



FirstRand

2021

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*notice of annual general meeting and summarised  
consolidated financial statements*

for the year ended 30 June



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**FirstRand**

1966/010753/06  
 Certain entities within the FirstRand group are authorised financial services and credit providers. This analysis is available on the group's website:  
[www.firstrand.co.za](http://www.firstrand.co.za)

Email questions to  
[investor.relations@firstrand.co.za](mailto:investor.relations@firstrand.co.za)

## *integrated reporting suite*

### **ANNUAL INTEGRATED REPORT**

Describes the operational and financial performance and activities of the group.

It includes the chairman's, CEO's and CFO's reports, operational reviews, King IV corporate governance disclosures, group summary consolidated statements and notice of the annual general meeting.

<https://www.firstrand.co.za/investors/annual-reporting/>

### **ANNUAL FINANCIAL STATEMENTS**

> FirstRand group audited consolidated annual financial statements

> FirstRand Limited company audited financial statements

<https://www.firstrand.co.za/investors/annual-reporting/>

### **ANALYSIS OF FINANCIAL RESULTS AND RESULTS PRESENTATION**

Cover the audited summary consolidated financial results of the group based on International Financial Reporting Standards (IFRS) and provide an in-depth analysis of the group's financial results, presented on a normalised basis as the group believes this most accurately reflects its economic performance. The analysis of financial results and results presentation are provided for interim and year-end results.

<https://www.firstrand.co.za/investors/financial-results/>

### **BASEL PILLAR 3 DISCLOSURE**

In accordance with the Basel Committee on Banking Supervision (BCBS) Pillar 3 framework and Regulation 43 of the amended Regulations relating to Banks, the group is required to publish standardised disclosure templates that provide users with key quantitative and qualitative information that is comparable and consistent. Reports are provided on a biannual basis.

<https://www.firstrand.co.za/investors/basel-pillar-3-disclosure/>

### **MATERIAL RISK FACTORS**

In terms of the JSE Listings Requirements, FirstRand is required to disclose risk factors in terms of paragraph 7.F.7 (description of material risks which are specific to the issuer, its industry and/or its securities).

<https://www.firstrand.co.za/investors/annual-reporting/>

### **REPORT TO SOCIETY**

Provides deeper insight into the social impact of the group's operational and financial performance.

<https://www.firstrand.co.za/society/firstrand-contract-with-society/>

### **REMUNERATION REPORT**

The remuneration report details FirstRand's remuneration philosophy and policy, and how they were implemented in the current year.

Disclosures are aligned to the requirements of section 64C of the Banks Act, the FSB's *Principles for Sound Compensation Practices* and its *Implementation Standards*, the BCBS's *Pillar 3 disclosure requirements standard – updated framework* (December 2018) and *Directive 1/2019* issued by the Prudential Authority, and the recommended practices of King IV, where appropriate.

<https://www.firstrand.co.za/media/investors/annual-reporting/firstrand-remuneration-report-2021.pdf>

### **TCFD REPORT**

The Task Force on Climate-related Financial Disclosures (TCFD) was constituted by the Financial Stability Board (FSB) in response to the Paris Agreement. Through recommendations for clear, comparable and consistent information, it promotes transparent disclosure of climate risks and opportunities. FirstRand is a TCFD signatory, and this report represents the group's first TCFD disclosure. This disclosure will enable stakeholders to understand and track FirstRand's progress against its climate roadmap and approach to climate risks and opportunities, as well as short-, medium- and long-term targets.

notice of  
annual general  
meeting

*notice of annual general meeting*

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# invitation to shareholders by the chairman



*William Roger Jardine*  
*FirstRand Chairman*

Dear Shareholder

## **2021 Notice of annual general meeting**

In accordance with the memorandum of incorporation (MOI), FirstRand Limited's upcoming 25th annual general meeting (AGM or meeting) will be held by electronic meeting participation at 09:00 on Wednesday, 1 December 2021 to consider, and if deemed fit, pass with or without modification, the resolutions as set out in the notice.

The upcoming AGM will be conducted as a virtual meeting (i.e. by electronic communication), providing shareholders with the opportunity to attend the AGM and participate online using a smartphone, tablet or computer. Voting is also expected to be effected online (through the use of the Lumi virtual meeting platform at <https://web.lumiagm.com>).

### **Steps to follow in order to participate in the annual general meeting:**

1. Prior registration is mandatory in order to be able to participate in the meeting. Registration can take place by:
  - a. registering online using the online registration portal at <https://smartagm.co.za>; or
  - b. applying to Computershare by sending an email with proof of identification to [proxy@computershare.co.za](mailto:proxy@computershare.co.za).
2. Once the registration process has been approved, a username and password will be sent either via SMS or email to shareholders who have pre-registered and are entitled to participate in the meeting.
3. Shareholders can then access the online meeting platform at <https://web.lumiagm.com>.
4. A shareholders' guide is available in the *Notice of AGM* on pages 19 to 22 or on the FirstRand website at [www.firststrand.co.za](http://www.firststrand.co.za) to assist and provide meeting participation guidelines.

\* *Kindly note that registrations will still be accepted up until commencement of the meeting, but will be subject to a vetting and verification process which may delay the receipt of login credentials.*

## Invitation to shareholders by the chairman continued

### **Summary of resolutions to be tabled at the AGM**

*The following will be dealt with as the ordinary business of the AGM and the ordinary resolutions below will be tabled for consideration at the AGM:*

- > present the audited annual financial statements of the company, as approved by the board of directors of the company (directors or board), including the reports of the external auditor, audit committee and directors, for the year ended 30 June 2021 (available on the company's website, [www.firstrand.co.za](http://www.firstrand.co.za)) and the summary consolidated annual financial statements, which are included in the 2021 annual integrated report, of which this notice forms part, distributed to shareholders, as required by the Companies Act 71 of 2008 (the Act) and the JSE Limited Listings Requirements (Listings Requirements);
- > present the report of the social, ethics and transformation committee of the company for the financial year ended 30 June 2021. This report can be accessed in the annual integrated report on pages 111 to 114 and is available on the company's website at [www.firstrand.co.za](http://www.firstrand.co.za);
- > in terms of the provisions of the company's MOI on director rotation, the directors who retire offer themselves for re-election and their abridged curricula vitae have been included in the notice of AGM (ordinary resolutions number 1.1 and 1.2);
- > in terms of the provisions of the company's MOI, the vacancy filled on the board by any person as a director during the year subsequent to the last AGM requires election by the shareholder at the AGM following such appointment (ordinary resolution number 1.3);
- > to reappoint the company's joint auditors, Deloitte & Touche and PricewaterhouseCoopers Inc. (ordinary resolutions number 2.1 and 2.2);
- > a general authority to issue authorised but unissued ordinary shares for cash up to a maximum of 1.5% (excluding treasury shares) of the ordinary shares in issue as at date of this notice (ordinary resolution number 3); and
- > to provide signing authority to the directors and/or company secretary of the company to sign documents as deemed necessary for the implementation of resolutions passed at the AGM (ordinary resolution number 4).

*The advisory endorsement will be tabled for consideration at the AGM:*

- > To consider and, if deemed fit, to endorse, by way of separate, non-binding advisory votes, the company's remuneration policy and remuneration implementation report. The full remuneration report is available at <https://www.firstrand.co.za/media/investors/annual-reporting/firstrand-remuneration-report-2021.pdf>

*The following special resolutions will be tabled for consideration at the AGM:*

- > a renewal of the authority given by shareholders at the previous AGM that will allow the repurchase of the company's shares by the company or any subsidiary during the period of the authority, should the directors deem the circumstances to be appropriate. Any repurchases will be made in accordance with the provisions of the Act and the Listings Requirements of the JSE and Namibia Stock Exchange (NSX) where applicable (special resolution number 1);
- > to provide financial assistance to directors and prescribed officers as employee share scheme beneficiaries and to provide financial assistance to related and interrelated entities. This is subject to compliance with the requirements of the MOI, the Act and any other relevant legislation and the Listings Requirements of the JSE and NSX where applicable (special resolutions number 2.1 and 2.2); and
- > to approve the non-executive directors' fee increase of 3% with effect from 1 December 2021 in accordance with the provisions of section 66(9) of the Act (special resolution number 3).



**WILLIAM RODGER JARDINE ~ Chairman**

12 October 2021



## Notice of annual general meeting

### **FirstRand Limited**

(Incorporated in the Republic of South Africa)  
 (Registration number: 1966/010753/06)  
 JSE ordinary share code: FSR ISIN: ZAE000066304  
 NSX ordinary share code: FST  
 LEI: 529900XYOP8CUZU7R671  
 (FirstRand or the company)

Notice is hereby given to all holders of ordinary shares in the company (shareholders) that the 25th annual general meeting of FirstRand will be held by electronic meeting participation at 09:00 on Wednesday, 1 December 2021, to deal with such business as may lawfully be dealt with at the meeting and to consider and, if deemed fit, pass, with or without modification, the ordinary resolutions, endorsements and special resolutions set out hereunder in the manner required by the Companies Act, 71 of 2008, as amended (the Act), as read with the JSE Limited Listings Requirements (Listings Requirements) and the Banks Act 94 of 1990 (the Banks Act).

### **Electronic participation by shareholders**

This meeting will be conducted by electronic communication as contemplated in section 63(2)(b) of the Act and shareholders can access the meeting platform at <https://web.lumiagm.com>. As part of the registration process, a unique meeting ID, username and password will be sent either via SMS or email to each shareholder who has pre-registered and is entitled to participate at the meeting. A shareholders' guide is available in the *Notice of AGM* on pages 19 to 22, or on the FirstRand website at [www.firstrand.co.za](http://www.firstrand.co.za), to assist and provide meeting participation guidelines.

### **Record date and proxies**

Record date to be eligible to receive the notice of the annual general meeting	Friday, 22 October 2021
Posting date	Thursday, 28 October 2021
Last day to trade to be eligible to attend and vote at the annual general meeting	Tuesday, 23 November 2021
Record date to be eligible to attend and vote at the annual general meeting	Friday, 26 November 2021
Proxies due (for administrative purposes) by 09:00	Monday, 29 November 2021
Annual general meeting at 09:00*	Wednesday, 1 December 2021

*Notes: The above dates and times are subject to amendment, provided that in the event of an amendment, an announcement will be released on the Stock Exchange News Service (SENS).*

*All times indicated above are references to South African times.*

\* Results of AGM to be released on SENS by no later than 09:00am on Friday, 3 December 2021.

## Agenda

### **Presentation of audited annual financial statements**

The presentation of the audited annual financial statements of the company as approved by the board of directors of the company (directors or board), including the reports of the external auditors, audit committee and directors' report for the year ended 30 June 2021, and the summary consolidated financial statements for the year ended 30 June 2021, which are included in the 2021 annual integrated report, of which this notice forms part, will be presented to the shareholders as required in terms of section 30(3)(d) of the Act.

The audited annual financial statements of the company are available on company's website, [www.firstrand.co.za](http://www.firstrand.co.za).

### **Presentation of social, ethics and transformation committee**

The report of the company's social, ethics and transformation committee for the year ended 30 June 2021 is set out on pages 111 to 114 in the annual integrated report, as required in terms of regulation 43(5)(c) of the Act's Regulations, 2011.

This report is available on company's website, [www.firstrand.co.za](http://www.firstrand.co.za).

### **Ordinary resolutions for consideration and adoption**

#### **1. ORDINARY RESOLUTIONS NUMBER 1.1 AND 1.2: RE-ELECTION OF DIRECTORS**

The percentage of voting rights required for ordinary resolutions number 1.1 and 1.2 to be adopted is more than 50% (fifty per cent) of the voting rights exercised on each resolution.

Mr JP Burger and Mr T Winterboer, being eligible, offer themselves for re-election.

The nominations committee has considered the appropriate demographics and broader diversity (which applies to, *inter alia*, academic qualifications, technical expertise, relevant industry knowledge, nationality, age, culture, race and gender) together with the balance between non-executive and executive directors and the need for majority independent non-executive directors. Furthermore, the committee has considered balance of the board and evaluated the independence of the directors (where applicable), taking into consideration their expertise, performance and contribution, and has recommended to the board that these directors be proposed for re-election.

The board has considered the proposals of the nominations committee and recommends the re-election of Mr JP Burger and Mr T Winterboer.

#### Ordinary resolution number 1.1

Resolved that Mr JP Burger be and is hereby elected as a non-executive director of the company.

#### Ordinary resolution number 1.2

Resolved that Mr T Winterboer be and is hereby elected as an independent non-executive director of the company.

The abridged *curricula vitae* of directors standing for re-election for ordinary resolutions number 1.1 and 1.2 are set out on page 13 of this notice.

### 2. ORDINARY RESOLUTION NUMBER 1.3: VACANCY FILLED BY DIRECTOR

The percentage of voting rights required for ordinary resolution number 1.3 to be adopted is more than 50% (fifty per cent) of the voting rights exercised on each resolution.

Vacancies on the board are filled by the appointment of directors during the year, upon the recommendation of the nominations committee and the board. Dr SP Sibisi was appointed by the board to fill a vacancy in accordance with the Act and the company's MOI and is now recommended by the board for election by shareholders by way of separate resolution.

#### Ordinary resolution number 1.3

Resolved that Dr SP Sibisi, be and is hereby elected as an independent non-executive director of the company.

The abridged *curricula vitae* of the director standing for election for ordinary resolution number 1.3 is set out on page 14 of this notice.

### 3. ORDINARY RESOLUTION NUMBER 2.1 TO 2.2: REAPPOINTMENT OF AUDITORS

The percentage of voting rights required for ordinary resolution number(s) 2.1 and 2.2 to be adopted is more than 50% (fifty per cent) of the voting rights exercised on each resolution.

The audit committee has evaluated the independence, performance and skills of Deloitte & Touche and PricewaterhouseCoopers Inc. (PwC) and recommend their reappointment as joint auditors of the company.

#### Ordinary resolution number 2.1

Resolved that, as recommended by the audit committee of the company, Deloitte & Touche be and is hereby reappointed auditors of the company in terms of section 90(1A)(b) of the Act until the next annual general meeting.

#### Ordinary resolution number 2.2

Resolved that, as recommended by the audit committee of the company, PricewaterhouseCoopers Inc. be appointed auditors of the company in terms of section 90(1A)(b) of the Act until the next annual general meeting.

#### *Additional information in respect of ordinary resolution number 2.1 and 2.2*

The company's audit committee has recommended, and the directors have endorsed, the proposed appointments. It is proposed that the appointments be made on a joint basis. If one of the two resolutions proposed above (being resolutions 2.1 and 2.2) is not passed, the approved resolution passed shall be effective.

The remuneration of the company's auditors and the auditors' terms of engagement are determined by the audit committee pursuant to the Act.

### 4. ORDINARY RESOLUTION NUMBER 3: GENERAL AUTHORITY TO ISSUE AUTHORISED BUT UNISSUED ORDINARY SHARES FOR CASH

The percentage of voting rights required for ordinary resolution number 3 to be adopted is at least 75% (seventy five per cent) of the voting rights exercised on the resolution.

#### Ordinary resolution number 3

Resolved that the directors be and are hereby authorised, by way of a renewable general authority, to issue all or any of the authorised but unissued ordinary shares in the capital of the company for cash (including the issue of any options/ convertible shares that are convertible into an existing class of ordinary shares) as and when they in their discretion deem fit, subject to the following:

- > the aggregate number of shares to be allotted and issued in terms of this resolution shall be limited to 1.5% (one and a half per cent) representing 84 114 056 (excluding treasury shares) of the number of the company's shares in issue as at date of this notice; and
- > the Act, the Banks Act, the MOI and the Listings Requirements of the JSE and NSX, when applicable, on the basis that:
  - this authority shall be valid until the company's next annual general meeting or for 15 months from the date that this resolution is passed, whichever period is shorter;
  - the ordinary shares which are the subject of the issue for cash under this authority must be of a class already in issue or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
  - the ordinary shares which are the subject of the issue for cash under this authority must be issued to public shareholders and not to related parties;

- any such general issues are subject to exchange control regulations and approval at that point in time;
- an announcement giving full details will be published at the time of any issue representing the authority of 1.5% (one and half per cent) in accordance with the Listings Requirements;
- in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the shares; and
- in respect of shares which are the subject of the general issue of shares for cash:
  - any ordinary shares issued under this authority during the period contemplated must be deducted from the aggregate number of shares to be allotted and issued in terms of this resolution;
  - in the event of a subdivision or consolidation of issued ordinary shares during the period contemplated above, the existing authority in terms of this resolution must be adjusted accordingly to represent the same allocation ratio; and
  - the calculation of the listed ordinary shares is a factual assessment of the listed ordinary shares as at the date of the notice of the annual general meeting, excluding treasury shares.

#### *Reason and effect of ordinary resolution number 3*

This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required.

#### **5. ORDINARY RESOLUTION NUMBER 4: SIGNING AUTHORITY TO AUTHORISE DIRECTOR AND/OR GROUP COMPANY SECRETARY**

The percentage of voting rights required for ordinary resolution number 4 to be adopted is more than 50% (fifty per cent) of the voting rights exercised on the resolution.

#### **Ordinary resolution number 4**

Resolved that each director and/or the company secretary of the company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to, the implementation of the resolutions passed at the annual general meeting of the company and set out in this notice.

#### *Additional information in respect of ordinary resolution number 4*

For the sake of practicality, the directors and/or the company secretary of the company must be empowered to enforce the resolutions so passed by the shareholders at this annual general meeting, if any.

### **6. ADVISORY ENDORSEMENT OF THE REMUNERATION POLICY AND IMPLEMENTATION REPORT**

#### **6.1 Endorsement of remuneration policy**

To endorse, through a non-binding advisory vote, the company's remuneration policy (excluding the remuneration of the non-executive directors and the members of board committees for their services as directors and members of committees), as set out on page 100 in the remuneration report of the annual integrated report.

#### **6.2 Endorsement of remuneration implementation report**

To endorse, through a non-binding advisory vote, the company's remuneration implementation report, as set out on page 100 in the remuneration report of the annual integrated report.

