banking supplementary information for the six months ended 31 December 2006

FIRSTRAND

Banking Group

Contents

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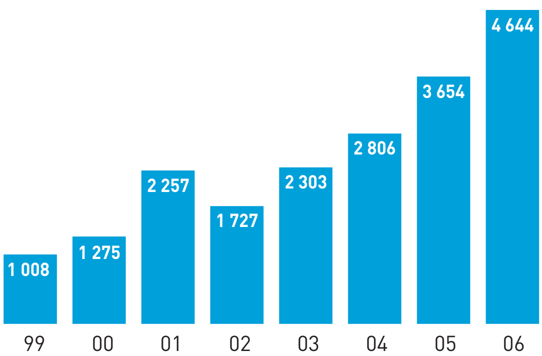
FIRSTRAND
Banking Group

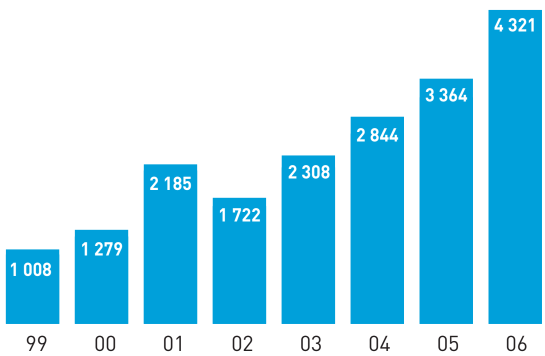
Highlights

R million	Six months ended December **2006**	2005	% change	Year ended June 2006
Attributable earnings	**4 644**	3 654	27	7 260
Headline earnings	**4 321**	3 364	28	7 049
Normalised headline earnings	**4 752**	3 680	29	7 415
Total ordinary shareholders' equity	**31 378**	25 362	24	27 755
ROE on average ordinary shareholders' equity (based on headline earnings) (%)	**29**	26		26
ROE on average ordinary shareholders' equity (based on normalised headline earnings) (%)	**31**	29		27
Cost to income ratio (%)	**53**	54		54

Attributable earnings – December
(R million)
CAGR: 24.4%



Headline earnings – December
(R million)
CAGR: 23.1%



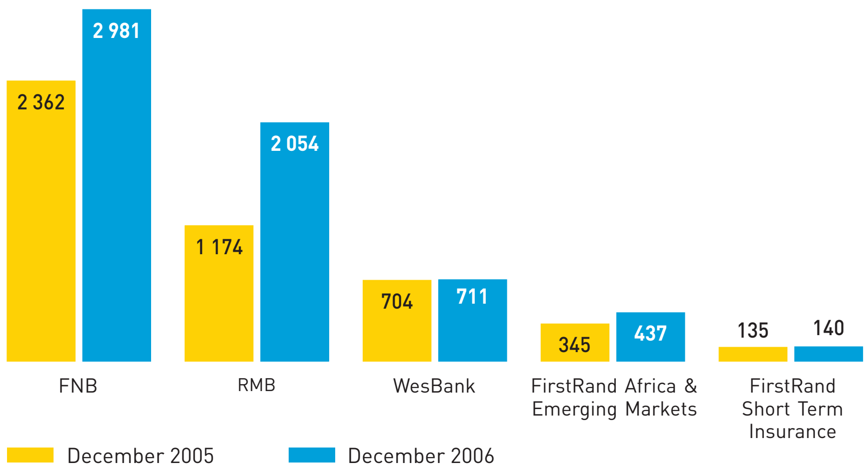
Key income drivers

Interest income	+32% ↑
Bad debts	+100% ↑
Non interest income	+32% ↑
Operating expenditure	+29% ↑
Income from associates	+13% ↑
Tax	+24% ↑

All businesses showing growth

Income before direct taxation – December

(R million)



TRADING CONDITIONS

- economic growth
- rising fixed investment
- strong commodity prices
- higher equity markets
- volatile energy prices

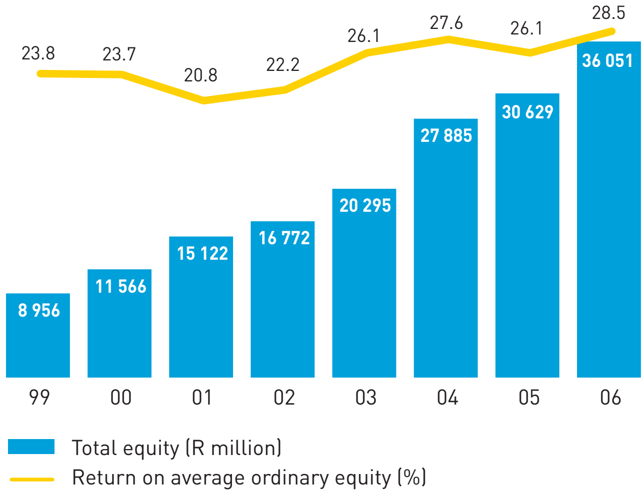
MARKET CONDITIONS

- continued consumer spending although slowing due to effect of higher interest rates during latter part of reporting period
- high demand for asset-backed credit
- high levels of BEE activity
- contained inflationary pressures

Reconciliation between earnings attributable to ordinary shareholders, headline earnings and normalised headline earnings

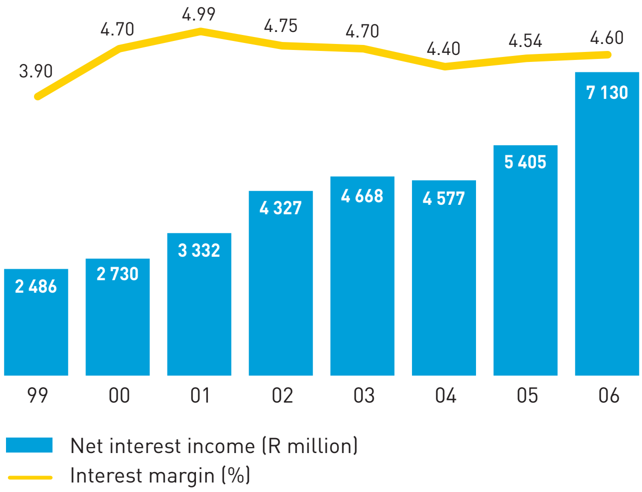
R million	Six months ended December 2006	Six months ended December 2005	% change	Year ended June 2006
Earnings attributable to ordinary shareholders	**4 644**	3 654	27	7 260
Adjusted for:				
– Profit on sale of private equity associate realisations	**(308)**	(294)	5	(219)
– Other	**(15)**	4	(>100)	8
Headline earnings	**4 321**	3 364	28	7 049
Adjusted for:				
– Profit on sale of private equity associate realisations	**308**	294	5	219
– Impact of IFRS 2	**123**	–	100	147
– Transfer of divisions from Momentum Group	**–**	22	(100)	–
Normalised headline earnings	**4 752**	3 680	29	7 415

Return on average ordinary shareholders' equity based on headline earnings and total equity – December



4 Net interest income and margin analysis

Net interest income – December



POSITIVE	NEGATIVE
• volume effect from advances & deposits organic growth & higher capital base	• competitive pricing pressures
• improved mix from increase in retail advances & reduction in large corporate advances	• run-off of older fixed-rate book in WesBank
• widening of certain asset margins from rising interest rates	• increasing cost of longer term funding
• positive effect from increase in interest rates on endowment effect on capital & deposits	• run-off and lower contribution of hedges on endowment & funding portfolios compared to prior period

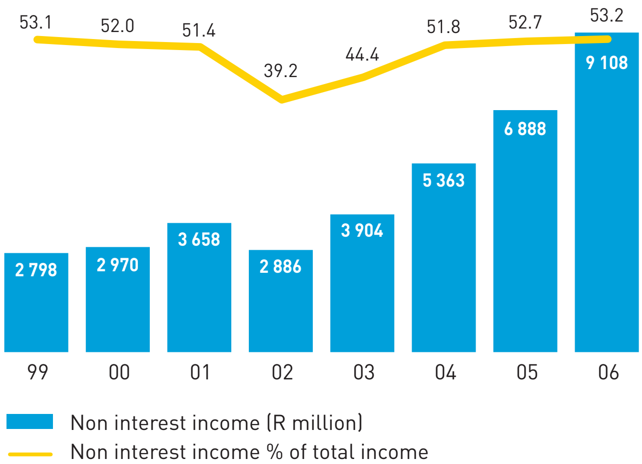
Product margin analysis

	December **2006** Average balance R million	December **2006** Average margin %	December 2005 Average balance R million	December 2005 Average margin %	June 2006 Average balance R million	June 2006 Average margin %
South Africa						
Advances						
Asset-backed mortgages	**101 851**	**2.24**	73 756	2.40	85 356	2.27
Instalment sales and finance leases	**63 929**	**3.55**	52 673	3.56	59 233	3.53
Card debtors	**9 571**	**6.53**	7 080	6.95	8 338	7.03
Overdrafts and managed account debtors	**11 832**	**4.64**	10 041	4.24	10 614	5.10
Personal loans	**10 091**	**7.75**	7 013	6.62	8 536	7.12
Other banking advances	**16 402**	**2.23**	15 911	2.67	15 984	2.31
Total	**213 676**	**3.22**	166 475	3.28	188 062	3.26
Deposits						
Current and savings deposits	**53 696**	**4.37**	44 671	4.13	48 855	4.12
Call accounts	**28 873**	**1.33**	24 163	1.28	26 408	1.23
Notice deposits	**27 365**	**0.98**	24 508	0.81	24 045	0.90
Fixed deposits	**13 973**	**0.79**	12 956	0.70	13 348	0.74
Other deposits	**16 062**	**1.64**	11 237	1.62	13 229	1.45
Total	**139 970**	**2.41**	117 534	2.23	125 884	2.26
FNB Africa						
Advances	**12 279**	**3.78**	10 640	3.70	11 315	3.73
Deposits	**15 714**	**2.43**	10 918	2.79	11 768	2.29

This table is based on the fully funded margin business of the Banking Group and excluded long-term funding, trading and investment activities. The margins above are actively managed by the Banking Group's Alco desk.

6 Non interest income

Non interest income – December



Non interest income

R million	Six months ended December 2006	2005	% change	Year ended June 2006
Fee and commission income	**5 230**	4 305	21	9 396
Fair value income	**2 151**	1 016	>100	3 733
Investment income	**821**	825	–	1 142
Other income	**906**	742	22	1 241
Total non interest income	**9 108**	6 888	32	15 512

Fee and commission income

R million	Six months ended December 2006	2005	% change	Year ended June 2006
Bank commissions and fee income	**3 366**	2 754	22	6 588
– Card commissions	**574**	426	35	892
– Cash deposit fees	**468**	390	20	811
– Commitment fees	**310**	166	87	500
– Acceptances, guarantees and indemnities	**80**	70	14	141
– Commissions on bills, drafts and cheques	**190**	255	(25)	532
– Bank charges	**1 744**	1 447	21	3 712
Other banking fee income	**890**	752	18	1 037
Knowledge-based fees	**241**	147	64	491
Management fees	**275**	232	19	517
Insurance income	**277**	250	11	598
Other non bank commissions	**181**	170	6	165
Total fee and commission income	**5 230**	4 305	21	9 396

- FNB
  - increases in customers and transaction volumes across all segments
  - Consumer segment up 13% in active customers (card up 17%)
  - Mass segment up 14% in active transacting accounts
  - Corporate up from increased electronic channel use
  - Commercial segment up from increased activity & 14% increase in active accounts

- WesBank
  - up 50%
  - excellent insurance product income growth
  - customer number increase in Auto
  - contribution from offshore businesses

- FNB Africa
  - growth in both new accounts & transactions

- RMB
  - M&A and BEE activity up
  - continued good deal flow in Structured Finance

8 Non interest income

Investment income

R million	Six months ended December 2006	2005	% change	Year ended June 2006
Income from private equity activities	**1 001**	1 127	(11)	1 521
– Profit on realisation of private equity investments	**483**	410	18	503
– Profit on realisation of other investment banking assets	**–**	68	(100)	68
– Dividends received	**139**	153	(9)	212
– Private equity associates (ongoing)	**379**	352	8	570
– Private equity associates (realisations)	**–**	144	(100)	168
Income from operational investment activities	**496**	276	80	521
– WesBank associates	**49**	48	1	89
– FirstRand International associates	**268**	64	>100	173
– FirstRand Short-term Insurance ("FRSTI")	**140**	135	4	251
– Other operational associates	**39**	29	36	8
Income from investments	**199**	194	3	359
– Profit/(loss) on disposal of available-for-sale assets	**22**	(9)	>100	15
– Profit on assets held against employee liabilities	**177**	203	(13)	344
Total investment income	**1 696**	1 597	6	2 401
Less: Income from associates	**(875)**	(772)	13	(1 259)
Total	**821**	825	–	1 142

