin on continuing banking operations		**3.67**	3.62
Credit loss ratio on continuing banking operations		**1.12**	1.19
Cost-to-income ratio on continuing banking operations		**56.8**	55.7
Capital adequacy ratios (%) (unaudited)			
Basel III			
Tier I capital		**13.2**	11.2[2]
Total capital		**16.2**	14.3[2]

[1] Restated. Refer to pages 38 to 44 for further explanation.
[2] *Pro forma* Basel III.

Condensed consolidated statement of financial position

as at 31 December 2013

	Change %	2013 Rm	2012[1] Rm	2011[1] Rm
Assets				
Cash and balances with central banks	(14)	**53 310**	61 985	31 907
Financial investments, trading and pledged assets	(3)	**457 018**	473 216	413 433
Non-current assets held for sale[2]	>100	**183 284**	960	34 085
Loans and advances	4	**839 620**	811 171	801 308
Derivative and other assets	(42)	**90 635**	155 429	175 322
Interest in associates and joint ventures	58	**4 796**	3 035	1 849
Investment property	13	**27 299**	24 133	23 470
Goodwill and other intangible assets	23	**18 085**	14 687	12 754
Property and equipment	7	**16 882**	15 733	14 920
Total assets	8	**1 690 929**	1 560 349	1 509 048
Equity and liabilities				
Equity	17	**152 648**	130 889	117 897
Equity attributable to ordinary shareholders	16	**128 936**	111 085	99 450
Preference share capital and premium		**5 503**	5 503	5 503
Non-controlling interest	27	**18 209**	14 301	12 944
Liabilities	8	**1 538 281**	1 429 460	1 391 151
Deposit and current accounts	1	**921 738**	910 682	870 613
Derivative, trading and other liabilities	(23)	**193 579**	250 546	259 280
Non-current liabilities held for sale[2]	-	**134 504**		27 939
Policyholders' liabilities	12	**263 944**	236 684	208 565
Subordinated debt	(22)	**24 516**	31 548	24 754
Total equity and liabilities	8	**1 690 929**	1 560 349	1 509 048

[1] Restated. Refer to pages 38 to 44 for further explanation.

[2] The intended disposal of OA GM, RCS Investment Holdings Proprietary Limited (RCS) and Standard Bank Argentina (SBA) resulted in their respective assets and, where applicable, liabilities being classified as held for sale at 31 December 2013, 31 December 2012 and 31 December 2011, respectively. The group's controlling interest in SBA was disposed of during 2012. The group's associate interest in RCS was reclassified out of non-current assets held for sale during 2013.

Condensed consolidated income statement

for the year ended 31 December 2013

	Change %	2013 Rm	2012[1] Rm
Continuing operations			
Income from banking activities	11	**73 406**	66 252
Net interest income	15	**39 095**	33 966
Non-interest revenue	6	**34 311**	32 286
Income from investment management and life insurance activities	10	**85 240**	77 580
Total income	10	**158 646**	143 832
Credit impairment charges	5	**9 158**	8 714
Benefits due to policyholders	8	**63 295**	58 739
Income after credit impairment charges and policyholders' benefits	13	**86 193**	76 379
Revenue sharing agreements with group companies	23	**142**	115
Income after revenue sharing agreements with group companies	13	**86 051**	76 264
Operating expenses in banking activities	13	**42 055**	36 902
Staff costs	13	**23 087**	20 419
Other operating expenses	15	**18 968**	16 483
Restructure costs			319
Operating expenses in investment management and life insurance activities	18	**14 226**	12 080
Net income before goodwill impairment and gains on disposal of subsidiary	10	**29 770**	26 963
Goodwill impairment	(100)		777
Gain on disposal of subsidiary	(66)	**64**	188
Net income before share of profits from associates and joint ventures	13	**29 834**	26 374
Share of profits from associates and joint ventures	(2)	**685**	701
Net income before indirect taxation	13	**30 519**	27 075
Indirect taxation	18	**1 911**	1 621
Profit before direct taxation	12	**28 608**	25 454
Direct taxation	8	**7 580**	7 002
Profit for the period from continuing operations	14	**21 028**	18 452
Discontinued operation[2]	(>100)	**(1 022)**	817
Profit for the year from discontinued operation		**(1 022)**	(708)
Profit from disposal of discontinued operation			1 525
Profit for the period	4	**20 006**	19 269
Attributable to non-controlling interests	20	**3 451**	2 871
Continuing operations	31	**3 451**	2 644
Discontinued operations	(100)		227
Attributable to preference shareholders	(1)	**349**	352
Attributable to ordinary shareholders	1	**16 206**	16 046
Basic earnings per share (cents)	(2)	**1 034,4**	1 054,6
Continuing operations	8	**1 099,6**	1 015,8
Discontinued operations	(>100)	**(65,2)**	38,8
Diluted earnings per share (cents)	(1)	**1 008,6**	1 020,0
Continuing operations	9	**1 072,2**	982,5
Discontinued operations	(>100)	**(63,6)**	37,5

[1] Restated. Refer to pages 38 to 44 for further explanation.

[2] The income and expenses relating to the group's investment in Standard Bank Plc's Global Markets business and SBA have been presented as single amounts relating to their after-tax profits for 2013 and 2012, and 2012, respectively.