#### *Additional information in respect of advisory endorsement of remuneration policy and implementation report*

The endorsement of the remuneration policy and implementation report is tabled as a non-binding advisory vote; however, the outcome of each vote will be acknowledged when considering the remuneration policy and the implementation thereof. If either the remuneration policy or the implementation report, or both, are voted against by 25% (twenty-five per cent) or more of the voting rights exercised, the board will, as recommended by King IV and required by the Listings Requirements 3.84(j), implement certain measures to initiate engagement with the relevant shareholders. The outcome thereof will be disclosed in the 2022 annual integrated report.

### **7. SPECIAL RESOLUTION NUMBER 1: GENERAL AUTHORITY TO REPURCHASE ORDINARY SHARES**

The percentage of voting rights required for special resolution number 1 to be adopted is at least 75% (seventy five per cent) of the voting rights exercised on the resolution.

#### **Special resolution number 1**

Resolved that the company and/or its subsidiary/subsidiaries (the group) be and are hereby authorised, in terms of a general authority, to acquire, as contemplated in section 48 of the Act, read with section 46, as amended, the company's issued shares from time to time on such terms and conditions and in such amounts as the directors may from time to time decide, but always subject to the approval, to the extent required, of the CEO of the Prudential Authority, the provisions of the Act, the Banks Act, the MOI and the Listings Requirements of the JSE and NSX, and subject to the following conditions:

- > this general authority will be valid only until the company's next annual general meeting, provided that it will not extend beyond 15 months from the date of the passing of this special resolution, whichever is shorter;
- > the repurchase of securities will be effected through the main order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- > repurchases may not be made at a price greater than 10% (ten per cent) above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the repurchase of such securities by the company is effected;
- > the acquisitions of ordinary shares shall in the aggregate in any one financial year, not exceed 10% (ten per cent) of the company's issued ordinary share capital as at the beginning of the financial year, provided that the number of shares purchased and held by a subsidiary/subsidiaries of the company shall not exceed 10% (ten per cent) in aggregate of the number of issued shares in the company at any time;
- > any such general repurchase will be subject to the applicable provisions of the Act, including sections 114 and 115 to the extent that section 48(8)(b) is applicable in relation to that particular repurchase;
- > neither the company nor its subsidiary/subsidiaries will repurchase securities during a prohibited period, as defined in paragraph 3.69 of the Listings Requirements, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period, as required;
- > a resolution having been passed by the board of directors confirming that the board has authorised the repurchase, that the company and the group passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of the group;
- > any such general repurchases are subject to exchange control regulations and approval at that time;
- > when the company has cumulatively repurchased 3% (three per cent) of the initial number of the relevant class of securities, and for each 3% (three per cent) in aggregate of the initial number of that class acquired thereafter, an announcement shall be published on SENS in accordance with the Listings Requirements; and
- > at any time, the company shall appoint only one agent to effect any repurchase(s) on its behalf.

#### *Reason and effects of special resolution number 1*

The reason for special resolution number 1 is to grant the company's directors a general authority, up to and including the date of the following annual general meeting of the company, to approve the company's repurchase of its shares or to permit a subsidiary of the company to purchase shares in the company.

The directors have no immediate intention to use this authority to repurchase company shares. The directors are, however, of the opinion that this authority should be in place should it become appropriate to undertake a share repurchase in the future.

The directors undertake that the company will not commence a general repurchase of shares as contemplated above unless:

- > the company and the group will be in a position to repay their debts in the ordinary course of business for a period of 12 months after the date of the general repurchase of shares in the open market;
- > the assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the general repurchase of shares in the open market, for which purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Act;
- > the ordinary share capital and reserves of the company and the group will be adequate for ordinary business purposes for the 12 months after the general repurchase of shares in the open market;
- > the available working capital will be adequate to continue the operations of the company and the group for a period of 12 months after the repurchase of shares in the open market; and
- > a resolution has been passed by the board of directors authorising the repurchase and confirming that the company and the group have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the company and the group.

#### *Additional information in respect of special resolution number 1*

Further information regarding special resolution number 1, as required by the Listings Requirements, is set out below.

*For the purposes of considering special resolution number 1 and in compliance with paragraph 11.26 of the Listings Requirements, shareholders are referred to the additional information below.*

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

The directors, whose names are given on pages 79 and 80 of the annual integrated report, collectively and individually accept full responsibility for the accuracy of the information contained in special resolution number 1, as well as the explanatory notes, and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard, and that this resolution contains all information required by law and the Listings Requirements.

**2. MAJOR SHAREHOLDERS**

Details of major shareholders of the company are set out on page 187 of the annual integrated report.

**3. SHARE CAPITAL OF THE COMPANY**

Details of the share capital of the company are set out on page 57.

**4. MATERIAL CHANGES**

There have been no material changes in the financial or trading position of the company and its subsidiaries that have occurred since the publication of the annual financial statements and summary thereof included in the annual integrated report to which this notice is attached.

**8. SPECIAL RESOLUTION NUMBER 2.1: FINANCIAL ASSISTANCE TO DIRECTORS AND PRESCRIBED OFFICERS AS EMPLOYEE SHARE SCHEME BENEFICIARIES**

The percentage of voting rights required for special resolution number 2.1 to be adopted is at least 75% (seventy five per cent) of the voting rights exercised on the resolution.

**Special resolution number 2.1**

Resolved that the directors may, subject to compliance with the requirements of the MOI, the Act and any other relevant legislation, the Listings Requirements of the JSE and NSX, when applicable, authorise the company to provide direct or indirect financial assistance (as contemplated in sections 44 and/or 45 of the Act) to, *inter alia*, any director or prescribed officer of the company or of a related or interrelated company on such terms and conditions as the directors may determine from time to time in order to facilitate the participation by such director or prescribed officer in any employee share incentive scheme, provided that nothing in this authority will limit the provision by the company of financial assistance that does not require approval by way of a special resolution of the shareholders in terms of sections 44 and/or 45 of the Act, or falls within the exemptions contained in those sections.

**Additional information in respect of special resolution 2.1**

The company may elect to fund the long-term incentive schemes in which executive directors, prescribed officers and identified staff of the company, and related and interrelated companies, participate.

**9. SPECIAL RESOLUTION NUMBER 2.2: FINANCIAL ASSISTANCE TO RELATED AND INTERRELATED ENTITIES**

The percentage of voting rights required for special resolution number 2.2 to be adopted is at least 75% (seventy five per cent) of the voting rights exercised on the resolution.

**Special resolution number 2.2**

Resolved that the directors may, subject to compliance with the requirements of the MOI, the Act and any other relevant legislation, the Listings Requirements of the JSE and NSX, when applicable, authorise the company to provide direct or indirect financial assistance (as contemplated in sections 44 and/or 45 of the Act) to, *inter alia*, any related or interrelated company, trust or other entity on such terms and conditions as the directors may determine from time to time, provided that nothing in this approval will limit the provision by the company of financial assistance that does not require approval by way of a special resolution of the shareholders in terms of sections 44 and/or 45 of the Act, or falls within the exemptions contained in those sections.

**Additional information in respect of special resolution number 2.2**

Companies within the group receive and provide loan financing and other direct and indirect financial assistance as contemplated in terms of the Act.

## 10. SPECIAL RESOLUTION NUMBER 3: REMUNERATION OF NON-EXECUTIVE DIRECTORS

The percentage of voting rights required for special resolution number 3 to be adopted is at least 75% (seventy five per cent) of the voting rights exercised on the resolution.

## Special resolution number 3

Resolved that the proposed remuneration (plus value-added tax (VAT) thereon, when applicable, be and is hereby approved to be payable to non-executive directors for their services as directors of the company for the period 1 December 2021 to 30 November 2022 as set out in the table below. The proposed increase represents a 3% increase for each committee (0% increase in the prior year).

	Note	Proposed remuneration for the 12-month period from 1 December 2021 to 30 November 2022 (R excl. VAT)	Current remuneration for the 12-month period from 1 December 2020 to 30 November 2021 (R excl. VAT)
<b>Board</b>			
Chairman	1	7 026 456	6 821 802
Director	2	600 035	582 558
<b>Audit committee</b>			
Chairman	3	857 193	832 225
Member		428 596	416 113
<b>Risk, capital management and compliance committee</b>			
Chairman	3	857 193	832 225
Member		428 596	416 113
<b>Remuneration committee</b>			
Chairman	3	514 314	499 335
Member		257 157	249 667
<b>Directors' affairs and governance committee</b>			
Chairman	3	164 580	159 787
Member		82 290	79 893
<b>Large exposures committee</b>			
Chairman	3	604 721	587 108
Member		302 361	293 554
<b>Social, ethics and transformation committee</b>			
Chairman	3	464 682	451 148
Member		232 341	225 574
<b>Information technology risk and governance committee</b>			
Chairman	3	343 917	333 900
Member		171 959	166 950
<b>Ad hoc work</b>			
Special technical	4	5 252	5 099
Standard	5	3 429	3 329

1. The group chairman's fees cover chairmanship and membership of all board committees.


2. Executive directors of the company do not receive fees as members of the board.

3. Fees for board committee chairs represent a 3% increase.

4. Special technical rate payable for highly specialised ad hoc work on an hourly basis at the request of the board.

5. Standard ad hoc rate payable for additional work on an hourly basis at the request of the responsible executive.

## Summary of abridged curricula vitae of directors who are eligible for re-election and election at the annual general meeting



**JOHAN PETRUS BURGER** | 62

Non-executive director  
South African  
*Appointed: September 2018*  
BCom (Hons), CA(SA)  
Expertise in audit, risk and banking

Johan is qualified chartered accountant and graduated from the University of Johannesburg with a BCom (Hons) in 1983.

He has more than 20 years' experience as a seasoned banker in the financial services sector and his skills include strong business leadership, technical expertise and strategic planning. Johan is a mature businessman and banker who is renowned for his strong business acumen, commercial astuteness, extensive experience in broad macroeconomics, financial trends, investment management and private equity.

Prior to joining FirstRand, Johan completed his articles with Coopers & Lybrand (now PwC) and started his career at Rand Merchant Bank in 1986. He has had a illustrious business career, mostly serving in top executive positions. He was appointed as CFO of the group in 2002, and in addition to this role assumed the position of group COO in 2009. He was appointed as CEO in October 2015, delivered superior shareholder value during his tenure and lead highly trained executive teams of multidisciplinary managers and professionals. He retired in March 2018.


Johan is self-employed and provides invaluable institutional knowledge and wisdom to the group.

### FirstRand – board committee memberships:

- > Directors' affairs and governance
- > Large exposures
- > Remuneration
- > Risk, capital management and compliance
- > Social, ethics and transformation

### External listed directorships:

Rand Merchant Investment Holdings Limited



**THOMAS (TOM) WINTERBOER** | 65

Independent non-executive director  
South African  
*Appointed: April 2018*  
BCom (Hons), CA(SA), AEP  
Expertise in audit, risk management and banking

Tom is a qualified chartered accountant and a well-known financial leader responsible for driving financial strategy. He is a member (and past chairman) of the SAICA Banking Project Group.

He has multinational experience that he acquired during his extensive business career and is a former member of PricewaterhouseCoopers Inc. global and central cluster financial services leadership team. Tom spent the greater part of his career at PricewaterhouseCoopers Inc. where he industrialised and launched various banking and financial services thought leadership material such as the strategic and emerging issues surveys in banking, and in other financial areas. He took a range of global thought leadership material to the market in addition to providing extensive advisory services to multinational industries.

During the course of his career, in addition to serving financial services clients, he served as partner to clients in various other industries outside financial services. He is a seasoned director with a broad reservoir of knowledge, extensive financial and investment banking experience, and robust business and leadership skills.

### FirstRand – board committee memberships:

- > Audit
- > Directors' affairs and governance
- > Risk, capital management and compliance

### External listed directorships:

None





**SIBUSISO PATRICK SIBISI** | 66

Independent non-executive director  
South African

*Appointed: April 2021*

BSc, PhD  
Expertise in information technology, risk  
and strategy

Sibusiso has a BSc (Physics) from London University's Imperial College (1978) and a PhD (Mathematics) from Cambridge University (1983). He has a passion for science and technology and empowering the next generation of leaders. He has more than 35 years' experience in information technology, risk management, strategy, sustainability and technology innovation, supporting key initiatives and fostering socio-economic development.

Sibusiso was appointed executive director at Plessey in Cape Town in 1997 before joining the University of Cape Town as deputy vice-chancellor for research and innovation in 2000. In 2002 he was appointed president and CEO of the Council for Scientific and Industrial Research (CSIR), a position he held until 2016.

He was awarded the Order of Mapungubwe (Silver) by President Thabo Mbeki in 2007 for his contribution to technology and research. The official tribute accompanying this high award states: "Sibisi is a physicist and mathematician who is well-versed in the workings of the corporate world. His work recognises the importance of linking the academic world of science and the commercial world of business. This is heavily influenced by where he started his work, which was at one of the world's highest-profile innovation hubs, Cambridge Science Park."

**FirstRand – committee memberships:**

- > Risk, capital management and compliance
- > Information, technology risk and governance committee
- > Social, ethics and transformation

**External listed directorships:**

Telkom SA



## IMPORTANT NOTES REGARDING ATTENDANCE AT THE ANNUAL GENERAL MEETING

### General

Shareholders wishing to attend the meeting should ensure beforehand with Computershare Investor Services (Proprietary) Limited that their shares are in fact registered in their name.

A shareholder entitled to attend and vote at the annual general meeting may appoint one or more persons as his/her proxy to attend, speak and vote in its stead. A proxy need not be a shareholder. Shareholders are referred to the attached form of proxy in this regard.

If you are a certificated shareholder or a dematerialised shareholder with own-name registration and are unable to attend the annual general meeting and wish to be represented thereat, you must complete and return the attached form of proxy in accordance with the instructions contained therein to be received, for the orderly arrangement of matters on the day of the annual general meeting, by Computershare Investor Services (Proprietary) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132 or on email at [proxy@computershare.co.za](mailto:proxy@computershare.co.za) by no later than 09:00 on Monday, 29 November 2021, for administrative purposes.

If you are a dematerialised shareholder, other than with own-name registration, you must arrange with your broker or CSDP to provide you with the necessary letter of representation to attend the annual general meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered, between you and the broker or CSDP, in the manner and cut-off time stipulated therein.

### Registration process and participation in the annual general meeting

Shareholders have the right to participate in the annual general meeting by way of electronic communication. All references in this notice to shareholders "attending" the annual general meeting (or cognate expressions) include a reference to attendance by way of electronic communication.

The upcoming AGM will be conducted as a virtual meeting (i.e. by electronic communication), giving you the opportunity to attend the AGM and participate online, using your smartphone, tablet or computer. Voting is also expected to be effected online (through the use of the Lumi virtual meeting platform at <https://web.lumiagm.com>).

### Steps to follow to participate in the annual general meeting:

1. Prior registration is mandatory in order to be able to participate in the meeting. Registration can take place by (a) registering online using the online registration portal at <https://smartagm.co.za>; or (b) applying to Computershare by sending an email with proof of identification to [proxy@computershare.co.za](mailto:proxy@computershare.co.za).

2. Once the registration process has been approved, a username and password will be sent either via SMS or email to the shareholder who has pre-registered and is entitled to participate in the meeting.
  3. Shareholders can then access the online meeting platform at <https://web.lumiagm.com>.
  4. A shareholders' guide is available in *Notice of the AGM* on pages 19 to 22 or on the FirstRand website: [www.firststrand.co.za](http://www.firststrand.co.za) to assist and provide meeting participation guidelines.
- \* *Kindly note that registrations will still be accepted until commencement of the meeting, but will be subject to a vetting and verification process which may delay the receipt of login credentials.*

The company will bear the cost of establishing the electronic communication whilst the cost of the shareholder dialling in will be for his/her account.

### Dematerialised shareholders without own-name registration

#### *Voting at the annual general meeting*

- > Your broker or CSDP should contact you to ascertain how you wish to cast your vote at the annual general meeting and thereafter cast your vote in accordance with your instructions.
- > If you have not been contacted by your broker or CSDP, it is advisable for you to contact your broker or CSDP and furnish them with your voting instructions.
- > If your broker or CSDP does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your broker or CSDP.
- > You must not complete the attached proxy form.

#### *Attendance and representation at the annual general meeting*

- > In accordance with the mandate between you and your broker or CSDP, you must advise your broker or CSDP if you wish to attend the annual general meeting and your broker or CSDP will issue the necessary letter of representation to you to attend the annual general meeting.

### Dematerialised shareholders with own-name registration

#### *Voting and attendance at the annual general meeting*

- > You may attend the annual general meeting and may vote at the annual general meeting.
- > Alternatively, you may appoint a proxy to represent you at the annual general meeting by completing the attached form of proxy in relation to the annual general meeting in accordance with the instructions it contains, and returning it to the Computershare Investor Services (Proprietary) Limited to be received at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000,

Saxonwold, 2132, or email [proxy@computershare.co.za](mailto:proxy@computershare.co.za) by no later than 09:00 on Monday, 29 November 2021 for administrative purposes, although proxies will still be accepted at [proxy@computershare.co.za](mailto:proxy@computershare.co.za) until commencement of the meeting.

#### Certificated shareholders

##### *Voting and attendance at the annual general meeting*

- > You may attend the annual general and may vote at the annual general meeting.
- > Alternatively, you may appoint a proxy to represent you at the annual general meeting by completing the attached form of proxy in relation to the annual general meeting in accordance with the instructions it contains and returning it to Computershare Investor Services (Proprietary) Limited to be received at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132, or emailing [proxy@computershare.co.za](mailto:proxy@computershare.co.za) by no later than 09:00 on Monday, 29 November 2021 for administrative purposes, although proxies will still be accepted at [proxy@computershare.co.za](mailto:proxy@computershare.co.za) up until commencement of the meeting.

#### Voting requirements

Voting will be by way of a poll and every shareholder of the company present or represented by proxy shall have one vote for every share held in the company by such shareholder.

#### Proof of identification required

In compliance with section 63 of the Act, note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Acceptable forms of identification include valid identity documents, drivers' licences and passports.

