



Transition to International Financial Reporting Standards

Index

Press announcement		IFRS 2004 restatements – Reconciliations	
Commentary	2b	Balance sheet as at 31 December 2004	14b
Financial highlights	6b	Balance sheet as at 30 June 2004	16b
Income statement	7b	Balance sheet as at 1 January 2004	18b
Balance sheet	8b	Income statement for the	
Reconciliation of income statement	9b	year ended 31 December 2004	20b
Cash flow statement	9b	Income statement for the	
Reconciliation of assets, liabilities and equity	10b	six months ended 30 June 2004	22b
Reconciliation of changes in shareholders' equity	12b		

Commentary

Notes

Restatement of financial information for the year ended 31 December 2004 and the six months ended 30 June 2004 under International Financial Reporting Standards ("IFRS")

INTRODUCTION

For the year ended 31 December 2004 the Nedcor group ("the group") prepared its financial statements under South African Statements of Generally Accepted Accounting Practice ("SA GAAP") as effective at that date. In accordance with the JSE Securities Exchange South Africa ("JSE") Listings Requirements the group will be required to prepare its consolidated financial statements in accordance with IFRS (and revised SA GAAP effective for financial periods commencing on or after 1 January 2005) for the year ending 31 December 2005. IFRS refers to the application of International Accounting Standards ("IAS") and IFRSs.

This requirement applies to financial reporting for all listed companies for financial reporting periods beginning on or after 1 January 2005 and, consequently, Nedcor's first published IFRS results will be its interim results for the six months ending 30 June 2005. The group's first published financial statements under IFRS will be for the year ending 31 December 2005. As the group publishes comparative information for one year in its financial statements, the date for transition to IFRS is 1 January 2004, which represents the start of the earliest period of comparative information presented.

In order to explain how Nedcor's reported performance and financial position are impacted by IFRS, the group has restated information previously published under SA GAAP to the equivalent basis under IFRS. This restatement follows the guidelines set out in IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1").

The effect of IFRS, in particular the changes to the accounting treatment for goodwill, which is no longer amortised, and share-based payments (including the BEE deal), which are now expensed through the income statement, make Nedcor's published 2007 targets more challenging. These targets will be revisited during the annual budgeting and three-year forecasting process, which takes place in the second half of the year.

The adoption of IFRS has resulted in certain income statement adjustments that may not be repeated in future reporting periods.

It is important to note that this financial information has been prepared in accordance with IFRS statements that are expected to be effective at 31 December 2005. These are subject to ongoing review and possible amendment by interpretive guidance from the International Accounting Standards Board ("IASB") and may therefore be subject to change. It should further be noted that the ultimate presentation, and income statement and balance sheet captions, could also change.

Old Mutual plc, Nedcor's ultimate holding company, is required to prepare its financial statements in accordance with IFRS as endorsed by the European Union ("EU"). The EU has not endorsed the full version of IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") and it has instead endorsed a "carved out" version. The "carve out" requires financial liabilities previously designated as fair value through profit or loss to be valued on an amortised cost basis. The "carve out" does not apply to the South African reported information and Nedcor has retained the fair value designation for local reporting, but reports to Old Mutual plc in line with the "carve out".

BASIS OF PREPARATION

The group has prepared the consolidated preliminary balance sheet at 31 December 2004 and the consolidated preliminary income statement for the year then ended, in accordance with IFRS ("the preliminary financial information") to establish the financial position and results of operations of the group necessary to provide the comparative information expected to be included in the group's first set of IFRS financial statements for the year ending 31 December 2005.

The board acknowledges its responsibility for the preparation of the preliminary financial information which has been prepared in accordance with IFRS and policies expected to be adopted when the board prepares the group's first set of IFRS financial statements for the year ending 31 December 2005. The board has approved the preliminary financial information.



The preliminary financial information does not reflect any changes in respect of any possible amendments to IAS 39 that restrict the use of the fair value option. Proposals to restrict the fair value option are being considered by the IASB and Nedcor will continue to monitor industry developments in this area.

There have been no material adjustments to the cash flow statement in respect of cash utilised by operating activities before taxation, cash flows from investment activities and cash flows from financing activities as a result of the adoption of IFRS.