- Private Equity
  - continued good realisations in conducive environment
- profit on employee liability investment
  - good equity environment
  - negatively impacted by strong Rand

Fair value income

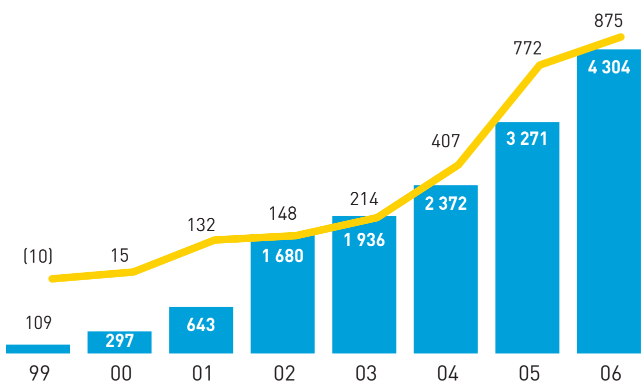
R million	Forex	Debt	Equity	Six months ended December 2006	2005	% change	Year ended June 2006
Annuity	335	658	147	**1 139**	760	50	2 113
– Originated/Structuring	–	523	93	**616**	326	89	951
– Secondary market	–	30	–	**30**	69	(57)	213
– Client flow	335	105	54	**493**	365	35	949
Risk income	–	277	667	**944**	346	>100	1 007
– Equities	–	–	667	**667**	148	>100	606
– Commodities	–	30	–	**30**	88	(65)	61
– Interest rates	–	234	–	**234**	105	>100	232
– Forex	–	13	–	**13**	5	>100	108
Other	–	–	–	**68**	(90)	>100	613
Total	335	935	814	**2 151**	1 016	>100	3 733

Fair value income

- Equities trading performed exceptionally with offshore arbitrage area contributing a major part of income
- other Treasury trading businesses benefited from current market conditions
- debt businesses benefited from good economic conditions
- Project Finance showed good results from continued BEE activity in resources sector
- Structured Finance produced excellent annuity earnings from origination and leveraged finance opportunities created from BEE deals

Analysis of income from associates and joint ventures

Analysis of income from associates and joint ventures – December
(R million)



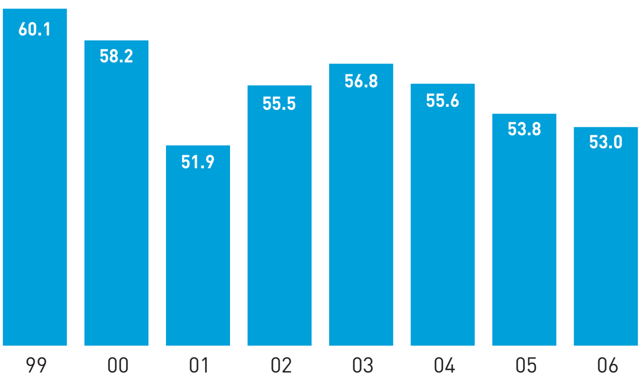
Analysis of income from associates and joint ventures

R million	Six months ended December 2006	Six months ended December 2005	% change	Year ended June 2006
Private equity associates	**379**	496	(24)	738
– Private equity associates (ongoing)	**379**	352	8	570
– Private equity associates (realisations)	**–**	144	(100)	168
WesBank associates	**49**	48	1	89
– Toyota Finance Services	**31**	26	19	48
– Other	**18**	22	(20)	41
FirstRand International associates and joint ventures	**268**	64	>100	173
FRSTI	**140**	135	4	251
Other	**39**	29	34	8
Total	**875**	772	13	1 259

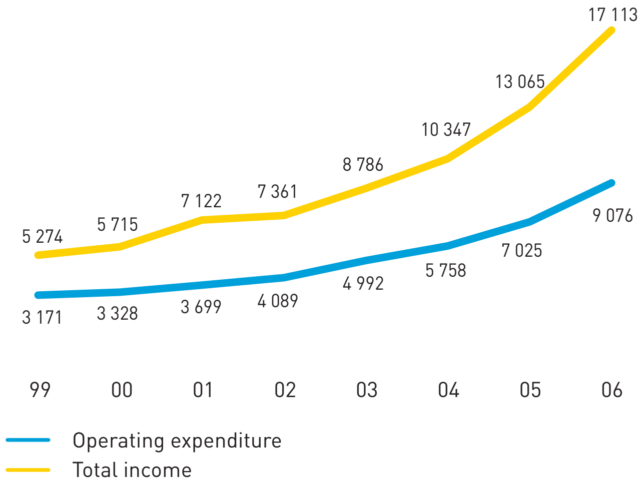
Income up 13%

- significant growth from international associates – favourable on resources and energy market
- WesBank associates' income flat
- decrease in income from private equity associates due to disposal cycle, operationally associates still growing strongly
- FRSTI benefited from strong growth in OUTsurance offset by the start up costs of new insurance initiatives

Efficiency ratio – December
(%)



Operating "Jaws" – December
(R million)



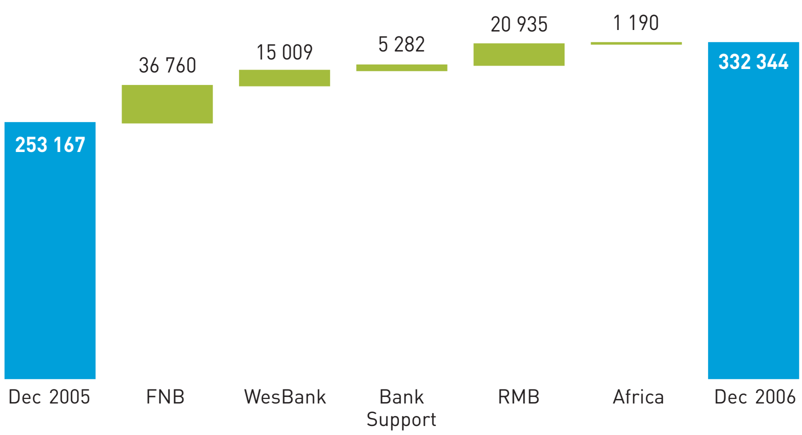
Operating expenses

R million	Six months ended December 2006	2005	% change	Year ended June 2006
Advertising and marketing	**394**	333	18	707
Audit fees	**39**	33	18	68
Computer expenses	**294**	254	16	505
Conveyance of cash	**105**	88	19	152
Cooperation agreements and JVs	**199**	104	91	207
Depreciation	**430**	357	20	769
eBucks rewards	**122**	96	27	190
Insurance	**157**	146	8	196
Maintenance	**265**	237	12	486
Professional fees	**250**	187	34	429
Staff expenditure	**5 249**	3 825	37	8 114
Telecommunications	**196**	199	(2)	377
Third party origination costs	**47**	15	>100	24
Other expenditure	**1 329**	1 151	15	2 651
Total	**9 076**	7 025	29	14 875

The table below provides a further analysis of the growth in operating expenses, highlighting material year on year increases:

R million	Six months ended December 2006	2005	% change
Base cost of ongoing operations	**6 577**	5 722	15
– International expansion	**548**	325	69
– IFRS: Share-based expenses	**123**	–	100
– Post retirement medical contributions	**223**	47	>100
– Performance fees, joint ventures, profit shares and loyalty programmes	**1 469**	907	62
– New initiatives	**136**	24	>100
Total	**9 076**	7 025	29

Advances



R million	Six months ended December 2006	2005	% change	Year ended June 2006
Gross advances				
Total advances*	**332 917**	253 687	31	297 733
Less: Contractual interest suspended	**(573)**	(520)	10	(571)
Gross advances	**332 344**	253 167	31	297 162
Less: Impairments	**(3 576)**	(2 837)	26	(3 131)
Net advances	**328 768**	250 330	31	294 031
Advances sector analysis				
Agriculture	**8 016**	7 107	13	7 345
Banks and financial services	**40 716**	28 592	42	36 684
Building and property development	**12 262**	10 581	16	7 194
Government, Land Bank and Public Authorities	**4 512**	5 031	(10)	7 808
Individuals	**206 851**	146 612	41	171 384
Manufacturing and commerce	**43 116**	28 058	54	39 366
Mining	**1 721**	3 279	(48)	1 800
Transport and communication	**5 787**	7 563	(23)	11 329
Other services	**9 936**	16 864	(41)	14 823
Gross advances	**332 917**	253 687	31	297 733

** Included in gross advances are fair value advances of R60 billion (2005: R40 billion). Fair value adjustments included in trading income amounted to R9.7 million (loss) for 2006 (R101.1 million loss for December 2005) on performing book assets. Fair value adjustments with respect to defaulted assets amounted to Rnil (December 2005: Rnil). Cumulative fair value adjustments (on performing and non-performing advances) amounted to R572 million as at 31 December 2006 (R492 million as at 31 December 2005).*

- **FNB up by 31%**
  - HomeLoans up 31%
  - Card up 25%
  - Personal loans up 34%
  - Wealth segment up 31%
  - Commercial segment up 28%

- **African subsidiaries up 10%**
  - FNB Namibia up 10%
  - FNB Botswana up 18%

- **WesBank up 19%**
  (after securitisation)
  - good growth in corporate market
  - retail growth affected by rising interest rates

ADVANCES

R million	Six months ended December **2006**	2005	% change	Year ended June 2006
Geographical split				
SA banking operations	**295 811**	230 749	28	265 072
International banking operations	**13 961**	5 298	>100	11 089
African banking operations	**12 742**	11 489	11	12 246
SA non-banking operations	**10 403**	6 151	69	9 326
Gross advances	**332 917**	253 687	31	297 733
Product split				
Overdrafts and managed accounts	**29 873**	25 603	17	24 691
– FNB Personal Bank	**1 330**	942	41	1 160
– Mass	**206**	117	76	164
– Wealth	**459**	436	5	465
– FNB Commercial	**8 252**	8 315	(1)	8 051
– FNB Corporate	**1 601**	2 154	(26)	2 195
– Money market and FNBIB	**13 201**	8 886	49	10 007
– African subsidiaries	**1 896**	2 397	(21)	2 395
– Other	**2 928**	2 356	24	254
Loans to other financial institutions	**19 761**	15 347	29	6 548
Card loans	**11 222**	8 977	25	10 120
Instalment finance	**49 046**	40 882	20	45 314
Lease payments receivables	**28 219**	22 361	26	25 602
Property Finance	**123 569**	95 131	30	111 431
– Home Loans	**116 909**	89 326	31	104 674
– Commercial Properties	**6 660**	5 805	15	6 757
Personal loans	**13 295**	9 548	39	11 575
– Mass	**1 451**	894	62	1 177
– FNB Personal Bank	**1 841**	1 368	35	1 579
– WesBank Loans	**3 516**	2 618	34	3 192
– FNB Commercial	**4 744**	3 624	31	4 188
– African subsidiaries	**1 437**	1 041	38	1 242
– Other	**306**	3	>100	197
Preference share advances	**2 437**	2 041	19	2 043
Other	**54 728**	29 277	87	47 945
Sub total	**332 150**	249 167	33	285 269
CDO	**–**	–	–	161
Assets under agreement to sell	**767**	4 520	(83)	12 303
Gross advances	**332 917**	253 687	31	297 733
Rand and non-Rand denominated advances				
All non-Rand denominated advances	**2 943**	1 796	64	1 529
@ exchange rate	**6.98**	6.34	10	7.13
Non-Rand denominated advances	**20 547**	11 387	80	10 903
Rand denominated advances	**312 370**	242 300	29	286 830
Gross advances	**332 917**	253 687	31	297 733

14 Non-performing loans

R million	Six months ended December 2006	2005	% change	Year ended June 2006
Non-performing loans	**4 955**	3 357	48	4 211
Add: Present value adjustment	**264**	228	16	308
Net credit exposure	**5 219**	3 585	46	4 519
Less: Security and recoverable amount	**(2 330)**	(1 319)	77	(1 938)
Less: Contractual interest suspended	**(573)**	(520)	10	(571)
Residual risk	**2 316**	1 746	33	2 010
Specific impairments	**2 316**	1 746	33	2 010
Portfolio impairments	**1 260**	1 091	15	1 121
Total impairments	**3 576**	2 837	26	3 131
Impairment of advances	%	%	% change	%
Non-performing loans as a percentage of gross advances	**1.5**	1.3		1.4
Specific impairments as a percentage of non-performing loans (after interest in suspense)	**52.9**	61.5		55.2
Total impairments as a percentage of non-performing loans	**81.6**	100.0		86.0
Total impairments as a percentage of residual risk	**154**	162		156
Specific impairments as a percentage of gross advances	**0.7**	0.7		0.7
Portfolio impairments as a percentage of gross advances	**0.4**	0.4		0.4
Total impairments as a percentage of gross advances	**1.1**	1.1		1.1
R million				
Income statement charge				
Specific impairments	**984**	449	>100	1 132
Portfolio impairments	**167**	127	32	279
	1 151	576	100	1 411

