UNAUDITED RESULTS AND CASH DIVIDEND DECLARATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

FIRSTRAND

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FIRSTRAND

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Certain entities within the FirstRand Group are Authorised Financial Services and Credit Providers
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INTRODUCTION

This report covers the unaudited financial results of FirstRand Limited (FirstRand or the Group) based on International Financial Reporting Standards (IFRS) for the six months ended 31 December 2013.

The primary results and accompanying commentary are presented on a normalised basis as the Group believes this most accurately reflects its economic performance. The normalised results have been derived from the IFRS financial results. The prior year numbers have been restated as a result of the adoption of new and revised IFRS requirements (refer to pages 51 to 59).

Normalised results include a condensed consolidated income statement, statement of comprehensive income, statement of financial position, statement of cash flows and a statement of changes in equity. A detailed description of the difference between normalised and IFRS results is provided on pages 14 and 15. Commentary is based on normalised results, unless indicated otherwise.

Jaco van Wyk, CA(SA), supervised the preparation of the condensed consolidated financial results.

Financial highlights

	Six months ended 31 December			Year ended 30 June
	2013	2012*	% change	2013*
Normalised earnings (R million)	**8 691**	7 243	20	15 420
Diluted normalised earnings per share (cents)	**154.2**	128.5	20	273.5
Normalised net asset value per share (cents)	**1 342.9**	1 182.9	14	1 289.4
Dividend per ordinary share (cents)**	**77.0**	55.0	40	136.0
Normalised return on equity (%)	**23.4**	22.3		22.7

* *Refer to restatement of prior year numbers on pages 51 to 59.*
** *For further information on the increase in dividend refer to dividend strategy on page 11.*

The Group consists of a portfolio of leading financial services franchises; these are First National Bank (FNB), the retail and commercial bank, Rand Merchant Bank (RMB), the corporate and investment bank, WesBank, the instalment finance business and Ashburton Investments, the Group's newly-established investment management business.

KEY FINANCIAL RESULTS, RATIOS AND STATISTICS

	Six months ended 31 December			Year ended 30 June
R million	**2013**	2012*	% change	2013*
Attributable earnings to ordinary equityholders	**8 839**	7 105	24	14 785
Headline earnings	**8 807**	7 281	21	15 327
Normalised earnings	**8 691**	7 243	20	15 420
Normalised net asset value	**75 714**	66 689	14	72 696
Normalised net asset value per share (cents)	**1 342.9**	1 182.9	14	1 289.4
Average normalised net asset value	**74 205**	65 016	14	68 019
Normalised earnings per share (cents)				
– Basic	**154.2**	128.5	20	273.5
– Diluted	**154.2**	128.5	20	273.5
Normalised ROE (%)	**23.4**	22.3		22.7
Ordinary dividend (cents per share)	**77.0**	55.0	40	136.0
Dividend cover (times)	**2.0**	2.3		2.0
Non-cumulative non-redeemable (NCNR) B preference dividend** paid (cents per share)	**320.3**	333.1	(4)	653.4
Capital adequacy – FirstRand#				
Capital adequacy ratio %	**16.2**	14.9		16.3
Tier 1 ratio (%)	**14.8**	13.4		14.8
Common Equity Tier 1 (CET1) ratio (%)	**13.7**	12.5		13.8
Market performance				
Market capitalisation	**202 346**	174 776	16	163 106
Price earnings ratio (times)	**11.6**	12.1		10.6
Price-to-book ratio (times)	**2.7**	2.6		2.2
Share price (closing – rand)	**35.89**	31.00	16	28.93

* *Refer to restatement of prior year numbers on pages 51 to 59.*
** *75.56% of FNB prime lending rate.*
# *2013 capital ratios are calculated on Basel III basis; 2012 capital ratios are calculated on Basel 2.5 basis.*

STATEMENT OF HEADLINE EARNINGS – IFRS

R million	Six months ended 31 December 2013	Six months ended 31 December 2012*	% change	Year ended 30 June 2013*
Profit for the period (refer page 16)	**9 430**	7 618	24	15 954
Non-controlling interests	**(447)**	(363)	23	(872)
NCNR preference shareholders	**(144)**	(150)	(4)	(297)
Earnings attributable to ordinary equityholders	**8 839**	7 105	24	14 785
Adjusted for:	**(32)**	176	(>100)	542
Loss/(gain) on disposal of investment securities and other investments of a capital nature	**1**	(1)		13
Gain on disposal of available-for-sale assets	**(66)**	(1)		(33)
Loss on disposal of investments in associates or joint ventures	**–**	–		1
Gain on disposal of investments in subsidiaries	**(12)**	(10)		(63)
Loss/(gain) on the disposal of property and equipment	**12**	(1)		77
Fair value of investment properties	**–**	–		(7)
Impairment of goodwill	**–**	2		438
Impairment of assets in terms of IAS 36	**11**	254		283
Gain from a bargain purchase	**–**	–		(14)
Other	**(1)**	–		(138)
Tax effects of adjustments	**20**	(69)		(35)
Non-controlling interests adjustments	**3**	2		20
Headline earnings	**8 807**	7 281	21	15 327

* *Refer to restatement of prior year numbers on pages 51 to 59.*

RECONCILIATION FROM HEADLINE TO NORMALISED EARNINGS

R million	Six months ended 31 December 2013	Six months ended 31 December 2012*	% change	Year ended 30 June 2013*
Headline earnings	**8 807**	7 281	21	15 327
Adjusted for:	**(116)**	(38)	>100	93
IFRS 2 Share-based payment expense	**12**	22	(45)	43
Treasury shares**	**63**	42	50	33
Total return swap adjustment (share hedge)	**(146)**	(53)	>100	85
IAS 19 adjustment	**(53)**	(56)	(5)	(110)
Private equity subsidiary realisations	**8**	7	14	42
Normalised earnings	**8 691**	7 243	20	15 420

* *Refer to restatement of prior year numbers on pages 51 to 59.*
** *Includes FirstRand shares held for client trading activities.*

OVERVIEW OF RESULTS

INTRODUCTION

The macroeconomic environment for the first six months of the financial year continued to be challenging.

The local economy had to contend with a far less favourable global financial environment. Countries such as South Africa, with current account deficits and large financing requirements, were particularly vulnerable to slowing capital flows and the rand continued to weaken. This placed upward pressure on inflation and, in the first quarter of 2014, interest rates started to rise.

These external headwinds, combined with a slowdown in real income growth, resulted in continued pressure on South African households.

GDP growth in South Africa remained subdued as capacity constraints and labour market unrest negatively impacted the supply side of the economy.

In the rest of the sub-Saharan region, growth has generally continued on a robust trend, led by strong domestic demand and commodity exports. While US tapering, a slowdown in China and dual fiscal deficits pose some downside risk, long-term growth rates in the region should continue to be underpinned by improved macroeconomic management, stronger institutions, increased investment and positive demographics.

OVERVIEW OF RESULTS

FirstRand produced good results for the six months to 31 December 2013, achieving normalised earnings of R8 691 million, an increase of 20% year-on-year and a normalised ROE of 23.4%.

All three operating franchises continued to achieve good operational performances, despite the deteriorating macroeconomic environment. FNB experienced ongoing strong topline growth and profitability due to its consistent strategy to acquire core transactional accounts, grow loans and deposits and drive transactional volumes across all of its platforms, particularly electronic. WesBank grew new business volumes across all portfolios and RMB's diversified corporate and investment banking portfolios delivered strong growth in profits, particularly from the client-centric and investment activities.

The table below shows a breakdown of sources of normalised earnings.

Sources of normalised earnings

	Six months ended 31 December					Year ended 30 June	
R million	**2013**	**% compo-sition**	2012	% compo-sition	% change	2013	% compo-sition
FNB	**4 769**	**56**	4 016	55	19	8 124	53
RMB	**2 268**	**26**	1 943*	27	17	4 471*	29
WesBank	**1 406**	**16**	1 389	19	1	2 834	18
Treasury and Corporate Centre**	**18**	**–**	(285)	(4)	(>100)	(70)	–
FirstRand Limited (company)	**374**	**4**	330	5	13	358	2
NCNR preference dividend	**(144)**	**(2)**	(150)	(2)	(4)	(297)	(2)
Normalised earnings	**8 691**	**100**	7 243	100	20	15 420	100

* *Includes R155 million of IT enablement impairments relating to financial years prior to and including June 2012.*

** *The year-on-year benefit is primarily due to the unwind of certain accounting timing anomalies recorded by Group Treasury during the financial year ended 30 June 2013 e.g. mark-to-market losses on economic hedges, partially unwinding or not recurring during the six months to December 2013.*

The Group's income statement benefited from an increase of 20% in net interest income (NII), driven by good growth in new business at FNB, WesBank and RMB. Asset margins continued to be positively impacted by repricing and growth in advances in higher-yielding asset classes, such as vehicle asset finance (VAF) and unsecured lending. This trend, however, is reducing on a rolling six-month basis.

Total non-interest revenue (NIR) increased 8% year-on-year, with strong contributions from all franchises. FNB's NIR growth continued to be driven by increases in fee and commission income, particularly on the back of the acquisition of core transactional accounts. The strategy to drive customers onto electronic platforms continued to produce strong growth in volumes across cellphone (+27%) and internet (+16%) banking channels. WesBank's NIR benefited from robust levels of new business origination. Knowledge-based fees at RMB were resilient despite muted levels of activity from the local corporate sector, however, client execution revenues remained strong particularly from RMB's activities in the rest of Africa.

Overall operating cost growth was 14% for the period, reflecting the continued investment in FNB's electronic platforms and the Group's African operating footprint. In addition, costs associated with the strong underlying growth from alliance partnerships (particularly at WesBank) also increased.

Bad debts are currently trending below expectations at 77 bps, but, excluding portfolio overlays, the rand value of portfolio impairments are higher in the core advances book due to the Group's view that the previously benign credit cycle has bottomed. This is considered prudent given the strong book growth year-on-year. All of the Group's portfolios are tracking as anticipated, reflecting decisions taken as early as 2011 to exit origination in high-risk segments, particularly in the unsecured lending market.

Overall non-performing loans (NPLs) have continued to trend down, with retail NPLs declining 8% mainly as a result of the continuing significant reductions in residential mortgage NPLs. Unsecured lending NPLs have increased as expected, although all of these loan books are still performing better than expected at this point in the cycle. Corporate NPLs declined 14% as a result of decreases in the WesBank corporate and RMB portfolios.

The Group's overall balance sheet showed a robust increase in advances year-on-year, with particularly good growth from card, secured affordable housing and overdrafts at FNB, and excellent growth generated from the FNB Africa portfolio. RMB's core advances book posted strong growth, which also benefited from activities in the rest of Africa. On a rolling six-month basis, growth in certain retail portfolios, such as unsecured lending and VAF, has moderated.

OVERVIEW OF OPERATING FRANCHISES

The Group's vision is to be the African financial services group of choice, create long-term franchise value, deliver superior and sustainable economic returns to shareholders within acceptable levels of volatility and maintain balance sheet strength. FirstRand seeks to achieve this with two parallel growth strategies which are executed through its portfolio of operating franchises within a framework set by the Group. The growth strategies are:

- become a predominant player in all of the financial services profit pools in South Africa, growing in existing markets and those where it is under-represented; and
- grow its franchise in the broader African continent, targeting those countries expected to show above average domestic growth and which are well positioned to benefit from the trade and investment flows between Africa, India and China.

With regard to expansion into the rest of Africa, there are three pillars to its execution:

- utilise the capabilities of the South African franchise, particularly the domestic balance sheet, intellectual capital, international platforms and the existing operating footprint in the rest of Africa;
- start an in-country franchise and grow organically; and
- small-to medium-sized acquisitions where it makes commercial sense.

Below is a brief overview of the financial and operational performance of each franchise.

FNB

FNB represents FirstRand's activities in the retail and commercial segments in South Africa and the broader African continent. It is growing its franchise strongly in both existing and new markets on the back of innovative products and delivery channels, particularly focusing on electronic and digital platforms.

FNB financial highlights

R million	Six months ended 31 December 2013	2012	% change	Year ended 30 June 2013
Normalised earnings	**4 769**	4 016	19	8 124
Normalised profit before tax	**7 059**	5 769	22	11 622
Total assets	**312 340**	283 755	10	296 338
Total liabilities	**300 516**	272 946	10	281 686
NPLs (%)	**3.55**	4.45		3.95
Credit loss ratio* (%)	**0.95**	1.19		1.18
ROE (%)	**36.8**	36.1		35.4
ROA (%)	**3.26**	2.94		2.92
Cost-to-income ratio (%)	**53.7**	54.0		54.8
Advances margin (%)	**3.68**	3.24		3.39

* *2013 figure includes special impairment relating to merchant acquiring event of R215 million.*

Segment results

Normalised PBT R million	Six months ended 31 December 2013	2012	% change	Year ended 30 June 2013
Retail	**3 992**	3 193	25	6 564
FNB Africa	**975**	769	27	1 549
Commercial	**2 092**	1 807	16	3 509
Total FNB	**7 059**	5 769	22	11 622

FNB produced an excellent performance for the period, increasing pre-tax profits 22%, driven by increased NII and NIR and a decrease in bad debts, particularly in residential mortgages. This performance can continue to be attributed to FNB's primary strategy to grow and retain core transactional accounts through offering a compelling value proposition to the customer (innovative products and channels at an acceptable cost) supported by rewards programmes, such as eBucks, SLOW lounges and fuel, data and airtime rewards. Innovations such as the banking app, cellphone banking and eWallet also continue to attract and retain customers.

FNB's NII increased 17% driven by growth in both advances (+10%) and deposits (+14%). The 46 bps improvement in asset margins was driven by good risk pricing across FNB's portfolios, the decrease in interest in suspense (ISP) and growth year-on-year in higher-margin products, although this latter trend is reducing on a rolling six-month basis. Deposit margins held up well, decreasing only 4 bps. Deposit and advances growth came from across all segments as indicated below.

Segment analysis of advances and deposit growth

Segments	Six months ended 31 December 2013 – Deposit growth %	Deposit growth R billion	Advances growth %	Advances growth R billion
Retail	12	**13.9**	7	**12.4**
FNB Africa	22	**8.2**	27	**7.7**
Commercial	13	**14.8**	14	**5.6**

Residential mortgages grew 5% as FNB continued to originate only in lower risk categories. Card increased 13% on the back of new customer acquisition. Personal loans declined 2% year-on-year and 5% on a rolling six-month basis, reflecting the ongoing adjustments in credit appetite in that segment.

Overall NPLs decreased 12% due to FNB's ongoing proactive workout strategy (particularly in residential mortgages). NPLs in the personal loans portfolio remained flat at R919 million. The year-on-year decrease is mainly attributable to residential mortgages (-22%) and Commercial (-10%).

FNB's NIR increased 12% year-on-year reflecting growth in core transactional banking accounts. There was continued strong growth of 11% in overall transactional volumes with electronic transactional volumes up 15%. An example of how customers are adapting to electronic channels is that year-on-year ATM and ADT deposits increased 27%, whilst branch-based deposits decreased 13%. The adoption of FNB's innovative customer proposition in the commercial and business segments resulted in strong NIR growth of 11% and 19% respectively.

FNB's overall operating expenditure increased 14%, reflecting on-going investment in its operating footprint, particularly in Africa (costs up 21%). However, the business continues to deliver positive operating jaws.

The African subsidiaries performed well, growing pre-tax profits 27%. The established subsidiaries continued to show good growth, with Namibia performing particularly strongly driven by increased NIR and NII. The newer subsidiaries, Zambia, Mozambique and Tanzania, continued to invest in footprint and product roll-out.

FNB produced an ROE of 36.8%, which remains well above hurdle rates, despite ongoing investment in platforms and new territories.

RMB

RMB represents the Group's activities in the corporate and investment banking segments in South Africa, the broader African continent and India. The business continues to benefit from its strategy to generate more income from client-driven activities, which is anchored around a risk appetite designed to effectively manage the trade offs between earnings volatility, profit growth and returns. This strategy, coupled with steady investment returns and a growing focus on originating asset management products, is delivering a high quality and sustainable earnings profile.

RMB financial highlights

R million	Six months ended 31 December 2013	Six months ended 31 December 2012	% change	Year ended 30 June 2013
Normalised earnings	**2 268**	1 943*	17	4 471*
Normalised profit before tax	**3 195**	2 677	19	6 150
Total assets	**374 929**	355 380	6	354 758
Total liabilities	**367 491**	348 746	5	346 133
ROE (%)	**25.0**	21.9		25.0
ROA (%)	**1.33**	1.13		1.31
Credit loss ratio (%)	**0.30**	0.36		0.55
Cost-to-income ratio (%)	**44.7**	46.1		42.4

* *Includes R155 million of IT enablement impairments relating to financial years prior to and including June 2012.*

Divisional performance

Normalised PBT R million	Six months ended 31 December 2013	Six months ended 31 December 2012	% change	Year ended 30 June 2013
Investment banking	**2 953**	2 381	24	5 613
– Global Markets	**1 012**	892	13	1 935
– IBD	**1 701**	1 499	13	3 423
– Private Equity	**444**	229	94	690
– Other RMB	**(204)**	(239)	(15)	(435)
Corporate banking	**242**	296**	(18)	537**
Operational performance*	**242**	203	19	444
Normalisation adj (IT enablement for Dec 2012 period)	**–**	93	(100)	93
Total RMB	**3 195**	2 677	19	6 150

* *Dec 2013 operational performance includes IT enablement spend of R73 million (Dec 2012: R93 million; June 2013: R164 million).*
** *Includes a normalisation adjustment of R248 million for December 2012 which carries through to June 2013 for IT enablement spend of which R155 million relates to years prior to and including June 2012.*

RMB Corporate and Investment Banking (CIB) produced strong results for the six months to December 2013. Pre-tax profits increased 19% to R3.2 billion and the ROE improved to 25.0%. This performance reflects the strength of the domestic franchise and momentum from the African expansion strategy.