TRANSITIONAL ARRANGEMENTS

The date of transition to IFRS for the group is 1 January 2004 and therefore as required by IFRS 1, the group's opening balance sheet at 1 January 2004 has been restated to reflect all existing IFRS statements expected to be applicable at 31 December 2005. However, IFRS 1 allows a number of exemptions to this retrospective application principle upon adoption of IFRS. The group has adopted the following transitional arrangements on a consistent basis with its ultimate holding company, Old Mutual plc:

- Cumulative translation differences: the group has elected that the cumulative translation differences for foreign operations are deemed to be zero at the date of transition.
- Business combinations: the group has elected not to retrospectively apply the requirements of IFRS 3, Business Combinations ("IFRS 3") for business combinations that occurred prior to 31 March 2004 and consequently no adjustment has been made for historical business combinations.
- Property, plant and equipment: the group has elected to measure individual items of property, plant and equipment at fair value at the date of transition to IFRS, hence fair value is deemed to be cost at that date.
- Employee benefits: the group has elected to recognise all cumulative actuarial gains and losses on defined benefit post-retirement schemes in equity at the date of transition.
- Share-based payments: the group has elected not to apply the provisions of IFRS 2, Share-based payments ("IFRS 2") to equity-settled awards granted on or before 7 November 2002, or to awards granted after the date but which had vested prior to 1 January 2005.

The group has not elected to apply the exemption within IFRS 1 that allows comparative information presented in the first year of adoption of IFRS not to comply with IAS 32, Financial Instruments: Disclosure and Presentation ("IAS 32") and IAS 39.

Where estimates have previously been made under SA GAAP, consistent estimates (after adjustments to reflect any difference in accounting policies) have been made for the same date on transition to IFRS.

MATERIAL ADJUSTMENTS

The basis of the material adjustments, net of the associated tax impact, as shown in the tables for Reconciliation of assets, liabilities and equity, Reconciliation of income statement and Reconciliation of changes in shareholders' equity are noted below:

Note 1: Credit impairment

Previously the group calculated its impairment losses on loans and advances on an "expected loss" basis. Credit impairments were calculated using historical data and trends. The discount rate used to calculate the recoverable amount included an allowance for a credit spread.

Under IFRS the group has moved to an "incurred loss" basis. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more past events that have occurred since initial recognition. IFRS also allows

Notes

for the creation of a credit impairment for incurred but not reported ("IBNR") losses in order to provide for latent losses in a portfolio of loans that have not yet been individually evidenced. The discount rate used to calculate the recoverable amount now excludes any allowance for a credit spread.

Note 2: Revenue recognition and deferred acquisition costs

Previously fees charged and certain related acquisition costs for originating loans were recognised immediately in the income statement.

In accordance with IFRS, fees charged for loans are recognised as revenue as the services are provided. Initial fees, which relate to the future provision of services, are deferred and amortised over the anticipated period in which the services will be provided.

Similarly costs that are directly attributable to securing a loan are deferred as an asset and amortised as the related revenue is recognised.

Note 3: Goodwill

Previously, the group recognised acquired goodwill at cost and amortised it on a straight-line basis over its expected useful life. Goodwill was subject to review for indications of impairment and any impairment losses were recognised in the income statement.

IFRS requires that goodwill is not amortised but is subject to impairment reviews, both annually and when there are indications that the carrying value may not be recoverable. Negative goodwill is no longer recognised on the balance sheet but in the income statement as it arises.

The 2004 goodwill amortisation previously recognised in the income statement has been reversed, resulting in a corresponding increase in equity. All goodwill has been tested for impairment at 1 January 2004, 30 June 2004, and 31 December 2004 in accordance with IFRS with no further impairment being recognised on transition. Negative goodwill that was previously held on the balance sheet at the transition date was released to reserves.

Note 4: Foreign exchange

Previously the group classified the assets and liabilities of all foreign subsidiaries and branches as either foreign entities or integrated operations. The foreign currency adjustments arising from the translation of foreign entities were recognised directly in equity, in the Foreign Currency Translation Reserve ("FCTR"), while those of the integrated operations were recognised in the income statement.

IFRS requires the group to determine the "functional currency" for all entities and the distinction between foreign entities and integrated operations has been removed. An entity, which has a non-rand functional currency, is translated at the closing exchange rate and the differences arising are reported directly to equity, whilst all other entities classified as having a rand functional currency report foreign currency translation differences in the income statement.

The group has elected to apply the exemption afforded to it by IFRS 1 and reset the balance of the FCTR to zero at the date of transition to IFRS.

Note 5: Share-based payments

The group grants share options to employees under employee share incentive schemes. Other than costs incurred in administering the schemes, which were expensed as incurred, the schemes did not result in any expense to the group, other than a dilution in earnings per share when the shares were issued.

