

Unaudited financial results

for the six months ended 31 August 2011



Headline earnings per share up **53%** to **520 cents**

Earnings up by **72%**

Interim dividend per share **125 cents**

Return on equity **29%**

Active clients **3.2 million**

KEY PERFORMANCE INDICATORS	Six months ended		Growth %	Year ended	
	August 2011	2010		February 2011	February 2010
Profitability					
Income from banking operations	R'm	2 581	1 696	52	3 741
Net loan impairment expense	R'm	(679)	(403)	68	(988)
Banking operating expenses	R'm	(1 183)	(873)	36	(1 813)
Non-banking operations	R'm	-	-	-	-
Tax	R'm	(221)	(131)	69	(284)
Preference dividend	R'm	(10)	(6)	67	(16)
Earnings attributable to ordinary shareholders	R'm	488	283	72	640
Basic	R'm	488	284	72	640
Headline	R'm	488	284	72	640
Cost to income ratio – banking activities	%	46	51		48
Return on ordinary shareholders' equity	%	29	34		34
Earnings per share					
Attributable	cents	518	339	53	757
Headline	cents	520	340	53	757
Diluted attributable	cents	505	325	55	730
Diluted headline	cents	507	327	55	730
Dividends per share					
Interim	cents	125	85	47	85
Final	cents				205
Total	cents				290
Dividend cover	X	4.2	4.0		2.6

Assets	Six months ended		Growth %	Year ended	
	August 2011	2010		February 2011	February 2010
Net loans and advances	R'm	13 393	7 244	85	10 071
Cash and cash equivalents	R'm	3 248	2 086	56	2 842
Investments	R'm	908	1 199	(24)	989
Other	R'm	676	468	44	538
Total assets	R'm	18 225	10 997	66	14 440
Liabilities					
Deposits	R'm	13 678	8 599	59	10 450
Other	R'm	721	463	56	539
Total liabilities	R'm	14 399	9 062	59	10 989
Equity					
Shareholders' funds	R'm	3 826	1 935	98	3 451
Capital adequacy ratio	%	35	35		41
Net asset value per ordinary share	cents	3 772	2 117	78	3 418
Share price	R'm	18 845	13 350	41	15 901
Market capitalisation	R'm	17 819	11 230	59	14 850
Number of shares in issue	'000	94 554	84 122	12	93 388
Share options					
Number outstanding	'000	3 233	4 932	(34)	4 222
Number outstanding to shares in issue	%	3	6		5
Average strike price	cents	4 283	3 470	23	3 510
Average time to maturity	months	21	25	(2)	20

Operations	Six months ended		Growth %	Year ended	
	August 2011	2010		February 2011	February 2010
Branches		474	422	12	455
Employees		6 351	4 726	34	5 331
Active clients	'000	3 247	2 494	30	2 829
ATMs					
Own		507	439	15	479
Partnership		1 356	939	44	1 182
Capital expenditure	R'm	203	145	40	235