R million	Six months ended December 2006	2005	% change	Year ended June 2006
Accrual advances	**4 491**	2 912	54	3 760
Fair value advances	**464**	445	4	451
Non-performing loans	**4 955**	3 357	48	4 211
Accrual advances are included in non-performing loans at notional value plus accrued interest.				
Fair value advances are included in non-performing loans at their ruling market value. No portfolio or specific impairments are raised against fair value advances, other than as is implicitly required through fair value adjustments. The table below sets out the effect of these market adjustments:				
Fair value of non-performing loans before credit adjustments	**579**	560	3	566
Less: Cumulative credit adjustments	**(115)**	(115)	–	(115)
Less: Interest in suspense	**(84)**	(33)	>100	(58)
Net non-performing fair value loans	**380**	412	(8)	393
Cumulative credit adjustments				
– on performing book	**457**	377	21	448
– on non-performing book	**115**	115	–	115
	572	492	16	563

Analysis of movement in impairment of advances

R million	Six months ended December **2006** Total impairment	Specific impairment	Portfolio impairment	Income statement
Opening balance	**3 131**	2 010	1 121	–
Exchange rate difference	**(1)**	(1)	–	–
Amounts written off	**(860)**	(860)	–	–
Unwinding of discounted present value on non-performing loans	**(43)**	(43)	–	–
Reclassifications	**–**	52	(52)	–
Net new impairment created	**1 353**	1 188	165	(1 353)
– impairments created	**1 711**	1 445	266	(1 711)
– impairments released	**(358)**	(257)	(101)	358
Recoveries of bad debts	**–**	–	–	201
Acquisitions	**(4)**	(30)	26	–
Profit on realisation of security	**–**	–	–	1
Closing balance	**3 576**	2 316	1 260	(1 151)

R million	Six months ended December 2005 Total impairment	Specific impairment	Portfolio impairment	Income statement
Opening balance	2 587	1 666	921	–
Exchange rate difference	17	15	2	–
Amounts written off	(381)	(370)	(11)	–
Unwinding of discounted present value on non-performing loans	(31)	(31)	–	–
Reclassifications	–	(49)	49	–
Net new impairment created	674	544	130	(674)
– impairments created	1 105	975	130	(1 105)
– impairments released	(431)	(431)	–	431
Recoveries of bad debts	–	–	–	95
Acquisitions	(29)	(29)	–	–
Profit on realisation of security	–	–	–	3
Closing balance	2 837	1 746	1 091	(576)

FNB

	Home Loans			Card			Personal Banking[1]			Other FNB[2]		
	Dec-06	Jun-06	Dec-05	Dec-06	Jun-06	Dec-05	Dec-06	Jun-06	Dec-05	Dec-06	Jun-06	Dec-05
Advances and NPLs												
Gross advances net of ISP	90 946	81 608	69 179	10 229	9 192	8 194	3 159	2 727	2 296	3 104	2 622	1 905
NPL	937	691	469	679	504	357	101	88	72	264	212	54
NPL %	1.0	0.8	0.7	6.6	5.5	4.4	3.2	3.2	3.1	8.5	8.1	2.8
Income statement impairments												
– Portfolio impairment	19	26	(5)	9	58	41	8	9	1	53	8	5
– Specific impairment	140	131	46	214	253	90	51	69	23	65	102	27
Portfolio impairment charge %	0.04	0.04	(0.01)	0.18	0.73	1.09	0.57	0.40	0.10	3.70	0.40	0.63
Specific impairment charge %	0.33	0.18	0.14	4.41	3.18	2.42	3.48	2.98	2.19	4.53	5.05	3.26
Total impairment charge %	0.37	0.22	0.13	4.59	3.91	3.51	4.05	3.38	2.29	8.23	5.45	3.89
Balance sheet impairments												
– Portfolio impairment	151	113	88	180	168	152	36	27	19	74	21	17
– Specific impairment	391	282	204	455	338	236	81	72	54	189	163	105
Nature of lending	Secured			Unsecured			Mostly unsecured			Mostly secured		

	Dec-06	Dec-06	Dec-06	Dec-06
Risk measures %	Home Loans	Card	Personal Loans	Smart Loans
– Indicative expected loss as % of EAD	0.3	2.8	3.6	3.0
– Indicative through the cycle PD	2.0	5.0	5.5	8.5
– Long run average LGD range	10 – 20	50 – 60	60 – 70	30 – 40

Notes:

1. *Includes Overdrafts and Personal Loan products*
2. *Includes Smart products and other FNB exposures*
3. *The impairment charge percentages above have been annualised and are based on average advances for the six months ended 31 December 06 and 31 December 05, and the total impairment charge for the year ended 30 June 06.*
4. *The risk measures present the long run average probability of default ("PD"), loss given default ("LGD") and expected loss ("EL") and not the point-in-time or cycle specific forecast. Whilst the expected loss measurement, which is used for risk management purposes, is broadly comparable to the accounting bad debt measure, it should be noted that in the above table, the EL is expressed as a percentage of the exposure at default, whilst the bad debt percentage is relative to the drawn exposures. The exposure at default ("EAD") measurement is impacted significantly in portfolios with large unutilised facilities and commitments such as the credit card and corporate portfolios.*
5. *The RMB and FNB Corporate Transactional Bank information provides a corporate lending average as these portfolios are managed as an aggregated credit portfolio.*
6. *All amounts in R million.*

Wealth			Commercial			Corporate			FNB		
Dec-06	Jun-06	Dec-05	Dec-06	Jun-06	Dec-05	Dec-06	Jun-06	Dec-05	Dec-06	Jun-06	Dec-05
18 262	15 909	13 977	18 857	17 276	14 836	12 518	11 263	9 928	157 075	140 597	120 315
258	188	166	471	415	424	163	415	326	2 873	2 513	1 868
1.4	1.2	1.2	2.5	2.4	2.9	1.3	3.7	3.3	1.8	1.8	1.6
4	3	1	28	–	–	28	–	–	149	104	43
18	17	3	32	40	5	(52)	13	–	468	625	194
0.04	0.02	0.02	0.31	–	–	0.47	–	–	0.20	0.08	0.08
0.21	0.12	0.04	0.35	0.26	0.07	(0.87)	0.11	–	0.63	0.50	0.34
0.25	0.14	0.06	0.66	0.26	0.07	(0.40)	0.11	–	0.83	0.58	0.42
35	29	30	120	108	31	49	141	82	645	607	419
41	33	24	206	187	270	116	293	257	1 479	1 368	1 150
Mostly secured			Mostly secured			Mostly unsecured					
Dec-06			Dec-06			Dec-06					
Wealth			Commercial			Corporate					
0.3			0.8			0.4					
2.0			2.5			1.0					
10 – 20			25 – 35			35 – 45					

WesBank

	WesBank asset backed finance (Domestic and international)			WesBank loans			WesBank Total		
	Dec-06	Jun-06	Dec-05	Dec-06	Jun-06	Dec-05	Dec-06	Jun-06	Dec-05
Advances and NPLs									
Gross advances net of ISP	89 581	78 141	69 700	3 539	3 189	2 614	93 120	81 330	72 314
NPL	1 120	928	695	29	17	15	1 149	945	710
NPL %	1.2	1.2	1.0	0.8	0.5	0.6	1.2	1.2	1.0
Income statement impairments									
– Portfolio impairment	(28)	104	11	17	7	4	(11)	111	15
– Specific impairment	399	449	181	64	73	26	463	522	207
Portfolio impairment charge %	(0.07)	0.15	0.03	1.02	0.21	0.27	(0.02)	0.15	0.04
Specific impairment charge %	0.95	0.64	0.55	3.81	2.27	1.99	1.06	0.72	0.61
Total impairment charge %	0.88	0.79	0.58	4.83	2.48	2.26	1.04	0.87	0.65
Balance sheet impairments									
– Portfolio impairment	288	316	219	37	19	16	325	335	235
– Specific impairment	397	288	257	20	12	12	417	300	269
Nature of lending	Secured			Unsecured					
	Includes securitisation exposures of:						Includes securitisation exposures of:		
Securitisation exposures	5 797	1 726	–				5 797	1 726	–

	Dec-06	Dec-06
Risk measures (%)	WesBank Retail and Corporate asset-backed finance	WesBank loans
– Indicative expected loss as % of EAD	0.9	3.3
– Indicative through the cycle PD	3.0	5.0
– Long run average LGD range	25 – 35	60 – 70

RMB, FRAEM and other

	RMB[1]			FRAEM			Other		
	Dec-06	Jun-06	Dec-05	Dec-06	Jun-06	Dec-05	Dec-06	Jun-06	Dec-05
Advances and NPLs									
Gross advances net of ISP	65 677	57 512	44 742	12 694	12 216	11 503	3 778	5 507	4 293
NPL	562	529	444	375	356	335	(4)	(132)	–
NPL %	0.9	0.9	1.0	3.0	2.9	2.9	(0.1)	(2.4)	–
Income statement impairments									
– Portfolio impairment	–	–	–	23	(3)	–	6	67	69
– Specific impairment	–	–	–	33	59	44	20	(74)	4
Portfolio impairment charge %	–	–	–	0.37	(0.03)	–	0.26	8.47	(3.30)
Specific impairment charge %	–	–	–	0.52	0.52	0.79	0.86	(9.49)	(0.19)
Total impairment charge %	–	–	–	0.89	0.49	0.79	1.12	(1.02)	(3.49)
Balance sheet impairments									
– Portfolio impairment	–	–	–	148	124	104	142	55	333
– Specific impairment	–	–	–	141	141	166	279	201	161
Nature of lending	Mostly secured			Secured and unsecured			Mostly unsecured		

	Dec-06
Risk measures (%)	RMB
– Indicative expected loss as % of EAD	0.4
– Indicative through the cycle PD	1.0
– Long run average LGD range	35 – 45

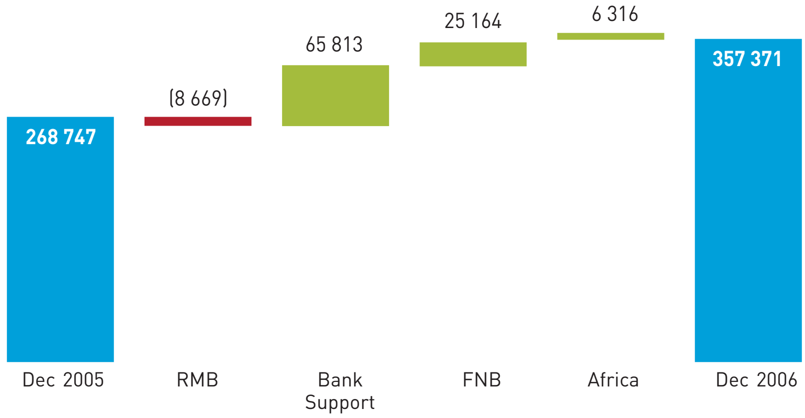
[1] *Includes corporate term lending and structured transactions.*

	Total		
	Dec-06	Jun-06	Dec-05
Advances and NPLs			
Gross advances net of ISP	332 344	297 162	253 167
NPL	4 955	4 211	3 357
NPL %	1.5	1.4	1.3
Income statement impairments			
– Portfolio impairment	167	279	127
– Specific impairment	984	1 132	449
Portfolio impairment charge %	0.11	0.10	0.11
Specific impairment charge %	0.62	0.41	0.37
Total impairment charge %	0.73	0.51	0.48
Balance sheet impairments			
– Portfolio impairment	1 260	1 121	1 091
– Specific impairment	2 316	2 010	1 746

Notes:
1. *The impairment charge percentages above have been annualised and are based on average advances for the six months ended 31 December 06 and 31 December 05, and the total impairment charge for the year ended 30 June 06.*
2. *The risk measures present the long run average probability of default ("PD"), loss given default ("LGD") and expected loss ("EL") and not the point-in-time or cycle specific forecast. Whilst the expected loss measurement, which is used for risk management purposes, is broadly comparable to the accounting bad debt measure, it should be noted that in the above table, the EL is expressed as a percentage of the exposure at default, whilst the bad debt percentage is relative to the drawn exposures. The exposure at default ("EAD") measurement is impacted significantly in portfolios with large unutilised facilities and commitments such as the credit card and corporate portfolios.*
3. *The RMB and FNB Corporate Transactional Bank information provides a corporate lending average as these portfolios are managed as an aggregated credit portfolio.*
4. *All amounts in R million.*

Deposits

Deposits – December
(R million)



- Customer trend to shorter dated products & disposable income up
- Medium & large corporates cash flush