Headline earnings

for the year ended 31 December 2013

	Change %	2013 Rm	2012[1] Rm
Profit for the period from continuing operations	11	**17 228**	15 456
Headline adjustable items added		**350**	21
Goodwill impairment – IAS 36			777
Profit on sale of property and equipment – IAS 16		**(4)**	(31)
Realised foreign currency translation profit on foreign operations – IAS 21		**(16)**	(119)
Gains on the disposal of businesses and divisions – IAS 27		**(91)**	(188)
Transactions with associates – IAS28/IFRS 3			(217)
Impairment of intangible assets – IAS 36		**477**	264
Realised gains on available-for-sale assets – IAS 39		**(16)**	(595)
Loss on net investment hedge reclassification on disposal of associate – IAS 39			130
Taxation on headline earnings adjustable items		**(88)**	13
Non-controlling interests' share of headline earnings adjustable items		**(85)**	19
Standard Bank Group headline earnings from continuing operations	12	**17 405**	15 509
Profit for the period from discontinued operations	(>100)	**(1 022)**	590
Headline adjustable items added/(reversed)		**603**	(1 547)
Loss on sale of property and equipment – IAS 16			1
Realised gains on available-for-sale assets – IAS 39			(23)
Gain on the disposal of discontinued operation – IAS 27			(1 525)
Impairment of non-current assets held for sale – IFRS 5		**603**	
Taxation on headline earnings adjustable items			10
Non-controlling interests' share of headline earnings adjustable items			2
Standard Bank Group headline earnings from discontinued operations	(56)	**(419)**	(945)
Standard Bank Group headline earnings	17	**16 986**	14 564

[1] Restated. Refer to pages 38 to 44 for further explanation.

Condensed consolidated statement of other comprehensive income

for the year ended 31 December 2013

	2013 Ordinary shareholders' equity Rm	2013 Non-controlling interests and preference shareholders Rm	2013 Total equity Rm	2012[1] Total equity Rm
Profit for the period	**16 206**	**3 800**	**20 006**	19 269
Other comprehensive income after tax for the period – continuing operations	**6 205**	**1 698**	**7 903**	1 070
Items that may be reclassified subsequently to profit or loss:				
Exchange rate differences on translating equity investments in foreign operations	**6 276**	**1 809**	**8 085**	544
Foreign currency hedge of net investments	**(176)**		**(176)**	181
Cash flow hedges	**298**	**(59)**	**239**	(230)
Available-for-sale financial assets	**69**	**22**	**91**	194
Items that may not be reclassified to profit or loss:				
Defined benefit fund adjustments	**(202)**	**16**	**(186)**	383
Other losses	**(60)**	**(90)**	**(150)**	(2)
Other comprehensive income after tax for the period – discontinued operations				615
Total comprehensive income for the period	**22 411**	**5 498**	**27 909**	20 954
Attributable to non-controlling interests		**5 149**	**5 149**	3 178
Attributable to equity holders of the parent	**22 411**	**349**	**22 760**	17 776
Attributable to preference shareholders		**349**	**349**	352
Attributable to ordinary shareholders	**22 411**		**22 411**	17 424

[1] Restated. Refer to pages 38 to 44 for further explanation.

Condensed consolidated statement of changes in equity

for the year ended 31 December 2013

	Ordinary shareholders' equity Rm	Preference share capital and premium Rm	Non-controlling interest Rm	Total equity Rm
Balance at 1 January 2012 – as previously reported and audited	99 042	5 503	12 988	117 533
Restatement of opening equity balances	408		(44)	364
Balance at 1 January 2012 – restated[1]	99 450	5 503	12 944	117 897
Total comprehensive income for the year	17 424	352	3 178	20 954
Transactions with owners, recorded directly in equity	(5 789)	(352)	(1 405)	(7 546)
Equity-settled share-based payment transactions	282		46	328
Deferred tax on share-based payment transactions	69			69
Transactions with non-controlling shareholders	(74)		(970)	(1 044)
Issue of share capital and share premium and capitalisation of reserves	125			125
Net decrease in treasury shares	271		245	516
Net dividends paid	(6 462)	(352)	(726)	(7 540)
Unincorporated property partnerships capital reductions and distributions			(182)	(182)
Disposal of property partnership			(234)	(234)
Balance at 31 December 2012 – restated[1]	111 085	5 503	14 301	130 889
Balance at 1 January 2013	**111 085**	**5 503**	**14 301**	**130 889**
Total comprehensive income for the year	**22 411**	**349**	**5 149**	**27 909**
Transactions with owners, recorded directly in equity	**(4 560)**	**(349)**	**(1 235)**	**(6 144)**
Equity-settled share-based payment transactions	**242**		**38**	**280**
Deferred tax on share-based payment transactions	**76**			**76**
Transactions with non-controlling shareholders	**(50)**		**4**	**(46)**
Issue of share capital and share premium and capitalisation of reserves	**165**			**165**
Share buy-back	**(343)**			**(343)**
Net increase in treasury shares	**23**		**36**	**59**
Redemption of preference shares	**1 676**			**1 676**
Net dividends paid	**(6 349)**	**(349)**	**(1 313)**	**(8 011)**
Unincorporated property partnerships capital reductions and distributions			**(6)**	**(6)**
Balance at 31 December 2013	**128 936**	**5 503**	**18 209**	**152 648**

[1] Restated. Refer to pages 38 to 44 for further explanation.

Consolidated cash flow information

for the year ended 31 December 2013

	2013 Rm	2012[1] Rm
Net cash flows from operating activities	**24 020**	42 970
Net cash flows used in investing activities	**(17 345)**	(14 530)
Net cash flows used in financing activities	**(9 238)**	(3 820)
Effect of exchange rate changes on cash and cash equivalents	**7 987**	609
Net increase in cash and cash equivalents	**5 424**	25 229
Cash and cash equivalents at the beginning of the year	**61 985**	36 756
Cash and cash equivalents at the end of the year	**67 409**	61 985
Comprising:		
Cash and balances with central banks	**53 310**	61 985
Cash and balances with central banks held for sale	**14 099**	
Cash and cash equivalents at the end of the year	**67 409**	61 985

[1] Restated. Refer to pages 38 to 44 for further explanation.