#### Summary of shareholder rights

In compliance with the provisions of section 58(8)(b)(i) of the Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Act, is set out immediately below:

- > A shareholder entitled to attend and vote at the meeting may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the meeting in the place of the shareholder. A proxy need not be a shareholder of the company.
- > A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the meeting.
- > A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

- > The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph.

If the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Act or the company's MOI to be delivered by the company to the shareholder must be delivered by the company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so.

Attention is also drawn to the notes to the proxy form.

#### Directions for obtaining a copy of annual financial statements

The complete annual financial statements are available for inspection at the registered office and/or downloading on the company's website [www.firstrand.co.za](http://www.firstrand.co.za), or a copy thereof can be requested in writing from the company secretary, 4 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196.

By order of the board

#### C LOW ~ Company Secretary

12 October 2021

#### Transfer secretaries

Computershare Investor Services (Pty) Ltd  
1st Floor, Rosebank Towers  
15 Biermann Avenue  
Rosebank  
2196

#### Registered office address

4 Merchant Place  
Corner Fredman Drive and Rivonia Road  
Sandton  
2196



## Proxy form – ordinary shareholders

### **FirstRand Limited**

(Incorporated in the Republic of South Africa) (Registration number: 1966/010753/06)

Share code: (JSE): FSR ISIN: ZAE000066304 NSX ordinary share code: FST (**FirstRand** or the **company**)

Only for use by shareholders who have not dematerialised their shares or who have dematerialised their shares with own-name registration.

All other dematerialised shareholders must contact their CSDP or broker to make the relevant arrangements concerning voting and/or attendance at the annual general meeting.

For completion by the aforesaid registered shareholders who hold ordinary shares of the company and who are unable to attend the annual general meeting of the company to be held electronically, on Wednesday, 1 December 2021 at 09:00 (**the annual general meeting**).

I/We

Of (address)

Email:

Mobile/contact number:

Being the holder(s) of (number of ordinary shares)

shares in the company, appoint (see notes overleaf)

1. Or, failing him/her
2. Or, failing him/her
3. The chair of the annual general meeting as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the annual general meeting that will be held for the purpose of considering and, if deemed fit, passing with or without modification the ordinary and special resolutions to be proposed thereat and to vote for and/or against such ordinary and special resolutions and/or to abstain from voting in respect of the shares registered in my/our names, and at any adjournment thereof, in accordance with the following instructions (see notes overleaf):

	For	Against	Abstain
<b>Ordinary resolutions</b>			
Ordinary resolutions 1.1 and 1.2 – Re-election of directors of the company by way of separate resolution:			
1.1 JP Burger			
1.2 T Winterboer			
Ordinary resolution 1.3 – Vacancy filled by director during the year			
1.3 SP Sibisi			
Ordinary resolution 2 – Appointment of external auditors			
2.1 Appointment of Deloitte & Touche as external auditor			
2.2 Appointment of PricewaterhouseCoopers Inc. as external auditor			
Ordinary resolution 3 – General authority to issue authorised but unissued ordinary shares for cash			
Ordinary resolution 4 – Signing authority to director and/or group company secretary			
<b>Advisory endorsement</b>			
Advisory endorsement on a non-binding basis for the remuneration policy			
Advisory endorsement on a non-binding basis for the remuneration implementation report			
<b>Special resolutions</b>			
Special resolution 1 – General authority to repurchase ordinary shares			
Special resolution 2.1 – Financial assistance to directors and prescribed officers as employee share scheme beneficiaries			
Special resolution 2.2 – Financial assistance to related and interrelated entities			
Special resolution 3 – Remuneration of non-executive directors with effect from 1 December 2021			

Signed at (place)

on (date)

2021

Signature

Assisted by me

(where applicable)

Forms of proxy should (but are not required to) be received by Computershare Investor Services (Proprietary) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132 or on [email.proxy@computershare.co.za](mailto:email.proxy@computershare.co.za), or in Namibia by Transfer Secretaries (Pty) Ltd, PO Box 2401, Windhoek, Namibia, Fax number +264 6124 8531, by no later than 09:00 on Monday, 29 November 2021 for administrative purposes although proxies will still be accepted until commencement of the meeting.

Forms of proxy may only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with own-name registration.

**PLEASE SEE NOTES ON REVERSE SIDE OF THE FORM**

## Notes to proxy form

### *Use of proxies*

A shareholder who holds ordinary shares (shareholder) is entitled to attend and vote at the annual general meeting and to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company.

Instructions on signing and lodging the proxy form:

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided overleaf, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the shareholder. Should this space be left blank, the chairman of the annual general meeting will exercise the proxy. The person whose name appears first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy and participate in the electronic meeting to the exclusion of those whose names follow.
2. A shareholder's voting instructions to the proxy must be indicated by the insertion of the number of votes exercisable by that shareholder in the appropriate spaces provided overleaf. Failure to do so shall be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she thinks fit in respect of all the shareholder's exercisable votes. A shareholder or his/her proxy is not obliged to use all the votes exercisable by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder of his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
4. To be valid the completed proxy forms should (but are not required to) be received by the Computershare Investor Services (Proprietary) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132, or on email [proxy@computershare.co.za](mailto:proxy@computershare.co.za), or in Namibia by Transfer Secretaries (Pty) Ltd, PO Box 2401, Windhoek, Namibia, fax number +264 6124 8531, by no later than 09:00 on Monday, 29 November 2021 for administrative purposes. Proxy forms may only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with own name registration.
5. Documentary evidence establishing the authority of a person signing a proxy form in a representative capacity must be attached to the proxy form unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.
6. The completion and lodging of this proxy form shall not preclude the relevant shareholder from attending the annual general meeting and speaking and voting thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this proxy form must be initialled by the signatory/signatories.
8. The chairman of the annual general meeting may reject or accept any proxy form which is completed other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
9. A proxy may not delegate his/her authority to any other person.

## Online shareholders' meeting guide 2021

Prior registration is mandatory for all shareholders to participate in the meeting.

### ***Attending the AGM electronically***

This year the group will be conducting a virtual AGM, giving shareholders the opportunity to attend the AGM and participate online, using a smartphone, tablet or computer.

If you choose to participate online, you will be able to view a live webcast of the meeting, ask the board questions and submit your votes in real time. You will need:

- (a) To visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

**MEETING ID: 182-219-828**

To log in users must have a username and password, which must be requested from [proxy@computershare.co.za](mailto:proxy@computershare.co.za).

**USING THE AGM ONLINE FACILITY:**

## VIRTUAL SHAREHOLDERS' USER GUIDE

### THE LUMI AGM PLATFORM



Meeting ID: **182-219-828**

To log in you must have your username and password which you will receive from [smartagm-sa@lumiglobal.com](mailto:smartagm-sa@lumiglobal.com) after registering on <https://www.lumiagm.com/>.

You will be able to log into the site from **8:30 on 1 December 2021.**

### Attending the AGM electronically

We will be conducting a virtual AGM, giving you the opportunity to attend the AGM and participate online, using your smartphone, tablet or computer.

If you choose to participate online you will be able to view a live webcast of the meeting, ask the board questions and submit your votes in real time. To access the platform, you will need to:

Visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

## Online shareholders' meeting guide 2021 continued

### ACCESS

Once you have entered [web.lumiagm.com](http://web.lumiagm.com) into your web browser, you'll be prompted to enter the **meeting ID**.

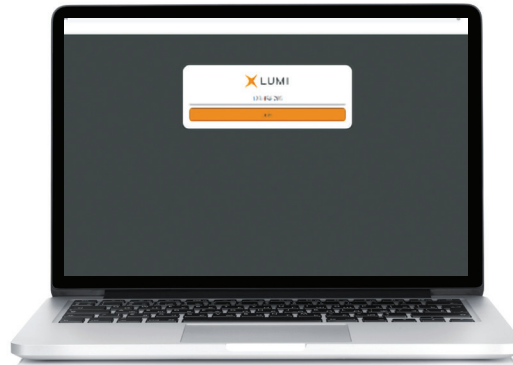
To login as a shareholder, select **'I am a shareholder'**.

You will then be required to enter your:

- > **Username;** and
- > **Password.**

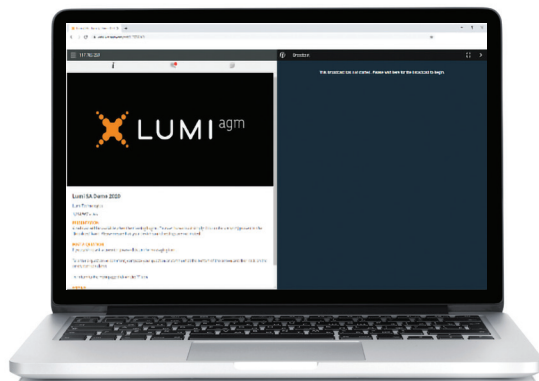
If you are a guest, select **'I am a guest'**.

As a guest, you will be prompted to complete all the relevant fields including first name, last name and email address.



Please note, guests are not able to ask questions at the meeting, and they will not be able to vote.

### NAVIGATION



When successfully authenticated, the info screen will be displayed. You can view company information, ask questions, view relevant documents and watch the webcast.

If you would like to watch the webcast on smaller devices, select the broadcast icon at the bottom of the screen in the broadcast band.

If viewing on a computer, the webcast will appear at the side automatically once the meeting has started.

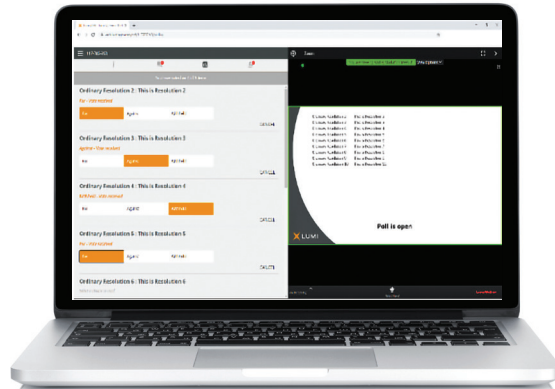


## VOTING

Once the voting has opened, the polling icon will appear on the navigation bar at the top of the screen. From here, the resolutions or motions and voting choices will be displayed.

To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received.

If you wish to change your mind, simply select an alternate choice while the voting is open or select cancel if you wish to cancel your vote.

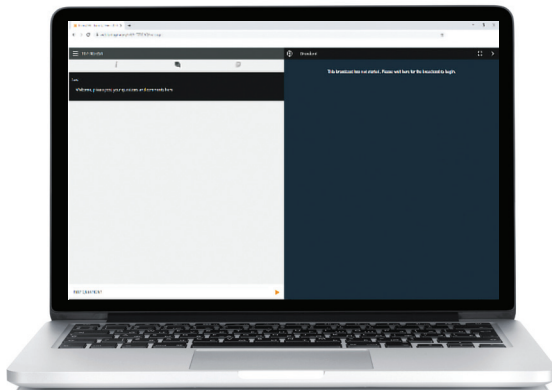


Once opened, voting can be performed at any time during the meeting until the chairman closes the voting on the resolutions. At that point your last choice will be submitted.

You will still be able to send messages and view the webcast whilst voting is open.



## QUESTIONS



Any shareholder or appointed proxy attending the meeting is eligible to ask questions.

Guests may not ask questions.

To ask a question, select the messaging icon at the top of the screen.

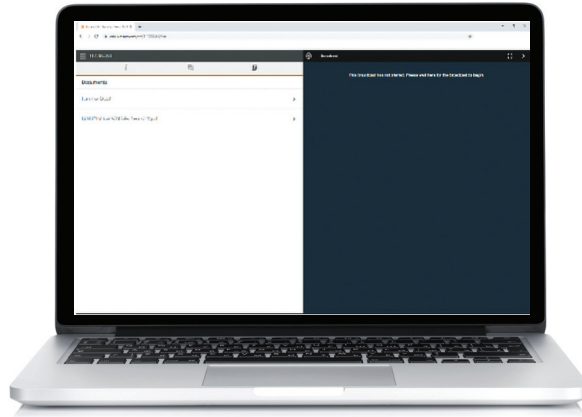
Type your message within the chat box at the bottom of the messaging screen and then press send.

## Online shareholders' meeting guide 2021 continued



### DOCUMENTS

Documents will be available for you in the documents vault, just click on the documents icon at the top of the screen.





FirstRand  
group summary  
consolidated  
financial  
statements

### *summary consolidated financial statements*

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## Directors' responsibility statement and approval of the summary consolidated financial statements

for the year ended 30 June 2021

This summary consolidated financial statements comprise a summary of the audited consolidated financial statements of the group for the year ended 30 June 2021 and have been audited by the group's external auditors, PricewaterhouseCoopers Inc. and Deloitte & Touche. Their opinion on this summary consolidated financial statements appears on page 26.

The summary consolidated financial statements are not the group's statutory financial statements and do not contain all the disclosures required by IFRS. Reading the summary consolidated financial statements is not a substitute for reading the audited consolidated financial statements of the group, as it does not contain sufficient information to allow for a complete understanding of the results and state of affairs of the group. The consolidated financial statements have been audited by the group's external auditors.

The audited consolidated financial statements, including the full audit opinion and any key audit matters, are available online at [www.firststrand.co.za/investors/annual-reporting/](http://www.firststrand.co.za/investors/annual-reporting/).

### **Basis of presentation**

The summary consolidated financial statements are prepared in accordance with the JSE Listings Requirements and the requirements of the Companies Act of South Africa as applicable to summary financial statements. FirstRand prepares its summary consolidated financial statements in accordance with:

- > framework concepts and the recognition and measurement requirements of International Financial Reporting Standards (IFRS);
- > SAICA Financial Reporting Guides as issued by the Accounting Practices Committee;
- > Financial Reporting Pronouncements as issued by Financial Reporting Standards Council; and
- > as a minimum contain the information required by IAS 34.

The consolidated financial statements, from which these summary consolidated financial statements are extracted are prepared in accordance with the going concern principle under the historical cost basis as modified by fair value accounting of certain assets and liabilities where required or permitted by IFRS, and presented in South African rand, which is the group's presentation currency.

The accounting policies are consistent with those applied for the year ended 30 June 2020, except for the implementation of new and revised standards as implemented below.



WR JARDINE ~ Chairman



AP PULLINGER ~ CEO



H KELLAN ~ CFO

Improvements to the Conceptual Framework, which included revised definitions of assets and liabilities and clarified concepts relating to prudence, stewardship, measurement uncertainty and substance over form, became effective in the current period. Other amendments that became effective in the current period include amendments to IFRS 3 to clarify the definition of a business in a business combination, and amendments to IAS 1 and IAS 8 to update and clarify the definition of materiality.

The other new or amended IFRS that became effective for the year ended 30 June 2021 had no impact on the group's reported earnings, financial position or reserves, or the accounting policies.

Effective 1 July 2020, the group adopted the amendments to IFRS 9 and IAS 39, as part of phase 1 of the interest rate benchmark reform (IBOR reform), which provided hedge accounting relief for hedging relationships affected by IBOR reform. The amendments allow an entity to apply the existing hedge accounting requirements as if the interest rate benchmarks that affects the hedging relationships are not altered as a result of IBOR reform. This results in hedge accounting not being discontinued solely on the basis of uncertainty arising from IBOR reform. The amendments provided relief for the group's hedges that are impacted by IBOR reform. The group elected to early adopt phase 2 of the IBOR reform, which provided a practical expedient to treat any contractual changes or changes to cash flows due to the transition of an IBOR benchmark rate to an economically equivalent risk-free rate (RFR) as changes to a floating interest rate. Phase 2 of the IBOR reform also permits changes to specific hedging designations and hedge documentation without the hedge relationship being discontinued. This provided temporary relief from having to meet the separately identifiable requirements of an RFR instrument designated as a hedge of a risk component. The adoption of these amendments did not impact the prior period.

The board acknowledges its responsibility to ensure the integrity of the summary consolidated financial statements. The board has applied its mind to the summary consolidated financial statements and believes that this document addresses all material issues and fairly presents the group's integrated performance and impacts.

Simonet Terblanche, CA(SA), supervised the preparation of the consolidated financial statements from which these summary consolidated financial statements were extracted. The consolidated annual financial statements were approved by the board of directors on 15 September 2021 and signed on its behalf by:

## Independent auditors' report on the summary consolidated financial statements

### To the Shareholders of FirstRand Limited

#### OPINION

The summary consolidated financial statements of FirstRand Limited, set out on pages 28 to 70, which comprise the summary consolidated statement of financial position as at 30 June 2021, the summary consolidated income statement, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of FirstRand Limited for the year ended 30 June 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in the basis of presentation to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

#### SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditors' report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

#### THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

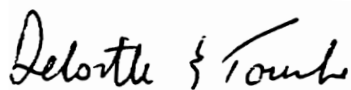
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 15 September 2021. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

#### DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in the basis of presentation to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



DELOITTE & TOUCHE

Registered Auditor  
Per Partner: Kevin Black

Johannesburg, South Africa  
12 October 2021



PRICEWATERHOUSECOOPERS INC.

Registered Auditor  
Director: Johannes Grosskopf

Johannesburg, South Africa  
12 October 2021

## Company secretary's certification

### ***Declaration by the company secretary in respect of section 88(2)(e) of the companies act***

I declare that, to the best of my knowledge, the company has lodged with the Commissioner of the Companies and Intellectual Property Commission all such returns and notices as required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.

A handwritten signature in black ink, appearing to read 'C. Low'.