- FNB 19% up
  - Commercial (+19%), Corporate (+21%) segments up
  - Consumer segment up 16%
- FNB Africa 56% up – this increase due to Bank of Botswana's change in Bank of Botswana Certificates participation programme

Staff

Number of permanent employees	At December **2006**	2005	% change
FNB	**24 247**	23 529	3
RMB	**969**	869	8
WesBank	**3 282**	3 118	5
Africa	**2 490**	2 513	(1)
Bank Support*	**1 236**	1 478	(16)
Total	**32 224**	31 534	2

	2006	2005	% change
SA Banking	**29 734**	29 021	2
Africa	**2 490**	2 513	(1)
Total	**32 224**	31 534	2

** Includes BGT*

FNB, WesBank and RMB
- Increase in staff numbers to support significant new business growth

Before indirect tax

R million	Six months ended December 2006	2005	% change	Year ended June 2006
FNB	**3 119**	2 521	24	5 164
Consumer segment	**1 198**	1 039	15	1 932
Personal banking	**693**	513	35	921
HomeLoans	**400**	318	26	626
Card Issuing	**105**	208	(50)	385
Wealth segment	**83**	51	64	116
Commercial segment	**1 107**	839	32	1 851
Corporate segment	**388**	302	29	642
FNB Other	**343**	290	18	623
RMB	**2 076**	1 190	74	2 676
WesBank	**766**	745	3	1 559
FirstRand Africa and Emerging Markets	**446**	355	26	761
FRSTI	**140**	135	4	251
Group Support	**423**	576	(27)	1 037
***Less:* Divisions reflected elsewhere**	**(84)**	(58)	(45)	(68)
Income before indirect tax	**6 886**	5 464	26	11 380

After indirect tax

R million	Six months ended December 2006	2005	% change	Year ended June 2006
FNB	**2 981**	2 362	26	4 823
Consumer segment	**1 134**	1 963	18	1 763
Personal banking	**660**	477	38	843
HomeLoans	**378**	287	32	553
Card Issuing	**96**	199	(52)	367
Wealth segment	**77**	43	79	102
Commercial segment	**1 101**	833	32	1 830
Corporate segment	**385**	296	30	633
FNB Other	**284**	227	25	495
RMB	**2 054**	1 174	75	2 643
WesBank	**711**	704	1	1 465
FirstRand Africa and Emerging Markets	**437**	345	27	744
FRSTI	**140**	135	4	251
Group Support	**490**	542	(22)	1 053
***Less:* Divisions reflected elsewhere**	**(84)**	(58)	(45)	68
Income before indirect tax	**6 629**	5 204	27	10 911

FNB

	Six months ended December 2006	2005	% change	Year ended June 2006
Income before indirect taxation (R million)	**3 119**	2 521	24	5 164
Indirect taxation (R million)	**(138)**	(159)	(13)	(341)
Income before taxation (R million)	**2 981**	2 362	26	4 823
Advances (R million)	**157 075**	120 315	31	140 597
Total deposits (R million)	**156 463**	131 299	19	142 038
Cost to income ratio (%)	**59.4**	62.9		62.3
Non-performing loans (%)	**1.8**	1.6		1.8

R million	Six months ended December 2006	2005	% change	Year ended June 2006
Consumer segment	**1 198**	1 039	15	1 932
– *Personal Banking*	**693**	513	35	921
– *HomeLoans*	**400**	318	26	626
– *Card Issuing*	**105**	208	(50)	385
Wealth	**83**	51	64	116
Commercial	**1 107**	839	32	1 851
Corporate	**388**	302	29	642
FNB Other	**343**	290	18	623
Total FNB	**3 119**	2 521	24	5 164

CHANGES IN LEGISLATION

The National Credit Act ("NCA") was enacted during March 2006 with the provisions relating to fees and pricing being effective 1 June 2007. FNB has determined the potential revenue impact taking into account revenue losses and possible additional revenue streams as a result of the NCA. The annualised impact is estimated at a revenue loss in the range of R300 million to R400 million with the final impact being subject to market forces. FNB further estimates that the total implementation costs of the NCA will range between R140 million to R230 million.

FNB still believes that the NCA will provide significant opportunities for the established players to enter new markets as it would level the playing field to a certain extent.

One of the key challenges facing the industry is the Competition Commission enquiry. On 4 August 2006, the Competition Commission announced an Enquiry into Competition and will focus on the following:

- the level and structure of charges made by banks, as well as other providers of payment services;
- the feasibility of improving access by non-banks and would-be banks to the national payment system infrastructure so that they can compete more effectively; and
- any other aspects relating to the payment system which could be seen as anti-competitive.

Public hearings were held during November 2006 where FNB and FirstRand Bank concluded that there is no failure or impediment to competition in the South African banking industry, nonetheless some room for improvement exists. FNB and FirstRand Bank has made a number of recommendations, one of which is the elimination of SASWITCH fees enabling some R500 million savings to the consumer.

The next round of public hearings will commence during April 2007 and will be focused on:

- ATMs with specific focus on SASWITCH fees, carriage fees and the possibility shifting to a direct charge (surcharge) model;
- various aspects pertaining to the acquiring and issuing of cards, including the four party interchange model;
- access to the National Payment System and interoperability between banks and other financial services providers; and
- costs of providing transactional banking to the low income market.

PERFORMANCE COMMENTARY

FNB has produced another set of excellent results with profit before taxation increasing by 24% from R2 522 million to R3 119 million.

Interest income grew 29% due to the continued strong balance sheet growth in both advances and deposits, the widening of margins as a result of interest rate increases and the increased endowment benefit on deposits.

Bad debts increased to 0.8% (Dec 2005: 0.4%) of advances. This increase was expected given the abnormally low arrears and non-performing loans ("NPLs") in previous years. This ratio has benefited from provision reversals relating to certain corporate exposures which were repaid.

Non interest income increased 20% as a result of a significant increase in customer numbers and higher transactional volumes, particularly in the Mass, Wealth and Commercial segments.

Operating expenses increased 17% driven mainly by significant variable costs, largely related to growth in new business and increased volumes, and continued investment in new products, infrastructure and processes as well as cooperation agreements by Card Issuing, HomeLoans and Personal Loans.

Reflecting the success of FNB's liability strategy, deposits increased R25 billion or 19%, with the Commercial, Corporate and Consumer segments being the major contributors.

Advances increased R37 billion or 31%, HomeLoans (R22 billion), Wealth and Commercial continued to be the major contributors whilst large corporate advances increased over this period largely as a result of the short term Money Market assets.

Below is an overview of FNB's performance by segment. As previously stated, FNB's segment view is not a "pure" indication of FNB's penetration into each segment as certain revenue from customers within a defined segment could be recognised in a different segment depending on the product segment categorisation, as well as internal service level and revenue arrangements. It is also likely that segmentation of clients and business units will be revised on a continuous basis as the model refines, in such an event, comparatives are restated accordingly.

SEGMENT PERFORMANCE COMMENTARY

Consumer segment (Personal Banking)

Cheque & transmission accounts including overdrafts
Investment & equity products
(including the One Account)
Personal Loans (including Student Loans)
First Link Insurance Brokers
eBucks
Card Issuing
HomeLoans

This segment focuses on the middle and upper income markets with incomes ranging from R81 000 to R750 000 per annum and certain niche segments (youth and teens, students, graduates and seniors).

This segment performed well with profits before taxation increasing 15% from R1 039 million to R1 198 million. This was achieved in an operating environment of rising interest rates but continued good growth in both client and transactional volumes.

Gross interest income increased 27% as a result of the widening of the margins and strong growth in both deposits and advances.

Non interest income increased 18% driven by a 5% growth in the active cheque accounts base and increased transactions per customer.

Total advances increased 31% to R104 billion. This excellent growth reflects FNB's continued focus on sales against a background of strong demand for consumer credit, although demand has slowed and is lower than levels experienced six months ago. The bad debt charge has more than doubled due to higher arrears and NPLs, resulting in an increase in NPLs as a percentage of advances to 1.6%.

Deposits increased 16%, attributable to the higher interest rate environment attracting investment capital and increased market share of both the transactional banking and savings/investment products. In addition, FNB's focus on growing savings and investment accounts through innovative products such as the Million-a-Month-account ("MAMA"), resulted in significant growth in investment products. The number of MAMA accounts increased to over 600 000. FNB was unsuccessful in its defence in the case brought against it by the National Lotteries Board with reference to the MAMA account, and is currently applying for leave to appeal the judgement to the Supreme Court of Appeal.

Operational expenses increased 16% driven mainly by continued investment in certain future growth initiatives. These included start up costs associated with the "white label" cooperation agreements (predominantly within Card Issuing and Edcon Group for personal and home loans) and expenditure on additional operational capacity to cater for increased transactional volumes.

Personal Loans (including Student Loans) increased advances 34%, reflecting new loans growth of 32% and 65% growth in non interest income. This positive performance was offset by an increase in the bad debts charge in line with expectations, which increased from 1.9% to 3.8% of gross advances.

First Link, FNB's short term insurance broker, performed well and continues to add a range of value added services to FNB's customers, especially in the Premier and Wealth segments. Revenue and operating profit growth of 12% and 26% respectively are excellent in a competitive environment characterised by increasing consumerism and a changing regulatory landscape.

The eBucks rewards programme continued to perform well as a strategy to acquire and retain customers and, since inception, has awarded eBucks amounting to R780 million to its members.

FNB HomeLoans

HomeLoans increased net profit before taxation by 26%. This was driven by solid volume growth in profitable new business, combined with increased margins due to rising interest rates. In addition, non interest income grew 47%, underpinned by good transactional volume growth, particularly from the One Account.

Operating expenses increased 10% due to investment in capacity to support future business volumes. As expected, the higher interest rate environment is beginning to impact on credit impairment charges, with arrears, non performing loans and bad debt charges showing increases, albeit off a low base.

Gross advances increased 31%, partially driven by increased property values coupled with continued strong growth in sales. A focus on preserving the credit quality of new business, despite the rising interest rate environment, will have a positive impact in future years, especially given the general increase in arrears and non performing loans within the banking sector.

The property market showed growth of some 13% in nominal house prices over the same six month period in the prior year. Due to FNB's stated strategy of focusing on ROE, its market share in new business decreased from 20% to 16%.

Card Issuing

Despite a slow down in the rate of growth of cardholder spend, largely as a result of the higher indebtedness levels of consumers in general, as well as the tightening of monetary policy by the SARB, Card Issuing successfully grew advances by 25%, customers' spend by 19% and customer numbers by 17%. The growth in new business resulted from the success of Card's cross-selling strategy to existing FirstRand customers, external data bases as well as the continued success of the Discovery Card and the launch of the Kulula, Vodacom and Clicks Club Card cooperation agreements.

Net profit before taxation decreased by 50%, significantly impacted by the margin pressure on advances, as Card was unable to re-price the interest rate increases during the period under the existing Usury Act in spite of the cost of funds increasing in line with the rate increases. In addition, profit was impacted by the anticipated increase in bad debts and the start up costs associated with the Kulula, Vodacom and Clicks Club Card cooperation agreements contributed to operating costs increasing 34%.

Card and the overall Consumer segment are expected to benefit from the investment in these cooperation agreements over the medium term. Benefits include a greater market reach and access to alternative delivery channels whilst leveraging off its existing operational capacity.

Wealth segment

RMB Private Bank
FNB Private Clients
FNB Trust Services
Senior Suites

The Wealth segment's profit before taxation increased 65% to R84 million, driven in the main by a particularly strong performance by RMB Private Bank, which grew profit before taxation 56% to R84 million and FNB Trust Services which grew profits 56% to R28 million. Against this, the start-up losses in FNB Private clients increased by 19% to R25 million.

Assets under management increased 51% to R22 billion largely due to growth in the equity market, investment selection and net new business inflows. Strong growth in advances of 31% to R18 billion and deposits of 45% to R4 billion also contributed to the segment's performance. As a result, interest income increased 34% and non interest income grew 27%.

Operating expenditure increased 16% for the segment, largely due to the rapid roll out and growth of FNB Private Clients, which during the period, required a further investment of R25 million. Whilst this represents a substantial investment by the Wealth segment, future growth potential from FNB Private Clients is expected to be significant. It has already doubled its advances since June 2006 to R1.6 billion with assets under management also increasing to R1.6 billion.

Commercial segment

SMMEs, Business and Medium Corporate overdraft and transactional products
Agric Products
Commercial Property Finance
Debtor Finance
FNB Leveraged Finance
BEE funding, Franchises, Tourism and Start-ups

FNB's Commercial segment provides products and services such as working capital solutions, structured finance, investment products, transactional banking, international banking, commercial property finance and term loans to medium corporates, business, SMMEs and the agricultural sector.