Provisional results

Notes

Segment report

for the year ended 31 December 2013

	Change %	2013 Rm	2012[1] Rm
Revenue contribution by business unit			
Personal & Business Banking	14	**48 596**	42 544
Corporate & Investment Banking	9	**28 304**	25 927
Central and other	(>100)	**(1 006)**	236
Banking activities	10	**75 894**	68 707
Liberty	10	**85 406**	77 738
Standard Bank Group – normalised	10	**161 300**	146 445
Adjustments for IFRS	(3)	**(2 654)**	(2 728)
Standard Bank Group – IFRS	10	**158 646**	143 717
Profit or loss attributable to ordinary shareholders			
Personal & Business Banking	10	**8 271**	7 515
Corporate & Investment Banking	42	**6 524**	4 594
Central and other	(97)	**69**	2 262
Banking activities	3	**14 864**	14 371
Liberty	6	**2 153**	2 029
Standard Bank Group – normalised	4	**17 017**	16 400
Adjustments for IFRS	>100	**(811)**	(354)
Standard Bank Group – IFRS	1	**16 206**	16 046
Total assets by business unit			
Personal & Business Banking	10	**571 583**	518 458
Corporate & Investment Banking	6	**805 814**	760 428
Central and other	>100	**(18 930)**	(4 652)
Banking activities	7	**1 358 467**	1 274 234
Liberty	16	**335 826**	290 567
Standard Bank Group – normalised	8	**1 694 293**	1 564 801
Adjustments for IFRS	(24)	**(3 366)**	(4 452)
Standard Bank Group – IFRS	8	**1 690 927**	1 560 349
Total liabilities by business unit			
Personal & Business Banking	10	**522 583**	474 684
Corporate & Investment Banking	6	**758 083**	713 330
Central and other	89	**(55 970)**	(29 572)
Banking activities	6	**1 224 696**	1 158 442
Liberty	16	**313 615**	271 092
Standard Bank Group – normalised	8	**1 538 311**	1 429 534
Adjustments for IFRS	(57)	**(32)**	(74)
Standard Bank Group – IFRS	8	**1 538 279**	1 429 460

[1] Refer to pages 38 to 44 for further explanation.

Contingent liabilities and capital commitments

as at 31 December 2013

	2013 Rm	2012 Rm
Letters of credit and bankers' acceptances	**17 303**	14 218
Guarantees	**50 287**	45 247
Contingent liabilities	**67 590**	59 465
Contracted capital expenditure	**1 315**	2 153
Capital expenditure authorised but not yet contracted	**11 411**	8 832
Capital commitments	**12 726**	10 985

Private equity associates and joint ventures

The following table provides disclosure of those private equity associates and joint ventures as at 31 December 2013 that are equity accounted in terms of IAS 28 *Investments in Associates and Joint Ventures* and have been ring-fenced in terms of the requirements of Circular 3/2012 *Headline Earnings*, issued by the South African Institute of Chartered Accountants (SAICA) at the request of the Johannesburg Stock Exchange (JSE). On the disposal of these associates and joint ventures held by the group's private equity division, the gain or loss on the disposal will be included in headline earnings.

	2013 Rm	2012[1] Rm
Cost	**150**	162
Carrying value	**631**	543
Fair value	**579**	454
Attributable income before impairment	**92**	94

[1] Restated to reflect comparability with the current year.

Equity securities

During the year the group issued 10 281 204 shares (2012: 12 041 298 shares) as a scrip dividend distribution, allotted 4 304 866 shares (2012: 5 347 398 shares) in terms of the group's share incentive schemes and repurchased 2 877 768 shares (2012: nil shares). The total equity securities held as treasury shares at the end of the year was 5 669 530 shares (2012: 6 740 125 shares).

Subordinated debt

During the year ended 31 December 2013, the group issued R1 billion (2012: R11,4 billion) subordinated debt instruments and redeemed R1,6 billion (2012: R5,3 billion) subordinated debt instruments.

Tutuwa initiative refinancing

The group concluded its Tutuwa initiative in October 2004 when it sold an effective 10% interest in its South African banking operations to a broad-based grouping of black-owned entities. The group subscribed for 8.5% redeemable, cumulative preference shares that were issued by special purpose vehicles, including Tutuwa Strategic Holdings 1 Proprietary Limited (Tutuwa 1) and Tutuwa Strategic Holdings 2 Proprietary Limited (Tutuwa 2) that used the funds to acquire shares in the group. These two vehicles were in turn acquired by Shanduka Group Proprietary Limited and Safika Holdings Proprietary Limited, respectively. From an IFRS perspective, all of the preference shares subscribed for by the group were accounted for as a negative empowerment reserve.

During the year, Tutuwa 1 and Tutuwa 2 obtained third-party financing and repaid in full their outstanding preference share funding and accrued dividends thereon of R668 million and R1 007 million respectively, to the group.

In terms of IFRS, the redemption of the preference share funding resulted in a release of the group's negative empowerment reserve relating to Tutuwa 1 and Tutuwa 2 and resulted in 35,8 million ordinary shares being recognised by IFRS as issued shares during May and June 2013.

Day one profit or loss

The table below sets out the aggregate net day one profits yet to be recognised in profit or loss at the beginning and end of the year with a reconciliation of changes in the balances during the year.

