FirstRand Bank

ANALYSIS OF FINANCIAL RESULTS

for the six months ended 31 December 2024

FirstRand Bank

1929/001225/06
Certain entities within the FirstRand group are authorised financial services and credit providers. This report is available on the group's website: **www.firstrand.co.za**

Email questions to investor.relations@firstrand.co.za

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About this report

This report and the accompanying commentary cover the primary results of the bank and are presented on a normalised basis, as the bank believes this most accurately reflects its economic performance. Normalised results have been derived from the IFRS® Accounting Standards (IFRS Accounting Standards) financial results.

Normalised results include a condensed income statement, statement of other comprehensive income and statement of financial position. A detailed description of the difference between normalised and IFRS Accounting Standards results is provided on pages 112 and 113. Detailed reconciliations of normalised to IFRS Accounting Standards results are provided on pages 121 to 124. Commentary is based on normalised results, unless indicated otherwise.

The preparation of the bank's condensed financial results was supervised by Simonet Terblanche, CA(SA).

Simplified group structure

This report covers the results of FRB

FirstRand

LISTED HOLDING COMPANY (FIRSTRAND LIMITED, JSE: FSR, NSX: FST)

100% FirstRand Bank Limited (FRB)

SA banking

- First National Bank*
- WesBank*
- Rand Merchant Bank*
- FirstRand Bank London**
- FirstRand Bank Guernsey**,#
- FirstRand Bank GAO India†
- FirstRand Bank Kenya‡
- FirstRand Bank Angola‡
- FirstRand Bank Shanghai‡
- FirstRand Bank New York‡

100% FirstRand EMA Holdings (Pty) Ltd (FREMA)

Broader Africa

58%	FirstRand Namibia
70%	FNB Botswana
75%	FNB Eswatini
100%	FNB Mozambique
100%	FNB Zambia
100%	FNB Lesotho
100%	First National Bank Ghana
100%	RMB Nigeria

100% FirstRand International Limited (Guernsey) (FRI)

UK banking and hard currency platform

100%	Aldermore Group
100%	Aldermore Bank^
100%	MotoNovo Finance^
100%	FirstRand Investment Holdings Guernsey
100%	FirstRand Securities
100%	RMB Securities (USA)◊
100%	RMB International Mauritius
100%	RMB Capital India

100% FirstRand Insurance Holdings (Pty) Ltd

Insurance

100%	FirstRand Life Assurance
100%	FirstRand Short Term Insurance (STI)
100%	FirstRand Insurance Services Company (FRISCOL)

100% FirstRand Investment Management Holdings Limited

Investment management

100%	Ashburton Fund Managers
100%	Ashburton Management Company (RF)
100%	Ashburton Jersey
100%	FNB International Trustees
100%	FNB Investor Services
100%	FNB CIS Management Company (RF)
100%	Various general partners§

100% FirstRand Investment Holdings (Pty) Ltd (FRIHL)

Other activities

100%	RMB Private Equity Holdings
100%	RMB Private Equity
100%	RMB Securities
50%	RMB Morgan Stanley
100%	RMB Investments and Advisory
100%	FNB Stockbroking and Portfolio Management
81%	MotoVantage
100%	Hyphen Technology
100%	FNB Fiduciary
100%	FirstRand Social Impact Holdings

* *Division*
** *Branch*
\# *Trading as FNB Channel Islands.*
† *Global administrative office*
‡ *Representative office*
DirectAxis is a business unit of FirstRand Bank Limited.

^ *Wholly owned subsidiary of Aldermore Group.*
◊ *Wholly owned subsidiary of FirstRand Securities.*
§ *Ashburton Investments has a number of general partners for fund seeding purposes. All of these entities fall under FirstRand Investment Management Holdings Limited.*

Notes:

Structure shows effective consolidated shareholding.

For segmental analysis purposes entities included in FRIHL, FREMA, FRI, FirstRand Investment Management Holdings Limited and FirstRand Insurance Holdings (Pty) Ltd are reported as part of the results of the managing business (i.e. FNB, WesBank, RMB or the Centre). The group's securitisations and other special purpose vehicles are in FRB, FRI and FRIHL.

OVERVIEW OF RESULTS

FirstRand Bank Limited (FRB or the bank) is a wholly owned subsidiary of FirstRand Limited (FirstRand or the group), which is listed on the JSE Limited (JSE) and the Namibian Stock Exchange. The bank provides a comprehensive range of retail, commercial, corporate and investment banking services in South Africa and offers niche products in certain international markets. The bank has three major divisions which are separately branded: First National Bank (FNB), WesBank and Rand Merchant Bank (RMB). The FirstRand Corporate Centre (Centre) represents group-wide functions. FRB has branches in London and Guernsey; a global administrative office in India; and representative offices in Kenya, Angola, New York and Shanghai.

Performance highlights

Normalised earnings
R15.1bn
Dec 23: R14.2bn ▲ 6%

Return on equity
25.5%
Dec 23: 26.0% ▼ 50 bps

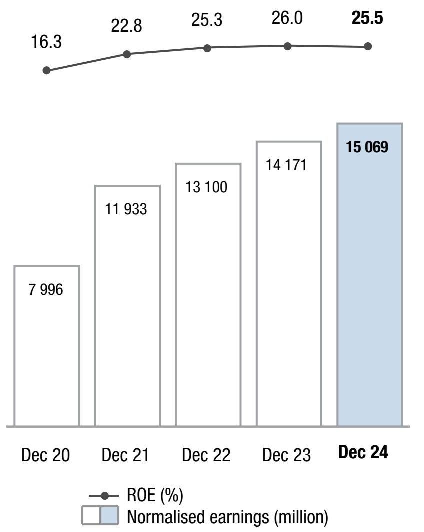
Net asset value
R122.3bn
Dec 23: R113.2bn ▲ 8%

CET1 ratio
12.5%
Dec 23: 12.9% ▼ **40 bps**

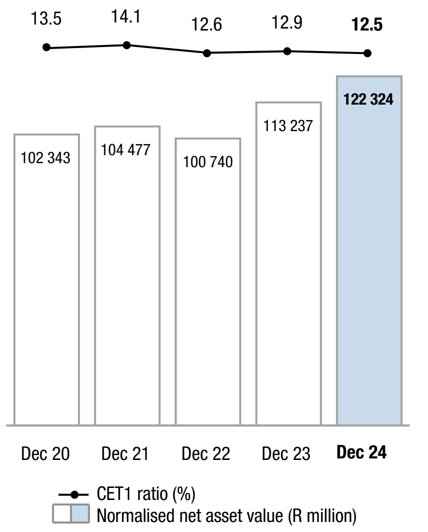
FNB WesBank RMB

Track record

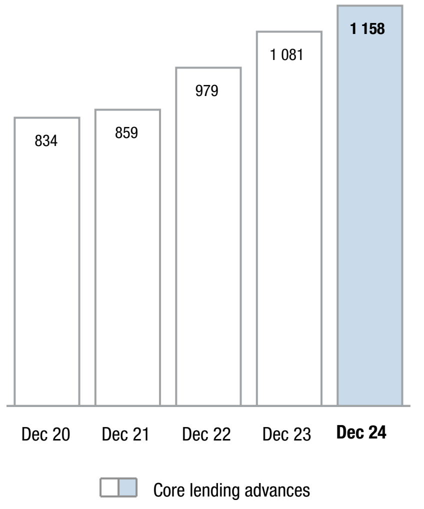
Normalised earnings *(R million)* **and ROE** *(%)*
CAGR 17%



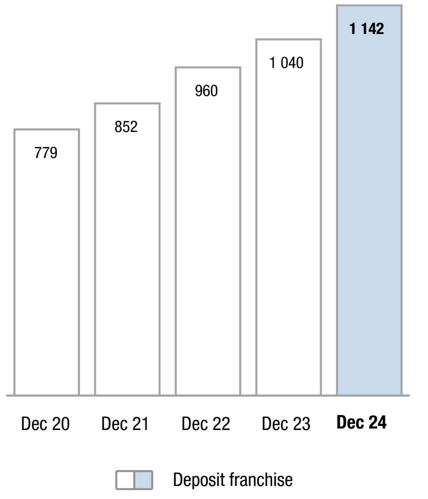
Normalised net asset value *(R million)* **and CET1 ratio** *(%)*
CAGR 5%



Core lending advances *(R billion)*
CAGR 9%



Deposit franchise *(R billion)*
CAGR 10%



Key financial and operational results, ratios and statistics – normalised

This section is based on normalised results. The June 2024 results include the impact of the accounting provision related to the previously disclosed UK motor commission matter. A detailed reconciliation between IFRS and normalised results is set out on pages 121 to 124.

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Earnings performance				
Attributable earnings – IFRS	**15 212**	14 247	7	24 803
Headline earnings	**15 108**	14 216	6	24 817
Normalised earnings	**15 069**	14 171	6	24 730
Normalised net asset value	**122 324**	113 237	8	114 402
Average normalised net asset value	**118 363**	108 799	9	109 382
Ratios and key statistics				
ROE (%)	**25.5**	26.0		22.6
ROA (%)	**1.68**	1.70		1.47
Diversity ratio (%)	**41.1**	41.7		41.8
Credit impairment charge (R million)	**6 134**	5 332	15	12 451
Credit loss ratio (%)	**1.08**	1.01		1.16
Stage 3/NPLs as % of core lending advances	**4.71**	4.37		4.58
Performing book coverage ratio (%)	**1.54**	1.59		1.62
Specific coverage ratio (%)	**44.9**	46.3		45.4
Cost-to-income ratio (%)	**50.5**	51.6		55.2
Effective tax rate (%)	**22.1**	22.2		21.5
Balance sheet				
Normalised total assets (R million)	**1 866 988**	1 684 159	11	1 715 846
Advances (net of credit impairment) (R million)	**1 213 790**	1 133 866	7	1 143 128
Average gross loan-to-deposit ratio (%)*	**80.6**	81.3		81.0
Deposits (R million)*	**1 581 134**	1 418 358	11	1 444 707
Capital adequacy – IFRS**				
Capital adequacy ratio (%)	**16.1**	16.1		15.6
Tier 1 ratio (%)	**13.7**	14.1		13.6
Common Equity Tier 1 ratio (%)	**12.5**	12.9		12.4
Leverage – IFRS**				
Leverage ratio (%)	**6.7**	6.9		6.9
Liquidity – IFRS				
Liquidity coverage ratio (%)	**132**	123		121
Net stable funding ratio (%)	**119**	118		116

* *Restated. Refer to page 113.*

** *Ratios including foreign branches and unappropriated profits.*

	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Operational statistics				
Number of ATMs (including ADTs)	**4 770**	4 790	–	4 750
Number of branches	**625**	616	1	623
Number of employees	**38 911**	38 545	1	38 581
– South Africa	**37 819**	37 543	1	37 531
– Broader Africa (central support staff) and other	**173**	155	12	165
– FirstJob youth employment programme	**919**	847	9	885
FNB active customers (millions)	**9.86**	9.68	2	9.87
– Retail	**8.55**	8.45	1	8.60
– Commercial	**1.31**	1.23	7	1.27
FNB channel volumes (thousands of transactions)				
– ATM/ADT	**140 667**	142 892	(2)	292 324
– Digital	**449 464**	401 050	12	800 924
– Card acquiring	**566 326**	539 610	5	1 059 275
– Card issuing	**664 084**	618 529	7	1 221 794

Condensed income statement – normalised

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Net interest income before impairment of advances	**32 296**	30 331	6	61 062
Impairment charge	**(6 134)**	(5 332)	15	(12 451)
Net interest income after impairment of advances	**26 162**	24 999	5	48 611
Non-interest revenue	**22 567**	21 674	4	43 928
– Fee and commission income	**17 298**	15 984	8	31 882
– Insurance income	**58**	67	(13)	118
– Trading and other fair value income	**1 291**	2 277	(43)	5 156
– Investment income	**92**	35	>100	(60)
– Other non-interest revenue	**3 828**	3 311	16	6 832
Income from operations	**48 729**	46 673	4	92 539
Operating expenses*	**(27 696)**	(26 844)	3	(57 980)
Income before indirect tax	**21 033**	19 829	6	34 559
Indirect tax	**(622)**	(659)	(6)	(1 132)
Profit before tax	**20 411**	19 170	6	33 427
Income tax expense	**(4 507)**	(4 249)	6	(7 179)
Profit for the period	**15 904**	14 921	7	26 248
Other equity instrument holders	**(835)**	(750)	11	(1 518)
Normalised earnings attributable to ordinary equityholders of the bank	**15 069**	14 171	6	24 730

* *June 2024 includes R2 873 million relating to the UK motor commission matter.*

Condensed statement of other comprehensive income – normalised

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Profit for the period	**15 904**	14 921	7	26 248
Items that may subsequently be reclassified to profit or loss				
Cash flow hedges	**1 128**	2 410	(53)	2 341
Gains arising during the period	**1 219**	2 509	(51)	2 396
Reclassification adjustments for amounts included in profit or loss	**326**	792	(59)	811
Deferred income tax	**(417)**	(891)	(53)	(866)
FVOCI debt reserve	**246**	1	>100	(150)
Gains/(losses) arising during the period	**337**	10	>100	(194)
Reclassification adjustments for amounts included in profit or loss	**–**	(9)	(100)	(11)
Deferred income tax	**(91)**	–	n/a	55
Exchange differences on translating foreign operations	**286**	(141)	(>100)	(262)
Gains/(losses) arising during the period	**265**	(130)	(>100)	(233)
Deferred income tax	**21**	(11)	(>100)	(29)
Items that may not subsequently be reclassified to profit or loss				
FVOCI equity reserve	**1**	(1)	(>100)	(3)
Gains/(losses) arising during the period	**1**	(1)	(>100)	(4)
Deferred income tax	**–**	–	0	1
Remeasurements on defined benefit post-employment plans	**(12)**	(22)	(45)	62
(Losses)/gains arising during the period	**(17)**	(30)	(43)	85
Deferred income tax	**5**	8	(38)	(23)
Other comprehensive income for the period	**1 649**	2 247	(27)	1 988
Total comprehensive income for the period	**17 553**	17 168	2	28 236
Attributable to				
Ordinary equityholders	**16 718**	16 418	2	26 718
Other equity instrument holders	**835**	750	11	1 518
Total comprehensive income for the period	**17 553**	17 168	2	28 236

Condensed statement of financial position – normalised

R million	As at 31 December 2024	As at 31 December 2023	As at 30 June 2024
ASSETS			
Cash and cash equivalents*	**127 575**	59 838	88 470
Derivative financial instruments	**48 993**	44 288	45 974
Commodities	**14 924**	13 327	15 109
Investment securities	**347 990**	312 957	307 698
Advances	**1 213 790**	1 133 866	1 143 128
– Advances to customers**	**1 140 763**	1 051 121	1 063 654
– Marketable advances	**73 027**	82 745	79 474
Collateral, settlement balances and other assets*	**23 389**	31 787	28 333
Current tax asset	**678**	991	247
Amounts due by holding company and fellow subsidiaries	**61 486**	61 555	58 638
Property and equipment	**20 392**	18 408	19 526
Intangible assets	**1 328**	966	1 150
Investment properties	**281**	281	281
Deferred income tax asset	**6 162**	5 895	7 292
Total assets	**1 866 988**	1 684 159	1 715 846
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	**15 777**	10 374	9 601
Derivative financial instruments	**49 234**	44 691	43 384
Creditors, accruals and provisions	**21 769**	25 138	27 019
Deposits*	**1 581 134**	1 418 358	1 444 707
Employee liabilities	**9 714**	9 811	13 755
Other liabilities	**3 038**	2 709	3 046
Amounts due to holding company and fellow subsidiaries*	**28 199**	30 046	28 419
Tier 2 liabilities	**20 595**	17 130	16 758
Total liabilities	**1 729 460**	1 558 257	1 586 689
Equity			
Ordinary shares	**4**	4	4
Share premium	**16 804**	16 804	16 804
Reserves	**105 516**	96 429	97 594
Capital and reserves attributable to ordinary equityholders	**122 324**	113 237	114 402
Other equity instruments and reserves	**15 204**	12 665	14 755
Total equity	**137 528**	125 902	129 157
Total equities and liabilities	**1 866 988**	1 684 159	1 715 846

Note: There are no reconciling items between the condensed IFRS and normalised statements of financial position.

* *Restated. Refer to page 113 for more detail.*

** *Included in advances to customers are assets under agreements to resell of R97 239 million (December 2023: R90 881 million; June 2024: R67 757 million).*

Flow of funds analysis – normalised

R million	**December 2024 vs June 2024 6-month movement**	December 2023 vs June 2023* 6-month movement	June 2024 vs June 2023 12-month movement
Sources of funds			
Capital account movement (including profit and reserves)	**8 371**	11 611	14 866
Working capital movement	**(6 724)**	4 570	14 823
Short trading positions and derivative financial instruments	**9 007**	(4 922)	(8 688)
Deposits and long-term liabilities	**140 264**	39 976	65 953
Total	**150 918**	51 235	86 954
(Outflow)/inflow in deployment of funds			
Advances	**(70 662)**	(66 975)	(76 237)
Investments	**(859)**	2 771	(313)
Cash and cash equivalents	**(39 105)**	20 667	(7 965)
Investment securities (e.g. liquid asset portfolio)	**(40 292)**	(7 698)	(2 439)
Total	**(150 918)**	(51 235)	(86 954)

* *Restated. Refer to page 113 for more detail.*

"The bank delivered a solid operational performance for the six months ended 31 December 2024, continuing to deliver growth and superior returns.

Normalised earnings increased 6% to R15.1 billion, driven by healthy topline growth. The bank also produced an excellent ROE of 25.5%.

This is a very pleasing outcome given the challenging operating environment, and testament to the quality of the bank's customer-facing franchises: FNB, RMB and WesBank.

These outcomes also demonstrate the advantages of the bank's through-the-cycle approach to new business origination, resulting in a better-than-expected credit performance, and ongoing discipline in the allocation of financial resources, which continue to support the superior return profile."

Mary Vilakazi – CEO

Introduction and group strategy

FirstRand Limited is a portfolio of integrated financial services businesses operating in South Africa, certain markets in sub-Saharan Africa and the UK. Many of these businesses are leaders in their respective segments and markets, and offer a broad range of transactional, lending, investment and insurance products and services.

The group's long track record of delivering growth and superior returns is reflective of consistent execution on its core strategies. It also reflects the disciplined allocation of financial resources.

South Africa

FirstRand's earnings remain tilted towards South Africa, mainly generated by FirstRand Bank's large lending, transactional and deposit franchises, which have resulted in deep and loyal customer bases. These domestic banking operations are mature and systemically important. Against the backdrop of subdued macroeconomic growth and given the group's size, any aspiration to outperform requires strategic distinction combined with sound execution. The key focus of the bank is to grow franchises profitably.

The bank continues to employ a discerning and tactical approach to lending, supporting its customer franchises whilst protecting the balance sheet and return profile. This remains a necessary balancing act given an operating environment of high inflation and interest rates, combined with sluggish system growth and increased competition.

The relative size and quality of its transactional and insurance franchises in South Africa allows the group to achieve high levels of capital-light earnings growth, translating into superior returns for shareholders. The group's strategy to broaden its financial services offerings (insurance and asset management) also benefits FRB as these offerings further strengthen the bank's relationships with its core transactional customers. These activities are, however, carried out under the group's insurance and investment management subsidiaries (refer to the simplified group structure on page 2, which outlines the group's various legal entities, including FRB) and thus fall outside of the bank.

Broader Africa

In the broader Africa portfolio, FirstRand's strategy is to grow its on-the-ground presence in certain key markets where it believes it can build competitive advantage and scale over time. There has been good momentum in growing the in-country customer franchises, in particular deposit gathering and transactional.

In addition, the group's corporate and investment banking (CIB) business has a long and successful track record of cross-border transactions across the continent. The group utilises its hard currency platform, RMB Mauritius, and the bank's balance sheet for RMB's cross-border lending and trade finance activities in broader Africa.

The group's subsidiaries in the broader Africa portfolio form part of FREMA and thus fall outside the bank.

UK

In the UK, the group's strategy is to increase returns through improving operational leverage, building a more diversified and resilient deposit franchise.

As a specialist lender, Aldermore's business model targets the credit needs of individuals and entities which are underserved by mainstream providers. These customer pools in the UK market are large and growing. They also represent quality risk that is not catered for by the large incumbent players as it requires a bespoke approach to structuring and underwriting.

The Aldermore group and its subsidiaries are part of FRI and thus fall outside the bank. Loans originated by MotoNovo prior to integration with Aldermore (the back book) are still housed in FirstRand Bank London branch (but managed by MotoNovo). The back book has run down significantly and is no longer material to the bank.

Operating environment

During the period, global economic growth and inflation continued to moderate and central banks implemented interest-rate cutting cycles. This resulted in a slight improvement in appetite for risk assets. These developments were to some extent offset towards the end of the calendar year by ongoing geopolitical risk, and policy uncertainty in the United States.

In South Africa, the positive election outcome and the formation of the Government of National Unity have resulted in improved levels of business confidence and increased expectations for improvements in service delivery and economic reforms. This continued to be reflected in financial market pricing for the currency, government debt securities and other domestic risk assets despite global volatility. Inflation fell below the central bank's target band, providing space for interest rates to be steadily reduced. Rolling blackouts ceased during the period under review and logistics constraints lifted slightly. Despite these positive developments real economic activity remained weak, with household consumption and corporate income still affected by interest rate and inflation pressures. In the period under review there were two rate cuts and the introduction of the two-pot pension system, both of which provided some relief to households.

Financial performance

Despite this challenging macroeconomic backdrop, given the quality of the bank's customer-facing franchises, the consistent approach to new business origination and ongoing discipline in the allocation of financial resources, FRB delivered a strong operational performance for the six months to 31 December 2024.

Relative to the bank's expectations for this period under review its portfolio has performed better than initially anticipated. This was mainly due to the stronger overall credit performance, driven by retail credit trending ahead of expectations. As a result, the bank's credit loss ratio (CLR) at 108 bps is ahead of the bank's initial through-the-cycle (TTC) expectations. Costs growing at a lower-than-inflation rate is also a more positive outcome than previously guided and has resulted in positive jaws.

Normalised earnings increased 6%, to R15.1 billion, driven by healthy topline, and the bank delivered a normalised ROE of 25.5%. Net asset value (NAV) grew 8%.

Given its high return profile, the bank remained capital generative. The bank's Common Equity Tier 1 (CET1) ratio of 12.5% (December 2023: 12.9%) remained above its internal target despite strong growth in risk-weighted assets (RWA) and its contribution to group dividends.

The bank's segment diversification played a part in delivering its operational performance. The corporate and commercial franchises continued to mitigate some of the strain still emanating from the retail portfolios, given the ongoing interest rate cycle and inflation pressures facing South African households during the period under review.

The Centre, comprising Group Treasury and support functions, produced normalised earnings of R2.1 billion.

Sources of normalised earnings are unpacked in the table below.

SOURCES OF NORMALISED EARNINGS

	Six months ended 31 December					Year ended 30 June	
R million	**2024**	**% composition**	2023	% composition	% change	2024	% composition
FNB	**9 887**	**66**	9 432	67	5	17 627	71
WesBank	**793**	**5**	745	5	6	1 387	6
RMB	**3 140**	**21**	3 003	21	5	5 990	24
Centre*,**	**2 084**	**14**	1 741	12	20	1 244	5
Other equity instrument holders	**(835)**	**(6)**	(750)	(5)	11	(1 518)	(6)
Normalised earnings	**15 069**	**100**	14 171	100	6	24 730	100

* *June 2024 includes R2 098 million relating to the UK motor commission matter.*

** *Includes Group Treasury and the MotoNovo back book – including capital endowment, the impact of accounting mismatches, and interest rate, foreign currency and liquidity management.*

Revenue and cost overview

Overall, the bank's net interest income (NII) increased 6%, driven by core lending advances growth (+7%), continued deposit gathering (+10%) and increased capital endowment balances (+15%). This healthy balance sheet growth was offset by increased interest in suspense due to higher inflows into non-performing loans (NPLs). The rate cutting cycle resulted in lower deposit endowment, partially offset by the asset-liability management (ALM) strategy, unpacked in more detail later.

Period-on-period advances growth in the retail portfolios remained relatively muted given customer affordability pressures and low demand. There was continued growth in commercial and corporate advances.

Advances increased 4% in FNB retail and 6% in WesBank retail vehicle asset finance (VAF). The solid advances growth from FNB commercial (+12%) and RMB core lending (+8%) remains an outcome of focused origination in sectors showing above-cycle growth and which are expected to perform well, even in an inflationary and high interest rate environment.

Targeted origination strategies, consistent strong growth in the deposit franchise and appropriate provisioning have resulted in a well-struck balance sheet. This is a direct outcome of the group's financial resource management (FRM) strategy and demonstrates the group's commitment to balancing growth with returns.

The bank's focus on growing liability-related NII played out strongly across all deposit franchises and remains a key underpin to its superior return profile, despite some margin pressure from the mix moving to lower-yielding products. Period-on-period movements in advances and deposits are unpacked by operating business and segment in the following table.

	Growth in advances %	Growth in deposits %
FNB	**6**	**10**
– Retail	**4**	**8**
– Commercial	**12**	**12**
WesBank	**6**	**n/a**
RMB*	**8**	**9**

* *Advances growth for RMB is based on core advances, which exclude assets under agreements to resell, and core deposits, which exclude deposits under repurchase agreement and collateral deposits.*

Total transactional NII increased 7%, driven by healthy credit product volumes and good growth in RMB. Lower endowment on deposits was partially offset by improving outcomes from the ALM strategy.

FirstRand's approach to managing the endowment profile (the ALM strategy) is designed to optimise TTC returns to shareholders and is a cornerstone of the group's FRM process.

Rather than take a passive position (i.e. overnight) regarding the impact of the rate cycle on its endowment profile, the bank actively manages the profile to protect and enhance earnings through the cycle and earns the structural term premium by investing along the yield curve over and above the repo rate.

The outcomes of this approach should be assessed on a long-term TTC basis. The following table shows the cumulative additional endowment NII of R15.6 billion earned in excess of an overnight (repo) investment profile since the 2018 financial year, when the ALM strategies were introduced.

ALM STRATEGY NII OUTCOMES

R billion	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024	Cumulative additional endowment NII*
Capital endowment	**0.4**	0.3	33	0.4	**10.6**
Deposit endowment	**(0.8)**	(1.0)	(20)	(1.9)	**5.0**
Total	**(0.4)**	(0.7)	(43)	(1.5)	**15.6**

* *Includes additional endowment NII from 1 July 2017 to 31 December 2024 (measured against repo).*

For H1 FY25 there was an effective opportunity cost of R0.4 billion associated with the ALM strategy. This is the result of a R0.8 billion opportunity cost related to the deposit franchise, offset by the positive contribution from the capital strategy to endowment earnings of R0.4 billion. The capital benefit is the result of an increase in the volume and yield earned on the capital portfolio, while the opportunity cost associated with the deposit endowment strategy relates to the residual impact of the speed and extent of the post-Covid interest-rate hiking cycle. This opportunity cost is, however, decreasing as the interest-rate cutting cycle matures and the higher investment yields achieved in the post-Covid environment take effect.

Consistent with the ALM principles and their objective to enhance and protect earnings through the cycle, the ALM strategy is expected to contribute positively to overall endowment earnings as the interest-rate cutting cycle continues.

Despite the positive contribution from capital endowment, the bank's net interest margin (NIM) increased 1 bp, reflecting continued pressure on lending and deposit margins.

Total non-interest revenue (NIR) growth (+4%) demonstrates the health of the bank's transactional franchise. FNB delivered 7% growth in NIR. Fee and commission income growth of 8% in the period under review benefited from new customer acquisition, improved volumes and cross-sell. This growth was achieved despite moderate fee increases across both retail and commercial. FNB's decision to reduce its fees for low-value real-time payments has proved to be the correct outcome for customers, generating a 33% increase in real-time clearing (RTC) volumes which provided further strong support for fee and commission income growth.

RMB's NIR decreased 3% period on period off an already high base. Whilst healthy new deal origination resulted in significant structuring and advisory fee opportunities, translating into excellent knowledge-based fee income growth of 51%, overall NIR growth was negatively impacted by lower levels of period-on-period realisations and one-off income, and a weaker performance from the global markets (GM) business.

Total operating expenses were tightly managed, resulting in 3% growth, including a 5% increase in direct staff costs.

At an operating business level, FNB's expenses increased 5% whilst headcount reduced 1%. FNB's cost-to-income ratio improved to 50.7%, highlighting operational leverage despite the credit strain. Improved operational leverage was also delivered at WesBank due to ongoing integration with FNB's platform, delivering an improved cost-to-income ratio of 52.8% (December 2023: 54.0%).

RMB's period-on-period cost growth of 5% reflects management focus on containing costs despite significant investment continuing across the portfolio. These include ongoing spend on platform modernisation and digital transformation to enhance client offerings and create a more efficient operating model.

As a result of the above, the overall bank's cost-to-income ratio decreased to 50.5% (December 2023: 51.6%).

Credit performance

SUMMARISED CREDIT HIGHLIGHTS AT A GLANCE

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Total gross advances	**1 255 292**	1 172 208	7	1 183 585
Total core lending advances	**1 158 053**	1 081 327	7	1 115 828
– Performing core lending advances	**1 103 556**	1 034 096	7	1 064 768
– Non-performing loans	**54 497**	47 231	15	51 060
Assets under agreements to resell	**97 239**	90 881	7	67 757
NPLs as a % of core lending advances	**4.71**	4.37		4.58
Core lending advances (net of impairment)	**1 116 551**	1 042 985	7	1 075 371
Total impairments	**41 502**	38 342	8	40 457
Portfolio impairments	**17 023**	16 473	3	17 294
NPL specific impairments	**24 479**	21 869	12	23 163
Coverage ratios				
Performing book coverage ratio (%) – core lending advances*	**1.54**	1.59		1.62
Specific coverage ratio (%)**	**44.9**	46.3		45.4
Income statement analysis				
Impairment charge	**6 134**	5 332	15	12 451
Credit loss ratio (%) – core lending advances	**1.08**	1.01		1.16

* *Portfolio impairments as a % of the performing core lending advances book (stage 1 and stage 2).*

** *Specific impairments as a % of NPLs (stage 3).*

The bank's CLR for the period under review concluded better than expected at 108 bps, which is near the bottom of its TTC range of 100 bps to 130 bps. This is a positive outcome and continues to reflect the benefit of the bank's approach to retail origination in a very tough cycle for consumers.

The approach to retail origination by FNB and WesBank is informed by internal and external data analyses of affordability indicators which still suggest that low- and medium-risk customers have the most capacity for credit.

Retail impairments have peaked and are now trending down. Consumer strain continues to be elevated and will only start to moderate as the rate environment eases further. Lagged strain is anticipated in the small business segment in commercial (early signs are already manifesting), with a resilient performance to date from medium and large corporates.

Despite the elevated high interest rate and inflation environment during the period under review, impairment volatility remained within expectations for the cycle. Direct customer interventions in the period under review have resulted in lower growth in debt counselling inflows. However, these remain higher than historic averages.

The following table shows the underlying credit performance from the operating businesses. What is demonstrable here is that the bank has benefited from portfolio diversification. The post-Covid origination thesis has played out even better than expected, with all portfolios within or at the bottom of their respective TTC ranges.

The origination approach to target better-risk customers is reflected in the NPL formation, which is also well within expectations notwithstanding the strain emanating from retail given the current cycle.

Overall the bank believes these outcomes are testament to its approach to lending over the past 36 months, balancing customer needs with risk-adjusted returns.

	Advances mix %	CLR %	NPLs %	Total coverage %	TTC range %
FNB and WesBank					
December 24	**62**	**1.68**	**7.06**	**5.23**	
December 23	63	1.53	6.48	5.01	**1.45 – 1.85**
June 24	63	1.80	6.89	5.18	
Retail					
December 24	**45**	**2.01**	**8.58**	**6.05**	
December 23	46	1.94	7.80	5.72	**1.70 – 2.10**
June 24	46	2.25	8.39	5.98	
Commercial					
December 24	**17**	**0.82**	**3.31**	**3.21**	
December 23	17	0.45	3.02	3.17	**0.80 – 1.20**
June 24	17	0.61	3.07	3.15	
RMB					
December 24	**38**	**0.15**	**1.30**	**1.17**	
December 23	37	0.19	1.08	1.18	**0.30 – 0.50**
June 24	37	0.22	0.98	1.15	
FirstRand Bank					
December 24	**100**	**1.08**	**4.71**	**3.58**	
December 23	100	1.01	4.37	3.55	**1.00 – 1.30**
June 24	100	1.16	4.58	3.63	

FNB's credit performance remains elevated as credit impairments were more benign in the comparative period to December 2023. The commercial portfolios continue to benefit from targeted sector-specific origination strategies. The period-on-period movement in commercial reflects front-book strain resulting from strong new business origination in the small and medium-sized enterprises (SME) subsegment, however, this is in line with expectations. A single large property exposure default contributed to a higher-than-expected period-on-period increase. WesBank's credit performance was in line with expectations and retail VAF is showing limited strain compared to other secured retail portfolios.

RMB's credit impairments remain well below the portfolio TTC range. The credit quality of RMB's core lending portfolio remains resilient with the overall performance broadly in line with expectations, also reflecting the deliberate better-quality origination mix tilts. Watchlist counters decreased materially period on period (60%) as some clients migrated to stage 1 and others to NPL status.

Financial resource management

The management of the group's financial resources – which encompasses capital, funding and liquidity, and risk appetite – is a critical enabler in ensuring FirstRand achieves its stated growth and return targets. This function is inherently aligned with the group's overarching risk appetite. Group Treasury is mandated to execute on FRM strategic initiatives and manages the interest rate and foreign exchange rate risk inherent in balance sheet activities within prudential and management limits. The aim is to protect and enhance earnings without adding to the natural risk profile.

Capital position

Capital ratios for the bank are summarised below.

CAPITAL ADEQUACY*

%	Internal targets	As at 31 December 2024	2023
CET1	11.0 – 12.0	**12.5**	12.9
Tier 1	>12.0	**13.7**	14.1
Total	>14.25	**16.1**	16.1

* *Including unappropriated profits and the bank's foreign branches.*

The Prudential Authority (PA) published *Directive 6 of 2024*, which requires South African banks to maintain a positive cycle-neutral countercyclical buffer (CCyB) of 1% with effect from January 2026. The increased requirement will be incorporated in the bank's internal targets for the 2026 financial year.

The bank's CET1 ratio remained above the upper end of its internal target range. The bank continued to focus on the efficient use of financial resources and optimisation of RWA. There is ongoing effort to optimise the overall level and mix of capital.

Key factors driving the CET1 outcome include:

- an increase in credit RWA mainly driven by higher volumes;
- higher revenue generation increasing operational risk RWA;
- positive earnings generation partly offset by the payment of dividends, as well as movement in other reserves; and
- successful RWA optimisation strategies.

The bank has issued a combination of Additional Tier 1 (AT1) and Tier 2 instruments to ensure sustainable support for ongoing growth initiatives and redemption of existing capital instruments.

In December 2024, the South African Reserve Bank's (SARB's) Resolution Authority (RA) released *RA03 Prudential Standard on Flac Instruments Requirements* (Prudential Standard RA03). Following the release of the prudential standard, the SARB's PA issued Guidance Notice 1 of 2025: *Guidance on minimum Flac requirements* on 22 January 2025. These provided guidance on the implementation timelines, entity level for issuance and calibration. The estimated annual post-tax cost, ranging from R300 million to R400 million at the end state, will be incorporated into the bank's funding strategies and considered as part of the FRM process.

It remains the bank's intention to continue to optimise its total loss-absorbing capacity by issuing a combination of capital and Flac instruments in the domestic and/or international markets.

Liquidity position

The liquidity risk metrics for the bank are summarised below:

PRUDENTIAL LIQUIDITY RATIOS*

%	As at 31 December 2024	2023
LCR		
Regulatory minimum	**100**	100
Actual	**132**	123
Average available HQLA (R billion)	**427**	372
NSFR		
Regulatory minimum	**100**	100
Actual	**119**	118

* *The bank's LCR and NSFR reflect the South African operations only.*

The liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) both surpassed their minimum requirement of 100% during the last quarter.

During the period under review, the level of liquid assets increased, predominantly due to higher reserve balances with the central bank. This was a result of growth in the underlying deposit franchise and selective institutional issuances.

The regulatory environment has remained stable, with the bank focused on optimising its buffer stock of high-quality liquid assets (HQLA). Thematic senior note and securitisation issuances have complemented healthy deposit funding growth to diversify funding. Successful securitisation programmes enabled a reduction in RWA. The bank remains well funded, with adequate liquidity buffers to meet both prudential liquidity requirements and internal risk targets.

The following table summarises the bank's available sources of liquidity.

COMPOSITION OF LIQUID ASSETS

R billion	As at 31 December 2024	2023
Cash and deposits with central banks	**86**	56
Short-term liquidity instruments	**160**	160
Including reverse repos*	**84**	80
Long-term investment securities	**144**	136
Other liquid assets	**37**	20
Total liquid assets	**427**	372

* *Reverse repos represent underlying high-quality liquid assets sourced both externally and internally in accordance with prudential regulations.*

The bank recognises that although there is a regulatory requirement to hold certain types of liquid assets, these assets do come with credit risk. The bank utilises an IMF-based framework for the assessment and monitoring of sovereign risk. This process informs the composition and duration of liquid assets held, which varies between central bank reserves, treasury bills and bonds.

Foreign currency balance sheet

The bank's framework for managing external debt considers sources of sovereign risk and foreign currency funding capacity, as well as the macroeconomic vulnerabilities of South Africa. The bank continues to employ self-imposed structural borrowing and liquidity risk limits which are more conservative than the regulatory macroprudential limits.

The bank's philosophy is that, over the longer term, foreign currency assets should be supported by appropriate foreign currency liabilities.

UK legal and regulatory update

In June 2024 the bank recognised a £112.3 million (R2.6 billion) provision for the potential impact of the UK Financial Conduct Authority (FCA) review into historical motor finance discretionary commission arrangements (DCAs), announced in January 2024. Approximately 90% of the agreements reviewed for the provision are DCAs. Most of the vehicle loans originated within the scope of the FCA review reside in FirstRand Bank's London branch in the form of the MotoNovo back book.

The group has regularly updated shareholders on developments relating to the UK motor commission issue. Salient details that have emerged in the period under review are described below.

In October 2024 the UK Court of Appeal (CoA) issued a judgment which goes beyond the scope of the original FCA motor finance commission review referenced above. The CoA judgment determined that motor dealers acting as credit brokers owe certain duties to disclose to their customers commission payable to them by lenders, and that lenders will also be co-liable for dealers' non-disclosures. This sets a higher bar for the disclosure of and consent to the existence, nature and quantum of any commission paid than had been understood by the industry as required by the regulations in place at the time and prior to the decision.

The group immediately sought permission to appeal to the UK's Supreme Court (SC), and on 11 December the group confirmed in a Stock Exchange News Service (SENS) announcement that permission to appeal had been granted on all six grounds by the SC. The appeal will be heard from 1 to 3 April 2025, and the group believes it has strong legal arguments. In addition, the SC has also granted the FCA and the National Franchise Dealers Association leave to intervene and submit both written and oral arguments.

The FCA has also announced that it intends to set out next steps in its review into DCAs in May 2025 and hopes to provide an update on motor finance non-DCA complaints at the same time, but its next steps in relation to both types of complaint will depend on the progress of the appeal to the SC.

The group continues to receive and manage complaints as well as claims in the County Courts in respect of motor finance commission. Due to the SC appeal most of these claims have been paused.

Given the prevailing legal uncertainty and the complexity of the legal and regulatory outcomes that could emerge, the bank has disclosed a contingent liability on this matter in its notes to the interim financial statements. However, the bank has not adjusted its financial provision for the potential impact of the FCA review.

Following the SC hearing and the FCA's update the bank may have greater insights, particularly with regard to potential remedy scenarios. At that point the bank will revisit the need to raise a further provision for the year to June 2025.