In accordance with the requirements of IFRS, the group has recognised an expense in the income statement, with a corresponding credit to equity, representing the fair value of outstanding employee share options with regard to its equity settled schemes. The fair value at the date of granting the options is charged to income over the relevant option vesting periods, adjusted to reflect actual and expected levels of vesting.

**Note 6: Post-employment benefits**

Previously the group elected to use the corridor method for the recognition of actuarial gains and losses. Only cumulative actuarial gains or losses in excess of 10% of the surplus or deficit in the fund were amortised in the income statement. Cumulative gains or losses inside this corridor were carried on the balance sheet and recognised over the expected remaining working lives of the employees.

Under IFRS 1 the group has applied the option to eliminate its pension fund corridor against opening retained income at the date of transition. The asset has been eliminated, and the adjustment taken to retained earnings as at 1 January 2004.

Future actuarial gains or losses will continue to be recognised using the corridor method.

Note 7: Property, plant and equipment

Previously property, plant and equipment were measured at cost less accumulated depreciation and impairment losses.

Under IFRS, equipment, (principally computer equipment, motor vehicles, fixtures and furniture), is still stated at cost less accumulated depreciation and impairment losses.

Owner-occupied property has been recognised at revalued amounts, being the fair value at the date of revaluation less subsequent accumulated depreciation and accumulated impairment losses. Increases in valuation of the properties are taken to a revaluation reserve. This revaluation reserve is amortised over the remaining useful life of the property. Land is not depreciated.

Investment properties are stated at revalued amounts, being fair value at the date of revaluation less accumulated impairment losses. Increases or decreases in valuation are recognised in the income statement and investment properties are not depreciated.

REVIEW OPINION

This restatement of financial information for the year ended 31 December 2004 and the six months ended 30 June 2004 has been reviewed by the group's auditors, KPMG Inc and Deloitte & Touche, and their review opinion is available for inspection at the group's registered office. Their report includes an emphasis of matter that the scope of their review did not include the presentation and disclosure aspects of IFRS and was limited to the recognition and measurement criteria of IFRS only. They further note that amendments to the interpretive guidance issued by the IASB, between the date of this announcement and the finalisation of the financial statements for the year ending 31 December 2005, may result in changes to the restatements published.

Sandton
3 May 2005

NEDCOR LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 1966/010630/06
JSE share code: NED
ISIN code: ZAE000004875
("Nedcor")



Financial highlights

as at		Reviewed As reported under IFRS		Reviewed As previously reported	
		31 December 2004	30 June 2004	31 December 2004	30 June 2004
Share statistics					
Number of shares in issue	m	394,2	392,9	394,2	392,9
Weighted average number shares	m	360,9	327,8	360,9	327,8
Fully diluted weighted average number of shares	m	361,8	330,1	361,8	330,1
Headline earnings per share	cents	483	245	401	153
Fully diluted headline earnings per share	cents	481	243	400	151
Attributable earnings per share	cents	423	247	270	116
Fully diluted attributable earnings per share	cents	422	245	269	115
Dividends declared per share	cents	120	44	120	44
Dividend cover	times	4,0	5,6	3,3	3,5
Net asset value per share (Investments at market value)	cents	4 692	4 499	4 590	4 444
Tangible net asset value per share (Investments at market value)	cents	3 400	3 162	3 357	3 132
Key ratios					
Return on ordinary shareholders' equity	%	11,0	11,7	9,2	7,3
Return on total assets	%	0,54	0,53	0,45	0,33
Net-interest income to interest-earning assets	%	3,13	3,06	3,13	3,05
Non-interest revenue to total income	%	50,2	48,6	50,8	48,7
Impairments to total advances	%	2,9	3,2	2,9	3,3
Efficiency ratio	%	74,8	79,0	76,3	79,9