	Derivative instruments Rm	Trading assets Rm	Total Rm
Unrecognised net profit at the beginning of the year	**384**	**13**	**397**
Additional net profit on new transactions	13		13
Recognised in profit or loss during the year	(153)		(153)
Exchange differences		3	3
Unrecognised net profit at end of the year	**244**	**16**	**260**

Fair value disclosures [1]

In terms of IFRS, the group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
The existence of quoted prices in an active market represents the best evidence of fair value. Where such prices exist, they are used in determining the fair value of its financial assets and financial liabilities. Where quoted market prices are unavailable, the group establishes fair value using valuation techniques that incorporate inputs that are observable either directly (that is, as prices) or indirectly (that is, derived from prices) for such assets and liabilities. Where such inputs are not available, the group makes use of unobservable inputs in establishing fair value.

All financial instruments carried at fair value, regardless of classification, and for which there are no quoted market prices for that instrument, are marked to market using models that have been validated independently by the group's model validation unit and approved by the market risk methodologies committee. This control applies to both off-the-shelf models as well as those developed internally by the group and company. Further, all inputs into the valuation models are subject to independent price validation procedures carried out by the market risk unit. Such price validation is performed on at least a monthly basis, and daily where possible given the liquidity of the underlying price inputs. Less liquid risk drivers, which are typically used to mark level 3 assets and liabilities to market, are carefully validated and tabled at the monthly price validation forum to ensure that these are reasonable and used consistently across all entities in the group. Sensitivities arising from exposures to such drivers are similarly scrutinised, together with movements in level 3 fair values. They are also disclosed on a monthly basis to the market risk and asset and liability committees.

[1] IFRS 13 – *Fair value Measurement* has been prospectively applied from 1 January 2013. Comparable financial information, in accordance with the transitional provisions of the standard, has not been provided.

Fair value disclosures continued

Accounting classifications and fair values of financial assets and liabilities

The table below categorises the group's assets and liabilities as at 31 December 2013 between that which is financial and non-financial. All financial assets and liabilities have been classified according to their measurement category with disclosure of the fair value being provided for those items.

	Held-for-trading[1] Rm	Designated at fair value Rm	Held-to-maturity Rm
2013			
Assets			
Cash and balances with central banks			
Derivative assets	64 474		
Trading assets	54 588		
Pledged assets	3 324	1 348	
Non-current assets held for sale[4]	107 306		
Financial investments	506	342 896	13 264
Loans and advances to banks		668	
Loans and advances to customers	1 074	181	4
Interest in associates and joint ventures			
Investment property			
Other financial assets[4]			
Other non-financial assets[4]			
	231 272	345 093	13 268
Liabilities			
Derivative liabilities	69 244		
Trading liabilities	35 368		
Non-current liabilities held for sale	57 194	294	
Deposits from banks		961	
Deposits from customers		24 377	
Policyholders' liabilities		74 146	
Subordinated debt			
Other financial liabilities[4]		39 983	
Other non-financial liabilities[4]			
	161 806	139 761	

[1] Includes derivative assets or liabilities designated as hedging instruments in hedge relationships.
[2] Includes financial assets and financial liabilities for which the carrying value has been adjusted for changes in fair value due to designated hedged risks.
[3] Carrying value has been used where it closely approximates fair values, excluding non-financial assets and liabilities.
[4] The carying value of other non-financial assets/liabilities approximates fair value.

Loans and receivables[2] Rm	Available-for-sale Rm	Other amortised cost[2] Rm	Other non-financial assets/ liabilities Rm	Total carrying amount Rm	Fair value[3] Rm
53 310				53 310	53 310
				64 474	64 474
				54 588	54 588
	2 041			6 713	6 713
74 871	29		1 078	183 284	180 051
11 162	27 889			395 717	396 243
94 236				94 904	95 034
743 457				744 716	736 389
			4 797	4 797	
			27 299	27 299	27 299
8 365				8 365	
			52 762	52 762	
985 401	29 959		85 936	1 690 929	
				69 244	69 244
				35 368	35 368
		75 505	1 511	134 504	130 031
		67 689		68 650	68 877
		828 711		853 088	858 875
			189 798	263 944	74 146
		24 516		24 516	22 096
		31 347		71 330	
			17 637	17 637	
		1 027 768	208 946	1 538 281	

Fair value disclosures continued

Fair value hierarchy

The tables that follow analyse the group's financial assets and liabilities that are measured at fair value at the end of the reporting period, by level of fair value hierarchy as required by IFRS. The different levels are based on the extent to which observable market data and inputs are used in the calculation of the fair value of the financial assets and liabilities. The levels of the hierarchy are defined as follows:

Level 1 – fair values are based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – fair values are calculated using valuation techniques based on observable inputs, either directly (that is, as prices) or indirectly (that is, derived from prices). This category includes financial assets and liabilities valued using quoted market prices in active markets for similar financial assets or liabilities, quoted prices for identical or similar financial assets or liabilities in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly derived or corroborated from observable market data.

Level 3 – fair values are based on valuation techniques using significant unobservable inputs. This category includes financial assets and liabilities where the valuation technique includes unobservable inputs that have a significant effect on the financial asset or liability's valuation. This category includes financial assets and liabilities that are valued based on quoted prices for similar financial assets or liabilities and for which significant unobservable adjustments or assumptions are required to reflect differences between the financial assets or liabilities.

Recurring fair value measurements of assets or liabilities are those that other IFRSs require or permit in the statement of financial position at the end of each reporting period. Non-recurring fair value measurements of assets or liabilities are those that other IFRS require or permit in the statement of financial position in particular circumstances.

