

# abridged financials

6 MONTHS ENDED  
31 DECEMBER 2012

FIRSTRAND BANK LIMITED GROUP



**FIRSTRAND BANK**

## Consolidated income statement

R million	Six months ended 31 December		% change	Year ended 30 June
	2012	2011		2012
Interest and similar income	19 394	18 463	5	37 602
Interest expense and similar charges	(12 042)	(11 228)	7	(22 487)
<b>Net interest income before impairment of advances</b>	<b>7 352</b>	<b>7 235</b>	<b>2</b>	<b>15 115</b>
Impairment of advances	(2 061)	(1 615)	28	(4 844)
<b>Net interest income after impairment of advances</b>	<b>5 291</b>	<b>5 620</b>	<b>(6)</b>	<b>10 271</b>
Non-interest income	16 064	11 979	34	26 836
<b>Income from operations</b>	<b>21 355</b>	<b>17 599</b>	<b>21</b>	<b>37 107</b>
Operating expenses	(13 854)	(11 620)	19	(24 874)
<b>Net income from operations</b>	<b>7 501</b>	<b>5 979</b>	<b>25</b>	<b>12 233</b>
Share of profit of associates after tax	(32)	29	(>100)	52
<b>Income before tax</b>	<b>7 469</b>	<b>6 008</b>	<b>24</b>	<b>12 285</b>
Indirect tax	(429)	(356)	21	(496)
<b>Profit before direct tax</b>	<b>7 040</b>	<b>5 652</b>	<b>25</b>	<b>11 789</b>
Direct tax	(1 431)	(1 381)	4	(2 470)
<b>Profit for the period</b>	<b>5 609</b>	<b>4 271</b>	<b>31</b>	<b>9 319</b>
<b>Attributable to:</b>				
Ordinary equityholders	5 509	4 187	32	9 144
Non-cumulative non-redeemable preference shareholders	100	92	9	183
<b>Equityholders of FirstRand Bank Limited Group</b>	<b>5 609</b>	<b>4 279</b>	<b>31</b>	<b>9 327</b>
Non-controlling interests	-	(8)	(100)	(8)
<b>Profit for the period</b>	<b>5 609</b>	<b>4 271</b>	<b>31</b>	<b>9 319</b>

## Consolidated statement of comprehensive income

R million	Six months ended 31 December		% change	Year ended 30 June
	2012	2011		2012
<b>Profit for the period</b>	<b>5 609</b>	<b>4 271</b>	<b>31</b>	<b>9 319</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that may subsequently be classified to profit or loss</b>				
Cash flow hedges	(123)	(275)	(55)	(419)
Available-for-sale financial assets	479	296	62	540
Exchange differences on translating foreign operations	78	192	(59)	186
<b>Other comprehensive income for the period before tax</b>	<b>434</b>	<b>213</b>	<b>&gt;100</b>	<b>307</b>
Income tax relating to components of other comprehensive income	(96)	(12)	>100	(38)
<b>Other comprehensive income for the period</b>	<b>338</b>	<b>201</b>	<b>68</b>	<b>269</b>
<b>Total comprehensive income for the period</b>	<b>5 947</b>	<b>4 472</b>	<b>33</b>	<b>9 588</b>
<b>Total comprehensive income attributable to:</b>				
Ordinary equityholders	5 847	4 388	33	9 413
Non-cumulative non-redeemable preference shareholders	100	92	9	183
Equityholders of FirstRand Bank Limited Group	5 947	4 480	33	9 596
Non-controlling interests	-	(8)	(100)	(8)
<b>Total comprehensive income for the period</b>	<b>5 947</b>	<b>4 472</b>	<b>33</b>	<b>9 588</b>