The segment had an excellent period with gross interest turn increasing 25%, non interest income 21% and profit before taxation 32%.

The favourable economic environment presented significant growth opportunities and the focus has been on increasing market share in high growth niche market sub-segments including start-up businesses, franchises, tourism and funding BEE transactions in the middle market. This, together with increased cross-sell into the existing client base and an increase in the product and service offering to our clients, drawing on existing FirstRand product base, resulted in strong profit growth.

Deposits grew 19% due to continued strong consumer demand and retail sales resulting in increased cash balances. Increasing interest rates resulted in growth in interest income on endowment deposits as margins widened.

Advances increased 28% largely driven by the growth in "value add" products such as Debtor Finance, Agricultural term loans and, in particular, Commercial Property Finance. In this latter category, the segment continued to add market share and grew advances 54%. Agricultural term loans increased 31% as a result of the targeted acquisition of Land Bank customers, while Debtor Finance grew 53% due to a renewed product focus. Business overdrafts increased 16% reflecting the improved efficiency of the credit approval process, including the roll-out of a new credit scoring model, a refocused relationship model and "value add" products such as eBucks for businesses.

Credit quality remained good with NPLs as a % of gross advances improving from 2.9% to 2.5%. The bad debt charge as a % of advances increased to 0.6% but is still below the expected loss levels of 0.8%.

The segment experienced strong transactional volumes resulting in non interest income increasing 21%. The electronic delivery channel revenue grew 33%, Speedpoint (Card Acquiring) revenue increased 37% and the active account base grew 14%. International Banking's non interest income grew 28% mainly due to the increase in dealing revenue driven by increased volumes and turnover, despite suppressed margins, and assisted by market volatility.

Operating expenditure increased 13% as a result of upfront costs incurred associated with the new growth initiatives and the increase in variable costs due to strong transactional volumes. Collaboration with other FirstRand Banking Group businesses continued to be successful. Collaboration with WesBank delivered advances growth of 16% for the segment and RMB Structured Finance's payout increased 113%.

Corporate segment

Transactional Banking and associated Working Capital Solutions
Card Acquiring (Speedpoint)
Private Label Cards
Bulk Cash
Electronic Banking (FNB Online)

The Corporate segment provides transactional banking and other services to large corporates, financial institutions, multi nationals and state-owned enterprises in terms of Schedule 2 of the PFMA Act.

The segment also provides transactional banking solutions across other FNB segments, as well as clients in select international markets and, through its banking relationships, exposes clients to the wider products and services of the FirstRand Group.

Profit before direct taxation increased 29% with non interest income increasing 14%, driven primarily by increased transactional volumes in Speedpoint and FNB Online. This growth was underpinned by a combination of new client acquisitions and a favourable environment for retailers.

International banking showed strong growth in profit before taxation of 29% and remains a significant contributor to the segment's profitability. Market volatility during the period created some opportunities to extract business from both importers and exporters and, as a consequence, volumes and turnover increased.

Operating expenses increased 13% which was in line with expectations and related mainly to growth initiatives at Speedpoint and FNB Online, which required additional infrastructure spend.

Deposit and advances increased 21% and 26% respectively. However, the deposit margin was lower due to re-pricing of clients and increased volumes in the Financial Institutions environment where margins are thinner.

The bad debts charge reflects a net recovery of R24 million as a result of the repayment of corporate exposures and provisions being released.

FNB Other

Included in FNB Other is Mass, Public Sector Banking, Branch Banking and Support.

Mass (Smart Solutions)

Smart and Mzansi accounts
Microloans (SmartSpend)
ATMs (including Retail & Mini-ATMs)
Cellphone Banking and Pre-paid products
Housing Finance (SmartBond & Smart Housing Plan)
FNB Life

This segment focuses on individuals earning less than R81 000 per annum and is principally serviced by the FNB Smart branded products and services. In addition, this segment focuses on innovation, particularly where technology can provide convenience and cost efficiency to the customer as this segment requires cheaper delivery channels to operate profitably.

The segment performed exceptionally well during the period under review with profits increasing significantly during the period, driven by strong growth in both interest (34%) and non interest income (29%).

Interest income growth resulted from a 16% increase in net interest income on deposits and growth in excess of 100% in net interest income on advances. The non interest income growth was primarily driven by a 14% increase in active transacting accounts, 59% growth in insurance revenue and 16% growth in ATM transactions (FNB and Saswitch), as well as SmartSpend loans payout growth of 62%, and 61% growth in prepaid airtime turnover.

The ongoing roll-out of the mini-ATMs and other process efficiencies contributed to a stable market share of Saswitch transactions of 28% while market share based on the number of Saswitch devices remained at 22%. Since December 2005, the number of ATMs increased 11% to 4 485.

In this segment FNB is pursuing a strategy of increased customer product holding, with a focus on lending and assurance, where profitability is strongly correlated to process efficiency and customer "share of wallet". As a result of this strategy, advances grew 65% primarily because of the SmartSpend, Smart Housing Plan and SmartBond products and despite a slight slow down in growth in the last six months. Assurance sales of Law-on-Call and Personal Accident increased 82% and 46% respectively while Funeral Cover sales grew 97%.

At December 2006, Cellphone banking had over 310 000 registered customers representing 44% growth from June 2006. The use of this channel provides customers with convenience and cost efficiencies and in tandem with InContact, is expected to contribute to good market share growth.

Operating cost growth included the variable costs associated with new customer acquisition and the resultant increased transactional volumes.

FNB Life achieved significant growth increasing in-force policies year on year by 29% to 2.2 million.

Public Sector Banking

The segment provides transactional and other products and services to the three spheres of government; namely, national, provincial and local. Customers also include universities and public schools.

The South African economy continues to do well as manifested by revenue collections continuously exceeding targets and GDP remaining above 4% year on year. This positive environment combined with government's under-spending has resulted in a reduced appetite for credit in the segment and an increase in "cash" holdings. Government's self funding strategy will continue to reduce the segment's utilisation of credit facilities.

FNB's increased focus in this segment resulted in tenders being won or retained despite increased competitor activity. FNB has successfully competed through a focus on innovative solutions and service rather than price.

Branch Banking

Branch Banking continued with its strategy to reposition its network to reflect demographic shifts and alignment to retail and commercial development. The representation points stayed static at 680 for the period and, whilst traditional branches form the majority of the representation points, FNB continued to increase its roll out of Community Banks and Sales Centres. Overall, some 11 new branches were opened, 14 branches closed and 3 were relocated in the period. This is in line with FNB's process of actively assessing client needs and thereby ensuring optimal representation points.

As at the end of December 2006, 28% (Dec 2005: 19%) of the Network was positioned in the previously disadvantaged areas, as defined in the financial sector charter.

The investment in branch infrastructure to improve customer and staff experience while at the same time improving efficiencies is ongoing and 155 branches have now been converted into the new retail design. Internet kiosks and telephone banking have become a standard feature in most branches and access to these alternate channels improves convenience for customers, whilst reducing their cost of banking.

FNB has continued rolling-out its "Bank-on-wheels" concept which takes banking to existing and prospective customers not currently serviced by the fixed network and 10 of these units are now in operation.

Branch Banking experienced strong growth in customer acquisition as well as cross selling and this contributed to the increase in FNB's market share across all its segments. The "Bank-on-wheels", the commission based sales team and the newly introduced Sales Centres have contributed to continued improvement in sales.

Infrastructure

R million	December **2006**	2005	% change
Representation points (Branch, agencies, etc)	**680**	680	–
ATMs	**4 485**	3 718	11.4

	Six months ended December 2006	2005	% change	Year ended June 2006
Income before indirect taxation (R million)	**766**	745	3	1 559
Indirect taxation (R million)	**(55)**	(41)	34	(94)
Income before taxation (R million)	**711**	704	1	1 465
Advances (R million)	**87 323**	72 314	19	79 604
Cost to income ratio (%) – WesBank Consolidated	**53.1**	51.6		49
Cost to income ratio (%) – WesBank South Africa	**45.7**	48.9		48

Performance

WesBank's overall profitability was impacted by losses in its international operations. The local business showed good growth in a challenging environment characterised by higher interest rates and pressure on customer affordability levels.

This performance reflects the strength of WesBank's market position. The table below illustrates that although overall profits grew only 3% to R766 million, WesBank's core business in South Africa increased income before indirect tax by 15%.

R million	Six months ended December 2006	2005	% change	Year ended June 2006
Local Operations	**831**	728	14	1 545
International Operations	**(65)**	17	(>100)	14
Total	**766**	745	3	1 559

The Australian and UK operations, which are in start up and turnaround phases respectively, showed a loss of R65 million (including the impact of a declining Rand in the period under review).

WesBank's International operations include Motor One Finance (a retail finance operation in Australia), WorldMark (a car care product business in Australia) and Carlyle Finance, a recently acquired business finance operation in the UK. These losses were expected and WesBank believes the operations will achieve profitability in the short to medium term.

Gross advances grew by R19.6 billion, a 27% increase on the prior period, and included an additional R3.5 billion from the acquisition of Carlyle Finance in the UK. However, during the year WesBank securitised R5.8 billion of assets and the exclusion of these assets resulted in gross advances growth reducing to 19%.

Overall new business production increased 11% to R27.7 billion. Retail new business growth slowed slightly due to the general reduction in consumer affordability levels whilst the corporate market continued to show good growth as capital expenditure and infrastructure development continued to gather momentum.

Competitive forces on pricing combined with the increased cost of longer term funding of the fixed rate advances book continued to impact margins resulting in a six basis point decline in the South African operations during the period.

The charge for bad debts, as a percentage of advances, was 1.0% compared to 0.6% in the comparative period. This increase reflects the impact of higher levels of customer indebtedness and the 200 basis point increase in the prime rate and was expected given the historically low levels of bad debts in recent years. Non-performing loans increased to 1.2% of advances, but arrear levels continued to improve through intensified collections activities and as a result of the tightening of the credit scorecard at various intervals over the course of the last 16 months.

Non interest revenue grew 50% year on year. This strong growth was driven by insurance revenues, WesBank's Fleet business and the contributions of the non-banking subsidiary operations, including newly acquired Carlyle Finance and local collections business, Norman Bissett.

The substantial increase in non interest expenditure of 34% reflects investment in the international operations and several of the subsidiary companies. Within WesBank's local operations, operating expenditure was contained at 13% and cost ratios have also continued on a positive trend.

	Six months ended December 2006	2005	% change	Year ended* June 2006
Income before indirect tax (R million)	**2 076**	1 190	74	2 676
Indirect tax (R million)	**(22)**	(16)	35	(33)
Income before tax (R million)	**2 054**	1 174	75	2 643
Total assets (R million)	**180 413**	128 775	40	162 629
Cost to income ratio (%)	**39.8**	44.7		38

Divisional analysis of net income

R million	Six months ended December 2006	2005	% change	Year ended* June 2006
Private Equity	**791**	543	46	826
Equity Trading	**328**	97	>100	384
Corporate Finance	**156**	79	97	202
Structured Finance	**348**	239	46	615
Project, Trade and Commodity Finance	**79**	36	>100	105
Treasury Trading	**151**	92	64	241
SPJ International	**67**	27	>100	97
Offshore Division	**184**	89	>100	216
Other	**(50)**	(28)	79	(43)
	2 054	1 174	75	2 643

** Adjusted for inclusion of RMB Properties.*

RMB continued to take advantage of a strong investment banking environment, characterised by buoyant local and international markets. RMB increased pre-tax earnings 75% to R2 billion with all business units delivering strong growth for the half year and many nearing their full year profits of the prior year.

This excellent performance reflects how well positioned RMB is to benefit from good economic conditions and can be attributed to the successful execution of a number of strategic initiatives. These strategies have focused on providing innovative products and maintaining a strong client franchise in its traditional markets. At the same time RMB has successfully applied its trading models and intellectual capital in international markets on an opportunistic basis, whilst leveraging its local infrastructure.

Once again the Private Equity division made a significant contribution growing profits 46% to R791 million. This performance was driven by strong growth in operational earnings in equity accounted associates and from taking full advantage of buoyant equity market conditions to effect profitable realisations. Despite being in a harvest cycle, RMB continued to build the Private Equity investment portfolio through attractive investment opportunities largely attributable to BEE activity.

The Equity Trading business delivered an outstanding result, recording 238% growth on the comparable period. The performance of the offshore arbitrage team, which contributed over 50% of the net result, was particularly pleasing and reflects the success of its strategy to apply locally developed arbitrage trading strategies to global markets. The joint venture between RMB Securities and Morgan Stanley delivered a strong first half performance, while Securities Lending and Futures Clearing grew fees by over 50%, amid continued strong JSE volumes.

The other trading businesses, interest rates, currency and commodities also performed beyond expectations, both locally and internationally. The Treasury Trading division benefited from the return of volatility and direction to local interest rate and foreign exchange markets and strong growth in client flows. The soft commodity trading team continued to deliver a good performance.