Financial assets measured at fair value

as at 31 December 2013

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets				
Measured on a recurring basis				
Derivative assets	91	62 293	2 090	64 474
Trading assets	19 477	33 001	2 110	54 588
Pledged assets	3 525	3 180	8	6 713
Financial investments	178 044	189 066	4 181	371 291
Loans and advances to banks	668			668
Loans and advances to customers	7	1 205	43	1 255
Investment property			27 299	27 299
Measured on a non-recurring basis				
Non-current assets held for sale	24 942	76 780	5 613	107 335
	226 754	365 525	41 344	633 623
Comprising:				
Held-for-trading				231 272
Designated at fair value				345 093
Available-for-sale				29 959
Investment property				27 299
				633 623
Financial liabilities				
Measured on a recurring basis				
Derivative liabilities	162	61 207	7 875	69 244
Trading liabilities	18 384	16 552	432	35 368
Deposits from banks		961		961
Deposits from customers	389	23 988		24 377
Policyholders' liabilities		74 146		74 146
Other financial liabilities		39 983		39 983
Measured on a non-recurring basis				
Non-current liabilities held for sale	7 981	42 579	6 928	57 488
	26 916	259 416	15 235	301 567
Comprising:				
Held-for-trading				161 806
Designated at fair value				139 761
				301 567

Fair value disclosures continued

Fair value measurement disclosures – level 2 and level 3

The valuation techniques used in determining the fair value of financial assets and liabilities classified within level 2 and level 3 of the fair value hierarchy include the discounted cash flow model, Black-Scholes model and earnings multiple and sustainable earnings valuation methods and other valuation techniques commonly used by market participants. Such models are populated using market parameters that are corroborated by reference to independent market data, where possible, or alternative sources such as third party quotes, recent transaction prices or suitable proxies. The inputs used include discount, liquidity discount, risk-free and volatility rates, risk premiums, credit spreads, volatilities and correlations.

The fair value of level 3 assets and liabilities is determined using valuation techniques which include reference to recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants. These valuation techniques incorporate assumptions that are not supported by prices from observable current market transactions in the same asset or liability, are not based on available observable market data and typically have unobservable inputs that are subject to management judgment. These inputs include credit spreads on illiquid issuers, implied volatilities on thinly traded stocks, correlation between risk factors, prepayment rates and other illiquid risk drivers. Exposure to such illiquid risk drivers is typically managed by:

- using bid-offer spreads that are reflective of the relatively low liquidity of the underlying risk driver
- quantifying and reporting the sensitivity to each risk driver
- raising day one profit provisions in accordance with IFRS
- limiting exposure to such risk drivers and analysing this exposure on a regular basis.

Level 2 financial assets and financial liabilities

The following table sets out the group's principal valuation techniques used in determining the fair value of its financial assets and financial liabilities that are classified within Level 2 of the fair value hierarchy.

	Valuation basis/technique	Main assumptions [1]
Derivative instruments	Discounted cash flow model	Discount rate
	Black-Scholes model	Risk-free rate, volatility rate
	Multiple valuation technique	Valuation multiples
Trading assets	Discounted cash flow model	Discount rate, liquidity discount rate
	Black-Scholes model	Risk-free rate, volatility rate
Financial investments	Discounted cash flow model	Discount rate, liquidity discount rate
	Multiple valuation technique	Valuation multiples
	Quoted exit price adjusted for notice period	Discount rate
Pledged assets	Discounted cash flow model	Discount rate, liquidity discount rate
Loans and advances to customers	Discounted cash flow model	Discount rate, liquidity discount rate
Trading liabilities	Discounted cash flow model	Discount rate, liquidity discount rate
Deposits from banks	Discounted cash flow model	Discount rate, liquidity discount rate
Deposits from customers	Discounted cash flow model	Discount rate, liquidity discount rate
Policyholder liabilities	Discounted cash flow model	Discount rate, liquidity discount rate
Other financial liabilities	Discounted cash flow model	Discount rate, liquidity discount rate

[1] The main assumptions for all instruments include applicable credit spreads.

Fair value disclosures continued

Level 3 financial assets and financial liabilities

The tables below set out the reconciliation of financial assets that are measured at fair value based on inputs that are not based on observable market data (level 3):

Reconciliation of level 3 financial assets measured on a recurring basis

	Derivative assets Rm	Trading assets Rm	Pledged assets Rm
Balance at 1 January 2013 – restated	3 397	6 344	
Classified as held for sale	(1 914)	(5 992)	
Total gains/(losses) included in profit or loss	1 282	(60)	
Interest income			
Trading revenue	1 282	(60)	
Other revenue			
Investment gains			
Total gains/(losses) included in other comprehensive income	1		
Originations and purchases	499	3 087	6
Sales	(1 068)	(2 019)	
Settlements[1]	(114)		
Transfers into level 3[2]	12	798	
Transfers out of level 3[3]	(7)	(13)	
Reclassifications			
Exchange movements	2	(35)	2
Balance at 31 December 2013	2 090	2 110	8

[1] Derivative fair values represent the net present value of positive and/or negative future cash flows. Settlements may increase or decrease the carrying value of derivative assets and liabilities.

[2] During 2013, the valuation inputs of certain financial assets became unobservable. The fair value of these assets was transferred into level 3.

[3] During 2013, the valuation inputs of certain level 3 financial assets became observable. The fair value of these financial assets was transferred into level 2.