RMB's revenue mix is diverse and remains extremely solid; it has continued to focus on building scale in the Corporate Banking franchise, generating growth from the rest of Africa, strengthening the balance sheet and consolidating market share in the more established business lines.

The Global Markets division delivered a robust performance for the first half of the year across all business lines, notwithstanding challenging market conditions and macroeconomic pressures. Profits grew 13% to R1 billion, reflecting the strength of the domestic client franchise, a growing African footprint and enhanced fee-generating capacity.

The Investment Banking Division (IBD) delivered strong results, increasing pre-tax profits 13% to R1.7 billion. The growth was, to an extent, balance sheet led with core advances up approximately 18% as IBD benefited from continued infrastructure spend (particularly in the renewable energy sector) and strong growth in African cross-border lending. Advances in the rest of Africa increased more than 100% to R25 billion (2012: R12 billion). Good growth was also generated from structuring fees.

Private Equity's profits also increased year-on-year and benefited from the diversity of its portfolio, reporting good equity-accounted earnings and income from investment subsidiaries. While earnings from associates were strong, no material realisations were seen in the period. Unrealised profits grew 78% from R1.66 billion to R2.96 billion. Corvest and Ventures continue to invest and the Capital Partners business experienced improved earnings from associates.

RMB Resources' (included in other RMB) improved performance was driven by a modest recovery in equity prices during the first half of the year and an increase in interest margin from the debt portfolio. Junior mining counters remain under pressure and new investing limits remain in place until performance improves.

The operational performance of the Corporate Banking division was up 19% year-on-year, with total revenue increasing due to good growth in advances and deposits. Investment in platforms remains a key focus.

WesBank

WesBank represents the Group's activities in asset-based finance in the retail, commercial and corporate segments of South Africa and asset-based motor finance sector through MotoNovo Finance in the UK. Through the Direct Axis brand, WesBank also operates in the unsecured lending market in South Africa. WesBank's leading position in its chosen markets is due to its long-standing alliances with leading motor manufacturers, suppliers and dealer groups, and strong point-of-sale presence.

WesBank financial highlights

R million	Six months ended 31 December 2013	Six months ended 31 December 2012	% change	Year ended 30 June 2013
Normalised earnings	**1 406**	1 389	1	2 834
Normalised profit before tax	**2 022**	1 968	3	3 983
Total assets	**157 273**	132 574	19	145 179
Total liabilities	**155 079**	129 026	20	140 814
NPLs (%)	**2.67**	3.14		2.76
Credit loss ratio (%)	**1.25**	1.12		1.26
ROE (%)	**27.5**	31.7		32.6
ROA (%)	**1.92**	2.18		2.13
Cost-to-income ratio (%)	**43.1**	40.7		41.2
Net interest margin (%)	**5.10**	5.27		5.30

WesBank's performance was resilient given its sensitivity to the credit cycle. Despite higher credit and operating costs, strong new business volumes continued and for the six months ended 31 December 2013, WesBank grew pre-tax profits 3% to R2 billion and delivered an ROE of 27.5% and ROA of 1.92%. This performance was underpinned by strict credit discipline and effective and efficient origination channels.

The table below shows the relative performance year-on-year of WesBank's activities.

Breakdown of profit contribution by activity*

Normalised PBT R million	Six months ended 31 December 2013	Six months ended 31 December 2012	% change	Year ended 30 June 2013
VAF				
– Local retail	**932**	972	(4)	1 889
– International (MotoNovo)	**293**	211	39	444
– Corporate and commercial	**221**	189	17	528
Personal loans	**576**	596	(3)	1 122
Total WesBank	**2 022**	1 968	3	3 983

* *Refer to additional segmental disclosure on page 30.*

Profit growth continued in the corporate and MotoNovo businesses, while the personal loans business was marginally down on the prior year.

New business continued to reflect a good risk profile across all portfolios, with systemic tightening in credit appetite for higher risk segments. Production was up 14% year-on-year, although trends in new business growth in the local retail portfolios are slowing. From a divisional perspective, motor, corporate, personal loans and MotoNovo origination volumes were up 7%, 24%, 19% and 31% (GBP), respectively. WesBank's rest of Africa business grew 20% year-on-year; these figures are reported under FNB Africa.

Total advances increased 19% to R154.2 billion driven by all of the underlying portfolios, with the retail motor, personal loans, corporate and commercial and MotoNovo businesses reflecting advances growth of 17%, 25%, 9% and 57%, respectively. In addition, the corporate division increased the value of the full maintenance rental asset book to R1.6 billion.

Interest margins were maintained despite increased competition across all portfolios with origination well within agreed risk thresholds. As key macro inputs indicate upside risk to impairment ratios, credit appetite continues to be critically and regularly assessed and performance closely monitored.

NPLs continued to reduce (2.67% at December 2013 compared to 2.76% at June 2013 and 3.14% at December 2012) despite the high proportion of restructured debt review accounts, which are still disclosed as non-performing regardless of repayment behaviour. These accounts are increasing as a proportion of NPLs and in the period under review, represented 22% of NPLs, compared to 18% at June 2013.

NIR, including income from associates, increased 19% year-on-year, reflective of the growth in the advances book and in rental assets, offset by continued pricing pressure on the auto card business.

Core operating costs increased 13%, however, total expenses grew 22% when including the impact of the increase in profit share payments to alliance partners (which now total R247 million and are up 20% year-on-year), investment in platforms and strategic initiatives, and the increase in depreciation of full maintenance rental assets.

Ashburton Investments

The Group's investment management franchise, Ashburton Investments, continues to execute on its organic strategy.

Since the launch in June 2013, assets under management have grown 10% to R111 billion. This was mainly driven by good growth in retail structured products and both traditional single-managed and multi-manager funds. Profitability is tracking in line with expectations given the current level of investment in people and platforms.

Ashburton Investments has launched the first phase of the roll-out of its investor platform. Branded FNB, and initially only for internal distribution channels, this first phase includes retirement and investment products, RMB structured products and Ashburton and third-party funds.

As expected Ashburton Investments is benefiting from both the product generation capabilities of RMB and the distribution platforms of FNB and RMB Private Bank.

Both traditional and alternative fund performance exceeded benchmarks during the period.

The relative contribution to the Group's normalised earnings mix and growth rates from types of income and business units are shown in the table below.

Segment analysis of normalised earnings

	Six months ended 31 December					Year ended 30 June	
R million	**2013**	**% contri-bution**	2012	% contri-bution	% change	2013	% contri-bution
Retail banking	**4 510**	**52**	3 938	54	15	7 991	52
FNB Retail	**3 263**		2 688			5 545	
WesBank	**1 247**		1 250			2 446	
Corporate and Commercial banking	**1 839**	**21**	1 681	23	9	3 358	22
RMB	**174**		214			391	
FNB Commercial	**1 506**		1 328			2 579	
WesBank	**159**		139			388	
Investment banking	**2 094**	**24**	1 729	24	21	4 080	26
RMB	**2 094**		1 729			4 080	
Other	**248**	**3**	(105)	(1)	(>100)	(9)	–
FirstRand and dividends paid on NCNR preference shares	**230**		180			61	
Corporate Centre and consolidation adjustments	**18**		(285)			(70)	
Normalised earnings	**8 691**	**100**	7 243	100	20	15 420	100

FINANCIAL RESOURCE MANAGEMENT

The Group believes a strong balance sheet is key to growth, particularly when entering periods of uncertainty.

Asset quality

When assessing the underlying risk in the balance sheet from an economic perspective, the Group's asset profile is dominated by a balanced advances portfolio, which constitutes 78% of total assets. In terms of credit quality, 90% of advances are rated B upper or better. Cash, cash equivalents and liquid assets represent 15% of total assets, with only a small portion related to the investment and trading businesses.

Funding

FirstRand's funding profile continues to reflect the structural funding issues associated with the South African banking sector, however, the Group has continued to reduce its reliance on institutional funding and has further improved the term profile of institutional funding from a weighted average remaining term of 12 months in 2009 to 23 months at 31 December 2013.

Capital

FirstRand's capital management strategy is aligned to the Group's overall objective to deliver sustainable returns to shareholders within appropriate levels of volatility. The Group's philosophy, given the uncertain macro environment, is to operate at the higher end of its targeted capital levels to ensure balance sheet resilience. Current targeted ranges and ratios are summarised in the table below.

Capital ratios and targets

	CET1	Tier 1	Total
Regulatory minimum (%)*	4.5	6.0	9.5
Target (%)	9.5 – 11.0	11.0	12.0 – 13.5
FirstRand actual (%)	**13.7**	**14.8**	**16.2**
FirstRand Bank actual (%)**	**13.4**	**14.1**	**15.7**

* *The regulatory minimum excludes the bank-specific individual capital requirement.*
** *Reflects solo supervision, i.e. FRB excluding foreign branches.*

Dividend strategy

When assessing the appropriate level of payout to shareholders, the Group considers the following:

- To ensure that the ROE remains within the long-term target range of 18% to 22%, FirstRand assesses the robustness of the ongoing capital generation of its business. The Group is currently of the view that its ROE is at a cyclical high and, therefore, the dividend cover needs to be sustainable on a risk view as well as a core view.
- The anticipated growth in risk weighted assets (RWA) given the operating environment and the overall organic growth plans of the operating franchises.
- The Group's objective to protect the R10 billion of capital currently allocated to its expansion strategy.

Following a comprehensive analysis of the above factors at the June 2013 year end, the Group reduced its full year dividend cover to 2.0x (2012: 2.2x). This cover has been maintained for the six months to 31 December 2013, which means that compared to the dividend declared at 31 December 2012 (when cover was 2.3x), the interim dividend for the current period increased 40%. This is significantly higher than growth in normalised earnings.

Shareholders should note that the rate of growth in the dividend payout for the full financial year will be off the higher base recorded for the final dividend of June 2013. The Group, therefore, expects growth in dividend for the full year to more closely track normalised earnings.

The appropriateness of the level of payout is re-evaluated on an annual basis.

PROSPECTS

South Africa's dependence on foreign capital flows to fund the wide current account deficit continues to introduce uncertainty and vulnerability to the macroeconomic outlook. This was illustrated by the recent rapid exchange rate depreciation and the South African Reserve Bank's (SARB) decision to hike the repo rate by 50 bps in January 2014.

GDP growth has to date been supported by wage inflation, consumption and government spending and these trends are all slowing down. Manufacturing, exports and investments will provide some underpin to growth, however, South Africa has now entered an interest rate hiking cycle which will place further pressure on the South African consumer.

The Group believes that its strategy to grow customers, drive NIR and exercise discipline in its credit origination strategies in the retail market, particularly over the past 18 months will place it in a strong position to weather what is expected to be a difficult domestic credit cycle.

The franchises are expected to continue to show good operational performances and expectations remain unchanged for the second half of the year.

BASIS OF PRESENTATION

FirstRand prepares its condensed consolidated interim financial results in accordance with:

- recognition and measurement requirements of IFRS;
- presentation and disclosure requirements of IAS 34;
- SAICA Financial Reporting Guide as issued by the Accounting Practices Committee;
- Financial Reporting Pronouncements as issued by Financial Reporting Standards Council; and
- the requirements of the Companies Act 71 of 2008 applicable to summary financial statements.

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 condensed interim consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except for the adoption of new and revised IFRS requirements and a voluntary change in the Group's presentation of loans to associates. The details of these are set out below.

New and revised IFRS requirements

The following new and revised IFRS requirements were adopted by the Group for the first time for the six months ended 31 December 2013. Unless stated otherwise, these requirements are applied retrospectively and the previously reported financial results have been restated.

- IFRS 10, IFRS 11, IFRS 12, IAS 27R and IAS 28R. These standards prescribe new and amended requirements for assessing whether control or joint control exists. The disclosure requirements for all interests in other entities, including unconsolidated structured entities, are now contained in a single standard. The impact of these new standards on the Group's previously reported financial position and performance is presented on pages 51 to 59.
- IFRS 13 establishes a single framework for measuring and disclosing fair value. The standard requires prospective implementation and does not require comparative information to be presented for disclosures in the year of adoption. The standard, therefore, has had no impact on amounts previously reported. The additional disclosures are provided on pages 32 to 43.
- Amendments to IFRS 7 require disclosures about the effect or potential effects of netting arrangements on the Group's financial position. The amendment does not impact recognition or measurement of amounts but requires additional disclosure in respect of financial instruments that are subject to an enforceable master netting arrangement or similar agreement. These additional disclosures, along with the comparative information, are presented on pages 44 to 49.
- Amendments to IAS 19 have resulted in changes to the recognition, measurement and presentation of amounts in respect of defined benefit plans. The impact of these amendments on the Group's previously reported financial position and performance is presented on pages 51 to 59.

All comparative information impacted by the new accounting policies has been restated.

Voluntary change in presentation

The Group has changed the manner in which it presents certain loans to associates and joint ventures. The change in presentation has had no impact on the net asset value of the Group and only affects the classification of items on the statement of financial position. The impact on previously reported results is set out on pages 51 to 59.

The condensed consolidated interim results for the six months ended 31 December 2013 have not been audited or independently reviewed by the Group's external auditors.

The Group believes normalised earnings more accurately reflect operational performance. Headline earnings are adjusted to take into account non-operational items and accounting anomalies. Details of the nature of these adjustments and the reasons therefore can be found on pages 14 and 15.

FirstRand's board of directors take full responsibility for the preparation of this *Analysis of financial results* booklet.

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material events, as defined in *IAS 10 Events After the Reporting Period*, occurring between 31 December 2013 and the date of authorisation of the results announcement.

BOARD CHANGES

Mr Johan Petrus Burger was appointed deputy chief executive officer on 1 October 2013. He relinquished his position as financial director on 1 January 2014.

Mr Hetash Surendrakumar (Harry) Kellan was appointed to the board as executive financial director on 1 January 2014.

Mr Bruce William Unser, having reached retirement age, retired as company secretary on 5 January 2014.

Mrs Carnita Low was appointed as company secretary on 6 January 2014.

CASH DIVIDEND DECLARATIONS

Ordinary shares

The directors have declared a gross cash dividend totalling 77.0 cents per ordinary share out of income reserves for the six months ended 31 December 2013.

Ordinary dividends

	Six months ended 31 December	
Cents per share	**2013**	2012
Interim (declared 3 March 2014)	**77.0**	55.0

The salient dates for the interim dividend are as follows:

Last day to trade cum-dividend	Thursday 20 March 2014
Shares commence trading ex-dividend	Monday 24 March 2014
Record date	Friday 28 March 2014
Payment date	Monday 31 March 2014

Share certificates may not be dematerialised or rematerialised between Monday 24 March 2014 and Friday 28 March 2014, both days inclusive.

The interim dividend of 77.0 cents per share carries no STC credits. Shareholders who are exempt from Dividend Withholding Tax (DWT) will receive the full 77.0 cents per share. For shareholders who are subject to DWT, tax will be calculated at 15% (or such lower rate if a double taxation agreement applies for foreign shareholders).

For South African shareholders who are subject to DWT, the net interim dividend after deducting 15% tax will be 65.45000 cents per share.

The issued share capital on the declaration date was 5 637 941 689 ordinary shares and 45 000 000 variable rate NCNR B preference shares.

FirstRand's income tax reference number is 9150/201/71/4.

B preference shares

Dividends on the B preference shares are calculated at a rate of 75.56% of the prime lending rate of FNB, a division of FirstRand Bank Limited.

Dividends declared and paid

	B preference shares	
Cents per share	**2013**	2012
Period:		
28 February 2012 – 27 August 2012		333.1
28 August 2012 – 25 February 2013		320.3
26 February 2013 – 26 August 2013	**320.3**	
27 August 2013 – 24 February 2014	**320.3**	

LL Dippenaar
Chairman

SE Nxasana
CEO

C Low
Company secretary

3 March 2014

DESCRIPTION OF DIFFERENCE BETWEEN NORMALISED AND IFRS RESULTS

The Group believes normalised results more accurately reflect the economic substance of the Group's performance. The Group's results are adjusted to take into account non-operational items and accounting anomalies.