Income statement

Prepared in accordance with IFRS

Rm	Reviewed 2004 For the year ended 31 December 2004	Reviewed 2004 For the six months ended 30 June 2004
Interest and similar income	23 904	11 744
Interest expense and similar charges	16 322	8 149
Net interest income	7 582	3 595
Non-interest revenue	7 936	3 495
Foreign currency translation losses	(280)	(98)
Total income after foreign currency translation losses	15 238	6 992
Impairment losses on loans and advances	1 217	409
Income after impairment losses on loans and advances	14 021	6 583
Total expenses	11 404	5 524
Operating expenses	10 709	5 113
Fees due to alliance partners	70	83
Recovery programme expenses	379	234
Merger expenses	246	94
Profit from operations before non trading and capital items	2 617	1 059
Non-trading and capital items	(254)	(9)
Impairment of goodwill	(87)	(91)
(Loss)/Profit on sale of subsidiaries, investments and property and equipment	(74)	137
Net impairment of investments, property and equipment and capitalised development costs	(93)	(55)
Profit from operations	2 363	1 050
Share of profits of associates and joint ventures	147	80
Profit before taxation	2 510	1 130
Taxation	668	159
Taxation on non-trading and capital items	(39)	(17)
Profit after taxation	1 881	988
Minority interest income attributable to ordinary shareholders	(125)	(68)
Minority interest income attributable to preference shareholders	(229)	(110)
Profit attributable to shareholders for the period	1 527	810
Headline earnings reconciliation		
Profit attributable to ordinary shareholders for the period	1 527	810
Less: non-trading and capital items	(215)	8
Impairment of goodwill	(87)	(91)
(Loss)/Profit on sale of subsidiaries, investments and property and equipment	(74)	137
Net impairment of investments, property and equipment and capitalised development costs	(93)	(55)
Taxation on above items	39	17
Headline earnings	1 742	802
Headline earnings excluding foreign currency translation losses	2 022	900

Balance sheet

Prepared in accordance with IFRS

as at Rm	Reviewed 31 December 2004	Reviewed 30 June 2004	Reviewed 1 January 2004
Assets			
Cash and balances with central banks	10 050	11 809	12 227
Other short-term securities	16 310	9 549	10 610
Government and other securities	26 224	22 322	21 333
Derivative financial instruments	27 560	21 509	28 496
Loans and advances to customers	221 275	206 553	210 045
Other assets	6 816	8 391	6 669
Current taxation receivable	196	174	256
Investments in associate companies and joint ventures	1 089	1 464	1 627
Investment securities	6 565	8 167	8 940
Post-employment assets	992	506	529
Deferred taxation asset	1 169	1 245	3 146
Investment property	174	133	175
Property, plant and equipment	2 828	2 704	2 842
Non-current assets held for sale	48	13	13
Computer software and capitalised development costs	1 419	1 558	1 710
Goodwill	3 676	3 695	3 762
Customers' indebtedness for acceptances	1 509	1 009	835
Total assets	327 900	300 801	313 215
Shareholders' equity and liabilities			
Share capital	394	393	275
Share premium	9 892	9 832	4 801
Reserves	8 211	7 452	6 466
Ordinary shareholders' equity	18 497	17 677	11 542
Minority shareholders' equity			
Attributable to preference shareholders	2 770	2 770	2 802
Attributable to ordinary shareholders	681	665	622
Shareholders' equity and minority interests	21 948	21 112	14 966
Derivative financial instruments	28 055	19 856	28 206
Amounts owed to depositors	254 299	236 618	238 404
Other liabilities	9 117	8 988	11 834
Deferred revenue	257	225	194
Current taxation liabilities	193	189	144
Deferred taxation liabilities	1 125	864	2 731
Post-employment liabilities	979	640	663
Investment contract liabilities	3 109	3 803	5 152
Long-term debt instruments	7 309	7 497	10 086
Liabilities under acceptances	1 509	1 009	835
Total liabilities	305 952	279 689	298 249
Total shareholders' equity and liabilities	327 900	300 801	313 215
Guarantees on behalf of customers excluded from assets	10 770	10 429	12 403



Reconciliation of income statement

Notes

Rm	Note	Profit attributable to ordinary shareholders	
		Reviewed For the year ended 31 December 2004	Reviewed For the six months ended 30 June 2004
As previously reported		974	380
Adjustments for:			
Credit impairment	1	140	215
Revenue recognition and deferred acquisition costs	2	(31)	(14)
Goodwill	3	281	127
Foreign exchange	4	91	116
Share-based payments	5	(15)	(4)
Post-employment benefits	6	131	
Property, plant and equipment	7	(44)	(10)
As reported under IFRS		1 527	810

Cash flow statement

Prepared in accordance with IFRS

Rm	Reviewed For the year ended 31 December 2004	Reviewed For the six months ended 30 June 2004
Cash and balances with central banks at beginning of period	12 227	12 227
Cash utilised by operating activities before taxation	(6 081)	(3 682)
Taxation paid	(835)	(285)
Cash flows from investment activities	2 836	1 228
Cash flows from financing activities	1 903	2 321
Cash and balances with central banks at end of period	10 050	11 809