All SENS announcements relating to the above can be accessed on the group's website: www.firstrand.co.za.

Prospects

Looking ahead the bank expects the global economic environment to remain uncertain. The interest-rate cutting cycle is mostly done and supply chain fragmentation and trade tariffs will mean that for the foreseeable future global inflation is unlikely to reduce materially from current levels.

Offsetting these global headwinds is a more constructive outlook for the South African economic performance. Whilst the SARB faces constraints to cutting interest rates further, the benefits of lower inflation and recent interest rate cuts will provide some support for households and corporate activity. The improvement in energy supply and signs of a better-functioning rail and port infrastructure, together with an increased focus on improved municipal service delivery, should lower the cost of doing business, lift confidence and increase private sector investment.

Against this backdrop, the bank expects its operating businesses to continue to deliver good growth and strong operational performances.

Overall balance sheet growth will remain healthy, driven by similar advances and deposits growth in the second half compared to the first six months.

NII growth is expected to be slightly weaker in the second half as the endowment impact from the current rate cutting cycle continues to fully materialise, despite some mitigation from the ALM strategy.

Growth in fee and commission and fair value income will be broadly similar to the first half.

The bank's overall credit performance should trend better than the first half, resulting in a CLR at the lower end of the bank's stated TTC range. This will be driven by a continued improvement in retail, with corporate and commercial showing a similar picture to the first half.

With the motor commission matter in the cost base, operating expenses will continue to increase below inflation. Excluding the base effect, costs will grow slightly above inflation.

Events after reporting date

The directors are not aware of any material events that have occurred between the date of the statement of financial position and the date of this report.

Board changes

Changes to the directorate are outlined below.

Name	Position	Effective date
Appointment		
PJ Makosholo	Independent non-executive director	1 October 2024
Retirement		
GG Gelink	Independent non-executive director	29 November 2024

JP BURGER
CHAIRMAN

M VILAKAZI
CEO

C LOW
COMPANY SECRETARY

MG DAVIAS
CFO

5 March 2025

REVIEW OF OPERATIONS

FNB represents the bank's activities in the retail and commercial segments in South Africa.

FNB

FNB's strategy is underpinned by:

- a main-banked client strategy anchored to growing and retaining customer relationships using core transactional accounts as a key lever;
- a digital platform with market-leading interfaces that enable the provision of contextual, cost-effective and innovative integrated financial services offerings to both retail and commercial customers on either an assisted (in-person) or unassisted (self-service) basis;
- using its deep customer relationships and extensive data insights to offer enhanced customer experiences and inform cross-sell opportunities across the full suite of financial services products;
- integrating WesBank's vehicle and asset finance offering;
- providing innovative products to incentivise and grow customer savings and investments and, in turn, the retail and commercial deposit franchise;
- applying disciplined and targeted credit origination strategies that appropriately support customer requirements and affordability across all credit products;
- utilising eBucks to reward desired customer behaviour, drive platform adoption and enable cross-sell;
- leveraging its mobile virtual network operator to augment customer value propositions, as well as to provide affordable telecommunication services to customers;
- managing the physical points-of-presence network to ensure cost optimisation through right-sizing and appropriate coverage from a geographic and segment perspective, as well as to assist customers with digital adoption; and
- leveraging traditional and alternative (agency banking, i.e. CashPlus/Agency Plus) distribution channels.

FNB FINANCIAL HIGHLIGHTS

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Normalised earnings	**9 887**	9 432	5	17 627
Normalised profit before tax	**13 493**	12 921	4	24 154
– South Africa	**13 678**	13 093	4	24 537
– Broader Africa*	**(185)**	(172)	8	(383)
Core lending advances	**511 629**	482 821	6	502 273
Core deposits	**922 474**	839 143	10	864 176
Performing advances	**471 166**	448 269	5	464 066
Stage 3/NPLs as a % of advances	**7.91**	7.16		7.61
Credit loss ratio (%) of average advances	**1.85**	1.66		1.99
Cost-to-income ratio (%)	**50.7**	51.3		51.5
Net advances margin (%)	**3.71**	3.73		3.70

* *Relates to head office costs. Earnings of the subsidiaries in broader Africa form part of FREMA and are not reported in the bank.*

Overview of results

FNB delivered normalised profit before tax (PBT) growth of 4% in the period under review.

FNB's NII growth of 5% period on period was mainly driven by the consistently strong performance from the deposit franchise, with deposits increasing 10%. While customer affordability levels remained under pressure, FNB grew advances 6%. Retail advances required some risk cuts as arrears manifested across portfolios, resulting in 4% growth. In addition there was an origination tilt to commercial and SME customers, anchored to the bank's expectations for improving business confidence and capacity investment in these segments.

The current interest rate cycle resulted in a net endowment reduction period on period, somewhat offset by the group's ALM strategy. The advances margin reduced slightly to 3.71% (December 2023: 3.73%) period on period, with a marginal increase since June, mainly reflecting the origination tilt to commercial and low-to-medium risk in retail. Growth in interest in suspense, driven by higher NPLs, further contributed to margin contraction.

Deposit margins were impacted by stronger growth in lower-margin investment and savings accounts as well as lower net endowment due to the interest rate cuts. There were further impacts from deposit insurance of R155 million, which was introduced in April 2024.

FNB delivered 7% growth in NIR. Fee and commission income growth of 6% benefited from new customer acquisition, improved volumes and cross-sell.

The fee and commission income growth was also achieved despite moderate fee increases across both retail and commercial accounts. FNB reviewed its pricing structures for low-value real-time payments and has over the past two years reduced all related fees. FNB believes this has been the correct outcome for customers as demonstrated by the 33% increase in RTC volumes, which has provided further strong support for fee and commission income growth.

FNB's credit performance reflects both its origination strategies and a changing economic environment. The macroeconomic pressures experienced in the past year have shown some signs of easing. This is evident in the slowing momentum of impairments, which are trending better than expectations, especially in the retail portfolios. However, period-on-period impairments remain elevated as credit impairments were more benign in the comparative period to December 2023. The commercial portfolios continue to benefit from targeted sector-specific origination strategies. The period-on-period movement in commercial reflects front-book strain resulting from strong new business origination in the SME subsegment, which is in line with expectations. A single large property exposure default in the enterprise subsegment contributed to a higher-than-expected period-on-period increase.

FNB delivered good cost management with expenses increasing 5% while overall headcount reduced 1%, resulting in positive jaws. The cost-to-income ratio improved to 50.7% (December 2023: 51.3%), highlighting the solid operational performance of the FNB business despite the elevated credit strain.

CHANNEL VOLUMES

Thousands of transactions	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
ATM/ADT	**140 667**	142 892	(2)	292 324
Digital*	**449 464**	401 050	12	800 924
Card acquiring	**566 326**	539 610	5	1 059 275
Card issuing	**664 084**	618 529	7	1 221 794

* *Digital includes app, online and mobile (USSD).*

FNB's digital channels continued to deliver solid volume growth in line with its strategy to drive customer take-up of digital interfaces and migration to the FNB app (app volumes up 16%). Increased card activity also resulted in good growth in transactional volumes.

Segment performance

The table below presents a segmental breakdown of FNB's performance.

SEGMENT RESULTS

R million	Six months ended 31 December 2024	2023*	% change	Year ended 30 June 2024*
Normalised PBT				
Retail	**6 437**	6 096	6	10 901
Commercial	**7 241**	6 997	3	13 636
Broader Africa**	**(185)**	(172)	8	(383)
Total FNB	**13 493**	12 921	4	24 154

* *Restated. Refer to pages 51 to 54.*

** *Relates to head office costs. Earnings of the subsidiaries in broader Africa form part of FREMA and are not reported in the bank.*

Retail's PBT increase of 6% was supported by NII growth which remains resilient, driven by consistent growth in the deposit franchise. Advances growth continued to reflect an origination approach anchored to quality-risk opportunities within the customer base, leveraging disciplined credit risk management and affordability metrics, ultimately resulting in appropriate risk-adjusted returns.

FNB's retail lending approach is informed by internal and external data analyses related to affordability indicators, which continue to suggest that low-to-medium-risk customers still have capacity for credit and a higher propensity to take up a broader range of financial services products. This approach, supported by appropriate credit risk management strategies, resulted in retail advances increasing 4% period on period, supported by growth in both residential mortgages and unsecured lending.

Growth in unsecured lending, particularly card and FNB personal loans, gained some momentum, with personal loan advances up 7% and card advances up 9% period on period. This growth was, however, offset by the continued contraction of the DirectAxis personal loan book (down 9%). A shift in new business origination to the Fusion product has resulted in lower overdraft advances growth over the period. Revolving facilities recovered off a previously declining base, growing 17% period on period.

The retail segment delivered healthy growth in NIR of 9%, bolstered by the good fee and commission growth in the transactional businesses, especially in the higher-income client segments.

Commercial's performance reflects ongoing strong growth in advances (+12%) and deposits (+12%), contributing to NII growth of 9%. Origination continues to be anchored to FNB's consistent strategy of targeting specific customer cohorts, sectors and counterparties.

Commercial's transactional franchise produced 4% growth in NIR, despite higher transaction processing costs resulting from growth in foreign card spend and card scheme fees. Acquiring card mix also placed pressure on NIR growth.

The table below unpacks FNB's growth in total advances and deposits.

SEGMENT ANALYSIS OF ADVANCES AND DEPOSIT GROWTH

Segments	Deposit growth %	Deposit growth R million	Advances growth %	Advances growth R million
Retail	**8**	**30 238**	**4**	**14 043**
– Personal* (≤R750k)	**1**	**1 194**	**(7)**	**(5 528)**
– Private* (>R750k)	**10**	**29 044**	**7**	**19 571**
Commercial	**12**	**53 093**	**12**	**14 765**
Total FNB	**10**	**83 331**	**6**	**28 808**

* *The income cut-off between the personal and private segments has been updated from R600k to R750k, resulting in the restatement of December 2023 figures.*

FNB segments its customer base to identify appropriate and differentiated product offerings. In South Africa, retail customers are split into the personal and private segments based on relative income. SMEs, mid-market corporates and the public sector are serviced by the commercial segment.

FNB grew both its active customer base (excluding eWallets) and total platform users by 2% period on period. Strong growth in customers continued in the retail private (+9%) and commercial (+7%) segments.

However, the personal segment customer numbers have contracted period on period and since June 2024. Whilst this partly reflects migrations from the personal to the private segment, there has been increased attrition, especially in the entry banking space, given increased levels of competition.

The following table unpacks growth in customers per segment and platform users.

ACTIVE CUSTOMERS AND PLATFORM USERS

Millions	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Retail	**8.55**	8.45	1	8.60
– Personal* (≤R750k)	**6.92**	6.95	–	7.05
– Private* (>R750k)	**1.63**	1.50	9	1.55
Commercial	**1.31**	1.23	7	1.27
Total SA customer base	**9.86**	9.68	2	9.87
SA eWallets**	**6.76**	6.57	3	6.40
Total platform users	**16.62**	16.25	2	16.27

* *The income cut-off between the personal and private segments has been updated from R600k to R750k, resulting in the restatement of December 2023 and June 2024 figures.*

** *Represent all eWallets without another FNB relationship/product that had at least one transaction in the past six months. In addition, there are 1.80 million eWallets belonging to FNB customers. FNB customer eWallets represent 21% of the total 8.56 million eWallets.*

Credit performance

FNB's credit impairment charge increased 19% to R4 694 million (December 2023: R3 960 million) and the credit loss ratio increased to 185 bps (December 2023: 166 bps). However, the credit loss ratio trended down from June 2024.

The period-on-period movement was driven by:

- the aforementioned strong growth in the SME subsegment and transactional lending products in commercial at higher coverage ratios, creating front-book strain;
- accelerated NPL formation, especially in retail mortgages and in the retail unsecured lending books on the back of higher interest rates and inflation;
- an increase in arrears and a significant increase in credit risk (SICR);
- direct customer interventions in the period under review resulting in slowing growth in debt counselling inflows, however they remain elevated compared to historical averages;
- responding to improvements in macroeconomic outlook, releases from forward-looking information (FLI) models benefited performing coverage;
- despite an improving trend, FNB's internal house price index growth remained subdued, impacting coverage ratios in the residential mortgage portfolio; and
- an increase in write-offs and a marginal reduction in post write-off recoveries period on period.

ANALYSIS OF IMPAIRMENT CHARGE

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Movement in balance sheet provisions				
Performing book provisions	**(238)**	(141)	69	174
NPL provision	**1 405**	1 287	9	2 963
Credit provision increase	**1 167**	1 146	2	3 137
Gross write-off and other	**5 359**	4 411	21	9 639
– Bad debts written off*	**5 359**	4 411	21	9 639
– Exchange rate and other	**–**	–	–	–
Amounts recognised directly in income statement				
Modification loss	**383**	341	12	814
Interest suspended on stage 3 advances	**(1 543)**	(1 254)	23	(2 636)
Post write-off recoveries	**(672)**	(684)	(2)	(1 272)
Total impairment charge	**4 694**	3 960	19	9 682

* *Write-off of gross balances, excluding prior period provisions held, which have been recognised in the income statement over various reporting periods.*

FNB's approach to provisioning remains appropriately prudent given the economic cycle. Expected improvements in the economic outlook resulted in some FLI releases during the period particularly benefiting unsecured retail portfolios that react to economic improvements more swiftly.

Arrears and SICR buckets increased, whilst arrears rolling into NPLs accelerated. The current Covid-19 debt relief portfolio continued to perform better than expected, and outstanding specific debt relief advances amounted to R324 million (December 2023: R823 million). These factors resulted in overall performing coverage moderating downwards to 2.12% (December 2023: 2.21%).

The NPL ratio increased to 7.91% (December 2023: 7.16%). NPL formation was more prominent in residential mortgages and personal loans, but not out of line with expectations considering interest rate and inflation strain on consumers. The retail CLR of 213 bps is at the top end of the TTC range, but it is expected to continue trending down. Commercial's strong advances growth, especially in the SME portfolio, contributed to an increase in CLR. Despite this, the overall commercial credit performance remained resilient. Including the impact of a single large property counter default, the commercial CLR of 106 bps is at the mid point of its TTC range. Excluding this item, the commercial CLR of 91 bps is close to the lower end of the TTC range, in line with expectations. It is anticipated to continue to trend upwards as lending momentum increases. NPL coverage marginally increased to 46.9% (December 2023: 46.0%). The increase in coverage was due to new NPL inflows requiring higher coverage.

Platform

FNB continues to invest in its integrated financial services platform and customers can fulfil most of their financial services requirements digitally. The platform enables customers to engage FNB via assisted interfaces (e.g. points of presence and call centres) and unassisted interfaces (mobile banking (USSD), online banking, the FNB app, ATMs and ADTs.

Key platform highlights for the six months ended 31 December 2024 are outlined below.

- Since the launch on the FNB app, 5.3 million virtual cards have been activated and R100.1 billion in value transacted. The virtual card is key to facilitating more secure e-commerce transactions.
- Device payments (using Apple or Android) accounted for 120 million transactions worth R46 billion.
- Approximately 8.6 million eWallet users accounted for cash withdrawals of R28.7 billion.
- nav»Money provides customers with simple, easy-to-use money management tools which help them track their spend, view credit scores and more. It had over five million users at 31 December 2024, up 22% period on period.
- nav»Home has placed c. 53k families in homes and paid out R67 billion in loans since inception. FNB now originates 11% of home loans through this channel. Estate agent functionality was activated on the app in FY21 and 222 estate agents have been onboarded, with 2 549 current listings.
- At 31 December 2024, nav»Car had 1.1 million vehicles loaded in the garage, and WesBank has financed R1.3 billion in vehicle loans through this channel since inception. CarP2P had 115 active private listings at 31 December 2024.
- Commissionable e-commerce turnover and fulfilment on platform (i.e. electricity, mobile and digital vouchers sold) amounted to R10.8 billion (December 2023: R9.5 billion). Approximately three million customers use these services.
- eBucks travel sales increased by 16% to R679 million (December 2023: R583 million).
- Digitally active customers grew to 7.4 million (December 2023: 7.1 million). Digital includes mobile banking (USSD), online banking and the app.
- In December 2024 the banking app active transacting base achieved 6.03 million customers, with a new monthly record of 149 million logins. Monthly app logins in December 2024 were 15% higher than in December 2023.
- Digital logins totalled 1.1 billion, with online and mobile banking (USSD) logins of 90 million and 129 million, respectively. The app contributed 854 million logins.
- Total transactional volumes through digital interfaces included 77 million for online banking, 360 million (+16%) for the banking app and 12 million for mobile banking (USSD), highlighting the scalability of FNB's platform.

WesBank represents the bank's asset-based finance activities in the retail, commercial and corporate segments. It is one of the leading providers of vehicle finance and fleet management in the country.

WesBank

WesBank's strategy is underpinned by:

- leveraging its long-standing model of partnering with motor manufacturers, suppliers and large dealer groups, and fulfilling motor financing requirements at point of sale;
- applying disciplined credit origination strategies that appropriately support customer requirements and affordability across asset-based products;
- integrating into the FNB platform to offer vehicle and asset-based finance solutions to existing FNB retail and commercial customers, entrenching main-banked relationships; and
- utilising FNB's loyalty programme, eBucks, to reward desired customer behaviours and drive platform adoption.

The automotive industry experienced significant strain in the period under review with industry sales down 3% to 515 712 units since December 2023.

Market activity continued to slow as customer affordability levels remained under pressure given higher inflation and elevated interest rates. Given this slowdown in overall activity competition for new business increased, particularly for quality-risk customers, resulting in heightened margin pressure to secure deals.

Against this backdrop WesBank's origination remained tilted towards quality new business. The strategy of protecting and servicing FNB main-banked customers at point of sale means that WesBank continues to focus on opportunities to originate through FNB's digital platform.

Despite industry challenges, the commercial and corporate portfolio delivered strong growth in advances, up 5% period on period, emanating from the asset-based finance portfolio. Retail VAF advances grew 6% with impairments up slightly, but in line with expectations.

WESBANK FINANCIAL HIGHLIGHTS

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Normalised earnings	**793**	745	6	1 387
Normalised profit before tax	**1 087**	1 020	7	1 901
Core lending advances	**178 448**	168 859	6	171 639
Performing advances	**170 160**	161 185	6	163 420
Stage 3/NPLs as a % of advances	**4.64**	4.54		4.79
Credit loss ratio (%) of average advances	**1.16**	1.17		1.24
Cost-to-income ratio (%)	**52.8**	54.0		54.9
Net interest margin (%)	**2.54**	2.73		2.71

WesBank delivered normalised PBT growth of 7% period on period. The business's performance benefited from the prior year's strong origination growth and sustained momentum in commercial. This solid advances growth contributed to NII growth of 6%, with some offset from an increase in suspended interest and a decline in margin.

BREAKDOWN OF PRE-TAX PROFITS BY SEGMENT*

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Normalised PBT				
Retail VAF	**673**	619	9	1 062
Corporate and commercial	**414**	401	3	839
Total WesBank	**1 087**	1 020	7	1 901

* *Refer to additional segmental disclosure on page 50.*

Retail VAF PBT increased 9% period on period, benefiting from the prior year growth in advances.

Corporate and commercial produced a PBT increase of 3% period on period off the back of advances growth of 5%, offset by higher operating costs as platform and business integration continued.

WesBank's credit performance was in line with expectations and retail VAF is showing limited strain compared to other secured retail portfolios. The credit loss ratio declined slightly to 1.16% (December 2023: 1.17%), driven by the deliberate focus on better-quality risk and FNB main-banked customers, together with focused collections initiatives.

ANALYSIS OF IMPAIRMENT CHARGE

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Movement in balance sheet provisions				
Performing book provisions	**50**	82	(39)	44
NPL provision	**(34)**	278	(>100)	561
Credit provision increase	**16**	360	(96)	605
Gross write-off and other	**1 259**	812	55	1 864
– Bad debts written off*	**1 259**	812	55	1 871
– Exchange rate and other	**–**	–	–	(7)
Amounts recognised directly in income statement				
Modification loss	**32**	16	100	47
Interest suspended on stage 3 advances	**(173)**	(113)	53	(286)
Post write-off recoveries	**(115)**	(117)	(2)	(178)
Total impairment charge	**1 019**	958	6	2 052

* *Write-off of gross balances, excluding prior period provisions held, which have been recognised in the income statement over various reporting periods.*

The 6% increase in WesBank's credit impairment charge to R1 019 million (December 2023: R958 million) was mainly due to an increase in portfolio write-offs, offset by modelled provision releases.

The overall composition of the charge is outlined below:

- Stage 1 provisions increased in line with book growth.
- Stage 2 advances decreased 8%, driven by the net outcome of cures to stage 1 and some migration to stage 3. Coverage increased to 13.06% (December 2023: 12.12%). Whilst there has been an increase in debt-review advances, arrears and SICR declined period on period. Performing coverage decreased to 1.93% (December 2023: 2.03%), reflecting the impact of the improved macroeconomic environment and the benefit of the 50 bps interest rate cuts on customers' ability to service debt. Since June 2024, coverage decreased marginally as forward-looking macro assumptions improved, resulting in FLI releases.
- Stage 3 advances increased to 4.64% of total advances (December 2023: 4.54%).
- NPL coverage reduced to 46.4% (December 2023: 46.9%) as a function of the higher level of write-offs of operational NPL customers. This was further aided by reduced stage 3 coverage due to newer inflows, better overall collections and curing in the period.
- WesBank's write-off policy remains prudent and the proactive management of NPLs continued, with write-offs increasing 55% period on period. NPLs increased to R8.3 billion (December 2023: R7.7 billion).

Operating expenses increased 1% period on period as further optimisation benefits continue to be unlocked as the integration between WesBank and FNB continues. This was somewhat offset by the ongoing investment in the fleet management and leasing business, and the additional cost of leveraging the frontline distribution capabilities of FNB commercial.

Pleasingly, operational leverage continues to improve as WesBank further integrates its operating model with FNB. WesBank's cost-to-income ratio further improved to 52.8% (December 2023: 54.0%).

RMB represents the bank's activities in the corporate and institutional segments of South Africa and on the broader African continent. In addition, it has niche offerings in India and offices in the UK, the US and China that focus on corridor business to the African continent.

RMB

RMB's strategy is to deliver integrated financial services value propositions to corporate and institutional clients. These propositions span across a comprehensive portfolio of activities, including a leading lending and advisory franchise; a proven market-risk management, capital markets trading and structuring business; and a treasury and trade solutions business focusing on providing integrated solutions to improve clients' cash management and cash conversion cycles. This diversified business portfolio, coupled with a disciplined approach to balancing risk, return and growth, is designed to deliver sustainable high-quality earnings, balance sheet resilience and superior returns through the cycle.

RMB FINANCIAL HIGHLIGHTS

	Six months ended 31 December			Year ended 30 June
R million	2024	2023	% change	2024
Normalised earnings	**3 140**	3 003	5	5 990
Normalised profit before tax	**4 302**	4 114	5	8 206
Core lending advances*	**434 486**	401 124	8	408 252
Core deposits**	**246 915**	226 785	9	239 065
Core performing advances coverage	**0.82**	0.82		0.89
Stage 3/NPLs as a % of core lending advances	**1.30**	1.08		0.98
Credit loss ratio (%) – core lending advances	**0.15**	0.19		0.22
Cost-to-income ratio (%)	**56.1**	55.7		56.5

* *Core advances represent total advances excluding assets under agreements to resell.*

** *Core deposits represent total deposits, excluding deposits under repurchase agreements and deposits held as cash collateral.*

RMB produced normalised PBT growth of 5% period on period, a resilient performance given the base effect of the material one-off income from the principal investing portfolio (R508 million) in the comparative period.

The underlying business units' operational performances were mainly positive. Investment banking (IBD) posted strong growth, continuing the momentum from the previous financial year and a solid performance was delivered by the treasury and trade solutions (TTS) business. These outcomes were offset by a weak performance from the GM business in this six-month period.

Overview of financial performance

NII increased 13%, underpinned by 8% growth in core advances, 9% growth in average operational deposits and robust average growth of 19% in investment deposits despite lower margins from these products. The growth was further aided by higher endowment on deposits and allocated capital. Advances margins in the core IBD lending portfolios were stable at 188 bps period on period, although down 3 bps since June 2024. The decline reflects competitive pressures, portfolio mix changes and significant growth in lower-margin infrastructure and renewable energy exposures. Furthermore, period-on-period growth in interest in suspense on increased NPLs, as well as the roll-off and settlement of some higher-margin exposures, negatively impacted margins.

NIR decreased 3% period on period. Healthy new deal origination resulted in significant structuring and advisory fee opportunities, translating into excellent growth in knowledge-based fee income of 51%. Despite some smaller realisation incomes in the principal investment (PI) portfolio, overall NIR growth was negatively impacted by lower levels of one-off income period on period, which was down R458 million. NIR was further negatively impacted by GM's operational performance, unpacked in more detail later.

Credit impairments reduced 10% period on period to R321 million, resulting in a credit impairment charge on the core lending portfolio (excluding repos) of 15 bps (December 2023: 19 bps; June 2024: 22 bps), well below the portfolio TTC range. The credit quality of RMB's core lending portfolio remains resilient with the overall performance broadly in line with expectations, also reflecting the deliberate better-quality origination mix tilts.

An analysis of the balance sheet movement of the impairment charge is set out in the table below:

ANALYSIS OF IMPAIRMENT CHARGE

	Six months ended 31 December			Year ended 30 June
R million	2024	2023	% change	2024
Movement in balance sheet provisions				
Performing book provisions	**(71)**	114	(>100)	446
NPL provision	**454**	149	>100	(225)
Credit provision increase	**383**	263	46	221
Gross write-off and other	**23**	120	(81)	701
– Bad debts written off*	**–**	102	(100)	675
– Exchange rate and other	**23**	18	28	26
Amounts recognised directly in income statement				
Interest suspended on stage 3 advances	**(56)**	(22)	>100	(61)
Post write-off recoveries	**(29)**	(5)	>100	(5)
Total impairment charge	**321**	356	(10)	856

* *Write-off of gross balances, excluding prior period provisions held, which have been recognised in the income statement over various reporting periods.*

Strong new business origination resulted in normal front book impairment strain, with the total performing book impairments up 8% period on period. Core stage 1 advances increased 10%.

Watchlist counters decreased materially period on period (60%), mainly due to a number of SA watchlist clients migrating to NPL status over the last 12 months. This reflects strain in certain sectors of the domestic economy, particularly real estate, but was partially offset by positive migration of counters to either surveillance lists or fully performing where the underlying trading performance of specific counters improved during the course of the year.

RMB believes its consistent and prudent provisioning approach remains appropriate, with the performing book coverage ratio against core lending advances at 82 bps (December 2023: 82 bps; June 2024: 89 bps).

RMB's period-on-period cost growth of 5% reflects management focus on containing costs despite inflation and ongoing investment spend on platform modernisation and digital transformation to enhance client offerings and create a more efficient operating model. RMB has also further invested in capacity in its UK-, US- and India-based offices to support its cross-border activities.

BREAKDOWN OF NORMALISED PBT CONTRIBUTION BY DIVISION

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023*	% change	2024*
Investment banking	**3 225**	2 925	10	5 927
Treasury and trade solutions	**1 030**	963	7	1 929
Global markets	**321**	465	(31)	1 347
Other**	**(274)**	(239)	15	(997)
Total RMB	**4 302**	4 114	5	8 206

* *Comparatives have been restated to reflect a change in the endowment and cost allocation methodology. However, the total PBT remains the same.*

** *Other includes support and head office activities.*

IBD

IBD delivered good PBT growth of 10%, especially pleasing given the high base created by one-off NIR of R508 million from the principal investing portfolio in the comparative period. NII increased 13%, underpinned by 12% growth in core advances, with notable growth driven by the resources, infrastructure and sustainable finance portfolios. NIR benefited from healthy new deal origination, resulting in material structuring and advisory mandates reflecting increased equity capital market activity. However, overall NIR decreased 2%, due to lower net one-off income. IBD has maintained prudent provisioning levels given the increased levels of risk in specific sectors and geographies, and the migration of specific counters to NPL status.

TTS

TTS delivered a solid performance, with PBT increasing 7%.

Revenue growth of 7% benefited from an 8% increase in NII, primarily driven by a 12% increase in average deposits, with a 19% increase in average South African investment deposits. Average advances increased 5%. Strong demand in general banking facilities from clients was offset by lower levels of structured lending.

NIR increased 6%, benefiting from increased traditional trade activities, a 4% increase in cash values and a 19% increase in merchant services turnover. Overall margins and contribution remained under pressure due to competitive pricing and elevated association fees.

The overall performance benefited from a reduction in credit impairments, in part reflecting the partial resolution of a specific NPL, as well as a partial bad debt recovery in the period under review.

GM

GM experienced a weak first-half trading performance, with PBT down 31% period on period. Revenue contracted 9%, primarily due to depressed cross-border revenues resulting from proactive risk management and exposure reductions, reduced client activity and, in some cases, lower margins. This was further compounded by a much weaker performance from the fixed-income portfolio, specifically in inflation, given lower client demand and limited trading opportunities in SA. Given the topline pressures, cost growth reduced 3% as platform modernisation and regulatory project spend normalised following multiple years of investment.

GM's performance across asset classes is unpacked below:

- Credit trading had a strong performance, up 75%, benefiting from increased focus and the build-out of the traded debt insurance business.
- The equities portfolio had an excellent six-month period, with PBT up significantly. The cash equities business increased revenue >100%, supported by increased equity volumes (up 12%) and increased corporate actions.
- Fixed income, specifically the inflation desk, experienced significant headwinds during the period under review, primarily due to:
  - Lower levels of client-led structuring activities.
  - Constrained market-making opportunities given lower market liquidity due to lower client flows and hedging opportunities.
  - Adverse mark-to-market movements on the back of the reducing inflation and rate cycle.

  These negatives were partially offset by an improved performance in nominal bond business, which benefited from improved client facilitation and market-making opportunities.
- FX and commodities are down 33% and 61%, respectively. FX was negatively impacted by reduced client flow activity in key African jurisdictions. Commodities' performance was impacted by lower hedging opportunities for clients in the current year in comparison to the prior period, and reducing client margins.

SEGMENT ANALYSIS OF NORMALISED EARNINGS

	Six months ended 31 December					Year ended 30 June	
R million	**2024**	**% composition**	2023	% composition	% change	2024	% composition
Retail	**5 091**	**34**	4 776	34	7	8 448	34
– FNB*,**	**4 600**		4 324			7 673	
– WesBank	**491**		452			775	
Commercial	**5 589**	**37**	5 401	38	3	10 566	43
– FNB**	**5 287**		5 108			9 954	
– WesBank	**302**		293			612	
Corporate and investment banking	**3 140**	**21**	3 003	21	5	5 990	24
– RMB	**3 140**		3 003			5 990	
Other	**1 249**	**8**	991	7	26	(274)	(1)
– Centre#	**2 084**		1 741			1 244	
– Other equity instrument holders	**(835)**		(750)			(1 518)	
Normalised earnings	**15 069**	**100**	14 171	100	6	24 730	100

* *Includes FNB broader Africa, which relates to head office costs.*
** *Restated. Refer to pages 51 to 54.*
\# *Centre (including Group Treasury and MotoNovo back book).*

SEGMENTAL REPORTING

Segment report

for the six months ended 31 December 2024

	Retail and commercial										Corporate and institutional				
	FNB														
	Retail														
R million	Residential mortgages	Card	Total personal loans	Retail other	**Retail**	Commercial	FNB broader Africa*	**Total FNB**	**WesBank****	**Retail and commercial**	**RMB**	Centre (including Group Treasury) and other#	**FRB – normalised**	Normalised adjustments	**FRB – IFRS**
Net interest income before impairment of advances	2 398	2 482	4 241	3 611	**12 732**	8 403	(15)	**21 120**	**2 963**	**24 083**	**5 215**	2 998	**32 296**	(754)	**31 542**
Impairment charge	(374)	(1 192)	(2 238)	(190)	**(3 994)**	(700)	–	**(4 694)**	**(1 019)**	**(5 713)**	**(321)**	(100)	**(6 134)**	–	**(6 134)**
Net interest income after impairment of advances	2 024	1 290	2 003	3 421	**8 738**	7 703	(15)	**16 426**	**1 944**	**18 370**	**4 894**	2 898	**26 162**	(754)	**25 408**
Non-interest revenue	38	2 526	383	7 382	**10 329**	5 452	831	**16 612**	**1 574**	**18 186**	**5 599**	(1 218)	**22 567**	874	**23 441**
Income from operations	2 062	3 816	2 386	10 803	**19 067**	13 155	816	**33 038**	**3 518**	**36 556**	**10 493**	1 680	**48 729**	120	**48 849**
Operating expenses	(904)	(1 712)	(1 232)	(8 397)	**(12 245)**	(5 878)	(1 001)	**(19 124)**	**(2 395)**	**(21 519)**	**(6 062)**	(115)	**(27 696)**	75	**(27 621)**
Income before indirect tax	1 158	2 104	1 154	2 406	**6 822**	7 277	(185)	**13 914**	**1 123**	**15 037**	**4 431**	1 565	**21 033**	195	**21 228**
Indirect tax	(8)	(16)	(31)	(330)	**(385)**	(36)	–	**(421)**	**(36)**	**(457)**	**(129)**	(36)	**(622)**	–	**(622)**
Profit before tax	1 150	2 088	1 123	2 076	**6 437**	7 241	(185)	**13 493**	**1 087**	**14 580**	**4 302**	1 529	**20 411**	195	**20 606**
Income tax expense	(310)	(564)	(304)	(524)	**(1 702)**	(1 954)	50	**(3 606)**	**(294)**	**(3 900)**	**(1 162)**	555	**(4 507)**	(52)	**(4 559)**
Profit for the period	840	1 524	819	1 552	**4 735**	5 287	(135)	**9 887**	**793**	**10 680**	**3 140**	2 084	**15 904**	143	**16 047**
Attributable to															
Ordinary equityholders	840	1 524	819	1 552	**4 735**	5 287	(135)	**9 887**	**793**	**10 680**	**3 140**	1 249	**15 069**	143	**15 212**
Other equity instrument holders	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	835	**835**	–	**835**
Profit for the period	840	1 524	819	1 552	**4 735**	5 287	(135)	**9 887**	**793**	**10 680**	**3 140**	2 084	**15 904**	143	**16 047**
Attributable earnings to ordinary equityholders	840	1 524	819	1 552	**4 735**	5 287	(135)	**9 887**	**793**	**10 680**	**3 140**	1 249	**15 069**	143	**15 212**
Headline earnings adjustments	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	–	**–**	(104)	**(104)**
Headline earnings	840	1 524	819	1 552	**4 735**	5 287	(135)	**9 887**	**793**	**10 680**	**3 140**	1 249	**15 069**	39	**15 108**
TRS and IFRS 2 liability remeasurement	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	–	**–**	–	**–**
IAS 19 adjustment	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	–	**–**	(39)	**(39)**
Normalised earnings	840	1 524	819	1 552	**4 735**	5 287	(135)	**9 887**	**793**	**10 680**	**3 140**	1 249	**15 069**	–	**15 069**

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

* *FNB broader Africa results reported above relate to head office costs. Earnings of the African subsidiaries form part of FREMA (see simplified group structure on page 2) and are not reported in bank.*

** *Refer to additional segmental disclosure on page 50.*

Centre represents group-wide functions and includes MotoNovo back book.

Segment report

for the six months ended 31 December 2024

	Retail and commercial										Corporate and institutional				
	FNB														
	Retail														
R million	Residential mortgages	Card	Total personal loans	Retail other	**Retail**	Commercial	FNB broader Africa*	**Total FNB**	**WesBank****	**Retail and commercial**	**RMB**	Centre (including Group Treasury) and other#	**FRB – normalised**	Normalised adjustments	**FRB – IFRS**
Cost-to-income ratio (%)	37.1	34.2	26.6	76.4	**53.1**	42.4	>100	**50.7**	**52.8**	**50.9**	**56.1**	6.5	**50.5**		**50.2**
Diversity ratio (%)	1.6	50.4	8.3	67.2	**44.8**	39.4	>100	**44.0**	**34.7**	**43.0**	**51.8**	(68.4)	**41.1**		**42.6**
Credit loss ratio (%) – core lending advances	0.27	5.69	8.42	5.27	**2.13**	1.06	–	**1.85**	**1.16**	**1.68**	**0.15**	0.60	**1.08**		**1.08**
Stage 3/NPLs as a % of core lending advances	6.97	13.79	17.55	13.62	**9.36**	3.87	–	**7.91**	**4.64**	**7.06**	**1.30**	0.24	**4.71**		**4.71**
Income statement includes															
Depreciation	(1)	(10)	(7)	(1 150)	**(1 168)**	(74)	(1)	**(1 243)**	**(348)**	**(1 591)**	**(94)**	(2)	**(1 687)**	–	**–**
Amortisation	–	–	–	(35)	**(35)**	–	–	**(35)**	**(5)**	**(40)**	**(19)**	–	**(59)**	–	**–**
Net impairment charges	–	–	–	(29)	**(29)**	17	–	**(12)**	**1**	**(11)**	**–**	–	**(11)**	8	**–**
Statement of financial position includes															
Advances (before impairments)	273 819	42 478	53 059	7 109	**376 465**	135 164	–	**511 629**	**178 448**	**690 077**	**515 471**	49 744	**1 255 292**	–	**1 255 292**
Core lending advances	273 819	42 478	53 059	7 109	**376 465**	135 164	–	**511 629**	**178 448**	**690 077**	**434 486**	33 490	**1 158 053**	–	**1 158 053**
– Other core lending advances (AC and FV)	273 819	42 478	53 059	7 109	**376 465**	135 164	–	**511 629**	**178 448**	**690 077**	**434 486**	33 490	**1 158 053**	–	**1 158 053**
Assets under agreements to resell	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**80 985**	16 254	**97 239**	–	**97 239**
Stage 3/NPLs	19 087	5 858	9 314	968	**35 227**	5 236	–	**40 463**	**8 288**	**48 751**	**5 667**	79	**54 497**	–	**54 497**
Total deposits (including non-recourse deposits)	599	12 403	37	406 286	**419 325**	503 149	–	**922 474**	**71**	**922 545**	**319 242**	339 347	**1 581 134**	–	**1 581 134**
Total assets	268 012	36 532	42 802	27 441	**374 787**	141 202	330	**516 319**	**177 281**	**693 600**	**733 798**	439 590	**1 866 988**		**1 866 988**
Total liabilities†	267 977	35 437	42 528	18 566	**364 508**	136 940	515	**501 963**	**176 182**	**678 145**	**730 685**	320 630	**1 729 460**	–	**1 729 460**
Capital expenditure	1	34	21	1 439	**1 495**	289	1	**1 785**	**2 100**	**3 885**	**102**	2	**3 989**	–	**3 989**

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

* *FNB broader Africa results reported above relate to head office costs. Earnings of the African subsidiaries form part of FREMA (see simplified group structure on page 2) and are not reported in bank.*

** *Refer to additional segmental disclosure on page 50.*

Centre represents group-wide functions and includes MotoNovo back book.