SHARE-BASED PAYMENTS AND TREASURY SHARES: CONSOLIDATION OF STAFF SHARE TRUST

IFRS 2 Share-based Payments requires that all share-based payment transactions for goods or services received must be expensed with effect from financial periods commencing on or after 1 January 2005.

In 2005 the Group concluded a BEE transaction. As part of this transaction, rights were granted to the Group's black South African employees and black non-executive directors. These rights were accounted for as expenses in accordance with IFRS 2. FirstRand hedged itself against the price risk of the FirstRand share price inherent in these schemes by buying in the open market the FirstRand shares required to settle these schemes. These shares are held in various share trusts. *IFRS 10 Consolidated Financial Statements* requires certain of these share trusts to be consolidated by the Group. FirstRand shares held by the staff share trusts are, therefore, treated as treasury shares.

The economic cost to the Group of the transaction is the net funding cost paid by the Group on the funding required to buy these shares.

For purposes of calculating normalised earnings, the share trusts are deconsolidated, FirstRand shares held by staff share schemes are treated as issued to parties external to the Group and loans to share trusts are recognised as external loans.

CONSOLIDATED PRIVATE EQUITY SUBSIDIARIES

In accordance with IFRS, operating costs of consolidated private equity subsidiaries are included in profit or loss as part of operating expenses. For the purposes of calculating normalised results, these operating costs are reclassified to NIR, where income earned from these entities is included. This presentation of net income earned from consolidated private equity subsidiaries more accurately reflects the underlying economic substance of the Group's relationship with these entities.

FIRSTRAND SHARES HELD FOR CLIENT TRADING ACTIVITIES

The Group invests in FirstRand shares to offset its exposure as a result of client trading positions. Depending on the nature of the client trading position and resulting risks, FirstRand shares may be held long or sold short by the Group.

In terms of *IAS 32 Financial Instruments: Presentation*, FirstRand shares held by the Group are deemed to be treasury shares for accounting purposes. For the statement of financial position, the cost price of FirstRand shares held long is deducted from equity and the consideration received from selling FirstRand shares short is added back to equity. All gains and losses on FirstRand shares are reversed to profit or loss.

In addition, in terms of *IAS 28 Investments in Associates*, upstream and downstream profits are eliminated when equity accounting is applied, and, in terms of *IAS 32 Financial Instruments: Presentation*, profits or losses cannot be recognised on an entity's own equity instruments. For the income statement, the Group's portion of the fair value change in FirstRand shares is, therefore, deducted from equity-accounted earnings and the investment recognised using the equity accounted method.

Changes in the fair value of FirstRand shares and dividends declared on these shares affect the fair value of client trading positions reflected in the statement of financial position, unless the client trading position is itself an equity instrument. The change in the fair value of client trading positions is recognised in profit or loss. However, because of the rules relating to treasury shares and the elimination of upstream and downstream profits, when equity accounting is applied the corresponding fair value changes (or the Group's portion of the fair value changes) in the FirstRand shares held to match client trading positions are reversed or eliminated. This results in a mismatch in the overall equity and profit or loss of the Group.

For purposes of calculating normalised results, the adjustments described above are reversed and FirstRand shares held for client trading positions are treated as issued to parties external to the Group.

Where the client trading position is classified as an equity instrument, then neither gains nor losses on client trading positions or FirstRand shares held to hedge these are reflected in profit or loss or on the statement of financial position.

ECONOMIC HEDGES

From time to time the Group enters into economic interest rate hedging transactions, which do not qualify for hedge accounting in terms of the requirements of IFRS. For the purposes of calculating normalised results, the Group reclassifies fair value changes on these hedging instruments from NIR to NII to reflect the economic substance of these hedges.

FAIR VALUE ANNUITY INCOME – LENDING

For the purposes of calculating normalised results, the Group accounts for the majority of its wholesale advances book in RMB on a fair value basis in terms of IFRS. As a result, the margin on these advances is reflected as part of NIR.

The Group reclassifies the margin relating to the annuity fair value income earned on the RMB wholesale advances book from NIR to NII to reflect the economic substance of the income earned on these assets. The corresponding impairment charge is reallocated from NIR to impairment of advances. Fair value advances are adjusted to reflect the cumulative adjustment.

IAS 19 REMEASUREMENT OF PLAN ASSETS

In terms of the revised IAS 19, interest income is recognised on plan assets and set off against staff costs in the income statement. All other remeasurements of plan assets are recognised in other comprehensive income. In instances where the plan asset is a qualifying insurance policy, which has a limit of indemnity, the fair value of the plan asset is limited to that limit of indemnity. The limit of indemnity continually reduces as payments are made in terms of the insurance policy. After the recognition of interest income on the plan asset, any further adjustment required to revalue the plan asset to the limit of indemnity is recognised in other comprehensive income. Therefore, to the extent that interest income on plan assets results in an increase in the fair value of the plan asset above the limit of indemnity, a downward fair value measurement is recognised in other comprehensive income. Economically, the value of the plan asset has simply reduced with claims paid. Normalised results are adjusted to reflect this by increasing staff costs for the value of the interest on the plan assets and increasing other comprehensive income

REALISATION ON THE SALE OF PRIVATE EQUITY SUBSIDIARIES

In terms of *Circular 2/2013 Headline Earnings*, gains or losses from the sale of subsidiaries are excluded from headline earnings.

The circular includes specific industry rules. Rule 1 allows entities to include in headline earnings gains or losses associated with private equity investments that are associates or joint ventures, which form part of trading or operating activities. This exclusion, however, does not apply to gains or losses associated with private equity investments that are subsidiaries. The Group includes gains or losses on the sale of private equity subsidiaries in normalised headline earnings to reflect the nature of these investments.

ECONOMIC HEDGE AGAINST SHARE-BASED PAYMENT OBLIGATIONS

The Group entered into a total return swap (TRS) with external parties in order to economically hedge itself against the cost associated with the Group's share option schemes.

In terms of *IAS 39 Financial Instruments: Recognition and Measurement*, the TRS is accounted for as a derivative instrument at fair value with the full fair value change recognised in profit or loss.

In accordance with IFRS 2, the expense resulting from these option schemes is recognised over the vesting period of the schemes. This leads to a mismatch in the recognition of the profit or loss of the hedge and the share-based payment expense.

For the purposes of calculating normalised results, the Group defers the recognition of the fair value gain or loss on the hedging instrument for the specific reporting period to the period in which the IFRS 2 impact will manifest in the Group's results. This reflects the economic substance of the hedge and associated IFRS 2 impact for the Group.

HEADLINE EARNINGS ADJUSTMENTS

All adjustments that are required by *Circular 2/2013 Headline Earnings* in calculating headline earnings are included in normalised results on a line-by-line basis based on the nature of the adjustment.

The description and amount of these adjustments are provided in the reconciliation between headline earnings and IFRS profit on page 3. These adjustments include the write back of impairment losses recognised on intangible assets and goodwill.

CONDENSED CONSOLIDATED INCOME STATEMENT – IFRS

R million	Six months ended 31 December 2013	Six months ended 31 December 2012*	% change	Year ended 30 June 2013*
Net interest income before impairment of advances	**14 673**	12 408	18	24 769
Impairment of advances	**(2 294)**	(2 250)	2	(4 807)
Net interest income after impairment of advances	**12 379**	10 158	22	19 962
Non-interest income	**17 192**	15 237	13	30 734
Income from operations	**29 571**	25 395	16	50 696
Operating expenses	**(17 047)**	(15 353)	11	(30 804)
Net income from operations	**12 524**	10 042	25	19 892
Share of profit of associates and joint ventures after tax	**360**	293	23	824
Income before tax	**12 884**	10 335	25	20 716
Indirect tax	**(465)**	(462)	1	(645)
Profit before tax	**12 419**	9 873	26	20 071
Income tax expense	**(2 989)**	(2 255)	33	(4 117)
Profit for the period	**9 430**	7 618	24	15 954
Attributable to:				
Ordinary equityholders	**8 839**	7 105	24	14 785
NCNR preference shareholders	**144**	150	(4)	297
Equityholders of the Group	**8 983**	7 255	24	15 082
Non-controlling interests	**447**	363	23	872
Profit for the period	**9 430**	7 618	24	15 954
Earnings per share (cents)				
– Basic	**161.1**	129.6	24	269.7
– Diluted	**159.6**	128.1	25	266.4
Headline earnings per share (cents)				
– Basic	**160.5**	132.8	21	279.6
– Diluted	**159.1**	131.2	21	276.2

* *Refer to restatement of prior year numbers on pages 51 to 59.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – IFRS

R million	Six months ended 31 December 2013	Six months ended 31 December 2012*	% change	Year ended 30 June 2013*
Profit for the period	**9 430**	7 618	24	15 954
Items that may subsequently be reclassified to profit or loss				
Cash flow hedges	**70**	(89)	(>100)	853
Gains/(losses) arising during the period	**(265)**	(453)	(42)	417
Reclassification adjustments for amounts included in profit or loss	**364**	329	11	768
Deferred income tax	**(29)**	35	(>100)	(332)
Available-for-sale financial assets	**(40)**	431	(>100)	(104)
(Losses)/gains arising during the period	**(19)**	565	(>100)	(117)
Reclassification adjustments for amounts included in profit or loss	**(66)**	(1)	>100	(33)
Deferred income tax	**45**	(133)	(>100)	46
Exchange differences on translating foreign operations	**396**	315	26	998
Gains arising during the period	**396**	315	26	998
Share of other comprehensive income of associates after tax and non-controlling interests	**3**	24	(88)	129
Items that may not subsequently be reclassified to profit or loss				
Actuarial losses on defined benefit post-employment plans	**(20)**	(22)	(9)	22
(Losses)/gains arising during the period	**(25)**	(32)	(22)	30
Deferred income tax	**5**	10	(50)	(8)
Other comprehensive income for the period	**409**	659	(38)	1 898
Total comprehensive income for the period	**9 839**	8 277	19	17 852
Attributable to:				
Ordinary equityholders	**9 225**	7 748	19	16 625
NCNR preference shareholders	**144**	150	(4)	297
Equityholders of the Group	**9 369**	7 898	19	16 922
Non-controlling interests	**470**	379	24	930
Total comprehensive income for the period	**9 839**	8 277	19	17 852

* *Refer to restatement of prior year numbers on pages 51 to 59.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – IFRS

	As at 31 December		As at 30 June
R million	**2013**	2012*	2013*
ASSETS			
Cash and cash equivalents	**49 546**	51 570	48 565
Derivative financial instruments	**44 221**	56 251	52 277
Commodities	**6 894**	8 003	6 016
Accounts receivable	**7 349**	6 755	7 804
Current tax asset	**618**	602	266
Advances	**635 443**	565 449	601 065
Investment securities and other investments	**127 281**	110 873	128 388
Investments in associates and joint ventures	**6 293**	5 252	5 396
Property and equipment	**14 300**	12 520	13 453
Intangible assets	**1 181**	1 557	1 169
Reinsurance assets	**396**	846	394
Post-employment benefit asset	**3**	–	–
Investment properties	**458**	452	459
Deferred income tax asset	**432**	355	460
Non-current assets and disposal groups held for sale	**16**	505	20
Total assets	**894 431**	820 990	865 732
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	**5 532**	9 219	2 991
Derivative financial instruments	**48 836**	58 284	53 008
Creditors and accruals	**10 256**	8 733	11 079
Current tax liability	**438**	235	513
Deposits	**727 032**	651 375	697 035
Provisions	**655**	584	600
Employee liabilities	**4 998**	4 637	5 857
Other liabilities	**4 591**	4 822	6 101
Policyholder liabilities under insurance contracts	**662**	1 107	646
Deferred income tax liability	**1 185**	1 180	753
Tier 2 liabilities	**8 127**	8 120	8 116
Liabilities directly associated with disposal groups held for sale	**–**	83	–
Total liabilities	**812 312**	748 379	786 699
Equity			
Ordinary shares	**55**	55	55
Share premium	**5 571**	5 601	5 609
Reserves	**69 115**	59 840	65 954
Capital and reserves attributable to ordinary equityholders	**74 741**	65 496	71 618
NCNR preference shareholders	**4 519**	4 519	4 519
Capital and reserves attributable to equityholders of the Group	**79 260**	70 015	76 137
Non-controlling interests	**2 859**	2 596	2 896
Total equity	**82 119**	72 611	79 033
Total equity and liabilities	**894 431**	820 990	865 732

* *Refer to restatement of prior year numbers on pages 51 to 59.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – IFRS

	Six months ended 31 December		Year ended 30 June
R million	**2013**	2012	2013
Net cash flows from operating activities	**11 334**	11 421	24 298
Net cash utilised from operations	**(2 888)**	8 014	(4 241)
Taxation paid	**(3 273)**	(3 391)	(5 642)
Net cash inflow from operating activities	**5 173**	16 044	14 415
Net cash outflow from investing activities	**(3 335)**	(1 347)	(3 803)
Net cash inflow from financing activities	**(1 626)**	(474)	325
Net increase in cash and cash equivalents from operations	**212**	14 223	10 937
Cash and cash equivalents at the beginning of the year	**48 565**	37 317	37 317
Cash and cash equivalents at the end of the period	**48 777**	51 540	48 254
Cash and cash equivalents acquired*	**–**	–	2
Cash and cash equivalents disposed of*	**326**	(2)	–
Effect of exchange rate changes on cash and cash equivalents	**443**	32	309
Cash and cash equivalents at the end of the period	**49 546**	51 570	48 565
Mandatory reserve balances included above**	**17 005**	14 991	16 160

* *Cash and cash equivalents acquired and disposed of relate to cash balances held by subsidiaries acquired and disposed of during the period.*

** *Banks are required to deposit a minimum average balance calculated monthly with the central bank, which is not available for use in the Group's day-to-day operations. The deposit bears no or low interest. Money at short notice constitutes amounts withdrawable in 32 days or less.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – IFRS

for the six months ended 31 December

R million	Ordinary share capital and ordinary equityholders' funds				
	Share capital	Share premium	**Share capital and share premium**	Defined benefit post-employment reserve	Cash flow hedge reserve
Balance as reported at 30 June 2012	55	5 216	**5 271**	–	(753)
Prior period restatements	–	216	**216**	(591)	–
Restated balance as at 1 July 2012	55	5 432	**5 487**	(591)	(753)
Issue of share capital	–	–	**–**	–	–
Movement in other reserves	–	–	**–**	–	–
Ordinary dividends	–	–	**–**	–	–
Preference dividends	–	–	**–**	–	–
Transfer from/(to) reserves	–	–	**–**	–	–
Changes in ownership interest of subsidiaries	–	–	**–**	–	–
Consolidation of treasury shares	–	169	**169**	–	–
Total comprehensive income for the period	–	–	**–**	(22)	(89)
Vesting of share-based payment reserve	–	–	**–**	–	–
Balance as at 31 December 2012	55	5 601	**5 656**	(613)	(842)
Balance as reported at 30 June 2013	55	5 397	**5 452**	–	100
Prior period restatements	–	212	**212**	(569)	–
Balance as at 1 July 2013	55	5 609	**5 664**	(569)	100
Issue of share capital	–	–	**–**	–	–
Movement in other reserves	–	–	**–**	–	–
Ordinary dividends	–	–	**–**	–	–
Preference dividends	–	–	**–**	–	–
Transfer from/(to) reserves	–	–	**–**	–	–
Changes in ownership interest of subsidiaries	–	–	**–**	–	–
Consolidation of treasury shares	–	(38)	**(38)**	–	–
Total comprehensive income for the period	–	–	**–**	(20)	70
Vesting of share-based payment reserve	–	–	**–**	–	–
Balance as at 31 December 2013	55	5 571	**5 626**	(589)	170

Ordinary share capital and ordinary equityholders' funds								
Share-based payment reserve	Available-for-sale reserve	Foreign currency translation reserve	Other reserves	Retained earnings	**Reserves attributable to ordinary equity-holders**	**Non-cumulative non-redeemable preference shares**	**Non-controlling interests**	**Total equity**
3 247	626	1 052	(61)	53 139	**57 250**	**4 519**	**2 767**	**69 807**
–	(6)	(10)	(20)	(411)	**(1 038)**	**–**	**(66)**	**(888)**
3 247	620	1 042	(81)	52 728	**56 212**	**4 519**	**2 701**	**68 919**
–	–	–	–	–	**–**	**–**	**(4)**	**(4)**
(262)	–	–	(40)	5	**(297)**	**–**	**(7)**	**(304)**
–	–	–	–	(3 193)	**(3 193)**	**–**	**(412)**	**(3 605)**
–	–	–	–	–	**–**	**(150)**	**–**	**(150)**
–	–	–	15	(15)	**–**	**–**	**–**	**–**
–	–	–	–	22	**22**	**–**	**(61)**	**(39)**
–	–	–	–	50	**50**	**–**	**–**	**219**
–	428	306	20	7 105	**7 748**	**150**	**379**	**8 277**
(26)	–	–	–	(676)	**(702)**	**–**	**–**	**(702)**
2 959	1 048	1 348	(86)	56 026	**59 840**	**4 519**	**2 596**	**72 611**
3 173	539	1 995	140	60 786	**66 733**	**4 519**	**2 924**	**79 628**
–	(21)	4	(14)	(179)	**(779)**	**–**	**(28)**	**(595)**
3 173	518	1 999	126	60 607	**65 954**	**4 519**	**2 896**	**79 033**
–	–	–	–	–	**–**	**–**	**–**	**–**
(499)	–	–	(9)	(27)	**(535)**	**–**	**(28)**	**(563)**
–	–	–	–	(4 444)	**(4 444)**	**–**	**(360)**	**(4 804)**
–	–	–	–	–	**–**	**(144)**	**–**	**(144)**
–	–	–	11	(11)	**–**	**–**	**–**	**–**
–	–	–	–	(234)	**(234)**	**–**	**(119)**	**(353)**
–	–	–	–	5	**5**	**–**	**–**	**(33)**
–	(40)	372	4	8 839	**9 225**	**144**	**470**	**9 839**
(15)	–	–	–	(841)	**(856)**	**–**	**–**	**(856)**
2 659	478	2 371	132	63 894	**69 115**	**4 519**	**2 859**	**82 119**