C LOW ~ Company secretary

Sandton

12 October 2021

## Summary consolidated income statement

for the year ended 30 June

<i>R million</i>	Notes	2021	2020
Interest income calculated using effective interest rate		103 912	121 046
Interest on other financial instruments and similar income		2 023	841
<b>Interest and similar income</b>		<b>105 935</b>	<b>121 887</b>
Interest expense and similar charges		(42 645)	(58 972)
<b>Net interest income before impairment of advances</b>		<b>63 290</b>	<b>62 915</b>
Impairment and fair value of credit of advances		(13 660)	(24 383)
– Impairment on amortised cost advances	2	(13 400)	(23 823)
– Fair value of credit on advances	2	(260)	(560)
<b>Net interest income after impairment of advances</b>		<b>49 630</b>	<b>38 532</b>
Non-interest revenue		45 195	41 691
– Net fee and commission income		31 686	30 058
– Fee and commission income		37 462	36 244
– Fee and commission expense		(5 776)	(6 186)
– Insurance income		3 335	3 941
– Fair value income		6 574	4 084
– Fair value gains and losses		10 900	8 869
– Interest expense on fair value activities		(4 326)	(4 785)
– Gains less losses from investing activities		271	561
– Other non-interest income		3 329	3 047
<b>Income from operations</b>		<b>94 825</b>	<b>80 223</b>
Operating expenses		(57 556)	(55 276)
<b>Net income from operations</b>		<b>37 269</b>	<b>24 947</b>
Share of profit of associates after tax		1 133	24
Share of profit of joint ventures after tax		405	5
<b>Income before indirect tax</b>		<b>38 807</b>	<b>24 976</b>
Indirect tax		(1 516)	(1 348)
<b>Income before tax</b>		<b>37 291</b>	<b>23 628</b>
Income tax expense		(8 981)	(4 848)
<b>Profit for the year</b>		<b>28 310</b>	<b>18 780</b>
<b>Attributable to</b>			
Ordinary equityholders		26 743	17 021
Other equity instrument holders		777	1 145
<b>Equityholders of the group</b>		<b>27 520</b>	<b>18 166</b>
Non-controlling interests		790	614
<b>Profit for the year</b>		<b>28 310</b>	<b>18 780</b>
<b>Earnings per share (cents)</b>			
– Basic		476.9	303.5
– Diluted		476.9	303.5

## Summary consolidated statement of other comprehensive income for the year ended 30 June

<i>R million</i>	2021	2020
<b>Profit for the year</b>	<b>28 310</b>	<b>18 780</b>
<b>Items that may subsequently be reclassified to profit or loss</b>		
<b>Cash flow hedges</b>	<b>(640)</b>	<b>1 154</b>
Gains arising during the year	<b>968</b>	592
Reclassification adjustments for amounts included in profit or loss	<b>(1 891)</b>	1 036
Deferred income tax	<b>283</b>	(474)
<b>FVOCI debt reserve</b>	<b>392</b>	<b>(61)</b>
Gains/(losses) arising during the year	<b>584</b>	(91)
Reclassification adjustments for amounts included in profit or loss	<b>(34)</b>	3
Deferred income tax	<b>(158)</b>	27
<b>Exchange differences on translating foreign operations</b>	<b>(5 872)</b>	<b>6 208</b>
(Losses)/gains arising during the year	<b>(5 830)</b>	6 170
Deferred income tax	<b>(42)</b>	38
<b>Share of other comprehensive income of associates and joint ventures after tax and non-controlling interest</b>	<b>90</b>	<b>33</b>
<b>Items that may not subsequently be reclassified to profit or loss</b>		
<b>FVOCI equity reserve</b>	<b>(271)</b>	<b>(157)</b>
Losses arising during the year	<b>(351)</b>	(202)
Deferred income tax	<b>80</b>	45
<b>Remeasurements on defined benefit post-employment plans</b>	<b>(177)</b>	<b>532</b>
(Losses)/gains arising during the year	<b>(252)</b>	744
Deferred income tax	<b>75</b>	(212)
<b>Other comprehensive (loss)/income for the year</b>	<b>(6 478)</b>	<b>7 709</b>
<b>Total comprehensive income for the year</b>	<b>21 832</b>	<b>26 489</b>
<b>Attributable to</b>		
Ordinary equityholders	<b>20 408</b>	24 634
Other equity instrument holders	<b>777</b>	1 145
<b>Equityholders of the group</b>	<b>21 185</b>	<b>25 779</b>
Non-controlling interests	<b>647</b>	710
<b>Total comprehensive income for the year</b>	<b>21 832</b>	<b>26 489</b>

## Summary consolidated statement of changes in equity for the year ended 30 June

<i>R million</i>	Ordinary share capital and ordinary equityholders' funds				
	Share capital	Share premium	Share capital and share premium	Defined benefit post-employment reserve	Cash flow hedge reserve
<b>Balance as at 1 July 2019</b>	56	8 023	<b>8 079</b>	(952)	841
Net proceeds of issue of share capital	–	–	–	–	–
Acquisition of subsidiaries	–	–	–	–	–
Disposal of subsidiaries	–	–	–	–	–
Additional Tier 1 capital issued during the year	–	–	–	–	–
Additional Tier 1 capital redeemed during the year	–	–	–	–	–
Movement in other reserves	–	–	–	–	–
Ordinary dividends	–	–	–	–	–
Distributions on other equity instruments	–	–	–	–	–
Transfer (to)/from general risk reserves	–	–	–	–	–
Changes in ownership interest of subsidiaries	–	–	–	–	–
Movement in treasury shares	–	(15)	<b>(15)</b>	–	–
Total comprehensive income for the year <sup>#</sup>	–	–	–	532	1 154
– Profit for the year	–	–	–	–	–
– Other comprehensive income for the year	–	–	–	532	1 154
Vesting of share-based payments	–	–	–	–	–
<b>Balance as at 30 June 2020</b>	56	8 008	<b>8 064</b>	(420)	1 995
Net proceeds of issue of share capital	–	–	–	–	–
Acquisition of subsidiaries	–	–	–	–	–
Disposal of subsidiaries	–	–	–	–	–
Additional Tier 1 capital issued during the year	–	–	–	–	–
Additional Tier 1 capital redeemed during the year	–	–	–	–	–
Movement in other reserves	–	–	–	–	–
Ordinary dividends	–	–	–	–	–
Distributions on other equity instruments	–	–	–	–	–
Transfer from/(to) general risk reserves	–	–	–	–	–
Changes in ownership interest of subsidiaries	–	–	–	–	–
Movement in treasury shares	–	(35)	<b>(35)</b>	–	–
Total comprehensive income for the year	–	–	–	(177)	(640)
– Profit for the year	–	–	–	–	–
– Other comprehensive income for the year	–	–	–	(177)	(640)
Vesting of share-based payments	–	–	–	–	–
<b>Balance as at 30 June 2021</b>	56	7 973	<b>8 029</b>	(597)	1 355

\* Refer to note 3.2 for a breakdown of other reserves.

\*\* Other equity instruments at 30 June 2021 include R4 519 (2020: R4 519 million) of non-cumulative, non-redeemable preference shares and R7 126 (2020: R5 726 million) of AT1 instruments.

# Total comprehensive income for the year has been disaggregated into profit for the year and other comprehensive income for the year. The total comprehensive income for the year as previously reported has not changed.



	Ordinary share capital and ordinary equityholders' funds					Other equity instruments**	Non-controlling interests	Total equity
	Share-based payment reserve	Foreign currency translation reserve	Other Reserves*	Retained earnings	Reserves attributable to ordinary equityholders			
	1	2 366	707	118 616	121 579	10 734	4 186	144 578
	-	-	-	-	-	-	(9)	(9)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	761	-	761
	-	-	-	-	-	(1 250)	-	(1 250)
	26	-	278	(303)	1	-	(9)	(8)
	-	-	-	(16 716)	(16 716)	-	(736)	(17 452)
	-	-	-	-	-	(1 145)	-	(1 145)
	-	-	(2)	2	-	-	-	-
	-	-	-	(12)	(12)	-	4	(8)
	-	-	-	(20)	(20)	-	-	(35)
	-	6 120	(193)	17 021	24 634	1 145	710	26 489
	-	-	-	17 021	17 021	1 145	614	18 780
	-	6 120	(193)	-	7 613	-	96	7 709
	(3)	-	-	2	(1)	-	-	(1)
	24	8 486	790	118 590	129 465	10 245	4 146	151 920
	-	-	-	-	-	-	(2)	(2)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	376	376
	-	-	-	-	-	1 400	-	1 400
	-	-	-	-	-	-	-	-
	20	-	131	(148)	3	-	3	6
	-	-	-	(6 170)	(6 170)	-	(489)	(6 659)
	-	-	-	-	-	(777)	-	(777)
	-	-	60	(60)	-	-	-	-
	-	-	-	(134)	(134)	-	(56)	(190)
	-	-	-	16	16	-	-	(19)
	-	(5 713)	195	26 743	20 408	777	647	21 832
	-	-	-	26 743	26 743	777	790	28 310
	-	(5 713)	195	-	(6 335)	-	(143)	(6 478)
	-	-	-	-	-	-	-	-
	44	2 773	1 176	138 837	143 588	11 645	4 625	167 887

## Summary consolidated statement of financial position as at 30 June

<i>R million</i>	Notes	2021	2020
<b>ASSETS</b>			
Cash and cash equivalents		135 059	136 002
Derivative financial instruments		82 728	147 515
Commodities		18 641	21 344
Investment securities		368 187	297 469
Advances	1	1 223 434	1 261 715
– Advances to customers		1 152 956	1 191 281
– Marketable advances		70 478	70 434
Other assets		9 216	11 256
Current tax asset		409	598
Non-current assets and disposal groups held for sale		565	3 065
Reinsurance assets		387	240
Investments in associates		8 644	6 882
Investments in joint ventures		2 116	1 749
Property and equipment		20 190	21 369
Intangible assets*		9 932	11 638
Investment properties		659	722
Defined benefit post-employment asset		9	–
Deferred income tax asset		6 104	4 975
<b>Total assets</b>		<b>1 886 280</b>	<b>1 926 539</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
Short trading positions		18 945	5 062
Derivative financial instruments		84 436	162 193
Creditors, accruals and provisions		22 765	21 038
Current tax liability		1 280	499
Liabilities directly associated with disposal groups held for sale		613	1 427
Deposits		1 542 078	1 535 015
Employee liabilities		11 319	8 820
Other liabilities		7 741	8 203
Policyholder liabilities		7 389	6 430
Tier 2 liabilities		20 940	24 614
Deferred income tax liability		887	1 318
<b>Total liabilities</b>		<b>1 718 393</b>	<b>1 774 619</b>
<b>Equity</b>			
Ordinary shares	3	56	56
Share premium	3	7 973	8 008
Reserves		143 588	129 465
<b>Capital and reserves attributable to equityholders of the group</b>		<b>151 617</b>	<b>137 529</b>
Other equity instruments	4	11 645	10 245
Non-controlling interests		4 625	4 146
<b>Total equity</b>		<b>167 887</b>	<b>151 920</b>
<b>Total equity and liabilities</b>		<b>1 886 280</b>	<b>1 926 539</b>

\* Includes net goodwill of R7 726 million (2020: R8 387 million).

## Summary consolidated statement of cash flows

for the year ended 30 June

<i>R million</i>	2021	2020
<b>Cash flows from operating activities</b>		
Interest and fee commission receipts*	131 715	153 420
– Interest received	97 326	119 421
– Fee and commission received	37 462	36 975
– Insurance income received	2 703	3 210
– Fee and commission paid	(5 776)	(6 186)
Trading and other income	3 238	3 340
Interest payments	(36 499)	(57 696)
Other operating expenses	(43 677)	(45 895)
Dividends received	2 929	2 208
Dividends paid	(6 947)	(17 861)
Dividends paid to non-controlling interest	(489)	(736)
Taxation paid	(10 698)	(8 669)
<b>Cash generated from operating activities</b>	<b>39 572</b>	<b>28 111</b>
<b>Movements in operating assets and liabilities</b>	<b>(30 434)</b>	<b>11 741</b>
– Liquid assets and trading securities	(75 198)	(45 030)
– Advances	(44 458)	(17 961)
– Deposits	82 663	74 964
– Other assets	2 472	(763)
– Creditors	864	(1 357)
– Employee liabilities	(4 079)	(7 033)
– Total other liabilities**	7 302	8 921
– Other operating liabilities#	6 490	7 798
– Reinsurance assets	(147)	(44)
– Policyholder liabilities	959	1 167
<b>Net cash generated from operating activities</b>	<b>9 138</b>	<b>39 852</b>

\* Interest and fee commission receipts have been disaggregated into the material line items making up this balance. The presentation of the comparative information has also been updated. The total interest and fee commission receipts as previously reported (2020: R153 420 million) has however not changed. The disaggregation is in line with the requirements of IAS 7.

\*\* Other liabilities have been disaggregated into the material line items making up the balance. The presentation of the comparative information has also been updated. The total movement for other liabilities as previously reported (2020: R8 921 million) has however not changed. The additional information provides users with a better understanding of the material components making up this balance.

# Other liabilities consist of various operating liabilities. The most significant balances included in other operating liabilities include short trading positions, derivative financial instruments and deferred tax balance provisions.

Summary consolidated statement of cash flows continued  
for the year ended 30 June

<i>R million</i>	2021	2020
<b>Cash flows from investing activities</b>		
Acquisition of investments in associates	(93)	(551)
Proceeds on disposal of investments in associates	37	594
Acquisition of investments in joint ventures	(45)	(257)
Proceeds on disposal of investments in joint ventures	–	109
Acquisition of investments in subsidiaries	(31)	(366)
Proceeds on disposal of subsidiaries	(2)	–
Acquisition of property and equipment	(3 160)	(5 510)
Proceeds on disposal of property and equipment	539	752
Acquisition of intangible assets and investment properties	(257)	(454)
<b>Net cash outflow from investing activities</b>	<b>(3 012)</b>	<b>(5 683)</b>
<b>Cash flows from financing activities</b>		
Proceeds on the issue of other financing liabilities	1 306	4 583
Redemption of other financing liabilities	(1 110)	(5 174)
Principal payments towards lease liabilities	(1 053)	(884)
Proceeds from issue of Tier 2 liabilities	3 111	275
Capital repaid on Tier 2 liabilities	(4 903)	(2 186)
Acquisition of additional interest in subsidiaries from non-controlling interest	(139)	(6)
Disposal of additional interest in subsidiaries to non-controlling interest	–	6
Proceeds from issue of AT1 equity instruments	1 400	761
Redemption of AT1 equity instruments	–	(1 250)
<b>Net cash outflow from financing activities</b>	<b>(1 388)</b>	<b>(3 875)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4 738</b>	<b>30 294</b>
Cash and cash equivalents at the beginning of the year	136 002	102 518
Effect of exchange rate changes on cash and cash equivalents	(5 594)	3 604
Transfer to non-current assets held for sale	(87)	(414)
<b>Cash and cash equivalents at the end of the year</b>	<b>135 059</b>	<b>136 002</b>

## Statement of headline earnings, earnings and dividends per share for the year ended 30 June

	Earnings attributable R million		Cents per share	
	2021	2020	2021	2020
Headline earnings				
– Basic	26 950	17 326	480.5	308.9
– Diluted	26 950	17 326	480.5	308.9
Earnings attributable to ordinary equityholders				
– Basic	26 743	17 021	476.9	303.5
– Diluted	26 743	17 021	476.9	303.5
Dividends – ordinary				
– Interim			110.0	146.0
– Final declared/paid			153.0	–
Dividends – preference				
– Interim			253.6	374.7
– Final declared/paid			273.9	306.0

### WEIGHTED AVERAGE NUMBER OF SHARES

	2021	2020
Weighted average number of shares before treasury shares	5 609 488 001	5 609 488 001
Less: treasury shares	(1 249 055)	(1 327 218)
– Shares for client trading	(1 249 055)	(1 327 218)
<b>Weighted average number of shares in issue</b>	<b>5 608 238 946</b>	5 608 160 783
<b>Diluted weighted average number of shares in issue</b>	<b>5 608 238 946</b>	5 608 160 783

The same weighted average number of shares was used for the basic and diluted headline earnings per share (HEPS) and basic and diluted earnings per share (EPS) as there are no potential dilutive ordinary shares in issue.

Statement of headline earnings, earnings and dividends per share continued  
for the year ended 30 June

## HEADLINE EARNINGS RECONCILIATION

<i>R million</i>	2021		2020	
	Gross	Net	Gross	Net
Earnings attributable to ordinary equityholders	–	26 743	–	17 021
<b>Adjusted for:</b>				
Transfer from foreign currency translation reserve	8	8	(17)	(15)
Gains on disposal of non-private equity associates	(40)	(40)	–	–
Impairment of non-private equity associates	1	1	66	47
Loss on disposal of investments in joint ventures	7	7	1	1
Loss on disposal of investments in subsidiaries	3	3	–	–
Loss on disposal of property and equipment	17	11	14	11
Impairment of goodwill	112	112	212	190
Fair value movement on investment properties	89	76	(26)	(19)
Impairment of assets in terms of IAS 36	43	34	129	91
Gain on bargain purchase	(1)	(1)	–	–
Other	(4)	(4)	(1)	(1)
<b>Headline earnings attributable to ordinary equityholders</b>		<b>26 950</b>		<b>17 326</b>

Selected notes to the summary consolidated financial statements  
for the year ended 30 June

1 **Advances**

<i>R million</i>	Notes	2021	2020
<b>Category analysis</b>			
Overdrafts and cash management accounts		67 798	81 129
Term loans		66 714	73 658
Card loans		35 025	33 106
Instalment sales, hire purchase agreements and lease payments receivable		233 533	246 989
Property finance		449 012	461 876
Personal loans		53 281	56 658
Preference share agreements		48 097	48 739
Assets under agreements to resell		65 584	26 964
Investment bank term loans		143 230	164 792
Long-term loans to group associates and joint ventures		2 508	2 975
Other		38 792	43 775
<b>Total customer advances</b>		<b>1 203 574</b>	1 240 661
Marketable advances		70 478	70 434
<b>Gross value of advances</b>		<b>1 274 052</b>	1 311 095
Impairment and credit of fair value advances	2.1	(50 618)	(49 380)
<b>Net advances</b>		<b>1 223 434</b>	1 261 715

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

2 **Impairment of advances**

R million	2021			2020		
	Total	Amortised cost	Fair value	Total	Amortised cost	Fair value
Increase in loss allowance	(15 445)	(15 185)	(260)	(25 750)	(25 190)	(560)
Recoveries of bad debts	2 427	2 427	–	2 374	2 374	–
Modification loss	(642)	(642)	–	(1 007)	(1 007)	–
<b>Impairment of advances recognised in the income statement</b>	<b>(13 660)</b>	<b>(13 400)</b>	<b>(260)</b>	<b>(24 383)</b>	<b>(23 823)</b>	<b>(560)</b>

Note: Refer to note 2.3 on pages 46 to 49 for the reconciliation of the loss allowance per class.