Strong gains were achieved from both the emerging markets as well as the developed markets trading books, on the back of improved corporate and sovereign credit spreads. This resulted in SPJ International reporting in excess of 100% year on year growth, following a challenging 2005.

The Offshore Resources division, which comprises an energy trading joint venture business and an international mining and resources lending and investment business, delivered another record performance. This was driven primarily by very strong prices in particular energy sectors and profitable realisations of investments.

The predominately South African and regionally focused debt businesses also continued to benefit from positive economic conditions and forecasts, producing year on year growth in excess of 30%. Although the full effect of increased infrastructure spending has yet to be felt, the Project Finance team still delivered a strong performance on the back of continued BEE activity in the resources sector. Structured Finance benefited from a robust property sector as well as acquisition and leveraged finance opportunities created from BEE activity, achieving exceptional year on year growth, while maintaining very high returns on capital.

On the advisory front, Corporate Finance almost doubled their 2005 first half performance, driven by strong growth in advisory fees from the M&A team. RMB concluded a number of significant mandates in the period under review; the most notable being the Kumba restructuring and the Sasol BEE transaction.

FRAEM comprises the FNB Africa subsidiaries (FNB Botswana, FNB Lesotho, FNB Namibia and FNB Swaziland) as well as a division acting as the strategic enabler, facilitator and co-ordinator for international expansion undertaken by the FirstRand brands.

Consolidated results of FNB Africa subsidiaries

	Six months ended December 2006	Six months ended December 2005	% change	Year ended June 2006
Income before indirect tax (R million)	**446**	355	27	761
Indirect tax (R million)	**(9)**	(10)	(1)	(17)
Income before tax (R million)	**437**	345	22	744
Attributable earnings (R million)	**218**	174	26	378
Advances (R million)	**12 694**	11 503	10	12 216
Total deposits (R million)	**17 673**	11 357	56	16 299
Cost to income ratio (%)	**43.8**	45.9		45.9
Non-performing loans as % of gross advances	**3.0**	2.9		2.9
Geographic contribution – Income before tax				
FNB Botswana (Pula million)	***179***	*142*	*26*	*298*
FNB Botswana (R million)	**211**	165	28	347
FNB Namibia (R million)	**196**	161	22	360
FNB Swaziland (R million)	**30**	19	58	39
FNB Lesotho (R million)	**–**	–*	100	(2)
Total (R million)	**437**	345	22	744

** R1 million loss included in FNB during the prior period.*

FNB Africa subsidiaries

Performance

Growth is a feature of the business in the respective countries where FNB Africa operates, despite rising interest rates and a conscious effort by FNB Africa to limit commission and fee increases. This growth is a result of continued sales initiatives, coupled with focused efforts on cost containment and excellent collaboration with FNB South Africa, resulting in growth in income before tax of 27%. Cost to income reduced further to 43.8% with the return on equity improving to 31%.

As previously reported at 30 June 2006, the growth in the consolidated balance sheet was dominated by revised Bank of Botswana requirements which restricted bidders for Bank of Botswana Certificates ("BoBCs") to commercial banks only. Asset managers, corporates and parastatals have switched surplus funds, previously placed in BoBCs, to alternative deposit instruments through commercial banks. As a result, total consolidated assets have grown by 10% and deposits by 56% year on year.

FNB Botswana

Against a backdrop of high interest rates, FNB Botswana performed well with an increase in income before tax increasing by 26% to P178 million. The Rand converted results were supported by the relative strength of the Pula against the Rand (0.5% depreciation against 12% in 2005). Management has successfully focused on sales initiatives and opened two new branches, increasing the number of branches from 13 to 15. These initiatives resulted in a substantial increase in volumes.

The high interest rate environment and subdued economic growth in Botswana resulted in a 105% increase in impairment losses. Despite the opening of the new branches and concerted sales initiatives, growth in costs was kept at acceptable levels with FNB Botswana's cost to income ratio further improving to 33%. This remains the lowest in the industry.

Gross advances grew by 18% with substantial effort in new sales initiatives driving the increase (in particular property finance). The growth in total assets of 112% (growth in deposits 150%) is a result of the Bank of Botswana changing the bidding requirements for BoBCs described above.

FNB Namibia

FNB Namibia's income before tax increased 22% to N$196 million. Despite the increase in prime interest rate, the economic sentiment remained positive and all its businesses performed well as a result of the organic growth and cross-selling initiatives. FNB Namibia's cost base was well controlled at a 9% increase and its cost to income ratio improved to 47.6%.

Income before tax for banking operations increased by 20% from N$135 million to N$162 million and life assurance grew off a lower base by 87% from N$15 million to N$29 million. The latter growth is a result of synergies within the FNB Namibia Group, together with exceptional returns on the investment portfolio. The rising interest rate cycle in Namibia resulted in an increase of its impairment losses (portfolio and specific) of 90% to N$37 million. However, the specific impairment charge on non-performing loans only grew by N$4.4 million (0.1% of advances.) The quality of assets remains healthy, with impairments at 0.3% of advances.

Advances grew by 10% to N$8.1 billion and total assets grew 18% to N$10.9 billion. Deposits grew by 18%. Whilst FNB Namibia continues to depend on wholesale funding, there is a broadening of the retail funding base with the launch of a new savings product and sales initiatives at branch level.

FNB Swaziland

FNB Swaziland continued its strong recovery under new management. Although the economy is growing at less than 1%, FNB Swaziland increased income before tax by 58% to E30 million. This performance was achieved through the decrease of total costs by 6%, an increase of net interest income of 20% and an increase in fee income of 15%. The resultant cost to income ratio reduced from 62% to 50%.

Total assets grew by 13% to E1.1 billion and impairments were well controlled, despite the difficult economic conditions. The bank has a sound liquidity position.

FNB Lesotho

FNB Lesotho achieved sustainable levels of profitability for the period under review and is well ahead of schedule, within 26 months of opening on 26 October 2004. Further expansion in Lesotho is receiving attention, which will affect the growth in profitability marginally.

As expected with a new and growing operation, total costs grew substantially by 42%. Total income, however, grew by 89%.

Gross advances and total assets grew in excess of 100%, from a small base.

International initiatives

In line with the FirstRand owner/manager and federal business model, the primary responsibility to drive international expansion lies with the brands. In order to create synergies and to avoid duplication, FirstRand, through its FRAEM division, coordinates international initiatives and acts as a catalyst and an enabler.

The FirstRand approach is to be a strong regional player in Southern Africa. The opportunities in SADC countries of Angola, Mozambique and Zambia are being actively pursued. However, there is a long lead time in successfully concluding the opportunities identified.

Apart from Nigeria, which has also been identified as a potential country for expansion, considerable focus was placed on Brazil and India and resources were deployed to develop these opportunities.

Celpay, a company offering mobile transactional payment capabilities, was acquired as an alternative banking strategy in Africa. The company faced a number of challenges in Zambia and the Democratic Republic of the Congo in generating the required volumes to reach profitability. Zambia has recently achieved profitability whilst the progress in the Democratic Republic of the Congo was set back a number of months with the protracted Presidential elections, which effectively slowed down business development and growth with business having taken a “wait and see” approach. Notwithstanding the good progress being made, the business continues to be monitored closely.

	Six months ended December **2006**	2005	% change	Year ended June 2006
Gross premiums (R million)	**1 368**	1 109	23	2341
Operating profit (R million)	**287.9**	221.0	30	451
Headline earnings (R million)	**231.7**	186.0	25	381
Expense/cost to income ratio (%)	**15**	16	6	16.4
Claims and OUTbonus ratio (%)	**58**	57	1	58

Performance

Operationally OUTsurance performed exceptionally well during the six months ending December 2006. Gross premiums written increased by 23% off an already high base. The growth was mainly driven by strong new business flows from both Personal and Business OUTsurance. Premium increases for existing clients was contained at levels well below percentages indicated by various industry players.

The claims ratio (including the cost of OUTbonuses) was virtually identical to the figure achieved for the same period ending in 2005. Although a variety of factors did exert upward pressure on claims costs inflation, OUTsurance continually adjusts its actuarial premium rating models to ensure the claims ratio remains within a targeted range.

A continuous focus on increasing productivity through the use of technology is reflected in the 0.9% point improvement in the ratio of costs to net premium income (15% in 2006 compared to 16% in 2005).

The strong organic growth, together with improved efficiencies drove operating profit up by 30%. This is a particularly pleasing performance if compared with the rest of the industry, where the downward movement in the insurance cycle has cut underwriting profits dramatically.

Headline earnings did, however, show slower growth (16% up compared to the prior period) due to significantly lower investment income. The latter was negatively impacted by fair value adjustments to investments in preference shares following the recent interest rate hikes.

FirstRand Short-term Insurance (“FRSTI”)

R million	Six months ended December **2006**	2005	% change	Year ended June 2006
FRSTI: Banking Group attributable income before tax	**140**	135	4	251

FRSTI houses the Banking Group’s short term insurance interests, including OUTsurance. While benefiting from the strong performance in OUTsurance, the results of FRSTI were negatively impacted by the expected start up cost of new initiatives. This reduced the contribution to R140 million (2005: R135 million).

Active capital management remains one of the five growth pillars in the strategy of FirstRand. This is done through the proactive management of the level of capital, the investment of capital and the allocation of capital.

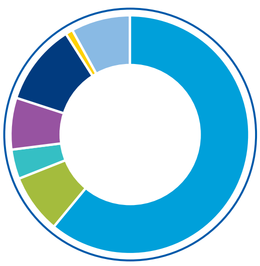
The Banking Group is capitalised at the higher of economic and regulatory capital (inclusive of an appropriate buffer). This is done at both group level and in each of the operating entities within the Group. The table below highlights the targeted and actual capital levels:

	Total capital adequacy		Tier 1 capital		Tier 1 capital – core	
%	Target	Actual	Target	Actual	Target	Actual
Banking Group – regulated bank and non-bank entities	12 – 13	11.8	7.5 – 8.5	8.5	7 – 8	7.5
Banking Group – regulated bank entities	12 – 13	11.8	7.5 – 8.5	8.1	7 – 8	7.1
FirstRand Bank Limited	11 – 12	11.4	6.5 – 7.5	7.8	6 – 7	6.5

A fundamental part of the capital management process is the allocation of capital based on the economic capital methodology, which is broadly based on the advanced approaches followed under Basel II. Economic capital is defined as the capital that FirstRand Banking Group must hold, commensurate with its risk profile under severe stress conditions, to give comfort to third party stakeholders (shareholders, counterparties and depositors, ratings agencies and regulators) that it will be able to discharge its obligations to third parties in accordance with an indicated degree of certainty even under stress conditions, and would operate as a going concern entity.

The following graph indicates the economic capital analysis per risk type for 2006:

Risk type split – including business risk – 2006



61% Credit risk – domestic (including pre-settlement)
8% Credit risk – international
4% Market risk
7% Investment risk
11% Operational risk
1% Interest rate risk
8% Business and other residual risks

RETURN ON EQUITY AND CAPITAL ADEQUACY

Return on Equity ("ROE")

The return on equity for the Banking Group is 31%, compared to the prior period of 29%.

Analysis of shareholders' equity and reserves

Total shareholders' equity and reserves per the Banking Group balance sheet totalled R31.6 billion as at 31 December 2006 (2005: R25.4 billion).

The average ordinary shareholders' equity and reserves for the six month period amounted to R29.7 billion (2005: R24.9 billion).

Segmental ROE

For purposes of segmental ROE reporting, ordinary shareholders' funds have been attributed to business units based on economic capital utilisation, inclusive of an appropriate buffer.

The tables below provide a summary of the ROE numbers for the main business units based on normalised headline earnings, which includes an allocation of the income earned on capital invested by the Group Support Centre:

DISCLOSURE

R million	Normalised headline earnings	ROE %
For the period ended 31 December 2006:		
FNB	2 348	35
RMB	1 613	41
WesBank	565	22
FirstRand Africa & Emerging Markets	218	31
Group Support services	(100)	
Total	4 643	31
For the period ended 31 December 2005:		
FNB	1 874	35
RMB	931	35
WesBank	565	26
FirstRand Africa & Emerging Markets	173	27
Group Support services	22	
Total	3 565	29

IFRS does not prescribe a methodology for allocating equity or risk capital to business segments, or for the calculation of segment ROEs. Allocating equity involves the use of assumptions, interpretations and techniques that are regularly reviewed and updated as deemed necessary. Banks that disclose information on similar allocations and related return measures may use different assumptions, interpretations and techniques.

BANKING GROUP

The registered banks within the Banking Group are subject to regulatory capital requirements. The capital adequacy of the Banking Group is measured in terms of the Banks Act, 1990. The Banks Act requires the Banking Group to maintain a minimum level of capital based on the Banking Group's risk weighted assets and off-balance sheet exposures.