Segment information

SEGMENT INFORMATION – IFRS

for the six months ended 31 December 2013

	2013	
R million	FNB	FNB Africa
Continuing operations		
Net interest income before impairment of advances	7 316	1 426
Impairment of advances	(1 222)	(100)
Net interest income after impairment of advances	6 094	1 326
Non-interest income	8 843	1 081
Net income from operations	14 937	2 407
Operating expenses	(8 649)	(1 403)
Share of profit from associates and joint ventures after tax	18	1
Income before tax	6 306	1 005
Indirect tax	(235)	(30)
Profit for the period before tax	6 071	975
Income tax expense	(1 701)	(328)
Profit for the period	4 370	647
The income statement includes:		
Depreciation	(560)	(73)
Amortisation	(12)	(5)
Impairment charges	(11)	–
The statement of financial position includes:		
Investments in associates and joint ventures	252	5
Total assets	260 670	51 670
Total liabilities	254 597	45 919

* *Refer to additional segmental information on page 30.*

** *Other includes FirstRand Company, consolidation of treasury shares and related consolidation entries.*

Reconciliation of profit for the year to normalised earnings

R million	2013
Profit for the period (per above)	9 430
Non-controlling interests	(447)
NCNR preference equityholders	(144)
Attributable earnings to ordinary equityholders	8 839
Headline earnings adjustments (per page 3)	(32)
Headline earnings to ordinary equityholders	8 807
Normalised adjustments	(116)
– IFRS 2 Share-based payment expenses	12
– Treasury shares	63
– TRS adjustment	(146)
– IAS 19 adjustments	(53)
– Private equity subsidiary realisations	8
Normalised earnings	8 691

	2013						
	RMB						
	Investment Banking	Corporate Banking	WesBank*	Corporate Centre	Consolidation and IFRS adjustments	Other**	Total
	480	342	3 757	1 383	21	(52)	14 673
	(140)	(8)	(924)	–	100	–	(2 294)
	340	334	2 833	1 383	121	(52)	12 379
	4 896	608	1 527	1 787	(1 549)	(1)	17 192
	5 236	942	4 360	3 170	(1 428)	(53)	29 571
	(2 631)	(685)	(2 336)	(2 169)	369	457	(17 047)
	380	–	140	–	(191)	12	360
	2 985	257	2 164	1 001	(1 250)	416	12 884
	(34)	(15)	(142)	(8)	–	(1)	(465)
	2 951	242	2 022	993	(1 250)	415	12 419
	(826)	(68)	(566)	(278)	894	(116)	(2 989)
	2 125	174	1 456	715	(356)	299	9 430
	(122)	(4)	(216)	(28)	(2)	–	(1 005)
	(7)	–	(19)	(1)	–	–	(44)
	(4)	–	–	2	(2)	–	(15)
	5 119	–	934	1	(37)	19	6 293
	367 619	7 310	157 273	106 797	(112 986)	56 078	894 431
	360 591	6 900	155 079	40 817	(52 555)	964	812 312

SEGMENT INFORMATION – IFRS
for the six months ended 31 December 2012

R million	2012 FNB	2012 FNB Africa
Continuing operations		
Net interest income before impairment of advances	6 297	1 168
Impairment of advances	(1 405)	(90)
Net interest income after impairment of advances	4 892	1 078
Non-interest income	7 986	881
Net income from operations	12 878	1 959
Operating expenses	(7 672)	(1 163)
Share of profit from associates and joint ventures after tax	20	1
Income before tax	5 226	797
Indirect tax	(226)	(28)
Profit for the period before tax	5 000	769
Income tax expense	(1 326)	(204)
Profit for the period	3 674	565
The income statement includes:		
Depreciation	(541)	(56)
Amortisation	(34)	(7)
Impairment charges	(6)	–
The statement of financial position includes:		
Investments in associates and joint ventures	215	5
Total assets	240 081	43 674
Total liabilities	234 208	38 738

* *Refer to additional segmental information on page 30.*
** *Other includes FirstRand Company, consolidation of treasury shares and related consolidation entries.*

Reconciliation of profit for the year to normalised earnings

R million	2012
Profit for the period (per above)	7 618
Non-controlling interests	(363)
NCNR preference equityholders	(150)
Attributable earnings to ordinary equityholders	7 105
Headline earnings adjustments (per page 3)	176
Headline earnings to ordinary equityholders	7 281
Normalised adjustments	(38)
– IFRS 2 Share-based payment expenses	22
– Treasury shares	42
– TRS adjustment	(53)
– IAS 19 adjustments	(56)
– Private equity subsidiary realisations	7
Normalised earnings	7 243

	2012						
	RMB						
	Investment Banking	Corporate Banking	WesBank*	Corporate Centre	Consolidation and IFRS adjustments	Other**	Total
	234	287	3 299	1 195	(11)	(61)	12 408
	(50)	(5)	(700)	–	–	–	(2 250)
	184	282	2 599	1 195	(11)	(61)	10 158
	4 538	557	1 265	1 492	(1 523)	41	15 237
	4 722	839	3 864	2 687	(1 534)	(20)	25 395
	(2 586)	(776)	(1 920)	(2 064)	456	372	(15 353)
	277	–	133	(3)	(144)	9	293
	2 413	63	2 077	620	(1 222)	361	10 335
	(36)	(15)	(115)	(40)	(1)	(1)	(462)
	2 377	48	1 962	580	(1 223)	360	9 873
	(629)	(13)	(522)	(152)	685	(94)	(2 255)
	1 748	35	1 440	428	(538)	266	7 618
	(159)	(30)	(155)	(48)	(4)	–	(993)
	(10)	–	(13)	(2)	1	–	(65)
	(29)	(248)	(6)	(48)	36	–	(301)
	4 325	–	733	2	(37)	9	5 252
	351 630	3 750	132 574	100 582	(108 246)	56 945	820 990
	345 183	3 563	129 026	46 463	(49 346)	544	748 379

SEGMENT INFORMATION – IFRS

for the year ended 30 June 2013

R million	2013 FNB	2013 FNB Africa
Continuing operations		
Net interest income before impairment of advances	13 161	2 335
Impairment of advances	(2 863)	(190)
Net interest income after impairment of advances	10 298	2 145
Non-interest income	16 063	1 796
Net income from operations	26 361	3 941
Operating expenses	(16 128)	(2 342)
Share of profit from associates and joint ventures after tax	38	2
Income before tax	10 271	1 601
Indirect tax	(388)	(54)
Profit for the period before tax	9 883	1 547
Income tax expense	(2 617)	(462)
Profit for the period	7 266	1 085
The income statement includes:		
Depreciation	(1 151)	(123)
Amortisation	(64)	(13)
Impairment charges	(188)	–
The statement of financial position includes:		
Investments in associates and joint ventures	234	4
Total assets	249 363	46 975
Total liabilities	240 258	41 428

* *Refer to additional segmental information on page 30.*

** *Other includes FirstRand Company, consolidation of treasury shares and related consolidation entries.*

Reconciliation of profit for the year to normalised earnings

R million	2013
Profit for the period (per above)	15 954
Non-controlling interests	(872)
NCNR preference equityholders	(297)
Attributable earnings to ordinary equityholders	14 785
Headline earnings adjustments (per page 3)	542
Headline earnings to ordinary equityholders	15 327
Normalised adjustments	93
– IFRS 2 Share-based payment expenses	43
– Treasury shares	33
– TRS adjustment	85
– IAS 19 adjustments	(110)
– Private equity subsidiary realisations	42
Normalised earnings	15 420

	2013						
	RMB						
	Investment Banking	Corporate Banking	WesBank*	Corporate Centre	Consolidation and IFRS adjustments	Other**	Total
	493	607	6 853	1 346	87	(113)	24 769
	(61)	(44)	(1 649)	–	–	–	(4 807)
	432	563	5 204	1 346	87	(113)	19 962
	9 675	1 148	2 821	1 965	(2 992)	258	30 734
	10 107	1 711	8 025	3 311	(2 905)	145	50 696
	(5 327)	(1 389)	(4 106)	(3 282)	1 540	230	(30 804)
	865	–	275	(19)	(344)	7	824
	5 645	322	4 194	10	(1 709)	382	20 716
	(60)	(33)	(219)	110	–	(1)	(645)
	5 585	289	3 975	120	(1 709)	381	20 071
	(1 480)	(77)	(1 054)	(24)	1 698	(101)	(4 117)
	4 105	212	2 921	96	(11)	280	15 954
	(252)	(35)	(354)	(92)	(4)	–	(2 011)
	(23)	–	(31)	(5)	2	–	(134)
	(83)	(248)	(21)	(261)	–	–	(801)
	4 355	–	832	1	(37)	7	5 396
	349 427	5 331	145 179	121 707	(109 503)	57 253	865 732
	341 221	4 912	140 814	69 692	(51 858)	232	786 699

ADDITIONAL SEGMENTAL DISCLOSURE – WESBANK

R million	Six months ended 31 December 2013				
	VAF				
	Retail		Corporate and commercial	Personal loans	Total WesBank
	SA	MotoNovo			
NII before impairment of advances	**1 929**	**500**	**509**	**819**	**3 757**
Impairment of advances	**(519)**	**(60)**	**(100)**	**(245)**	**(924)**
Normalised profit before tax	**932**	**293**	**221**	**576**	**2 022**
Normalised earnings	**671**	**211**	**159**	**365**	**1 406**
Advances	**93 822**	**17 049**	**35 133**	**8 221**	**154 225**
– Normal advances	**92 887**	**6 352**	**35 133**	**8 221**	**142 593**
– Securitised advances	**935**	**10 697**	**–**	**–**	**11 632**
NPLs	**2 839**	**71**	**682**	**520**	**4 112**
Advances margin (%)	**4.31**	**6.69**	**3.11**	**20.12**	**5.10**
NPLs as a percentage of advances (%)	**3.03**	**0.42**	**1.94**	**6.33**	**2.67**
Credit loss ratio (%)	**1.15**	**0.79**	**0.58**	**6.31**	**1.25**

R million	Six months ended 31 December 2012				
	VAF				
	Retail		Corporate and commercial	Personal loans	Total WesBank
	SA	MotoNovo			
NII before impairment of advances	1 744	359	555	641	3 299
Impairment of advances	(376)	(46)	(119)	(159)	(700)
Normalised profit before tax	972	211	189	596	1 968
Normalised earnings	713	155	139	382	1 389
Advances	80 366	10 871	32 279	6 552	130 068
– Normal advances	78 398	3 941	32 279	6 552	121 170
– Securitised advances	1 968	6 930	–	–	8 898
NPLs	2 480	42	1 196	372	4 090
Advances margin (%)	4.55	6.90	3.29	20.71	5.27
NPLs as a percentage of advances (%)	3.09	0.39	3.71	5.68	3.14
Credit loss ratio (%)	0.99	0.91	0.74	5.08	1.12

R million	Year ended 30 June 2013				
	VAF				
	Retail		Corporate and commercial	Personal loans	Total WesBank
	SA	MotoNovo			
NII before impairment of advances	3 577	777	1 070	1 429	6 853
Impairment of advances	(945)	(97)	(177)	(430)	(1 649)
Normalised profit before tax	1 889	444	528	1 122	3 983
Normalised earnings	1 389	326	388	731	2 834
Advances	87 309	13 256	34 293	7 300	142 158
– Normal advances	85 850	7 689	34 293	7 300	135 132
– Securitised advances	1 459	5 567	–	–	7 026
NPLs	2 461	50	975	444	3 930
Advances margin (%)	4.65	6.96	3.00	21.10	5.30
NPLs as a percentage of advances (%)	2.82	0.38	2.84	6.08	2.76
Credit loss ratio (%)	1.18	0.86	0.53	6.48	1.26

Supplementary information

FAIR VALUE MEASUREMENTS

VALUATION METHODOLOGY

In terms of IFRS, the Group is required to or elects to measure certain assets and liabilities at fair value. The Group has established control frameworks and processes at a franchise level to independently validate its valuation techniques and inputs used to determine its fair value measurements. At a franchise level, technical teams are responsible for the selection, implementation and any changes to the valuation techniques used to determine fair value measurements. Valuation committees comprising representatives from key management have been established in each franchise and at an overall Group level, and are responsible for overseeing the valuation control process and considering the appropriateness of the valuation techniques applied in fair value measurement. The valuation models and methodologies are subject to independent review and approval at a franchise level by the required technical teams, valuation committees, relevant risk committees and external auditors annually or more frequently if considered appropriate.

Fair value is defined as 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 i.e. an exit price. Fair value is therefore a market-based measurement and when measuring fair value the Group uses the assumptions that market participants would use when pricing an asset or liability under current market conditions, including assumptions about risk. When determining fair value it is presumed that the entity is a going concern and the fair value is therefore not an amount that represents a forced transaction, involuntary liquidation or a distressed sale.

Financial instruments

When determining the fair value of a financial instrument, where the financial instrument has a bid or ask price (for example in a dealer market), the Group uses the price within the bid-ask spread that is most representative of fair value in the circumstances. Although not a requirement, the Group uses the bid price for financial assets or the ask/offer price for financial liabilities where this best represents fair value.

When determining the fair value of a financial liability or the Group's own equity instruments the quoted price for the transfer of an identical or similar liability or own equity instrument is used. Where this is not available and an identical item is held by another party as an asset, the fair value of the liability or own equity instrument is measured using the quoted price in an active market of the identical item if that price is available, or using observable inputs (such as the quoted price in an inactive market for the identical item) or using another valuation technique.

Where the Group has any financial liability with a demand feature, such as demand deposits, the fair value is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid where the time value of money is significant.

FAIR VALUE HIERARCHY AND MEASUREMENTS

The Group classifies assets and liabilities measured at fair value using a fair value hierarchy that reflects whether observable or unobservable inputs are used in determining the fair value of the item. The valuation techniques employed by the Group include, inter alia, quoted prices for similar assets or liabilities in an active market, quoted prices for the same asset or liability in an inactive market, adjusted prices from recent arm's length transactions, option-pricing models and discounted cash flow techniques.

Where a valuation model is applied and the Group cannot mark-to-market, it applies a mark-to-model approach, subject to prudent valuation adjustments. Mark-to-model is defined as any valuation which has to be benchmarked, extrapolated or otherwise calculated from a market input. When applying mark-to-model, an extra degree of conservatism is applied. The Group will consider the following in assessing whether a mark-to-model valuation is appropriate:

- as far as possible, market inputs are sourced in line with market prices;
- generally accepted valuation methodologies are consistently used for particular products unless deemed inappropriate by the relevant governance forums;
- where a model has been developed in-house, it is based on appropriate assumptions, which have been assessed and challenged by suitably qualified parties independent of the development process;
- formal change control procedures are in place;
- awareness of the weaknesses of the models used and appropriate reflection thereof in the valuation output;
- the model is subject to periodic review to determine the accuracy of its performance; and
- valuation adjustments are only made when appropriate, for example, to cover the uncertainty of the model valuation.

Level 1

Fair value is determined using unadjusted quoted prices in active markets for identical assets or liabilities where this is readily available and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. This category includes listed bonds and equity, exchange-traded derivatives, exchange-traded commodities and short trading positions.

Level 2

Fair value is determined using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly such as quoted prices for similar items in an active market or for an identical item in an inactive market, or valuation models using observable inputs or inputs derived from observable market data. This category includes loans and advances to customers, equities listed in an inactive market, certain debt instruments, private equity investments, non-recourse investments and deposits, over the counter derivatives, deposits, other liabilities and Tier 2 liabilities.

Level 3

Fair value is determined using a valuation technique and significant inputs that are not based on observable market data (i.e. unobservable inputs) such as an entity's own assumptions about what market participants would assume in pricing assets and liabilities. This category includes certain loans and advances to customers, certain over the counter derivatives such as equity options, investments in certain debt instruments, private equity investments and certain deposits such as credit linked notes.