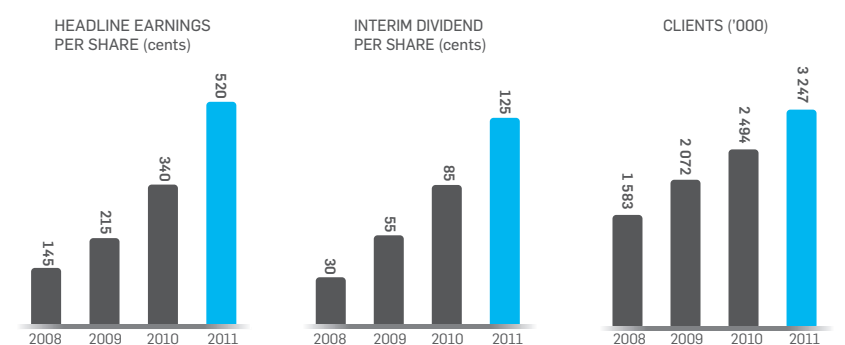
Sales	Six months ended		Growth %	Year ended	
	August 2011	2010		February 2011	February 2010
Loans					
Value of loans advanced	R'm	9 226	6 385	44	14 318
Number of loans advanced	'000	3 354	2 615	28	5 471
Average loan amount	R	2 751	2 442	13	2 617
Repayments	R'm	7 566	5 602	35	12 117
Gross loans and advances	R'm	14 495	7 796	86	10 916
Loans past due (arrears)	R'm	649	361	80	626
Arrears to gross loans and advances	%	4.5	4.6		5.7
Provision for doubtful debts	R'm	1 102	552	100	845
Provision for doubtful debts to gross loans and advances	%	7.6	7.1		7.7
Arrears coverage ratio	%	170	153		135
Loan revenue	R'm	2 596	1 728	50	3 800
Loan revenue to average gross loans and advances	%	20.4	25.8		46.0
Gross loan impairment expense	R'm	755	447	69	1 088
Recoveries	R'm	76	44	73	100
Net loan impairment expense	R'm	679	403	68	988
Net loan impairment expense to loan revenue	%	26.2	23.3		26.0
Net loan impairment expense to average gross loans and advances	%	5.3	6.0		12.0
Deposits					
Wholesale	R'm	5 454	3 608	51	3 954
Retail call savings	R'm	4 963	3 040	63	3 933
Retail fixed savings	R'm	3 125	1 874	67	2 316
Net transaction fee income	R'm	361	235	54	532

GROUP BALANCE SHEET	Unaudited		Growth %	Audited	
	August 2011	2010		February 2011	February 2010
Assets					
Cash and cash equivalents	R'000	3 247 637	2 085 502	56	2 841 918
Investments designated at fair value	R'000	907 945	1 199 274	(24)	988 664
Loans and advances to clients	R'000	13 393 174	7 244 385	85	10 071 466
Inventory	R'000	53 717	22 697	4	30 847
Other receivables	R'000	479 977	357 073	34	375 185
Property and equipment	R'000	54 422	32 854	66	34 157
Intangible assets	R'000	64 546	17 848	262	48 903
Deferred income tax assets	R'000	18 224 921	10 996 792	66	14 439 517
Liabilities					
Loans and deposits at amortised cost	R'000	13 678 188	8 599 271	59	10 449 883
Trade and other payables	R'000	616 178	422 358	46	489 685
Current income tax liabilities	R'000	88 681	28 312	213	35 033
Provisions	R'000	16 356	11 693	40	14 403
Total liabilities	R'000	14 399 403	9 061 634	59	10 989 004
Equity					
Ordinary share capital and premium	R'000	2 123 125	796 852	166	1 918 677
Cash flow hedge reserve	R'000	(6 712)	(10 882)	(38)	(3 469)
Retained earnings	R'000	1 450 136	994 582	46	1 276 336
Share capital and reserves attributable to ordinary shareholders	R'000	3 566 549	1 780 552	100	3 191 544
Non-redeemable, non-cumulative, non-participating preference share capital and premium	R'000	258 969	154 606	68	258 969
Total equity	R'000	3 825 518	1 935 158	98	3 450 513
Total equity and liabilities	R'000	18 224 921	10 996 792	66	14 439 517

COMMITMENTS	Unaudited		Growth %	Audited	
	August 2011	2010		February 2011	February 2010
Capital commitments approved by the board					
Contracted for	R'000	38 935	14 557		29 609
Not contracted for	R'000	242 914	184 871		505 768
Operating lease commitments					
Future aggregate minimum lease payments					
Within one year	R'000	154 356	115 525		131 058
From one to five years	R'000	434 310	299 722		362 795
After five years	R'000	84 173	33 364		54 331
Total future cash flows	R'000	672 839	448 611		548 184
Straight-lining accrued	R'000	(30 088)	(22 381)		(25 354)
Future expenses	R'000	642 751	426 230		522 830