Measured on a recurring basis			Measured on a non-recurring basis	
Loans and advances to customers Rm	Financial investments Rm	Investment Property Rm	Non-current assets held for sale Rm	Total Rm
215	5 528	24 133		39 617
	(5)		7 911	
132	207	2 530	(1 589)	2 502
	(2)			(2)
132	(22)		(1 589)	(257)
	225			225
	6	2 530		2 536
	(1)			
	1 325	588	961	6 466
(89)	(3 207)	(35)	(2 748)	(9 166)
(202)	(60)			(376)
	118			928
(21)	(36)			(77)
		69		69
8	312	14	1 078	1 381
43	4 181	27 299	5 613	41 344

Fair value disclosures continued

Financial assets transferred between level 1 and level 2

During the year, R60 million of financial assets were transferred into level 1 from level 2 as the quoted price became readily and regularly available.

Unrealised gains/(losses) for the period included in profit or loss for level 3 financial assets held at the end of the reporting period

as at 31 December 2013

	Measured on a recurring basis				Measured on a non-recurring basis	
	Derivative assets Rm	**Trading assets Rm**	**Financial investments Rm**	**Investment property Rm**	**Non-current assets held for sale Rm**	**Total Rm**
Trading revenue	1 271	(35)			913	2 149
Other revenue			76			76
Investment gains				2 598		2 598
	1 271	**(35)**	**76**	**2 598**	**913**	**4 823**

The following table provides a reconciliation of the opening to closing balance for all financial liabilities that are measured at fair value based on inputs that are not based on observable market data (level 3).

Reconciliation of level 3 financial liabilities

	Measured on a recurring basis			Measured on a non-recurring basis	
	Derivative liabilities Rm	Trading liabilities Rm	Policy-holders' liabilities Rm	Non-current assets held for sale Rm	Total Rm
Balance at 1 January 2013	**2 335**	**5 021**	**10**		**7 366**
Classified as held for sale	**(898)**	**(5 021)**		**5 919**	
Total losses/(gains) included in profit or loss – trading revenue	**4 084**	**(27)**		**(434)**	**3 623**
Originations and purchases	**3 050**	**458**		**590**	**4 098**
Sales				**(856)**	**(856)**
Settlements	**(633)**				**(633)**
Transfers into level 3[1]	**58**			**378**	**436**
Transfers out of level 3[2]	**(8)**				**(8)**
Net change in policyholders' liabilities			**(10)**		**(10)**
Exchange movements	**(113)**	**1**		**1 331**	**1 219**
Balance at 31 December 2013	**7 875**	**432**		**6 928**	**15 235**

[1] During 2013, the valuation inputs of certain financial liabilities became unobservable. The fair value of these liabilities was transferred into level 3.
[2] During 2013, the valuation inputs of certain level 3 financial assets became observable. The fair value of these financial liabilities was transferred into level 2.

Fair value disclosures continued

Unrealised (gains)/losses for the period included in profit or loss for level 3 financial liabilities held at the end of the reporting period

as at 31 December 2013

	Measured on a recurring basis		Measured on a non-recurring basis	
	Derivative liabilities Rm	Trading liabilities Rm	Non-current assets held for sale Rm	Total Rm
Trading revenue	3 862	(32)	436	4 266

Although the group believes that its estimates of fair values are appropriate, changing one or more of these assumptions to reasonably possible alternative values could impact the fair value of its assets and liabilities. The behaviour of the unobservable parameters used to fair value level 3 financial assets and liabilities is not necessarily independent, and may often hold a relationship with other observable and unobservable market parameters. Where material and possible, such relationships are captured in the valuation by way of correlation factors, though these factors are, themselves, frequently unobservable. In such instances, the range of possible and reasonable fair value estimates is taken into account when determining appropriate model adjustments.

The table that follows indicates the valuation techniques and main assumptions used in the determination of the fair value of the level 3 financial assets and liabilities measured at fair value on a recurring basis. The table further indicates the effect that a significant change in one or more of the inputs to a reasonably possible alternative assumption would have on profit or loss at the reporting date (where the change in the input would change the fair value of the asset or liability significantly). The changes in the inputs that have been used in the analysis that follows have been determined taking into account several considerations such as the nature of the asset or liability and the market within which the asset or liability is transacted.

The valuation techniques used in determining the fair value of financial assets and liabilities classified within level 3

as at 31 December 2013

	Valuation basis/ technique	Main assumptions	Variance in fair value measurement	Effect on profit or loss Favourable Rm	(Unfavourable) Rm
Derivative instruments	Discounted cash flow model	Discount rate	(1%) – 1%	142	(142)
	Black-Scholes model	Risk- free rate, volatility rate	(1%) – 1%	56	(58)
	Multiple valuation technique	Valuation multiples	(1) – 1	9	(9)
Trading assets	Discounted cash flow model	Discount rate liquidity discount rate	(1%) – 1%	548	(548)
Financial investments	Discounted cash flow model	Discount rate, liquidity discount rate	(1%) – 1%	134	(116)
	Multiple valuation technique	Valuation multiples	(1) – 1	98	(86)
		Liquidity discount rate	(1%) – 1%	3	(3)
Loans and advances to customers	Discounted cash flow model	Discount rate	(1%) – 1%	1	(1)
Trading liabilities	Discounted cash flow model	Discount rate	(1%) – 1%	126	(126)
				1 117	(1 089)

Accounting policies and restatements

Basis of preparation

The group's condensed consolidated interim financial statements (results) are prepared in accordance with the framework, measurement and recognition requirements of IFRS as issued by the International Accounting Standards Board (IASB) and are prepared in accordance with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the presentation requirements of IAS 34 Interim Financial Reporting and requirements of the South African Companies Act, 71 of 2008.

The results are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS.