FAIR VALUE HIERARCHY AND MEASUREMENTS

The table below sets out the valuation techniques applied by the Group for fair value measurements of financial assets and liabilities categorised as level 2 and level 3 in the fair value hierarchy:

Instrument	Fair value hierarchy level	Valuation technique	Description of valuation technique and main assumptions	Observable inputs	Significant unobservable inputs of level 3 items
Derivative financial instruments					
Option contracts	Level 2 and level 3	Option pricing model	The Black Scholes model is used.	Strike price of the option, market related discount rate, forward rate, and cap and floor volatility	Volatilities
Futures contracts	Level 2	Discounted cash flows	The future cash flows are discounted using a market-related interest rate. Projected cash flows are obtained by subtracting the strike price of the forward contract from the market projected forward value.	Market interest rates and curves	Not applicable
Swaps	Level 2	Discounted cash flows	The future cash flows are projected using a forward curve and then discounted using a market-related discount curve over the contractual period. The reset date of each swaplet is determined in terms of legal documents pertaining to the swap.	Market interest rates and curves	Not applicable
Forward rate agreements	Level 2	Discounted cash flows	The future cash flows are projected using a forward curve and then discounted using a market related discount curve over the contractual period. The reset date is determined in terms of legal documents.	Market interest rates and curves	Not applicable
Forward contracts	Level 2	Discounted cash flows	The future cash flows are projected using a forward curve and then discounted using a market-related discount curve over the contractual period. Projected cash flows are obtained by subtracting the strike price of the forward contract from the market projected forward value.	Market interest rates and curves	Not applicable
Credit derivatives	Level 2 and level 3	Discounted cash flows	The future cash flows are discounted using a market-related interest rate. Where prices are obtainable from the market, individual credit spreads are used.	Market interest rates and curves	Credit inputs
Commodity derivatives	Level 2	Discounted cash flows	Commodity linked instruments are measured by taking into account the price, the location differential, grade differential, silo differential and the discount factor of the most liquidly traded futures linked to the commodity.	Futures prices	Not applicable

Instrument	Fair value hierarchy level	Valuation technique	Description of valuation technique and main assumptions	Observable inputs	Significant unobservable inputs of level 3 items
Derivative financial instruments					
Equity derivatives	Level 2 and level 3	Industry standard models	The models calculate fair value based on input parameters such as stock prices, dividends, volatilities, interest rates, equity repo curves and, for multi-asset products, correlations. Unobservable model inputs are determined by reference to liquid market instruments and applying extrapolation techniques to match the appropriate risk profile.	Market interest rates and curves	Volatilities
Loans and advances to customers					
Investment banking book*	Level 3	Discounted cash flows	The future cash flows are discounted using a market related interest rate. To calculate the fair value of credit the Group uses a valuation methodology based on the credit spread matrix, which considers loss given default, tenor and the internal credit committee rating criteria. The fair value measurement includes the original credit spread and is repriced when there is a change in rating of the counterparty. A decline in credit rating would result in an increase in the spread above the base rate for discounting purposes and consequently a reduction of the fair value of the advance.	Market interest rates and curves	Credit inputs
Other loans and advances	Level 2 and level 3	Discounted cash flows	The future cash flows are discounted using a market related interest rate adjusted for credit inputs, over the contractual period.	Market interest rates and curves	Credit inputs
Investment securities and other investments					
Equities/bonds listed in an inactive market	Level 2	Discounted cash flows	For listed equities and bonds, the listed price is used where the market is active (i.e. level 1). However if the market is not active and the listed price is not representative of fair value, these are classified as level 2 and a valuation technique is used, for example the discounted cash flow is used for listed bonds. This will be based on risk parameters of comparable securities and the potential pricing difference in spread and/or price terms with the traded comparable is considered. The future cash flows are discounted using a market-related interest rate.	Market interest rates and curves	Not applicable
Unlisted bonds	Level 2 and level 3	Discounted cash flows	Unlisted bonds are valued similarly to advances measured at fair value. The future cash flows are discounted using a market related interest rate adjusted for credit inputs, over the contractual period.	Market interest rates and curves	Credit inputs

* *The Group has elected to designate the investment banking book of advances at fair value through profit or loss. Credit risk is not observable and has a significant impact on the fair value measurement of these advances and as such, these advances are classified as level 3 on the fair value hierarchy.*

FAIR VALUE HIERARCHY AND MEASUREMENTS continued

Instrument	Fair value hierarchy level	Valuation technique	Description of valuation technique and main assumptions	Observable inputs	Significant unobservable inputs of level 3 items
Investment securities and other investments					
Unlisted equities	Level 2 and level 3	Price earnings (P/E) model	For unlisted equities, the earnings included in the model are derived from a combination of historical and budgeted earnings depending on the specific circumstances of the entity whose equity is being valued. The P/E multiple is derived from current market observations taking into account an appropriate discount for unlisted companies. The valuation of these instruments may be corroborated by a discounted cash flow valuation or by the observation of other market transactions that have taken place.	Market transactions	Growth rates and P/E ratios
Negotiable certificates of deposit	Level 2	Discounted cash flows	Future cash flows are discounted using a market-related interest rate. Inputs to these models include information that is consistent with similar market quoted instruments, where available.	Market interest rates and curves	Not applicable
Treasury bills	Level 2	BESA bond pricing model	The BESA bond pricing model uses the BESA mark-to-market bond yield.	Market interest rates and curves	Not applicable
Non-recourse investments	Level 2	Discounted cash flows	Future cash flows are discounted using a discount rate which is determined as a base rate plus a spread. The base rate is determined by the legal agreements as either a bond or swap curve. The spread approximates the level of risk attached to the cash flows. When there is a change in the base rate in the market, the valuation is adjusted accordingly. The valuation model is calibrated to reflect transaction price at initial recognition.	Market interest rates and curves	Not applicable
Deposits					
Call and non-term deposits	Level 2	None – the undiscounted amount is used	The undiscounted amount of the deposit is the fair value due to the short term nature of the instruments. These deposits are financial liabilities with a demand feature and the fair value is not less than the amount payable on demand i.e. the undiscounted amount of the deposit.	None – the undiscounted amount approximates fair value and no valuation is performed	Not applicable
Non-recourse deposits	Level 2	Discounted cash flows	Fair value for interest rate and foreign exchange risk with no valuation adjustment for own credit risk. Valuation adjustments are affected for changes in the applicable credit ratings of the assets.	Market interest rates and foreign exchange rates, and credit inputs	Not applicable

Instrument	Fair value hierarchy level	Valuation technique	Description of valuation technique and main assumptions	Observable inputs	Significant unobservable inputs of level 3 items
Deposits					
Deposits that represent collateral on credit linked notes	Level 3	Discounted cash flows	These deposits represent the collateral leg of credit linked notes. The forward curve adjusted for liquidity premiums and business unit margins. The valuation methodology does not take early withdrawals and other behavioural aspects into account.	Market interest rates and curves	Credit inputs on related advance
Other deposits	Level 2 and level 3	Discounted cash flows	The forward curve adjusted for liquidity premiums and business unit margins. The valuation methodology does not take early withdrawals and other behavioural aspects into account.	Market interest rates and curves	Credit inputs
Other liabilities and Tier 2 liabilities	Level 2	Discounted cash flows	Future cash flows are discounted using a market-related interest rate.	Market interest rates and curves	Not applicable
Financial assets and liabilities not measured at fair value but for which fair value is disclosed	Level 2 and level 3	Discounted cash flows	Future cash flows are discounted using a market-related interest rate and curves adjusted for credit inputs.	Market interest rates and curves	Credit inputs

During the current reporting period there were no changes in the valuation techniques used by the Group.

FAIR VALUE HIERARCHY AND MEASUREMENTS continued

The following table presents the fair value measurements and fair value hierarchy of financial assets and liabilities of the Group recognised at fair value:

	As at 31 December 2013			
R million	Level 1	Level 2	Level 3	Total fair value
Assets				
Derivative financial instruments	**8**	**44 079**	**134**	**44 221**
Advances*	**–**	**34 649**	**129 686**	**164 335**
Investment securities and other investments	**60 162**	**41 555**	**5 020**	**106 737**
Non-recourse investments	**–**	**19 696**	**–**	**19 696**
Total financial assets measured at fair value	**60 170**	**139 979**	**134 840**	**334 989**
Liabilities				
Short trading positions	**5 532**	**–**	**–**	**5 532**
Derivative financial instruments	**24**	**48 801**	**11**	**48 836**
Deposits	**6**	**85 342**	**1 017**	**86 365**
Non-recourse deposits	**–**	**19 696**	**–**	**19 696**
Other liabilities	**–**	**171**	**–**	**171**
Tier 2 liabilities	**–**	**1 041**	**–**	**1 041**
Total financial liabilities measured at fair value	**5 562**	**155 051**	**1 028**	**161 641**

* *Although the fair value of credit is not significant year-on-year it may become significant in future. For this reason, together with the fact that the majority of South African counterparties do not have actively traded or observable credit spreads, the Group has classified loans and advances to customers in level 3 of the fair value hierarchy. In the event that credit spreads are observable for a counterparty, loans and advances to customers are classified as level 2 of the fair value hierarchy.*

There were no transfers of financial instruments between level 1 and level 2 during the current reporting period.

ADDITIONAL DISCLOSURES FOR LEVEL 3 FINANCIAL INSTRUMENTS

Changes in level 3 financial instruments

The following tables show a reconciliation of the opening and closing balances for financial assets and liabilities classified as level 3 in terms of the fair value hierarchy.

	As at 31 December 2013								
R million	Fair value on 30 June 2013	Gains/ losses recog-nised in profit or loss	Gains/ losses recog-nised in other compre-hensive income	Pur-chases, sales, issues and settle-ments	Acqui-sitions/ disposals of sub-sidiaries	Transfers into level 3	Transfer out of level 3	Exchange rate differ-ences	Fair value on 31 Dec 2013
Assets									
Derivative financial instruments	**110**	**20**	**–**	**(4)**	**–**	**8**	**–**	**–**	**134**
Advances	**116 749**	**1 818**	**–**	**10 708**	**–**	**–**	**–**	**411**	**129 686**
Investment securities and other investments	**5 330**	**70**	**54**	**(433)**	**3**	**–**	**(14)**	**10**	**5 020**
Total financial assets measured at fair value in level 3	**122 189**	**1 908**	**54**	**10 271**	**3**	**8**	**(14)**	**421**	**134 840**
Liabilities									
Derivative financial instruments	**–**	**1**	**–**	**–**	**–**	**10**	**–**	**–**	**11**
Deposits	**1 517**	**196**	**–**	**(727)**	**–**	**19**	**–**	**12**	**1 017**
Total financial liabilities measured at fair value in level 3	**1 517**	**197**	**–**	**(727)**	**–**	**29**	**–**	**12**	**1 028**

Note: Decreases in the value of level 3 assets and liabilities are indicated with brackets. Decreases in the value of assets may be as a result of losses, sales and settlements or the disposal of subsidiaries. Decreases in the value of liabilities may be as a result of gains, settlements or the disposal of subsidiaries.

During the current reporting period derivative financial instruments and deposits to the value of R37 million were transferred out of level 2 into level 3. This transfer was as a result of certain unobservable inputs becoming significant to the calculation of fair value in current reporting periods. Investment securities to the value of R14 million were transferred out of level 3 and into level 1. The transfer into level 1 was as a result of these investment securities becoming listed on an exchange in an active market during the current period.

ADDITIONAL DISCLOSURES FOR LEVEL 3 FINANCIAL INSTRUMENTS (continued)

Unrealised gains or losses on level 3 financial instruments

The Group classifies financial assets or liabilities in level 3 of the fair value hierarchy when the significant inputs into the valuation model are not observable. In addition the valuation model for level 3 financial assets or liabilities typically also relies on a number of inputs that are readily observable either directly or indirectly. Thus, the gains and losses presented below include changes in the fair value related to both observable and unobservable inputs.

The table below presents the total gains/losses relating to fair value remeasurement of financial assets and liabilities classified in level 3 that are still held at reporting date. With the exception of interest on funding instruments and available-for-sale financial assets, all of the gains or losses are recognised in non-interest income.

	As at 31 December 2013		
R million	Gains/losses recognised in the income statement	Gains/losses recognised in other comprehensive income	Total gains/losses
Assets			
Derivative financial instruments	**25**	**–**	**25**
Advances*	**1 320**	**–**	**1 320**
Investment securities and other investments	**131**	**16**	**147**
Total	**1 476**	**16**	**1 492**
Liabilities			
Derivative financial instruments	**10**	**–**	**10**
Deposits	**157**	**–**	**157**
Total	**167**	**–**	**167**

* *Amount mainly comprises of accrued interest on the fair value loans and advances and movements in interest rates that have been hedged.*

Note: Decreases in the value of level 3 assets and liabilities are indicated with brackets. Decreases in the value of assets may be as a result of losses recognised in profit or loss and other comprehensive income. Decreases in the value of liabilities may be as a result of gains recognised in profit or loss.

Effect of changes in significant unobservable assumptions of level 3 financial instruments to reasonably possible alternatives

As described, the fair value of financial assets and liabilities that are classified in level 3 of the fair value hierarchy is determined using valuation techniques that make use of significant inputs that are not based on observable market data. These fair values could be sensitive to changes in the assumptions used to derive the inputs. The table below illustrates the sensitivity of the significant inputs when they are changed to reasonably possible alternative inputs:

	As at 31 December 2013				
				Reasonably possible alternative fair value	
R million	Significant unobservable inputs	Reasonably possible changes to significant unobservable inputs	Fair value	Using more positive assump-tions	Using more negative assump-tions
Assets					
Derivative financial instruments	**Volatilities**	**Volatilities are increased and decreased by 10%**	**134**	**190**	**113**
Advances	**Credit**	**Credit migration matrix***	**129 686**	**131 127**	**127 820**
Investment securities and other investments	**Growth rates and P/E ratios of unlisted investments**	**Unobservable inputs are increased and decreased by 10%**	**5 020**	**5 572**	**4 394**
Total financial assets measured at fair value in level 3			**134 840**	**136 889**	**132 327**
Liabilities					
Derivative financial instruments	**Volatilities**	**Volatilities are increased and decreased by 10%**	**11**	**11**	**11**
Deposits	**Credit risk of the cash collateral leg of credit linked notes**	**Credit migration matrix****	**1 017**	**916**	**1 117**
Total financial liabilities measured at fair value in level 3			**1 028**	**927**	**1 128**

* *The credit migration matrix is used as part of the Group's credit risk management process for advances measured at fair value through profit or loss. The matrix is a simulation model that contains a matrix of probabilities for downgrading or upgrading to another rating bucket. The migration matrix is based on actual observed rating migrations from S&P over the long term and is based on the fair value in the 75th percentile.*

** *The deposits included in level 3 of the hierarchy represent the collateral leg of credit linked notes. The most significant unobservable input in determining fair value of the credit linked notes is the credit risk component. The sensitivity to credit risk has been assessed in the same way as for advances using the credit migration matrix with the deposit representing the cash collateral component thereof.*

Other fair value measurements

The following represents the fair values of financial instruments not carried at fair value on the statement of financial position, for which fair value is required to be disclosed:

	As at 31 December 2013	
R million	Carrying amount	Fair value
Assets		
Advances	**471 108**	**467 257**
Investment securities and other investments	**848**	**848**
Total financial assets at amortised cost	**471 956**	**468 105**
Liabilities		
Deposits	**620 970**	**622 027**
Other liabilities	**4 412**	**4 260**
Tier 2 liabilities	**7 086**	**7 162**
Total financial liabilities at amortised cost	**632 468**	**633 449**

For all other financial instruments the carrying value is equal to or a reasonable approximation of the fair value.

Day 1 profit or loss

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the entry or exit price) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. Day 1 profit or loss arises on the initial recognition of a financial instrument when the fair value of the instrument is determined using a valuation technique that makes use of inputs that are not observable in an active market. In terms of IAS 39 if the fair value determined in accordance with such a valuation technique differs from the transaction price the initial recognition should take place at the transaction price. The day 1 profits or losses arising as a result of the difference between the two values should only be recognised over the life of the instrument as a result of changes that would also be considered by market participants.

The following table represents the aggregate difference between transaction price and fair value based on a valuation technique yet to be recognised in profit or loss:

R million	**2013**
Balance at 1 July	**28**
Day 1 profits or losses not recognised on financial instruments initially recognised in the current reporting period	**–**
Amount recognised in profit or loss as a result of changes which would be observable by market participants	**(4)**
Balance at 31 December	**24**

FINANCIAL INSTRUMENTS SUBJECT TO OFFSETTING, MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS

In accordance with IAS 32, the Group offsets financial assets and financial liabilities and presents the net amount in the statement of financial position only if there is both a legally enforceable right to offset and there is an intention to settle the amounts on a net basis or to realise the asset and settle the liability simultaneously. Financial assets and financial liabilities subject to master netting arrangements (MNA) or similar agreements are not offset if the right to offset under these agreements is only enforceable in the event of default, insolvency or bankruptcy.

The tables below include information about financial assets and financial liabilities that are:

- offset and the net amount presented in the Group's statement of financial position in accordance with the requirements of IAS 32; and
- subject to enforceable MNA or similar agreements where the amounts have not been offset because one or both of the requirements of IAS 32 are not met or the amounts relate to financial collateral (cash or non-cash) that mitigates credit risk.