SEGMENT ANALYSIS	Unaudited six months ended August 2011		Growth %	Audited year ended February 2011	
	Banking	Wholesale distribution		Intra-segment	Total
Segment revenue	R'000	3 351 223	104 659	(531)	3 455 351
Segment earnings after tax	R'000	498 341	(645)	-	497 696
Unaudited six months ended August 2010					
Segment revenue	R'000	2 264 990	111 903	(406)	2 376 487
Segment earnings after tax	R'000	290 239	(513)	-	289 726
Audited year ended February 2011					
Segment revenue	R'000	4 966 768	219 298	(789)	5 185 277
Segment earnings after tax	R'000	657 273	(1 249)	-	656 024

The group has two operating segments which conduct business within the Republic of South Africa. The wholesale distribution segment's contribution to depreciation, amortisation, interest expenses and other non-cash items is not material.



GROUP INCOME STATEMENT	Unaudited		Growth %	Audited	
	Six months ended August 2011	2010		February 2011	February 2010
Interest income	R'000	1 939 554	1 267 576	53	2 808 543
Interest expense	R'000	(450 856)	(353 389)	28	(751 360)
Net interest income	R'000	1 488 698	914 187	63	2 057 183
Loan fee income	R'000	819 925	607 145	35	1 273 574
Loan fee expense	R'000	(96 188)	(59 521)	62	(121 710)
Transaction fee income	R'000	590 468	389 321	52	883 040
Transaction fee expense	R'000	(229 638)	(154 175)	49	(351 309)
Net fee income	R'000	1 084 567	782 770	39	1 683 595
Dividend income	R'000	727	540	35	571
Net impairment charge on loans and advances to clients	R'000	(678 866)	(403 089)	68	(988 177)
Net movement in financial instruments designated at fair value	R'000	6 321	(382)		(210)
Non-banking income	R'000	11 003	11 230	(2)	22 258
Sales	R'000	104 659	111 903	(6)	219 298
Cost of sales	R'000	(93 656)	(100 673)	(7)	(197 040)
Other income	R'000	18	2		251
Income from operations	R'000	1 912 468	1 305 258	47	2 775 471
Banking operating expenses	R'000	(1 182 772)	(873 214)	35	(1 812 499)
Non-banking operating expenses	R'000	(11 034)	(11 192)	(1)	(22 672)
Operating profit before tax	R'000	718 662	420 852	71	940 300
Income tax expense	R'000	(220 966)	(131 126)	69	(284 276)
Profit for the period	R'000	497 696	289 726	72	656 024

Earnings per share (cents)	Unaudited		Growth %	Audited	
	August 2011	2010		February 2011	February 2010
Basic	cents	518	339	53	757
Diluted	cents	505	325	55	730

RECONCILIATION OF ATTRIBUTABLE EARNINGS TO HEADLINE EARNINGS	Unaudited		Growth %	Audited	
	August 2011	2010		February 2011	February 2010
Net profit after tax	R'000	497 696	289 726	72	656 024
Preference dividend	R'000	(9 763)	(6 411)	52	(15 754)
Net profit attributable to ordinary shareholders	R'000	487 933	283 315	72	640 270
Non-headline items:					
(Profit)/loss on disposal of Property and equipment	R'000	1 176	1 002	17	(638)
Intangible assets	R'000	960	476	102	476
Income tax charge	R'000	(613)	(413)	48	60
Headline earnings	R'000	489 456	284 380	72	640 168

GROUP STATEMENT OF COMPREHENSIVE INCOME	Unaudited		Growth %	Audited	
	August 2011	2010		February 2011	February 2010
Profit for the period	R'000	497 696	289 726	72	656 024
Other comprehensive income for the period net of tax	R'000	(3 243)	4 957		12 370
Cash flow hedge before tax	R'000	(4 504)	6 885		17 181
Income tax relating to cash flow hedge	R'000	1 261	(1 928)		(4 811)
Total comprehensive income for the period	R'000	494 453	294 683	68	668 394