The accounting policies applied in the preparation of the consolidated financial statements from which the results have been derived are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the group's previous consolidated annual financial statements, except for changes as required by the mandatory adoption of new and revised IFRS and, where applicable, as set out below:

Adoption of new and amended standards effective for the current financial period

The accounting policies are consistent with those reported in the previous year except as required in terms of the adoption of the following:

- IFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*
- IFRS 10 *Consolidated Financial Statements* (IFRS 10)
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IFRS 13 *Fair Value Measurement*
- IAS 19 *Employee Benefits (2011 revised)* (IAS 19R)
- IAS 27 *Separate Financial Statements (2011 revised)* and
- IAS 28 *Investments in Associates and Joint Ventures* (2011 revised) (IAS 28R).

Early adoption of revised standards

- IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (2013 revised)
- IAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting* (2013 revised)

Restatements

Of the abovementioned IFRS adopted on 1 January 2013, IFRS 10, IAS 19R and IAS 28R resulted in the restatement of the group's previously reported financial results as follows:

IFRS 10

In terms of IFRS 10, control exists only if the investor has power over the investee; exposure, or rights to, variable returns from its involvement with the investee; and the ability to use its power to affect those returns. The application of control will be applied irrespective of the nature of the investee.

Investments in mutual funds that amounted to between 20% and 50% of the total fund value or voting rights were previously considered to be interests in associates, and those greater than 50% were previously considered to be subsidiaries. As a result of the adoption of IFRS 10, references in the accounting policies to specific percentage holdings have been removed.

The adoption of IFRS 10 resulted in the group consolidating additional mutual funds, classifying additional interests in mutual funds as associates, reclassifying interests between these categories and financial investments and the recognition of additional treasury shares.

IAS 19R

The most significant change as a result of the adoption of IAS 19R is the elimination of the 'corridor' method under which the recognition of actuarial gains or losses was deferred. In terms of IAS 19R all unrecognised actuarial gains have to be recognised in other comprehensive income on transition to the new requirements.

IAS 28R

The adoption of IAS 28R resulted in the group classifying mutual fund interests, for which the group is the fund manager in terms of an irrevocable fund management agreement, as interests in associates. In order to achieve consistency in the presentation for associates that are measured at fair value and those that are equity accounted, the group reclassified all of its interests in associates that are measured at fair value to its financial investments line item in the statement of financial position. Following the reclassification, the group's line item 'Interests in associates and joint ventures' in its statement of financial position includes only those associates and joint ventures that are equity accounted. The amount reclassified was R15 696 million.

Other restatements and reclassifications

The comparative income statement and statement of financial position as at 31 December 2012 has been adjusted to reflect the presentation consequences of the following restatements and reclassifications:

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations (IFRS 5)

Following the announcement regarding the intended disposal of the group's controlling interest in the global markets business outside Africa, the group's previously reported income statement has, in accordance with IFRS 5, been restated in order to present the discontinued operation's results as a separate line item.

Deposits from customers to trading liabilities

Liabilities of R5 268 million were previously classified as designated at fair value through profit or loss within deposits from customers. In accordance with IFRS and the group's accounting policies, these liabilities should have been classified as trading liabilities. The liabilities have accordingly been reclassified from deposits from customers to trading liabilities. The restatement had no impact on the group's reserves or profit and loss.

Loans and advances: reclassification between banks and customers

An amount of R5 586 million was reclassified from loans and advances to banks to loans and advances to customers. The reclassification aligns an amount that was placed with a non-bank subsidiary of a bank holding company to loans and advances to customers as opposed to loans and advances to banks. The restatement had no impact on the group's reserves and profit or loss.

Restatement of financial results

Consolidated statement of financial position

restatements as at 31 December 2012 and 31 December 2011

	31 December 2012			
	As previously reported Rm	IFRS 10 Rm	IAS 19R Rm	IAS 28R Rm
Assets				
Cash and balances with central banks	61 985			
Financial investments, trading and pledged assets	444 217	13 303		15 696
Non-current assets held for sale	960			
Loans and advances	811 171			
Derivative and other assets	154 088	190	1 151	
Interest in associates and joint ventures	17 246	1 485		(15 696)
Investment property	24 133			
Goodwill and other intangible assets	14 687			
Property and equipment	15 733			
Total assets	1 544 220	14 978	1 151	
Equity and liabilities				
Equity	130 173		716	
Equity attributable to ordinary shareholders	110 370		715	
Preference share capital and premium	5 503			
Non-controlling interest	14 300		1	
Liabilities	1 414 047	14 978	435	
Deposit and current accounts	918 533	(2 583)		
Derivative, trading and other liabilities	227 282	17 561	435	
Non-current liabilities held for sale				
Policyholders' liabilities	236 684			
Subordinated debt	31 548			
Total equity and liabilities	1 544 220	14 978	1 151	

		31 December 2011					
Customer deposit reclassification	Restated Rm	As previously reported Rm	IFRS 10 Rm	IAS 19R Rm	IAS 28R Rm	Customer deposit reclassification Rm	Restated Rm
	61 985	31 907					31 907
	473 216	385 881	14 602		12 950		413 433
	960	34 085					34 085
	811 171	801 308					801 308
	155 429	174 569	81	672			175 322
	3 035	13 935	864		(12 950)		1 849
	24 133	23 470					23 470
	14 687	12 754					12 754
	15 733	14 920					14 920
	1 560 349	1 492 829	15 547	672			1 509 048
	130 889	117 533	(99)	463			117 897
	111 085	99 042	(53)	461			99 450
	5 503	5 503					5 503
	14 301	12 988	(46)	2			12 944
	1 429 460	1 375 296	15 646	209			1 391 151
(5 268)	910 682	878 922	(3 317)			(7 019)	868 586
5 268	250 546	235 116	18 963	209		7 019	261 307
		27 939					27 939
	236 684	208 565					208 565
	31 548	24 754					24 754
	1 560 349	1 492 829	15 547	672			1 509 048