**BASIS OF PRESENTATION OF ANALYSIS OF THE ADVANCES PER CLASS**

**Temporary stress scenario**

Given the unprecedented event-driven uncertainty in South Africa's already fragile economy, the inability of economic forecasts and existing statistical models to adequately capture short-term shocks such as the third and future waves of the Covid-19 pandemic, the group incorporated a short-term stress scenario at 30 June 2021 as a temporary measure to capture this extreme uncertainty. The group believes that the advances within the South African retail and commercial portfolios will be hardest hit in the short term and as such, the stress scenario has only been applied to these portfolios. Due to the temporary nature of this stress scenario, the impact on the staging of the gross carrying amount and the additional ECL attributable to this scenario has been separately presented, in all tables where information per class is shown, in the line *Temporary stress scenario*.

**RMB corporate and investment banking**

In determining classes of advances, the type of customer is used as a primary indicator and then the type of loan provided to that type of customer is then reflected as a sub-class.

In the current year, due to a change in internal structures, the group no longer makes a distinction between RMB corporate and RMB investment banking clients and concluded that a single class of customer will be shown. The group has therefore combined RMB corporate and RMB investment banking, which had been presented separately in the prior year. The group has voluntarily updated the comparative information and presented totals of the two classes combined.

In addition, Ashburton transitioned into RMB corporate and investment banking as part of the group's evolution in approach to customer, product and operational infrastructure within its investment offering. The results of Ashburton were previously included in Group Treasury and other. The group has voluntarily updated the comparative information.



## 2 Impairment of advances continued

### 2.1 ANALYSIS OF ADVANCES PER CLASS

<i>R million</i>	2021			
	Total	Amortised cost	Fair value through profit or loss	Loss allowance
Residential mortgages	221 362	225 666	–	(4 304)
WesBank VAF	94 252	100 102	–	(5 850)
<b>Total retail secured</b>	<b>315 614</b>	<b>325 768</b>	<b>–</b>	<b>(10 154)</b>
FNB card	26 566	31 249	–	(4 683)
Personal loans	31 079	39 709	–	(8 630)
Retail other	12 593	15 712	–	(3 119)
<b>Total retail unsecured</b>	<b>70 238</b>	<b>86 670</b>	<b>–</b>	<b>(16 432)</b>
Temporary stress scenario	(335)	–	–	(335)
<b>Total retail secured and unsecured</b>	<b>385 517</b>	<b>412 438</b>	<b>–</b>	<b>(26 921)</b>
FNB commercial	104 811	111 030	91	(6 310)
– FNB commercial excluding scheme	103 464	109 431	91	(6 058)
– Government-guaranteed loan scheme	1 495	1 599	–	(104)
– Temporary stress scenario	(148)	–	–	(148)
WesBank corporate	26 431	26 986	–	(555)
RMB corporate and investment banking	335 903	248 091	95 217	(7 405)
<b>Total corporate and commercial</b>	<b>467 145</b>	<b>386 107</b>	<b>95 308</b>	<b>(14 270)</b>
<b>Rest of Africa</b>	<b>56 452</b>	<b>60 133</b>	<b>220</b>	<b>(3 901)</b>
<b>Group Treasury and other</b>	<b>35 607</b>	<b>35 428</b>	<b>802</b>	<b>(623)</b>
<b>UK operations</b>	<b>278 713</b>	<b>283 616</b>	<b>–</b>	<b>(4 903)</b>
– Retail*	217 617	221 188	–	(3 571)
– Commercial	61 096	62 428	–	(1 332)
<b>Total advances</b>	<b>1 223 434</b>	<b>1 177 722</b>	<b>96 330</b>	<b>(50 618)</b>

\* Includes total MotoNovo of R76 346 million (£3 871 million).

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

2 **Impairment of advances continued**

2.1 ANALYSIS OF ADVANCES PER CLASS continued

R million	2020			
	Total	Amortised cost	Fair value through profit or loss	Loss allowance
Residential mortgages	220 488	224 404	–	(3 916)
WesBank VAF	98 153	104 014	–	(5 861)
<b>Total retail secured</b>	<b>318 641</b>	<b>328 418</b>	<b>–</b>	<b>(9 777)</b>
FNB card	26 009	30 210	–	(4 201)
Personal loans	33 177	41 874	–	(8 697)
Retail other	13 593	16 732	–	(3 139)
<b>Total retail unsecured</b>	<b>72 779</b>	<b>88 816</b>	<b>–</b>	<b>(16 037)</b>
FNB commercial	101 888	107 889	27	(6 028)
– FNB commercial excluding scheme	101 591	107 544	27	(5 980)
– Government-guaranteed loan scheme	297	345	–	(48)
WesBank corporate	26 608	27 114	–	(506)
RMB corporate and investment banking	342 810	280 204	69 111	(6 505)
RMB corporate banking	67 242	68 318	127	(1 203)
RMB investment banking*	275 568	211 886	68 984	(5 302)
<b>Total corporate and commercial</b>	<b>471 306</b>	<b>415 207</b>	<b>69 138</b>	<b>(13 039)</b>
<b>Rest of Africa</b>	<b>61 747</b>	<b>66 070</b>	<b>310</b>	<b>(4 633)</b>
<b>Group Treasury and other*</b>	<b>35 991</b>	<b>35 902</b>	<b>988</b>	<b>(899)</b>
<b>UK operations</b>	<b>301 251</b>	<b>306 246</b>	<b>–</b>	<b>(4 995)</b>
– Retail**	231 076	234 529	–	(3 453)
– Commercial	70 175	71 717	–	(1 542)
<b>Total advances</b>	<b>1 261 715</b>	<b>1 240 659</b>	<b>70 436</b>	<b>(49 380)</b>

\* Voluntary movement in classes of advances. Refer to page 41.

\*\* Includes total MotoNovo of R76 843 million (£3 586 million).

## 2 Impairment of advances continued

### 2.1 ANALYSIS OF ADVANCES PER CLASS continued

Voluntary changes to the classes previously reported at 30 June 2020

<i>R million</i>	Gross advances			Loss allowance		
	As previously reported	Movement	Updated amount	As previously reported	Movement	Updated amount
Residential mortgages	224 404	–	224 404	3 916	–	3 916
WesBank VAF	104 014	–	104 014	5 861	–	5 861
<b>Total retail secured</b>	<b>328 418</b>	<b>–</b>	<b>328 418</b>	<b>9 777</b>	<b>–</b>	<b>9 777</b>
FNB card	30 210	–	30 210	4 201	–	4 201
Personal loans	41 874	–	41 874	8 697	–	8 697
Retail other	16 732	–	16 732	3 139	–	3 139
<b>Total retail unsecured</b>	<b>88 816</b>	<b>–</b>	<b>88 816</b>	<b>16 037</b>	<b>–</b>	<b>16 037</b>
FNB commercial	107 916	–	107 916	6 028	–	6 028
WesBank corporate	27 114	–	27 114	506	–	506
RMB corporate and investment banking		123	349 315		–	6 505
RMB corporate banking	68 445	–	68 445	1 203	–	1 203
RMB investment banking*	280 747	123	280 870	5 302	–	5 302
<b>Total corporate and commercial</b>	<b>484 222</b>	<b>123</b>	<b>484 345</b>	<b>13 039</b>	<b>–</b>	<b>13 039</b>
<b>Rest of Africa</b>	<b>66 380</b>	<b>–</b>	<b>66 380</b>	<b>4 633</b>	<b>–</b>	<b>4 633</b>
<b>Group Treasury and other*</b>	<b>37 013</b>	<b>(123)</b>	<b>36 890</b>	<b>899</b>	<b>–</b>	<b>899</b>
<b>UK operations</b>	<b>306 246</b>	<b>–</b>	<b>306 246</b>	<b>4 995</b>	<b>–</b>	<b>4 995</b>
Retail	234 529	–	234 529	3 453	–	3 453
Commercial	71 717	–	71 717	1 542	–	1 542
<b>Total advances</b>	<b>1 311 095</b>	<b>–</b>	<b>1 311 095</b>	<b>49 380</b>	<b>–</b>	<b>49 380</b>

\* Ashburton transitioned into RMB as part of the bank's evolution in approach to client, product and operational infrastructure within its investment offering.

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

2 **Impairment of advances continued**

2.2 RECONCILIATION OF THE GROSS ADVANCES AND LOSS ALLOWANCE ON TOTAL ADVANCES AS AT 30 JUNE 2021

<i>R million</i>	2021					Purchased or originated credit-impaired
	Gross advances					
	Total	Stage 1	Stage 2	Stage 3		
Amortised cost	1 240 659	1 065 670	117 896	56 192	901	
Fair value	70 436	65 843	4 405	61	127	
<b>Amount as at 1 July 2020</b>	<b>1 311 095</b>	<b>1 131 513</b>	<b>122 301</b>	<b>56 253</b>	<b>1 028</b>	
<b>Current year movement in the back book</b>						
<b>Stage 1</b>	<b>(234 515)</b>	<b>(189 737)</b>	<b>(43 148)</b>	<b>(1 630)</b>	<b>–</b>	
Transfer from stage 2 to stage 1	–	43 148	(43 148)	–	–	
Transfer from stage 3 to stage 1	–	1 630	–	(1 630)	–	
Current year change in exposure and net movement on GCA and ECL provided/(released)	(234 515)	(234 515)	–	–	–	
<b>Stage 2</b>	<b>(28 376)</b>	<b>(54 903)</b>	<b>29 565</b>	<b>(3 038)</b>	<b>–</b>	
Transfer from stage 1 to stage 2	–	(54 903)	54 903	–	–	
Transfer from stage 3 to stage 2	–	–	3 038	(3 038)	–	
Current year change in exposure and net movement on GCA and ECL provided/(released)	(28 376)	–	(28 376)	–	–	
– Exposures with a change in measurement basis from 12 months to lifetime ECL	(12 247)	–	(12 247)	–	–	
– Other changes in stage 2 exposures and ECL	(16 129)	–	(16 129)	–	–	
<b>Stage 3</b>	<b>(5 700)</b>	<b>(16 109)</b>	<b>(13 045)</b>	<b>23 454</b>	<b>–</b>	
Transfer from stage 1 to stage 3	–	(16 109)	–	16 109	–	
Transfer from stage 2 to stage 3	–	–	(13 045)	13 045	–	
Current year change in exposure and net movement on GCA and ECL provided/(released)	(5 700)	–	–	(5 700)	–	
<b>Purchased or originated credit-impaired</b>	<b>(221)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(221)</b>	
Current year change in exposure and net movement on GCA and ECL provided/(released)	(221)	–	–	–	(221)	
<b>New business</b>	<b>287 987</b>	<b>266 837</b>	<b>17 959</b>	<b>3 100</b>	<b>91</b>	
Current year change in exposure and net movement on GCA and ECL provided/(released)	287 987	266 837	17 959	3 100	91	
<b>Other movements applicable to new business and back book</b>	<b>(56 218)</b>	<b>(34 341)</b>	<b>(3 545)</b>	<b>(18 332)</b>	<b>–</b>	
Acquisition/(disposal) of advances	(3 107)	(3 074)	(11)	(22)	–	
Transfers (to)/from non-current assets or disposal groups held for sale	429	365	80	(16)	–	
Modifications that did not give rise to derecognition	(642)	(19)	(76)	(547)	–	
Exchange rate differences	(36 701)	(31 613)	(3 538)	(1 550)	–	
Bad debts written off	(16 197)	–	–	(16 197)	–	
Temporary stress scenario	–	(1 311)	1 311	–	–	
<b>Amount as at 30 June 2021</b>	<b>1 274 052</b>	<b>1 101 949</b>	<b>111 398</b>	<b>59 807</b>	<b>898</b>	
Amortised cost	1 177 722	1 009 147	108 055	59 704	816	
Fair value	96 330	92 802	3 343	103	82	

The basis of preparation of this reconciliation can be found in Note 11 – Advances in the annual financial statements available on the group's website at [www.firstrand.co.za/investors/annual-reporting/](http://www.firstrand.co.za/investors/annual-reporting/).

	2021				
	Loss allowance				
	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired
	48 447	10 943	12 961	24 543	–
	933	392	411	10	120
	49 380	11 335	13 372	24 553	120
	(4 140)	(1 199)	(2 591)	(350)	–
	–	2 591	(2 591)	–	–
	–	350	–	(350)	–
	(4 140)	(4 140)	–	–	–
	2 434	(903)	3 828	(491)	–
	–	(903)	903	–	–
	–	–	491	(491)	–
	2 434	–	2 434	–	–
	64	–	64	–	–
	2 370	–	2 370	–	–
	15 188	(1 042)	(3 119)	19 349	–
	–	(1 042)	–	1 042	–
	–	–	(3 119)	3 119	–
	15 188	–	–	15 188	–
	49	–	–	–	49
	49	–	–	–	49
	4 800	2 321	1 287	1 189	3
	4 800	2 321	1 287	1 189	3
	(17 576)	(314)	(272)	(16 990)	–
	(44)	(26)	(4)	(14)	–
	(44)	10	(1)	(53)	–
	–	–	–	–	–
	(1 291)	(298)	(267)	(726)	–
	(16 197)	–	–	(16 197)	–
	483	253	186	44	–
	50 618	10 451	12 691	27 304	172
	49 612	10 183	12 054	27 285	90
	1 006	268	637	19	82

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

2 **Impairment of advances continued**

2.2 RECONCILIATION OF THE GROSS ADVANCES AND LOSS ALLOWANCE ON TOTAL ADVANCES AS AT 30 JUNE 2020

<i>R million</i>	2020					Purchased or originated credit-impaired
	Gross advances					
	Total	Stage 1	Stage 2	Stage 3		
Amortised cost	1 159 642	1 033 119	85 547	40 976	–	
Fair value	80 272	79 100	799	268	105	
<b>Amount as at 1 July 2019</b>	<b>1 239 914</b>	<b>1 112 219</b>	<b>86 346</b>	<b>41 244</b>	<b>105</b>	
<b>Current year movement in the back book</b>						
<b>Stage 1</b>	(238 154)	(214 475)	(22 832)	(847)	–	
Transfer from stage 2 to stage 1	–	22 832	(22 832)	–	–	
Transfer from stage 3 to stage 1	–	847	–	(847)	–	
Current year change in exposure and net movement on GCA and ECL provided/(released)	(238 154)	(238 154)	–	–	–	
<b>Stage 2</b>	(18 804)	(60 473)	44 303	(2 634)	–	
Transfer from stage 1 to stage 2	–	(60 473)	60 473	–	–	
Transfer from stage 3 to stage 2	–	–	2 634	(2 634)	–	
Current year change in exposure and net movement on GCA and ECL provided/(released)	(18 804)	–	(18 804)	–	–	
– Exposures with a change in measurement basis from 12 months to lifetime ECL	(1 434)	–	(1 434)	–	–	
– Other changes in stage 2 exposures and ECL	(17 370)	–	(17 370)	–	–	
<b>Stage 3</b>	(2 409)	(16 267)	(13 063)	26 921	–	
Transfer from stage 1 to stage 3	–	(16 267)	–	16 267	–	
Transfer from stage 2 to stage 3	–	–	(13 063)	13 063	–	
Current year change in exposure and net movement on GCA and ECL provided/(released)	(2 409)	–	–	(2 409)	–	
<b>Purchased or originated credit-impaired</b>	22	–	–	–	22	
Current year change in exposure and net movement on GCA and ECL provided/(released)	22	–	–	–	22	
<b>New business</b>	292 001	264 750	20 640	5 710	901	
Current year change in exposure and net movement on GCA and ECL provided/(released)	292 001	264 750	20 640	5 710	901	
<b>Other movements applicable to new business and back book</b>	38 525	45 759	6 907	(14 141)	–	
Acquisition/(disposal) of advances	(2 832)	(2 586)	–	(246)	–	
Acquisition/(disposal) of subsidiaries	1 608	1 608	–	–	–	
Transfers (to)/from non-current assets or disposal groups held for sale	(2 646)	(2 150)	(259)	(237)	–	
Modifications that did not give rise to derecognition	(1 007)	(189)	(121)	(697)	–	
Exchange rate differences	57 764	49 076	7 287	1 401	–	
Bad debts written off	(14 362)	–	–	(14 362)	–	
<b>Amount as per 30 June 2020</b>	<b>1 311 095</b>	<b>1 131 513</b>	<b>122 301</b>	<b>56 253</b>	<b>1 028</b>	
Amortised cost	1 240 659	1 065 670	117 896	56 192	901	
Fair value	70 436	65 843	4 405	61	127	

The basis of preparation of this reconciliation can be found in Note 11 – Advances in the annual financial statements available on the group's website at [www.firstrand.co.za/investors/annual-reporting/](http://www.firstrand.co.za/investors/annual-reporting/).