Banks in South Africa are only allowed to appropriate income once approved by the board of directors, requiring the Banking Group to demonstrate that the board has applied its mind in the process. Going forward, the appropriation of income to Tier 1 will be considered at board meetings on at least a quarterly basis. The table below shows the capital adequacy position of the Banking Group as per the regulatory returns before appropriation, as well as the ratio following the appropriation of profits (bank entities only):

FirstRand Bank Group: Regulated banking entities	Total capital adequacy	Tier 1 capital
Disclosed capital adequacy	11.8%	8.1%
Appropriation of profits (net of dividends)	0.5%	0.5%
Adjusted actual capital adequacy	12.3%	8.6%

	Six months ended December		Year ended June
R million	**2006**	2005	2006
Regulatory capital			
Tier 1	**23 184**	19 895	20 993
Share capital	**367**	493	792
Share premium	**4 361**	3 372	3 372
Non-redeemable non-cumulative preference shares	**3 000**	3 000	3 000
Reserves	**16 584**	14 558	15 232
Less: Impairments	**(1 128)**	(1 528)	(1 403)
Tier 2	**10 518**	7 057	10 373
Subordinated debt instruments and preference shares	**8 350**	4 740	7 927
Qualifying provisions	**3 054**	2 317	2 446
Less: Impairments	**(886)**		
Total regulatory capital	**33 702**	26 952	31 366
Capital adequacy ratios – Group banking operations			
Tier 1	**8.1%**	9.2%	8.4%
Tier 2	**3.7%**	3.3%	4.1%
Total	**11.8%**	12.5%	12.5%

Calculation of Risk weighted assets	Six months ended December 2006	2005	Risk weighting	Risk weighted assets 2006	2005	Year ended June 2006
Banking book	**921 157**	638 624		**270 114**	206 469	236 605
Cash, own bank and central government advances	**122 733**	104 945	0%			
Central Securities Depository Participation	**440 209**	262 536	0%			
Public sector body advances and letters of credit	**2 825**	5 133	5% – 10%	**290**	505	123
Other bank advances and letters of credit	**38 160**	24 206	20%	**7 632**	4 841	6 170
Mortgage advances, remittances in transit and performance related guarantees	**110 077**	81 362	50%	**55 039**	40 681	51 698
Other advances and lending related guarantees	**199 707**	152 136	100%	**199 707**	152 136	169 744
Counterparty risk exposure	**6 478**	6 813	100%	**6 478**	6 813	7 477
Large exposures	**968**	1 493	100%	**968**	1 493	1 393
Trading book	**15 140**	9 076		**15 140**	9 076	13 879
Position risk	**12 633**	7 880	100%	**12 633**	7 880	11 828
Counterparty risk exposure	**2 204**	1 050	100%	**2 204**	1 050	1 289
Large exposures	**303**	146	100%	**303**	146	762
	936 297	647 700		**285 254**	215 545	250 484

R million	Six months ended December 2006	Six months ended December 2005	Year ended June 2006
Regulatory capital			
Tier 1	**18 799**	15 698	16 507
Share capital	**4**	4	376
Share premium	**4 361**	3 372	3 372
Non-redeemable non-cumulative preference shares	**3 000**	3 000	3 000
Reserves	**12 066**	10 455	10 341
Less: Impairments	**(632)**	(1 133)	(582)
Tier 2	**8 665**	6 663	9 026
Subordinated debt instruments	**7 382**	4 584	6 867
Qualifying provisions	**2 169**	2 079	2 159
Less: Impairments	**(886)**	–	–
Total regulatory capital	**27 464**	22 361	25 533
Capital adequacy ratios			
Tier 1	**7.8%**	8.3%	7.7%
Tier 2	**3.6%**	3.5%	4.3%
Total	**11.4%**	11.8%	12.0%

Calculation of Risk weighted assets	Six months ended December 2006	2005	Risk weighting	Risk weighted assets 2006	Risk weighted assets 2005	Year ended June 2006
Banking book	**862 327**	596 287		**238 014**	184 888	210 175
Cash, own bank and central government advances	**106 527**	90 205	0%			
Central Securities Depository Participation	**440 209**	262 536	0%			
Public sector body advances and letters of credit	**1 838**	4 042	5% – 10%	**176**	396	42
Other bank advances and letters of credit	**29 785**	21 176	20%	**5 957**	4 235	4 804
Mortgage advances, remittances in transit and performance related guarantees	**104 175**	76 141	50%	**52 088**	38 070	49 013
Other advances and lending related guarantees	**173 492**	135 550	100%	**173 492**	135 550	149 006
Counterparty risk exposure	**6 301**	6 637	100%	**6 301**	6 637	7 310
Trading book	**3 998**	4 047		**3 998**	4 047	3 382
Position risk	**3 174**	3 218	100%	**3 174**	3 218	2 336
Counterparty risk exposure	**769**	775	100%	**769**	775	955
Large exposures	**55**	54	100%	**55**	54	91
	866 325	600 334		**242 012**	188 935	213 557

The consolidated capital adequacy position of the Banking Group is set out below:

	Six months ended December **2006**		Six months ended December 2005		Year ended June 2006	
	Risk weighted assets	Capital adequacy %	Risk weighted assets	Capital adequacy %	Risk weighted assets	Capital adequacy %
Banking operations						
FirstRand Bank Limited	**242 012**	**11.4**	188 935	11.8	213 557	12.0
FNB Botswana	**4 162**	**13.9**	3 183	18.3	3 747	15.1
FNB Namibia	**6 361**	**20.0**	5 825	17.7	6 046	20.9
FNB Swaziland	**827**	**15.4**	735	16.0	735	14.0
FNB Lesotho	**19**	**56.9**	18	49.7	26	45.2
FirstRand International Dublin	**26 549**	**13.7**	13 678	16.4	22 259	14.7
RMB Australia Holdings	**5 324**	**11.0**	2 474	11.0	4 055	12.6
RMB Mauritius	**–**	**–**	697	48.0	59	182.2
Total FirstRand Banking Group – regulated bank entities	**285 254**	**11.8**	215 545	12.5	250 484	12.5
FirstRand Banking Group – regulated bank and non-bank entities	**316 653**	**11.8**	228 089	13.5	269 272	12.8

All the banking operations are subject to a 10% minimum capital requirement, except for FNB Botswana Limited, where the minimum capital requirement is 15%.

Statement of changes in equity for the year ended 30 June

R million	Share* capital and share premium	General risk reserve
Balance as at 30 June 2005 as previously stated	4 738	1 123
Adjusted for IFRS movements:		
– debt/equity classification	100	–
– effective interest rate	–	–
– credit impairment	–	–
– credit impairment	–	–
– transfer from general risk reserve to distributable reserves	–	(174)
Restated at 1 July 2005	4 838	949
Currency translation differences	–	–
Profit for the period	–	–
Ordinary dividend – 25 July 2005	–	–
Preference dividend – 31 August 2005	–	–
Final ordinary dividend – 24 October 2005	–	–
Interim ordinary dividend – 23 March 2006	–	–
Preference dividend – 31 March 2006	–	–
Preference dividend – 1 May 2006	–	–
Final ordinary dividend – 31 May 2006	–	–
Dividends attributable to outside shareholders	–	–
Transfer from General Risk Reserve (impaired capital reserve)	–	187
Available-for-sale loss transferred to the income statement	–	–
Revaluation of cash flow hedges	–	–
Reserves arising on acquisition of subsidiaries	–	–
Movement in other non distributable reserves	–	–
Movement in share based payments reserve	–	–
Cumulative redeemable shares redeemed	–	–
Disposal of subsidiaries	–	–
Share buy-back	–	–
Balance as at 30 June 2006	**4 838**	**1 136**
Currency translation differences	**–**	**–**
Non distributable reserves of associate companies	**–**	**–**
Earnings attributable to ordinary shareholders	**–**	**–**
Final preference dividend – 28 August 2006	**–**	**–**
Final ordinary dividend – 23 October 2006	**–**	**–**
Transfer to General Risk Reserve (impaired capital reserve)	**–**	**(3)**
Revaluation of available-for-sale assets	**–**	**–**
Revaluation of cash flow hedges	**–**	**–**
Movement in other non distributable reserves	**–**	**–**
Movement in share based payments reserve	**–**	**–**
Transfer to other non distributable reserves	**–**	**–**
Issue of ordinary shares	**670**	**–**
Balance as at 31 December 2006	**5 508**	**1 133**

** Includes the cumulative preference shares of R3 100 million.*

Cash flow hedge reserve	Share-based payment reserve	Available-for-sale reserve	Currency translation reserve	Other non-distributable reserves	Distributable reserves	Total permanent capital	Preference shares issued to FirstRand companies	Minority interest	Total equity
345	140	143	407	418	20 216	27 530	1 045	991	29 566
–	–	–	–	–	(30)	70	–	–	70
–	–	–	–	–	(46)	(46)	–	–	(46)
–	–	–	–	–	(78)	(78)	–	(18)	(96)
–	–	–	–	–	(174)	(174)	–	–	(174)
–	–	–	–	–	174	–	–	–	–
345	140	143	407	418	20 062	27 302	1 045	973	29 320
–	–	–	176	–	–	176	–	22	198
–	–	–	–	–	7 260	7 260	–	639	7 899
–	–	–	–	–	(500)	(500)	–	–	(500)
–	–	–	–	–	(114)	(114)	–	–	(114)
–	–	–	–	–	(1 325)	(1 325)	–	–	(1 325)
–	–	–	–	–	(1 690)	(1 690)	–	–	(1 690)
–	–	–	–	–	(107)	(107)	–	–	(107)
–	–	–	–	–	(32)	(32)	–	–	(32)
–	–	–	–	–	(85)	(85)	–	–	(85)
–	–	–	–	–	–	–	–	(263)	(263)
–	–	–	–	–	(187)	–	–	–	–
–	–	(10)	–	–	–	(10)	–	–	(10)
(172)	–	–	–	–	–	(172)	–	–	(172)
–	–	–	–	2	–	2	–	–	2
–	–	–	–	(4)	(1)	(5)	–	7	2
–	148	–	–	–	–	148	–	–	148
–	–	–	–	–	–	–	(1 045)	–	(1 045)
–	–	–	–	9	(1)	8	–	–	8
–	–	–	–	–	(1)	(1)	–	–	(1)
173	288	133	583	425	23 279	30 855	–	1 378	32 233
–	–	–	(66)	–	–	(66)	–	–	(66)
–	–	–	–	9	–	9	–	–	9
–	–	–	–	–	4 644	4 644	–	413	5 057
–	–	–	–	–	(109)	(109)	–	–	(109)
–	–	–	–	–	(1 494)	(1 494)	–	(220)	(1 714)
–	–	–	–	–	3	–	–	–	–
–	–	158	–	–	–	158	–	–	158
(270)	–	–	–	–	–	(270)	–	–	(270)
–	–	–	–	(4)	–	(4)	–	2	(2)
–	85	–	–	–	–	85	–	–	85
–	–	–	–	(1)	1	–	–	–	–
–	–	–	–	–	–	670	–	–	670
(97)	373	291	517	429	26 324	34 478	–	1 573	36

Primary segments (business)

Six months ended December 2006 R million	Personal Banking	Home-Loans	Card Issuing	Consumer Segment	Wealth	Com-mercial
	FNB					
	Consumer segment					
Net interest income before impairment of advances	822	829	382	2 033	208	1 272
Impairment of advances	(59)	(159)	(223)	(441)	(22)	(60)
Net interest income after impairment of advances	763	670	159	1 592	186	1 212
Non interest revenue	993	99	571	1 663	157	1 348
Net income from operations	1 756	769	730	3 255	343	2 560
Operating expenditure	(1 074)	(369)	(625)	(2 068)	(260)	(1 453)
Income from operations	682	400	105	1 187	83	1 107
Share of income from associates	11	–	–	11	–	–
FirstRand Short-term Insurance	–	–	–	–	–	–
Other	11	–	–	11	–	–
Income before taxation	693	400	105	1 198	83	1 107
Indirect taxation	(33)	(22)	(9)	(64)	(6)	(6)
Income before direct taxation	660	378	96	1 134	77	1 101
Direct taxation	(155)	(89)	(23)	(267)	(18)	(258)
Income after taxation	505	289	73	867	59	843
Attributable to:						
Equity holders of Banking Group	505	289	73	867	59	843
Minority interests	–	–	–	–	–	–
	505	289	73	867	59	843
Equity holders of Banking Group	505	289	73	867	59	843
Profit on sale of investments	–	–	–	–	–	–
Loss on sale of fixed assets	–	–	–	–	–	–
Plus: Goodwill – on associates	–	–	–	–	–	–
Loss on sale of available-for-sale assets	–	–	–	–	–	–
Headline earnings	505	289	73	867	59	843
Profit on sale of investments	–	–	–	–	–	–
IFRS 2	–	–	–	–	–	–
Transfer of division from Momentum Group	–	–	–	–	–	–
Normalised headline earnings	505	289	73	867	59	843
Cost to income (%)	58.8	39.8	65.6	55.8	71.2	55.5
Diversity ratio (%)	54.4	10.7	59.9	44.9	43.0	51.5
Bad debt charge as a percentage of average advances (%)	4.0	0.4	4.6	0.9	0.3	0.7
NPLs as a percentage of advances (%)	3.2	1.0	6.6	1.6	1.4	2.5
Income statement includes						
Depreciation	(64)	(7)	(3)	(74)	(12)	(18)
Amortisation	–	–	–	–	–	–
Impairment charges	(2)	–	–	(2)	–	–
Balance sheet includes						
Advances (after ISP – before provisions)	3 159	90 946	10 229	104 334	18 262	18 857
Non-performing loans	101	937	679	1 717	258	471
Investment in associated companies	28	–	–	28	–	–
Total deposits (ex non-recourse deposits)	47 566	12	1 306	48 884	4 273	59 010
Total assets	3 512	90 587	9 870	103 969	18 294	18 572
Capital expenditure	48	4	5	57	15	9
Number of employees						

The segmental analysis is based on the management accounts for the respective segments.