Reconciliation of assets, liabilities and equity

Reviewed

Rm	Note	31 December	Assets	
		2004	30 June 2004	1 January 2004
As previously reported		327 238	300 353	313 113
Adjustments for:				
Credit impairment	1	107	185	(33)
Revenue recognition and deferred acquisition costs	2	81	69	59
Goodwill	3	281	127	
Share-based payments	5	18	8	7
Post-employment benefits	6	(45)	(176)	(176)
Property, plant and equipment	7	220	235	245
As reported under IFRS		327 900	300 801	313 215



Notes

31 December 2004	Liabilities		31 December 2004	Equity	
	30 June 2004	1 January 2004		30 June 2004	1 January 2004
305 652	279 421	298 012	21 586	20 932	15 101
			107	185	(33)
257	225	194	(176)	(156)	(135)
			281	127	
			18	8	7
43	43	43	(88)	(219)	(219)
			220	235	245
305 952	279 689	298 249	21 948	21 112	14 966

Reconciliation of changes in shareholders' equity

Reviewed

Notes

Rm	Note	Share capital	Share premium	Distri- butable reserves brought forward	Current distributable reserve movements after dividends	Share-based payments reserve
As at 1 January 2004						
As previously reported		275	4 801	6 667	–	–
Income statement movements:						
Credit impairment	1			(28)		
Revenue recognition and deferred acquisition costs	2			(115)		
Foreign exchange	4			(209)		
Share-based payments	5			(2)		9
Post-employment benefits	6			(216)		
Property, plant and equipment	7			(49)		
As reported under IFRS		275	4 801	6 048	–	9
As at 30 June 2004						
As previously reported		393	9 832	6 667	(299)	–
Income statement movements:						
Credit impairment	1			(28)	215	
Revenue recognition and deferred acquisition costs	2			(115)	(14)	14
Goodwill	3				127	
Foreign exchange	4			(209)	116	
Share-based payments	5			(2)	(4)	
Post-employment benefits	6			(216)		
Property, plant and equipment	7			(49)	(10)	
Transfer of reserves					13	
As reported under IFRS		393	9 832	6 048	144	14
As at 31 December 2004						
As previously reported		394	9 892	6 667	563	–
Income statement movements:						
Credit impairment	1			(28)	140	
Revenue recognition and deferred acquisition costs	2			(115)	(31)	
Goodwill	3				281	
Foreign exchange	4			(209)	91	
Share-based payments	5			(2)	(15)	35
Post-employment benefits	6			(216)	131	
Property, plant and equipment	7			(49)	(44)	
Transfer of reserves					53	
As reported under IFRS		394	9 892	6 048	1 169	35



Property revaluation reserve	Foreign currency translation reserve	Available for sale reserves	Other reserves	Total ordinary share-holders' equity	Preference share-holders' equity	Minority share-holders' equity	Total
–	(209)	–	113	11 647	2 802	652	15 101
				(28)		(5)	(33)
				(115)		(20)	(135)
	209			–			–
				7			7
				(216)		(3)	(219)
296				247		(2)	245
296	–	–	113	11 542	2 802	622	14 966
–	(210)	416	664	17 463	2 770	699	20 932
				187		(2)	185
				(129)		(27)	(156)
				127			127
	93			–			–
				8			8
				(216)		(3)	(219)
296				237		(2)	235
(13)				–			–
283	(117)	416	664	17 677	2 770	665	21 112
–	(266)	621	224	18 095	2 770	721	21 586
				112		(5)	107
				(146)		(30)	(176)
				281			281
	118			–			–
				18			18
				(85)		(3)	(88)
315				222		(2)	220
(53)				–			–
262	(148)	621	224	18 497	2 770	681	21 948

Balance sheet

as at 31 December 2004

Notes

Rm	As previously reported	Goodwill impairment	Credit impairment
Cash and balances with central banks	10 050		
Other short-term securities	16 310		
Government and other securities	26 224		
Derivative financial instruments	27 560		
Loans and advances to customers	221 128		152
Other assets	7 881		
Current taxation receivable	196		
Investments in associate companies and joint ventures	1 043	46	
Investment securities	6 565		
Post-employment assets	–		
Deferred taxation asset	1 172		(45)
Investment property	–		
Property, plant and equipment	2 740		
Non-current assets held for sale	–		
Computer software and capitalised development costs	1 419		
Goodwill	3 441	235	
Customers' indebtedness for acceptances	1 509		
Total assets	327 238	281	107
Shareholders' equity and liabilities			
Share capital	394		
Share premium	9 892		
Reserves	7 809	281	112
Non-distributable reserves	56		
Foreign currency translation reserve	(266)		
Other NDR	168		
Available for sale reserve	621		
Other distributable reserve	7 230	281	112
Property revaluation reserve	–		
Share-based payment reserve	–		
Distributable reserves	–		
Ordinary shareholders' equity	18 095	281	112
Minority shareholders' equity			
Attributable to preference shareholders	2 770		
Attributable to ordinary shareholders	721		(5)
Total shareholders' equity and minority shareholders' equity	21 586	281	107
Derivative financial instruments	28 055		
Amounts owed to depositors	254 299		
Other liabilities	10 054		
Deferred revenue	–		
Current taxation liabilities	193		
Deferred taxation liabilities	1 125		
Post-employment liabilities	–		
Investment contract liabilities	3 109		
Long-term debt instruments	7 308		
Liabilities under acceptances	1 509		
Total liabilities	305 652	–	–
Total shareholders' equity and liabilities	327 238	281	107
Guarantees on behalf of customers excluded from assets	10 770		