† *Total liabilities are net of interdivisional balances.*

Segment report

for the six months ended 31 December 2023

R million	Retail and commercial – FNB – Retail										Corporate and institutional				
	Residential mortgages	Card	Total personal loans	Retail other*	Retail*	Commercial*	FNB broader Africa**	Total FNB	WesBank#	Retail and commercial	RMB	Centre (including Group Treasury) and other†	FRB – normalised	Normalised adjustments	FRB – IFRS
Net interest income before impairment of advances	2 320	2 163	4 150	3 806	**12 439**	7 725	(18)	**20 146**	**2 802**	**22 948**	**4 624**	2 759	**30 331**	(793)	**29 538**
Impairment charge	(309)	(912)	(2 160)	(309)	**(3 690)**	(270)	–	**(3 960)**	**(958)**	**(4 918)**	**(356)**	(58)	**(5 332)**	–	**(5 332)**
Net interest income after impairment of advances	2 011	1 251	1 990	3 497	**8 749**	7 455	(18)	**16 186**	**1 844**	**18 030**	**4 268**	2 701	**24 999**	(793)	**24 206**
Non-interest revenue	30	2 222	444	6 801	**9 497**	5 227	786	**15 510**	**1 573**	**17 083**	**5 783**	(1 192)	**21 674**	935	**22 609**
Income from operations	2 041	3 473	2 434	10 298	**18 246**	12 682	768	**31 696**	**3 417**	**35 113**	**10 051**	1 509	**46 673**	142	**46 815**
Operating expenses	(906)	(1 604)	(1 287)	(7 893)	**(11 690)**	(5 656)	(940)	**(18 286)**	**(2 362)**	**(20 648)**	**(5 798)**	(398)	**(26 844)**	(38)	**(26 882)**
Income before indirect tax	1 135	1 869	1 147	2 405	**6 556**	7 026	(172)	**13 410**	**1 055**	**14 465**	**4 253**	1 111	**19 829**	104	**19 933**
Indirect tax	(7)	(13)	(31)	(409)	**(460)**	(29)	–	**(489)**	**(35)**	**(524)**	**(139)**	4	**(659)**	–	**(659)**
Profit before tax	1 128	1 856	1 116	1 996	**6 096**	6 997	(172)	**12 921**	**1 020**	**13 941**	**4 114**	1 115	**19 170**	104	**19 274**
Income tax expense	(305)	(501)	(301)	(539)	**(1 646)**	(1 889)	46	**(3 489)**	**(275)**	**(3 764)**	**(1 111)**	626	**(4 249)**	(28)	**(4 277)**
Profit for the period	823	1 355	815	1 457	**4 450**	5 108	(126)	**9 432**	**745**	**10 177**	**3 003**	1 741	**14 921**	76	**14 997**
Attributable to															
Ordinary equityholders	823	1 355	815	1 457	**4 450**	5 108	(126)	**9 432**	**745**	**10 177**	**3 003**	991	**14 171**	76	**14 247**
Other equity instrument holders	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	750	**750**	–	**750**
Profit for the period	823	1 355	815	1 457	**4 450**	5 108	(126)	**9 432**	**745**	**10 177**	**3 003**	1 741	**14 921**	76	**14 997**
Attributable earnings to ordinary equityholders	823	1 355	815	1 457	**4 450**	5 108	(126)	**9 432**	**745**	**10 177**	**3 003**	991	**14 171**	76	**14 247**
Headline earnings adjustments	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	**–**	**–**	(31)	**(31)**
Headline earnings	823	1 355	815	1 457	**4 450**	5 108	(126)	**9 432**	**745**	**10 177**	**3 003**	991	**14 171**	45	**14 216**
TRS and IFRS 2 liability remeasurement	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	–	**–**	–	**–**
IAS 19 adjustment	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	–	**–**	(45)	**(45)**
Normalised earnings	823	1 355	815	1 457	**4 450**	5 108	(126)	**9 432**	**745**	**10 177**	**3 003**	991	**14 171**	–	**14 171**

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

* *Restated. Refer to page 51.*

** *FNB broader Africa results reported above relate to head office costs. Earnings of the African subsidiaries form part of FREMA (see simplified group structure on page 2) and are not reported in bank.*

Refer to additional segmental disclosure on page 50.

† *Centre represents group-wide functions and includes MotoNovo back book.*

Segment report

for the six months ended 31 December 2023

	Retail and commercial										Corporate and institutional				
	FNB														
	Retail														
R million	Residential mortgages	Card	Total personal loans	Retail other*	**Retail***	Commercial*	FNB broader Africa**	**Total FNB**	**WesBank#**	**Retail and commercial**	**RMB**	Centre (including Group Treasury) and other†	**FRB – normalised**	Normalised adjustments	**FRB – IFRS**
Cost-to-income ratio (%)	38.6	36.6	28.0	74.4	**53.3**	43.7	>100	**51.3**	**54.0**	**51.6**	**55.7**	25.4	**51.6**		**51.6**
Diversity ratio (%)	1.3	50.7	9.7	64.1	**43.3**	40.4	>100	**43.5**	**36.0**	**42.7**	**55.6**	(76.1)	**41.7**		**43.4**
Credit loss ratio (%) – core lending advances	0.24	4.80	8.47	8.27	**2.06**	0.46	–	**1.66**	**1.17**	**1.53**	**0.19**	0.39	**1.01**		**1.01**
Stage 3/NPLs as a % of core lending advances	6.08	11.59	16.44	12.93	**8.30**	3.71	–	**7.16**	**4.54**	**6.48**	**1.08**	2.35	**4.37**		**4.37**
Income statement includes															
Depreciation	(1)	(11)	(10)	(1 078)	**(1 100)**	(136)	(1)	**(1 237)**	**(352)**	**(1 589)**	**(69)**	(1)	**(1 659)**	–	**(1 659)**
Amortisation	–	–	–	(5)	**(5)**	–	–	**(5)**	**–**	**(5)**	**(20)**	–	**(25)**	–	**(25)**
Net impairment charges	–	–	–	(25)	**(25)**	–	–	**(25)**	**(16)**	**(41)**	**–**	–	**(41)**	48	**7**
Statement of financial position includes															
Advances (before impairments)	264 087	38 882	51 913	7 540	**362 422**	120 399	–	**482 821**	**168 859**	**651 680**	**484 866**	35 662	**1 172 208**	–	**1 172 208**
Core lending advances	264 087	38 882	51 913	7 540	**362 422**	120 399	–	**482 821**	**168 859**	**651 680**	**401 124**	28 523	**1 081 327**	–	**1 081 327**
– Other core lending advances (AC and FV)	264 087	38 882	51 913	7 540	**362 422**	120 399	–	**482 821**	**168 859**	**651 680**	**401 124**	28 523	**1 081 327**	–	**1 081 327**
Assets under agreements to resell	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**83 742**	7 139	**90 881**	–	**90 881**
Stage 3/NPLs	16 068	4 507	8 535	975	**30 085**	4 467	–	**34 552**	**7 674**	**42 226**	**4 334**	671	**47 231**	–	**47 231**
Total deposits	584	11 107	40	377 356	**389 087**	450 056	–	**839 143**	**71**	**839 214**	**293 328**	290 792	**1 423 334**	–	**1 423 334**
Total assets	259 475	34 092	42 186	27 262	**363 015**	126 191	223	**489 429**	**166 618**	**656 047**	**680 251**	347 861	**1 684 159**	–	**1 684 159**
Total liabilities‡	259 391	33 141	41 950	19 291	**353 773**	122 007	395	**476 175**	**165 550**	**641 725**	**677 194**	239 338	**1 558 257**	–	**1 558 257**
Capital expenditure	–	32	4	1 351	**1 387**	385	1	**1 773**	**874**	**2 647**	**174**	25	**2 846**	–	**2 846**

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

* *Restated. Refer to page 52.*

** *FNB broader Africa results reported above relate to head office costs. Earnings of the African subsidiaries form part of FREMA (see simplified group structure on page 2) and are not reported in bank.*

\# *Refer to additional segmental disclosure on page 50.*

† *Centre represents group-wide functions and includes MotoNovo back book.*

‡ *Total liabilities are net of interdivisional balances.*

Segment report

for the year ended 30 June 2024

	Retail and commercial								Retail and commercial		Corporate and institutional				
	FNB														
	Retail*														
R million	Residential mortgages	Card	Total personal loans	Retail other*	Retail*	Commercial*	FNB broader Africa**	Total FNB	WesBank#	Retail and commercial	RMB	Centre (including Group Treasury) and other†	FRB – normalised	Normalised adjustments	FRB – IFRS
Net interest income before impairment of advances	4 593	4 482	8 309	7 706	**25 090**	15 606	(43)	**40 653**	**5 701**	**46 354**	**9 431**	5 277	**61 062**	(1 638)	**59 424**
Impairment charge	(1 185)	(2 256)	(4 814)	(583)	**(8 838)**	(844)	–	**(9 682)**	**(2 052)**	**(11 734)**	**(856)**	139	**(12 451)**	–	**(12 451)**
Net interest income after impairment of advances	3 408	2 226	3 495	7 123	**16 252**	14 762	(43)	**30 971**	**3 649**	**34 620**	**8 575**	5 416	**48 611**	(1 638)	**46 973**
Non-interest revenue	77	4 475	848	13 522	**18 922**	10 221	1 652	**30 795**	**3 151**	**33 946**	**11 981**	(1 999)	**43 928**	1 723	**45 651**
Income from operations	3 485	6 701	4 343	20 645	**35 174**	24 983	1 609	**61 766**	**6 800**	**68 566**	**20 556**	3 417	**92 539**	85	**92 624**
Operating expenses	(1 735)	(3 228)	(2 437)	(16 145)	**(23 545)**	(11 279)	(1 991)	**(36 815)**	**(4 858)**	**(41 673)**	**(12 101)**	(4 206)	**(57 980)**	15	**(57 965)**
Income before indirect tax	1 750	3 473	1 906	4 500	**11 629**	13 704	(382)	**24 951**	**1 942**	**26 893**	**8 455**	(789)	**34 559**	100	**34 659**
Indirect tax	(13)	(26)	(58)	(631)	**(728)**	(68)	(1)	**(797)**	**(41)**	**(838)**	**(249)**	(45)	**(1 132)**	–	**(1 132)**
Profit before tax	1 737	3 447	1 848	3 869	**10 901**	13 636	(383)	**24 154**	**1 901**	**26 055**	**8 206**	(834)	**33 427**	100	**33 527**
Income tax expense	(469)	(931)	(499)	(1 050)	**(2 948)**	(3 682)	103	**(6 527)**	**(514)**	**(7 041)**	**(2 216)**	2 078	**(7 179)**	(27)	**(7 206)**
Profit for the period	1 268	2 516	1 349	2 819	**7 953**	9 954	(280)	**17 627**	**1 387**	**19 014**	**5 990**	1 244	**26 248**	73	**26 321**
Attributable to															
Ordinary equityholders	1 268	2 516	1 349	2 819	**7 953**	9 954	(280)	**17 627**	**1 387**	**19 014**	**5 990**	(274)	**24 730**	73	**24 803**
Other equity instrument holders	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	1 518	**1 518**	–	**1 518**
Profit for the period	1 268	2 516	1 349	2 819	**7 953**	9 954	(280)	**17 627**	**1 387**	**19 014**	**5 990**	1 244	**26 248**	73	**26 321**
Attributable earnings to ordinary equityholders	1 268	2 516	1 349	2 819	**7 953**	9 954	(280)	**17 627**	**1 387**	**19 014**	**5 990**	(274)	**24 730**	73	**24 803**
Headline earnings adjustments	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	–	**–**	14	**14**
Headline earnings	1 268	2 516	1 349	2 819	**7 953**	9 954	(280)	**17 627**	**1 387**	**19 014**	**5 990**	(274)	**24 730**	87	**24 817**
TRS and IFRS 2 liability remeasurement	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	–	**–**	–	**–**
IAS 19 adjustment	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**–**	–	**–**	(87)	**(87)**
Normalised earnings	1 268	2 516	1 349	2 819	**7 953**	9 954	(280)	**17 627**	**1 387**	**19 014**	**5 990**	(274)	**24 730**	–	**24 730**

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

* *Restated. Refer to page 53.*

** *FNB broader Africa results reported above relate to head office costs. Earnings of the African subsidiaries form part of FREMA (see simplified group structure on page 2) and are not reported in bank.*

\# *Refer to additional segmental disclosure on page 50.*

† *Centre represents group-wide functions and includes MotoNovo back book.*

Segment report

for the year ended 30 June 2024

	Retail and commercial								Retail and commercial		Corporate and institutional				
	FNB														
	Retail*														
R million	Residential mortgages	Card	Total personal loans	Retail other*	Retail*	Commercial*	FNB broader Africa**	Total FNB	WesBank#	Retail and commercial	RMB	Centre (including Group Treasury) and other†	FRB – normalised	Normalised adjustments	FRB – IFRS
Cost-to-income ratio (%)	37.2	36.0	26.6	76.1	**53.5**	43.7	>100	**51.5**	**54.9**	**51.9**	**56.5**	128.3	**55.2**	–	**55.2**
Diversity ratio (%)	1.6	50.0	9.3	63.7	**43.0**	39.6	>100	**43.1**	**35.6**	**42.3**	**56.0**	(61.0)	**41.8**	–	**43.4**
Credit loss ratio (%) – core lending advances	0.45	5.75	9.32	7.92	**2.43**	0.69	–	**1.99**	**1.24**	**1.80**	**0.22**	(0.43)	**1.16**	–	**1.16**
Stage 3/NPLs as a % of core lending advances	6.74	12.65	16.91	13.88	**8.99**	3.65	–	**7.61**	**4.79**	**6.89**	**0.98**	1.87	**4.58**	–	**4.58**
Income statement includes															
Depreciation	(2)	(21)	(17)	(2 201)	**(2 241)**	(291)	(2)	**(2 534)**	**(792)**	**(3 326)**	**(154)**	(3)	**(3 483)**	–	**(3 483)**
Amortisation	–	–	–	(19)	**(19)**	–	–	**(19)**	**(6)**	**(25)**	**(40)**	(101)	**(166)**	–	**(166)**
Impairment charges	–	–	–	(82)	**(82)**	(34)	–	**(116)**	**1**	**(115)**	**–**	–	**(115)**	(2)	**(117)**
Statement of financial position includes															
Advances (before impairments)	270 461	41 374	53 286	7 314	**372 435**	129 838	–	**502 273**	**171 639**	**673 912**	**468 553**	41 120	**1 183 585**	–	**1 183 585**
Core lending advances	270 461	41 374	53 286	7 314	**372 435**	129 838	–	**502 273**	**171 639**	**673 912**	**408 252**	33 664	**1 115 828**	–	**1 115 828**
– Other core lending advances (AC and FV)	270 461	41 374	53 286	7 314	**372 435**	129 838	–	**502 273**	**171 639**	**673 912**	**408 252**	33 664	**1 115 828**	**–**	**1 115 828**
Assets under agreements to resell	–	–	–	–	**–**	–	–	**–**	**–**	**–**	**60 301**	7 456	**67 757**	–	**67 757**
Stage 3/NPLs	18 218	5 233	9 008	1 015	**33 474**	4 733	–	**38 207**	**8 219**	**46 426**	**4 003**	631	**51 060**	–	**51 060**
Total deposits	562	12 039	32	388 145	**400 778**	463 398	–	**864 176**	**78**	**864 254**	**287 806**	292 647	**1 444 707**	–	**1 444 707**
Total assets	265 054	35 974	43 158	25 992	**370 178**	136 596	302	**507 076**	**169 826**	**676 902**	**649 422**	389 522	**1 715 846**	–	**1 715 846**
Total liabilities‡	265 247	34 240	43 023	10 905	**353 415**	128 593	685	**482 693**	**167 907**	**650 600**	**643 171**	292 918	**1 586 689**	–	**1 586 689**
Capital expenditure	1	57	4	3 250	**3 312**	617	2	**3 931**	**2 726**	**6 657**	**401**	28	**7 086**	–	**7 086**

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

* *Restated. Refer to page 54.*

** *FNB broader Africa results reported above relate to head office costs. Earnings of the African subsidiaries form part of FREMA (see simplified group structure on page 2) and are not reported in bank.*

\# *Refer to additional segmental disclosure on page 50.*

† *Centre represents group-wide functions and includes MotoNovo back book.*

‡ *Total liabilities are net of interdivisional balances.*

Additional segmental disclosure – WesBank

R million	Six months ended 31 December 2024		
	Retail	**Corporate and commercial**	**Total WesBank**
NII before impairment of advances	**2 239**	**724**	**2 963**
Impairment of advances	**(920)**	**(99)**	**(1 019)**
Normalised profit before tax	**673**	**414**	**1 087**
Normalised earnings	**491**	**302**	**793**
Core advances	**115 426**	**63 022**	**178 448**
Stage 3/NPLs	**6 960**	**1 328**	**8 288**
Advances margin (%)	**2.80**	**2.04**	**2.54**
Stage 3/NPLs as a % of advances	**6.03**	**2.11**	**4.64**
Credit loss ratio (%) of average advances	**1.62**	**0.32**	**1.16**

R million	Six months ended 31 December 2023		
	Retail	Corporate and commercial	Total WesBank
NII before impairment of advances	2 130	672	2 802
Impairment of advances	(831)	(127)	(958)
Normalised profit before tax	619	401	1 020
Normalised earnings	452	293	745
Core advances	109 096	59 763	168 859
Stage 3/NPLs	6 692	982	7 674
Advances margin (%)	3.02	2.19	2.73
Stage 3/NPLs as a % of advances	6.13	1.64	4.54
Credit loss ratio (%) of average advances	1.55	0.45	1.17

R million	Year ended 30 June 2024		
	Retail	Corporate and commercial	Total WesBank
NII before impairment of advances	4 297	1 404	5 701
Impairment of advances	(1 799)	(253)	(2 052)
Normalised profit before tax	1 062	839	1 901
Normalised earnings	775	612	1 387
Core advances	111 421	60 218	171 639
Stage 3/NPLs	7 110	1 109	8 219
Advances margin (%)	3.00	2.15	2.71
Stage 3/NPLs as a % of advances	6.38	1.84	4.79
Credit loss ratio (%) of average advances	1.66	0.44	1.24

Additional information on internal restructures

for the six months ended 31 December 2023

Internal restructures took place during the period to better facilitate the execution of group strategy. These do not impact like-for-like comparisons at bank level, but they are material to certain individual segments.

FNB's segment report has been updated for the reallocation of a number of transact and support activities from the retail to commercial segments.

R million	Retail other previously published	Restatement	Retail other after reallocation	Commercial previously published	Restatement	Commercial after reallocation	**Total FNB previously published**	**Restatement**	**Total FNB after reallocation**
Net interest income before impairment of advances	3 813	(7)	3 806	7 718	7	7 725	**20 146**	–	**20 146**
Impairment charge	(309)	–	(309)	(270)	–	(270)	**(3 960)**	–	**(3 960)**
Net interest income after impairment of advances	3 504	(7)	3 497	7 448	7	7 455	**16 186**	–	**16 186**
Non-interest revenue	6 630	171	6 801	5 398	(171)	5 227	**15 510**	–	**15 510**
Income from operations	10 134	164	10 298	12 846	(164)	12 682	**31 696**	–	**31 696**
Operating expenses	(7 770)	(123)	(7 893)	(5 779)	123	(5 656)	**(18 286)**	–	**(18 286)**
Income before indirect tax	2 364	41	2 405	7 067	(41)	7 026	**13 410**	–	**13 410**
Indirect tax	(409)	–	(409)	(29)	–	(29)	**(489)**	–	**(489)**
Profit before tax	1 955	41	1 996	7 038	(41)	6 997	**12 921**	–	**12 921**
Income tax expense	(528)	(11)	(539)	(1 900)	11	(1 889)	**(3 489)**	–	**(3 489)**
Profit for the period	1 427	30	1 457	5 138	(30)	5 108	**9 432**	–	**9 432**
Attributable to									
Ordinary equityholders	1 427	30	1 457	5 138	(30)	5 108	**9 432**	–	**9 432**
Other equity instrument holders	–	–	–	–	–	–	**–**	–	**–**
Profit for the period	1 427	30	1 457	5 138	(30)	5 108	**9 432**	–	**9 432**
Attributable earnings to ordinary equityholders	1 427	30	1 457	5 138	(30)	5 108	**9 432**	–	**9 432**
Headline earnings adjustments	–	–	–	–	–	–	**–**	–	**–**
Headline earnings	1 427	30	1 457	5 138	(30)	5 108	**9 432**	–	**9 432**
TRS and IFRS 2 liability remeasurement	–	–	–	–	–	–	**–**	–	**–**
IAS 19 adjustment	–	–	–	–	–	–	**–**	–	**–**
Normalised earnings	1 427	30	1 457	5 138	(30)	5 108	**9 432**	–	**9 432**

Additional information on internal restructures continued

for the six months ended 31 December 2023

R million	Retail other previously published	Restatement	Retail other after reallocation	Commercial previously published	Restatement	Commercial after reallocation	**Total FNB previously published**	**Restatement**	**Total FNB after reallocation**
Cost-to-income ratio (%)	74.4		74.4	44.1		43.7	**51.3**		**51.3**
Diversity ratio (%)	63.5		64.1	41.2		40.4	**43.5**		**43.5**
Credit loss ratio (%) – core lending advances	8.27		8.27	0.46		0.46	**1.66**		**1.66**
Stage 3/NPLs as a % of core lending advances	12.93		12.93	3.71		3.71	**7.16**		**7.16**
Income statement includes									
Depreciation	(1 088)	10	(1 078)	(126)	(10)	(136)	**(1 237)**	**–**	**(1 237)**
Amortisation	(5)	–	(5)	–	–	–	**(5)**	**–**	**(5)**
Net impairment charges	(25)	–	(25)	–	–	–	**(25)**	**–**	**(25)**
Statement of financial position includes									
Advances (before impairments)	7 540	–	7 540	120 399	–	120 399	**482 821**	**–**	**482 821**
Core lending advances	7 540	–	7 540	120 399	–	120 399	**482 821**	**–**	**482 821**
– Other core lending advances (AC and FV)	7 540	–	7 540	120 399	–	120 399	**482 821**	**–**	**482 821**
Assets under agreements to resell	–	–	–	–	–	–	**–**	**–**	**–**
Stage 3/NPLs	975	–	975	4 467	–	4 467	**34 552**	**–**	**34 552**
Total deposits (including non-recourse deposits)	377 356	–	377 356	450 056	–	450 056	**839 143**	**–**	**839 143**
Total assets	31 176	(3 914)	27 262	122 277	3 914	126 191	**489 429**	**–**	**489 429**
Total liabilities	23 218	(3 927)	19 291	118 080	3 927	122 007	**476 175**	**–**	**476 175**
Capital expenditure	1 351	–	1 351	385	–	385	**1 773**	**–**	**1 773**

Additional information on internal restructures continued

for the year ended 30 June 2024

Internal restructures took place during the period to better facilitate the execution of group strategy. These do not impact like-for-like comparisons at bank level, but they are material to certain individual segments.

FNB's segment disclosure has been updated for the reallocation of a number of transact and support activities from Retail to Commercial segments.

R million	Retail other previously published	Restatement	Retail other after reallocation	Commercial previously published	Restatement	Commercial after reallocation	**Total FNB previously published**	**Restatement**	**Total FNB after reallocation**
Net interest income before impairment of advances	7 717	(11)	7 706	15 595	11	15 606	**40 653**	**–**	**40 653**
Impairment charge	(583)	–	(583)	(844)	–	(844)	**(9 682)**	**–**	**(9 682)**
Net interest income after impairment of advances	7 134	(11)	7 123	14 751	11	14 762	**30 971**	**–**	**30 971**
Non-interest revenue	13 397	125	13 522	10 346	(125)	10 221	**30 795**	**–**	**30 795**
Income from operations	20 531	114	20 645	25 097	(114)	24 983	**61 766**	**–**	**61 766**
Operating expenses	(16 075)	(70)	(16 145)	(11 349)	70	(11 279)	**(36 815)**	**–**	**(36 815)**
Income before indirect tax	4 456	44	4 500	13 748	(44)	13 704	**24 951**	**–**	**24 951**
Indirect tax	(631)	–	(631)	(68)	–	(68)	**(797)**	**–**	**(797)**
Profit before tax	3 825	44	3 869	13 680	(44)	13 636	**24 154**	**–**	**24 154**
Income tax expense	(1 038)	(12)	(1 050)	(3 694)	12	(3 682)	**(6 527)**	**–**	**(6 527)**
Profit for the period	2 787	32	2 819	9 986	(32)	9 954	**17 627**	**–**	**17 627**
Attributable to									
Ordinary equityholders	2 787	32	2 819	9 986	(32)	9 954	**17 627**	**–**	**17 627**
Other equity instrument holders	–	–	–	–	–	–	**–**	**–**	**–**
Profit for the period	2 787	32	2 819	9 986	(32)	9 954	**17 627**	**–**	**17 627**
Attributable earnings to ordinary equityholders	2 787	32	2 819	9 986	(32)	9 954	**17 627**	**–**	**17 627**
Headline earnings adjustments	–	–	–	–	–	–	**–**	**–**	**–**
Headline earnings	2 787	32	2 819	9 986	(32)	9 954	**17 627**	**–**	**17 627**
TRS and IFRS 2 liability remeasurement	–	–	–	–	–	–	**–**	**–**	**–**
IAS 19 adjustment	–	–	–	–	–	–	**–**	**–**	**–**
Normalised earnings	2 787	32	2 819	9 986	(32)	9 954	**17 627**	**–**	**17 627**

Additional information on internal restructures continued

for the year ended 30 June 2024

R million	Retail other previously published	Restatement	Retail other after reallocation	Commercial previously published	Restatement	Commercial after reallocation	**Total FNB previously published**	**Restatement**	**Total FNB after reallocation**
Cost-to-income ratio (%)	76.1		76.1	43.7		43.7	**51.5**		**51.5**
Diversity ratio (%)	63.5		63.7	39.9		39.6	**43.1**		**43.1**
Credit loss ratio (%) – core lending advances	7.92		7.92	0.69		0.69	**1.99**		**1.99**
Stage 3/NPLs as a % of core lending advances	13.88		13.88	3.65		3.65	**7.61**		**7.61**
Income statement includes									
Depreciation	(2 201)	–	(2 201)	(291)	–	(291)	**(2 534)**	**–**	**(2 534)**
Amortisation	(19)	–	(19)	–	–	–	**(19)**	**–**	**(19)**
Net impairment charges	(82)	–	(82)	(34)	–	(34)	**(116)**	**–**	**(116)**
Statement of financial position includes									
Advances (before impairments)	7 314	–	7 314	129 838	–	129 838	**502 273**	**–**	**502 273**
Core lending advances	7 314	–	7 314	129 838	–	129 838	**502 273**	**–**	**502 273**
– Other core lending advances (AC and FV)	7 314	–	7 314	129 838	–	129 838	**502 273**	**–**	**502 273**
Assets under agreements to resell	–	–	–	–	–	–	**–**	**–**	**–**
Stage 3/NPLs	1 015	–	1 015	4 733	–	4 733	**38 207**	**–**	**38 207**
Total deposits (including non-recourse deposits)	388 145	–	388 145	463 398	–	463 398	**864 176**	**–**	**864 176**
Total assets	25 992	–	25 992	136 596	–	136 596	**507 076**	**–**	**507 076**
Total liabilities	10 861	44	10 905	128 637	(44)	128 593	**482 693**	**–**	**482 693**
Capital expenditure	3 250	–	3 250	617	–	617	**3 931**	**–**	**3 931**

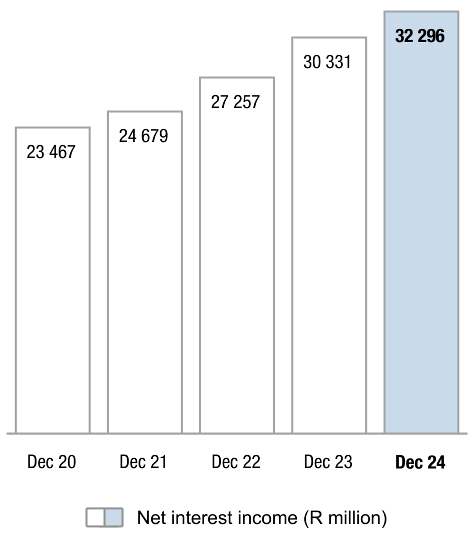
ANALYSIS OF RESULTS

Net interest income (before impairment of advances)

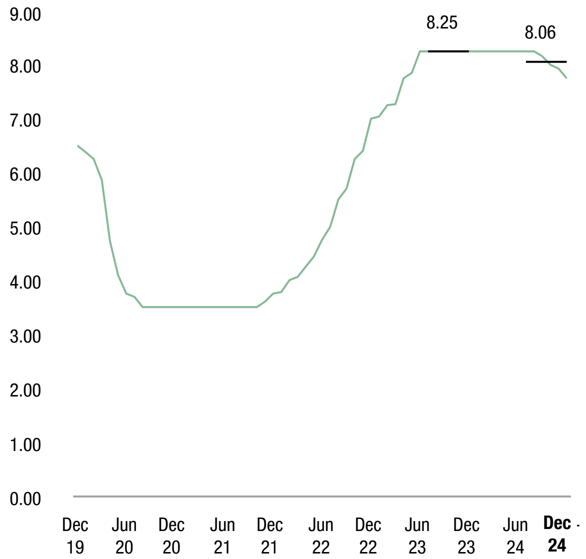
Net interest income (before impairment of advances) – up 6%

Net interest income
(R million)

NII CAGR 8%



Repo rate
(%)



The average endowment book for FirstRand Bank was c. R319 billion (December 2023: R293 billion).

For details on the bank's interest rate risk management approach please refer to the Basel Pillar 3 disclosures, which are available at www.firstrand.co.za/investors/integrated-reporting-hub/risk-disclosures/.

MARGIN CASCADE TABLE

	Six months ended 31 December				Year ended 30 June
	2024			2023	2024
Percentage of average interest-earning banking assets (%)	**Average interest-earning assets (R million)**	**NII (R million)**	**NIM (%)**	NIM (%)	NIM (%)
Opening normalised margin	**1 273 548**	**30 331**	**4.72**	4.60	4.70
Asset growth	**80 892**	**1 925**			
Balances with central banks	**2 506**				
Cash and cash equivalents	**(5 573)**				
Liquid assets	**2 904**				
Loans and advances	**81 055**				
Lending interest-earning assets		**(53)**	**–**	(0.03)	(0.03)
Asset pricing		**(23)**	**–**	(0.09)	(0.09)
Change in advances mix and other		**(30)**	**–**	0.06	0.06
Liabilities		**(748)**	**(0.11)**	0.05	(0.06)
Deposit endowment		**(388)**	**(0.06)**	0.05	0.03
Deposit pricing		**(693)**	**(0.10)**	(0.13)	(0.12)
Change in deposit mix and volume		**333**	**0.05**	0.13	0.03
Capital endowment (including ALM strategies)		**753**	**0.11**	0.09	0.12
Group Treasury, Centre and other activities		**88**	**0.01**	0.01	(0.01)
Closing normalised margin	**1 354 440**	**32 296**	**4.73**	4.72	4.72

Net interest income (before impairment of advances) continued

ACTIVITY ANALYSIS OF NET INTEREST INCOME BEFORE IMPAIRMENT OF ADVANCES

	Six months ended 31 December			Year ended 30 June
R million	2024	2023	% change	2024
Lending	**13 632**	13 105	4	26 346
Transactional*	**10 507**	9 813	7	19 932
Investment deposits	**2 252**	2 085	8	4 188
Capital endowment (including ALM strategies)	**5 794**	5 047	15	9 939
Group Treasury, Centre and other**	**111**	281	(60)	657
Total net interest income	**32 296**	30 331	6	61 062

* *Includes NII related to credit cards, overdrafts and transactional deposit products, and deposit endowment.*

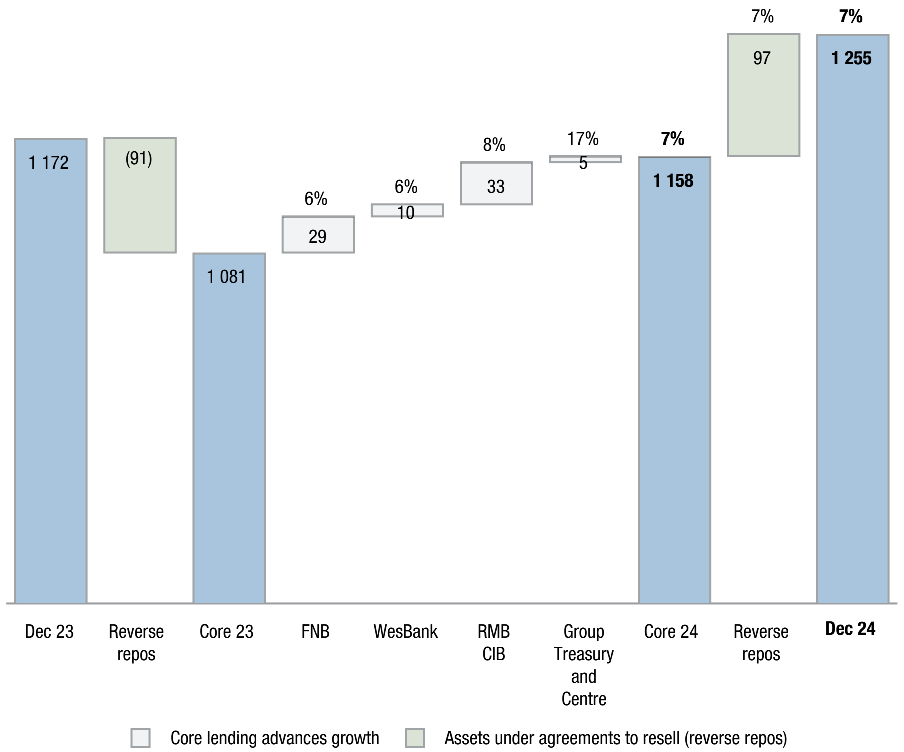
** *Other includes negative endowment, e.g. fixed assets.*

Key drivers – NII

- During the period average interest rates decreased 19 bps to 8.06% (December 2023: 8.25%).
- NII was driven by advances growth and continued deposit gathering, supported by the capital endowment and portfolio management activities.
- Lending NII increased 4%, underpinned by advances growth of 7%, which softened relative to December 2023 levels (+10%). SA retail and commercial average advances growth of 5% and margin outcomes still reflect the origination tilt to better-quality credit and change in mix towards lower-yielding products. RMB average advances (excluding marketable advances and preference shares) increased 17% period on period due to strong credit demand. Most portfolios were also impacted by higher levels of interest in suspense as non-performing loans increased. The impact of suspended interest on lending NII growth was 2%.
- The growth in NII on transactional balances reflects increased product volumes and new customer acquisition in FNB retail and commercial, and RMB. The current interest rate cycle resulted in a net endowment reduction, partially mitigated by the impact of the group's ALM strategy. Overall NII growth on transactional balances was further negatively impacted by the shift to investment deposits and the implementation of the deposit insurance scheme (R155 million) in April 2024.
- Increase in NII on investment deposits was underpinned by new product offerings and customers taking advantage of higher-yielding products.
- The NII on capital endowment benefited from a higher return on capital, due to larger invested capital balances supported by improved ALM portfolio management income and margins, together with additional investments in fixed-rate structural bonds.
- Group Treasury, Centre and other NII declined due to reduced earnings from funding and liquidity management activities. This decrease is attributed to lower relative gains from interest rate mismatches as rates have decreased.

Core lending advances – up 7%

Gross advances growth by business
(R billion)



Note: Percentages are calculated on R million numbers.

The table below unpacks gross advances growth, showing core lending advances and assets under agreements to resell, as well as the impact of currency movements on the RMB cross-border book.

	As at 31 December			As at 30 June	December 2024 vs June 2024
R million	2024	2023	% change	2024	% change
Total advances	**1 255 292**	1 172 208	7	1 183 585	6
Assets under agreements to resell	**(97 239)**	(90 881)	7	(67 757)	44
Total core lending advances (before currency impact)	**1 158 053**	1 081 327	7	1 115 828	4
Centre and dollar cross-border book currency impact*	**(1 201)**	–	–	1 161	(>100)
Core lending advances after currency impact	**1 156 852**	1 081 327	7	1 116 989	4

* *If the exchange rate (£1 = R23.60 and $1 = R18.81) had remained unchanged from 31 December 2023 (£1 = R23.57 and $1 = R18.53).*

For further information on the exchange rate, refer to page 162.

Net interest income (before impairment of advances) continued

Key drivers – advances

- Core lending advances growth remained resilient at 7% period on period but softened relative to December 2023 (+10%) as economic conditions continue to impact retail customer affordability, demand and arrears, resulting in risk cuts implemented in the retail unsecured portfolios. Although inflation is starting to ease and the interest-rate cutting cycle has commenced, it will take time for households to recover.
- In the retail secured advances portfolio, growth slowed to 4% period on period due to the cautious origination approach and increased competition for quality customers, further impacted by affordability pressures. Residential mortgage advances growth continued to soften, as anticipated, resulting in 4% growth period on period. WesBank VAF advances reflect a relatively stronger momentum, increasing 6% period on period with good demand for both used and new vehicles.
- The unsecured lending portfolio increased 4% period on period. The growth in card (+9% period on period) reflects increased sales and utilisation as households remain constrained. Since June 2024 growth in the card portfolio (+3%) decelerated due to a slowdown in utilisation coupled with risk cuts implemented. The personal loans portfolio increased 2% period on period but remained flat since June 2024, impacted by declining volumes in the DirectAxis portfolio, further rundown of the Covid-19 relief book and risk cuts.
- FNB commercial and WesBank corporate delivered strong growth across the portfolios, increasing 10% period on period. This performance was driven by targeted sector-specific origination strategies and focused growth in the SME segment, with significant contributions from property finance (+17%), overdrafts and working capital facilities (+18%), and specialised finance (+19%).
- RMB CIB core advances continued to show robust growth of 8% period on period, benefiting from sustained new business origination tilted towards better-rated counters in lower-volatility industries. The cross-border book reflected a solid performance with growth of 4% in dollar terms period on period. In rand terms growth was 6% period on period, supported by the rand's depreciation against the dollar. Refer to page 80 for the portfolio overview.
- Centre (including Group Treasury) advances increased period on period following the extension of a R3.8 billion liquidity facility to the Corporation for Deposit Insurance in terms of the deposit insurance scheme.
- Assets under agreements to resell (reverse repos) increased in Group Treasury, driven by liquidity deployment requirements.

AVERAGE BALANCE SHEET

		December 2024			December 2023		
R million	Notes	**Average balance**	**Interest income/ (expense)**	**Average rate %**	Average balance	Interest income/ (expense)	Average rate %
INTEREST-EARNING ASSETS							
Average prime rate (RSA)				**11.56**			11.75
Balances with central banks		**36 253**	**–**	**–**	33 747	–	–
Cash and cash equivalents*		**27 894**	**686**	**4.88**	33 467	974	5.77
Liquid assets portfolio**		**278 188**	**9 618**	**6.86**	275 284	9 246	6.66
Loans and advances to customers	1	**1 012 105**	**59 646**	**11.69**	931 050	53 353	11.37
Interest-earning assets		**1 354 440**	**69 950**	**10.24**	1 273 548	63 573	9.90
INTEREST-BEARING LIABILITIES							
Average repo rate (RSA)				**8.06**			8.25
Deposits due to customers	2	**(1 103 117)**	**(39 098)**	**7.03**	(1 000 744)	(33 104)	6.56
Group Treasury funding		**(266 494)**	**(10 821)**	**8.05**	(282 937)	(12 085)	8.47
Interest-bearing liabilities		**(1 369 611)**	**(49 919)**	**7.23**	(1 283 681)	(45 189)	6.98
ENDOWMENT AND TRADING BOOK							
Other assets#		**291 874**	**–**	**–**	270 624	–	–
Other liabilities†		**(141 070)**	**–**	**–**	(138 562)	–	–
AT1 instruments		**(14 518)**	**–**	**–**	(12 446)	–	–
Equity		**(121 115)**	**–**	**–**	(109 483)	–	–
Endowment and trading book		**15 171**	**12 265**	**>100**	10 133	11 947	>100
Total interest-bearing liabilities, endowment and trading book		**(1 354 440)**	**(37 654)**	**5.51**	(1 273 548)	(33 242)	5.18
Net interest margin on average interest-earning assets		**1 354 440**	**32 296**	**4.73**	1 273 548	30 331	4.72

Interest income represents the gross interest received on assets. Interest expense represents the gross interest paid on liabilities.

* *Include margin balances related to derivative transactions.*

** *Includes level 1 HQLA, level 2 HQLA and corporate bonds not qualifying as HQLA.*

Include preference share advances, trading assets and securitisation notes.