## Consolidated statement of financial position

R million	At 31 December			At 30 June
	2012	2011*	2010*	2012
<b>ASSETS</b>				
Cash and cash equivalents	44 751	30 959	27 090	31 565
Derivative financial instruments	55 907	57 321	50 482	52 392
Commodities	8 003	5 880	4 164	5 108
Accounts receivable	3 398	2 833	3 165	3 301
Tax asset	500	-	644	253
Advances	515 884	459 336	423 241	482 907
Amounts due by holding company and fellow subsidiary companies	21 539	20 671	16 003	23 302
Investment securities and other investments	79 186	85 691	87 153	78 809
Investments in associates	431	206	116	258
Property and equipment	9 928	9 666	8 172	8 882
Intangible assets	152	231	268	336
Post-employment benefit asset	3 127	2 913	2 833	2 986
Deferred income tax asset	-	-	3	-
Loans to insurance group	-	-	18	-
Non-current assets and disposal groups held for sale	-	-	-	215
<b>Total assets</b>	<b>742 806</b>	<b>675 707</b>	<b>623 352</b>	<b>690 314</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Liabilities</b>				
Short trading positions	9 184	8 035	5 736	4 019
Derivative financial instruments	58 209	58 166	49 733	53 666
Creditors and accruals	6 532	5 578	4 352	6 472
Tax liability	-	95	-	-
Deposits	586 639	529 063	489 501	545 957
Provisions	222	168	472	234
Employee liabilities	7 701	6 189	5 297	8 480
Other liabilities	1 042	1 275	385	922
Amounts due to holding company and fellow subsidiary companies	13 180	13 539	20 629	13 300
Deferred income tax liability	567	1 474	1 853	769
Tier 2 liabilities	7 642	6 976	6 398	7 437
<b>Total liabilities</b>	<b>690 918</b>	<b>630 558</b>	<b>584 356</b>	<b>641 256</b>
<b>Equity</b>				
Ordinary shares	4	4	4	4
Share premium	15 304	14 604	11 304	15 304
Reserves	33 580	27 549	24 688	30 750
<b>Capital and reserves attributable to ordinary equityholders</b>	<b>48 888</b>	<b>42 157</b>	<b>35 996</b>	<b>46 058</b>
Non-cumulative non-redeemable preference shares	3 000	3 000	3 000	3 000
<b>Capital and reserves attributable to equityholders</b>	<b>51 888</b>	<b>45 157</b>	<b>38 996</b>	<b>49 058</b>
Non-controlling interests	-	(8)	-	-
<b>Total equity</b>	<b>51 888</b>	<b>45 149</b>	<b>38 996</b>	<b>49 058</b>
<b>Total equity and liabilities</b>	<b>742 806</b>	<b>675 707</b>	<b>623 352</b>	<b>690 314</b>

\* Refer to reclassification of prior year numbers on page 6

## Consolidated statement of changes in equity

for the six months ended 31 December

R million	Ordinary share capital and ordinary equityholders' funds								Reserves attributable to ordinary equity-holders	Non-cumulative-non-redeemable preference shares	Non-controlling interests	Total equity	
	Share capital	Share premium	Share capital and share premium	Cash flow hedge reserve	Share-based payment reserve	Available-for-sale reserve	Foreign currency translation reserve	Other reserves					Retained earnings
<b>Balance as at 1 July 2011</b>	<b>4</b>	<b>11 455</b>	<b>11 459</b>	<b>(452)</b>	<b>342</b>	<b>312</b>	<b>(421)</b>	<b>1 344</b>	<b>25 367</b>	<b>26 492</b>	<b>3 000</b>	<b>-</b>	<b>40 951</b>
Issue of share capital	-	3 149	3 149	-	-	-	-	-	-	-	-	-	3 149
Movement in other reserves	-	-	-	-	26	-	-	-	-	26	-	-	26
Ordinary dividends	-	-	-	-	-	-	-	-	(3 361)	(3 361)	-	-	(3 361)
Preference dividends	-	-	-	-	-	-	-	-	-	-	(92)	-	(92)
Contribution from parent company	-	-	-	-	-	-	-	1	3	4	-	-	4
Total comprehensive income for the period	-	-	-	(197)	-	206	192	-	4 187	4 388	92	(8)	4 472
<b>Balance as at 31 December 2011</b>	<b>4</b>	<b>14 604</b>	<b>14 608</b>	<b>(649)</b>	<b>368</b>	<b>518</b>	<b>(229)</b>	<b>1 345</b>	<b>26 196</b>	<b>27 549</b>	<b>3 000</b>	<b>(8)</b>	<b>45 149</b>
<b>Balance as at 1 July 2012</b>	<b>4</b>	<b>15 304</b>	<b>15 308</b>	<b>(753)</b>	<b>420</b>	<b>696</b>	<b>(235)</b>	<b>1 346</b>	<b>29 276</b>	<b>30 750</b>	<b>3 000</b>	<b>-</b>	<b>49 058</b>
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in other reserves	-	-	-	-	19	-	-	-	-	19	-	-	19
Ordinary dividends	-	-	-	-	-	-	-	-	(3 036)	(3 036)	-	-	(3 036)
Preference dividends	-	-	-	-	-	-	-	-	-	-	(100)	-	(100)
Contribution from parent company	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(89)	-	349	78	-	5 509	5 847	100	-	5 947
<b>Balance as at 31 December 2012</b>	<b>4</b>	<b>15 304</b>	<b>15 308</b>	<b>(842)</b>	<b>439</b>	<b>1 045</b>	<b>(157)</b>	<b>1 346</b>	<b>31 749</b>	<b>33 580</b>	<b>3 000</b>	<b>-</b>	<b>51 888</b>