	As at 31 December 2013		
	Financial instruments subject to offsetting agreements, master netting agreement and similar agreements		
		Amounts where offsetting is applied	
R million	Gross amount	Amounts set off	Net amount reported in the statement of financial position*
Assets			
Derivatives	**46 943**	**6 819**	**40 124**
Reverse repurchase, securities borrowing and similar arrangements	**31 606**	**7 627**	**23 979**
Other advances	**3 045**	**3 045**	**–**
Total	**81 594**	**17 491**	**64 103**
Liabilities			
Derivatives	**51 005**	**6 819**	**44 186**
Repurchase, securities lending and similar arrangements	**35 731**	**7 627**	**28 103**
Other deposits	**3 423**	**3 045**	**379**
Total	**90 159**	**17 491**	**72 668**

* *The net amount reported on the statement of financial position represents the net amount of financial assets and financial liabilities where offsetting has been applied in terms of IAS 32 and financial instruments that are subject to MNA and similar agreements but no offsetting has been applied.*

** *The financial collateral is limited to the net statement of financial position exposure in line with the requirements of IFRS 7 and excludes the effect of any over-collateralisation. The amount of collateral included in the table for IFRS 7 disclosure purposes has been determined at a business unit level. If these limits were determined on a Group-wide level, the amount of collateral included in this table could increase.*

\# *The total amount reported on the statement of financial position is the sum of the net amount and the amount of financial instruments not subject to set off or MNA.*

As at 31 December 2013				
Financial instruments subject to offsetting agreements, master netting agreement and similar agreements				
Amounts where offsetting is not applied				
Financial instruments subject to MNA and similar agreements	Financial collateral**	Net amount	Financial instruments not subject to set off or MNA	Total statement of financial position#
33 522	2 398	4 204	4 097	44 221
1 351	22 628	–	12 620	36 599
–	–	–	598 844	598 844
34 873	25 026	4 204	615 561	679 644
33 522	934	9 730	4 650	48 836
1 351	26 752	–	10 446	38 549
–	–	379	688 104	688 483
34 873	27 686	10 109	703 200	775 868

R million	As at 31 December 2012 Financial instruments subject to offsetting agreements, master netting agreement and similar agreements Gross amount	Amounts where offsetting is applied Amounts set off	Net amount reported in the statement of financial position*
Assets			
Derivatives	62 756	11 040	51 716
Reverse repurchase, securities borrowing and similar arrangements	46 121	12 335	33 786
Other advances	3 427	3 427	–
Total	112 304	26 802	85 502
Liabilities			
Derivatives	66 992	11 040	55 952
Repurchase, securities lending and similar arrangements	38 717	12 335	26 382
Other deposits	3 980	3 427	553
Total	109 689	26 802	82 887

* *The net amount reported on the statement of financial position represents the net amount of financial assets and financial liabilities where offsetting has been applied in terms of IAS 32 and financial instruments that are subject to MNA and similar agreements but no offsetting has been applied.*

** *The financial collateral is limited to the net statement of financial position exposure in line with the requirements of IFRS 7 and excludes the effect of any over-collateralisation. The amount of collateral included in the table for IFRS 7 disclosure purposes has been determined at a business unit level. If these limits were determined on a Group-wide level, the amount of collateral included in this table could increase.*

\# *The total amount reported on the statement of financial position is the sum of the net amount and the amount of financial instruments not subject to set off or MNA.*

As at 31 December 2012				
Financial instruments subject to offsetting agreements, master netting agreement and similar agreements				
Amounts where offsetting is not applied				
Financial instruments subject to MNA and similar agreements	Financial collateral**	Net amount	Financial instruments not subject to set off or MNA	Total statement of financial position#
45 349	1 240	5 127	4 535	56 251
1 955	31 831	–	10 419	44 205
–	–	–	521 244	521 244
47 304	33 071	5 127	536 198	621 700
45 349	2 891	7 712	2 332	58 284
1 955	24 427	–	6 583	32 965
–	–	553	617 857	618 410
47 304	27 318	8 265	626 772	709 659

R million	As at 30 June 2013 Financial instruments subject to offsetting agreements, master netting agreement and similar agreements Gross amount	Amounts where offsetting is applied Amounts set off	Net amount reported in the statement of financial position*
Assets			
Derivatives	56 216	8 179	48 037
Reverse repurchase, securities borrowing and similar arrangements	46 379	10 098	36 281
Other advances	2 861	2 861	–
Total	105 456	21 138	84 318
Liabilities			
Derivatives	57 689	8 179	49 510
Repurchase, securities lending and similar arrangements	40 311	10 098	30 213
Other deposits	3 294	2 861	433
Total	101 294	21 138	80 156

* *The net amount reported on the statement of financial position represents the net amount of financial assets and financial liabilities where offsetting has been applied in terms of IAS 32 and financial instruments that are subject to MNA and similar agreements but no offsetting has been applied.*

** *The financial collateral included in the table above is limited to the net statement of financial position exposure in line with the requirements of IFRS 7 and excludes the effect of any over-collateralisation. The amount of collateral included in the table for IFRS 7 disclosure purposes has been determined at a business unit level. If these limits were determined on a Group-wide level, the amount of collateral included in this table could increase.*

The total amount reported on the statement of financial position is the sum of the net amount and the amount of financial instruments not subject to set off or MNA.

Details of the offsetting and collateral arrangements

Derivative assets and liabilities

The Group's derivative transactions that are not transacted on an exchange are entered into under International Derivatives Swaps and Dealers Association (ISDA) master netting agreements. Generally, under such agreements the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example, when a credit event such as default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions (close-out netting).

The Group only offsets derivative financial assets and financial liabilities with a counterparty under ISDA agreements where the amounts are due on a single day and in the same currency. The Group's intention to settle these transactions on a net basis is evidenced by a past practice of settling similar transactions on a net basis. The remaining financial assets and financial liabilities (where amounts are not due on a single day and in the same currency) transacted under an ISDA agreement do not meet the IAS 32 requirements for offsetting. This is because a right of set off is created that is only enforceable in the event of default, insolvency or bankruptcy of the Group or the counterparties. These amounts are, however, included in the table above under the financial instruments subject to MNA and similar agreements column.

To mitigate credit risk financial collateral (mostly cash) is also obtained, often daily, for the net exposure between counterparties.

	As at 30 June 2013				
	Financial instruments subject to offsetting agreements, master netting agreement and similar agreements				
	Amounts where offsetting is not applied				
	Financial instruments subject to MNA and similar agreements	Financial collateral**	Net amount	Financial instruments not subject to set off or MNA	Total statement of financial position#
	39 543	3 029	5 465	4 240	52 277
	1 179	35 102	–	4 281	40 562
	–	–	–	560 503	560 503
	40 722	38 131	5 465	569 024	653 342
	39 543	726	9 241	3 498	53 008
	1 179	29 034	–	7 560	37 773
	–	–	433	658 829	659 262
	40 722	29 760	9 674	669 887	750 043

Repurchase, reverse repurchase and securities borrowing and lending transactions

The Group's repurchase, reverse repurchase and securities borrowing and lending transactions are covered by master agreements with netting terms similar to those of the ISDA master netting agreements. These financial assets and financial liabilities with the same counterparty are only set off in the statement of financial position if they are due on a single day, denominated in the same currency and the Group has the intention to settle these amounts on a net basis.

The Group receives and accepts collateral for these transactions in the form of cash and other investments and investment securities.

Other advances and deposits

The advances and deposits that are offset relate to transactions where the Group has a legally enforceable right to offset the amounts and the Group has the intention to settle the net amount.

HEADLINE EARNINGS ADDITIONAL DISCLOSURE

Set out below is additional information pertaining to *Section 1 of Circular 02/2013 – Sector-Specific Rules for Headline Earnings.*

Issue 1 – Remeasurement relating to private equity activities (associates and joint ventures, excluding any private equity investments carried at fair value in terms of IAS 39) regarded as operating or trading activities

	Six months ended 31 December			Year ended 30 June
R million	**2013**	2012	% change	2013
Aggregate cost of portfolio	**3 141**	2 635	19	2 431
Aggregate carrying value	**4 722**	3 971	19	4 000
Aggregate fair value*	**6 823**	5 469	25	5 762
Equity-accounted income**	**188**	150	25	522
Profit on realisation#	**(11)**	328	(>100)	402

* *Aggregate fair value is disclosed including non-controlling interests.*
** *Income from associates is disclosed post-tax.*
# *Profit on realisation is disclosed post-tax and non-controlling interests.*

Issue 2 – Capital appreciation on investment products

	Six months ended 31 December			Year ended 30 June
R million	**2013**	2012	% change	2013
Carrying value of investment properties	**458**	452	1	459
Fair value of investment properties	**458**	452	1	459
Capital appreciation after tax	**–**	–		7

RESTATEMENT OF PRIOR YEAR NUMBERS

DESCRIPTION OF RESTATEMENTS

IFRS 10, IFRS 11, IFRS 12, IAS 27R and IAS 28R

Under IFRS 10 there is one approach for determining consolidation of all entities based on concepts of power, variability of returns and linkage. The application of control will be applied irrespective of the nature of the investee. The Group has control over an investee when the Group is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 11 places more focus on the investors' rights and obligations than on the structure of the arrangement when determining whether a joint arrangement exists.

IFRS 12 is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including unconsolidated structured entities. The standard impacts disclosure only and has no impact on recognition and measurement.

The adoption of IFRS 10 and 11 resulted in the following:

- Reclassification of a number of entities between associates and joint ventures. As it has always been the Group's policy to account for joint ventures in accordance with the equity accounting method, reclassification did not result in a change in measurement.
- A number of structured entities no longer meet the control criteria in terms of IFRS 10 and consequently are no longer consolidated.
- An investment previously classified as an associate was considered to be controlled under IFRS 10.
- Insurance cell captives do not meet the definition of asset silos in terms of IFRS 10 and do not qualify for consolidation. The cell captives are now treated as profit share arrangements and the income arising from the arrangements is included in other non-interest revenue and the unsettled income in accounts receivable. Certain insurance contracts of the cells are now considered to be plan assets in terms of IAS 19.

IAS 19

Amendments to IAS 19 require that all actuarial gains and losses in respect of defined benefit post-employment plans are recognised in other comprehensive income. In addition, the standard no longer requires the expected return on plan assets to be recognised in profit or loss, rather a net interest income/expense be recognised on the net asset or liability. All other remeasurements relating to plan assets are also recognised in other comprehensive income.

Loans to associates

In accordance with IAS 28, the Group's net investment in associates and joint ventures includes loans for which settlement is neither planned nor likely in the foreseeable future. The Group historically included these loans as part of investment in associates and joint ventures and reflected these on the statement of financial position.

Given the underlying debt nature of these loans and developing industry practice, the Group has decided to present these as advances. The loans will continue to form part of the Group's net investment in associates or joint ventures for purposes of determining the share of losses of the investee attributable to the Group and for impairment.

The change in presentation had no impact on the net asset value of the Group, only on the classification of items on the statement of financial position.

RESTATED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 – IFRS

R million	As previously reported	IFRS 10 and 11	IAS 19	Reclass-ification of loans to associates	Restated
Net interest income before impairment of advances	12 376	30	–	2	12 408
Impairment of advances	(2 259)	–	–	9	(2 250)
Net interest income after impairment of advances	10 117	30	–	11	10 158
Non-interest income	15 735	(498)	–	–	15 237
Income from operations	25 852	(468)	–	11	25 395
Operating expenses	(15 652)	303	7	(11)	(15 353)
Net income from operations	10 200	(165)	7	–	10 042
Share of profit of associates and joint ventures after tax	298	(5)	–	–	293
Income before tax	10 498	(170)	7	–	10 335
Indirect tax	(462)	–	–	–	(462)
Profit before tax	10 036	(170)	7	–	9 873
Income tax expense	(2 462)	207	–	–	(2 255)
Profit for the period	7 574	37	7	–	7 618
Attributable to:					
Ordinary equityholders	7 019	79	7	–	7 105
NCNR preference shareholders	150	–	–	–	150
Equityholders of the Group	7 169	79	7	–	7 255
Non-controlling interests	405	(42)	–	–	363
Profit for the period	7 574	37	7	–	7 618

RESTATED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 – IFRS

R million	As previously reported	IFRS 10 and 11	IAS 19	Reclassification of loans to associates	Restated
Profit for the period	7 574	37	7	–	7 618
Items that may subsequently be reclassified to profit or loss					
Cash flow hedges	(89)	–	–	–	(89)
Losses arising during the period	(453)	–	–	–	(453)
Reclassification adjustments for amounts included in profit or loss	329	–	–	–	329
Deferred income tax	35	–	–	–	35
Available-for-sale financial assets	445	(14)	–	–	431
Gains arising during the period	579	(14)	–	–	565
Reclassification adjustments for amounts included in profit or loss	(1)	–	–	–	(1)
Deferred income tax	(133)	–	–		(133)
Exchange differences on translating foreign operations	323	(8)	–	–	315
Gains arising during the period	323	(8)	–	–	315
Share of other comprehensive income of associates and joint ventures after tax and non-controlling interests	24	–	–	–	24
Items that may not be reclassified to profit or loss					
Actuarial losses on defined benefit pension plans	–	–	(22)	–	(22)
Losses arising during the period	–	–	(32)	–	(32)
Deferred income tax relating to items that will not be reclassified	–	–	10	–	10
Other comprehensive income for the period	703	(22)	(22)	–	659
Total comprehensive income for the period	8 277	15	(15)	–	8 277
Attributable to:					
Ordinary equityholders	7 703	60	(15)	–	7 748
NCNR preference shareholders	150	–	–	–	150
Equityholders of the Group	7 853	60	(15)	–	7 898
Non-controlling interests	424	(45)	–	–	379
Total comprehensive income for the period	8 277	15	(15)	–	8 277

RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2012 – IFRS

R million	As previously reported	IFRS 10 and 11	IAS 19	Reclass-ification of loans to associates	Restated
ASSETS					
Cash and cash equivalents	52 695	(1 125)	–	–	51 570
Derivative financial instruments	56 502	(251)	–	–	56 251
Commodities	8 003	–	–	–	8 003
Accounts receivable	6 400	385	–	(30)	6 755
Current tax asset	606	(4)	–	–	602
Advances	563 038	592	–	1 819	565 449
Investment securities and other investments	113 944	(3 071)	–	–	110 873
Investments in associates and joint ventures	7 040	1	–	(1 789)	5 252
Property and equipment	13 207	(687)	–	–	12 520
Intangible assets	1 557	–	–	–	1 557
Reinsurance assets	846	–	–	–	846
Post-employment benefit asset	8	–	(8)	–	–
Investment properties	452	–	–	–	452
Deferred income tax asset	524	(169)	–	–	355
Non-current assets and disposal groups held for sale	505	–	–	–	505
Total assets	825 327	(4 329)	(8)	–	820 990
EQUITY AND LIABILITIES					
Liabilities					
Short trading positions	9 219	–	–	–	9 219
Derivative financial instruments	58 284	–	–	–	58 284
Creditors and accruals	8 788	(55)	–	–	8 733
Current tax liability	289	(54)	–	–	235
Deposits	651 349	26	–	–	651 375
Provisions	584	–	–	–	584
Employee liabilities	6 671	(2 591)	557	–	4 637
Other liabilities	5 401	(579)	–	–	4 822
Policyholder liabilities under insurance contracts	1 543	(436)	–	–	1 107
Deferred income tax liability	1 498	(318)	–	–	1 180
Tier 2 liabilities	8 120	–	–	–	8 120
Liabilities directly associated with disposal groups held for sale	83	–	–	–	83
Total liabilities	751 829	(4 007)	557	–	748 379
Equity					
Ordinary shares	55	–	–	–	55
Share premium	5 387	214	–	–	5 601
Reserves	60 832	(427)	(565)	–	59 840
Capital and reserves attributable to ordinary equityholders	66 274	(213)	(565)	–	65 496
NCNR preference shareholders	4 519	–	–	–	4 519
Capital and reserves attributable to equityholders of the Group	70 793	(213)	(565)	–	70 015
Non-controlling interests	2 705	(109)	–	–	2 596
Total equity	73 498	(322)	(565)	–	72 611
Total equity and liabilities	825 327	(4 329)	(8)	–	820 990

RESTATED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013 – IFRS

R million	As previously reported	IFRS 10 and 11	IAS 19	Reclass-ification of loans to associates	Restated
Net interest income before impairment of advances	24 715	54	–	–	24 769
Impairment of advances	(4 812)	20	–	(15)	(4 807)
Net interest income after impairment of advances	19 903	74	–	(15)	19 962
Non-interest income	31 614	(880)	–	–	30 734
Income from operations	51 517	(806)	–	(15)	50 696
Operating expenses	(31 486)	667	15	–	(30 804)
Net income from operations	20 031	(139)	15	(15)	19 892
Share of profit of associates and joint ventures after tax	824	(15)	–	15	824
Income before tax	20 855	(154)	15	–	20 716
Indirect tax	(645)	–	–	–	(645)
Profit before tax	20 210	(154)	15	–	20 071
Income tax expense	(4 532)	415	–	–	(4 117)
Profit for the year	15 678	261	15	–	15 954
Attributable to:					
Ordinary equityholders	14 539	231	15	–	14 785
NCNR preference shareholders	297	–	–	–	297
Equityholders of the Group	14 836	231	15	–	15 082
Non-controlling interests	842	30	–	–	872
Profit for the year	15 678	261	15	–	15 954