† *Include trading liabilities.*

Net interest income (before impairment of advances) continued

NOTE 1 – MARGIN ANALYSIS ON LOANS AND ADVANCES TO CUSTOMERS

	December 2024		December 2023	
R million	Average balance	Average margin %	Average balance	Average margin %
Average prime rate (RSA)		**11.56**		11.75
Advances				
Retail – secured	**388 990**	**1.78**	376 144	1.81
Residential mortgages	**275 096**	**1.33**	265 638	1.37
VAF	**113 894**	**2.89**	110 506	2.87
Retail – unsecured	**101 568**	**10.61**	95 979	10.74
Card	**43 157**	**7.54**	39 000	7.12
Personal loans	**53 151**	**13.48**	51 093	13.92
Retail other	**5 260**	**6.88**	5 886	7.08
Corporate and commercial	**521 547**	**2.15**	458 927	2.18
FNB commercial	**126 670**	**3.35**	115 404	3.32
– Mortgages	**39 299**	**2.08**	34 012	2.05
– Overdrafts	**51 576**	**4.60**	47 018	4.49
– Term loans	**35 795**	**2.93**	34 374	2.95
WesBank corporate	**60 107**	**2.04**	56 394	2.19
RMB CIB	**334 770**	**1.71**	287 129	1.72
Total advances	**1 012 105**	**2.86**	931 050	2.91

Margin analysis is based on net interest income as a percentage of average advances/deposits. Net interest income is calculated as the difference between the client rate (earned or paid) and the transfer pricing rate (earned or paid by Group Treasury). The average margin is, therefore, net of funds transfer pricing.

The bank operates a transfer pricing framework that incorporates the base interest rate, statutory cost and benefits into product pricing, including any regulatory costs for all significant business activities on- and off-balance sheet. This aligns liquidity risk-taking incentives of individual business units with the liquidity risk exposure created for the group as a whole.

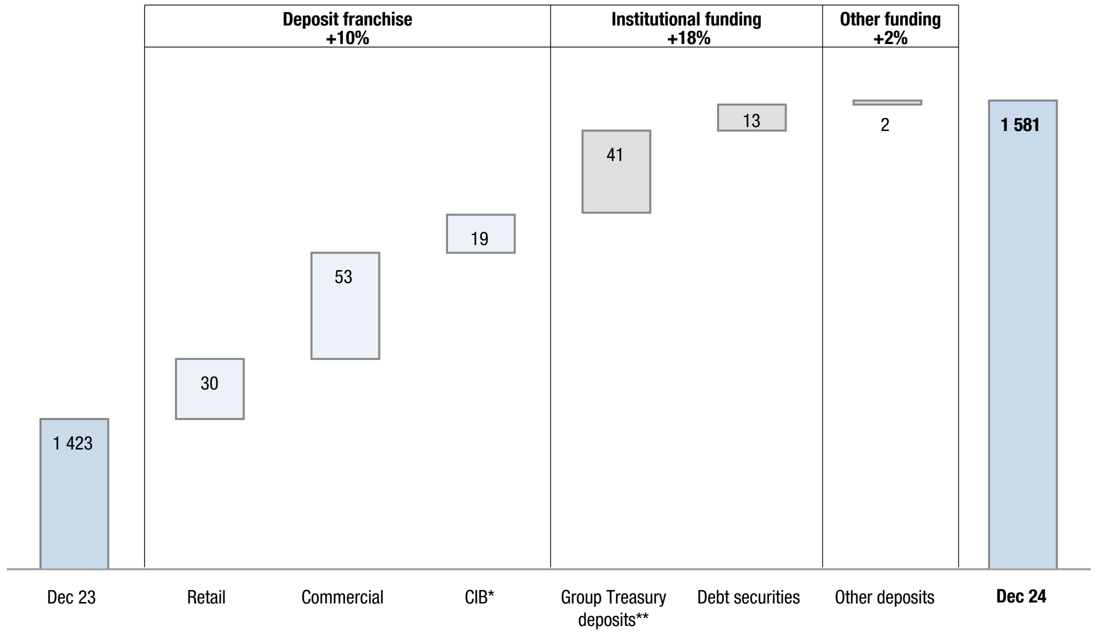
Where fixed-rate commitments are undertaken (fixed-rate loans or fixed deposits), transfer pricing will also include the cost of transferring the interest rate risk.

Key drivers – advances margin

- Advances margins continue to reflect the group's origination approach in retail and stronger growth in lower-margin commercial and corporate portfolios. The market remained highly competitive in all customer segments.
- As a result of this origination tilt and the shift in asset mix, given stronger growth in secured origination relative to the higher-margin unsecured books as they run off, SA retail margins decreased. The implementation of pricing changes on new business in the residential mortgages portfolio has yielded encouraging results, although it will take time to translate into a noticeable benefit to the overall margin. Margins also continue to be negatively impacted by increased interest in suspense on non-performing loans and the lower relative growth in the unsecured portfolios.
- FNB commercial margins improved as a result of a change in composition of the book, with lower-priced customers rolling off and strong growth in the higher-margin SME segment on the back of targeted growth strategies.
- WesBank corporate margins declined due to a change in mix of new business towards better-quality customers.
- RMB margins decreased marginally in the large corporate client sector due to portfolio mix changes to better-rated counters, with significant growth in infrastructure and renewable energy exposures. The margin was further impacted by interest in suspense on increased non-performing loans and the roll-off and settlement of some higher-margin exposures.

Funding – up 11%

Funding growth by segment
(R billion)



* *Includes South Africa and the London branch.*

** *Group Treasury deposits include the SARB funding facility related to the South African Covid-19 government-guaranteed loan scheme and the government's bounce-back facility.*

Key drivers – deposits and funding

Deposit franchise

- The ongoing strong performance in FNB retail (+8%) and commercial (+12%) deposits was supported by product updates across segments and healthy new customer acquisition. Growth was driven by lower-margin investment deposits (+9% in retail and +14% in commercial) and Islamic deposits (+18% in retail and +22% in commercial). Transactional deposit growth (+4% in retail and +5% in commercial) reflects customer behaviour seeking higher yields on savings and investment balances.
- RMB continues to focus on growing operational balances by pursuing a primary-banked client strategy. This resulted in average operational balances increasing 9% and robust growth in average investment deposits of 19%.

Institutional funding

- Institutional funding increased primarily due to increases in fixed deposits and the National Treasury Tax and Loan account. Growth in debt securities was measured, with some pre-funding ahead of expected maturities in 2025.

Net interest income (before impairment of advances) continued

NOTE 2 – MARGIN ANALYSIS ON DEPOSITS DUE TO CUSTOMERS

R million	December 2024 Average balance	December 2024 Average margin %	December 2023 Average balance	December 2023 Average margin %
Average repo rate (RSA)		**8.06**		8.25
Deposits				
Retail	**370 202**	**1.80**	339 718	2.04
Current and savings	**96 569**	**5.37**	93 223	5.82
Call	**149 445**	**0.70**	129 525	0.76
Term	**124 188**	**0.33**	116 970	0.44
Commercial	**473 348**	**2.42**	434 483	2.56
Current and savings	**157 155**	**5.84**	147 983	6.13
Call	**140 405**	**1.15**	134 947	1.13
Term	**175 788**	**0.36**	151 553	0.36
Corporate and investment banking	**259 567**	**0.89**	226 543	0.85
Current and savings	**114 570**	**1.57**	105 971	1.49
Call	**92 713**	**0.44**	77 552	0.35
Term	**52 284**	**0.20**	43 020	0.16
Total deposits	**1 103 117**	**1.85**	1 000 744	2.00

Note: Deposit margins reflected in the table above are before ALM strategies.
Average balances are daily averages for FNB and WesBank, and monthly averages for RMB.

Key drivers – deposit margins

- FNB's retail and commercial deposit margins were impacted by changes in product mix between high-margin transact balances and lower-margin invest accounts. Margins were further impacted by the implementation of the deposit insurance scheme in April 2024 and the negative impact of rate cuts on endowment.
- RMB deposit margins expanded due to client demand for higher-yield structured products and optimised funding frameworks. The absolute increase in margins was however moderated by portfolio mix changes as deposit growth was tilted towards low-margin investment deposits and lower growth in higher-margin operational deposits.

Credit

CREDIT HIGHLIGHTS AT A GLANCE

R million	Notes	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Total gross advances		**1 255 292**	1 172 208	7	1 183 585
Total core lending advances	2 on p.78	**1 158 053**	1 081 327	7	1 115 828
– Performing core lending advances		**1 103 556**	1 034 096	7	1 064 768
– Stage 1		**1 028 190**	953 507	8	982 427
– Stage 2		**75 366**	80 589	(6)	82 341
– Stage 3/NPLs	4 on p.88	**54 497**	47 231	15	51 060
Assets under agreements to resell		**97 239**	90 881	7	67 757
Stage 3/NPLs as a % of core lending advances	4 on p.88	**4.71**	4.37		4.58
Core lending advances (net of impairment)		**1 116 551**	1 042 985	7	1 075 371
Total impairments		**41 502**	38 342	8	40 457
Portfolio impairments	3 on p.86	**17 023**	16 473	3	17 294
– Stage 1		**8 229**	7 452	10	7 862
– Stage 2		**8 794**	9 021	(3)	9 432
Stage 3 impairments	4 on p.88	**24 479**	21 869	12	23 163
Coverage ratios					
Performing book coverage ratio (%) – core lending advances*	3 on p.86	**1.54**	1.59		1.62
Specific coverage ratio (%)**	4 on p.88	**44.9**	46.3		45.4
Income statement analysis					
Impairment charge	1 on p.68	**6 134**	5 332	15	12 451
Credit loss ratio (%) – core lending advances	1 on p.68	**1.08**	1.01		1.16

* *Portfolio impairments as a % of the performing core lending advances book (stage 1 and stage 2).*
** *Specific impairments as a % of stage 3/NPLs.*

Credit continued

Impairment charge

ANALYSIS OF IMPAIRMENT CHARGE

The table reflects changes in the impairment charge on a rolling six-month basis, based on movements in the balance sheet provisions.

	Six months ended				December 2024 vs December 2023	June 2024 vs December 2023	December 2023 vs June 2023
R million	**31 December 2024**	30 June 2024	31 December 2023	30 June 2023	% change	% change	% change
Movement in balance sheet provisions							
Performing book provisions	**(271)**	821	46	452	(>100)	>100	(90)
– Stage 1	**367**	410	73	(354)	>100	>100	(>100)
– Stage 2	**(638)**	411	(27)	806	>100	(>100)	(>100)
NPL provision	**1 316**	1 294	1 761	731	(25)	(27)	>100
Credit provision increase	**1 045**	2 115	1 807	1 183	(42)	17	53
Gross write-off and other	**7 265**	6 892	5 374	5 352	35	28	–
– Bad debts written off*	**7 260**	6 875	5 343	5 772	36	29	(7)
– Exchange rate and other	**5**	17	31	(420)	(84)	(45)	(>100)
Amounts recognised directly in income statement							
Modification loss	**415**	504	357	318	16	41	12
Interest suspended on stage 3 advances	**(1 772)**	(1 594)	(1 389)	(1 115)	28	15	25
Post write-off recoveries	**(819)**	(798)	(817)	(1 202)	–	(2)	(32)
Total impairment charge	**6 134**	7 119	5 332	4 536	15	34	18
Credit loss ratio (%) – core lending advances	**1.08**	1.30	1.01	0.91			

* *Write-off of gross balances, excluding prior period provisions held which have been recognised in the income statement over various reporting periods.*

Impairment charge

The impairment charge increased 15%, mainly due to the retail and commercial portfolios, in part driven by book growth, with economic strain still evident in the back book. The absolute increase in the impairment charge was moderated by softer advances growth in certain portfolios and releases in FLI modelled provisions as the economic outlook improves. Despite the decrease in interest rates and the lower inflation, it will take time for these to have a significant impact on customers and impairment outcomes. Commercial impairments have trended upward, in line with expectations, given the strong advances growth. Although retail impairments continued to increase, the pace has slowed compared to the six months ended 30 June 2024 as macroeconomic pressures show some signs of easing. The overall increase was mitigated by an improved credit performance from the corporate portfolio. The CLR at 108 bps (December 2023: 101 bps) which is near the bottom end of the bank's TTC range of 100 bps – 130 bps.

The impairment charge increased R802 million period on period, mainly due to the following movements in the balance sheet provisions (a further analysis is contained in note 1 on pages 68 to 73):

- Stage 1 provisions increased R367 million, driven by the continued growth in advances across all portfolios and an increase in stage 1 coverage. The increase was driven by RMB as a result of counters migrating from the watchlist to stage 1. This was partially offset by a decrease in stage 1 coverage in the remaining portfolios due to an improved macro outlook, leading to the release of forward-looking modelled provisions.
- Stage 2 provisions decreased R638 million, as stage 2 advances across most portfolios declined since June 2024, except for residential mortgages. The decrease was partly due to exposures moving to stage 1 on the back of lower SICR levels and migrations to stage 3. This was partially offset by an increase in stage 2 coverage, mainly from the corporate and commercial portfolios. These movements are detailed on page 85.
- Stage 3 provisions continued to increase, though at a slower pace than during previous periods.
- The bank's stage 3 coverage declined since June 2024 due to highly secured exposures in the corporate portfolio migrating to stage 3. Excluding the corporate portfolio, stage 3 coverage in the remaining portfolios was largely maintained at June 2024 levels. The retail stage 3 coverage increased due to underlying portfolio composition shifts and additional provisions raised in the residential mortgages portfolio to reflect softer house price index growth. In the unsecured portfolios it was driven by an increase in operational NPLs with higher coverage as consumers continued to experience financial strain. The NPL coverage in the corporate and commercial portfolios declined due to new inflows with lower coverages. These changes are unpacked on page 85.
- Net write-offs increased, primarily due to higher bad debts written off in the retail portfolio as NPL inflows increased over the past two reporting periods, with many of these exposures reaching their write-off point.

In addition to the general drivers of the impairment charge outlined above, the CLR across the portfolios was driven by the following factors:

- Retail's CLR increased to 201 bps (December 2023: 194 bps), as economic strain continued to play out in the portfolio, with the increase in stage 3 provisions being the largest driver of the charge. The CLR has, however, decreased from June 2024 levels and is within the TTC range for this portfolio. The overall increase was partially offset by cautious releases in modelled FLI provisions due to an improving macro outlook in the current period. In addition, the following portfolio-specific drivers were noted:
  - Residential mortgages' CLR increased to 27 bps (December 2023: 24 bps), primarily driven by continued house price pressure impacting losses given default (LGDs), reflected in a period-on-period increase in performing and stage 3 coverage. Since June 2024, there has been some improvement in this trend.
  - The WesBank VAF CLR increased to 162 bps (December 2023: 155 bps), reflecting strong advances growth largely offset by moderate reductions in forward-looking impairments.
- FNB commercial and WesBank corporate's CLR increased to 82 bps (December 2023: 45 bps), mainly due to strong advances growth. Origination strain played out in the portfolio, most notably in the SME segment and the default of a large property exposure. This increase comes from a low base, as the prior period charge benefited from the curing of large exposures and the release of sector- and event-related provisions.
- The RMB (excluding HQLA) CLR decreased to 16 bps (December 2023: 19 bps). The current period impairment charge is the result of a combination of raises following strong book growth and increased risk in specific pockets of the portfolio which resulted in additional stage 3 provisions being raised, partly offset by positive migrations from stage 2 as the underlying performance of the counters improved.

Credit continued

Note 1: Analysis of income statement credit impairments

IMPAIRMENT CHARGE PER PORTFOLIO

	Total impairment charge				As a % of average core lending advances			
	Six months ended 31 December			Year ended 30 June	Six months ended 31 December		Year ended 30 June	Six months ended 30 June
R million	2024	2023	% change	2024	2024	2023	2024	2024
Retail	**4 914**	4 521	9	10 637	**2.01**	1.94	2.25	**2.56**
Retail – secured	**1 294**	1 140	14	2 984	**0.67**	0.62	0.80	**0.98**
Residential mortgages	**374**	309	21	1 185	**0.27**	0.24	0.45	**0.66**
WesBank VAF	**920**	831	11	1 799	**1.62**	1.55	1.66	**1.76**
Retail – unsecured	**3 620**	3 381	7	7 653	**7.08**	7.01	7.79	**8.53**
FNB card	**1 192**	912	31	2 256	**5.69**	4.80	5.75	**6.70**
Personal loans	**2 238**	2 160	4	4 814	**8.42**	8.47	9.32	**10.09**
Retail other	**190**	309	(39)	583	**5.27**	8.27	7.92	**7.38**
Corporate and commercial	**1 120**	753	49	1 953	**0.36**	0.27	0.34	**0.41**
FNB commercial and WesBank corporate	**799**	397	>100	1 097	**0.82**	0.45	0.61	**0.76**
FNB commercial	**700**	270	>100	844	**1.06**	0.46	0.69	**0.92**
WesBank corporate and commercial	**99**	127	(22)	253	**0.32**	0.45	0.44	**0.42**
RMB CIB	**321**	356	(10)	856	**0.16**	0.19	0.23	**0.26**
– Lending	**322**	356	(10)	857	**0.16**	0.19	0.23	**0.26**
– Loans to private equity investee companies	**(1)**	–	–	(1)	**(0.65)**	–	(0.31)	**(0.62)**
Centre (including Group Treasury)	**100**	58	72	(139)	**0.60**	0.39	(0.43)	**(1.27)**
Securitisation notes	**(10)**	(5)	100	4	**(0.07)**	(0.04)	0.02	**0.07**
Other	**110**	63	75	(143)	**3.31**	2.89	(2.36)	**(8.22)**
Total impairment charge	**6 134**	5 332	15	12 451	**1.08**	1.01	1.16	**1.30**
Of which:								
Portfolio impairments charge	**1 711**	1 652	4	3 347	**0.30**	0.31	0.31	**0.31**
Specific impairments charge	**4 423**	3 680	20	9 104	**0.78**	0.70	0.85	**0.99**

Income statement components

The table on the next page analyses the income statement charge based on total balance sheet provision movements and amounts that are recognised directly in the income statement. Below are the definitions of the income statement components.

Income statement component	Definition
Volume change in stage 1	Determined by using the same stage 1 coverage as in the prior period, applied to the movement between prior and current period stage 1 advances.
Change in stage 1 coverage	Calculated as the difference in coverage period on period, multiplied by the comparative period stage 1 advances.
Volume change in stage 2	Determined by using the stage 2 coverage in the prior period applied to the movement between prior and current period stage 2 advances.
Change in stage 2 coverage	Calculated as the difference in coverage period on period, multiplied by the comparative period stage 2 advances.
Change in stage 3 provisions	Difference between current and prior period NPLs. Includes the movements in interest suspended on stage 3 advances.
Gross write-offs and other	Gross advances written off and foreign exchange movements, acquisition and disposal of advances and transfers to non-current assets held for sale.

Credit continued

INCOME STATEMENT ANALYSIS PER PORTFOLIO

	Six months ended 31 December 2024													
	Movement in the balance sheet provisions									**Recognised directly in the income statement**				
R million	Volume change in stage 1	Change in stage 1 coverage	Volume change in stage 2	Change in stage 2 coverage	**Performing book provisions**	Change in stage 3 provisions	**Credit provision increase**	Gross write-off and other*	**Current year ECL provided**	Modification loss	Interest suspended on stage 3 advances	Post write-off recoveries	**Total**	CLR %
Retail	**69**	**(116)**	**(201)**	**19**	**(229)**	**1 049**	**820**	**5 802**	**6 622**	**419**	**(1 424)**	**(703)**	**4 914**	**2.01**
– Secured	**53**	**6**	**(31)**	**12**	**40**	**320**	**360**	**1 426**	**1 786**	**34**	**(385)**	**(141)**	**1 294**	**0.67**
– Unsecured	**16**	**(122)**	**(170)**	**7**	**(269)**	**729**	**460**	**4 376**	**4 836**	**385**	**(1 039)**	**(562)**	**3 620**	**7.08**
– FNB centre	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Commercial	**51**	**(13)**	**(55)**	**58**	**41**	**322**	**363**	**816**	**1 179**	**(4)**	**(292)**	**(84)**	**799**	**0.82**
Corporate	**142**	**246**	**(541)**	**82**	**(71)**	**454**	**383**	**23**	**406**	**–**	**(56)**	**(29)**	**321**	**0.16**
Centre	**15**	**(27)**	**(3)**	**3**	**(12)**	**(509)**	**(521)**	**624**	**103**	**–**	**–**	**(3)**	**100**	**0.60**
Total	**277**	**90**	**(800)**	**162**	**(271)**	**1 316**	**1 045**	**7 265**	**8 310**	**415**	**(1 772)**	**(819)**	**6 134**	**1.08**

	Six months ended 31 December 2023													
	Movement in the balance sheet provisions									Recognised directly in the income statement				
R million	Volume change in stage 1	Change in stage 1 coverage	Volume change in stage 2	Change in stage 2 coverage	**Performing book provisions**	Change in stage 3 provisions	**Credit provision increase**	Gross write-off and other*	**Current year ECL provided**	Modification loss	Interest suspended on stage 3 advances	Post write-off recoveries	**Total**	CLR %
Retail	129	(279)	64	(94)	**(180)**	1 707	**1 527**	4 461	**5 988**	357	(1 107)	(717)	**4 521**	1.94
– Secured	37	(59)	17	(23)	**(28)**	584	**556**	975	**1 531**	24	(272)	(143)	**1 140**	0.62
– Unsecured	92	(320)	47	(71)	**(252)**	1 123	**871**	3 586	**4 457**	333	(835)	(574)	**3 381**	7.01
– FNB centre	–	100	–	–	**100**	–	**100**	(100)	**–**	–	–	–	**–**	–
Commercial	59	70	12	(20)	**121**	(142)	**(21)**	762	**741**	–	(260)	(84)	**397**	0.45
Corporate	130	(27)	127	(116)	**114**	149	**263**	120	**383**	–	(22)	(5)	**356**	0.19
Centre	(4)	(5)	(4)	4	**(9)**	47	**38**	31	**69**	–	–	(11)	**58**	0.39
Total	314	(241)	199	(226)	**46**	1 761	**1 807**	5 374	**7 181**	357	(1 389)	(817)	**5 332**	1.01

* *Write-off of gross balances, excluding prior period provisions held, which have been recognised in the income statement over various reporting periods.*

Credit continued

R million	Six months ended 30 June 2024													
	Movement in the balance sheet provisions									Recognised directly in the income statement				
	Volume change in stage 1	Change in stage 1 coverage	Volume change in stage 2	Change in stage 2 coverage	**Performing book provisions**	Change in stage 3 provisions	**Credit provision increase**	Gross write-off and other*	**Current year ECL provided**	Modification loss	Interest suspended on stage 3 advances	Post write-off recoveries	**Total**	CLR %
Retail	58	(154)	354	116	**374**	1 584	**1 958**	5 511	**7 469**	504	(1 284)	(573)	**6 116**	2.56
– Secured	26	(30)	31	185	**212**	746	**958**	1 287	**2 245**	60	(373)	(88)	**1 844**	0.98
– Unsecured	32	(24)	323	(69)	**262**	838	**1 100**	4 124	**5 224**	444	(911)	(485)	**4 272**	8.53
– FNB centre	–	(100)	–	–	**(100)**	–	**(100)**	100	**–**	–	–	–	**–**	–
Commercial	75	50	35	(257)	**(97)**	375	**278**	769	**1 047**	–	(271)	(76)	**700**	0.76
Corporate	6	156	18	152	**332**	(374)	**(42)**	581	**539**	–	(39)	–	**500**	0.26
Centre	9	210	(9)	2	**212**	(291)	**(79)**	31	**(48)**	–	–	(149)	**(197)**	(1.27)
Total	148	262	398	13	**821**	1 294	**2 115**	6 892	**9 007**	504	(1 594)	(798)	**7 119**	1.30

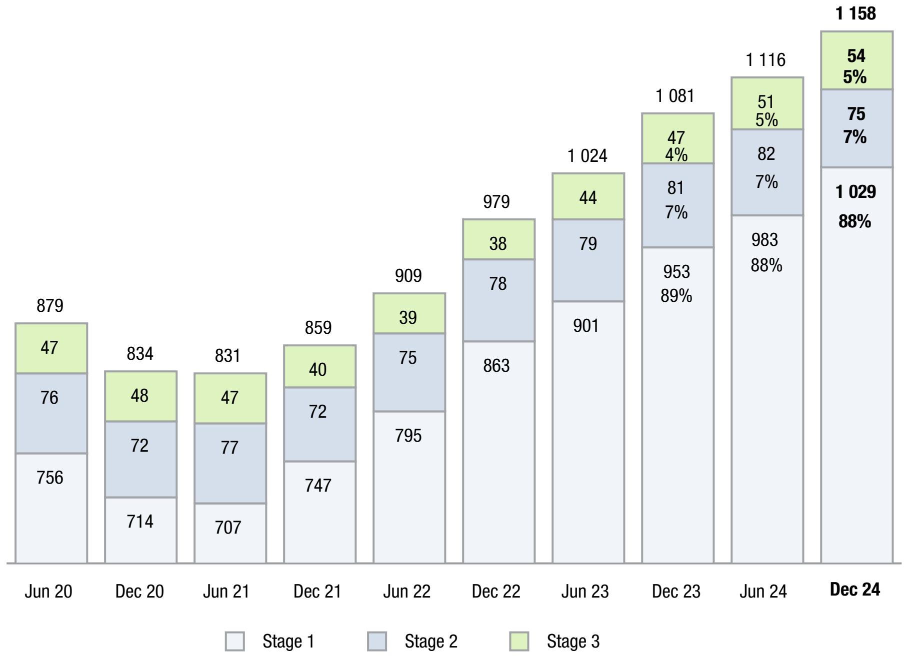
R million	Year ended 30 June 2024													
	Movement in the balance sheet provisions									Recognised directly in the income statement				
	Volume change in stage 1	Change in stage 1 coverage	Volume change in stage 2	Change in stage 2 coverage	**Performing book provisions**	Change in stage 3 provisions	**Credit provision increase**	Gross write-off and other*	**Current year ECL provided**	Modification loss	Interest suspended on stage 3 advances	Post write-off recoveries	**Total**	CLR %
Retail	187	(433)	434	6	**194**	3 291	**3 485**	9 972	**13 457**	861	(2 391)	(1 290)	**10 637**	2.25
– Secured	64	(90)	49	161	**184**	1 330	**1 514**	2 262	**3 776**	84	(645)	(231)	**2 984**	0.80
– Unsecured	123	(343)	385	(155)	**10**	1 961	**1 971**	7 710	**9 681**	777	(1 746)	(1 059)	**7 653**	7.79
– FNB centre	–	–	–	–	**–**	–	**–**	–	**–**	–	–	–	**–**	–
Commercial	139	115	46	(276)	**24**	233	**257**	1 531	**1 788**	–	(531)	(160)	**1 097**	0.61
Corporate	137	128	146	35	**446**	(225)	**221**	701	**922**	–	(61)	(5)	**856**	0.22
Centre	5	205	(10)	3	**203**	(244)	**(41)**	62	**21**	–	–	(160)	**(139)**	(0.43)
Total	468	15	616	(232)	**867**	3 055	**3 922**	12 266	**16 188**	861	(2 983)	(1 615)	**12 451**	1.16

* *Write-off of gross balances, excluding prior period provisions held, which have been recognised in the income statement over various reporting periods.*

Credit continued

Stage distribution of advances

Total core lending advances by stage
(% per stage in R billion)



Stage 3 non-performing loans

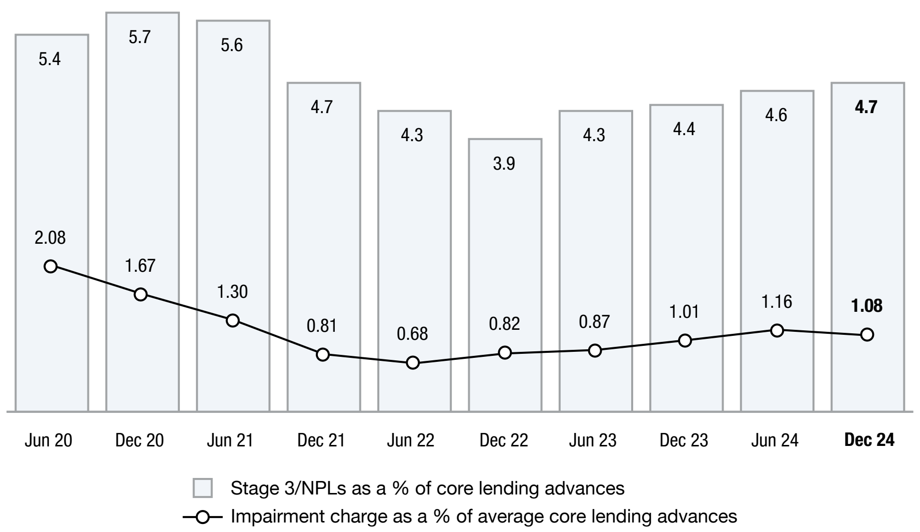
CHANGE IN NPLs

	31 December 2024 vs 31 December 2023			31 December 2024 vs 30 June 2024		
	R million	**% change**	**Percentage point contribution to overall NPL increase**	R million	% change	Percentage point contribution to overall NPL increase
Operational NPLs*	**5 156**	**14**	**11**	2 913	8	6
Other paying NPLs**	**2 110**	**18**	**4**	524	4	1
Change in total bank NPLs	**7 266**	**15**	**15**	3 437	7	7

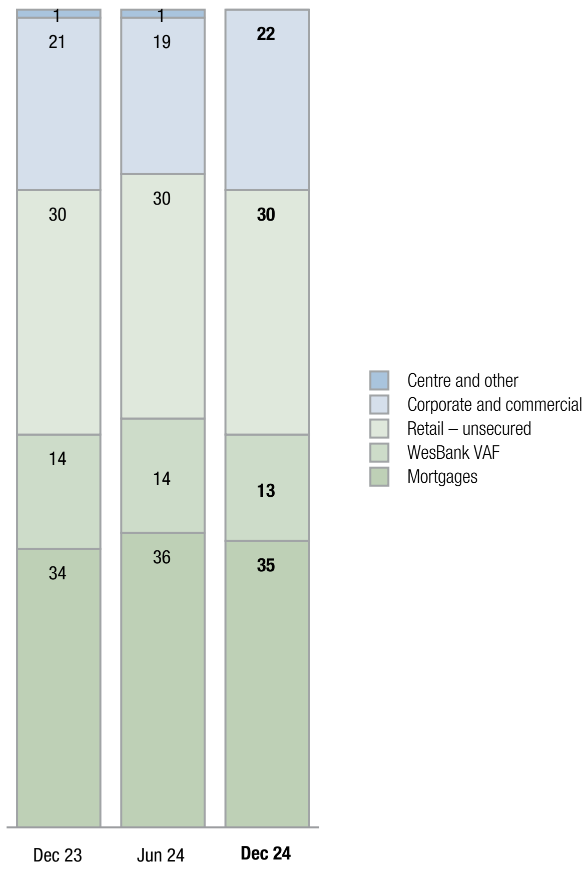
* *Include debt-review and other core lending advances ≥90 days in arrears.*
** *Include debt-review and other core lending advances <90 days in arrears and still subject to curing criteria.*

Stage 3 non-performing loans

NPL and impairment history
%



NPL DISTRIBUTION
(%)



Credit continued

Stage distribution of advances

Stage 1 advances

The increase in stage 1 core lending advances reflects the current period advances growth. A further analysis is contained in note 2 on page 78.

Stage 2 advances

Stage 2 advances decreased period on period and post June 2024, largely driven by the corporate and commercial portfolios. Retail stage 2 advances increased period on period, although a slowdown in new inflows in stage 2 advances in the retail portfolios was noted since June 2024. Stage 2 advances continue to consist predominantly of current exposures that are triggered by SICR indicators. The drivers of these movements are unpacked below.

- Retail stage 2 advances increased period on period driven by the residential mortgages and personal loans portfolios as underlying repayment pressure continued. Stage 2 advances reduced marginally after June 2024, with the increase in residential mortgages offset by decreases in the remaining portfolios due to a decline in SICR exposures as a result of an improvement in forward-looking macro assumptions.
- The decrease in FNB commercial and WesBank's corporate stage 2 advances was due to lower SICR levels, curing of large exposures, and the negative migration of a few significant exposures to stage 3.
- RMB stage 2 advances decreased period on period and since June 2024 as a result of the migration of a few significant exposures to stage 3 and the curing of material counters. The decline in stage 2 as a percentage of total advances also reflects strong book growth to better-rated counters.

A further analysis is contained in note 2 on page 78.

Stage distribution of advances

Stage 3 advances/NPLs

Stage drift continued, reflecting the impact of origination strain and the lagged effect of inflationary and interest rate relief translating into real benefit for customers. As a result, stage 3 advances continued to trend upwards across most portfolios and NPLs as a percentage of core lending advances increased to 4.71% (December 2023: 4.37%; June 2024: 4.58%).

- Retail NPLs increased 15% period on period, driven by the residential mortgages and unsecured portfolios. The NPL ratio increased to 8.58% (December 2023: 7.80%; June 2024: 8.39%) driven by arrears emergence, reflecting the continued strain on customers. An increase in the proportion of paying stage 3 advances was noted period on period, with a noticeable increase in customers entering the debt counselling process. However, this has normalised since June 2024. Retail advances under debt review increased 14.8% period on period and 6.2% since June 2024. The debt review book amounts to 4.4% (December 2023: 4.0%; June 2024: 4.2%) of total retail advances. Although inflows have receded from the peak, the levels are still elevated and are expected to remain structurally higher.
- WesBank VAF NPLs as a percentage of advances decreased to 6.03% (December 2023: 6.13%; June 2024: 6.38%) driven by lower operational NPLs and the acceleration of write-offs.
- FNB commercial and WesBank corporate NPLs increased as a result of a few large exposures relegated to stage 3 and strain in the SME segment.
- The period-on-period increase of 31% in RMB NPLs is a result of the migration of a few significant secured exposures into stage 3. The RMB NPL ratio increased to 1.35% (December 2023: 1.12%; June 2024: 1.03%), with coverage decreasing to 27.6% (December 2023: 34.3%; June 2024: 27.8%) due to inflows of highly collateralised secured exposures.

A further analysis is provided in note 4 on page 88.

Credit continued

Note 2: Analysis of advances

IMPAIRMENT STAGING AND PORTFOLIO ANALYSIS OF ADVANCES

	Advances										
	As at 31 December			As at 31 December			As at 31 December				As at 30 June
				2024			2023				
R million	2024	2023	% change	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	% composition 2024	2024
Retail	**491 891**	471 518	4	**402 962**	**46 742**	**42 187**	389 223	45 518	36 777	**39**	483 856
Retail – secured	**389 245**	373 183	4	**328 283**	**34 915**	**26 047**	316 183	34 240	22 760	**31**	381 882
Residential mortgages	**273 819**	264 087	4	**231 593**	**23 139**	**19 087**	225 961	22 058	16 068	**22**	270 461
WesBank VAF	**115 426**	109 096	6	**96 690**	**11 776**	**6 960**	90 222	12 182	6 692	**9**	111 421
Retail – unsecured	**102 646**	98 335	4	**74 679**	**11 827**	**16 140**	73 040	11 278	14 017	**8**	101 974
FNB card	**42 478**	38 882	9	**33 756**	**2 864**	**5 858**	31 461	2 914	4 507	**3**	41 374
Personal loans	**53 059**	51 913	2	**35 346**	**8 399**	**9 314**	35 647	7 731	8 535	**4**	53 286
Retail other	**7 109**	7 540	(6)	**5 577**	**564**	**968**	5 932	633	975	**1**	7 314
Corporate and commercial	**632 672**	581 286	9	**591 823**	**28 618**	**12 231**	536 492	35 011	9 783	**50**	598 308
FNB commercial and WesBank corporate	**198 186**	180 162	10	**179 782**	**11 840**	**6 564**	161 981	12 732	5 449	**16**	190 056
FNB commercial	**135 164**	120 399	12	**121 332**	**8 596**	**5 236**	107 350	8 582	4 467	**11**	129 838
WesBank corporate and commercial	**63 022**	59 763	5	**58 450**	**3 244**	**1 328**	54 631	4 150	982	**5**	60 218
RMB CIB*	**419 050**	385 783	9	**396 605**	**16 778**	**5 667**	359 170	22 279	4 334	**33**	387 688
– Lending	**418 738**	385 436	9	**396 293**	**16 778**	**5 667**	358 823	22 279	4 334	**33**	387 389
– Loans to private equity investee companies	**312**	347	(10)	**312**	**–**	**–**	347	–	–	**–**	299
HQLA corporate advances*,**	**15 436**	15 341	1	**15 436**	**–**	**–**	15 341	–	–	**1**	20 564
Centre (including Group Treasury)	**33 490**	28 523	17	**33 405**	**6**	**79**	27 792	60	671	**3**	33 664
Securitisation notes	**26 900**	25 216	7	**26 900**	**–**	**–**	25 216	–	–	**2**	26 951
Other	**6 590**	3 307	99	**6 505**	**6**	**79**	2 576	60	671	**1**	6 713
Total core lending advances	**1 158 053**	1 081 327	7	**1 028 190**	**75 366**	**54 497**	953 507	80 589	47 231	**92**	1 115 828
Assets under agreements to resell	**97 239**	90 881	7	**97 239**	**–**	**–**	90 881	–	–	**8**	67 757
Total advances	**1 255 292**	1 172 208	7	**1 125 429**	**75 366**	**54 497**	1 044 388	80 589	47 231	**100**	1 183 585
Total advances excluding currency impact of the Centre and RMB cross-border#	**1 254 091**	1 172 208	7	**1 124 279**	**75 331**	**54 481**	1 044 388	80 589	47 231		1 184 746
Of which:											
Amortised cost book	**1 121 851**	1 035 270	8	**994 262**	**73 982**	**53 607**	911 404	77 339	46 527	**89**	1 079 725
Fair value book	**133 441**	136 938	(3)	**131 167**	**1 384**	**890**	132 984	3 250	704	**11**	103 860

* *RMB CIB, including HQLA core lending advances of R434.5 billion (December 2023: R401.1 billion; June 2024: R408.3 billion).*

** *Managed by the Group Treasurer.*

\# *If the exchange rate had remained unchanged from 31 December 2023.*

Credit continued

CIB ADVANCES BREAKDOWN

	Advances				
	As at 31 December			% com-position	As at 30 June
R million	2024	2023	% change	2024	2024
RMB CIB core lending advances	**419 050**	385 783	9	**81**	387 688
– South Africa	**339 694**	310 842	9	**66**	319 619
– Cross-border (broader Africa)	**79 356**	74 941	6	**15**	68 069
– Cross-border (broader Africa) – $ million	**4 219**	4 045	4		3 736
HQLA corporate advances*	**15 436**	15 341	1	**3**	20 564
CIB total core lending advances	**434 486**	401 124	8	**84**	408 252
CIB total lending advances	**434 174**	400 777	8	**84**	407 953
CIB shareholder loans to private equity investing companies	**312**	347	(10)	**–**	299
CIB total core lending advances	**434 486**	401 124	8	**84**	408 252
CIB core advances – South Africa**	**355 130**	326 183	9	**69**	340 183
CIB core advances – broader Africa#	**79 356**	74 941	6	**15**	68 069
CIB total core lending advances	**434 486**	401 124	8	**84**	408 252
Assets under agreements to resell	**80 985**	83 742	(3)	**16**	60 301
CIB total advances	**515 471**	484 866	6	**100**	468 553
RMB cross-border total advances excluding currency impact†	**78 155**	74 941	4		**69 214**

* *Managed by the Group Treasurer.*

** *CIB core lending advances – South Africa is the sum of RMB CIB core lending advances and HQLA corporate advances.*

\# *CIB core lending advances – broader Africa comprises the RMB CIB cross-border core lending advances.*

† *If the exchange rate had remained unchanged from 31 December 2023.*

CENTRE (INCLUDING GROUP TREASURY) ADVANCES BREAKDOWN

	Advances				
	As at 31 December			% com-position	As at 30 June
R million	2024	2023	% change	2024	2024
Core lending advances	**33 490**	28 523	17	**67**	33 664
Assets under agreements to resell	**16 254**	7 139	>100	**33**	7 456
Total advances	**49 744**	35 662	39	**100**	41 120

Credit continued

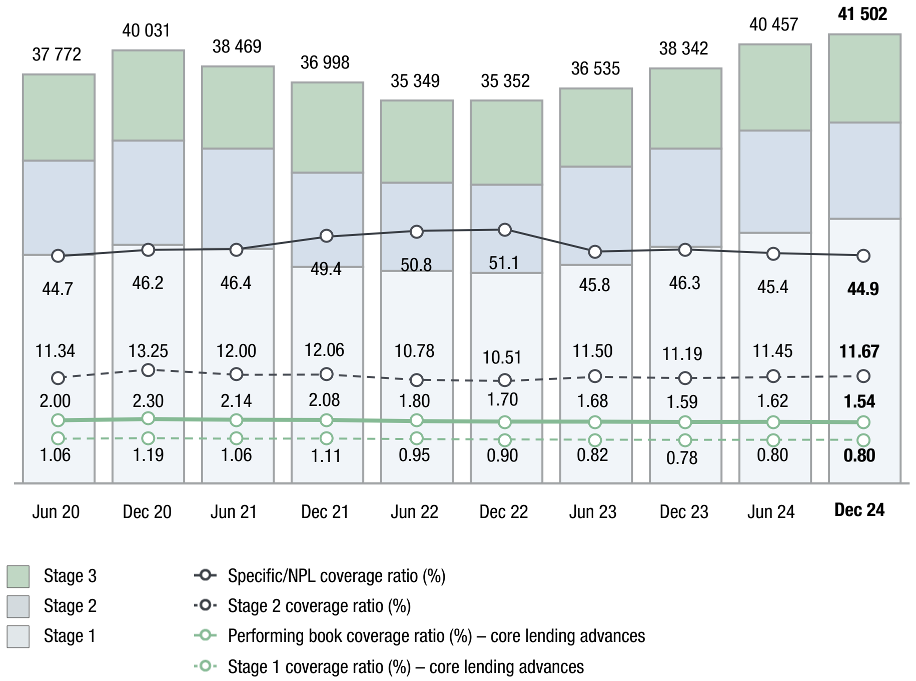
SECTOR AND GEOGRAPHICAL ANALYSIS OF ADVANCES AND NPLs

	Advances					Stage 3/NPLs				
	As at 31 December			% com-position	As at 30 June	As at 31 December			% com-position	As at 30 June
R million	2024	2023	% change	2024	2024	2024	2023	% change	2024	2024
Sector analysis										
Agriculture	**58 961**	54 960	7	**5**	56 294	**1 873**	2 409	(22)	**3**	1 751
Banks	**33 863**	44 407	(24)	**3**	30 050	**–**	–	–	**–**	–
Financial institutions*	**227 059**	197 578	15	**18**	194 212	**322**	167	93	**1**	290
Building and property development	**72 358**	65 404	11	**6**	68 419	**3 564**	792	>100	**7**	2 141
Government, Land Bank and public authorities	**28 674**	32 392	(11)	**2**	29 559	**1 080**	2 063	(48)	**2**	1 159
Individuals	**464 421**	448 127	4	**36**	458 738	**40 715**	36 024	13	**75**	39 591
Manufacturing and commerce	**197 226**	169 958	16	**16**	191 810	**3 417**	3 119	10	**6**	3 099
Mining	**23 527**	20 736	13	**2**	20 154	**113**	125	(10)	**–**	109
Transport and communication	**58 433**	47 588	23	**5**	53 073	**713**	467	53	**1**	620
Other services	**90 770**	91 058	–	**7**	81 276	**2 700**	2 065	31	**5**	2 300
Total	**1 255 292**	1 172 208	7	**100**	1 183 585	**54 497**	47 231	15	**100**	51 060
Geographical analysis										
South Africa	**1 123 047**	1 047 404	7	**90**	1 085 940	**53 149**	44 355	20	**98**	49 105
Broader Africa	**50 451**	64 513	(22)	**4**	51 696	**1 204**	2 179	(45)	**2**	1 261
UK	**30 670**	25 439	21	**2**	20 891	**89**	669	(87)	**–**	642
Other Europe	**24 547**	12 108	>100	**2**	11 124	**31**	11	>100	**–**	30
Asia, Americas and Australia	**26 577**	22 744	17	**2**	13 934	**24**	17	41	**–**	22
Total	**1 255 292**	1 172 208	7	**100**	1 183 585	**54 497**	47 231	15	**100**	51 060

* *Investment holding companies are included in the financial institutions sector.*

Credit continued

Balance sheet impairments and coverage ratios
(R million and %)



Movement in balance sheet impairments

The table below reflects the movement in balance sheet impairments per stage.