All consolidation adjustments have been recorded in the Group Support.*

Corporate	FNB Other	Total FNB	RMB	FNB Africa	WesBank	Group Support*	Sub total	Divisions disclosed elsewhere	Total
270	275	4 058	–	535	1 620	917	7 130	–	7 130
24	(118)	(617)	–	(56)	(452)	(26)	(1 151)	–	(1 151)
294	157	3 441	–	479	1 168	891	5 979	–	5 979
685	1 272	5 125	2 798	359	888	69	9 239	(131)	9 108
979	1 429	8 566	2 798	838	2 056	960	15 218	(131)	15 087
(591)	(1 086)	(5 458)	(1 335)	(392)	(1 338)	(600)	(9 123)	47	(9 076)
388	343	3 108	1 463	446	718	360	6 095	(84)	6 011
–	–	11	613	–	48	203	875	–	875
–	–	–	–	–	–	140	140	–	140
–	–	11	613	–	48	63	735	–	735
388	343	3 119	2 076	446	766	563	6 970	(84)	6 886
–	(59)	(138)	(22)	(9)	(55)	(33)	(257)	–	(257)
385	284	2 981	2 054	437	711	530	6 713	(84)	6 629
(90)	(67)	(700)	(482)	(115)	(167)	(124)	(1 588)	16	(1 572)
295	217	2 281	1 572	322	544	406	5 125	(68)	5 057
295	217	2 281	1 572	218	538	103	4 712	(68)	4 644
–	–	–	–	104	6	303	413	–	413
295	217	2 281	1 572	322	544	406	5 125	(68)	5 057
295	217	2 281	1 572	218	538	103	4 712	(68)	4 644
–	–	–	(308)	–	–	–	(308)	–	(308)
–	(1)	(1)	–	–	–	2	1	–	1
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	(16)	(16)	–	(16)
295	216	2 280	1 264	218	538	89	4 389	(68)	4 321
–	–	–	308	–	–	–	308	–	308
–	–	–	–	–	–	123*	123*	–	123*
–	–	–	–	–	–	–	–	–	–
295	216	2 280	1 572	218	538	212	4 820	(68)	4 752
61.9	70.2	59.4	39.1	43.8	52.3	50.5	52.9	–	53.0
71.7	82.2	55.7	82.0	40.2	34.7	5.8	53.6	–	53.2
(0.4)	8.2	0.8	–	0.9	1.1	0.6	0.7	–	0.7
1.3	8.5	1.8	0.9	3.0	1.3	–	1.5	–	1.5
(22)	(170)	(296)	22	(16)	43	(157)	(404)	(1)	(405)
–	–	–	13	–	27	(90)	(50)	–	(50)
–	–	(2)	–	(4)	–	11	5	–	5
12 518	3 104	157 075	65 677	12 694	87 323	9 575	332 344	–	332 344
163	264	2 873	562	375	1 149	(4)	4 955	–	4 955
–	–	28	3 243	–	295	738	4 304	–	4 304
37 160	7 136	156 463	37 855	17 673	54	145 326	357 371	–	357 371
13 408	8 036	162 279	180 413	21 285	90 399	33 412	487 788	–	487 788
93	254	428	9	33	16	–	486	–	486
		24 247	959	2 490	3 282	1 236	32 224	–	32 224

Primary segments (business) *(continued)*

Six months ended December 2005 R million	Personal Banking	Home-Loans	Card Issuing	Consumer Segment	Wealth	Com-mercial
	FNB					
	Consumer segment					
Net interest income before impairment of advances	642	627	326	1 595	155	1 018
Impairment of advances	(24)	(41)	(131)	(196)	(4)	(5)
Net interest income after impairment of advances	618	586	195	1 399	151	1 013
Non interest revenue	866	67	481	1 414	124	1 117
Net income from operations	1 484	653	676	2 813	275	2 130
Operating expenditure	(985)	(335)	(468)	(1 788)	(224)	(1 291)
Income from operations	499	318	208	1 025	51	839
Share of income from associates	14	–	–	14	–	–
FirstRand Short-term Insurance	–	–	–	–	–	–
Other	14	–	–	14	–	–
Income before taxation	513	318	208	1 039	51	839
Indirect taxation	(36)	(31)	(9)	(76)	(8)	(6)
Income before direct taxation	477	287	199	963	43	833
Direct taxation	(112)	(67)	(47)	(226)	(10)	(196)
Income after taxation	365	220	152	737	33	637
Attributable to:						
Equity holders of Banking Group	365	220	152	737	33	637
Minority interests	–	–	–	–	–	–
	365	220	152	737	33	637
Equity holders of Banking Group	365	220	152	737	33	637
Profit on sale of investments	(9)	–	-	(9)	–	–
Loss on sale of fixed assets	–	–	–	–	–	–
Plus: Goodwill – on associates	–	–	–	–	–	–
Loss on sale of available-for-sale assets	–	–	–	–	–	–
Headline earnings	356	220	152	728	33	637
Profit on sale of investments	9	–	–	9	–	–
Impact of IFRS2	–	–	–	–	–	–
Transfer of division from Momentum Group	–	–	–	–	–	–
Normalised headline earnings	365	220	152	737	33	637
Cost to income (%)	64.7	48.3	58.0	59.1	80.3	60.5
Diversity ratio (%)	56.9	9.7	59.6	46.8	44.4	52.3
Bad debt charge as a percentage of average advances (%)	2.3	0.1	3.5	0.5	0.1	0.1
NPLs as a percentage of advances (%)	3.1	0.7	4.4	1.1	1.2	2.9
Income statement includes						
Depreciation	(56)	(10)	(2)	(68)	(6)	(12)
Amortisation	–	–	–	–	–	–
Impairment charges	(1)	–	–	(1)	–	–
Balance sheet includes						
Advances (after ISP – before provisions)	2 296	69 179	8 194	79 669	13 977	14 836
Non-performing loans	72	469	357	898	166	424
Investment in associated companies	30	–	–	30	–	–
Total deposits (ex non-recourse deposits)	40 910	11	1 188	42 109	2 944	49 512
Total assets	2 862	69 092	7 840	79 794	13 967	14 560
Capital expenditure	85	2	3	90	9	3
Number of employees						

The segmental analysis is based on the management accounts for the respective segments.
All consolidation adjustments, have been recorded in the Group Support.*

	Corporate	FNB Other	Total FNB	RMB	FNB Africa	WesBank	Group Support*	Sub total	Divisions disclosed elsewhere	Total
	224	155	3 147	–	439	1 335	484	5 405	–	5 405
	–	(32)	(237)	–	(44)	(222)	(73)	(576)	–	(576)
	224	123	2 910	–	395	1 113	411	4 829	–	4 829
	601	1 019	4 275	1 867	298	592	(44)	6 988	(100)	6 888
	825	1 142	7 185	1 867	693	1 705	367	11 817	(100)	11 717
	(523)	(854)	(4 680)	(960)	(338)	(1 002)	(87)	(7 067)	42	(7 025)
	302	288	2 505	907	355	703	280	4 750	(58)	4 692
	–	2	16	283	–	42	431	772	–	772
	–	–	–	–	–	–	135	135	–	135
	–	2	16	283	–	42	296	637	–	637
	302	290	2 521	1 190	355	745	711	5 522	(58)	5 464
	(6)	(63)	(159)	(16)	(10)	(41)	(34)	(260)	–	(260)
	296	227	2 362	1 174	345	704	677	5 262	(58)	5 204
	(70)	(53)	(555)	(276)	(85)	(166)	(203)	(1 285)	15	(1 270)
	226	174	1 807	898	260	538	474	3 977	(43)	3 934
	226	174	1 898	898	174	538	280	3 697	(43)	3 654
	–	–	–	–	86	–	194	280	–	280
	226	174	1 807	898	260	538	474	3 977	(43)	3 934
	226	174	1 807	898	174	538	280	3 697	(43)	3 654
	–	-	(9)	(285)	–	–	–	(294)	–	(294)
	–	–	–	–	–	–	6	6	–	6
	–	–	–	–	–	-	(9)	(9)	–	(9)
	–	–	–	–	–	–	7	7	–	7
	226	174	1 798	613	174	538	284	3 407	(43)	3 364
	–	–	9	285	–	–	–	294	–	294
	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	22	22
	226	174	1 807	898	174	538	284	3 701	(21)	3 680
	63.4	72.6	62.9	44.7	45.9	50.9	10.0	53.7		53.8
	72.8	86.6	57.5	86.8	40.4	30.1	(5.1)	53.1		52.7
	–	3.8	0.4	–	0.8	0.7	(3.5)	0.5		0.5
	3.3	2.8	1.6	0.8	2.9	1.0	–	1.3		1.3
	(28)	(146)	(260)	(25)	(15)	(34)	(22)	(356)	(1)	(357)
	–	–	–	–	(4)	–	(21)	(25)	–	(25)
	6	–	5	(2)	(44)	–	41	–	–	–
	9 928	1 905	120 315	44 742	11 503	72 314	4 293	253 167	–	253 167
	326	54	1 868	444	335	710	–	3 357	–	3 357
	–	–	30	1 778	3	152	1 349	3 312	(41)	3 271
	30 830	5 904	131 299	46 524	11 357	99	79 468	268 747	–	268 747
	10 413	6 158	124 892	128 775	14 530	73 105	33 705	375 007	(184)	374 823
	50	340	492	30	19	52	–	593	–	593
			23 529	896	2 513	3 118	1 478	31 534	–	31 534

Credit ratings

FirstRand subsidiaries continue to have strong credit counterparty ratings in South Africa. The current strong credit rating is supported by the sound capital position, the diverse portfolio of activities within the group, prudent risk management and an enterprise-wide focus on value creation. These objectives are directly linked into the performance measurement system in place for business units and management.

	Fitch Ratings	Standard and Poor's	Moody's Investor Services
FirstRand Bank Holdings	January 2007	January 2006	
Foreign currency	–	–	
– Long-term	BBB+	–	
– Short-term	F2	–	
– Outlook	Stable	–	
National	–	–	
– Long-term	AA(zaf)	–	
– Short-term	F1+(zaf)	–	
– Outlook	Stable	–	
Individual	B/C	–	
Support	5	–	
Counterparty credit	–	BBB/A-2/Positive	
FirstRand Bank Limited	January 2007	January 2006	January 2005
Foreign currency	–	–	Baa1/Prime-2
– Long-term	BBB+	BBB+	–
– Short-term	F2	A-2	–
– Outlook	Stable	Stable	–
Local currency	–	–	A1/P-1
– Long-term	A-	BBB+	–
– Short-term	–	A-2	–
– Outlook	Positive	Positive	–
National	–	–	–
– Long-term	AA+(zaf)	–	–
– Short-term	F1+(zaf)	–	–
– Outlook	Stable	–	–
Individual	B/C	–	–
Support	2	–	–
Counterparty credit	–	BBB+/A-2/Positive	–
Bank Financial Strength	–	–	C
Sovereign ratings	August 2005	August 2005	January 2005
Foreign currency	–	–	Baa1
– Long-term	BBB+	BBB+	–
– Short-term	F2	A-2	–
– Outlook	Stable	Stable	–
Local currency	–	–	A2
– Long-term	A	A+	–
– Short-term	–	A-1	–
– Outlook	Stable	Stable	–
Other short-term	–	–	P-2

This information is available on our website at

www.firstrand.co.za

STUDIO 5

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