RESTATED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013 – IFRS

R million	As previously reported	IFRS 10 and 11	IAS 19	Reclass-ification of loans to associates	Restated
Profit for the year	15 678	261	15	–	15 954
Items that may subsequently be reclassified to profit or loss					
Cash flow hedges	853	–	–	–	853
Gains arising during the year	417	–	–	–	417
Reclassification adjustments for amounts included in profit or loss	768	–	–	–	768
Deferred income tax	(332)	–	–	–	(332)
Available-for-sale financial assets	(89)	(15)	–	–	(104)
Losses arising during the year	(102)	(15)	–	–	(117)
Reclassification adjustments for amounts included in profit or loss	(33)	–	–	–	(33)
Deferred income tax	46	–	–	–	46
Exchange differences on translating foreign operations	990	8	–	–	998
Gains arising during the year	990	8	–	–	998
Share of other comprehensive income of associates and joint ventures after tax and non-controlling interests	129	–	–	–	129
Items that may not be reclassified to profit or loss					
Actuarial gains on defined benefit pension plans	–	–	22		22
Gains arising during the year	–	–	30		30
Deferred income tax relating to items that will not be reclassified	–	–	(8)		(8)
Other comprehensive income for the year	1 883	(7)	22	–	1 898
Total comprehensive income for the year	17 561	254	37	–	17 852
Attributable to:					
Ordinary equityholders	16 358	230	37	–	16 625
NCNR preference shareholders	297	–	–	–	297
Equityholders of the Group	16 655	230	37	–	16 922
Non-controlling interests	906	24	–	–	930
Total comprehensive income for the year	17 561	254	37	–	17 852

RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013 – IFRS

R million	As previously reported	IFRS 10 and 11	IAS 19	Reclass-ification of loans to associates	Restated
ASSETS					
Cash and cash equivalents	49 620	(1 055)	–	–	48 565
Derivative financial instruments	52 316	(39)	–	–	52 277
Commodities	6 016	–	–	–	6 016
Accounts receivable	7 471	333	–	–	7 804
Current tax asset	275	(9)	–	–	266
Advances	598 975	488	–	1 602	601 065
Investment securities and other investments	131 293	(2 905)	–	–	128 388
Investments in associates and joint ventures	6 992	6	–	(1 602)	5 396
Property and equipment	14 058	(605)	–	–	13 453
Intangible assets	1 169	–	–	–	1 169
Reinsurance assets	394	–	–	–	394
Post-employment benefit asset	13	–	(13)	–	–
Investment properties	459	–	–	–	459
Deferred income tax asset	598	(138)	–	–	460
Non-current assets and disposal groups held for sale	20	–	–	–	20
Total assets	869 669	(3 924)	(13)	–	865 732
EQUITY AND LIABILITIES					
Liabilities					
Short trading positions	2 991	–	–	–	2 991
Derivative financial instruments	53 013	(5)	–	–	53 008
Creditors and accruals	11 155	(76)	–	–	11 079
Current tax liability	553	(40)	–	–	513
Deposits	697 005	30	–	–	697 035
Provisions	600	–	–	–	600
Employee liabilities	8 092	(2 546)	311	–	5 857
Other liabilities	6 669	(568)	–	–	6 101
Policyholder liabilities under insurance contracts	1 112	(466)	–	–	646
Deferred income tax liability	735	18	–	–	753
Tier 2 liabilities	8 116	–	–	–	8 116
Total liabilities	790 041	(3 653)	311	–	786 699
Equity					
Ordinary shares	55	–	–	–	55
Share premium	5 397	212	–	–	5 609
Reserves	66 733	(455)	(324)	–	65 954
Capital and reserves attributable to ordinary equityholders	72 185	(243)	(324)	–	71 618
NCNR preference shareholders	4 519	–	–	–	4 519
Capital and reserves attributable to equityholders of the Group	76 704	(243)	(324)	–	76 137
Non-controlling interests	2 924	(28)	–	–	2 896
Total equity	79 628	(271)	(324)	–	79 033
Total equity and liabilities	869 669	(3 924)	(13)	–	865 732

RESTATED RECONCILIATION OF IFRS CONDENSED CONSOLIDATED INCOME STATEMENT TO NORMALISED FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

			Normalised adjustments					
R million	As reported	IFRS adjust-ments	Treasury shares	IAS 19 adjust-ments	Impair-ment	Private equity subsidiary reali-sations	HEPS adjust-ments	As restated
Net interest income before impairment of advances	13 606	32	(9)	–	–	–	–	13 629
Impairment of advances	(2 518)	9	–	–	–	–	–	(2 509)
Net interest income after impairment of advances	11 088	41	(9)	–	–	–	–	11 120
Non-interest income	14 237	(498)	4	–	–	7	(13)	13 737
Income from operations	25 325	(457)	(5)	–	–	7	(13)	24 857
Operating expenses	(15 120)	299	–	(78)	248	–	8	(14 643)
Net income from operations	10 205	(158)	(5)	(78)	248	7	(5)	10 214
Share of profit of associates and joint ventures after tax	289	(5)	–	–	–	–	–	284
Income before tax	10 494	(163)	(5)	(78)	248	7	(5)	10 498
Indirect tax	(462)	–	–	–	–	–	–	(462)
Profit before tax	10 032	(163)	(5)	(78)	248	7	(5)	10 036
Income tax expense	(2 442)	207	–	22	(69)	–	–	(2 282)
Profit for the period	7 590	44	(5)	(56)	179	7	(5)	7 754
Attributable to:								
Non-controlling interests	(405)	42	–	–	–	–	2	(361)
NCNR preference shareholders	(150)	–	–	–	–	–	–	(150)
Ordinary equityholders of the Group	7 035	86	(5)	(56)	179	7	(3)	7 243
Headline and normalised earnings adjustments	183	–	–	–	(179)	(7)	3	–
Normalised earnings	7 218	86	(5)	(56)	–	–	–	7 243

RESTATED RECONCILIATION OF IFRS CONDENSED CONSOLIDATED INCOME STATEMENT TO NORMALISED FOR THE YEAR ENDED 30 JUNE 2013

			Normalised adjustments				
R million	As reported	IFRS adjust-ments	Treasury shares	IAS 19 adjust-ments	Private equity subsidiary reali-sations	HEPS adjust-ments	As restated
Net interest income before impairment of advances	28 064	54	(18)	–	–	–	28 100
Impairment of advances	(5 705)	5	–	–	–	–	(5 700)
Net interest income after impairment of advances	22 359	59	(18)	–	–	–	22 400
Non-interest income	28 244	(880)	12	–	42	(153)	27 265
Income from operations	50 603	(821)	(6)	–	42	(153)	49 665
Operating expenses	(29 645)	682	–	(153)	–	52	(29 064)
Net income from operations	20 958	(139)	(6)	(153)	42	(101)	20 601
Share of profit of associates and joint ventures after tax	817	–	–	–	–	(14)	803
Income before tax	21 775	(139)	(6)	(153)	42	(115)	21 404
Indirect tax	(645)	–	–	–	–	–	(645)
Profit before tax	21 130	(139)	(6)	(153)	42	(115)	20 759
Income tax expense	(4 682)	415	–	43	–	34	(4 190)
Profit for the year	16 448	276	(6)	(110)	42	(81)	16 569
Attributable to:							
Non-controlling interests	(842)	(30)	–	–	–	20	(852)
NCNR preference shareholders	(297)	–	–	–	–	–	(297)
Ordinary equityholders of the Group	15 309	246	(6)	(110)	42	(61)	15 420
Headline and normalised earnings adjustment	14	(33)	–	–	(42)	61	–
Normalised earnings	15 323	213	(6)	(110)	–	–	15 420

CONTINGENCIES AND COMMITMENTS

R million	As at 31 December 2013	As at 31 December 2012	% change	As at 30 June 2013
Contingencies				
Guarantees	**33 463**	22 363	50	30 137
Acceptances	**278**	285	(2)	270
Letters of credit	**7 703**	8 688	(11)	8 925
Total contingencies	**41 444**	31 336	32	39 332
Capital commitments				
Contracted capital commitments	**1 653**	1 496	10	1 585
Capital expenditure authorised not yet contracted	**988**	1 390	(29)	1 902
Total capital commitments	**2 641**	2 886	(8)	3 487
Other commitments				
Irrevocable commitments	**81 411**	73 059	11	78 783
Operating lease and other commitments	**3 099**	3 225	(4)	3 113
Total other commitments	**84 510**	76 284	11	81 896
Total contingencies and commitments	**128 595**	110 506	16	124 715

NUMBER OF ORDINARY SHARES IN ISSUE

	Six months ended 31 December		Year ended 30 June
	2013	2012	2013
Shares in issue			
Opening balance as at 1 July	**5 637 941 689**	5 637 941 689	5 637 941 689
Less: treasury shares	**(151 111 993)**	(152 173 643)	(151 111 993)
– BEE staff trusts	**(151 401 072)**	(151 401 072)	(151 401 072)
– Shares held by policyholders	**289 079**	(772 571)	289 079
Number of shares in issue (after treasury shares)	**5 486 829 696**	5 485 768 046	5 486 829 696
Weighted average number of shares			
Weighted average number of shares before treasury shares	**5 637 941 689**	5 637 941 689	5 637 941 689
Less: treasury shares	**(151 111 993)**	(155 357 566)	(155 454 963)
– Staff schemes	**–**	(446 141)	(446 141)
– BEE staff trusts	**(151 401 072)**	(151 401 072)	(151 401 072)
– Policyholder and mutual funds deemed treasury shares	**289 079**	(3 510 353)	(3 607 750)
Weighted average number of shares in issue	**5 486 829 696**	5 482 584 123	5 482 486 726
Dilution impact:			
Staff schemes	**111 716**	27 239 533	25 846 994
BEE staff trusts	**49 650 335**	38 779 450	41 690 956
Diluted weighted average number of shares in issue	**5 536 591 747**	5 548 603 106	5 550 024 676
Number of shares for normalised earnings per share calculation			
Actual weighted average and diluted weighted average number of shares for calculation of normalised earnings and diluted earnings per share	**5 637 941 689**	5 637 941 689	5 637 941 689

KEY MARKET INDICATORS AND SHARE STATISTICS

	Six months ended 31 December			Year ended 30 June
	2013	2012	% change	2013
Market indicators				
USD/ZAR exchange rate				
– Closing	**10.51**	8.51	24	10.01
– Average	**10.07**	8.48	19	8.84
SA prime overdraft (%)	**8.50**	8.50		8.50
SA average prime overdraft (%)	**8.50**	8.55		8.52
SA average CPI (%)	**5.82**	5.37		5.53
JSE All Share Index	**46 256**	39 250	18	39 578
JSE Banks Index	**57 745**	53 362	8	49 961
Share statistics				
Share price				
– High for the period (cents)	**3 649**	3 133	16	3 359
– Low for the period (cents)	**2 765**	2 515	10	2 515
– Closing (cents)	**3 589**	3 100	16	2 893
Shares traded				
– Number of shares (millions)	**1 259**	1 542	(18)	3 398
– Value of shares (R million)	**40 840**	43 323	(6)	99 406
– Turnover in shares traded (%)	**23.05**	27.00		62.22

SHARE PRICE PERFORMANCE

	Six months ended 31 December			Year ended 30 June
	2013	2012	% change	2013
FirstRand average share price (cents)	**3 233**	2 830	14	2 957
JSE Bank Index (average)	**53 624**	49 106	9	50 655
JSE All Share Index (average)	**43 380**	36 336	19	38 194

COMPANY INFORMATION

DIRECTORS

LL Dippenaar (Chairman), SE Nxasana (Chief executive officer), VW Bartlett, JJH Bester, MS Bomela, JP Burger (Deputy chief executive officer), P Cooper (alternate), L Crouse, JJ Durand, GG Gelink, PM Goss, NN Gwagwa, PK Harris, WR Jardine, HS Kellan (Financial director), EG Matenge-Sebesho, AT Nzimande, D Premnarayen (India), KB Schoeman, BJ van der Ross, JH van Greuning

SECRETARY AND REGISTERED OFFICE

C Low
4 Merchant Place, Corner Fredman Drive and Rivonia Road
Sandton 2196
PO Box 650149, Benmore 2010
Tel: +27 11 282 1808
Fax: +27 11 282 8088
Website: www.firstrand.co.za

JSE SPONSOR

Rand Merchant Bank (a division of FirstRand Bank Limited)
Corporate Finance
1 Merchant Place, Corner Fredman Drive and Rivonia Road
Sandton 2196
Tel: +27 11 282 8000
Fax: +27 11 282 4184

JSE INDEPENDENT SPONSOR

PricewaterhouseCoopers Corporate Finance (Pty) Ltd
2 Eglin Road
Sunninghill
Sandton 2196

NAMIBIAN SPONSOR

Simonis Storm Securities (Pty) Ltd
4 Koch Street
Klein Windhoek
Namibia

TRANSFER SECRETARIES – SOUTH AFRICA

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg 2001
PO Box 61051, Marshalltown 2107
Tel: +27 11 370 5000
Fax: +27 11 688 5248

TRANSFER SECRETARIES – NAMIBIA

Transfer Secretaries (Pty) Ltd
4 Robert Mugabe Avenue, Windhoek
PO Box 2401, Windhoek, Namibia
Tel: +264 612 27647
Fax: +264 612 48531

LISTED FINANCIAL INSTRUMENTS OF THE GROUP AND ITS SUBSIDIARIES

LISTED EQUITY INSTRUMENTS

JSE Limited (JSE)

Ordinary shares

Issuer	Share code	ISIN code
FirstRand Limited	FSR	ZAE000066304

Non-cumulative non-redeemable B preference shares

Issuer	Share code	ISIN code
FirstRand Limited	FSRP	ZAE000060141

Namibian Stock Exchange (NSX)

Ordinary shares

Issuer	Share code	ISIN code
FirstRand Limited	FST	ZAE000066304
FNB Namibia Holdings Limited	FNB	NA0003475176

Botswana Stock Exchange (BSE)

Ordinary shares

Issuer	Share code	ISIN code
First National Bank of Botswana Limited	FNBB	BW0000000066

LISTED DEBT INSTRUMENTS

JSE

	Issuer	Bond code	ISIN code
Subordinated debt	FirstRand Bank Limited	FRB03	ZAG000026774
	FirstRand Bank Limited	FRB05	ZAG000031337
	FirstRand Bank Limited	FRB08	ZAG000047796
	FirstRand Bank Limited	FRB09	ZAG000047804
	FirstRand Bank Limited	FRB10	ZAG000092487
	FirstRand Bank Limited	FRB11	ZAG000102054
Upper Tier 2	FirstRand Bank Limited	FRBC21	ZAG000052283
	FirstRand Bank Limited	FRBC22	ZAG000052390
Senior unsecured	FirstRand Bank Limited	FRBN04	ZAG000041005
	FirstRand Bank Limited	FRBN05	ZAG000042169
	FirstRand Bank Limited	FRBZ01	ZAG000049255
	FirstRand Bank Limited	FRBZ02	ZAG000072711
	FirstRand Bank Limited	FRBZ03	ZAG000080029
	FirstRand Bank Limited	FRJ14	ZAG000069683
	FirstRand Bank Limited	FRJ15	ZAG000094368
	FirstRand Bank Limited	FRJ16	ZAG000073826
	FirstRand Bank Limited	FRJ17	ZAG000094343