Notes

Deferred revenue and acquisition costs	Employment benefits	Investment properties and owner occupied property	Share-based payments – equity settled	Share-based payments – cash settled tax adjustment	Foreign exchange	As reported under IFRS
						10 050
						16 310
						26 224
						27 560
(5)						221 275
10	(1 075)					6 816
						196
						1 089
						6 565
						992
76	992 38	(90)	7	11		1 169
		174				174
		88				2 828
		48				48
						1 419
						3 676
						1 509
81	(45)	220	7	11	-	327 900
						394
						9 892
(146)	(85)	222	7	11	-	8 211
						56
					118	(148)
						168
						621
(146)	(85)	(40)	(17)		(118)	7 217
		262				262
			24	11		35
						-
(146)	(85)	222	7	11	-	18 497
						2 770
(30)	(3)	(2)				681
(176)	(88)	220	7	11	-	21 948
						28 055
						254 299
						9 118
257	(936)					257
						193
						1 125
	979					979
						3 109
						7 308
						1 509
257	43	-	-	-	-	305 952
81	(45)	220	7	11	-	327 900
						10 770

Balance sheet

as at 30 June 2004

Notes

Rm	As previously reported	Goodwill impairment	Credit impairment
Cash and balances with central banks	11 809		
Other short-term securities	9 549		
Government and other securities	22 322		
Derivative financial instruments	21 509		
Loans and advances to customers	206 294		264
Other assets	9 161		
Current taxation receivable	174		
Investments in associate companies and joint ventures	1 433	30	1
Investment securities	8 167		
Post-employment assets	–		
Deferred taxation asset	1 253		(80)
Investment property	–		
Property, plant and equipment	2 517		
Non-current assets held for sale	–		
Computer software and capitalised development costs	1 558		
Goodwill	3 598	97	
Customers' indebtedness for acceptances	1 009		
Total assets	300 353	127	185
Shareholders' equity and liabilities			
Share capital	393		
Share premium	9 832		
Reserves	7 238	127	187
Non-distributable reserves	44		
Foreign currency translation reserve	(210)		
Other NDR	620		
Available for sale reserve	416		
Other distributable reserve	–		
Property revaluation reserve	–		
Share-based payment reserve	–		
Distributable reserves	6 368	127	187
Ordinary shareholders' equity	17 463	127	187
Minority shareholders' equity			
Attributable to preference shareholders	2 770		
Attributable to ordinary shareholders	699		(2)
Total shareholders' equity and minority shareholders' equity	20 932	127	185
Derivative financial instruments	19 856		
Amounts owed to depositors	236 618		
Other liabilities	9 585		
Deferred revenue	–		
Current taxation liabilities	189		
Deferred taxation liabilities	864		
Post-employment liabilities	–		
Investment contract liabilities	3 803		
Long-term debt instruments	7 497		
Liabilities under acceptances	1 009		
Total liabilities	279 421	–	–
Total shareholders' equity and liabilities	300 353	127	185
Guarantees on behalf of customers excluded from assets	10 429		



Notes

Deferred revenue and acquisition costs	Employment benefits	Investment and owner occupied properties	Share-based payments – equity settled	Share-based payments – cash settled tax adjustment	Foreign exchange	As reported under IFRS
						11 809
						9 549
						22 322
						21 509
(5)						206 553
7	(776)	(1)				8 391
						174
						1 464
						8 167
	506					506
67	94	(97)	3	5		1 245
		133				133
		187				2 704
		13				13
						1 558
						3 695
						1 009
69	(176)	235	3	5	–	300 801
						393
						9 832
(129)	(216)	237	3	5	–	7 452
						44
					93	(117)
						620
						416
						–
		283				283
			9	5		14
(129)	(216)	(46)	(6)		(93)	6 192
(129)	(216)	237	3	5	–	17 677
						2 770
(27)	(3)	(2)				665
(156)	(219)	235	3	5	–	21 112
						19 856
						236 618
	(597)					8 988
225						225
						189
						864
	640					640
						3 803
						7 497
						1 009
225	43	–	–	–	–	279 689
69	(176)	235	3	5	–	300 801
						10 429