	31 December 2024				31 December 2023				30 June 2024			
R million	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Opening balance	**40 457**	**7 862**	**9 432**	**23 163**	36 535	7 379	9 048	20 108	36 535	7 379	9 048	20 108
Total credit provision increase/(release)	**1 045**	**367**	**(638)**	**1 316**	1 807	73	(27)	1 761	3 922	483	384	3 055
Transfers between stages	**–**	**1 121**	**(3 045)**	**1 924**	–	725	(2 292)	1 567	–	430	(2 780)	2 350
Current year impairment provided	**8 310**	**(720)**	**2 399**	**6 631**	7 181	(639)	2 271	5 549	16 188	69	3 173	12 946
ECL provided on new business*	**2 679**	**1 444**	**783**	**452**	2 215	1 268	655	292	6 135	2 217	1 949	1 969
ECL provided/(released) on back book*	**5 631**	**(2 164)**	**1 616**	**6 179**	4 966	(1 907)	1 616	5 257	10 053	(2 148)	1 224	10 977
Gross write-off and other**	**(7 265)**	**(34)**	**8**	**(7 239)**	(5 374)	(13)	(6)	(5 355)	(12 266)	(16)	(9)	(12 241)
Closing balance	**41 502**	**8 229**	**8 794**	**24 479**	38 342	7 452	9 021	21 869	40 457	7 862	9 432	23 163

* *Interest suspended on stage 3 core lending advances of R1 772 million (December 2023: R1 389 million; June 2024: R2 983 million) is included in the expected credit losses provided/(released) amounts.*

** *Write-off of gross balances, excluding prior period provisions held, which have been recognised in the income statement over various reporting periods.*

Coverage

The performing book coverage decreased to 1.54% (December 2023: 1.59%; June 2024: 1.62%). The decline was largely driven by FLI releases following an improved forward-looking macro outlook and was impacted by the change in mix towards a higher proportion of secured advances growth from RMB and FNB commercial, which attracts lower coverage than the retail book. The performing book coverage decrease is also reflective of the origination approach to target better-risk customers.

NPL coverage declined to 44.9% (December 2023: 46.3%; June 2024: 45.4%) mainly due to highly secured exposures in the corporate portfolio migrating to stage 3. Excluding the impact of the corporate portfolio, the NPL coverage remained similar to June 2024, with increased coverage in the unsecured retail and residential mortgages portfolios, offset by declines in other portfolios.

The bank is currently working on including two additional macroeconomic scenarios, a mild upside and mild downside, in the IFRS 9 impairment models. The purpose of this change is to capture a greater share of the macroeconomic risk distribution and align with best practice. Refer to page 146 for an overview of the current macroeconomic scenarios and FLI incorporated into impairment provisions.

Performing coverage

- Retail performing coverage decreased, mainly due to an improved baseline outlook, particularly related to a lower forward-looking inflation and interest rate outlook, leading to a release of FLI provisions.
- Residential mortgages performing coverage increased, primarily reflecting the ongoing negative growth trends in house prices (based on internal origination data) and the subsequent impact on modelled LGDs, particularly in Gauteng.
- The performing coverage for FNB commercial and WesBank corporate decreased due to the release of industry-specific and event risk provisions, certain exposures moving to stage 1 with lower coverage levels, and model recalibrations.
- RMB core advances performing coverage has remained relatively consistent since December 2023. Since June 2024 performing coverage decreased, reflecting stronger book growth in the better-rated counterparties, coupled with the migration of a few significant exposures to stage 3 and the curing of material counters.

A further analysis is provided in note 3 on page 86.

Stage 3 coverage

- Retail NPL coverage increased since December 2023 and June 2024, mainly due to shifts in the underlying portfolio composition. The overall coverage levels in the underlying portfolios were impacted by the following factors:
  - Residential mortgages coverage increased to reflect continued negative growth trends in house prices and increases in overall operational stage 3 advances, indicating customer strain.
  - WesBank VAF coverage decreased as a result of the higher level of write-offs of operational NPLs. This was further impacted by newer inflows, better overall collections and curing in the period.
  - Retail unsecured coverage increased as NPL inflows were driven by non-paying customers, reflecting the continued impact of economic strain on consumers.
- FNB commercial and WesBank corporate's coverage increased since December 2023 due to a mix change between the secured and unsecured book, and settlements on well-collateralised exposures. However, since June 2024 coverage decreased due to highly collateralised inflows reducing the overall stage 3 coverage.
- Stage 3 coverage declined in RMB, both period on period and since June 2024, as new stage 3 inflows consisted predominantly of highly collateralised secured exposures.

A further analysis is provided in note 4 on page 88.

Credit continued

Note 3: Analysis of performing balance sheet impairments

	Total portfolio impairments							Total portfolio impairments			Performing book coverage ratios (% of performing core lending advances)								
				As at 31 December															
	As at 31 December			2024		2023		As at 30 June			As at 31 December						As at 30 June		
R million	**2024**	2023	% change	**Stage 1**	**Stage 2**	Stage 1	Stage 2	2024	Stage 1	Stage 2	**2024**	**Stage 1**	**Stage 2**	2023	Stage 1	Stage 2	2024	Stage 1	Stage 2
Retail	**10 685**	10 540	1	**4 667**	**6 018**	4 810	5 730	10 914	4 714	6 200	**2.38**	**1.16**	**12.87**	2.42	1.24	12.59	2.46	1.19	13.16
Retail – secured	**4 578**	4 326	6	**1 450**	**3 128**	1 395	2 931	4 538	1 391	3 147	**1.26**	**0.44**	**8.96**	1.23	0.44	8.56	1.27	0.43	9.11
Residential mortgages	**1 669**	1 486	12	**398**	**1 271**	410	1 076	1 701	413	1 288	**0.66**	**0.17**	**5.49**	0.60	0.18	4.88	0.67	0.18	5.80
WesBank VAF	**2 909**	2 840	2	**1 052**	**1 857**	985	1 855	2 837	978	1 859	**2.68**	**1.09**	**15.77**	2.77	1.09	15.23	2.72	1.06	15.07
Retail – unsecured	**6 107**	6 114	–	**3 217**	**2 890**	3 315	2 799	6 376	3 323	3 053	**7.06**	**4.31**	**24.44**	7.25	4.54	24.82	7.35	4.48	24.33
FNB card	**1 910**	1 860	3	**1 169**	**741**	1 142	718	1 930	1 157	773	**5.22**	**3.46**	**25.87**	5.41	3.63	24.64	5.34	3.49	25.51
Personal loans	**3 831**	3 823	–	**1 826**	**2 005**	1 912	1 911	3 996	1 884	2 112	**8.76**	**5.17**	**23.87**	8.81	5.36	24.72	9.02	5.33	23.64
Retail other	**366**	431	(15)	**222**	**144**	261	170	450	282	168	**5.96**	**3.98**	**25.53**	6.57	4.40	26.86	7.14	4.93	28.77
FNB centre	**–**	100	(100)	**–**	**–**	100	–	–	–	–	**–**	**–**	**–**	–	–	–	–	–	–
Corporate and commercial	**6 094**	5 889	3	**3 323**	**2 771**	2 610	3 279	6 124	2 897	3 227	**0.98**	**0.56**	**9.68**	1.03	0.49	9.37	1.04	0.52	9.16
FNB commercial and WesBank corporate	**2 575**	2 631	(2)	**1 478**	**1 097**	1 315	1 316	2 534	1 440	1 094	**1.34**	**0.82**	**9.27**	1.51	0.81	10.34	1.38	0.84	8.59
FNB commercial	**2 205**	2 204	–	**1 213**	**992**	1 013	1 191	2 142	1 195	947	**1.70**	**1.00**	**11.54**	1.90	0.94	13.88	1.71	1.03	10.64
WesBank corporate and commercial	**370**	427	(13)	**265**	**105**	302	125	392	245	147	**0.60**	**0.45**	**3.24**	0.73	0.55	3.01	0.66	0.44	3.83
RMB CIB	**3 519**	3 258	8	**1 845**	**1 674**	1 295	1 963	3 590	1 457	2 133	**0.82**	**0.47**	**9.98**	0.85	0.36	8.81	0.94	0.40	9.49
– Lending	**3 513**	3 250	8	**1 839**	**1 674**	1 287	1 963	3 583	1 450	2 133	**0.85**	**0.46**	**9.98**	0.85	0.36	8.81	0.93	0.40	9.49
– Loans to private equity investee companies	**6**	8	(25)	**6**	**–**	8	–	7	7	–	**1.92**	**1.92**	**–**	2.31	2.31	–	2.34	2.34	–
Centre (including Group Treasury)	**244**	44	>100	**239**	**5**	32	12	256	251	5	**0.73**	**0.72**	**83.33**	0.16	0.12	20.00	0.77	0.76	38.46
Securitisation notes	**26**	27	(4)	**26**	**–**	27	–	36	36	–	**0.10**	**0.10**	**–**	0.11	0.11	–	0.13	0.13	–
Other	**218**	17	>100	**213**	**5**	5	12	220	215	5	**3.35**	**3.27**	**83.33**	0.64	0.19	20.00	3.62	3.54	38.46
Total portfolio impairments	**17 023**	16 473	3	**8 229**	**8 794**	7 452	9 021	17 294	7 862	9 432	**1.54**	**0.80**	**11.67**	1.59	0.78	11.19	1.62	0.80	11.45

Credit continued

Note 4: Analysis of stage 3/NPLs and impairments

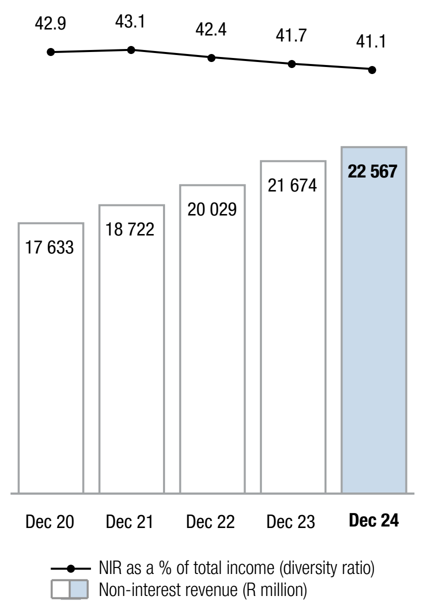
	Stage 3/NPLs					Stage 3/NPLs as a % of core lending advances			Stage 3 specific provisions				Coverage ratios (% of stage 3/NPLs)		
	As at 31 December			% com-position	As at 30 June	As at 31 December		As at 30 June	As at 31 December			As at 30 June	As at 31 December		As at 30 June
R million	**2024**	2023	% change	**2024**	2024	**2024**	2023	2024	**2024**	2023	% change	2024	**2024**	2023	2024
Retail	**42 187**	36 777	15	**78**	40 584	**8.58**	7.80	8.39	**19 052**	16 419	16	18 003	**45.2**	44.6	44.4
Retail – secured	**26 047**	22 760	14	**48**	25 328	**6.69**	6.10	6.63	**7 425**	6 359	17	7 105	**28.5**	27.9	28.1
Residential mortgages	**19 087**	16 068	19	**35**	18 218	**6.97**	6.08	6.74	**4 172**	3 168	32	3 747	**21.9**	19.7	20.6
WesBank VAF	**6 960**	6 692	4	**13**	7 110	**6.03**	6.13	6.38	**3 253**	3 191	2	3 358	**46.7**	47.7	47.2
Retail – unsecured	**16 140**	14 017	15	**30**	15 256	**15.72**	14.25	14.96	**11 627**	10 060	16	10 898	**72.0**	71.8	71.4
FNB card	**5 858**	4 507	30	**11**	5 233	**13.79**	11.59	12.65	**4 264**	3 222	32	3 775	**72.8**	71.5	72.1
Personal loans	**9 314**	8 535	9	**17**	9 008	**17.55**	16.44	16.91	**6 540**	6 024	9	6 247	**70.2**	70.6	69.3
Retail other	**968**	975	(1)	**2**	1 015	**13.62**	12.93	13.88	**823**	814	1	876	**85.0**	83.5	86.3
Corporate and commercial	**12 231**	9 783	25	**22**	9 845	**1.93**	1.68	1.65	**5 347**	4 570	17	4 571	**43.7**	46.7	46.4
FNB commercial and WesBank corporate	**6 564**	5 449	20	**12**	5 842	**3.31**	3.02	3.07	**3 781**	3 084	23	3 459	**57.6**	56.6	59.2
FNB commercial	**5 236**	4 467	17	**10**	4 733	**3.87**	3.71	3.65	**3 186**	2 676	19	2 935	**60.8**	59.9	62.0
WesBank corporate and commercial	**1 328**	982	35	**2**	1 109	**2.11**	1.64	1.84	**595**	408	46	524	**44.8**	41.5	47.2
RMB CIB	**5 667**	4 334	31	**10**	4 003	**1.35**	1.12	1.03	**1 566**	1 486	5	1 112	**27.6**	34.3	27.8
– Lending	**5 667**	4 334	31	**10**	4 003	**1.35**	1.12	1.03	**1 566**	1 486	5	1 112	**27.6**	34.3	27.8
– Loans to private equity investee companies	**–**	–	–	**–**	–	**–**	–	–	**–**	–	–	–	**–**	–	–
Centre (including Group Treasury)	**79**	671	(88)	**–**	631	**0.24**	2.35	1.87	**80**	880	(91)	589	**101.3**	131.1	93.3
Securitisation notes	**–**	–	–	**–**	–	**–**	–	–	**–**	–	–	–	**–**	–	–
Other	**79**	671	(88)	**–**	631	**1.20**	20.29	9.40	**80**	880	(91)	589	**101.3**	131.1	93.3
Total stage 3/NPLs	**54 497**	47 231	15	**100**	51 060	**4.71**	4.37	4.58	**24 479**	21 869	12	23 163	**44.9**	46.3	45.4
Of which:															
Amortised cost book	**53 607**	46 527	15	**98**	50 171	**4.78**	4.49	4.65							
Fair value book	**890**	704	26	**2**	889	**0.67**	0.51	0.86							

Non-interest revenue

Non-interest revenue – up 4%

Non-interest revenue and diversity ratio
(R million)

NIR CAGR 6%



ANALYSIS OF TOTAL NIR

R million	Notes	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Net fee, commission and insurance income		**17 356**	16 051	8	32 000
– Fee and commission income	1	**17 298**	15 984	8	31 882
– Insurance income		**58**	67	(13)	118
Trading and other fair value income	2	**1 291**	2 277	(43)	5 156
Investment income		**92**	35	>100	(60)
Other non-interest revenue	3	**3 828**	3 311	16	6 832
Non-interest revenue		**22 567**	21 674	4	43 928

NOTE 1 – FEE AND COMMISSION INCOME – UP 8%

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Bank fee and commission income	**18 338**	17 158	7	34 149
– Card commissions	**3 409**	3 370	1	6 530
– Cash deposit fees	**868**	844	3	1 626
– Exchange and other commissions	**1 722**	1 575	9	3 217
– Bank charges	**12 339**	11 369	9	22 776
– Commitment fees	**1 132**	1 018	11	2 109
– Other bank charges*	**11 207**	10 351	8	20 667
Knowledge-based fees	**1 269**	842	51	2 007
Management and fiduciary fees	**666**	675	(1)	1 337
– Investment management fees	**279**	258	8	516
– Management fees from associates and joint ventures	**366**	414	(12)	788
– Other management and brokerage fee income	**21**	3	>100	33
Other non-bank commissions	**547**	397	38	920
Gross fee and commission income	**20 820**	19 072	9	38 413
Fee and commission expenditure	**(3 522)**	(3 088)	14	(6 531)
– Transaction-related fees	**(1 100)**	(918)	20	(2 004)
– Commission paid	**(133)**	(116)	15	(278)
– Customer loyalty programmes	**(1 223)**	(1 055)	16	(2 232)
– Cash sorting, handling and transportation charges	**(594)**	(598)	(1)	(1 194)
– Card-related	**(243)**	(238)	2	(494)
– Other	**(229)**	(163)	40	(329)
Net fee and commission income	**17 298**	15 984	8	31 882

* *Other bank charges include annual and monthly administrative fees, fees for customer transaction processing (e.g. SASwitch fees and real-time payment fees), cash withdrawal fees, debit order charges, internet banking fees and utilisation of other banking services.*

Key drivers – fee and commission income

- FNB NIR increased 7%, driven by customer acquisition (+3%) and growth in transactional volumes (+5%), as well as fee increases, offset by 11% growth in fee and commission expenditure.
- Electronic platform volumes grew 6% across all interfaces, whilst manual volumes decreased 2%. Branch and cash centre transaction volumes declined 13% and 15%, respectively.
- Card swipe volumes increased 7%, reflecting strong customer activity levels, contributing to the 1% growth in card commissions.
- RMB's knowledge-based fee income grew strongly (+51%), supported by new deal origination with resulting structuring opportunities, coupled with an uptick in advisory income.
- Overall fee and commission income growth was moderated by costs growing more than income, linked to transactional activity and customer loyalty programmes, coupled with growth in foreign exchange turnover and significantly higher association fees.

Non-interest revenue continued

NOTE 2 – TRADING AND OTHER FAIR VALUE INCOME – DOWN 43%

	Six months ended 31 December			Year ended 30 June
R million	2024	2023	% change	2024
Trading income	**1 566**	1 832	(15)	4 143
– Equities	**(81)**	(199)	(59)	(312)
– Commodities	**92**	189	(51)	327
– Fixed income	**982**	1 188	(17)	2 613
– Currencies	**573**	654	(12)	1 515
Other fair value income	**(275)**	445	(>100)	1 013
– RMB investment banking and other activities	**(13)**	622	(>100)	736
– Group Treasury economic hedges and other	**(262)**	(177)	48	277
Total trading and other fair value income	**1 291**	2 277	(43)	5 156

Key drivers – trading and fair value income

- Trading income declined due to lower structuring and market-making opportunities, and reflects the following:
  - the commodities performance was impacted by reduced hedging activities on the precious metals business;
  - the fixed-income business was constrained by lower client flow and event-driven revenue, partially offset by stronger credit note facilitation; and
  - currencies' performance was impacted by reduced client volumes given election season across multiple jurisdictions.
- RMB investment banking and other activities included dividend income from the PI portfolio. The decline is due to the significant PI realisation (R508 million) in the prior period.
- The Group Treasury fair value loss reflects the loss on the close out of the derivative that hedged the previous share scheme and other mismatches.

NOTE 3 – OTHER NON-INTEREST REVENUE – UP 16%

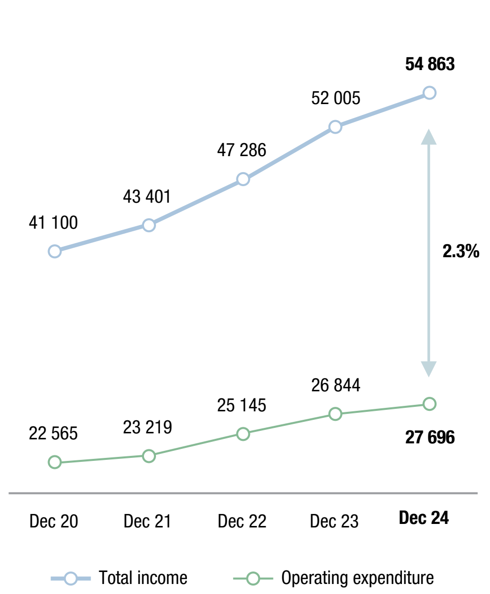
Key drivers – other NIR

- A significant component of other NIR relates to various inter-group charges to other FirstRand group companies for the provision of services. These are relevant to the bank but eliminate at a group level.
- Rental income represents 28% (December 2023: 28%; June 2024: 28%) of total other NIR and grew 13%, reflecting strong fleet management and leasing new business growth.
- Other income also includes revenue from FNB's mobile network operations, which increased 16%, benefiting from higher revenue on the back of increased data usage and larger supplier rebates.

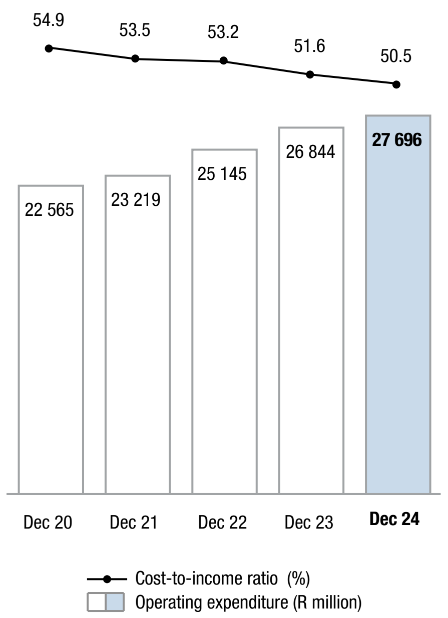
Operating expenses

Operating expenses – up 3%

Operating jaws
(R million)



Operating efficiency
(R million)



Operating expenses continued

OPERATING EXPENSES – UP 3%

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Staff expenditure	**17 270**	16 710	3	33 837
– Direct staff expenditure	**13 379**	12 744	5	25 126
– Variable staff expenditure	**3 142**	3 107	1	7 089
– Short-term incentive payments	**2 034**	2 018	1	4 743
– Share price linked incentive payments	**1 108**	1 089	2	2 346
– Other staff-related expenditure	**749**	859	(13)	1 622
Depreciation of property and equipment	**1 687**	1 659	2	3 483
Amortisation of intangible assets	**59**	25	>100	166
Advertising and marketing	**905**	742	22	1 497
Insurance	**132**	126	5	260
Lease charges	**182**	249	(27)	427
Professional fees	**1 358**	1 198	13	2 622
Audit fees	**242**	237	2	492
Computer expenses	**2 124**	2 025	5	4 132
Repairs and maintenance	**739**	744	(1)	1 523
Telecommunications	**226**	186	22	374
Property	**661**	629	5	1 254
Business travel	**182**	138	32	297
Assets costing less than R7 000	**50**	33	52	71
Stationery and printing	**49**	46	7	95
Donations	**193**	176	10	347
Legal fees	**68**	81	(16)	255
Other expenditure	**1 569**	1 840	(15)	3 975
Total operating expenses excluding UK motor commission matter	**27 696**	26 844	3	55 107
UK motor commission matter	**–**	–	–	2 873
FCA UK motor commission provision	**–**	–	–	2 644
UK motor commission related costs incurred during the year	**–**	–	–	229
Total operating expenses	**27 696**	26 844	3	57 980

Key drivers – staff expenditure

Staff costs represent 62% (December 2023: 62%) of the bank's operating expenses and increased 3%.

	% change	Reasons
Direct staff costs	**5**	• Annual salary increases averaged 6% (unionised staff at 6.2%). • Headcount (excluding FirstJob employees) decreased 1% period on period, but increased 1% since June 2024.
Variable staff expenditures		
Short-term incentive payments	**1**	The increase in short-term incentive payments reflect lower headcount in some businesses and timing differences.
Share price linked incentive payments	**2**	Higher share awards reflect inflationary increases partially offset by the relatively higher forfeitures and hedge accounting refinements in the current period.
Other staff-related costs	**(13)**	Decrease due to lower leave pay provisions on increased staff leave utilisation and decreased temporary staff costs as a result of fewer contractors.

Key drivers – operational expenses

- Higher amortisation of intangible assets due to the capitalisation of software costs in the current year.
- Advertising and marketing expenses increased, driven by new marketing campaigns and inflation increases.
- Operating lease charges decreased due to a portion of leases ending and not being renewed, as well as some being converted to finance leases.
- Growth in professional fees reflect higher inflation and ongoing spend on platform-related and other projects.
- Computer expenses increased due to currency devaluation and higher software licensing costs, as well as inflationary increases.
- Property costs reflect higher municipal rates following property revaluations by councils as well as above-inflation increases in service fees.
- The increase in business travel is due to increased travel related to the group's broader African and UK operations' strategies, as well as those of the satellite offices.
- Other expenditure includes various items such as other provisions, entertainment, bank charges, profit share payments, subscriptions and membership fees. The decrease is due to the reversal of unutilised provisions.

FINANCIAL RESOURCE MANAGEMENT

Economic view of the balance sheet

The objective of the group's FRM framework is to protect and enhance FirstRand's financial performance through the holistic management of the balance sheet and income streams within the context of the macro environment. This includes the strategic positioning of the balance sheet relative to long-term trends and tactical tilts associated with the current point in the cycle.

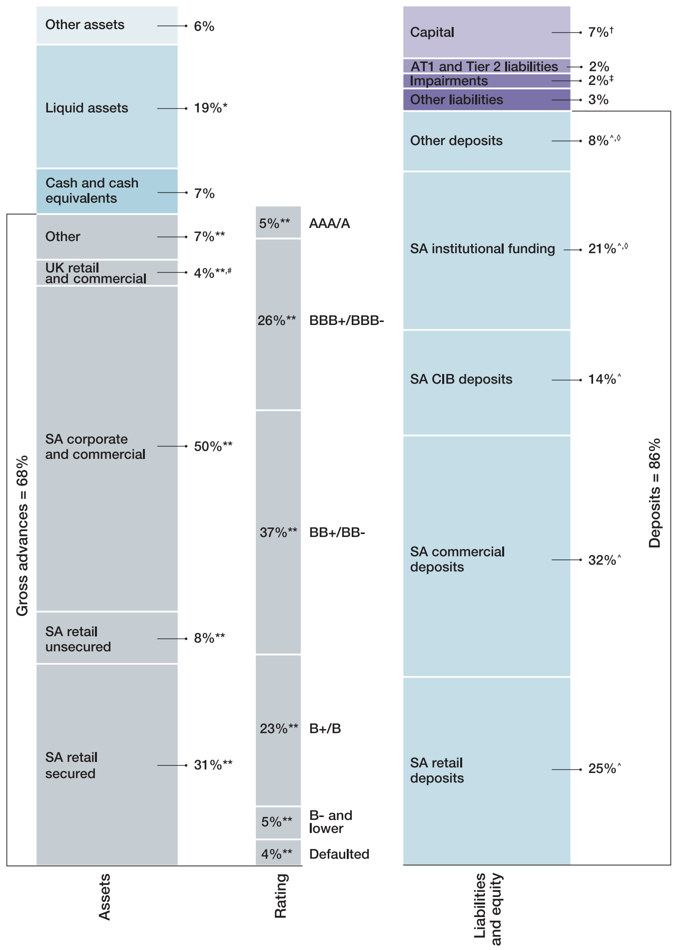
The structure of the balance sheet reflects the group's long-term strategy to increase resilience, diversify credit exposures across sectors and segments, increase asset marketability and optimise the use of institutional funding.

When assessing the underlying risk in the balance sheet, the bank's asset profile reflects a diversified advances portfolio, which constitutes 68% of total assets. The composition of the gross advances portfolio consists of SA retail secured (31%), SA retail unsecured (8%), SA corporate and commercial (50%), UK retail and commercial (4%) and other (7%). At 31 December 2024, the bank reported total NPLs of R54 497 million (4.71% of core lending advances) and a credit loss ratio of average core lending advances of 108 bps.

Cash and cash equivalents, and liquid assets represent 7% and 19%, respectively, of total assets.

The bank maintains a risk-adjusted funding profile focused on its core deposit franchise, which enables optimised use of the institutional funding channel. The calculation of the weighted average remaining term of domestic institutional funding has been further refined, resulting in a move from 31 months to 34 months for December 2023. The weighted average remaining term as at 31 December 2024 increased to 37 months. The increase reflects an increase in money market issuance together with additional longer-dated thematic senior debt, Tier 2 and AT1 issuances.

The bank remained strongly capitalised with a CET1 ratio of 12.5%, a Tier 1 ratio of 13.7% and a total capital adequacy ratio of 16.1%. Gearing decreased to 15.1 times from 15.3 times at December 2023 (June 2024: 15.3 times) with average assets increasing by 7% and average equity increasing by 9%.



* Include government securities and treasury bills.

** As a proportion of gross advances.

\# Include advances originated in London branch (including MotoNovo back book).

† Ordinary equity.

‡ Include IFRS 9 impairment of advances and investment securities.

^ As a proportion of deposits.

◊ Include CIB institutional funding.

Note: Derivative, securities lending and short trading position assets and liabilities have been netted off.

Funding and liquidity

Funding and liquidity management approach

A comprehensive overview of the group's funding and liquidity management approach is provided in the Basel Pillar 3 disclosure for the year ended 30 June 2024, which is available at www.firstrand.co.za/investors/integrated-reporting-hub/risk-disclosures/.

Funding conditions

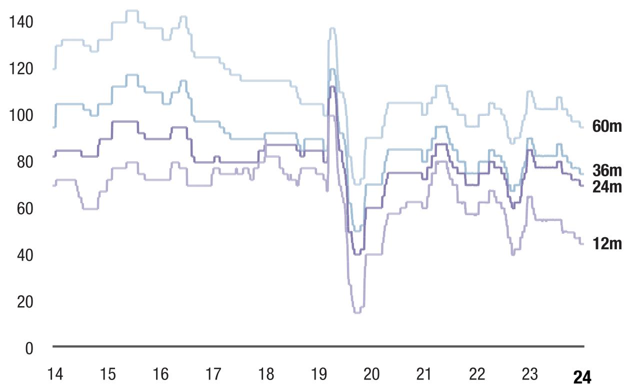
During the period under review, the global economy saw moderate growth, with central banks beginning to ease monetary policy amid cooling inflation. In South Africa, inflation fell to below the mid point of the target range, prompting the Reserve Bank to ease its monetary policy stance. Balanced economic outcomes following the formation of the Government of National Unity, improved electricity supply and resilience in the manufacturing and financial sector offered positive signs for recovery.

The banking sector benefited from a favourable funding environment supported by improved liquidity conditions and moderating inflation. Strong deposit inflows continued as interest rates on cash investment products remained attractive. The bank also successfully raised funding in rand from institutional issuances and hard currency from international finance partners. The bank's stock and level of institutional funding have increased but remain a smaller component of the funding stack relative to the peer group.

During the past six months, institutional funding spreads across both the money markets and capital markets have tracked lower in light of improved liquidity availability. The graphs below depict both the spread to Johannesburg Interbank Average Rate (JIBAR) paid on 12-month money market instruments, the most representative money market cost, as well as the spread to JIBAR paid on long-term capital market instruments.

12-month mid-market funding spread
(bps)

Long-term funding spreads
(bps)



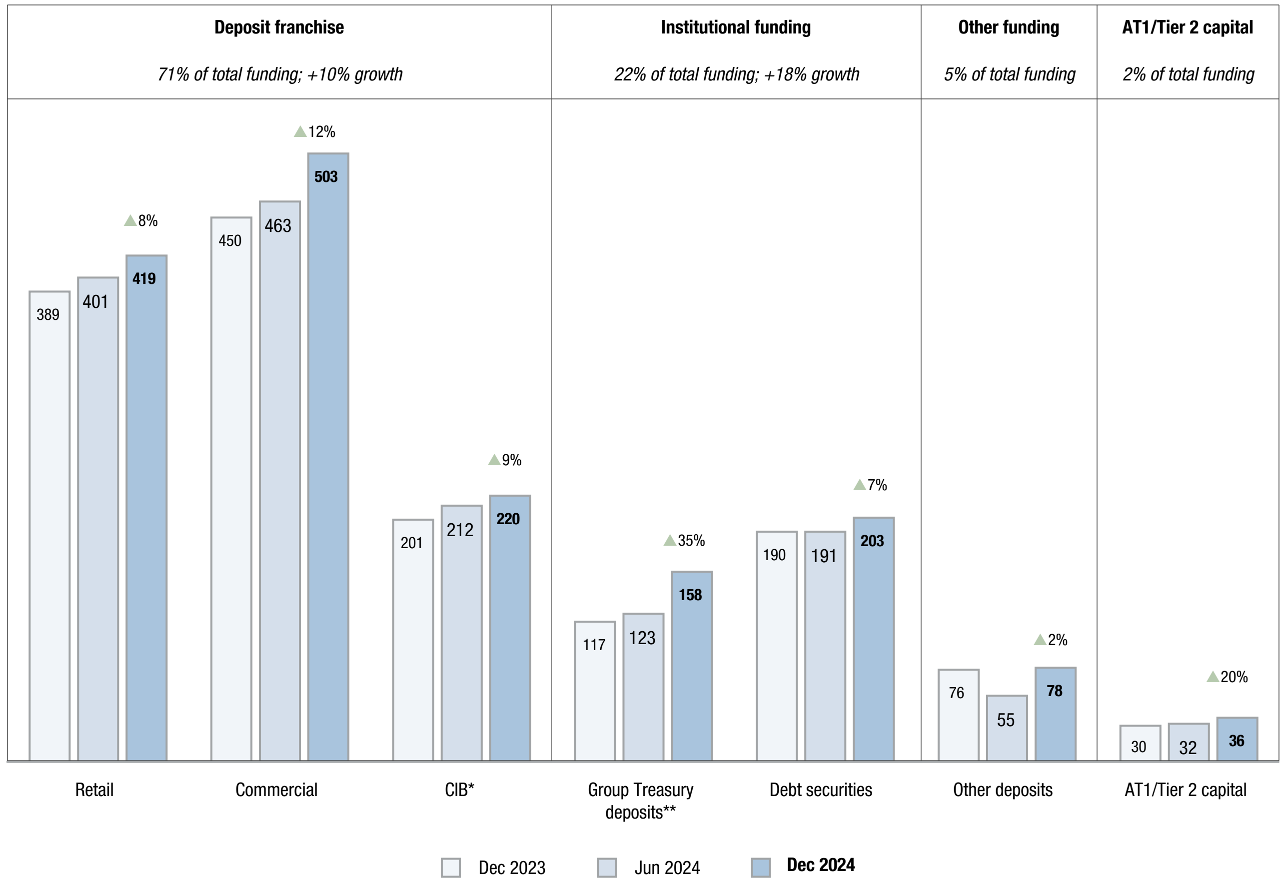
Sources: Bloomberg (RMBP screen) and Reuters.

Funding and liquidity continued

Funding measurement and activity

The following graph provides a segmental analysis of the bank's funding base and unpacks the contribution of each funding category to the bank's overall funding. AT1 and Tier 2 instruments are issued to meet the bank's total capital adequacy requirements, these instruments do also raise funding and are managed as part of the capital market issuance plans.

Funding portfolio growth
(R billion)



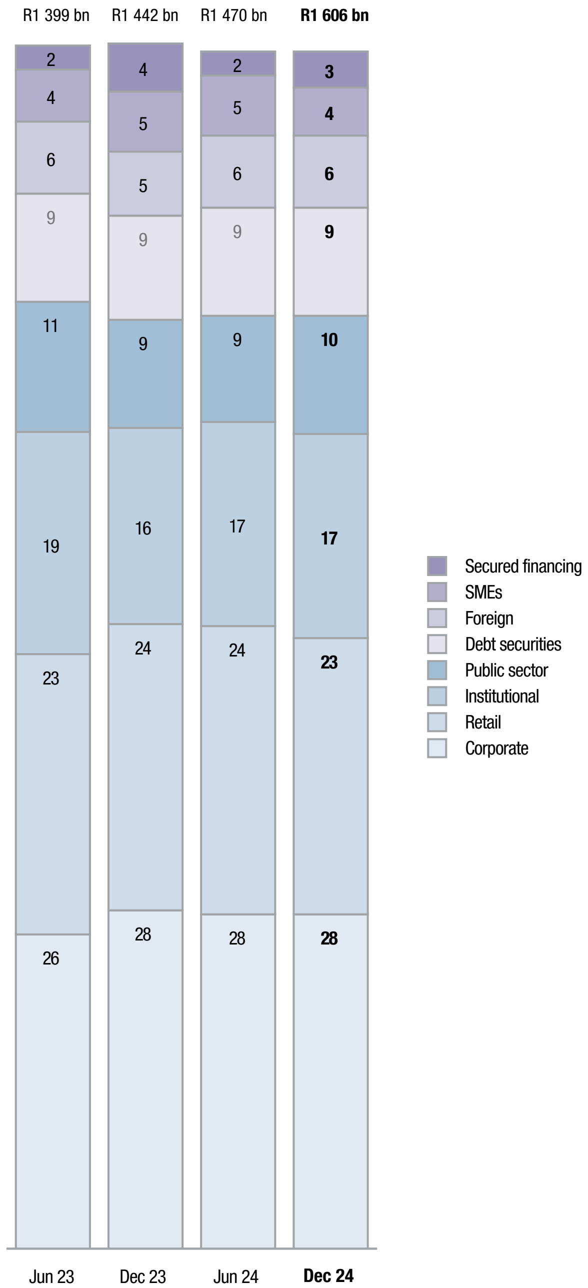
Note 1: Percentage change reflects period-on-period growth and is based on actual underlying numbers rather than the rounded figures shown in the bar graphs above.