	Issuer	Bond code	ISIN code
Senior unsecured	FirstRand Bank Limited	FRJ18	ZAG000084187
	FirstRand Bank Limited	FRJ19	ZAG000104563
	FirstRand Bank Limited	FRJ20	ZAG000109596
	FirstRand Bank Limited	FRS36	ZAG000077397
	FirstRand Bank Limited	FRS37	ZAG000077793
	FirstRand Bank Limited	FRS43	ZAG000078643
	FirstRand Bank Limited	FRS46	ZAG000079807
	FirstRand Bank Limited	FRS49	ZAG000081787
	FirstRand Bank Limited	FRS51	ZAG000086117
	FirstRand Bank Limited	FRS56	ZAG000087271
	FirstRand Bank Limited	FRS59	ZAG000089855
	FirstRand Bank Limited	FRS62	ZAG000090614
	FirstRand Bank Limited	FRS64	ZAG000092529
	FirstRand Bank Limited	FRS75	ZAG000096363
	FirstRand Bank Limited	FRS78	ZAG000097916
	FirstRand Bank Limited	FRS80	ZAG000100801
	FirstRand Bank Limited	FRS81	ZAG000100892
	FirstRand Bank Limited	FRS83	ZAG000102112
	FirstRand Bank Limited	FRS84	ZAG000104514
	FirstRand Bank Limited	FRS85	ZAG000104985
	FirstRand Bank Limited	FRS86	ZAG000105008
	FirstRand Bank Limited	FRS87	ZAG000105420
	FirstRand Bank Limited	FRS88	ZAG000106154
	FirstRand Bank Limited	FRS90	ZAG000106410
	FirstRand Bank Limited	FRS92	ZAG000106709
	FirstRand Bank Limited	FRS93	ZAG000107863
	FirstRand Bank Limited	FRS94	ZAG000107871
	FirstRand Bank Limited	FRS95	ZAG000107889
	FirstRand Bank Limited	FRS96	ZAG000108390
	FirstRand Bank Limited	FRS97	ZAG000108440
	FirstRand Bank Limited	FRS98	ZAG000108556
	FirstRand Bank Limited	FRS99	ZAG000109802
	FirstRand Bank Limited	FRX14	ZAG000079815
	FirstRand Bank Limited	FRX15	ZAG000051103
	FirstRand Bank Limited	FRX16	ZAG000084203
	FirstRand Bank Limited	FRX17	ZAG000094376
	FirstRand Bank Limited	FRX18	ZAG000076472
	FirstRand Bank Limited	FRX19	ZAG000073685
	FirstRand Bank Limited	FRX20	ZAG000109604
	FirstRand Bank Limited	FRX23	ZAG000104969
	FirstRand Bank Limited	FRX24	ZAG000073693
	FirstRand Bank Limited	FRX31	ZAG000084195
	FirstRand Bank Limited	FRX45	ZAG000076480

LISTED DEBT INSTRUMENTS

JSE *continued*

	Issuer	Bond code	ISIN code
Inflation-linked bonds	FirstRand Bank Limited	FRBI22	ZAG000079666
	FirstRand Bank Limited	FRBI23	ZAG000076498
	FirstRand Bank Limited	FRBI25	ZAG000109588
	FirstRand Bank Limited	FRBI28	ZAG000079237
	FirstRand Bank Limited	FRBI33	ZAG000079245
	FirstRand Bank Limited	FRI15	ZAG000051137
Credit-linked notes	FirstRand Bank Limited	FRC29	ZAG000069857
	FirstRand Bank Limited	FRC37	ZAG000076712
	FirstRand Bank Limited	FRC40	ZAG000081027
	FirstRand Bank Limited	FRC41	ZAG000081670
	FirstRand Bank Limited	FRC46	ZAG000082959
	FirstRand Bank Limited	FRC57	ZAG000086414
	FirstRand Bank Limited	FRC61	ZAG000087347
	FirstRand Bank Limited	FRC66	ZAG000088485
	FirstRand Bank Limited	FRC67	ZAG000088741
	FirstRand Bank Limited	FRC68	ZAG000088758
	FirstRand Bank Limited	FRC69	ZAG000088766
	FirstRand Bank Limited	FRC70	ZAG000088840
	FirstRand Bank Limited	FRC71	ZAG000088923
	FirstRand Bank Limited	FRC72	ZAG000088956
	FirstRand Bank Limited	FRC74	ZAG000089178
	FirstRand Bank Limited	FRC76	ZAG000089574
	FirstRand Bank Limited	FRC78	ZAG000089806
	FirstRand Bank Limited	FRC79	ZAG000089947
	FirstRand Bank Limited	FRC82	ZAG000090796
	FirstRand Bank Limited	FRC83	ZAG000090952
	FirstRand Bank Limited	FRC84	ZAG000090986
	FirstRand Bank Limited	FRC85	ZAG000091109
	FirstRand Bank Limited	FRC86	ZAG000091182
	FirstRand Bank Limited	FRC87	ZAG000091570
	FirstRand Bank Limited	FRC94A	ZAG000106725
	FirstRand Bank Limited	FRC95	ZAG000092792
	FirstRand Bank Limited	FRC96A	ZAG000106733
	FirstRand Bank Limited	FRC97	ZAG000093212
	FirstRand Bank Limited	FRC98	ZAG000093220
	FirstRand Bank Limited	FRC99	ZAG000093501
	FirstRand Bank Limited	FRC101	ZAG000093576
	FirstRand Bank Limited	FRC103	ZAG000093840
	FirstRand Bank Limited	FRC104	ZAG000093857
	FirstRand Bank Limited	FRC105	ZAG000093998
	FirstRand Bank Limited	FRC106	ZAG000093956
	FirstRand Bank Limited	FRC107	ZAG000094574
	FirstRand Bank Limited	FRC108	ZAG000094871
	FirstRand Bank Limited	FRC109	ZAG000094889
	FirstRand Bank Limited	FRC110	ZAG000094954
	FirstRand Bank Limited	FRC112	ZAG000095621
Credit-linked notes	FirstRand Bank Limited	FRC113	ZAG000095761
	FirstRand Bank Limited	FRC114	ZAG000095837
	FirstRand Bank Limited	FRC115	ZAG000095852
	FirstRand Bank Limited	FRC116	ZAG000095860
	FirstRand Bank Limited	FRC117	ZAG000095928
	FirstRand Bank Limited	FRC118	ZAG000096280
	FirstRand Bank Limited	FRC121	ZAG000096314
	FirstRand Bank Limited	FRC122	ZAG000096322
	FirstRand Bank Limited	FRC124	ZAG000096579
	FirstRand Bank Limited	FRC125	ZAG000096678
	FirstRand Bank Limited	FRC128	ZAG000096959
	FirstRand Bank Limited	FRC135	ZAG000097122
	FirstRand Bank Limited	FRC144	ZAG000097569
	FirstRand Bank Limited	FRC145	ZAG000097627
	FirstRand Bank Limited	FRC146	ZAG000099425
	FirstRand Bank Limited	FRC147	ZAG000099433
	FirstRand Bank Limited	FRC148	ZAG000099466
	FirstRand Bank Limited	FRC149	ZAG000099607
	FirstRand Bank Limited	FRC150	ZAG000099821
	FirstRand Bank Limited	FRC151	ZAG000099904
	FirstRand Bank Limited	FRC152	ZAG000100330
	FirstRand Bank Limited	FRC153	ZAG000100348
	FirstRand Bank Limited	FRC154	ZAG000100694
	FirstRand Bank Limited	FRC155	ZAG000101643
	FirstRand Bank Limited	FRC158	ZAG000101981
	FirstRand Bank Limited	FRC159	ZAG000101999
	FirstRand Bank Limited	FRC160	ZAG000102013
	FirstRand Bank Limited	FRC161	ZAG000102260
	FirstRand Bank Limited	FRC162	ZAG000102286
	FirstRand Bank Limited	FRC163	ZAG000102898
	FirstRand Bank Limited	FRC164	ZAG000103110
	FirstRand Bank Limited	FRC165	ZAG000103128
	FirstRand Bank Limited	FRC166	ZAG000103573
	FirstRand Bank Limited	FRC167	ZAG000104019
	FirstRand Bank Limited	FRC168	ZAG000104753
	FirstRand Bank Limited	FRC169	ZAG000104852
	FirstRand Bank Limited	FRC170	ZAG000105586
	FirstRand Bank Limited	FRC171	ZAG000105719
	FirstRand Bank Limited	FRC172	ZAG000105818
	FirstRand Bank Limited	FRC173	ZAG000105826
	FirstRand Bank Limited	FRC174	ZAG000105891
	FirstRand Bank Limited	FRC175	ZAG000106527
	FirstRand Bank Limited	FRC177	ZAG000107632
	FirstRand Bank Limited	FRC178	ZAG000107897
	FirstRand Bank Limited	FRC179	ZAG000108168
	FirstRand Bank Limited	FRC180	ZAG000108234
	FirstRand Bank Limited	FRC181	ZAG000108549

	Issuer	Bond code	ISIN code
Credit-linked notes	FirstRand Bank Limited	FRC182	ZAG000108713
	FirstRand Bank Limited	FRC183	ZAG000109356
	FirstRand Bank Limited	FRC184	ZAG000109992
	FirstRand Bank Limited	FRC185	ZAG000111451
	FirstRand Bank Limited	FRC186	ZAG000111576
	FirstRand Bank Limited	FRC187	ZAG000111584
Investment security index contracts	Rand Merchant Bank	RMBI01	ZAG000050865
	Rand Merchant Bank	RMBI02	ZAG000052986
	Rand Merchant Bank	RMBI03	ZAG000054032
	Rand Merchant Bank	RMBI04	ZAG000055013
	Rand Merchant Bank	RMBI05	ZAG000055864
	Rand Merchant Bank	RMBI06	ZAG000056722
	Rand Merchant Bank	RMBI07	ZAG000057910
	Rand Merchant Bank	RMBI08	ZAG000072265
Structured notes	FirstRand Bank Limited	COLRMB	ZAE000155222

NSX

	Issuer	Bond code	ISIN code
Subordinated debt	First National Bank of Namibia Limited	FNBJ22	NA000A1G3AF2
	First National Bank of Namibia Limited	FNBX22	NA000A1G3AG0

London Stock Exchange (LSE)
European medium term note (EMTN) programme

	Issuer	ISIN code
Senior unsecured	FirstRand Bank Limited	XS0610341967
	FirstRand Bank Limited	XS0595260141
	FirstRand Bank Limited	XS0635404477

SIMPLIFIED GROUP STRUCTURE

FIRSTRAND

Listed holding company (FirstRand Limited, JSE: FSR)

100%	100%	100%	100%
FIRSTRAND BANK LIMITED	FIRSTRAND EMA HOLDINGS LIMITED	FIRSTRAND INVESTMENT HOLDINGS (PTY) LTD (FRIHL)	ASHBURTON INVESTMENTS HOLDINGS LIMITED
Banking	**Africa and emerging markets**	**Other activities****	**Investment management**
100% First National Bank[1]	**59%** FNB Namibia	**96%** RMB Private Equity Holdings	**100%** Ashburton Fund Managers (Pty) Ltd
100% Rand Merchant Bank[1]	**69%** FNB Botswana	**93%** RMB Private Equity	**100%** Ashburton Investor Services (Pty) Ltd
100% WesBank[1]	**100%** FNB Swaziland	**100%** RMB Securities	**100%** Ashburton Management Company (Pty) Ltd
100% FirstRand Bank India[2]	**90%** FNB Mozambique	**50%** RMB Morgan Stanley	**100%** Ashburton Private Equity GP1 (Pty) Ltd
100% FirstRand Bank London[2,#]	**100%** FNB Zambia	**100%** RentWorks	**100%** FNB International Wealth Management Holdings Ltd
100% FirstRand Bank Kenya[3]	**100%** FNB Lesotho	**66%** Direct Axis	**100%** RMB CIS Management Company (Pty) Ltd
100% FirstRand Bank Angola[3]	**100%** FNB Tanzania	**100%** FirstRand International – Guernsey (includes RMB Australia Holdings)	
100% FirstRand Bank Dubai[3]	**100%** RMB Nigeria		
100% FirstRand Bank Shanghai[3]	**100%** FirstRand International – Mauritius		

Structure shows effective consolidated shareholding.

1. Division
2. Branch
3. Representative office

\# MotoNovo Finance is a business segment of FirstRand Bank Limited (London Branch).

** For segmental analysis purposes, entities included in FRIHL are reported as part of results of the managing franchise. The Group's securitisations and conduits are in FRIHL.

CREDIT RATINGS

FIRSTRAND BANK LIMITED

The credit ratings reflect FRB's strong market position as one of the Big Four banks in South Africa as well as its focused strategy, good core profitability, financial flexibility, robust risk management and sound capitalisation.

Credit ratings assigned by Standard & Poor's Ratings Services (S&P) as at 3 March 2014

	FirstRand Bank Limited	Sovereign rating South Africa
Foreign currency counterparty credit ratings		
Long-term	**BBB**	BBB
Outlook	**Negative**	Negative
Short-term	**A-2**	A-2
Local currency counterparty credit ratings		
Long-term	**BBB**	A-
Outlook	**Negative**	Negative
Short-term	**A-2**	A-2
National scale		
Long-term	**zaAA**	
Short-term	**zaA-1**	

On 14 February 2014, S&P affirmed FRB's ratings.

Credit ratings assigned by Moody's Investors Service (Moody's) as at 3 March 2014

	FirstRand Bank Limited	Sovereign rating South Africa
FRB foreign currency deposit ratings and sovereign foreign currency bond ratings		
Long-term	**Baa1**	Baa1
Outlook	**Negative**	Negative
Short-term	**P-2**	
FRB local currency deposit ratings and sovereign local currency bond ratings		
Long-term	**A3**	Baa1
Outlook	**Negative**	Negative
Short-term	**P-2**	
National scale		
Long-term	**Aa2.za**	
Short-term	**P-1.za**	
Bank financial strength rating	**C-**	
Outlook	**Stable**	

On 30 October 2013, Moody's affirmed FRB's ratings.

Credit ratings assigned by Fitch Ratings (Fitch) as at 3 March 2014

	FirstRand Bank Limited	Sovereign rating South Africa
Foreign currency issuer default ratings (IDR)		
Long-term	**BBB**	BBB
Outlook	**Stable**	Stable
Short-term	**F3**	F3
Local currency IDR		
Long-term	**BBB**	BBB+
Outlook	**Stable**	Stable
National ratings		
Long-term	**AA(zaf)**	
Outlook	**Stable**	
Short-term	**F1+(zaf)**	
Viability rating	**bbb**	
Support rating	**3**	
Support rating floor	**BB+**	

On 1 August 2013, Fitch affirmed FRB's ratings.

FIRSTRAND LIMITED

FirstRand Limited's ratings reflect its status as the non-operational holding company of the FirstRand Group and the entity's consequent structural subordination and reliance on dividends from operating companies to meet its obligations, which exposes it to potential regulatory impositions.

Credit ratings assigned by S&P as at 3 March 2014

	FirstRand Limited
Foreign currency counterparty credit ratings	
Long-term	**BBB-**
Outlook	**Negative**
Short-term	**A-3**
Local currency counterparty credit ratings	
Long-term	**BBB-**
Outlook	**Negative**
Short-term	**A-3**
National scale	
Long-term	**zaAA-**
Short-term	**zaA-1**

On 14 February 2014, S&P affirmed the Group's ratings.

DEFINITIONS

Additional Tier 1 (AT1) capital	NCNR preference share capital plus qualifying capital instruments issued out of fully consolidated subsidiaries to third parties less specified regulatory deductions.
CAGR	Compound annual growth rate.
Capital adequacy ratio (CAR)	Total qualifying capital and reserves divided by RWA.
Common Equity Tier 1 (CET1) capital	Share capital and premium plus accumulated comprehensive income and reserves plus qualifying capital instruments issued out of fully consolidated subsidiaries to third parties less specified regulatory deductions.
Cost-to-income ratio	Operating expenses excluding indirect taxes expressed as a percentage of total income including share of profits from associates and joint ventures.
Credit loss ratio	Total impairment charge per income statement expressed as a percentage of average advances (average between the opening and closing balance for the period).
Diversity ratio	Non-interest revenue expressed as a percentage of total income including share of profits from associates and joint ventures.
Dividend cover	Normalised earnings per share divided by dividend per share.
Effective tax rate	Tax per income statement divided by income before direct tax per income statement.
Loan-to-deposit ratio	Average advances expressed as a percentage of average deposits.
Net income after capital charge (NIACC)	Normalised earnings less cost of equity multiplied by average ordinary shareholders' equity and reserves.
Normalised earnings	The Group believes normalised earnings more accurately reflect its economic performance. Headline earnings are adjusted to take into account non-operational and accounting anomalies. Refer to pages 14 and 15 for a detailed description of the difference between normalised and IFRS results.
Normalised earnings per share	Normalised earnings attributable to ordinary equityholders divided by weighted average number of shares including treasury shares.
Normalised net asset value	Normalised equity attributable to ordinary equityholders.
Normalised net asset value per share	Normalised equity attributable to ordinary equityholders divided by the number of issued ordinary shares.
Price earnings ratio (times)	Closing price on 31 December divided by basic normalised earnings per share.
Price-to-book (times)	Closing share price on 31 December divided by normalised net asset value per share.

Return on assets (ROA)	Normalised earnings divided by average assets.
Return on equity (ROE)	Normalised earnings divided by average normalised ordinary shareholders' equity.
Risk weighted assets (RWA)	Prescribed risk weightings relative to credit risk of counterparties, operational risk, market risk, equity investment risk and other risks multiplied by on- and off-balance sheet assets.
Shares in issue	Number of ordinary shares listed on the JSE.
Tier 1 ratio	Tier 1 capital divided by RWA.
Tier 1 capital	CET1 capital plus AT1 capital.
Tier 2 capital	Qualifying subordinate debt instruments plus qualifying capital instruments issued out of fully consolidated subsidiaries to third parties plus general provisions for entities on the standardised approach less specified regulatory deductions.
Total qualifying capital and reserves	Tier 1 plus Tier 2 capital.
Weighted average number of ordinary shares	Weighted average number of ordinary shares in issue during the year as listed on the JSE.

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