## Consolidated statement of cash flows

R million	Six months ended 31 December		Year ended 30 June
	2012	2011	2012
<b>Cash flows from operating activities</b>			
Cash receipts from customers	28 442	29 255	62 957
Cash paid to customers, suppliers and employees	(21 666)	(21 346)	(41 692)
Dividends received	1 374	1 184	2 553
Dividends paid	(3 136)	(3 453)	(5 418)
<b>Cash flows from operating activities</b>	<b>5 014</b>	<b>5 640</b>	<b>18 400</b>
Increase in income earning assets	(28 787)	(33 310)	(51 712)
Increase in deposits and liabilities	41 090	28 578	37 156
<b>Cash utilised by operations</b>	<b>12 303</b>	<b>(4 732)</b>	<b>(14 556)</b>
Tax paid	(2 405)	(1 642)	(3 943)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>14 912</b>	<b>(734)</b>	<b>(99)</b>
<b>Cash flows from investing activities</b>			
Acquisition of associates and joint ventures	(349)	(53)	(203)
Proceeds on disposal of associates and joint ventures	212	-	168
Acquisition of subsidiaries	-	3	-
Proceeds on disposal of subsidiaries	-	-	67
Acquisition of property and equipment	(1 934)	(2 084)	(3 593)
Proceeds on disposal of property and equipment	125	105	510
Acquisition of intangible assets	(112)	(43)	(217)
Proceeds on disposal of intangible assets	-	-	17
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(2 058)</b>	<b>(2 072)</b>	<b>(3 251)</b>
<b>Cash flows from financing activities</b>			
Proceeds from other liabilities	120	757	391
Proceeds from Tier 2 liabilities	205	747	1 576
Proceeds from share issue	-	3 149	3 849
<b>Net cash inflow from financing activities</b>	<b>325</b>	<b>4 653</b>	<b>5 816</b>
<b>Net increase in cash and cash equivalents</b>	<b>13 179</b>	<b>1 847</b>	<b>2 466</b>
Cash and cash equivalents at the beginning of the year	31 565	29 112	29 112
Cash and cash equivalents disposed of*	-	-	(37)
Effect of exchange rate changes on cash and cash equivalents	7	-	24
<b>Cash and cash equivalents at the end of the period</b>	<b>44 751</b>	<b>30 959</b>	<b>31 565</b>

\* Cash and cash equivalents disposed of relates to the cash balances held by subsidiaries disposed of during the year

## Reclassification of prior year numbers

During the reporting period the following reclassifications were made to the statement of financial position in line with the reclassifications for the year ended 30 June 2012:

31 December 2011 R million	Amount as previously reported	Amount as restated	Difference	Explanation
<b>Statement of financial position</b>				During the June 2012 financial year a comprehensive review of liabilities disclosure was undertaken by the FirstRand Bank Limited Group to ensure that the presentation is consistent with industry practice and to provide more detailed and useful information in the financial statements. A reclassification was required to bring the comparative numbers in line with the updated presentation.
Creditors and accruals	7 466	5 578	1 888	
Deposits	530 328	529 063	1 265	
Provisions	2 482	168	2 314	
Post-retirement liabilities	2 305	-	2 305	
Employee liabilities	-	6 189	(6 189)	
Other liabilities	-	1 275	(1 275)	
Amounts due to holding company and fellow subsidiary companies	13 539	13 539	-	
Tier 2 liabilities	-	6 976	(6 976)	
Long-term liabilities	6 668	-	6 668	

31 December 2010 R million	Amount as previously reported	Amount as restated	Difference	Explanation
<b>Statement of financial position</b>				During the June 2012 financial year a comprehensive review of liabilities disclosure was undertaken by the FirstRand Bank Limited Group to ensure that the presentation is consistent with industry practice and to provide more detailed and useful information in the financial statements. A reclassification was required to bring the comparative numbers in line with the updated presentation.
Creditors and accruals	5 085	4 352	733	
Deposits	489 879	489 501	378	
Provisions	2 499	472	2 027	
Post-retirement liabilities	2 166	-	2 166	
Employee liabilities	-	5 297	(5 297)	
Other liabilities	-	385	(385)	
Amounts due to holding company and fellow subsidiary companies	20 401	20 629	(228)	
Tier 2 liabilities	-	6 398	(6 398)	
Long-term liabilities	6 776	-	6 776	
Loans from insurance group	228	-	228	