Balance sheet

as at 1 January 2004

Notes

Rm	As previously reported	Goodwill impairment	Credit impairment
Cash and balances with central banks	12 227		
Other short-term securities	10 610		
Government and other securities	21 333		
Derivative financial instruments	28 496		
Loans and advances to customers	210 096		(47)
Other assets	7 463		
Current taxation receivable	256		
Investments in associate companies and joint ventures	1 627		
Investment securities	8 940		
Post-employment assets	–		
Deferred taxation asset	3 074		14
Investment property	–		
Property, plant and equipment	2 684		
Non-current assets held for sale	–		
Computer software and capitalised development costs	1 710		
Goodwill	3 762		
Customers' indebtedness for acceptances	835		
Total assets	313 113	–	(33)
Shareholders' equity and liabilities			
Share capital	275		
Share premium	4 801		
Reserves	6 571	–	(28)
Non-distributable reserves	6		
Foreign currency translation reserve	(209)		
Other NDR	107		
Available for sale reserve	–		
Other distributable reserve	–		
Property revaluation reserve	–		
Share-based payment reserve	–		
Distributable reserves	6 667		(28)
Ordinary shareholders' equity	11 647	–	(28)
Minority shareholders' equity			
Attributable to preference shareholders	2 802		
Attributable to ordinary shareholders	652		(5)
Total shareholders' equity and minority shareholders' equity	15 101	–	(33)
Derivative financial instruments	28 206		
Amounts owed to depositors	238 404		
Other liabilities	12 454		
Deferred revenue	–		
Current taxation liabilities	144		
Deferred taxation liabilities	2 731		
Post-employment liabilities	–		
Investment contract liabilities	5 152		
Long-term debt instruments	10 086		
Liabilities under acceptances	835		
Total liabilities	298 012	–	–
Total shareholders' equity and liabilities	313 113	–	(33)
Guarantees on behalf of customers excluded from assets	12 403		



Notes

Deferred revenue and acquisition costs	Employment benefits	Investment and owner occupied properties	Share-based payments – equity settled	Share-based payments – cash settled tax adjustment	Foreign exchange	As reported under IFRS
						12 227
						10 610
						21 333
						28 496
(4)						210 045
5	(799)					6 669
						256
						1 627
						8 940
	529					529
58	94	(101)	1	6		3 146
		175				175
		158				2 842
		13				13
						1 710
						3 762
						835
59	(176)	245	1	6	–	313 215
						275
						4 801
(115)	(216)	247	1	6	–	6 466
						6
					209	–
						107
						–
		296				–
						296
			3	6		9
(115)	(216)	(49)	(2)		(209)	6 048
(115)	(216)	247	1	6	–	11 542
						2 802
(20)	(3)	(2)				622
(135)	(219)	245	1	6	–	14 966
						28 206
						238 404
	(620)					11 834
194						194
						144
						2 731
	663					663
						5 152
						10 086
						835
194	43	–	–	–	–	298 249
59	(176)	245	1	6	–	313 215
						12 403

Income statement

for the year ended 31 December 2004

Notes

Rm	As previously reported	Goodwill impairment	Credit impairment
Interest and similar income	23 825		
Interest expense and similar charges	16 258		
Net interest income	7 567	–	–
Non-interest revenue	8 197		
Foreign currency translation losses	(372)		
Total income after foreign currency translation losses	15 392	–	–
Impairment losses on loans and advances	1 416		(199)
Income after impairment of advances	13 976	–	199
Total expenses	11 736	–	–
Operating expenses	11 041		
Fees due to alliance partners	70		
Recovery programme expenses	379		
Merger expenses	246		
Profit from operations before non-trading and capital items	2 240	–	199
Non-trading and capital items	(510)	281	–
Amortisation and impairment of goodwill	(374)	287	
Profit on sale of subsidiaries, investments and property and equipment	(43)	(6)	
Net impairment of investments, property and equipment and capitalised development costs	(93)		
Profit from operations	1 730	281	199
Share of profits of associates and joint ventures	147		
Profit before taxation	1 877	281	199
Taxation	576		60
Taxation on non-trading and capital items	(37)		
Profit after taxation	1 338	281	139
Minority interest income attributable to ordinary shareholders	(135)		1
Minority interest income attributable to preference shareholders	(229)		
Profit attributable to shareholders for the period	974	281	140
Headline earnings reconciliation			
Profit attributable to shareholders for the period	974	281	140
Less: non-trading and capital items	(473)	281	–
Non-trading and capital items	(510)	281	
Taxation on above	37		
Headline earnings	1 447	–	140
Headline earnings excluding foreign currency translation losses	1 819	–	140