* *South Africa and the London branch.*

** *Group Treasury deposits include the SARB funding facility related to the South African Covid-19 government-guaranteed loan scheme and the government's bounce-back facility.*

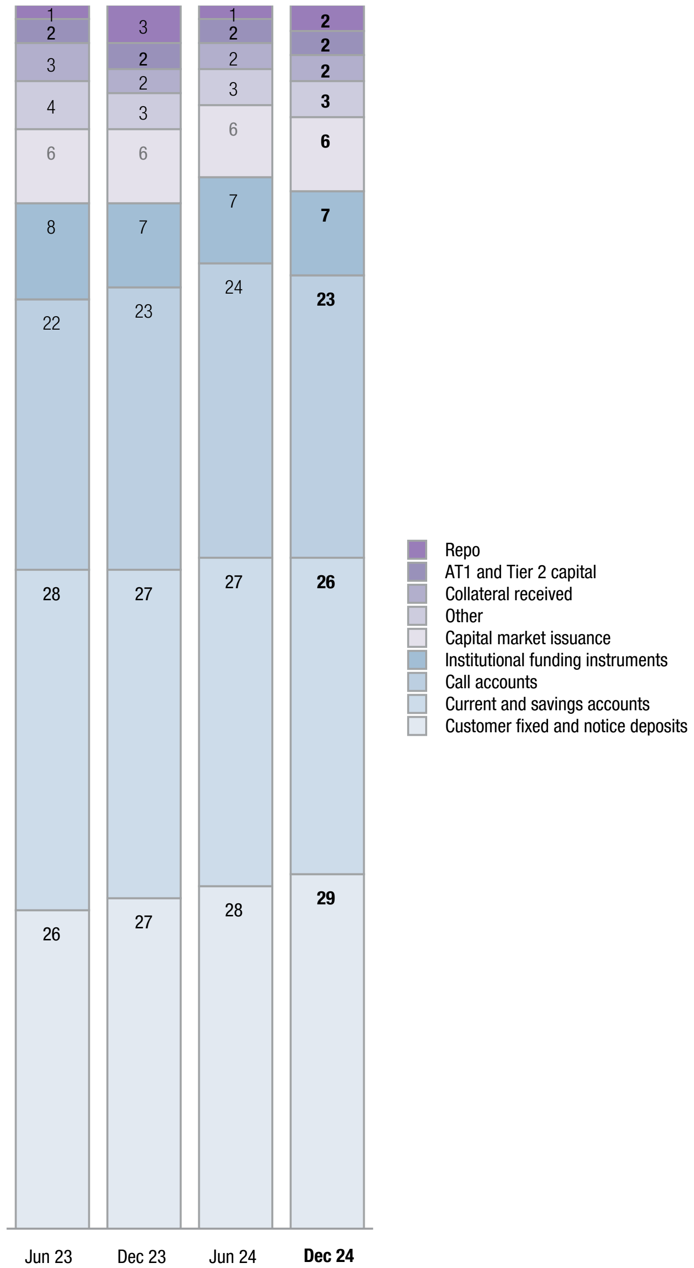
The bank's focus on growing main-banked transactional accounts and retail and commercial savings and investment deposits naturally results in a significant proportion of contractually short-dated funding. Although these deposits fluctuate depending on each customer's individual transactional and savings requirements, viewed in aggregate the overall funding portfolio is more stable, resulting in an improved overall liquidity risk profile.

Bank funding analysis by source*
(%)



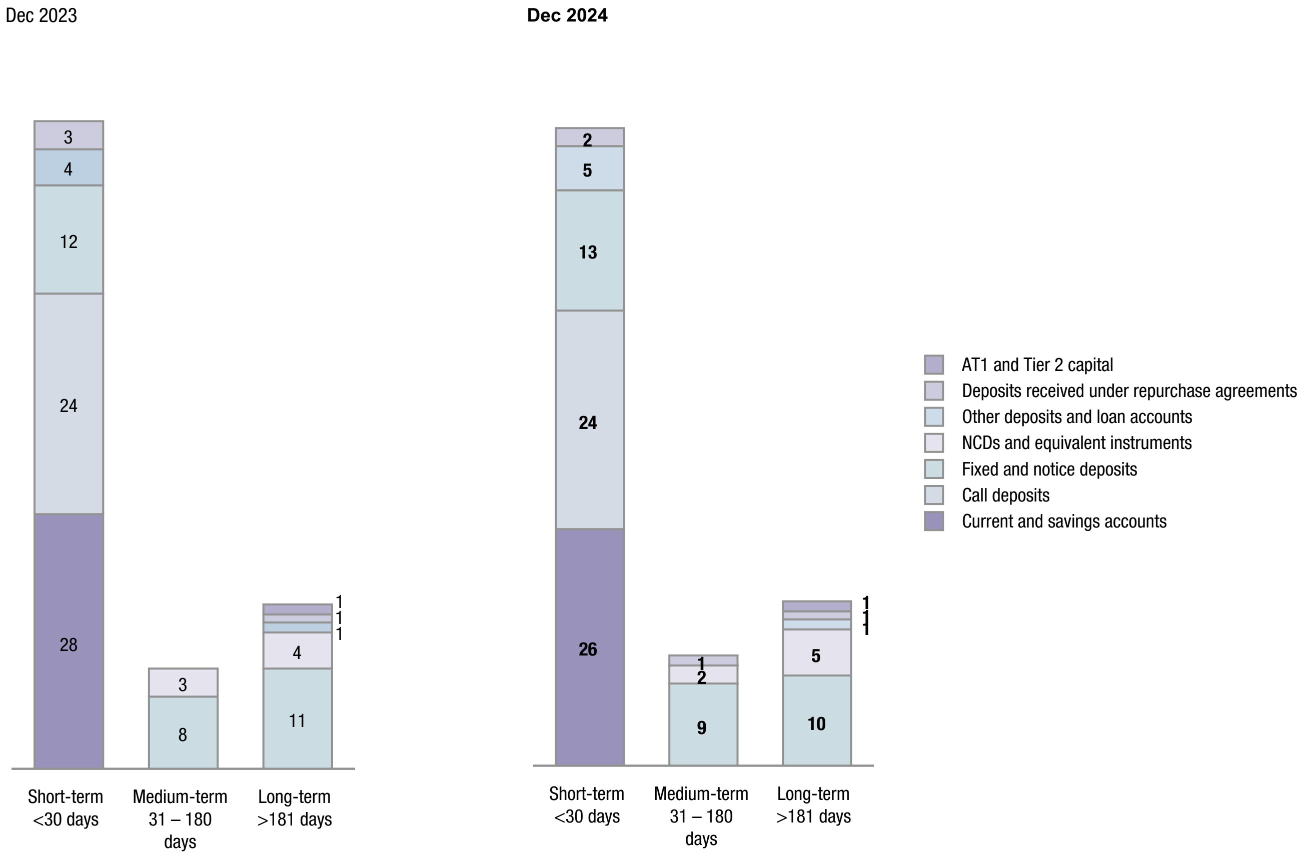
* *Excluding foreign branches.*

Funding analysis by product
(%)



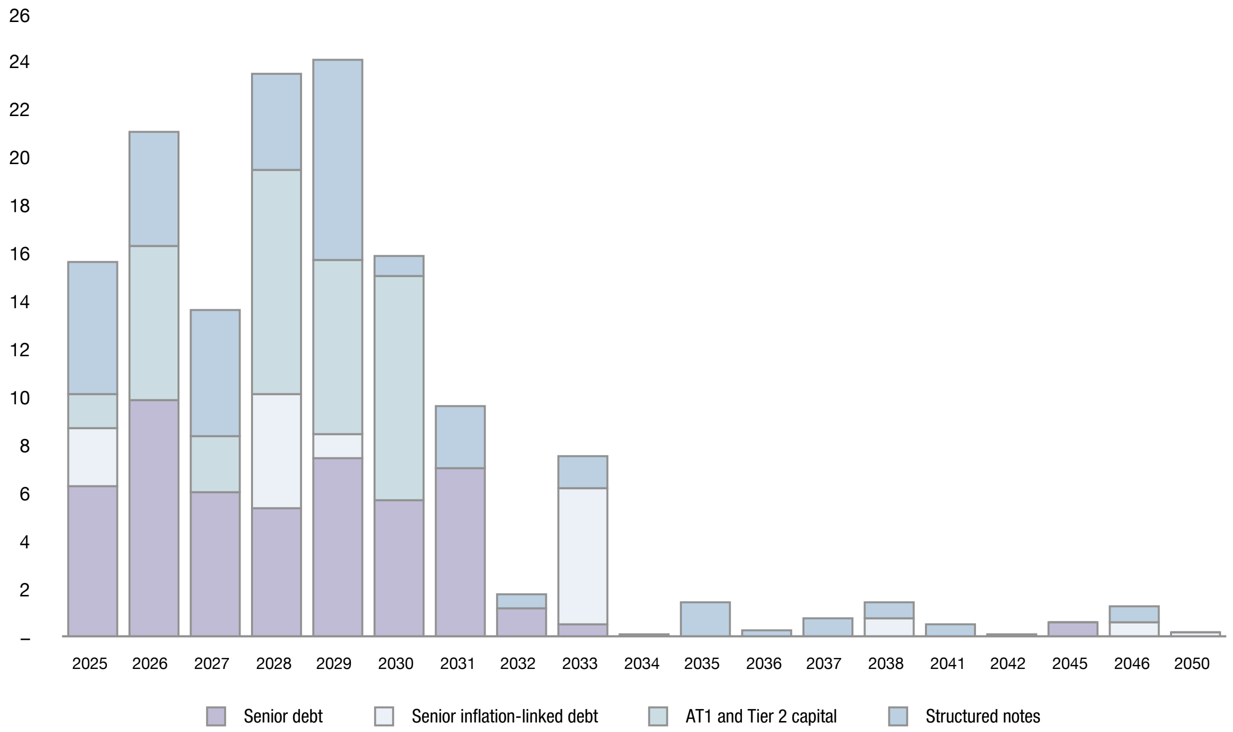
Funding and liquidity continued

Funding liabilities by instrument type and term
(%)



The maturity profile of the bank's capital market instruments is depicted in the following chart. The bank does not have significant instrument-specific concentration risk in any one period and seeks to issue across benchmark tenors, taking pricing and investor demand into account.

Maturity profile of the bank's* capital market instruments
(*R billion*)



* *Including foreign branches.*

Funding and liquidity continued

Liquidity risk position

Liquidity risk is a natural outcome of the group's business activities. To manage and mitigate liquidity risk, the bank holds liquidity buffers comprising HQLA in addition to pursuing a diverse and stable funding profile which incorporates structural and regulatory constraints.

The bank's portfolio of HQLA enables access to liquidity in instances of market stress or wider disruptions. It also enables the bank to accommodate the changing liquidity needs of its operating businesses and seamlessly meet its short-term obligations. The HQLA portfolio takes into consideration the bank's funding composition, asset growth and liquidity risk appetite, and regulatory requirements. The composition and quantum of available HQLA is determined by considering both the funding liquidity risk and market liquidity depth of the underlying assets. The portfolio is actively managed to ensure optimal composition, return and size.

The bank's deposit-led funding strategy underpins its funding profile where client franchise deposits offer funding diversification and stability. Deposit funding is supplemented with both money and capital market issuances where benchmark tenors are targeted to achieve a maturity profile without undue concentrations. The bank monitors market developments, key risk metrics and early warning indicators as part of its ongoing funding and liquidity management and planning.

The prudential liquidity risk metrics incorporate a management buffer above the regulatory minimums to allow for the liquidity seasonality and cyclicality arising from the funding mix. The buffer is based on stress and scenario analysis of the cash inflows and outflows that result from the bank's balance sheet profile.

Liquidity ratios for the bank at December 2024 are summarised below.

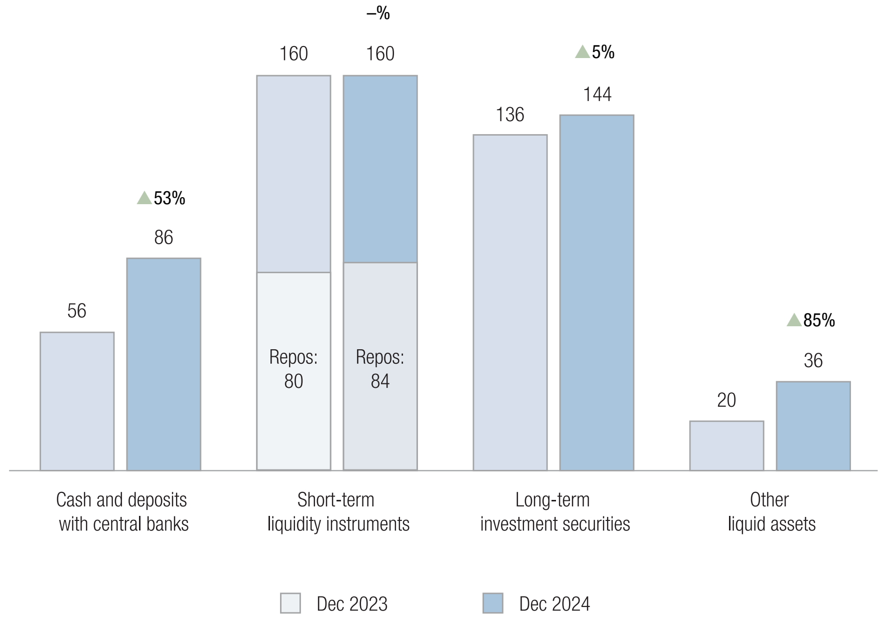
LIQUIDITY RATIOS

%	LCR*	NSFR*
Regulatory minimum	**100**	**100**
Actual	**132**	**119**

* *The bank's LCR and NSFR reflect South African operations only. LCR is calculated as a simple 92-day average of daily observations over the period ended 31 December 2024 for FirstRand Bank South Africa.*

The bank manages excess liquidity through deployment primarily into central bank deposits, treasury bills and government bonds (acquired outright and through reverse repos) in the normal course of business. The liquid asset profile remains risk aware and liquidity deployment will reflect the bank's risk appetite.

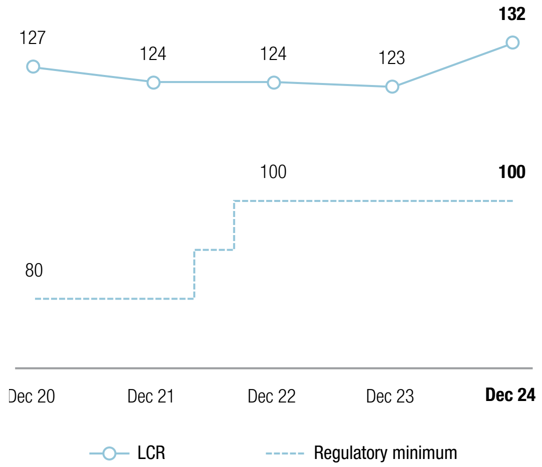
Liquidity management by investment type*
(R billion)



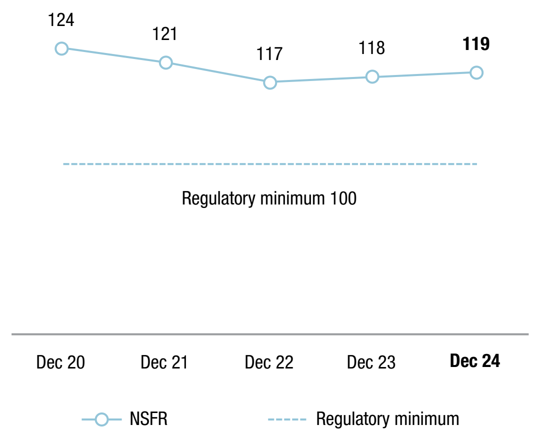
Note 1: Percentage change is based on actual underlying numbers rather than the rounded figures shown in the bar graphs above.
* *Chart is based on rand liquid assets in FirstRand Bank South Africa held by Group Treasury only.*

The graphs below provide a historical view of the prudential liquidity ratios for the bank.

LCR
(%)



NSFR
(%)



Capital

Capital management approach

A comprehensive overview of the group's capital management approach is provided in the Basel Pillar 3 disclosure for the year ended 30 June 2024, which is available at www.firstrand.co.za/investors/integrated-reporting-hub/risk-disclosures/.

Period under review

During the period under review the bank maintained strong capital and leverage ratios in excess of regulatory minimums and internal targets. The bank is capitalised at the higher of regulatory or economic capital to ensure a desired credit counterparty rating.

CAPITAL ADEQUACY AND LEVERAGE RATIOS AS AT 31 DECEMBER

	Capital			Leverage
%	CET1	Tier 1	Total	Total
Regulatory minimum*	8.5	10.8	13.0	4.0
Internal target	11.0 – 12.0	>12.0	>14.25	>5.5
Actual (including unappropriated profits)**				
2024	**12.5**	**13.7**	**16.1**	**6.7**
2023	12.9	14.1	16.1	6.9

* *Includes the bank's domestic systemically important bank requirement of 1.5% and a nil CCyB requirement. The individual capital requirement (Pillar 2B) is confidential and therefore excluded.*

** *Refer to the Basel Pillar 3 standardised disclosures at www.firstrand.co.za/investors/integrated-reporting-hub/risk-disclosures/ for ratios excluding unappropriated profits.*

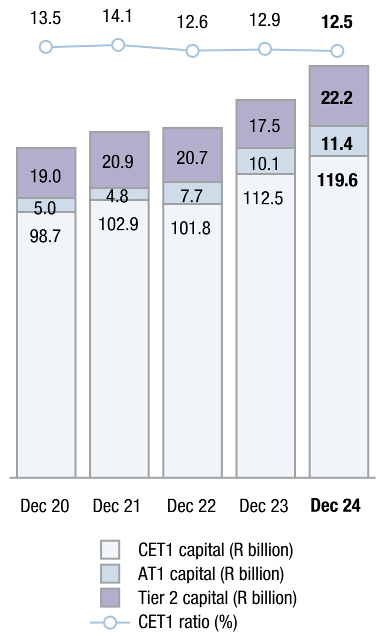
The PA published Directive 6 of 2024 which requires banks in South Africa to maintain a positive cycle-neutral CCyB of 1% with effect from January 2026. The increased requirement will be incorporated in the bank's internal targets for the 2026 financial year.

There is ongoing focus on optimising the bank's overall level and mix of capital. During the period under review the bank issued a combination of AT1 and Tier 2 instruments to ensure sustainable support for ongoing growth initiatives and redemption of existing capital instruments, and also focused on filling the buckets for AT1 and Tier 2.

The bank continues to enhance the use of economic capital methodology in risk-based decision-making, including capital allocation. The assessment of economic risk aligns with the group's economic capital framework to ensure the bank remains solvent at a confidence interval of 99.93%, and that it can deliver on its commitments to stakeholders over a one-year horizon. Regular reviews of the economic capital position are carried out across the group, enabling efficient portfolio optimisation with respect to financial resource management and portfolio behaviour. For the period under review, the bank continued to meet its economic capital requirements and reported an economic capital multiple (loss-absorbing capital/economic capital requirement) of 1.6 times on a post-diversified basis.

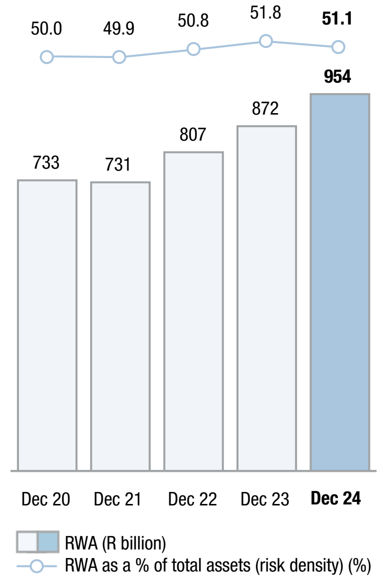
The graphs below provide a five-year view of the bank's capital adequacy, RWA and leverage positions. The decrease in the bank's risk density reflects changes in the balance sheet mix and RWA optimisation.

Capital adequacy*

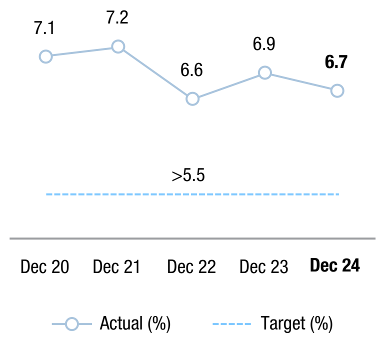


* *Including unappropriated profits.*

RWA history



Leverage*



* *Including unappropriated profits.*

The Basel III leverage ratio is supplementary to the risk-based capital measure and is a function of Tier 1 capital and total on- and off-balance sheet exposures. The decrease in the leverage ratio from December 2023 to December 2024 is due to an increase in total exposures, partly offset by an increase in Tier 1 capital.

Capital continued

Supply of capital

COMPOSITION OF CAPITAL*

	As at		
	31 December		30 June
R million	2024	2023	2024
CET1 capital excluding unappropriated profits	**113 933**	104 141	110 191
Unappropriated profits	**5 693**	8 368	3 380
CET1 capital including unappropriated profits	**119 626**	112 509	113 571
Additional Tier 1 capital	**11 404**	10 119	11 053
Tier 1 capital	**131 030**	122 628	124 624
Tier 2 capital	**22 171**	17 495	18 561
Total qualifying capital	**153 201**	140 123	143 185

* *Refer to the Basel Pillar 3 standardised disclosures at www.firstrand.co.za/investors/integrated-reporting-hub/ risk-disclosures/ for additional detail on the composition of capital.*

Key drivers

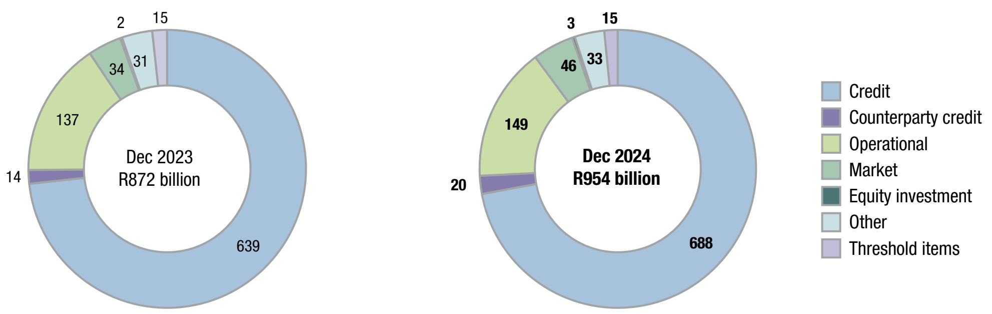
December 2024 vs December 2023

CET1 capital	▲	Positive earnings generation partly offset by the payment of dividends, as well as movement in other reserves.
AT1 capital	▲	AT1 and Tier 2 issuances net of redemptions to manage rollover of existing profile, support balance sheet growth and optimise the overall capital stack.
Tier 2 capital	▲	

Additional detail on the bank's capital instruments is included on page 165.

Demand for capital

RWA analysis
(R billion)



Key drivers

December 2024 vs December 2023

Credit	▲	• Volume growth partly offset by model refinements and optimisation.
Counterparty credit	▲	• Increased exposure to corporate and project finance related to hedging activities in South Africa.
Operational	▲	• Updates to the model input data for entities on the advanced measurement approach, as well as changes in average gross income impacting the regulatory capital floor and entities on the standardised approach.
Market	▲	• Increased exposure from trading book positions together with client flow across interest rate and foreign exchange asset classes, given global and local market conditions.

Capital adequacy position for the bank and its regulated entities

	As at 31 December					As at 30 June
	2024				2023	2024
%	Total minimum requirement*	RWA* R million	Tier 1	Total capital adequacy	Total capital adequacy	Total capital adequacy
Basel III (PA regulations)						
FirstRand Bank**	**13.0**	**954 015**	**13.7**	**16.1**	16.1	15.6
FirstRand Bank South Africa#	**13.0**	**924 336**	**13.4**	**15.7**	15.7	15.4
FirstRand Bank London	**13.5**	**28 892**	**18.9**	**19.3**	19.4	17.8
FirstRand Bank Guernsey	**13.0**	**1 405**	**85.2**	**85.2**	74.1	98.1
FirstRand Bank India†	**13.0**	**526**	**>100**	**>100**	>100	>100

* *Total minimum requirement excluding any confidential bank-specific requirements. RWA for entities outside of South Africa converted to rand using the closing rates at 31 December 2024.*

** *Including unappropriated profits and foreign branches.*

Ratios including unappropriated profits: CET1 of 12.1%, Tier 1 of 13.4% and total capital adequacy of 15.7%. Ratios excluding unappropriated profits: CET1 of 11.6%, Tier 1 of 12.9% and total capital adequacy of 15.2%.

† *The branch is in the process of being wound down.*

Regulatory update

Resolution framework

In January 2022, the President signed into law the Financial Sector Laws Amendment Act 23 of 2021 (FSLAA), which amends the Financial Sector Regulation Act 9 of 2017. On 24 March 2023, a commencement schedule for the provisions of the FSLAA was published, setting out the implementation dates for key elements of the resolution framework. One of the pivotal provisions effected by the schedule was the designation of the SARB as the RA effective 1 June 2023 and providing it with the necessary powers to operationalise an effective resolution regime and issue resolution standards. The SARB has initiated the resolution planning process by commencing its engagement with systemically important financial institutions.

In December 2024, the SARB's RA released *RA03 Prudential Standard on Flac Instrument Requirements* (Prudential Standard RA03). Following the release of the prudential standard, the SARB's Prudential Authority issued *Guidance Notice 1 of 2025: Guidance on minimum Flac requirement*s on 22 January 2025. These provided guidance on the implementation timelines, the entity level for issuance and calibration. The estimated annual post-tax cost, ranging from R300 million to R400 million at the end state, will be incorporated into the group's funding strategies and considered as part of the FRM process.

Capital

Guidance Note 3 of 2023, *Proposed implementation dates in respect of specified regulatory reforms*, was published in July 2023 and outlined the proposed implementation dates for the remaining Basel reforms. The proposed implementation date remains July 2025 onwards, and the assessment and implementation of the final reforms remain a key focus area.

The bank continues to actively engage with the industry and regulator, as well as to participate in impact assessments to better understand the effects of the proposed reforms on the bank, and this is incorporated into the bank's forward-looking capital plan. The impact on the bank's capital adequacy ratios is not expected to be material following the removal of the 6% scaling factor on advanced credit models and the implementation of the new standardised approach for operational risk. Areas of national discretion, however, have not been finalised and may still shift the final impact of the reforms.

Liquidity

As previously noted, the PA published Directive 1/2023 on 23 January 2023 in which items of national discretion relating to the NSFR were addressed. For the initial implementation of the NSFR framework, the PA assigned a 35% available stable funding (ASF) factor to funding received from financial corporates, excluding banks, that matures within six months.

This adjustment was withdrawn in terms of Directive 1/2023, with the phase-out of the 35% ASF following the timeline outlined in the table below:

Implementation dates	ASF for funding from financial corporates (excluding banks) maturing within six months
1 June 2023 to 31 December 2023	**30%**
1 January 2024 to 31 December 2024	**20%**
1 January 2025 to 31 December 2027	**10%**
1 January 2028 onwards	**0%**

The step-down from 30% to 20% took effect on 1 January 2024.

Rate reforms

JIBAR is set to be replaced. The SARB has indicated that this change is likely to occur by the end of 2026, with a confirmation date expected in December 2025. The SARB had initially released several proposed alternative reference rates and calculation methodologies.

The bank currently holds several contracts, including derivatives, that reference JIBAR. To oversee the transition, a steering committee within the bank has been established. This committee comprises key finance, risk, IT, treasury, legal and compliance personnel, as well as advisors. They have developed a transition process for both existing and potential future contracts, aiming to minimise disruption to business and clients, and to mitigate legal, operational and conduct risks associated with the transition to the South African Rand Overnight Index Average (ZARONIA).

IFRS INFORMATION

Presentation

Basis of presentation

The interim financial statements contained in this *Analysis of financial results* booklet are prepared in accordance with the JSE Limited Debt and Specialist Securities Listings Requirements (DSSLR) for interim reports and the requirements of the Companies Act of South Africa as applicable to interim financial statements.

The JSE DSSLR require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of:

- IFRS Accounting Standards;
- SAICA Financial Reporting Guides as issued by the Accounting Practices Committee;
- Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council; and
- contains the information required by the International Accounting Standard: 34 Interim Financial Reporting.

The interim financial statements for the six months ended 31 December 2024 have not been audited or independently reviewed by the bank's external auditors.

Accounting policies

The accounting policies and other methods of computation applied in the preparation of the interim financial statements are in terms of IFRS Accounting Standards and are consistent with those applied for the year ended 30 June 2024 as none of the new or amended IFRS Accounting Standards that became effective in the current period impacted the bank.

The interim financial statements are prepared in accordance with the going concern principle under the historical cost basis as modified by fair value accounting or certain assets and liabilities where required or permitted by IFRS.

Normalised results

The bank believes normalised earnings more accurately reflect operational performance. Consequently, headline earnings have been adjusted to take into account non-operational and accounting anomalies, which, in terms of the JSE DSSLR, constitute *pro forma* financial information.

All normalised entries, as included and described in the *Analysis of financial results* for the year ended 30 June 2024, remain unchanged in nature.

This *pro forma* financial information, which is the responsibility of the bank's directors, has been prepared for illustrative purposes to more accurately reflect operational performance. Due to its nature it may not fairly present, in terms of IFRS Accounting Standards, the bank's financial position, changes in equity and results of operations or cash flows.

Forecast information

Any forecast financial information contained herein, which is the responsibility of the bank's directors, has not been reviewed or reported on by the bank's external auditors.

Description of difference between normalised and IFRS results

Margin-related items included in fair value income

In terms of IFRS the bank has elected to measure certain financial assets and liabilities at fair value through profit or loss. In terms of the bank's IFRS accounting policies, the gains or losses on these assets and liabilities are included in fair value income within NIR. This results in NIR including gains or losses that are related to lending, borrowing and economic interest rate hedges. In order to reflect the economic substance of these amounts, the amount of fair value income that relates to margin is presented in NII in the normalised results.

The amount reclassified from NIR to NII includes the following items:

- the margin on the component of the wholesale advances book in RMB that is measured at fair value through profit or loss;
- fair value gains on derivatives that are used as interest rate hedges, but which do not qualify for hedge accounting; and
- currency translations and associated costs inherent to the USD funding and liquidity pool.

IAS 19 remeasurement of plan assets

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

Cash-settled share-based payments and the economic hedge

The bank entered into various total return swaps (TRSs) with external parties to economically hedge itself against the exposure to changes in the FirstRand share price associated with the group's share schemes.

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

When calculating normalised results, the bank defers the recognition of the fair value gain or loss on the hedging instrument for the specific reporting period to the period in which the IFRS 2 impact will manifest in the bank's results. This reflects the economic substance of the hedge and associated IFRS 2 impact for the group regarding the share schemes that are not hedge accounted.

In addition, the portion of the share-based payment expense which relates to the remeasurement of the liability arising from changes in the share price is reclassified from operating expenses into NIR in accordance with the economics of the transaction. The share-based payment expense included in operating expenses is equal to the grant date fair value of the awards given.

Headline earnings adjustments

All adjustments required by *Circular 01/2023 – Headline Earnings* in calculating headline earnings are included in normalised earnings on a line-by-line basis based on the nature of the adjustment.

The description and the amount of these adjustments are provided in the reconciliation between headline earnings and IFRS profit on page 120.

Restatement of prior year numbers

The comparative information relating to the following items has been restated.

Description of restatement

Margin balances related to derivative transactions have increased significantly because of growth in the bank's local and international client base and increased trading through the London Clearing House. The bank, therefore, has reconsidered the classification and presentation of margin balances associated with the derivative market in the statement of financial position and statement of cash flows during the current financial year. The revised classification and presentation results in an adjustment of R20 418 million associated with margin balances in the derivative market from cash and cash equivalents into collateral, settlement balances and other assets to reflect the underlying nature of the balances.

The bank previously reflected amounts relating to bank accounts as part of deposits. During the current year these bank accounts were reclassified and included in amounts due (to/by) holding company and fellow subsidiaries. This change in presentation allows the bank to reflect all inter-group balances within the amounts due (to/by) holding company and fellow subsidiaries line items, respectively.

These restatements had no impact on the profit or loss or net asset value of the bank.

The impact on financial information previously reported for the items noted above is illustrated below.

Restated condensed statement of financial position

as at 31 December 2023

R million	IFRS As reported at 31 December 2023	Reclassification	IFRS Restated as at 31 December 2023
ASSETS			
Cash and cash equivalents	80 256	(20 418)	59 838
Collateral, settlement balances and other assets	11 369	20 418	31 787
Total assets	1 684 159		1 684 159
EQUITY AND LIABILITIES			
Liabilities			
Deposits	1 423 334	(4 976)	1 418 358
Amounts due to holding company and fellow subsidiaries	25 070	4 976	30 046
Total equities and liabilities	1 684 159		1 684 159

Restated condensed statement of cash flows

as at 31 December 2023

R million	IFRS As reported at 31 December 2023	Reclassification	IFRS Restated as at 31 December 2023
Net increase in cash and cash equivalents	(23 495)	2 791	(20 704)
Cash and cash equivalents at the beginning of the year	103 714	(23 209)	80 505
Effect of exchange rate changes on cash and cash equivalents	37	–	37
Cash and cash equivalents at the end of the year	80 256	(20 418)	59 838

Condensed income statement – IFRS

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Interest income calculated using effective interest rate	**75 716**	68 373	11	140 110
Interest on other financial instruments and similar income	**398**	1 367	(71)	2 311
Interest and similar income	**76 114**	69 740	9	142 421
Interest expense and similar charges	**(44 572)**	(40 202)	11	(82 997)
Net interest income before impairment of advances	**31 542**	29 538	7	59 424
Impairment and fair value of credit on advances	**(6 134)**	(5 332)	15	(12 451)
– Impairment on amortised cost advances	**(6 142)**	(5 483)	12	(12 462)
– Fair value of credit on advances	**8**	151	(95)	11
Net interest income after impairment of advances	**25 408**	24 206	5	46 973
Non-interest revenue	**23 441**	22 609	4	45 651
– Net fee and commission income	**17 298**	15 984	8	31 882
– Fee and commission income	**20 820**	19 071	9	38 414
– Fee and commission expense	**(3 522)**	(3 087)	14	(6 532)
– Insurance income	**58**	67	(13)	118
– Fair value income and foreign exchange gains*	**1 929**	4 194	(54)	7 182
– Fair value income and foreign exchange gains*	**7 832**	10 518	(26)	18 781
– Interest expense on fair value activities	**(5 903)**	(6 324)	(7)	(11 599)
– Gains less losses from investing activities	**92**	35	>100	(60)
– Net other non-interest revenue	**4 064**	2 329	74	6 529
Income from operations	**48 849**	46 815	4	92 624
Operating expenses	**(27 621)**	(26 882)	3	(57 965)
Income before indirect tax	**21 228**	19 933	6	34 659
Indirect tax	**(622)**	(659)	(6)	(1 132)
Profit before income tax	**20 606**	19 274	7	33 527
Income tax expense	**(4 559)**	(4 277)	7	(7 206)
Profit for the period	**16 047**	14 997	7	26 321
Attributable to				
Ordinary equityholders	**15 212**	14 247	7	24 803
Other equity instrument holders	**835**	750	11	1 518
Profit for the period	**16 047**	14 997	7	26 321

* *Fair value income and foreign exchange gains was previously reflected as fair value gains or losses. The line description has been updated to align with the bank's presentation accounting policy for fair value income.*

Condensed statement of other comprehensive income – IFRS

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Profit for the period	**16 047**	14 997	–	26 321
Items that may subsequently be reclassified to profit or loss				
Cash flow hedges	**1 128**	2 410	–	2 341
Gains arising during the period	**1 219**	2 509	–	2 396
Reclassification adjustments for amounts included in profit or loss	**326**	792	–	811
Deferred income tax	**(417)**	(891)	–	(866)
FVOCI debt reserve	**246**	1	>100	(150)
Gains/(losses) arising during the period	**337**	10	>100	(194)
Reclassification adjustments for amounts included in profit or loss	**–**	(9)	–	(11)
Deferred income tax	**(91)**	–	n/a	55
Exchange differences on translating foreign operations	**286**	(141)	(>100)	(262)
Gains/(losses) arising during the period	**265**	(130)	(>100)	(233)
Deferred income tax	**21**	(11)	(>100)	(29)
Items that may not subsequently be reclassified to profit or loss				
FVOCI equity reserve	**1**	(1)	(>100)	(3)
Gains/(losses) arising during the period	**1**	(1)	(>100)	(4)
Deferred income tax	**–**	–	–	1
Remeasurements on defined benefit post-employment plans	**(51)**	(22)	>100	(25)
Losses arising during the period	**(70)**	(30)	>100	(34)
Deferred income tax	**19**	8	>100	9
Other comprehensive income for the period	**1 610**	2 247	–	1 901
Total comprehensive income for the period	**17 657**	17 244	–	28 222
Attributable to				
Ordinary equityholders	**16 822**	16 494	–	26 704
Other equity instrument holders	**835**	750	–	1 518
Total comprehensive income for the period	**17 657**	17 244	–	28 222

Condensed statement of financial position – IFRS

	As at 31 December		As at 30 June
R million	2024	2023	2024
ASSETS			
Cash and cash equivalents*	**127 575**	59 838	88 470
Derivative financial instruments	**48 993**	44 288	45 974
Commodities	**14 924**	13 327	15 109
Investment securities	**347 990**	312 957	307 698
Advances	**1 213 790**	1 133 866	1 143 128
– Advances to customers**	**1 140 763**	1 051 121	1 063 654
– Marketable advances	**73 027**	82 745	79 474
Collateral, settlement balances and other assets*	**23 389**	31 787	28 333
Current tax asset	**678**	991	247
Amounts due by holding company and fellow subsidiaries	**61 486**	61 555	58 638
Property and equipment	**20 392**	18 408	19 526
Intangible assets	**1 328**	966	1 150
Investment properties	**281**	281	281
Deferred income tax asset	**6 162**	5 895	7 292
Total assets	**1 866 988**	1 684 159	1 715 846
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	**15 777**	10 374	9 601
Derivative financial instruments	**49 234**	44 691	43 384
Creditors, accruals and provisions	**21 769**	25 138	27 019
Deposits*	**1 581 134**	1 418 358	1 444 707
Employee liabilities	**9 714**	9 811	13 755
Other liabilities	**3 038**	2 709	3 046
Amounts due to holding company and fellow subsidiaries*	**28 199**	30 046	28 419
Tier 2 liabilities	**20 595**	17 130	16 758
Total liabilities	**1 729 460**	1 558 257	1 586 689
Equity			
Ordinary shares	**4**	4	4
Share premium	**16 804**	16 804	16 804
Reserves	**105 516**	96 429	97 594
Capital and reserves attributable to ordinary equityholders	**122 324**	113 237	114 402
Other equity instruments	**15 204**	12 665	14 755
Total equity	**137 528**	125 902	129 157
Total equities and liabilities	**1 866 988**	1 684 159	1 715 846