2020					
Loss allowance					
	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired
	33 614	7 614	7 702	18 298	–
	548	302	49	197	–
	34 162	7 916	7 751	18 495	–
	(391)	1 193	(1 422)	(162)	–
	–	1 422	(1 422)	–	–
	–	162	–	(162)	–
	(391)	(391)	–	–	–
	5 433	(615)	6 720	(672)	–
	–	(615)	615	–	–
	–	–	672	(672)	–
	5 433	–	5 433	–	–
	1 990	–	1 990	–	–
	3 443	–	3 443	–	–
	15 277	(470)	(2 103)	17 850	–
	–	(470)	–	470	–
	–	–	(2 103)	2 103	–
	15 277	–	–	15 277	–
	120	–	–	–	120
	120	–	–	–	120
	8 436	3 052	2 210	3 174	–
	8 436	3 052	2 210	3 174	–
	(13 657)	259	216	(14 132)	–
	(100)	(10)	–	(90)	–
	–	–	–	–	–
	(265)	(36)	(54)	(175)	–
	–	–	–	–	–
	1 070	305	270	495	–
	(14 362)	–	–	(14 362)	–
	49 380	11 335	13 372	24 553	120
	48 447	10 943	12 961	24 543	–
	933	392	411	10	120

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

2 Impairment of advances continued

2.3 RECONCILIATION OF THE LOSS ALLOWANCE ON TOTAL ADVANCES PER CLASS

Amortised cost

R million	Retail secured		Retail unsecured			Retail secured and unsecured	Temporary stress scenario
	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other		
<b>Reported as at 1 July 2019</b>	2 541	4 356	2 650	6 815	2 725	–	
– Stage 1	360	632	555	1 415	724	–	
– Stage 2	510	1 307	347	971	464	–	
– Stage 3	1 671	2 417	1 748	4 429	1 537	–	
Acquisition/(disposal) of advances	–	–	–	(90)	–	–	
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–	–	
Exchange rate differences	–	–	–	–	–	–	
Bad debts written off	(259)	(1 907)	(1 114)	(4 351)	(1 754)	–	
Current period provision created/(released)*	1 634	3 412	2 665	6 323	2 168	–	
– Stage 1	275	(265)	349	627	(13)	–	
– Stage 2	423	564	458	966	415	–	
– Stage 3	936	3 113	1 858	4 730	1 766	–	
<b>Amount as at 30 June 2020</b>	3 916	5 861	4 201	8 697	3 139	–	
Stage 1	731	575	917	1 812	782	–	
Stage 2	777	1 308	562	1 653	701	–	
Stage 3	2 408	3 978	2 722	5 232	1 656	–	
Acquisition/(disposal) of advances	–	–	–	–	(41)	–	
Transfers from/(to) other divisions	–	–	182	–	(66)	–	
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–	–	
Exchange rate differences	–	–	–	–	–	–	
Bad debts written off	(366)	(2 373)	(1 790)	(5 293)	(1 778)	–	
Current period provision created/(released)*	754	2 362	2 090	5 226	1 865	335	
– Stage 1	(335)	80	(137)	197	6	131	
– Stage 2	389	92	477	700	19	160	
– Stage 3	700	2 190	1 750	4 329	1 840	44	
<b>Amount as at 30 June 2021</b>	4 304	5 850	4 683	8 630	3 119	335	
Stage 1	646	743	861	1 611	718	131	
Stage 2	841	1 081	654	1 722	575	160	
Stage 3	2 817	4 026	3 168	5 297	1 826	44	

\* Current period provision created/(released) reflects the net of the following items:

- ECL impact of net settlements and changes in exposures of advances included in the opening balance, including changes in ECL on amended off-balance sheet facilities.
- The increase or decrease of the opening balance ECL due to transfers between the stages, for example the release of ECL on transfer from stage 2 to stage 1, or the increase in ECL on transfer from stage 1 to stage 2.
- ECL on new business originated during the financial year and the transfers between stages of the new origination.
- Impact of changes in models and risk parameters, including forward-looking macroeconomic information.



	Corporate and commercial				Rest of Africa	Group Treasury and other	UK operations		Total
	FNB commercial	Temporary stress scenario	WesBank corporate	RMB corporate and investment banking			Retail	Commercial	
	3 812	–	338	3 553	3 961	770	1 511	582	33 614
	733	–	92	1 155	805	398	532	213	7 614
	776	–	67	1 783	804	186	378	109	7 702
	2 303	–	179	615	2 352	186	601	260	18 298
	–	–	–	(10)	–	–	–	–	(100)
	–	–	–	–	(223)	(42)	–	–	(265)
	–	–	–	123	208	–	504	216	1 051
	(1 286)	–	(114)	(713)	(1 282)	(196)	(842)	(350)	(14 168)
	3 502	–	282	2 864	1 969	122	2 280	1 094	28 315
	489	–	10	222	212	(58)	453	249	2 550
	1 070	–	64	2 150	182	(14)	699	346	7 323
	1 943	–	208	492	1 575	194	1 128	499	18 442
	6 028	–	506	5 817	4 633	654	3 453	1 542	48 447
	1 394	–	114	1 611	1 007	320	1 116	564	10 943
	1 339	–	111	3 758	981	152	1 148	471	12 961
	3 295	–	281	448	2 645	182	1 189	507	24 543
	–	–	1	(4)	–	–	–	–	(44)
	–	–	–	–	–	(116)	–	–	–
	–	–	–	–	(9)	(35)	–	–	(44)
	–	–	–	(210)	(581)	(5)	(319)	(138)	(1 253)
	(1 686)	–	(84)	(306)	(1 369)	–	(591)	(412)	(16 048)
	1 820	148	132	1 213	1 227	14	1 028	340	18 554
	(947)	124	(18)	(271)	86	44	(352)	(209)	(1 601)
	1 003	24	27	729	286	–	(186)	(66)	3 654
	1 764	–	123	755	855	(30)	1 566	615	16 501
	6 162	148	555	6 510	3 901	512	3 571	1 332	49 612
	1 033	124	108	1 636	992	360	805	415	10 183
	1 524	24	122	3 285	941	152	685	288	12 054
	3 605	–	325	1 589	1 968	–	2 081	629	27 375

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

2 *Impairment of advances continued*

2.3 RECONCILIATION OF THE LOSS ALLOWANCE ON TOTAL ADVANCES PER CLASS continued

Fair value

<i>R million</i>	RMB corporate and investment banking	Rest of Africa	Group Treasury and other	Total
<b>Reported as at 1 July 2019</b>	368	2	178	548
– Stage 1	124	2	176	302
– Stage 2	47	–	2	49
– Stage 3	197	–	–	197
Exchange rate differences	19	–	–	19
Bad debts written off	(194)	–	–	(194)
Current period provision created/(released)	495	(2)	67	560
– Stage 1	46	(2)	67	111
– Stage 2	320	–	–	320
– Stage 3	129	–	–	129
<b>Amount as at 30 June 2020</b>	688	–	245	933
Stage 1	147	–	245	392
Stage 2	411	–	–	411
Stage 3	130	–	–	130
Exchange rate differences	(39)	–	–	(39)
Bad debts written off	–	–	(148)	(148)
Current period provision created/(released)	246	–	14	260
– Stage 1	6	–	7	13
– Stage 2	268	–	7	275
– Stage 3	(28)	–	–	(28)
<b>Amount as at 30 June 2021</b>	895	–	111	1 006
Stage 1	164	–	104	268
Stage 2	630	–	7	637
Stage 3	101	–	–	101

## 2 Impairment of advances continued

### 2.3 RECONCILIATION OF THE LOSS ALLOWANCE ON TOTAL ADVANCES PER CLASS continued

RMB corporate and investment banking

Amortised cost and fair value

<i>R million</i>	RMB corporate and investment banking					
	Amortised cost			Fair value		
	RMB corporate banking	RMB investment banking	RMB corporate and investment banking	RMB corporate banking	RMB investment banking	RMB corporate and investment banking
<b>Reported as at 1 July 2019</b>	688	2 865	3 553	–	368	368
– Stage 1	231	924	1 155	–	124	124
– Stage 2	364	1 419	1 783	–	47	47
– Stage 3	93	522	615	–	197	197
Acquisition/(disposal) of advances	–	(10)	(10)	–	–	–
Exchange rate differences	10	113	123	–	19	19
Bad debts written off	(141)	(572)	(713)	–	(194)	(194)
Current period provision created/ (released)	526	2 338	2 864	120	375	495
– Stage 1	71	151	222	–	46	46
– Stage 2	347	1 803	2 150	–	320	320
– Stage 3	108	384	492	120	9	129
<b>Amount as at 30 June 2020</b>	1 083	4 734	5 817	120	568	688
Stage 1	323	1 288	1 611	–	147	147
Stage 2	647	3 111	3 758	–	411	411
Stage 3	113	335	448	120	10	130

## Selected notes to the summary consolidated financial statements continued for the year ended 30 June

### 2 *Impairment of advances continued*

#### 2.4 SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS RELATING TO THE IMPAIRMENT OF ADVANCES

##### Overview of forward-looking information included in the 30 June 2021 provisions

The reopening of major economies continues to lay the foundation for a rebound in global economic activity. As a result, supply chain pressures in some sectors are still adding to short-term inflation pressures in most large economies. Due to concerns about lingering demand weakness after this initial bout of inflation, DM central banks have said that they will “look-through” any temporary increase in consumer price inflation (CPI) and maintain supportive monetary policy. US fiscal stimulus is likely to keep pushing the US economy ahead in the global recovery, while creating uncertainty about potential long-run inflation overshoots. This uncertainty has led some central banks to begin signalling slightly tighter monetary policy while being careful to reassure market participants that policy is likely to stay accommodative overall, notwithstanding small recalibrations of interest rates as economies reopen. Despite financial market volatility, this environment should continue to support financial conditions, commodity prices and certain risk assets, while demand for safe-haven assets, such as the US dollar, should gradually drift lower.

##### *South Africa*

After an initial and severe contraction in GDP in the first half of the calendar year of 2020, the gradual recovery in global demand continues for South Africa’s export sectors which, combined with a gradual recovery in domestic activity, is helping to lift GDP. Inflation has bottomed and is now lifting slightly, but should remain low by historical standards. Low inflation and accommodative global policy rates will allow the MPC to maintain low short-term interest rates and implement small-scale bond purchase programmes to stem liquidity constraints if required. Although the group believes that the repo rate will remain low by historical standards, the group forecast shows a slight lift in the repo rate to account for expectations of slightly higher global interest rates and a smaller output gap. Industry data shows that while transactional volumes have normalised considerably in aggregate, there were material variations across industries. Card spend in sectors such as travel and hospitality has been at historical lows, but this has to some degree been offset by relative outperformances in industries exposed to online and IT services, groceries, hardware, small freight transport, and essential goods and services. With an unemployment rate above 30% it is increasingly important to differentiate between households with secure employment and irregular or unstable employment. Industry-level data shows that employment remains under considerable strain in industries that are sensitive to Covid-19 disruptions, such as hospitality and tourism.

The impact of Covid-19 remains extremely deep, with ongoing uncertainty about the risk of ongoing waves of infection and new strains of the virus. Notwithstanding these developments in the known macroeconomic risk environment, it must be noted that significant uncertainty persists, which could pose unpredictable risks to the South African economy. The economy has been structurally weakened by the pandemic and its ability to deal with further shocks is substantially impaired as a result.

##### *United Kingdom*

Following the deep contractions experienced in 2020, the UK economy is steadily recovering, resulting in significant volatility driven by base effects relative to a year ago. However, as the economy rebases it remains apparent that the distribution of economic activity is likely to remain somewhat unequal across industries and regions. Microeconomic idiosyncrasies are particularly notable in employment markets, affected by the availability of migrant workers, and in the property market where suburban and rural areas have benefited more than urban areas. The rolling back of fiscal stimulus towards the end of 2021 is also likely to result in reduced tailwinds for the economy overall. With the unemployment scheme tapering away before being fully removed by the end of September, some workers will be made redundant, especially in sectors that may not fully recover, such as transport and tourism. As a result, unemployment is still expected to lift as economic activity normalises relative to 2020. With inflation beginning to lift, the BoE is also expected to gradually reduce monetary policy support, starting towards the end of 2023 and with a preference for reducing quantitative easing (QE) gradually before implementing rate hikes. The BoE has demonstrated a willingness to look through transitory inflation, but has highlighted the risk of complacency should there be a persistent overshoot of the 2% target.

##### *Other Africa*

###### General

The outlook for the rest of Africa is largely driven by the recovery in commodity prices and the overall recovery in economic activity domestically, further supported by the recovery in global demand. An important determinant of and risk to the outlook is the impact of subsequent waves of Covid-19 infections and the slow pace of vaccinations in a number of countries. Additionally, the rises in administered prices, prices of basic foodstuffs and fuel prices should be noted, with the latter affecting all countries in the region. Structural weaknesses in the majority of the countries pre-date the pandemic and will continue to constrain the recovery in the medium term, e.g. Zambia’s debt distress position and further fiscal pressures in the Southern African Customs Union (SACU) countries. A key concern is the insecurity in Mozambique, which has blighted the outlook for the liquified natural gas sector and thereby delayed the expected positive impact of that sector on the economy.

## 2 *Impairment of advances continued*

### 2.4 SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS RELATING TO THE IMPAIRMENT OF ADVANCES continued Namibia

The Namibian economy contracted in nine of the last ten quarters since December 2018, with GDP growth lagging far behind population growth. The Covid-19 pandemic and associated lockdown measures exacerbated this weakness in GDP growth, with the country posting its largest contraction in real GDP on record at -8.0% for 2020. With the rebound in the current year expected to be significant due to base effects, this clouds the weak domestic demand backdrop, which continues to disappoint its rebound to significantly higher levels as consumer and investor confidence remains low. Finally, the government faces significant funding constraints and is unable to provide enough fiscal support to lift activity meaningfully and attract investment. With inflation lifting and low growth likely in the medium term, the expected rise in policy rates by the Bank of Namibia in 2022 may further constrain a full recovery in consumption, given the high household indebtedness ratios in the country.

#### Botswana

Botswana experienced a significant contraction in GDP in 2020. Weaker global demand has resulted in lower diamond prices and weaker local production. The tourism sector continues to be severely affected by the pandemic, with travel bans limiting anticipated growth within the local hospitality and aviation industries. Botswana's trade sector, which has been a key driver of growth in recent years, is also expected to contract significantly as a result of disruptions in global trade patterns due to lockdown measures implemented. The spill-over effect of these disruptions was evident in manufacturing and construction, as local businesses continue to face difficulties procuring critical inputs for their production processes. In order to mitigate the impact of Covid-19 on the economy, the government drafted an economic recovery and transformation plan aimed at supporting businesses and the economy through this pandemic. The fiscal package proposes several interventions and projects that span most industries with the hope of transforming Botswana from a mineral-led, public sector-dominated economy to a more diversified, export-oriented economy. Implementation challenges however have been noted with regards to similar development plans in the past. With the government having raised various administered prices and taxes to address its revenue decline, coupled with higher oil prices, the group expects inflation to lift meaningfully into 2021 and into the latter part of 2022, with overshoots outside the target band of the Bank of Botswana limiting the scope for rate cuts to support the economy.

## Selected notes to the summary consolidated financial statements continued

### for the year ended 30 June

## 2 Impairment of advances continued

### 2.4 SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS RELATING TO THE IMPAIRMENT OF ADVANCES continued

#### Forward-looking information

Forward-looking information has been incorporated into the expected loss estimates through the application of quantitative modelling and expert judgement-based post-model adjustments. The process of incorporating the forward-looking information into the expected loss estimates has not changed since 30 June 2020, but there have been changes to the probabilities assigned to the scenarios and the inputs used.

For the group's South African and rest of Africa operations, three macroeconomic scenarios are utilised, namely a base scenario, an upside scenario and a downside scenario. However, given the unprecedented event-driven uncertainty in South Africa's already fragile economy and the inability of economic forecasts and existing statistical models to adequately capture short-term shocks such as the third and future waves of the Covid-19 pandemic, an additional stress scenario was added to the macroeconomic scenarios applied to the South African retail and commercial portfolios as at 30 June 2021. The inclusion of this stress scenario is a temporary measure to capture this extreme uncertainty. The reason for including the temporary high-risk stress scenario for only these portfolios is that the RMB corporate and investment portfolio already incorporates stress scenarios for high-risk industries and the impact within rest of Africa was not found to be material. The group's expectation is that the temporary stress scenario will not permanently form part of the core scenarios utilised by the group.

The UK operations had utilised the IFRS 9 Scenario Service from Oxford Economics from July 2019 to 28 February 2021, to provide probability-weighted forward-looking macroeconomic scenarios for inclusion in the ECL. This function has been moved in-house. As such, the decision was taken to reduce the number of scenarios from six to four, assisting the group in assuming greater control over the shape and severity of the forecasts and also creating an alignment between provisioning and scenario information used for budgeting. Due to the different structural and political vulnerabilities that the UK operations is exposed to, the inclusion of a temporary stress scenario similar to that applied to the retail and commercial portfolios was considered unnecessary.

The table below sets out the scenarios and the probabilities assigned to each scenario at 30 June 2021 for the group's South African and Africa operations. During the period ended 30 June 2021, the probabilities assigned to the macro scenarios were again adjusted slightly towards the baseline and upside regimes. These adjustments were made to cater for the change in the perceived balance of risk to the domestic economy resulting from the ongoing effectiveness of global policy measures to support the global economy, and the effectiveness of domestic policy measures to manage the economic impact of the pandemic.

Scenario	Probability	Description
<b>Baseline</b>	58% (2020: 56%)	Assumes that global growth experiences a significant rebound in 2021 and recovers gradually thereafter. Developed market (DM) inflation lifts but remains low by historical standards and global interest rates remain accommodative. The South African domestic economy experiences a technical rebound in 2021 and a slow recovery thereafter. Inflation begins to lift but remains contained within the SARB's target band. The outlook is characterised by a slow recovery in income and a slight improvement in policy uncertainty.
<b>Upside</b>	13% (2020: 12%)	Assumes that global growth experiences a significant rebound in 2021 and recovers gradually thereafter. DM inflation lifts but remains low by historical standards and global interest rates remain accommodative. The South African domestic economy experiences a significant lift in economic activity and inflation remains low by historical standards. Policy certainty is gradually restored, and confidence-boosting economic reforms are implemented.
<b>Downside</b>	29% (2020: 32%)	Assumes that global growth experiences a significant rebound in 2021 and recovers gradually thereafter. DM inflation lifts but remains low by historical standards and global interest rates remain accommodative. The South African domestic economy experiences ongoing contractions in economic activity, which are compounded by policy mistakes and extremely low confidence, which prevent the economy from recovering from the Covid-19 induced shock.

## 2 Impairment of advances continued

### 2.4 SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS RELATING TO THE IMPAIRMENT OF ADVANCES continued

#### Temporary stress scenario

Despite recent improvements in the country's balance of payments, it remains evident that the loss of economic activity, tax revenue and household and corporate income as a result of the pandemic has left the economy structurally weakened relative to an already weak position before the pandemic. Therefore significant uncertainty persists, which is non-linear to the developments in the known macroeconomic environment noted in the scenario descriptions above. This remains a key risk to the macroeconomic outlook, which is captured by the temporary stress scenario. The ECL impact of the stress scenario as well as its impact on staging of the gross carrying amount has been tracked separately for classes of advances, where the stress scenario had a material impact. Therefore, for the South African retail and commercial portfolios a weighting of 11% has been attributed to both the temporary stress scenario and the upside scenario, 26% attributed to the downside and 52% to the baseline scenario.