Consolidated income statement

restatements for the year ended 31 December 2012

	As previously reported Rm	IFRS 10 Rm	IAS 19R Rm	IFRS 5 Rm	Restated Rm
Continuing operations					
Income from banking activities	68 375			(2 123)	66 252
Net interest income	34 015			(49)	33 966
Non-interest revenue	34 360			(2 074)	32 286
Income from investment management and life insurance activities	75 716	1 849	15		77 580
Total income	144 091	1 849	15	(2 123)	143 832
Credit impairment charges	8 800			(86)	8 714
Benefits due to policyholders	56 878	1 861			58 739
Income after credit impairment charges and policyholders' benefits	78 413	(12)	15	(2 037)	76 379
Revenue sharing agreements with group companies				115	115
Income after revenue sharing agreements with group companies	78 413	(12)	15	(2 152)	76 264
Operating expenses in banking activities	39 998		70	(3 166)	36 902
Staff costs	22 195		70	(1 846)	20 419
Other operating expenses	17 803			(1 320)	16 483
Restructuring costs	758			(439)	319
Operating expenses in investment management and life insurance activities	11 952	1	127		12 080
Net income before goodwill impairment and gains on disposal of subsidiaries	25 705	(13)	(182)	1 453	26 963
Goodwill impairment	777				777
Gains on disposal of subsidiaries	188				188
Net income before share of profits from associates and joint ventures	25 116	(13)	(182)	1 453	26 374
Share of profit from associates and joint ventures	701				701
Net income before indirect taxation	25 817	(13)	(182)	1 453	27 075
Indirect taxation	1 766			(145)	1 621
Profit before direct taxation	24 051	(13)	(182)	1 598	25 454
Direct taxation	7 075		(53)	(20)	7 002
Profit for the year from continuing operations	16 976	(13)	(129)	1 618	18 452
Profit for the year and from disposal of discontinued operation	2 435			(1 618)	817
Profit for the year	19 411	(13)	(129)		19 269
Attributable to non-controlling interests	2 913	(5)	(37)		2 871
Continuing operations	2 686	(5)	(37)		2 644
Discontinued operation	227				227
Attributable to preference shareholders	352				352
Attributable to ordinary shareholders	16 146	(8)	(92)		16 046
Basic earnings per share (cents)	1 060,7	(0,1)	(6,0)		1 054,6
Continuing operations	915,7	(0,1)	(6,0)	106,3	1 015,9
Discontinued operations	145,0			(106,3)	38,7
Diluted earnings per share (cents)	1 025,9	(0,1)	(5,8)		1 020,0
Continuing operations	885,6	(0,1)	(5,8)	102,8	982,5
Discontinued operations	140,3			(102,8)	37,5

Consolidated statement of other comprehensive income

for the year ended 31 December 2012

	Total equity			
	As previously reported Rm	IFRS 10 Rm	IAS 19R Rm	Restated Rm
Profit for the year	19 411	(13)	(129)	19 269
Other comprehensive income after tax for the year – continuing operations	687		383	1 070
Items that may be reclassified subsequently to profit or loss:				
Exchange rate differences on translating equity investment in foreign operations	544			544
Foreign currency hedge of net investment	181			181
Cash flow hedges	(230)			(230)
Available-for-sale financial assets	194			194
Items that may not be reclassified to profit or loss:				
Defined benefit fund adjustments			383	383
Other losses	(2)			(2)
Other comprehensive income after tax for the year – discontinued operations	615			615
Total comprehensive income for the year	20 713	(13)	254	20 954
Attributable to non-controlling interests	3 183	(5)		3 178
Attributable to equity holders of the parent	17 530	(8)	254	17 776
Attributable to preference shareholders	352			352
Attributable to ordinary shareholders	17 178	(8)	254	17 424

Consolidated cash flow information

for the year ended 31 December 2012

	As previously reported Rm	IFRS 10 Rm	IAS 19R Rm	Restated Rm
Net cash flows from operating activities	42 954	143	(127)	42 970
Net cash flows used in investing activities	(14 514)	(16)		(14 530)
Net cash flows used in financing activities	(3 820)			(3 820)
Effect of exchange rate changes on cash and cash equivalents	609			609
Net increase in cash and cash equivalents	25 229	127	(127)	25 229
Cash and cash equivalents at the beginning of the year	36 756			36 756
Cash and cash equivalents at the end of the year	61 985	127	(127)	61 985

Administrative and contact details

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JSE independent sponsor
Deutsche Securities (SA) Proprietary Limited

Namibian sponsor
Simonis Storm Securities (Proprietary) Limited

JSE joint sponsor
The Standard Bank of South Africa Limited

Share and bond codes
JSE share code: SBK
ISIN: ZAE000109815
NSX share code: SNB
NSX share code: SNB ZAE000109815
SBKP ZAE000038881 (First preference shares)
SBPP ZAE000056339 (Second preference shares)
JSE bond codes: SBS, SBK, SBN, SBR, ETN series SSN series and CLN series (all JSE-listed bonds issued in terms of The Standard Bank of South Africa Limited's Domestic Medium Term Note Programme and Credit Linked Note Programme)

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An African perspective – Seed by Marco Cianfanelli

Measuring 34.33m high, 9.85m wide and 8.55m deep, Seed is made up of 229 individual plywood panels with laser cut designs, telling the stories of people and places, and is pigmented with sand from regions where Standard Bank has an on-the-ground operating presence. Seed epitomizes our Africa strategy, bringing together the opportunities and potential that we see in the dynamic African continent.

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