* *Restated. Refer to page 113.*

** *Included in advances to customers are assets under agreements to resell of R97 239 million (December 2023: R90 881 million; June 2024: R67 757 million).*

Condensed statement of cash flows – IFRS

	Six months ended 31 December		Year ended 30 June
R million	2024	2023*	2024
Cash flows from operating activities			
Other operating activities	**52 052**	(8 268)	36 254
Dividends paid	**(9 735)**	(8 369)	(18 181)
Taxation paid	**(4 731)**	(4 556)	(8 716)
Net cash generated from operating activities	**37 586**	(21 193)	9 357
Cash flows from investing activities			
Capital expenditure	**(3 551)**	(2 411)	(6 223)
Proceeds on disposal from investment activities	**1 347**	40	449
Net cash outflow from investment activities	**(2 204)**	(2 371)	(5 332)
Cash flows from financing activities			
Other financing activities	**(454)**	(647)	(589)
Proceeds from issue of Tier 2 liabilities	**3 798**	772	1 548
Capital repaid on Tier 2 liabilities	**–**	–	(1 910)
Proceeds from issue of AT1 equity instruments	**3 910**	5 000	(2 265)
Redemption of AT1 equity instruments	**(3 461)**	(2 265)	7 090
Net cash outflow from financing activities	**3 793**	2 860	3 874
Net increase in cash and cash equivalents	**39 175**	(20 704)	7 899
Cash and cash equivalents at the beginning of the year	**88 470**	80 505	80 505
Effect of exchange rate changes on cash and cash equivalents	**(70)**	37	66
Cash and cash equivalents at the end of the year	**127 575**	59 838	88 470
Mandatory reserve balances with central bank**	**37 317**	34 574	35 285

* *Restated. Refer to page 113.*

** *Banks are required to deposit a minimum average balance, calculated monthly with the central bank, which is available for use by the bank subject to certain restrictions and limitations levelled by the central banks within the countries of operation. The deposit bears no or low interest. Money at short notice constitutes amounts withdrawable in 32 days or less.*

Condensed statement of changes in equity – IFRS

for the six months ended 31 December

	Ordinary share capital and ordinary equityholders' funds					ılders' funds					
R million	Share capital	Share premium	**Share capital and share premium**	Defined benefit post-employment reserve	Cash flow hedge reserve	Foreign currency translation reserve	Other reserves*	Retained earnings	**Reserves attributable to ordinary equity-holders**	**Other equity instruments ****	**Total equity**
Balance as at 1 July 2023	4	16 804	**16 808**	(533)	(3 225)	2 576	1 305	87 430	**87 553**	**9 930**	**114 291**
Additional Tier 1 capital issued during the period	–	–	**–**	–	–	–	–	–	**–**	**5 000**	**5 000**
Additional Tier 1 capital redeemed during the period	–	–	**–**	–	–	–	–	–	**–**	**(2 265)**	**(2 265)**
Movement in other reserves	–	–	**–**	–	–	–		(1)	**(1)**	**–**	**(1)**
Ordinary dividends	–	–	**–**	–	–	–	–	(7 619)	**(7 619)**	**–**	**(7 619)**
Distributions on other equity instruments	–	–	**–**	–	–	–	–	–	**–**	**(750)**	**(750)**
Total comprehensive income for the period	–	–	**–**	(22)	2 410	(141)	1	14 247	**16 495**	**750**	**17 245**
– Profit for the period	–	–	**–**	–	–	–	–	14 247	**14 247**	**750**	**14 997**
– Other comprehensive income for the period	–	–	**–**	(22)	2 410	(141)	1	–	**2 248**	**–**	**2 248**
Balance as at 31 December 2023	4	16 804	**16 808**	(555)	(815)	2 435	1 306	94 057	**96 428**	**12 665**	**125 901**
Balance as at 1 July 2024	4	16 804	**16 808**	(558)	(884)	2 314	1 152	95 570	**97 594**	**14 755**	**129 157**
Additional Tier 1 capital issued during the period	–	–	**–**	–	–	–	–	–	**–**	**3 910**	**3 910**
Additional Tier 1 redeemed during the period	–	–	**–**	–	–	–	–	–	**–**	**(3 461)**	**(3 461)**
Movement in other reserves	–	–	**–**	–	–	–	–	–	**–**	**–**	**–**
Ordinary dividends	–	–	**–**	–	–	–	–	(8 900)	**(8 900)**	**–**	**(8 900)**
Distributions on other equity instruments	–	–	**–**	–	–	–	–	–	**–**	**(835)**	**(835)**
Total comprehensive income for the period	–	–	**–**	(51)	1 128	286	247	15 212	**16 822**	**835**	**17 657**
– Profit for the period	–	–	**–**	–	–	–	–	15 212	**15 212**	**835**	**16 047**
– Other comprehensive income for the period	–	–	**–**	(51)	1 128	286	247	–	**1 610**	**–**	**1 610**
Balance as at 31 December 2024	4	16 804	**16 808**	(609)	244	2 600	1 399	101 882	**105 516**	**15 204**	**137 528**

* *Other reserves include the FVOCI reserve.*

** *Other equity instruments at 31 December 2024 include R15 204 million (December 2023: R12 665 million; June 2024: R14 755 million) of AT1 instruments.*

Statement of headline earnings – IFRS

for the six months ended 31 December 2024

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Profit for the year	**16 047**	14 997	7	26 321
Other equity instrument holders	**(835)**	(750)	11	(1 518)
Earnings attributable to ordinary equityholders	**15 212**	14 247	7	24 803
Adjusted for	**(104)**	(31)	>100	14
(Gain)/loss on disposal of property and equipment	**(134)**	6	(>100)	17
Fair value movement on investment properties	**–**	–	n/a	–
Impairment of assets in terms of IAS 36	**(8)**	(48)	(83)	2
Other	**–**	–	n/a	–
Tax effects of adjustments	**38**	11	>100	(5)
Headline earnings	**15 108**	14 216	6	24 817

Reconciliation from headline to normalised earnings

for the six months ended 31 December 2024

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Headline earnings	**15 108**	14 216	6	24 817
Adjusted for	**(39)**	(45)	(13)	(87)
IAS 19 adjustment	**(39)**	(45)	(13)	(87)
Normalised earnings	**15 069**	14 171	6	24 730

Reconciliation of normalised to IFRS condensed income statement

for the six months ended 31 December 2024

R million	Normalised	Margin-related items included in fair value income	IAS 19 adjustment	Headline earnings adjustments	TRS and IFRS 2 liability remeasurement	IFRS
Net interest income before impairment of advances	**32 296**	(914)	–	–	160	**31 542**
Impairment charge	**(6 134)**	–	–	–	–	**(6 134)**
Net interest income after impairment of advances	**26 162**	(914)	–	–	160	**25 408**
Total non-interest revenue	**22 567**	914	–	134	(174)	**23 441**
Income from operations	**48 729**	–	–	134	(14)	**48 849**
Operating expenses	**(27 696)**	–	53	8	14	**(27 621)**
Income before indirect tax	**21 033**	–	53	142	–	**21 228**
Indirect tax	**(622)**	–		–	–	**(622)**
Profit before tax	**20 411**	–	53	142	–	**20 606**
Income tax expense	**(4 507)**	–	(14)	(38)	–	**(4 559)**
Profit for the period	**15 904**	–	39	104	–	**16 047**
Attributable to						
Other equity instrument holders	**(835)**	–	–	–	–	**(835)**
Ordinary equityholders	**15 069**	–	39	104	–	**15 212**
Headline and normalised earnings adjustments	**–**	–	(39)	(104)	–	**(143)**
Normalised earnings attributable to ordinary equityholders of the bank	**15 069**	–	–	–	–	**15 069**

Reconciliation of normalised to IFRS condensed income statement

for the six months ended 31 December 2023

R million	Normalised	Margin-related items included in fair value income	IAS 19 adjustment	Headline earnings adjustments	TRS and IFRS 2 liability remeasurement	IFRS
Net interest income before impairment of advances	30 331	(901)	–	–	108	29 538
Impairment charge	(5 332)	–	–	–	–	(5 332)
Net interest income after impairment of advances	24 999	(901)	–	–	108	24 206
Total non-interest revenue	21 674	901	–	(6)	40	22 609
Income from operations	46 673	–	–	(6)	148	46 815
Operating expenses	(26 844)	–	62	48	(148)	(26 882)
Income before indirect tax	19 829	–	62	42	–	19 933
Indirect tax	(659)	–	–	–	–	(659)
Profit before tax	19 170	–	62	42	–	19 274
Income tax expense	(4 249)	–	(17)	(11)	–	(4 277)
Profit for the period	14 921	–	45	31	–	14 997
Attributable to						
Other equity instrument holders	(750)	–	–	–	–	(750)
Ordinary equityholders	14 171	–	45	31	–	14 247
Headline and normalised earnings adjustments	–	–	(45)	(31)	–	(76)
Normalised earnings attributable to ordinary equityholders of the bank	14 171	–	–	–	–	14 171

Reconciliation of normalised to IFRS condensed income statement

for the year ended 30 June 2024

R million	Normalised	Margin-related items included in fair value income	IAS 19 adjustment	Headline earnings adjustments	TRS and IFRS 2 liability remeasurement	IFRS
Net interest income before impairment of advances	61 062	(1 883)	–	–	245	59 424
Impairment charge	(12 451)	–	–	–	–	(12 451)
Net interest income after impairment of advances	48 611	(1 883)	–	–	245	46 973
Total non-interest revenue	43 928	1 883	–	(17)	(143)	45 651
Income from operations	92 539	–	–	(17)	102	92 624
Operating expenses	(57 980)	–	119	(2)	(102)	(57 965)
Income before indirect tax	34 559	–	119	(19)	–	34 659
Indirect tax	(1 132)	–	–	–	–	(1 132)
Profit before tax	33 427	–	119	(19)	–	33 527
Income tax expense	(7 179)	–	(32)	5	–	(7 206)
Profit for the year	26 248	–	87	(14)	–	26 321
Attributable to						
Other equity instrument holders	(1 518)	–	–	–	–	(1 518)
Ordinary equityholders	24 730	–	87	(14)	–	24 803
Headline and normalised earnings adjustments	–	–	(87)	14	–	(73)
Normalised earnings attributable to ordinary equityholders of the bank	24 730	–	–	–	–	24 730

Advances

Note 1 – Category analysis of advances

	Advances			
	As at 31 December			As at 30 June
R million	2024	2023	% change	2024
Overdrafts and cash management accounts	**84 148**	84 968	(1)	86 389
Term loans	**85 810**	75 529	14	80 592
Card loans	**46 329**	42 599	9	45 477
Instalment sales, hire purchase agreements and lease payments receivable	**156 931**	148 078	6	152 324
Property finance	**313 043**	297 364	5	307 039
Personal loans	**55 729**	54 419	2	55 781
Preference share agreements	**29 349**	30 535	(4)	30 211
Investment bank term loans	**239 996**	198 561	21	217 669
Long-term loans to group associates and joint ventures	**545**	452	21	452
Other	**73 146**	66 077	11	60 420
Total customer advances	**1 085 026**	998 582	9	1 036 354
Marketable advances	**73 027**	82 745	(12)	79 474
Assets under agreements to resell	**97 239**	90 881	7	67 757
Gross value of advances	**1 255 292**	1 172 208	7	1 183 585
Impairment and credit of fair value advances	**(41 502)**	(38 342)	8	(40 457)
Net advances	**1 213 790**	1 133 866	7	1 143 128
Gross advances – amortised cost	**1 121 851**	1 035 270	8	1 079 725
Impairment of advances – amortised cost	**(40 638)**	(37 285)	9	(39 596)
Net advances – amortised cost	**1 081 213**	997 985	8	1 040 129
Gross advances – fair value	**133 441**	136 938	(3)	103 860
Impairment of advances – fair value	**(864)**	(1 057)	(18)	(861)
Net advances – fair value	**132 577**	135 881	(2)	102 999
Net advances	**1 213 790**	1 133 866	7	1 143 128

Advances continued

Note 2 – Breakdown of ECL created in the reporting period

	31 December 2024				
R million	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**
Current period ECL provided	**8 310**	**(720)**	**2 399**	**6 575**	**56**
Interest suspended on stage 3 advances	**(1 772)**	**–**	**–**	**(1 729)**	**(43)**
Current period change in ECL provided after interest suspended on stage 3 advances	**6 538**	**(720)**	**2 399**	**4 846**	**13**
Post write-off recoveries	**(819)**	**–**	**–**	**(819)**	**–**
Modification losses	**415**	**–**	**32**	**383**	**–**
Impairment recognised in the income statement for the period ended 31 December 2024	**6 134**	**(720)**	**2 431**	**4 410**	**13**
Amortised cost	**6 142**	**(761)**	**2 480**	**4 410**	**13**
Fair value*	**(8)**	**41**	**(49)**	**–**	**–**
	31 December 2023				
Current period ECL provided	7 181	(639)	2 271	5 406	143
Interest suspended on stage 3 advances	(1 389)	–	–	(1 369)	(20)
Current period change in ECL provided after interest suspended on stage 3 advances	5 792	(639)	2 271	4 037	123
Post write-off recoveries	(817)	–	–	(817)	–
Modification losses	357	–	20	337	–
Impairment recognised in the income statement for the period ended 31 December 2023	5 332	(639)	2 291	3 557	123
Amortised cost	5 483	(605)	2 408	3 557	123
Fair value*	(151)	(34)	(117)	–	–
	30 June 2024				
Current year ECL provided	16 188	69	3 173	12 609	337
Interest suspended on stage 3 advances	(2 983)	–	–	(2 926)	(57)
Current year change in ECL provided after interest suspended on stage 3 advances	13 205	69	3 173	9 683	280
Post write-off recoveries	(1 615)	–	–	(1 615)	–
Modification losses	861	–	105	756	–
Impairment recognised in the income statement for the year ended 30 June 2024	12 451	69	3 278	8 824	280
Amortised cost	12 462	(143)	3 643	8 682	280
Fair value*	(11)	212	(365)	142	–

* *No recoveries of bad debts written off or modification losses are attributable to advances measured at fair value.*

Basis of preparation of the reconciliation of gross carrying amount and loss allowance on total advances per class

The basis of presentation of the reconciliation of the gross carrying amount (GCA) and loss allowance on advances can be found in Note 10 – Advances in the annual financial statements available on the group's website at www.firstrand.co.za/investors/integrated-reporting-hub/financial-reporting/.

Basis for determination of classes

The type of client is used as a primary indicator to determine classes of advances, and then the type of loans provided to that type of client is reflected as subclasses.

Advances continued

Note 3.1 – Reconciliation of the gross carrying amount of total advances per class

AMORTISED COST – 31 DECEMBER 2024

	Retail secured		Retail unsecured			Corporate and commercial				
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
GCA reported as at 1 July 2024	270 461	111 421	41 374	53 286	7 314	129 022	60 218	366 875	39 754	1 079 725
– Stage 1	230 024	91 975	33 111	35 345	5 715	115 388	55 268	343 271	39 110	949 207
– Stage 2	22 219	12 336	3 030	8 933	584	8 901	3 841	20 490	13	80 347
– Stage 3	18 218	7 110	5 233	9 008	1 015	4 733	1 109	2 274	631	49 331
– Purchased or originated credit impaired	–	–	–	–	–	–	–	840	–	840
Transfers between stages	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	(3 312)	(1 401)	(1 166)	(2 436)	(142)	(1 767)	(517)	(194)	(19)	(10 954)
– Transfers into stage 1	4 964	2 854	875	1 962	149	2 002	1 501	2 987	5	17 299
– Transfers out of stage 1	(8 276)	(4 255)	(2 041)	(4 398)	(291)	(3 769)	(2 018)	(3 181)	(24)	(28 253)
Transfers to/(from) stage 2	1 309	(296)	(272)	(381)	8	188	56	(2 004)	(4)	(1 396)
– Transfers into stage 2	8 807	4 120	1 229	3 685	270	2 967	1 739	3 169	1	25 987
– Transfers out of stage 2	(7 498)	(4 416)	(1 501)	(4 066)	(262)	(2 779)	(1 683)	(5 173)	(5)	(27 383)
Transfers to/(from) stage 3	2 003	1 697	1 438	2 817	134	1 579	461	2 198	23	12 350
– Transfers into stage 3	3 530	2 228	1 484	3 517	196	1 634	514	2 198	25	15 326
– Transfers out of stage 3	(1 527)	(531)	(46)	(700)	(62)	(55)	(53)	–	(2)	(2 976)
Current period movement	3 609	7 203	2 260	2 971	205	6 070	2 887	28 332	9 133	62 670
New business – changes in exposure	20 926	24 787	1 808	10 749	724	15 808	10 386	88 226	217	173 631
Back book – current period movement	(17 317)	(17 584)	452	(7 778)	(519)	(9 738)	(7 499)	(59 953)	8 916	(111 020)
– Exposures with a change in measurement basis from 12 months to LECL	(737)	(934)	14	(881)	(6)	(807)	(723)	(65)	(1)	(4 140)
– Other current period change in exposure/ net movement on GCA	(16 580)	(16 650)	438	(6 897)	(513)	(8 931)	(6 776)	(59 888)	8 917	(106 880)
Purchased or originated credit impaired	–	–	–	–	–	–	–	59	–	59
Acquisition/(disposal) of advances	–	(1 990)	–	–	–	–	–	(11 867)	–	(13 857)
Transfers from/(to) other divisions	1	–	–	–	(1)	–	–	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	970	18	988
Bad debts written off	(250)	(1 176)	(1 091)	(2 894)	(393)	(731)	(83)	–	(642)	(7 260)
Modifications that did not give rise to derecognition	(2)	(32)	(65)	(304)	(16)	4	–	–	–	(415)
GCA as at 31 December 2024	273 819	115 426	42 478	53 059	7 109	134 365	63 022	384 310	48 263	1 121 851
– Stage 1	231 593	96 690	33 756	35 346	5 577	120 533	58 450	364 139	48 178	994 262
– Stage 2	23 139	11 776	2 864	8 399	564	8 596	3 244	15 394	6	73 982
– Stage 3	19 087	6 960	5 858	9 314	968	5 236	1 328	3 878	79	52 708
– Purchased or originated credit impaired	–	–	–	–	–	–	–	899	–	899
Core lending advances	273 819	115 426	42 478	53 059	7 109	134 365	63 022	383 933	32 009	1 105 220
Assets under agreements to resell	–	–	–	–	–	–	–	377	16 254	16 631
Total GCA of advances as at 31 December 2024	273 819	115 426	42 478	53 059	7 109	134 365	63 022	384 310	48 263	1 121 851

Advances continued

Note 3.2 – Reconciliation of the loss allowance on total advances per class

AMORTISED COST – 31 DECEMBER 2024

	Retail secured		Retail unsecured			Corporate and commercial				
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
ECL reported as at 1 July 2024	5 448	6 195	5 705	10 243	1 326	5 071	916	3 854	838	39 596
– Stage 1	413	978	1 157	1 884	282	1 189	245	960	244	7 352
– Stage 2	1 288	1 859	773	2 112	168	947	147	2 024	5	9 323
– Stage 3	3 747	3 358	3 775	6 247	876	2 935	524	288	589	22 339
– Purchased or originated credit impaired	–	–	–	–	–	–	–	582	–	582
Transfers between stages	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	153	266	71	98	13	116	40	345	1	1 103
– Transfers into stage 1	192	322	186	424	25	210	57	351	1	1 768
– Transfers out of stage 1	(39)	(56)	(115)	(326)	(12)	(94)	(17)	(6)	–	(665)
Transfers to/(from) stage 2	(245)	(634)	(368)	(836)	(38)	(276)	(58)	(571)	(1)	(3 027)
– Transfers into stage 2	160	76	72	467	29	84	16	14	–	918
– Transfers out of stage 2	(405)	(710)	(440)	(1 303)	(67)	(360)	(74)	(585)	(1)	(3 945)
Transfers to/(from) stage 3	92	368	297	738	25	160	18	226	–	1 924
– Transfers into stage 3	228	401	323	980	53	195	27	226	1	2 434
– Transfers out of stage 3	(136)	(33)	(26)	(242)	(28)	(35)	(9)	–	(1)	(510)
Current period provision created/(released)	643	1 143	1 560	3 022	256	1 035	132	423	104	8 318
New business – impairment charge/(release)	101	656	121	959	88	215	95	356	–	2 591
Back book – impairment charge/(release)	542	487	1 439	2 063	168	820	37	11	104	5 671
– Exposures with a change in measurement basis from 12 months to LECL	(5)	(123)	131	(13)	7	217	3	42	–	259
– Other current period impairment charge/(release)	547	610	1 308	2 076	161	603	34	(31)	104	5 412
Purchased or originated credit impaired	–	–	–	–	–	–	–	56	–	56
Acquisition/(disposal) of advances	–	–	–	–	–	–	–	(40)	–	(40)
Transfers from/(to) other divisions	–	–	–	–	–	–	–	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	5	19	24
Bad debts written off	(250)	(1 176)	(1 091)	(2 894)	(393)	(731)	(83)	–	(642)	(7 260)
ECL as at 31 December 2024	5 841	6 162	6 174	10 371	1 189	5 375	965	4 242	319	40 638
– Stage 1	398	1 052	1 169	1 826	222	1 197	265	1 293	234	7 656
– Stage 2	1 271	1 857	741	2 005	144	992	105	1 626	5	8 746
– Stage 3	4 172	3 253	4 264	6 540	823	3 186	595	685	80	23 598
– Purchased or originated credit impaired	–	–	–	–	–	–	–	638	–	638
Current period provision created/(released) per impairment stage	643	1 143	1 560	3 022	256	1 035	132	423	104	8 318
– Stage 1	(167)	(190)	(59)	(156)	(72)	(109)	(21)	22	(9)	(761)
– Stage 2	227	632	336	730	13	321	17	173	(1)	2 448
– Stage 3	583	701	1 283	2 448	315	823	136	172	114	6 575
– Purchased or originated credit impaired	–	–	–	–	–	–	–	56	–	56

Advances continued

Note 3.3 – Reconciliation of the gross carrying amount of total advances per class

FAIR VALUE – 31 DECEMBER 2024

R million	FNB commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
GCA reported as at 1 July 2024	816	101 678	1 366	103 860
– Stage 1	816	98 795	1 366	100 977
– Stage 2	–	1 994	–	1 994
– Stage 3	–	889	–	889
– Purchased or originated credit impaired	–	–	–	–
Transfers between stages	–	–	–	–
Transfers to/(from) stage 1	–	282	–	282
– Transfers into stage 1	–	282	–	282
– Transfers out of stage 1	–	–	–	–
Transfers to/(from) stage 2	–	(278)	–	(278)
– Transfers into stage 2	–	–	–	–
– Transfers out of stage 2	–	(278)	–	(278)
Transfers to/(from) stage 3	–	(4)	–	(4)
– Transfers into stage 3	–	(4)	–	(4)
– Transfers out of stage 3	–	–	–	–
Current period movement	(17)	28 863	115	28 961
New business – changes in exposure	(16)	12 079	–	12 063
Back book – current period movement	(1)	16 784	115	16 898
– Exposures with a change in measurement basis from 12 months to LECL	–	–	–	–
– Other current period change in exposure/ net movement on GCA	(1)	16 784	115	16 898
Purchased or originated credit impaired	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–
Exchange rate differences	–	620	–	620
Bad debts written off	–	–	–	–
GCA as at 31 December 2024	799	131 161	1 481	133 441
– Stage 1	799	128 887	1 481	131 167
– Stage 2	–	1 384	–	1 384
– Stage 3	–	890	–	890
– Purchased or originated credit impaired	–	–	–	–
Core lending advances	799	50 553	1 481	52 833
Assets under agreements to resell	–	80 608	–	80 608
Total GCA of advances as at 31 December 2024	799	131 161	1 481	133 441

Note 3.4 – Reconciliation of the loss allowance on total advances per class

FAIR VALUE – 31 DECEMBER 2024

R million	FNB commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
ECL reported as at 1 July 2024	6	848	7	861
– Stage 1	6	497	7	510
– Stage 2	–	109	–	109
– Stage 3	–	242	–	242
– Purchased or originated credit impaired	–	–	–	–
Transfers between stages	–	–	–	–
Transfers to/(from) stage 1	–	18	–	18
– Transfers into stage 1	–	18	–	18
– Transfers out of stage 1	–	–	–	–
Transfers to/(from) stage 2	–	(18)	–	(18)
– Transfers into stage 2	–	–	–	–
– Transfers out of stage 2	–	(18)	–	(18)
Transfers to/(from) stage 3	–	–	–	–
– Transfers into stage 3	–	–	–	–
– Transfers out of stage 3	–	–	–	–
Current period provision created/(released)	10	(16)	(2)	(8)
New business – impairment charge/(release)	2	86	–	88
Back book – impairment charge/(release)	8	(102)	(2)	(96)
– Exposures with a change in measurement basis from 12 months to LECL	–	–	–	–
– Other current period impairment charge/(release)	8	(102)	(2)	(96)
Purchased or originated credit impaired	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–
Exchange rate differences	–	11	–	11
Bad debts written off	–	–	–	–
ECL as at 31 December 2024	16	843	5	864
– Stage 1	16	552	5	573
– Stage 2	–	48	–	48
– Stage 3	–	243	–	243
– Purchased or originated credit impaired	–	–	–	–
Current period provision created/(released) per impairment stage	10	(16)	(2)	(8)
– Stage 1	10	33	(2)	41
– Stage 2	–	(49)	–	(49)
– Stage 3	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–

Advances continued

Note 3.5 – Reconciliation of the gross carrying amount of total advances per class

AMORTISED COST – 31 DECEMBER 2023

	Retail secured		Retail unsecured			Corporate and commercial				
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
GCA reported as at 1 July 2023	259 635	105 433	37 149	50 072	7 406	115 928	54 212	306 892	42 510	979 237
– Stage 1	223 096	87 489	30 073	35 024	5 843	102 500	49 682	287 049	41 544	862 300
– Stage 2	22 466	11 944	3 019	7 501	639	8 655	3 464	16 071	46	73 805
– Stage 3	14 073	6 000	4 057	7 547	924	4 773	1 066	2 990	920	42 350
– Purchased or originated credit impaired	–	–	–	–	–	–	–	782	–	782
Transfers between stages	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	(2 431)	(2 451)	(825)	(2 928)	(166)	(992)	(2 128)	(6 059)	47	(17 933)
– Transfers into stage 1	5 162	2 428	987	1 585	168	1 994	2 793	1 704	62	16 883
– Transfers out of stage 1	(7 593)	(4 879)	(1 812)	(4 513)	(334)	(2 986)	(4 921)	(7 763)	(15)	(34 816)
Transfers to/(from) stage 2	(430)	453	(386)	23	(44)	340	2 099	6 059	(4)	8 110
– Transfers into stage 2	7 601	4 497	1 168	3 372	264	2 763	4 896	7 763	12	32 336
– Transfers out of stage 2	(8 031)	(4 044)	(1 554)	(3 349)	(308)	(2 423)	(2 797)	(1 704)	(16)	(24 226)
Transfers to/(from) stage 3	2 861	1 998	1 211	2 905	210	652	29	–	(43)	9 823
– Transfers into stage 3	3 698	2 313	1 269	3 295	256	964	311	–	17	12 123
– Transfers out of stage 3	(837)	(315)	(58)	(390)	(46)	(312)	(282)	–	(60)	(2 300)
Current period movement	6 699	4 443	2 687	4 360	470	4 457	5 599	46 540	(8 146)	67 109
New business – changes in exposure	22 005	14 581	1 543	11 663	737	14 753	12 034	60 422	(1 129)	136 609
Back book – current period movement	(15 306)	(10 138)	1 144	(7 303)	(267)	(10 296)	(6 435)	(13 938)	(7 017)	(69 556)
– Exposures with a change in measurement basis from 12 months to LECL	(646)	(240)	81	(792)	5	(648)	(1 440)	(652)	(8)	(4 340)
– Other current period change in exposure/ net movement on GCA	(14 660)	(9 898)	1 063	(6 511)	(272)	(9 648)	(4 995)	(13 286)	(7 009)	(65 216)
Purchased or originated credit impaired	–	–	–	–	–	–	–	56	–	56
Acquisition/(disposal) of advances	–	–	–	–	–	–	–	(2 871)	–	(2 871)
Transfers from/(to) other divisions	(2 028)	–	–	–	10	–	–	–	–	(2 018)
Exchange rate differences	–	–	–	–	–	–	–	(494)	(33)	(527)
Bad debts written off	(211)	(764)	(938)	(2 220)	(328)	(714)	(48)	(62)	(18)	(5 303)
Modifications that did not give rise to derecognition	(8)	(16)	(16)	(299)	(18)	–	–	–	–	(357)
GCA as at 31 December 2023	264 087	109 096	38 882	51 913	7 540	119 671	59 763	350 005	34 313	1 035 270
– Stage 1	225 961	90 222	31 461	35 647	5 932	106 622	54 631	327 292	33 636	911 404
– Stage 2	22 058	12 182	2 914	7 731	633	8 582	4 150	19 072	17	77 339
– Stage 3	16 068	6 692	4 507	8 535	975	4 467	982	2 803	660	45 689
– Purchased or originated credit impaired	–	–	–	–	–	–	–	838	–	838
Core lending advances	264 087	109 096	38 882	51 913	7 540	119 671	59 763	349 714	27 175	1 027 841
Assets under agreements to resell	–	–	–	–	–	–	–	291	7 138	7 429
Total GCA of advances as at 31 December 2023	264 087	109 096	38 882	51 913	7 540	119 671	59 763	350 005	34 313	1 035 270

Advances continued

Note 3.6 – Reconciliation of the loss allowance on total advances per class

AMORTISED COST – 31 DECEMBER 2023

	Retail secured		Retail unsecured			Corporate and commercial				
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
ECL reported as at 1 July 2023	4 356	5 773	4 767	9 289	1 247	4 952	733	3 295	870	35 282
– Stage 1	432	985	1 165	2 069	309	907	228	960	37	7 092
– Stage 2	1 076	1 861	754	1 901	168	1 213	111	1 469	8	8 561
– Stage 3	2 848	2 927	2 848	5 319	770	2 832	394	621	825	19 384
– Purchased or originated credit impaired	–	–	–	–	–	–	–	245	–	245
Transfers between stages	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	150	215	101	20	12	180	32	4	8	722
– Transfers into stage 1	178	280	209	362	31	238	56	34	8	1 396
– Transfers out of stage 1	(28)	(65)	(108)	(342)	(19)	(58)	(24)	(30)	–	(674)
Transfers to/(from) stage 2	(296)	(593)	(358)	(756)	(57)	(225)	2	(4)	(2)	(2 289)
– Transfers into stage 2	88	70	75	331	27	93	44	30	–	758
– Transfers out of stage 2	(384)	(663)	(433)	(1 087)	(84)	(318)	(42)	(34)	(2)	(3 047)
Transfers to/(from) stage 3	146	378	257	736	45	45	(34)	–	(6)	1 567
– Transfers into stage 3	218	394	288	861	67	153	12	–	1	1 994
– Transfers out of stage 3	(72)	(16)	(31)	(125)	(22)	(108)	(46)	–	(7)	(427)
Current period provision created/(released)	509	1 022	1 253	2 813	391	587	150	539	67	7 331
New business – impairment charge/(release)	138	279	108	1 095	15	186	110	250	–	2 181
Back book – impairment charge/(release)	371	743	1 145	1 718	376	401	40	146	67	5 007
– Exposures with a change in measurement basis from 12 months to LECL	46	21	125	(40)	14	177	10	32	–	385
– Other current period impairment charge/(release)	325	722	1 020	1 758	362	224	30	114	67	4 622
Purchased or originated credit impaired	–	–	–	–	–	–	–	143	–	143
Acquisition/(disposal) of advances	–	–	–	–	–	–	–	(8)	–	(8)
Transfers from/(to) other divisions	–	–	–	(35)	35	–	–	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	(4)	(13)	(17)
Bad debts written off	(211)	(764)	(938)	(2 220)	(328)	(714)	(48)	(62)	(18)	(5 303)
ECL as at 31 December 2023	4 654	6 031	5 082	9 847	1 345	4 825	835	3 760	906	37 285
– Stage 1	410	985	1 142	1 912	361	958	302	1 097	28	7 195
– Stage 2	1 076	1 855	718	1 911	170	1 191	125	1 608	5	8 659
– Stage 3	3 168	3 191	3 222	6 024	814	2 676	408	668	870	21 041
– Purchased or originated credit impaired	–	–	–	–	–	–	–	387	3	390
Current period provision created/(released) per impairment stage	509	1 022	1 253	2 813	391	587	150	539	67	7 331
– Stage 1	(173)	(216)	(127)	(142)	9	(129)	42	143	(13)	(606)
– Stage 2	297	588	324	766	58	202	12	144	(3)	2 388
– Stage 3	385	650	1 056	2 189	324	514	96	109	83	5 406
– Purchased or originated credit impaired	–	–	–	–	–	–	–	143	–	143

Advances continued

Note 3.7 – Reconciliation of the gross carrying amount of total advances per class

FAIR VALUE – 31 DECEMBER 2023

R million	FNB commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
GCA reported as at 1 July 2023	520	121 090	2 579	124 189
– Stage 1	520	115 495	2 536	118 551
– Stage 2	–	4 847	43	4 890
– Stage 3	–	748	–	748
– Purchased or originated credit impaired	–	–	–	–
Transfers between stages	–	–	–	–
Transfers to/(from) stage 1	–	(43)	–	(43)
– Transfers into stage 1	–	–	–	–
– Transfers out of stage 1	–	(43)	–	(43)
Transfers to/(from) stage 2	–	43	–	43
– Transfers into stage 2	–	43	–	43
– Transfers out of stage 2	–	–	–	–
Transfers to/(from) stage 3	–	–	–	–
– Transfers into stage 3	–	–	–	–
– Transfers out of stage 3	–	–	–	–
Current period movement	208	14 015	(1 230)	12 993
New business – changes in exposure	–	6 757	–	6 757
Back book – current period movement	208	7 258	(1 230)	6 236
– Exposures with a change in measurement basis from 12 months to LECL	–	20	–	20
– Other current period change in exposure/ net movement on GCA	208	7 238	(1 230)	6 216
Purchased or originated credit impaired	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–
Exchange rate differences	–	(204)	–	(204)
Bad debts written off	–	(40)	–	(40)
GCA as at 31 December 2023	728	134 861	1 349	136 938
– Stage 1	728	130 961	1 295	132 984
– Stage 2	–	3 207	43	3 250
– Stage 3	–	693	11	704
– Purchased or originated credit impaired	–	–	–	–
Core lending advances	728	51 410	1 348	53 486
Assets under agreements to resell	–	83 451	1	83 452
Total GCA of advances as at 31 December 2023	728	134 861	1 349	136 938

Note 3.8 – Reconciliation of the loss allowance on total advances per class

FAIR VALUE – 31 DECEMBER 2023

R million	FNB commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
ECL reported as at 1 July 2023	51	1 186	16	1 253
– Stage 1	51	232	4	287
– Stage 2	–	483	4	487
– Stage 3	–	471	8	479
– Purchased or originated credit impaired	–	–	–	–
Transfers between stages	–	–	–	–
Transfers to/(from) stage 1	–	3	–	3
– Transfers into stage 1	–	3	–	3
– Transfers out of stage 1	–	–	–	–
Transfers to/(from) stage 2	–	(3)	–	(3)
– Transfers into stage 2	–	–	–	–
– Transfers out of stage 2	–	(3)	–	(3)
Transfers to/(from) stage 3	–	–	–	–
– Transfers into stage 3	–	–	–	–
– Transfers out of stage 3	–	–	–	–
Current period provision created/(released)	4	(156)	2	(150)
New business – impairment charge/(release)	–	34	–	34
Back book – impairment charge/(release)	4	(190)	2	(184)
– Exposures with a change in measurement basis from 12 months to LECL	–	13	–	13
– Other current period impairment charge/(release)	4	(203)	2	(197)
Purchased or originated credit impaired	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–
Exchange rate differences	–	(6)	–	(6)
Bad debts written off	–	(40)	–	(40)
ECL as at 31 December 2023	55	984	18	1 057
– Stage 1	55	198	4	257
– Stage 2	–	355	7	362
– Stage 3	–	431	7	438
– Purchased or originated credit impaired	–	–	–	–
Current period provision created/(released) per impairment stage	4	(156)	2	(150)
– Stage 1	4	(36)	(1)	(33)
– Stage 2	–	(120)	3	(117)
– Stage 3	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–

Advances continued

Note 3.9 – Reconciliation of the gross carrying amount of total advances per class

AMORTISED COST – 30 JUNE 2024

	Retail secured		Retail unsecured			Corporate and commercial				
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
GCA reported as at 1 July 2023	259 635	105 433	37 149	50 072	7 406	115 928	54 212	306 892	42 510	979 237
– Stage 1	223 096	87 489	30 073	35 024	5 843	102 500	49 682	287 049	41 544	862 300
– Stage 2	22 466	11 944	3 019	7 501	639	8 655	3 464	16 071	46	73 805
– Stage 3	14 073	6 000	4 057	7 547	924	4 773	1 066	2 990	920	42 350
– Purchased or originated credit impaired	–	–	–	–	–	–	–	782	–	782
Transfers between stages	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	(4 661)	(4 068)	(1 733)	(5 211)	(261)	(1 761)	(827)	(7 589)	9	(26 102)
– Transfers into stage 1	6 758	2 551	1 066	1 443	177	3 297	2 745	530	20	18 587
– Transfers out of stage 1	(11 419)	(6 619)	(2 799)	(6 654)	(438)	(5 058)	(3 572)	(8 119)	(11)	(44 689)
Transfers to/(from) stage 2	(572)	858	(634)	130	19	240	484	7 419	12	7 956
– Transfers into stage 2	10 455	5 645	1 221	3 920	342	4 293	3 238	8 028	9	37 151
– Transfers out of stage 2	(11 027)	(4 787)	(1 855)	(3 790)	(323)	(4 053)	(2 754)	(609)	3	(29 195)
Transfers to/(from) stage 3	5 233	3 210	2 367	5 081	242	1 521	343	170	(21)	18 146
– Transfers into stage 3	6 913	4 065	2 464	5 821	358	1 822	607	170	22	22 242
– Transfers out of stage 3	(1 680)	(855)	(97)	(740)	(116)	(301)	(264)	–	(43)	(4 096)
Current year movement	13 309	7 674	6 190	9 127	559	14 506	6 125	65 096	(2 678)	119 908
New business – changes in exposure	40 258	38 693	3 735	20 785	1 207	28 905	20 517	126 375	3 014	283 489
Back book – current year movement	(26 949)	(31 019)	2 455	(11 658)	(648)	(14 399)	(14 392)	(61 337)	(5 692)	(163 639)
– Exposures with a change in measurement basis from 12 months to LECL	(1 229)	(2 017)	198	(1 251)	1	(567)	(590)	(2 162)	(37)	(7 654)
– Other current year change in exposure/ net movement on GCA	(25 720)	(29 002)	2 257	(10 407)	(649)	(13 832)	(13 802)	(59 175)	(5 655)	(155 985)
Purchased or originated credit impaired	–	–	–	–	–	–	–	58	–	58
Acquisition/(disposal) of advances	(1 971)	113	–	–	–	–	–	(3 807)	–	(5 665)
Transfers from/(to) other divisions	(28)	–	–	–	28	–	–	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	(1 003)	(45)	(1 048)
Bad debts written off	(447)	(1 752)	(1 869)	(5 263)	(648)	(1 412)	(119)	(303)	(33)	(11 846)
Modifications that did not give rise to derecognition	(37)	(47)	(96)	(650)	(31)	–	–	–	–	(861)
GCA as at 30 June 2024	270 461	111 421	41 374	53 286	7 314	129 022	60 218	366 875	39 754	1 079 725
– Stage 1	230 024	91 975	33 111	35 345	5 715	115 388	55 268	343 271	39 110	949 207
– Stage 2	22 219	12 336	3 030	8 933	584	8 901	3 841	20 490	13	80 347
– Stage 3	18 218	7 110	5 233	9 008	1 015	4 733	1 109	2 274	631	49 331
– Purchased or originated credit impaired	–	–	–	–	–	–	–	840	–	840
Core lending advances	270 461	111 421	41 374	53 286	7 314	129 022	60 218	366 799	32 298	1 072 193
Assets under agreements to resell	–	–	–	–	–	–	–	76	7 456	7 532
Total GCA of advances as at 30 June 2024	270 461	111 421	41 374	53 286	7 314	129 022	60 218	366 875	39 754	1 079 725