Notes

Deferred revenue and acquisition costs	Employment benefits	Investment and owner occupied properties	Share-based payments – equity settled	Share-based payments – cash settled tax adjustment	Foreign exchange	As reported under IFRS
79						23 904
64						16 322
15	–	–	–	–	–	7 582
(248)		(13)				7 936
					92	(280)
(233)	–	(13)	–	–	92	15 238
						1 217
(233)	–	(13)	–	–	92	14 021
(173)	(187)	7	21	–	–	11 404
(173)	(187)	7	21			10 709
						70
						379
						246
(60)	187	(20)	(21)	–	92	2 617
–	–	(25)	–	–	–	(254)
						(87)
		(25)				(74)
						(93)
(60)	187	(45)	(21)	–	92	2 363
						147
(60)	187	(45)	(21)	–	92	2 510
(18)	56	(2)	(6)			668
						(39)
(42)	131	(43)	(15)	–	92	1 881
11		(1)			(1)	(125)
						(229)
(31)	131	(44)	(15)	–	91	1 527
(31)	131	(44)	(15)	–	91	1 527
–	–	(23)	–	–	–	(215)
		(25)				(254)
		2				39
(31)	131	(21)	(15)	–	91	1 742
(31)	131	(21)	(15)	–	(1)	2 022

Income statement

for the six months ended 30 June 2004

Notes

Rm	As previously reported	Goodwill impairment	Credit impairment
Interest and similar income	11 707		
Interest expense and similar charges	8 122		
Net interest income	3 585	–	–
Non-interest revenue	3 617		
Foreign currency translation losses	(213)		
Total income after foreign currency translation losses	6 989	–	–
Impairment losses on loans and advances	719		(310)
Income after impairment of advances	6 270	–	310
Total expenses	5 586	–	–
Operating expenses	5 175		
Fees due to alliance partners	83		
Recovery programme expenses	234		
Merger expenses	94		
Profit from operations before non-trading and capital items	684	–	310
Non-trading and capital items	(137)	128	–
Amortisation and impairment of goodwill	(235)	144	
Profit on sale of subsidiaries, investments and property and equipment	153	(16)	
Net impairment of investments, property and equipment and capitalised development costs	(55)		
Profit from operations	547	128	310
Share of profits of associates and joint ventures	79		1
Profit before taxation	626	128	311
Taxation	80		93
Taxation on non-trading and capital items	(17)		
Profit after taxation	563	128	218
Minority interest income attributable to ordinary shareholders	(73)		(2)
Minority interest income attributable to preference shareholders	(110)		
Profit attributable to shareholders for the period	380	128	216
Headline earnings reconciliation			
Profit attributable to shareholders for the period	380	128	216
Less: non-trading and capital items	(120)	128	–
Non-trading and capital items	(137)	128	
Taxation on above	17		
Headline earnings	500	–	216
Headline earnings excluding foreign currency translation losses	713	–	216



Notes

Deferred revenue and acquisition costs	Employment benefits	Investment and owner occupied properties	Share-based payments – equity settled	Share-based payments – cash settled tax adjustment	Foreign exchange	As reported under IFRS
37						11 744
27						8 149
10	–	–	–	–	–	3 595
(111)		(11)				3 495
					115	(98)
(101)	–	(11)	–	–	115	6 992
						409
(101)	–	(11)	–	–	115	6 583
(71)	–	3	6	–	–	5 524
(71)		3	6			5 113
						83
						234
						94
(30)	–	(14)	(6)	–	115	1 059
–	–	–	–	–	–	(9)
						(91)
						137
						(55)
(30)	–	(14)	(6)	–	115	1 050
						80
(30)	–	(14)	(6)	–	115	1 130
(9)		(3)	(2)			159
						(17)
(21)	–	(11)	(4)	–	115	988
7						(68)
						(110)
(14)	–	(11)	(4)	–	115	810
(14)	–	(11)	(4)	–	115	810
–	–	–	–	–	–	8
						(9)
						17
(14)	–	(11)	(4)	–	115	802
(14)	–	(11)	(4)	–	–	900