The table sets out the scenarios and the probabilities assigned to each at 30 June 2021, for the UK operations:

Scenario	Probability	Description
<b>Base</b>	50% (2020: 45%)	Global growth experiences a significant rebound in 2021 and recovers gradually thereafter. The economy grows rapidly as it unlocks while government support continues, enabling the release of pent-up demand. GDP returns to pre-pandemic levels but continues to grow more slowly. Government support comes to an end, demand falls and unemployment edges upwards.
<b>Upside</b>	10% (2020: 10%)	Global growth continues to bounce back, driven by the Covid-19 vaccine and/or significant fading of the pandemic, and trade becomes significantly more efficient following Brexit. Global inflation remains low but doesn't fall towards a deflationary environment, and major central banks (G3) and governments are successful in lifting potential growth.  The UK services sector achieves an efficient and beneficial outcome for the trade relationship with the EU while health risks fade considerably. Fiscal austerity continues to be relaxed further to boost economic activity and wage growth picks up along with labour productivity, while a combination of higher consumer and business confidence and pent-up productive capacity lift economic activity to pre-global financial crisis (GFC) levels.
<b>Downside</b>	25% (2020: 10%)	Global growth recovers slowly into 2021 while China's economy continues to rebalance gradually, and trade tensions escalate in bouts. Global inflation remains extremely low and risks falling into deflation, and G3 continue to ease monetary policy to cushion their economies into the global slowdown, risking getting stuck near-zero rates.  In the UK further rounds of Covid-19 infections result in ongoing iterations of lockdown and social distancing. Brexit legacy issues continue to hamper services sector confidence and activity. Consumer and investor sentiment remains extremely low while spare capacity in the economy persists.
<b>Severe downside</b>	15% (2020: 15%)	After an initial and severe shock, geopolitical risk and trade tensions push global growth into a deep recession. The US and EU economies fail to recover from the Covid-19 shocks, sustaining further deep recessions, pushing consumer and investor confidence to levels last seen in the GFC. Global inflation remains low and falls towards deflation in large developed economies. G3 eases monetary policy to cushion the global slowdown but risk broadening the base of debt-yielding negative interest rates.  In the UK new variants of Covid-19 and/or a vaccine programme failure result in ongoing iterations of lockdown and social distancing. Brexit legacy issues continue to plague services sector confidence and activity. Consumer and investor sentiment falls further and spare capacity in the economy increases significantly.
<b>Stagnation</b>	– (2020: 10%)	Removed as a scenario in 2021 as the UK operations moved from using six macroeconomic scenarios to four.
<b>Mild upside</b>	– (2020: 10%)	Removed as a scenario in 2021 as the UK operations moved from using six macroeconomic scenarios to four.

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

2 **Impairment of advances continued**

2.4 SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS RELATING TO THE IMPAIRMENT OF ADVANCES continued

*Significant macroeconomic factors for 30 June 2021*

The table below sets out the most significant macroeconomic factors used to estimate the forward-looking information relating to ECL provisions. The information is forecast over a period of three years per major economic region that the group operates in.

South Africa (%)	Upside scenario			Baseline scenario			Downside scenario		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
<b>Applicable across all portfolios</b>									
Real GDP growth	4.20	4.70	4.20	3.10	1.70	1.20	(1.90)	(5.00)	(2.90)
CPI inflation	3.10	3.60	4.10	4.10	4.60	5.00	7.20	7.60	8.10
Repo rate	3.25	2.75	2.50	3.50	3.75	3.75	6.35	6.50	6.50
<b>Retail-specific</b>									
Retail real growth	4.20	4.70	4.20	1.10	1.30	0.80	(1.90)	(5.00)	(2.90)
House price index growth*	3.50	7.50	10.90	2.60	2.80	3.10	(1.60)	(8.00)	(7.50)
Household debt to income	75.90	76.00	76.00	75.80	75.80	75.80	76.20	76.50	76.70
Employment growth	0.60	1.00	1.30	0.45	0.39	0.36	(0.30)	(1.10)	(0.90)
<b>Wholesale-specific</b>									
Fixed capital formation	0.90	7.10	10.90	0.70	2.60	3.10	(0.40)	(7.50)	(7.50)
Foreign exchange rate (USD/ZAR)	12.00	11.90	12.00	15.20	15.90	16.60	19.70	22.00	23.00

\* *Applicable to the secured portfolio.*

South Africa – significant macroeconomic factors relevant to the temporary stress scenario							
(%)	Real GDP growth	CPI inflation	Repo rate	Retail real growth	House price index growth*	Household debt-to-income	Employment growth
2022	(1.2)	7.6	3.5	(0.4)	(1)	75.9	(0.2)
2023	(5.1)	10.3	6	(3.8)	(8.2)	76.0	(1.9)
2024	(6.2)	11.8	8.5	(4.1)	(16)	76.0	(1.1)

\* *Applicable to the secured portfolio.*



## 2 Impairment of advances continued

### 2.4 SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS RELATING TO THE IMPAIRMENT OF ADVANCES continued

UK (%)	Upside scenario			Baseline scenario			Downside scenario			Severe scenario		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Real GDP growth	10.78	4.18	3.29	7.73	2.08	1.46	3.09	0.75	2.37	(6.13)	(1.53)	1.06
Household disposable income growth	2.63	1.60	2.07	(0.81)	1.94	1.18	(3.69)	0.04	0.95	(1.03)	0.09	(1.18)
House price index growth*	3.38	2.30	8.64	(0.57)	(2.25)	0.54	(2.75)	(7.50)	(2.43)	(8.12)	(17.76)	(11.75)
Employment growth	1.63	2.21	0.45	(0.26)	0.30	0.51	0.06	(0.20)	0.44	(2.54)	0.49	1.06

\* Applicable to the secured portfolio.

#### Other Africa

Namibia (%)	Upside scenario			Baseline scenario			Downside scenario		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Real GDP growth	3.25	3.75	4.50	1.40	2.30	2.00	(3.00)	(1.50)	(1.00)
CPI inflation	3.00	3.00	3.00	3.80	4.00	4.10	5.92	6.75	7.00
Repo rate	2.75	2.50	2.50	3.75	4.00	4.00	6.25	6.50	6.50

Botswana (%)	Upside scenario			Baseline scenario			Downside scenario		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Real GDP growth	8.00	7.00	6.30	5.10	4.10	3.70	2.34	2.30	2.20
CPI inflation	3.90	2.80	2.60	5.50	4.00	3.60	6.40	5.50	5.30
Repo rate	3.25	3.00	3.00	3.75	4.00	4.00	5.50	5.50	5.50

30 June 2020

South Africa (%)	Upside scenario			Baseline scenario			Downside scenario		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
<b>Applicable across all portfolios</b>									
Real GDP growth	(0.60)	4.20	4.00	(0.60)	2.40	0.90	(2.00)	0.00	0.00
CPI inflation	3.30	3.00	3.00	3.00	3.80	4.50	4.70	5.90	7.60
Repo rate	2.75	2.75	2.75	3.25	3.25	3.25	6.00	6.25	6.50
<b>Retail-specific</b>									
Retail income growth	1.00	4.20	4.90	(1.80)	1.60	0.40	(0.90)	(0.20)	(0.30)
House price index growth*	6.30	17.90	17.80	(1.00)	6.40	3.80	(12.50)	(8.30)	(10.10)
Household debt income	71.50	71.50	71.50	71.50	71.50	71.50	71.50	71.50	71.50
Employment growth	(0.20)	1.30	1.20	(0.20)	0.70	(0.30)	(2.20)	(1.30)	(1.70)
<b>Wholesale-specific</b>									
Fixed capital formation	1.80	9.10	12.00	(12.30)	1.00	(1.00)	(2.10)	(1.90)	(1.60)
Foreign exchange rate (USD/ZAR)	12.30	11.80	12.00	15.40	15.90	16.70	17.30	19.70	22.00

\* Applicable to the secured portfolio.

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

2 **Impairment of advances continued**

2.4 SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS RELATING TO THE IMPAIRMENT OF ADVANCES continued

UK (%)	Upside scenario			Baseline scenario			Downside scenario		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Real GDP growth	5.52	7.06	3.00	1.04	7.31	2.35	(11.73)	10.95	3.17
CPI inflation	2.23	2.27	1.94	0.49	1.65	1.76	(1.78)	(0.26)	2.24
House price index growth*	0.16	5.03	13.95	(4.99)	(0.26)	6.03	(14.17)	(13.68)	(7.09)
Employment growth	2.60	0.80	(1.96)	1.87	0.51	(6.04)	2.08	1.34	(1.45)

\* Applicable to the secured portfolio.

Other Africa

Namibia (%)	Upside scenario			Baseline scenario			Downside scenario		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Real GDP growth	–	1.50	2.50	(3.70)	1.20	1.70	(6.50)	(3.00)	(1.50)
CPI inflation	2.75	3.00	3.00	3.00	3.50	4.00	4.90	5.92	6.75
Repo rate	3.00	2.75	2.75	3.50	3.50	3.50	6.00	6.25	6.50

Botswana (%)	Upside scenario			Baseline scenario			Downside scenario		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Real GDP growth	(0.30)	4.90	6.00	(2.10)	3.30	3.50	(6.91)	0.25	0.85
CPI inflation	2.00	2.20	2.20	2.20	3.10	3.20	3.35	4.78	5.63
Repo rate	3.25	3.25	3.00	3.50	3.50	3.50	4.50	5.25	6.00

### 3 Share capital, share premium and other reserves

#### 3.1 ORDINARY SHARE CAPITAL AND SHARE PREMIUM

##### Authorised shares

	2021	2020
Ordinary shares	6 001 688 450	6 001 688 450

##### Issued shares

	2021			2020		
	Number of shares	Ordinary share capital R million	Share premium R million	Number of shares	Ordinary share capital R million	Share premium R million
Opening balance	5 609 488 001	56	8 008	5 609 488 001	56	8 023
Shares issued	–	–	–	–	–	–
<b>Total issued ordinary share capital and share premium</b>	<b>5 609 488 001</b>	<b>56</b>	<b>8 008</b>	<b>5 609 488 001</b>	<b>56</b>	<b>8 023</b>
Treasury shares	(1 391 191)	–	(35)	(3 239 594)	–	(15)
<b>Total issued share capital attributable to ordinary equityholders</b>	<b>5 608 096 810</b>	<b>56</b>	<b>7 973</b>	<b>5 606 248 407</b>	<b>56</b>	<b>8 008</b>

The unissued ordinary shares are under the control of the directors until the next annual general meeting.

The shareholding of subsidiaries in FirstRand Limited was 0.02% (2020: 0.06%) of total issued ordinary shares and these shares have been treated as treasury shares.

#### 3.2 OTHER RESERVES

Other reserves are made up of the following:

R million	2021	2020
Regulatory reserves raised by African subsidiaries*	870	725
General risk reserve raised by African subsidiaries	109	49
Insurance contingency reserve	127	117
FVOCI reserve – debt instruments	346	(46)
FVOCI reserve – equity instruments	(366)	(94)
Other attributable reserves of associates and joint ventures	100	25
Reserves arising on acquisition of subsidiaries	(141)	(141)
Other reserves	131	155
<b>Total</b>	<b>1 176</b>	<b>790</b>

\* The balance consists of reserves as required by law in certain jurisdictions where the group operates, namely Eswatini, Mozambique, Nigeria and Tanzania.

Selected notes to the summary consolidated financial statements continued  
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4 **Other equity instruments**

PREFERENCE SHARE CAPITAL

Authorised preference shares

	2021	2020
A preference shares – unlisted variable rate cumulative convertible redeemable*	198 311 550	198 311 550
B preference shares – listed variable rate non-cumulative non-redeemable	100 000 000	100 000 000
C preference shares – unlisted variable rate convertible non-cumulative redeemable*	100 000 000	100 000 000
D preference shares – unlisted variable rate cumulative redeemable*	100 000 000	100 000 000

\* Unissued.

Issued shares

	2021		2020	
	Number of shares	Ordinary equity instruments R million	Number of shares	Ordinary equity instruments R million
B preference shares	45 000 000	4 519	45 000 000	4 519
<b>Total issued share capital attributable to preference shareholders of the group</b>	<b>45 000 000</b>	<b>4 519</b>	<b>45 000 000</b>	<b>4 519</b>

Dividends on the B preference shares are calculated at a rate of 75.5% of the prime lending rate of FNB, a division of FirstRand Bank Limited (FRB).

ADDITIONAL TIER 1 CAPITAL

R million	Rate	2021	2020
FRB24	3-month JIBAR plus 445 basis points	2 265	2 265
FRB25*	3-month JIBAR plus 440 basis points	3 461	3 461
FRB28	3-month JIBAR plus 440 basis points	1 400	–
<b>Total additional Tier 1 capital</b>		<b>7 126</b>	<b>5 726</b>
<b>Total other equity instruments</b>		<b>11 645</b>	<b>10 245</b>

\* Includes a tap issuance of Rnil in the current year (2020: R761 million).

#### 4 *Other equity instruments continued*

##### FRB24, FRB25 and FRB28

FRB's Additional Tier 1 (AT1) capital instruments are perpetual and pay non-cumulative, discretionary coupons on a quarterly basis. The terms and conditions provide for an issuer call option after five years, and at every coupon payment date that follows.

In addition, at the discretion of the PA, FRB may write off the notes, in whole or in part, with no obligation to pay compensation to the noteholders upon the earlier of:

- > the PA giving notice that a write-off is required without which the bank will become non-viable; or
- > a decision being made to inject public sector capital, or equivalent support, without which the bank will become non-viable.

The AT1 instruments have been classified as equity, as the terms and conditions do not contain a contractual obligation to pay cash to the noteholders.

The total coupon paid during the financial year was R378 million (2020: R629 million). Current tax of R147 million (2020: R176 million) was recognised in the income statement.

#### 5 *Contingencies and commitments*

<i>R million</i>	2021	2020
<b>Contingencies and commitments</b>		
Guarantees (endorsements and performance guarantees)	49 943	33 609
Letters of credit	10 059	8 511
<b>Total contingencies</b>	<b>60 002</b>	42 120
Irrevocable commitments*	166 397	129 816
Committed capital expenditure	3 633	3 584
Other	54	50
<b>Contingencies and commitments</b>	<b>230 086</b>	175 570
<b>Legal proceedings</b>		
There are a small number of potential legal claims against the group, the outcome of which is uncertain at present. These claims are not regarded as material, either on a individual or a total basis, and arise during the normal course of business. On-balance sheet provisions are only raised for claims that are expected to materialise	316	426
<b>Commitments</b>		
Commitments in respect of capital expenditure and long-term investments approved by the directors	3 633	3 584

\* Irrevocable commitments have been restated, following the identification of R2 158 million that had been incorrectly omitted from the 2020 numbers. The ECL relating to this restatement was recorded in the prior year and as such, the restatement does not require additional ECL to be raised.

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

6 Fair value measurements

6.1 FAIR VALUE HIERARCHY AND MEASUREMENTS

6.1.1 Fair value hierarchy

The following table presents the fair value hierarchy and applicable measurement basis of assets and liabilities of the group which are recognised at fair value.

<i>R million</i>	2021			Total fair value
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<i>Recurring fair value measurements</i>				
Derivative financial instruments	41	81 481	1 206	82 728
Advances	–	61 106	34 218	95 324
Investment securities	118 080	100 310	3 165	221 555
Non-recourse investments	329	8 688	–	9 017
Commodities	18 641	–	–	18 641
Investment properties	–	–	659	659
<i>Non-recurring fair value measurement</i>				
Disposal group held for sale – financial assets	–	–	19	19
<b>Total fair value assets</b>	<b>137 091</b>	<b>251 585</b>	<b>39 267</b>	<b>427 943</b>
<b>Liabilities</b>				
<i>Recurring fair value measurements</i>				
Short trading positions	18 945	–	–	18 945
Derivative financial instruments	41	82 800	1 595	84 436
Deposits	1 046	39 989	4 471	45 506
Non-recourse deposits	–	9 017	–	9 017
Other liabilities	–	50	2	52
Policyholder liabilities under investment contracts	–	5 378	–	5 378
<i>Non-recurring fair value measurement</i>				
Disposal group held for sale – financial liabilities	–	1	–	1
<b>Total fair value liabilities</b>	<b>20 032</b>	<b>137 235</b>	<b>6 068</b>	<b>163 335</b>

## 6 Fair value measurements continued

### 6.1 FAIR VALUE HIERARCHY AND MEASUREMENTS continued

#### 6.1.1 Fair value hierarchy continued

R million	2020			Total fair value
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<b><i>Recurring fair value measurements</i></b>				
Derivative financial instruments	50	146 540	925	147 515
Advances	–	20 871	48 633	69 504
Investment securities	106 433	43 618	3 886	153 937
Non-recourse investments	–	8 611	–	8 611
Commodities	21 344	–	–	21 344
Investment properties	–	–	722	722
<b><i>Non-recurring fair value measurement</i></b>				
Disposal group held for sale – financial assets	–	58	–	58
<b>Total fair value assets</b>	<b>127 827</b>	<b>219 698</b>	<b>54 166</b>	<b>401 691</b>
<b>Liabilities</b>				
<b><i>Recurring fair value measurements</i></b>				
Short trading positions	5 062	–	–	5 062
Derivative financial instruments	292	160 045	1 856	162 193
Deposits	1 299	39 918	5 063	46 280
Non-recourse deposits	–	8 611	–	8 611
Other liabilities	–	2	300	302
Policyholder liabilities under investment contracts	–	4 960	–	4 960
<b><i>Non-recurring fair value measurement</i></b>				
Disposal group held for sale – financial liabilities	–	2	–	2
<b>Total fair value liabilities</b>	<b>6 653</b>	<b>213 538</b>	<b>7 219</b>	<b>227 410</b>

#### 6.1.2 Fair value measurements

##### *Non-recurring fair value measurements*

For non-recurring fair value measurements, arising from non-current assets held for sale and disposal groups subject to IFRS 5, the fair value hierarchy classification and valuation technique applied in determining fair value will depend on the underlying asset or liability being measured. Where the underlying assets or liabilities are those for which recurring fair value measurements are required, these items are included in the table above. The technique applied and the inputs into the models would be identical to those with recurring fair value measurements.