Advances continued

Note 3.10 – Reconciliation of the loss allowance on total advances per class

AMORTISED COST – 30 JUNE 2024

	Retail secured		Retail unsecured			Corporate and commercial				
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
ECL reported as at 1 July 2023	4 356	5 773	4 767	9 289	1 247	4 952	733	3 295	870	35 282
– Stage 1	432	985	1 165	2 069	309	907	228	960	37	7 092
– Stage 2	1 076	1 861	754	1 901	168	1 213	111	1 469	8	8 561
– Stage 3	2 848	2 927	2 848	5 319	770	2 832	394	621	825	19 384
– Purchased or originated credit impaired	–	–	–	–	–	–	–	245	–	245
Transfers between stages	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	187	198	81	(327)	8	206	62	(5)	9	419
– Transfers into stage 1	226	287	234	326	30	282	81	25	9	1 500
– Transfers out of stage 1	(39)	(89)	(153)	(653)	(22)	(76)	(19)	(30)	–	(1 081)
Transfers to/(from) stage 2	(337)	(606)	(422)	(1 024)	(21)	(324)	(34)	(9)	–	(2 777)
– Transfers into stage 2	157	141	79	486	58	96	29	29	2	1 077
– Transfers out of stage 2	(494)	(747)	(501)	(1 510)	(79)	(420)	(63)	(38)	(2)	(3 854)
Transfers to/(from) stage 3	150	408	341	1 351	13	118	(28)	14	(9)	2 358
– Transfers into stage 3	304	497	395	1 633	67	225	17	14	2	3 154
– Transfers out of stage 3	(154)	(89)	(54)	(282)	(54)	(107)	(45)	–	(11)	(796)
Current year provision created/(released)	1 609	2 167	2 807	6 122	752	1 531	302	877	30	16 197
New business – impairment charge/(release)	362	1 280	328	2 779	161	511	225	441	–	6 087
Back book – impairment charge/(release)	1 247	887	2 479	3 343	591	1 020	77	99	30	9 773
– Exposures with a change in measurement basis from 12 months to LECL	119	(185)	171	52	15	189	31	194	(2)	584
– Other current year impairment charge/(release)	1 128	1 072	2 308	3 291	576	831	46	(95)	32	9 189
Purchased or originated credit impaired	–	–	–	–	–	–	–	337	–	337
Acquisition/(disposal) of advances	–	7	–	–	–	–	–	(9)	–	(2)
Transfers from/(to) other divisions	(70)	–	–	95	(25)	–	–	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	(6)	(29)	(35)
Bad debts written off	(447)	(1 752)	(1 869)	(5 263)	(648)	(1 412)	(119)	(303)	(33)	(11 846)
ECL as at 30 June 2024	5 448	6 195	5 705	10 243	1 326	5 071	916	3 854	838	39 596
– Stage 1	413	978	1 157	1 884	282	1 189	245	960	244	7 352
– Stage 2	1 288	1 859	773	2 112	168	947	147	2 024	5	9 323
– Stage 3	3 747	3 358	3 775	6 247	876	2 935	524	288	589	22 339
– Purchased or originated credit impaired	–	–	–	–	–	–	–	582	–	582
Current year provision created/(released) per impairment stage	1 609	2 167	2 807	6 122	752	1 531	302	877	30	16 197
– Stage 1	(135)	(205)	(90)	46	(9)	76	(44)	20	197	(144)
– Stage 2	549	602	442	1 235	20	58	70	564	(2)	3 538
– Stage 3	1 195	1 770	2 455	4 841	741	1 397	276	(44)	(165)	12 466
– Purchased or originated credit impaired	–	–	–	–	–	–	–	337	–	337

Advances continued

Note 3.11 – Reconciliation of the gross carrying amount of total advances per class

FAIR VALUE – 30 JUNE 2024

R million	FNB commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
GCA reported as at 1 July 2023	520	121 090	2 579	124 189
– Stage 1	520	115 495	2 536	118 551
– Stage 2	–	4 847	43	4 890
– Stage 3	–	748	–	748
– Purchased or originated credit impaired	–	–	–	–
Transfers between stages	–	–	–	–
Transfers to/(from) stage 1	–	(1 064)	43	(1 021)
– Transfers into stage 1	–	–	43	43
– Transfers out of stage 1	–	(1 064)	–	(1 064)
Transfers to/(from) stage 2	–	1 064	(43)	1 021
– Transfers into stage 2	–	1 064	–	1 064
– Transfers out of stage 2	–	–	(43)	(43)
Transfers to/(from) stage 3	–	–	–	–
– Transfers into stage 3	–	–	–	–
– Transfers out of stage 3	–	–	–	–
Current year movement	296	(18 843)	(1 213)	(19 760)
New business – changes in exposure	320	11 760	37	12 117
Back book – current year movement	(24)	(30 603)	(1 250)	(31 877)
– Exposures with a change in measurement basis from 12 months to LECL	–	(22)	–	(22)
– Other current year change in exposure/ net movement on GCA	(24)	(30 581)	(1 250)	(31 855)
Purchased or originated credit impaired	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–
Exchange rate differences	–	(197)	–	(197)
Bad debts written off	–	(372)	–	(372)
GCA as at 30 June 2024	816	101 678	1 366	103 860
– Stage 1	816	98 795	1 366	100 977
– Stage 2	–	1 994	–	1 994
– Stage 3	–	889	–	889
– Purchased or originated credit impaired	–	–	–	–
Core lending advances	816	41 453	1 366	43 635
Assets under agreements to resell	–	60 225	–	60 225
Total GCA of advances as at 30 June 2024	816	101 678	1 366	103 860

Note 3.12 – Reconciliation of the loss allowance on total advances per class

FAIR VALUE – 30 JUNE 2024

R million	FNB commercial	RMB corporate and investment banking	Centre (including Group Treasury)	Total
ECL reported as at 1 July 2023	51	1 186	16	1 253
– Stage 1	51	232	4	287
– Stage 2	–	483	4	487
– Stage 3	–	471	8	479
– Purchased or originated credit impaired	–	–	–	–
Transfers between stages	–	–	–	–
Transfers to/(from) stage 1	–	(2)	13	11
– Transfers into stage 1	–	3	13	16
– Transfers out of stage 1	–	(5)	–	(5)
Transfers to/(from) stage 2	–	2	(5)	(3)
– Transfers into stage 2	–	5	–	5
– Transfers out of stage 2	–	(3)	(5)	(8)
Transfers to/(from) stage 3	–	–	(8)	(8)
– Transfers into stage 3	–	–	–	–
– Transfers out of stage 3	–	–	(8)	(8)
Current year provision created/(released)	(45)	45	(9)	(9)
New business – impairment charge/(release)	5	43	–	48
Back book – impairment charge/(release)	(50)	2	(9)	(57)
– Exposures with a change in measurement basis from 12 months to LECL	–	(162)	–	(162)
– Other current year impairment charge/(release)	(50)	164	(9)	105
Purchased or originated credit impaired	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–
Exchange rate differences	–	(11)	–	(11)
Bad debts written off	–	(372)	–	(372)
ECL as at 30 June 2024	6	848	7	861
– Stage 1	6	497	7	510
– Stage 2	–	109	–	109
– Stage 3	–	242	–	242
– Purchased or originated credit impaired	–	–	–	–
Current year provision created/(released) per impairment stage	(45)	45	(9)	(9)
– Stage 1	(45)	267	(9)	213
– Stage 2	–	(365)	–	(365)
– Stage 3	–	143	–	143
– Purchased or originated credit impaired	–	–	–	–

Significant estimates, judgements and assumptions relating to the impairment of advances

Forward-looking information incorporated in the impairment of advances

Forward-looking macroeconomic information has been incorporated into expected credit loss (ECL) estimates through the application of quantitative modelling and expert judgement-based post-model adjustments. Both quantitative models and expert judgement-based adjustments consider a range of macroeconomic scenarios as inputs. Macroeconomic scenarios are defined by taking global and domestic macroeconomic considerations into account, and forecasts are developed for various scenarios. Development of these scenarios is overseen by the FirstRand macroeconomic forum, which is responsible for oversight and is independent of credit and modelling functions. Teams of economists, both locally and within the various subsidiaries, assess the micro- and macroeconomic developments to formulate the macroeconomic forecasts. Various internal and external economists are then requested to assign a probability to each scenario. The rationale for probabilities assigned by each respondent is noted and explained at the FirstRand macroeconomic forum. ECL results are calculated as probability-weighted average results across multiple macroeconomic scenarios. The creation of macroeconomic scenarios and the determination of associated probabilities are subjective, with final ECL results dependent on the assumptions applied during the process. Quantitative techniques are applied to estimate the impact of macroeconomic factors on ECL using various techniques.

Overview of forward-looking information included in the 31 December 2024 impairment of advances

During the year, global economic growth and inflation continued to moderate and central banks implemented cutting cycles, resulting in a slight improvement in risk appetite in financial markets. However, uncertainty about the extent of the expected economic slowdown, combined with ongoing geopolitical risk, and policy uncertainty in the US, continued to drive market volatility.

The war in Ukraine continues and the conflict in Gaza continued to escalate, lifting regional and global geopolitical tensions. Although these tensions remain important risk factors they did not translate into a significant macroeconomic impact for the economies in which the bank operates during the period under review.

South Africa

South Africa's inflation rate fell below the target range, resulting in interest rates being reduced gradually. Real economic activity remained weak with domestic household consumption and corporate income being impacted with a lagged effect from the previous rate hiking cycle and inflation pressures. Rolling blackouts ceased during the period under review and logistics constraints lifted slightly. However, lower global commodity prices continued to limit export growth.

At the beginning of the financial year, the peaceful election, and subsequent formation of the Government of National Unity, increased expectations for improvements in service delivery and economic reform momentum. This continued to be reflected in financial market pricing for the currency, government debt securities and other domestic risk assets including equities, despite global volatility.

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. The information below reflects the scenarios and probabilities assigned to each scenario, at 31 December 2024, 30 June 2024 and 31 December 2023.

The bank is currently working on including two additional macroeconomic scenarios, a mild upside and mild down side, in the IFRS 9 impairment models. The purpose of this change is to capture a greater share of the macroeconomic risk distribution and align with best practice.

Scenario	Probability	Description
Baseline	58% (June 2024: 60%; December 2023: 57%)	• The global economy slows but avoids a hard landing. • Countries adopt a fragmented approach towards reducing carbon emissions, carbon tax regimes become more punitive and the outcome puts the globe on course for an above Paris Agreement temperature increase of around 2°C by 2050. • Inflation falls within target levels and the SARB is able to shift monetary policy into neutral territory. • Real GDP growth lifts, supporting a recovery in credit demand back to pre-pandemic levels, and a mild consolidation of sovereign indebtedness. • South Africa realises some reductions in carbon emissions thanks to adding renewables to its energy mix but does not realise its Nationally Determined Contributions (NDCs) in terms of the Paris Agreement.
Upside	19% (June 2024: 15%; December 2023: 14%)	• The global economy avoids a significant slowdown. • Countries embark on a well-coordinated approach towards reducing carbon emissions over the forecast horizon, carbon tax regimes are broadly complied with and a path towards a Paris-aligned temperature increase of 1.5°C is realised. • Inflation falls below target levels and the SARB is able to shift monetary policy into accommodative territory. • Real GDP growth lifts, supporting increases in credit demand and a reduction in sovereign indebtedness. • South Africa realises significant emissions reductions, thanks to adding renewables to its energy mix and well-coordinated investments in emissions reductions across industries, allowing the country to achieve its NDCs in terms of the Paris Agreement.
Downside	23% (June 2024: 25%; December 2023: 29%)	• The global economy slows considerably. • Countries adopt a limited approach towards reducing carbon emissions, carbon tax regimes become more punitive in pockets and the outcome puts the globe on course for an above Paris Agreement temperature increase of around 3°C by 2030. • Inflation lifts meaningfully on account of higher global input prices and currency pressure, and the SARB is forced to hike interest rates. • Real GDP growth falls, taking demand for and supply of credit into further contractions. • South Africa adopts a "business as usual" approach to the climate transition and does not realise its NDCs in terms of the Paris Agreement.

Significant estimates, judgements and assumptions relating to the impairment of advances
continued

Significant macroeconomic factors as at 31 December 2024

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 bank operates in. The information below reflects the group's forecasts for each period at 31 December.

South Africa	Upside scenario			Baseline expectation			Downside scenario		
(%)	2025	2026	2027	2025	2026	2027	2025	2026	2027
Applicable across all portfolios									
Real GDP growth	3.70	3.40	3.60	1.90	1.90	2.20	(0.10)	(1.00)	2.10
CPI inflation	3.60	3.90	3.90	4.40	4.50	4.50	5.60	7.90	5.20
Repo rate	6.25	6.00	6.00	7.00	7.00	7.00	9.50	9.50	8.00
Retail-specific									
Retail real income growth	4.70	1.00	4.00	2.10	1.90	2.10	(1.60)	(1.10)	3.90
House price index growth*	4.10	8.10	6.30	1.70	3.10	3.60	0.70	(2.30)	2.10
Household debt to income	59.40	58.40	59.30	61.20	61.60	62.50	62.00	61.80	59.70
Employment growth	1.90	2.00	2.20	1.40	1.10	1.30	–	(0.70)	0.70
Wholesale-specific									
Fixed capital formation	6.30	7.90	7.90	3.60	3.90	5.90	(0.50)	(1.20)	4.90
Foreign exchange rate (USD/ZAR)	16.90	17.10	17.50	17.80	17.90	18.60	21.90	19.90	19.60

* *Applicable to the secured portfolio.*

Significant macroeconomic factors as at 31 December 2023

South Africa	Upside scenario			Baseline expectation			Downside scenario		
(%)	2024	2025	2026	2024	2025	2026	2024	2025	2026
Applicable across all portfolios									
Real GDP growth	2.70	3.30	3.60	1.20	1.60	1.80	(1.00)	0.40	1.50
CPI inflation	4.90	4.60	4.50	5.20	4.80	4.70	6.00	8.80	5.70
Repo rate	7.00	6.00	5.75	7.50	7.00	7.00	9.50	12.00	7.75
Retail-specific									
Retail real income growth	3.10	2.40	2.80	1.50	0.90	0.90	(1.20)	0.30	1.20
House price index growth*	5.10	6.00	9.50	1.10	2.60	3.70	(1.00)	0.60	3.10
Household debt to income	64.20	65.60	65.60	62.30	62.20	62.00	59.40	57.00	57.00
Employment growth	4.30	0.90	0.90	1.00	0.30	0.30	(0.50)	0.10	0.20
Wholesale-specific									
Fixed capital formation	7.90	8.90	7.50	3.10	4.50	3.80	(2.90)	1.10	3.20
Foreign exchange rate (USD/ZAR)	15.40	14.90	15.60	18.10	17.50	18.40	23.50	21.00	22.00

* *Applicable to the secured portfolio.*

Significant estimates, judgements and assumptions relating to the impairment of advances
continued

Significant macroeconomic factors as at 30 June 2024

South Africa	Upside scenario			Baseline expectation			Downside scenario		
(%)	2025	2026	2027	2025	2026	2027	2025	2026	2027
Applicable across all portfolios									
Real GDP growth	3.30	3.60	3.00	1.80	1.40	1.90	0.20	0.60	0.80
CPI inflation	3.70	3.60	4.50	4.60	4.70	4.40	6.40	6.20	5.00
Repo rate	5.50	6.00	6.00	7.75	7.50	7.50	9.50	8.00	7.25
Retail-specific									
Retail real income growth	3.30	3.60	0.90	1.20	1.20	1.80	(2.70)	(1.10)	4.40
House price index growth*	5.10	6.00	9.50	1.90	3.10	3.40	(1.00)	0.60	3.10
Household debt to income	60.10	57.80	59.50	61.40	61.50	62.30	61.90	61.30	58.60
Employment growth	2.30	2.20	2.00	0.90	0.80	1.10	0.60	1.40	–
Wholesale-specific									
Fixed capital formation	5.40	8.00	7.10	5.70	3.20	4.90	(0.10)	(1.10)	2.70
Foreign exchange rate (USD/ZAR)	17.20	17.10	17.40	17.70	17.90	18.60	21.90	20.80	19.50

* *Applicable to the secured portfolio.*

Fair value measurements

Fair value hierarchy

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

	As at 31 December 2024			
R million	Level 1	Level 2	Level 3	Total fair value
Assets				
Recurring fair value measurements				
Derivative financial instruments	–	47 710	1 282	48 992
Advances	–	76 770	55 807	132 577
Investment securities	116 173	23 159	1 418	140 750
Commodities	14 924	–	–	14 924
Investment properties	–	–	281	281
Amounts due by holding company and fellow subsidiaries	–	478	–	478
Total fair value assets	131 097	148 117	58 788	338 002
Liabilities				
Recurring fair value measurements				
Short trading positions	14 822	955	–	15 777
Derivative financial instruments	–	47 132	2 102	49 234
Deposits	–	72 733	13 042	85 775
Other liabilities	–	829	–	829
Amounts due to holding company and fellow subsidiaries	–	145	–	145
Total fair value liabilities	14 822	121 794	15 144	151 760

Fair value measurements continued

R million	As at 31 December 2023 Level 1	Level 2	Level 3	Total fair value
Assets				
Recurring fair value measurements				
Derivative financial instruments	25	42 829	1 433	44 287
Advances	–	75 197	60 684	135 881
Investment securities*	95 805	15 205	1 552	112 562
Commodities	13 327	–	–	13 327
Investment properties	–	–	281	281
Amounts due by holding company and fellow subsidiaries	–	3 167	–	3 167
Total fair value assets	109 157	136 398	63 950	309 505
Liabilities				
Recurring fair value measurements				
Short trading positions	9 063	1 311	–	10 374
Derivative financial instruments	1	43 017	1 672	44 690
Deposits	1 667	67 135	10 075	78 877
Other liabilities	–	862	–	862
Amounts due to holding company and fellow subsidiaries	–	169	–	169
Total fair value liabilities	10 731	112 494	11 747	134 972

* *In the prior year, listed bonds and treasury bills of R12 668 million were incorrectly classified as level 2. The comparatives have been restated to reflect the securities as level 1.*

R million	As at 30 June 2024 Level 1	Level 2	Level 3	Total fair value
Assets				
Recurring fair value measurements				
Derivative financial instruments	18	45 328	628	45 974
Advances	–	58 620	44 379	102 999
Investment securities	101 269	8 671	1 684	111 624
Commodities	15 109	–	–	15 109
Investment properties	–	–	281	281
Amounts due by holding company and fellow subsidiaries	–	1 293	–	1 293
Total fair value assets	116 396	113 912	46 972	277 280
Liabilities				
Recurring fair value measurements				
Short trading positions	8 806	795	–	9 601
Derivative financial instruments	6	41 524	1 854	43 384
Deposits	1 545	48 903	10 469	60 917
Other liabilities	–	931	–	931
Amounts due to holding company and fellow subsidiaries	–	150	–	150
Total fair value liabilities	10 357	92 303	12 323	114 983

Fair value measurements continued

Transfers between fair value hierarchy levels

The following represents the significant transfers into level 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.

	As at 31 December 2024		
R million	**Transfers in**	**Transfers out**	**Reasons for significant transfers in**
Level 1	**755**	**(371)**	The valuation inputs of certain level 3 investment securities became observable during the period due to increased liquidity in the market, resulting in transfers into level 1.
Level 2	**1 602**	**(156)**	The inputs used to value certain equity derivatives have become observable during the current period, resulting transfers from level 3 to level 2.
Level 3	**527**	**(2 357)**	The market for certain investment securities and derivatives has become illiquid during the period, which resulted in transfers from level 1 and level 2 into level 3.
Total transfers	**2 884**	**(2 884)**	

	As at 31 December 2023		
R million	Transfers in	Transfers out	Reasons for significant transfers in
Level 1	876	(369)	The valuation inputs of certain level 3 investment securities became observable during the period due to increased liquidity in the market, resulting in transfers into level 1.
Level 2	43	(683)	Increased liquidity in the market for certain investment securities resulted in transfers from level 3 to level 2.
Level 3	1 053	(920)	The fair value of certain investment securities and derivatives was determined using significant unobservable inputs, as the market for these instruments has became inactive during the period. This resulted in transfers from level 1 and level 2 into level 3.
Total transfers	1 972	(1 972)	

	As at 30 June 2024		
R million	Transfers in	Transfers out	Reasons for significant transfers in
Level 1	316	(606)	The inputs used to determine the fair value of certain investments securities have become observable during the current year as a result of increased liquidity in the market. This resulted in transfers from level 3 to level 1.
Level 2	492	–	The inputs used to determine the fair value of certain structured deposits have become observable during the current year, resulting in the transfer from level 3 to level 2.
Level 3	606	(808)	The inputs used to determine the fair value of certain investment securities have become unobservable due to the market being illiquid. This resulted in transfers from level 1 to level 3.
Total transfers	1 414	(1 414)	

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 and classified as level 3 in terms of the fair value hierarchy.

R million	**Derivative financial assets**	**Advances**	**Investment securities**	**Investment properties**	**Derivative financial liabilities**	**Deposits**
Balance as at 1 July 2023	**952**	**59 995**	**2 023**	**281**	**2 477**	**6 655**
Gains/(losses) recognised in profit or loss	340	4 776	579	–	283	1 127
Gains/(losses) recognised in other comprehensive income	–	–	(1)	–	–	–
Purchases, sales, issue and settlements	(509)	(3 979)	(543)	–	(1 117)	2 331
Net transfer from/(to) level 3	650	–	(506)	–	29	(39)
Exchange rate differences	–	(108)	–	–	–	–
Balance as at 31 December 2023	1 433	60 684	1 552	281	1 672	10 074
Balance as at 1 July 2023	952	59 995	2 023	281	2 477	6 655
Gains/(losses) recognised in profit or loss	483	4 709	716	–	787	885
Gains/(losses) recognised in other comprehensive income	–	–	(5)	–	–	–
Purchases, sales, issue and settlements	(807)	(20 219)	(1 340)	–	(1 409)	3 419
Net transfer from/(to) level 3	–	–	290	–	(1)	(490)
Exchange rate differences	–	(106)	–	–	–	–
Balance as at 30 June 2024	628	44 379	1 684	281	1 854	10 469
Balance as at 1 July 2024	**628**	**44 379**	**1 684**	**281**	**1 854**	**10 468**
Gains/(losses) recognised in profit or loss	**850**	**2 448**	**49**	**–**	**464**	**478**
Gains/(losses) recognised in other comprehensive income	**–**	**–**	**(1)**	**–**	**–**	**–**
Purchases, sales, issue and settlements	**(236)**	**8 812**	**7**	**–**	**(99)**	**3 527**
Net transfer from/(to) level 3	**40**	**–**	**(321)**	**–**	**(118)**	**(1 432)**
Exchange rate differences	**–**	**167**	**–**	**–**	**–**	**–**
Balance as at 31 December 2024	**1 282**	**55 806**	**1 418**	**281**	**2 101**	**13 041**

Decreases in level 3 assets and liabilities are included in brackets. Decreases in the value of assets are the result of losses, sales and settlements. Decreases in the values of liabilities 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 the currency and base rates. These instruments are funded by liabilities whereby 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.

Fair value measurements continued

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 and 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 and 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 and FVOCI debt instruments, all gains or losses are recognised in NIR.

	Six months ended 31 December 2024		Six months ended 31 December 2023		Year ended 30 June 2024	
R million	**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	Gains/(losses) recognised in the income statement	Gains/(losses) recognised in other comprehensive income
Assets						
Derivative financial instruments	**807**	**–**	991	–	483	–
Advances*	**2 553**	**–**	4 703	–	4 016	–
Investment securities	**110**	**–**	628	(1)	665	–
Investment properties	**–**	**–**	(1)	–	–	–
Total	**3 470**	**–**	6 321	(1)	5 164	–
Liabilities						
Derivative financial instruments	**(347)**	**–**	(311)	–	(786)	–
Deposits	**(987)**	**–**	1 416	–	(1 137)	–
Total	**(1 334)**	**–**	1 105	–	(1 923)	–

* *Mainly accrued interest on fair value loans and 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.*

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

	Reasonably possible alternative fair value								
	As at 31 December 2024			As at 31 December 2023			As at 30 June 2024		
R million	**Fair value**	**Using more positive assumptions**	**Using more negative assumptions**	Fair value	Using more positive assumptions	Using more negative assumptions	Fair value	Using more positive assumptions	Using more negative assumptions
Assets									
Derivative financial instruments	**1 282**	**1 359**	**1 196**	1 433	1 534	1 333	628	676	579
Advances	**55 807**	**55 934**	**55 584**	60 684	60 795	60 551	44 379	44 495	44 239
Investment securities	**1 418**	**1 540**	**1 318**	1 552	1 631	1 487	1 684	1 811	1 579
Investment properties	**281**	**310**	**258**	281	310	258	281	310	258
Total financial assets measured at fair value in level 3	**58 788**	**59 143**	**58 356**	63 950	64 270	63 629	46 972	47 292	46 655
Liabilities									
Derivative financial instruments	**2 102**	**2 022**	**2 181**	1672	1639	1705	1854	1 800	1 905
Deposits	**13 042**	**12 751**	**13 317**	10 075	9 848	10 302	10 469	10 205	10 734
Total financial liabilities measured at fair value in level 3	**15 144**	**14 773**	**15 498**	11 747	11 487	12 007	12 323	12 005	12 639

Fair value measurements continued

Financial instruments not measured at fair value

The following represents the fair values of financial instruments not carried at fair value in 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 is a reasonable approximation of the fair value.

	As at 31 December 2024	
R million	Carrying value	Total fair value
Assets		
Advances	**1 081 213**	**1 091 398**
Investment securities	**207 240**	**205 635**
Total financial assets at amortised cost	**1 288 453**	**1 297 033**
Liabilities		
Deposits	**1 495 359**	**1 497 082**
Other liabilities	**348**	**348**
Tier 2 liabilities	**20 595**	**20 765**
Total financial liabilities at amortised cost	**1 516 302**	**1 518 195**

	As At 31 December 2023	
R million	Carrying value	Total fair value
Assets		
Advances	997 985	1 004 472
Investment securities	200 395	196 677
Total financial assets at amortised cost	1 198 380	1 201 149
Liabilities		
Deposits*	1 339 481	1 342 943
Other liabilities	–	–
Tier 2 liabilities	17 130	17 235
Total financial liabilities at amortised cost	1 356 611	1 360 178

* *Restated. Refer to page 113.*

	As At 30 June 2024	
R million	Carrying value	Total fair value
Assets		
Advances	1 040 129	1 051 337
Investment securities	196 074	191 975
Total financial assets at amortised cost	1 236 203	1 243 312
Liabilities		
Deposits	1 383 790	1 385 343
Other liabilities	321	322
Tier 2 liabilities	16 758	16 868
Total financial liabilities at amortised cost	1 400 869	1 402 533

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.

	As at 31 December		As at 30 June
R million	2024	2023	2024
Opening balance	**169**	195	195
Day 1 profits or losses not initially recognised on financial instruments recognised in the current period	**15**	30	305
Amount recognised in profit or loss as a result of changes which would be observable by market participants	**(122)**	(60)	(331)
Closing balance	**62**	165	169

Contingencies and commitments

	As at 31 December			As at 30 June
R million	2024	2023	% change	2024
Committed capital expenditure*	**3 866**	3 323	16	4 535
Legal proceedings**	**83**	64	30	68
Total contingencies and commitments	**3 949**	3 387	17	4 603

* *Commitments in respect of capital expenditure and long-term investments approved by the directors.*

** *There is a small number of potential legal claims against the bank, the outcome of which is uncertain at present. These claims are not regarded as material, either on an 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.*

In the prior period, this note included commitments relating to guarantees, letters of credit and irrevocable commitments. The note has been updated to exclude items that are disclosed in the credit risk and liquidity risk disclosures in the annual financial statements.

UK motor commission matter

The bank does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made.

The bank has a contingent liability following the judgment by the UK CoA in October 2024 related to the Wrench, Johnson and Hopcraft appeals. The judgment goes beyond the scope of the original FCA motor finance commission review, for which the bank recognised a £112.3 million (R2.6 billion) provision at 30 June 2024.

FirstRand and the other appellant jointly raised six grounds of appeal, and the UK SC granted permission to appeal on all grounds. The bank believes it has strong legal arguments that challenge the CoA decision and raise numerous complex principles of law, which will be decided by the SC in relation to the sets of facts and evidence before it.

The bank is of the view that the SC appeal could result in a range of outcomes, including possible remediation. Due to the significant uncertainty, the bank concluded that it is not probable that the outcome would result in an obligation that can be measured with sufficient reliability at this stage.

Condensed segment report

REPORTABLE SEGMENTS

Six months ended 31 December 2024

R million	FNB SA	FNB broader Africa	Total FNB	WesBank	Retail and commercial	RMB	Centre (including Group Treasury and other)	FRB - normalised	Normalised adjustments	FRB - IFRS
	Retail and commercial									
	FNB									
Profit before tax	**13 678**	**(185)**	**13 493**	**1 087**	**14 580**	**4 302**	**1 529**	**20 411**	**195**	**20 606**
Total assets	**515 989**	**330**	**516 319**	**177 281**	**693 600**	**733 798**	**439 590**	**1 866 988**	**–**	**1 866 988**
Total liabilities*	**501 448**	**515**	**501 963**	**176 182**	**678 145**	**730 685**	**320 630**	**1 729 460**	**–**	**1 729 460**

* *Total liabilities are net of interdivisional balances*

Six months ended 31 December 2023

R million	FNB SA	FNB Broader Africa	Total FNB	WesBank	Retail and commercial	RMB	Centre (including Group Treasury and other)	FRB - normalised	Normalised adjustments	FRB - IFRS
	Retail and commercial									
	FNB									
Profit before tax	13 093	(172)	12 921	1 020	13 941	4 114	1 115	19 170	104	19 274
Total assets	489 206	223	489 429	166 618	656 047	680 251	347 861	1 684 159	–	1 684 159
Total liabilities*	475 780	395	476 175	165 550	641 725	677 194	239 338	1 558 257	–	1 558 257

* *Total liabilities are net of interdivisional balances.*

Year ended 30 June 2024

R million	FNB SA	FNB broader Africa	Total FNB	WesBank	Retail and commercial	RMB	Centre (including Group Treasury and other)	FRB - normalised	Normalised adjustments	FRB - IFRS
	Retail and commercial									
	FNB									
Profit before tax	24 537	(383)	24 154	1 901	26 055	8 206	(834)	33 427	100	33 527
Total assets	506 774	302	507 076	169 826	676 902	649 422	389 522	1 715 846	–	1 715 846
Total liabilities*	482 008	685	482 693	167 907	650 600	643 171	292 918	1 586 689	–	1 586 689

* *Total liabilities are net of interdivisional balances.*

SUPPLEMENTARY INFORMATION

Key market indicators

	Six months ended 31 December			Year ended 30 June
	2024	2023	% change	2024
Market indicators				
$/R exchange rate				
– Closing	**18.81**	18.53	2	18.22
– Average	**17.92**	18.68	(4)	18.71
£/R exchange rate				
– Closing	**23.60**	23.57	–	22.99
– Average	**23.14**	23.42	(1)	23.55
SA prime overdraft (%)	**11.25**	11.75		11.75
SA average prime overdraft (%)	**11.56**	11.75		11.75
SA average CPI (%)	**3.58**	5.23		5.26
JSE All Share Index	**84 095**	76 893	9	79 707
JSE Banks Index	**12 664**	10 948	16	11 833

Company information

Directors

JP Burger (chairman), M Vilakazi (CEO), MG Davias (CFO), PJ Makosholo, TC Isaacs, PD Naidoo, Z Roscherr, SP Sibisi, LL von Zeuner, T Winterboer

Company secretary and registered office

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Sandton 2196
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Tel: +27 11 282 1808
Fax: +27 11 282 8088
Website: www.firstrand.co.za

JSE debt sponsor

(in terms of JSE Debt and Specialist Securities Listings Requirements)
FirstRand Bank Limited
4 Merchant Place, Corner Fredman Drive and Rivonia Road
Sandton, 2196
Tel: +27 11 282 1808

Auditors

PricewaterhouseCoopers Inc.
4 Lisbon Lane
Waterfall City
Jukskei View
2090

Ernst & Young Inc.
102 Rivonia Road
Sandton
Johannesburg
Gauteng
South Africa
2146

Listed financial instruments of the bank

Listed debt

South Africa

The bank's JSE-listed programmes and debt instruments are available online at:

- www.firstrand.co.za/investors/debt-investor-centre/prospectuses-and-programme-memoranda/
- www.firstrand.co.za/investors/debt-investor-centre/jse-listed-instruments/

- www.rmb.co.za/page/dollar-custodial-certificate
- www.rmb.co.za/page/retail-structured-solutions

Credit ratings

Refer to www.firstrand.co.za/investors/debt-investor-centre/credit-ratings for current credit ratings.

Capital instruments

BASEL III COMPLIANT AT1 AND TIER 2 INSTRUMENTS

			As at 31 December		As at 30 June
R million	Maturity date	Call date	2024	2023	2024
AT1					
FRB25	Perpetual	2024/09/19	**–**	3 461	3 461
FRB28	Perpetual	2025/12/02	**1 400**	1 400	1 400
FRB34	Perpetual	2028/06/02	**2 804**	2 804	2 804
FRB37	Perpetual	2029/02/26	**1 387**	1 387	1 387
FRB38	Perpetual	2029/05/06	**2 039**	2 039	2 039
FRB39	Perpetual	2028/11/13	**1 574**	1 574	1 574
FRB41	Perpetual	2029/06/12	**2 090**	–	2 090
FRB42	Perpetual	2030/09/26	**3 910**	–	–
Total AT1			**15 204**	12 665	14 755
Tier 2					
FRB26	2029/06/03	2024/06/03	**–**	1 910	–
FRB27	2031/06/03	2026/06/03	**715**	715	715
FRB29	2031/04/19	2026/04/19	**2 374**	2 374	2 374
FRB30	2031/04/19	2026/04/19	**698**	698	698
FRB31	2031/11/24	2026/11/24	**2 500**	2 500	2 500
FRB32	2032/09/28	2027/09/28	**2 296**	2 296	2 296
FRB33	2034/09/28	2029/09/28	**1 662**	1 662	1 662
FRB35	2033/02/06	2028/02/06	**2 300**	2 300	2 300
FRB36	2033/09/14	2028/09/14	**2 500**	2 500	2 500
FRB40	2035/03/11	2030/03/11	**2 846**	–	1 548
FRB43	2035/11/13	2030/11/13	**2 500**	–	–
Total Tier 2			**20 391**	16 955	16 593

Refer to www.firstrand.co.za/investors/integrated-reporting-hub/risk-disclosures/ for additional information on the terms and conditions of the capital instruments.

Definitions

Additional Tier 1 (AT1) capital	AT1 capital instruments less specified regulatory deductions
Arrears	A percentage that expresses the current exposure of the loans with one or more months in arrears to the total current book exposure for the reporting period
Capital adequacy ratio (CAR)	Total qualifying capital and reserves divided by RWA
Common Equity Tier 1 (CET1) capital	Share capital and premium, and qualifying reserves, less specified regulatory deductions
Core lending advances	Total advances excluding assets under agreements to resell
Cost-to-income ratio	Operating expenses excluding indirect taxes expressed as a percentage of total income including share of profits from associates and joint ventures
Credit loss ratio	Total impairment charge per the income statement expressed as a percentage of average core lending advances (average between the opening and closing balance for the year)
Diversity ratio	Non-interest revenue expressed as a percentage of total income including share of profits from associates and joint ventures
Effective tax rate	Tax per the income statement divided by the profit before tax per the income statement
Impairment charge	Amortised cost impairment charge and credit fair value adjustments
Loan-to-deposit ratio	Average advances expressed as a percentage of average deposits
Normalised earnings	The group believes normalised earnings more accurately reflect its economic performance. Headline earnings are adjusted to take into account non-operational and accounting anomalies
Normalised net asset value	Normalised equity attributable to ordinary equityholders
Return on assets (ROA)	Normalised earnings divided by average assets
Return on equity (ROE)	Normalised earnings divided by average normalised ordinary shareholders' equity
Risk-weighted assets (RWA)	Prescribed risk weightings relative to the credit risk of counterparties, operational risk, market risk, equity investment risk and other risk multiplied by on- and off-balance sheet assets, where applicable and in line with the banking regulations
Technical cures	Performing accounts that are classified as stage 3/NPL because they have defaulted in the past and do not meet the stringent cure definition of performance for several consecutive months
Tier 1 ratio	Tier 1 capital divided by RWA
Tier 1 capital	CET1 capital plus AT1 capital
Tier 2 capital	Qualifying subordinated debt instruments and qualifying provisions less specified regulatory deductions
Total coverage %	Total impairment provisions expressed as a percentage of core lending advances
Total qualifying capital and reserves	Tier 1 capital plus Tier 2 capital

Abbreviations

AC and FV	Amortised cost and fair value
ALM	Asset-liability management
ASF	Available stable funding
AT1	Additional Tier 1
BoE	Bank of England
CAGR	Compound annual growth rate
CCyB	Countercyclical buffer
CET1	Common Equity Tier 1
CIB	Corporate and investment banking
CLR	Credit loss ratio
CoA	UK Court of Appeal
CoDI	Corporation for Deposit Insurance
Covid-19	Coronavirus disease
DCA	Discretionary commission arrangement
ECL	Expected credit loss
FCA	Financial Conduct Authority
FLI	Forward-looking information
FRB	FirstRand Bank Limited
FREMA	FirstRand EMA Holdings (Pty) Ltd
FRI	FirstRand International Limited
FRIHL	FirstRand Investment Holdings (Pty) Ltd
FRISCOL	FirstRand Insurance Services Company
FRM	Financial resource management
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit and loss
FX	Foreign exchange
GCA	Gross carrying amount
GM	Global markets
HQLA	High-quality liquid assets
IBD	Investment banking division
IMF	International Monetary Fund
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
JSE DSSLR	JSE Limited Debt and Specialist Securities Listing Requirements
LCR	Liquidity coverage ratio
LGD	Loss given default
NDCs	Nationally Determined Contributions
NII	Net interest income
NIM	Net interest margin
NIR	Non-interest revenue
NPLs	Non-performing loans
NSFR	Net stable funding ratio
NSX	Namibian Stock Exchange
PA	Prudential Authority
PBT	Profit before tax
PI	Principal investment
RA	Resolution Authority
ROA	Return on assets
ROE	Return on equity
RTC	Real-time clearing
RWA	Risk-weighted assets
SA	South Africa
SC	UK Supreme Court
SARB	South African Reserve Bank
SICR	Significant increase in credit risk
SME	Small and medium-sized enterprise
TRS	Total return swap
TTC	Through-the-cycle
TTS	Treasury and trade solutions
UK	United Kingdom
VAF	Vehicle asset finance
ZARONIA	South African Rand Overnight Index Average Rate

Abbreviations of financial reporting standards

IFRS Accounting Standards

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 2	Share-based Payment
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments – Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRS 15	Revenue
IFRS 16	Leases
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

IFRS Accounting Standards

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 27	Consolidated and Separate Financial Statements
IAS 28	Investments in Associates and Joint Ventures
IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 32	Financial Instruments – Presentation
IAS 33	Earnings Per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments – Recognition and Measurement
IAS 40	Investment Property
IAS 41	Agriculture

IFRS Interpretations Committee Interpretations

IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 22	Foreign Currency Transactions and Advance Consideration
IFRIC 23	Uncertainty over Income Tax Treatments

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