A subsidiary was classified as a disposal group held for sale at 30 June 2020 and again at 30 June 2021. The fair value less cost to sell of the disposal group was negative R74 million in the current year (2020: positive R165 million). The disposal group is categorised as level 3 in the IFRS 13 fair value hierarchy.

##### *Valuation techniques and significant inputs used to determine fair values*

The valuation techniques applied by the group for recurring and non-recurring fair value measurement of assets and liabilities categorised as level 2 and level 3 can be found in Note 34 – Fair value measurement in the annual financial statements available on the group's website at [www.firststrand.co.za/investors/annual-reporting/](http://www.firststrand.co.za/investors/annual-reporting/).

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

6 Fair value measurements continued

6.2 ADDITIONAL DISCLOSURES FOR LEVEL 3 FINANCIAL INSTRUMENTS

6.2.1 Transfers between fair value hierarchy levels

The following represents the significant transfers into levels 1, 2 and 3 and the reasons for these transfers. Transfers between levels of the fair value hierarchy are deemed to occur at the beginning of the reporting period.

R million	2021		
	Transfers in	Transfers out	Reasons for significant transfers in
Level 1	945	(24)	Increased liquidity in the market for certain investment securities resulted in transfers from level 3 and level 2 into level 1.
Level 2	210	(1 025)	Increased liquidity in the market for certain investment securities resulted in transfers from level 3 to level 2.
Level 3	607	(713)	Investment securities whose fair value had been observable in a traded market no longer met the criteria for level 1 and level 2, as active trading ceased during the year and the fair value was determined using significant unobservable inputs.
<b>Total transfers</b>	<b>1 762</b>	<b>(1 762)</b>	

R million	2020		
	Transfers in	Transfers out	Reasons for significant transfers in
Level 1	–	–	There were no transfers into level 1.
Level 2	–	(911)	There were no transfers into level 2.
Level 3	911	–	Due to market disruption as a result of Covid-19, the market for certain investment securities became illiquid with the assets transferred from level 2 to level 3. In addition, certain inputs used in valuing derivative instruments are no longer observable, hence their transfer from level 2 to level 3.
<b>Total transfers</b>	<b>911</b>	<b>(911)</b>	



**6 Fair value measurements continued****6.2 ADDITIONAL DISCLOSURES FOR LEVEL 3 FINANCIAL INSTRUMENTS continued****6.2.2 Changes in level 3 instruments with recurring fair value measurements**

The following table shows a reconciliation of the opening and closing balances for assets and liabilities measured at fair value on a recurring basis classified as level 3 in terms of the fair value hierarchy.

<i>R million</i>	Derivative financial assets	Advances	Investment securities	Investment properties	Derivatives financial liabilities	Other liabilities	Deposits
<b>Balance as at 30 June 2019</b>	802	36 141	3 692	689	842	387	1 238
Gains/(losses) recognised in profit or loss	142	4 458	(407)	26	1 418	154	76
Losses recognised in other comprehensive income	–	–	(203)	–	–	–	–
Purchases, sales, issue and settlements	(86)	7 186	(55)	7	(434)	(241)	3 729
Net transfer to level 3	67	–	814	–	30	–	–
Exchange rate differences	–	848	45	–	–	–	20
<b>Balance as at 30 June 2020</b>	<b>925</b>	<b>48 633</b>	<b>3 886</b>	<b>722</b>	<b>1 856</b>	<b>300</b>	<b>5 063</b>
Gains/(losses) recognised in profit or loss	<b>816</b>	<b>669</b>	<b>280</b>	<b>(89)</b>	<b>319</b>	<b>(47)</b>	<b>(215)</b>
Losses recognised in other comprehensive income	–	–	(356)	–	–	–	–
Purchases, sales, issue and settlements	(535)	(14 146)	(509)	26	(580)	(251)	(351)
Acquisitions/disposals of subsidiaries	–	–	2	–	–	–	–
Net transfer to level 3	–	–	(106)	–	–	–	–
Exchange rate differences	–	(938)	(32)	–	–	–	(26)
<b>Balance as at 30 June 2021</b>	<b>1 206</b>	<b>34 218</b>	<b>3 165</b>	<b>659</b>	<b>1 595</b>	<b>2</b>	<b>4 471</b>

Decreases in level 3 assets and liabilities are included in brackets. Decreases in asset values are the result of losses, sales and settlements or the disposal of subsidiaries. Decreases liability values are the result of gains, settlements or the disposal of subsidiaries.

Gains or losses on advances classified as level 3 of the hierarchy comprise gross interest income on advances, fair value of credit adjustments and adjustments due to changes in currency and base rates. These instruments are funded by liabilities where the inherent risk is hedged by interest rate or foreign currency swaps. The corresponding gross interest expense is not disclosed in the fair value note as these items are typically measured at amortised cost.

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

6 Fair value measurements continued

6.2 ADDITIONAL DISCLOSURES FOR LEVEL 3 FINANCIAL INSTRUMENTS continued

6.2.3 Unrealised gains or losses on level 3 instruments with recurring fair value measurements

The valuation models for level 3 assets or liabilities typically rely on a number of inputs that are not readily observable, either directly or indirectly. Thus, the gains or losses presented below include changes in the fair value related to both observable and unobservable inputs.

The table below presents the total gains or losses relating to the remeasurement of assets and liabilities carried at fair value on a recurring basis classified as level 3 that are still held at reporting date. With the exception of interest on funding instruments designated at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) debt instruments, all gains or losses are recognised in NIR.

<i>R million</i>	2021		2020	
	Gains/(losses) recognised in the income statement	Gains/(losses) recognised in other comprehensive income	Gains/(losses) recognised in the income statement	Gains/(losses) recognised in other comprehensive income
<b>Assets</b>				
Derivative financial instruments	782	–	83	–
Advances*	799	–	4 291	–
Investment securities	287	(300)	(575)	(211)
Investment properties	(89)	–	91	–
<b>Total</b>	<b>1 779</b>	<b>(300)</b>	<b>3 890</b>	<b>(211)</b>
<b>Liabilities</b>				
Derivative financial instruments	(288)	–	(978)	–
Deposits	86	–	(41)	–
Other liabilities	–	–	(40)	–
<b>Total</b>	<b>(202)</b>	<b>–</b>	<b>(1 059)</b>	<b>–</b>

\* Mainly accrued interest on fair value advances and movements in interest rates and foreign currency that have been economically hedged. These advances are primarily classified as level 3, as credit spreads could be a significant input and are not observable for loans and advances in most of RMB's key markets. Inputs relating to interest rates and foreign currencies are regarded as observable.

## 6 Fair value measurements continued

## 6.2 ADDITIONAL DISCLOSURES FOR LEVEL 3 FINANCIAL INSTRUMENTS continued

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

<i>R million</i>	2021			2020		
	Reasonably possible alternative fair value			Reasonably possible alternative fair value		
	Fair value	Using more positive assumptions	Using more negative assumptions	Fair value	Using more positive assumptions	Using more negative assumptions
<b>Assets</b>						
Derivative financial instruments	1 206	1 344	1 067	925	983	872
Advances	34 218	34 295	34 152	48 633	48 828	48 442
Investment securities	3 165	3 290	2 921	3 886	4 044	3 660
Investment properties	659	724	593	722	794	649
<b>Total financial assets measured at fair value in level 3</b>	<b>39 248</b>	<b>39 653</b>	<b>38 733</b>	<b>54 166</b>	<b>54 649</b>	<b>53 623</b>
<b>Liabilities</b>						
Derivative financial instruments	1 595	1 508	1 680	1 856	1 762	1 934
Deposits	4 471	4 441	4 501	5 063	5 010	5 132
Other liabilities	2	2	2	300	297	303
<b>Total financial liabilities measured at fair value in level 3</b>	<b>6 068</b>	<b>5 951</b>	<b>6 183</b>	<b>7 219</b>	<b>7 069</b>	<b>7 369</b>

Selected notes to the summary consolidated financial statements continued  
for the year ended 30 June

6 Fair value measurements continued

6.3 FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

The following represents the fair values of financial instruments not carried at fair value on the statement of financial position, but for which fair value is required to be disclosed. For all other financial instruments, the carrying value is equal to or a reasonable approximation of the fair value.

<i>R million</i>	2021				
	Carrying value	Total fair value	Level 1	Level 2	Level 3
<b>Assets</b>					
Advances	1 128 110	1 147 500	–	120 714	1 026 786
Investment securities	137 615	137 071	110 822	19 969	6 280
<b>Total financial assets at amortised cost</b>	<b>1 265 725</b>	<b>1 284 571</b>	<b>110 822</b>	<b>140 683</b>	<b>1 033 066</b>
<b>Liabilities</b>					
Deposits	1 487 555	1 491 024	513	1 179 295	311 216
Other liabilities	4 808	4 823	–	4 248	575
Tier 2 liabilities	20 940	21 397	–	21 397	–
<b>Total financial liabilities at amortised cost</b>	<b>1 513 303</b>	<b>1 517 244</b>	<b>513</b>	<b>1 204 940</b>	<b>311 791</b>

<i>R million</i>	2020				
	Carrying value	Total fair value	Level 1	Level 2	Level 3
<b>Assets</b>					
Advances	1 192 211	1 202 775	–	141 944	1 060 831
Investment securities	134 921	133 464	104 689	25 846	2 929
<b>Total financial assets at amortised cost</b>	<b>1 327 132</b>	<b>1 336 239</b>	<b>104 689</b>	<b>167 790</b>	<b>1 063 760</b>
<b>Liabilities</b>					
Deposits	1 480 124	1 483 457	9 951	1 170 985	302 521
Other liabilities	4 735	4 778	–	3 118	1 660
Tier 2 liabilities	24 614	24 987	–	24 987	–
<b>Total financial liabilities at amortised cost</b>	<b>1 509 473</b>	<b>1 513 222</b>	<b>9 951</b>	<b>1 199 090</b>	<b>304 181</b>

6.4 DAY 1 PROFIT OR LOSS

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

<i>R million</i>	2021	2020
Opening balance	197	50
Day 1 profits or losses not initially recognised on financial instruments recognised in the current year	281	329
Amount recognised in profit or loss as a result of changes which would be observable by market participants	(370)	(182)
<b>Closing balance</b>	<b>108</b>	<b>197</b>

## 7 Summary segment information

## 7.1 REPORTABLE SEGMENTS

<i>R million</i>	Year ended 30 June 2021										
	Retail and commercial					RMB	Aldermore	FCC (including Group Treasury and other)	FirstRand group – normalised	Normalised adjustments	FirstRand group – IFRS
	FNB			WesBank	Retail and commercial						
	FNB SA	FNB rest of Africa	Total FNB								
Profit before tax	21 851	1 607	23 458	1 749	25 207	10 032	3 272	(1 538)	36 973	318	37 291
Total assets	429 515	53 184	482 699	129 043	611 742	591 309	325 195	358 064	1 886 310	(30)	1 886 280
Total liabilities*	411 098	51 583	462 681	127 459	590 140	579 744	300 915	247 594	1 718 393	–	1 718 393

\* Total liabilities are net of interdivisional balances.

<i>R million</i>	Year ended 30 June 2020										
	Retail and commercial					RMB	Aldermore	FCC (including Group Treasury and other)	FirstRand group – normalised	Normalised adjustments	FirstRand group – IFRS
	FNB			WesBank	Retail and commercial						
	FNB SA	FNB rest of Africa	Total FNB								
Profit before tax	16 653	1 146	17 799	1 226	19 025	8 113	956	(4 176)	23 918	(290)	23 628
Total assets	428 274	59 265	487 539	133 372	620 911	642 436	328 301	334 968	1 926 616	(77)	1 926 539
Total liabilities*	416 863	58 417	475 280	131 323	606 603	631 961	304 550	231 505	1 774 619	–	1 774 619

\* Total liabilities are net of interdivisional balances.

## 7.2 GEOGRAPHICAL SEGMENTS

<i>R million</i>	Year ended 30 June 2021					
	South Africa	Other Africa	United Kingdom	Australia	Other	Total
Non-interest revenue	39 890	6 030	748	(1)	66	46 733
– Non-interest revenue from contracts with customers	34 902	4 871	451	–	53	40 277
– Other non-interest revenue	3 464	1 159	283	(1)	13	4 918
– Share of profits of associates and joint ventures after tax	1 524	–	14	–	–	1 538

<i>R million</i>	Year ended 30 June 2020					
	South Africa	Other Africa	United Kingdom	Australia	Other	Total
Non-interest revenue	34 769	5 567	1 209	(7)	182	41 720
– Non-interest revenue from contracts with customers	32 297	4 522	2 044	–	69	38 932
– Other non-interest revenue	2 432	1 059	(838)	(7)	113	2 759
– Share of profits of associates and joint ventures after tax	40	(14)	3	–	–	29

## Selected notes to the summary consolidated financial statements continued for the year ended 30 June

### 8 *Events after reporting period*

Civil unrest occurred in the KwaZulu-Natal and Gauteng provinces of South Africa shortly after the group's balance sheet date, resulting in theft and damage to property. Losses suffered by the group were not taken into consideration for the financial results at 30 June 2021, as these are considered to be non-adjusting post-balance sheet events. The physical damage losses are not material to the group on a gross basis. In addition, the group has insurance cover for some of these losses.

### 9 *Subsidiaries and non-controlling interests*

The group has a portfolio of integrated financial services businesses comprising FNB, RMB, WesBank, and Aldermore. The group operates in South Africa, certain markets in sub-Saharan Africa, the United Kingdom and India, and offers a universal set of transactional, lending, investment and insurance products and services.

The group's operations are conducted through its six significant wholly owned subsidiaries:

SUBSIDIARY	OPERATION
FirstRand Bank Limited	SA banking activities and foreign branches in London, Guernsey and India
FirstRand EMA Holdings Proprietary Limited	Rest of Africa subsidiaries
FirstRand Investment Management Holdings Limited	Investment management
FirstRand Investment Holdings Proprietary Limited	Other activities
FirstRand International Limited (Guernsey)	UK banking and hard currency platform
FirstRand Insurance Holdings Proprietary Limited	Insurance

There are no significant restrictions on the ability to transfer cash or other assets to or from entities within the group.

**9 Subsidiaries and non-controlling interests continued****9.1 ACQUISITIONS OF SUBSIDIARIES**

Identifiable assets acquired and liabilities assumed at the acquisition date fair value are set out as listed below.

<i>R million</i>	GHL Bank	Other insignificant acquisitions	
	2020	2021	2020
<b>ASSETS</b>			
Cash and cash equivalents	143	52	1
Other assets	26	41	6
Current tax asset	8	–	–
Advances	1 611	–	–
Investment securities	193	–	–
Property and equipment	111	5	–
Deferred income tax asset	–	27	–
Intangible assets	39	–	–
<b>Total assets acquired</b>	<b>2 131</b>	<b>125</b>	<b>7</b>
<b>LIABILITIES</b>			
Creditors and accruals	263	98	7
Deposits	268	–	–
Employee liabilities	2	3	–
Other liabilities	1 309	–	–
Deferred income tax liability	18	–	–
<b>Total liabilities acquired</b>	<b>1 860</b>	<b>101</b>	<b>7</b>
<b>Net asset value as at date of acquisition</b>	<b>271</b>	<b>24</b>	<b>–</b>
<b>Total goodwill is calculated as follows:</b>			
Total cash consideration transferred	509	83	–
Total non-cash consideration transferred	–	40	–
Less: net identifiable asset value at date of acquisition	(271)	(24)	–
<b>Goodwill on acquisition</b>	<b>238</b>	<b>99</b>	<b>–</b>

## Selected notes to the summary consolidated financial statements continued

for the year ended 30 June

### 9 Subsidiaries and non-controlling interests continued

#### 9.2 NON-CONTROLLING INTERESTS

The only subsidiaries that give rise to a significant non-controlling interest are FirstRand Namibia Limited and First National Bank of Botswana Holdings Limited.

The group holds 100% of the shares in First National Bank of Botswana Holdings Limited. The non-controlling interests recognised by the group result from First National Bank Holdings Botswana Limited's shareholding in First National Bank Botswana Limited. The non-controlling interests own 30.5% of First National Bank Botswana Limited.

In addition to the above the group owns less than 100% of the issued share capital of a number of private equity subsidiaries and other investments in the RMB Investments and Advisory (RMBIA) Proprietary Limited sub-consolidation. The non-controlling interests recognised by the group result from RMBIA's shareholding in these subsidiaries. There is no individually significant non-controlling interest.

	FirstRand Namibia Limited	First National Bank of Botswana Limited
Country of incorporation	Namibia	Botswana
% ownership held by non-controlling interests	40.3	30.5
% voting rights by non-controlling interests	40.3	30.5

<i>R million</i>	2021	2020	2021	2020
<b>Balances included in the consolidated statement of financial position</b>				
Total assets	43 455	45 893	36 991	44 150
Balances with central banks*	377	409	597	676
Total liabilities	37 809	40 893	31 883	38 923
<b>Balances included in the consolidated statement of comprehensive income</b>				
Interest and similar income	3 030	3 857	1 943	2 296
Non-interest revenue	2 033	2 002	1 710	1 777
Profit or loss before tax	1 492	1 210	1 274	1 260
Total comprehensive income	1 032	833	347	1 420
<b>Amounts attributable to non-controlling interests</b>				
Dividends paid to non-controlling interests	164	508	148	181
Profit or loss attributable to non-controlling interests	387	423	284	291
Accumulated balance of non-controlling interests	2 298	2 039	1 499	1 541

\* These balances are not available to the group for day-to-day operational use.



## Company information

### **Directors**

WR Jardine (chairman), AP Pullinger (chief executive officer), HS Kellan (financial director), M Vilakazi (chief operating officer), JP Burger, GG Gelinke, F Knoetze, RM Loubser, TS Mashego, Z Roscherr, SP Sibisi, LL von Zeuner, T Winterboer

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### **Namibian sponsor**

#### **SIMONIS STORM SECURITIES (PTY) LTD**

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### **Transfer secretaries – South Africa**

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