

Analysis of

FINANCIAL RESULTS

for the year ended 30 June 2025



1966/010753/06

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

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

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About this report

This report and the accompanying commentary cover the primary results of the group and are presented on a normalised basis, as the group believes this reflects its economic performance. Normalised results have been derived from the financial results based on IFRS® Accounting Standards (IFRS Accounting Standards) for the year ended 30 June 2025.

Normalised results include a consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of financial position and a consolidated statement of changes in equity. A detailed description of the difference between normalised and IFRS Accounting Standards results is provided on pages 146 to 149. Detailed reconciliations of normalised to IFRS Accounting Standards results are provided on pages 153 to 159. Commentary is based on normalised results, unless indicated otherwise.

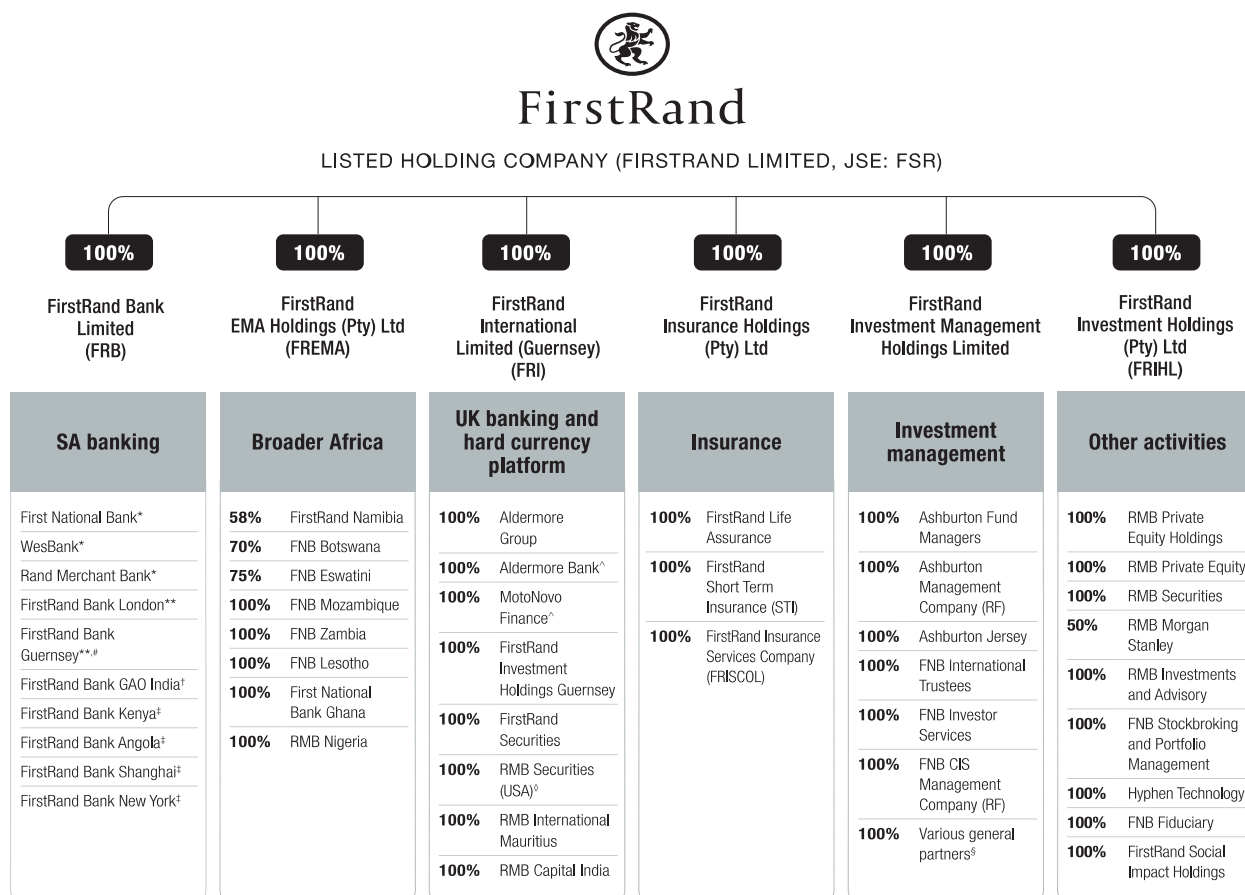
The preparation of the group's consolidated financial results was supervised by Simonet Terblanche, CA(SA).

The group's audited consolidated financial statements for the year ended 30 June 2025, based on IFRS Accounting Standards, are available on its website at:



[www.firstrand.co.za/investors/
integrated-reporting-hub/
financial-reporting/](http://www.firstrand.co.za/investors/integrated-reporting-hub/financial-reporting/)

Simplified group structure



* 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.

FRIHL's 81% shareholding in MotoVantage was sold effective 1 July 2025.

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, Rand Merchant Bank (RMB) or the Centre). The group's securitisations and other special purpose vehicles (SPVs) are in FRB, FRI and FRIHL.

OVERVIEW OF RESULTS

- 04** Performance highlights
- 05** Track record
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- 14** Overview of results

FirstRand’s portfolio of integrated financial services businesses comprises FNB, WesBank, RMB, Aldermore and Ashburton. The group operates in South Africa, certain markets in sub-Saharan Africa and the UK, and offers a universal set of transactional, lending, investment and insurance products and services.

Performance highlights

Normalised earnings

R41.8bn

2024: R38.0bn

⬆ 10%

Return on equity

20.2%

2024: 20.1%

⬆ 10 bps

Normalised net asset value

R217.4bn

2024: R195.7bn

⬆ 11%

CET1 ratio

14.0%

2024: 13.5%

⬆ 50 bps

Ordinary dividend per share

466 cents

2024: 415 cents

⬆ 12%



WesBank

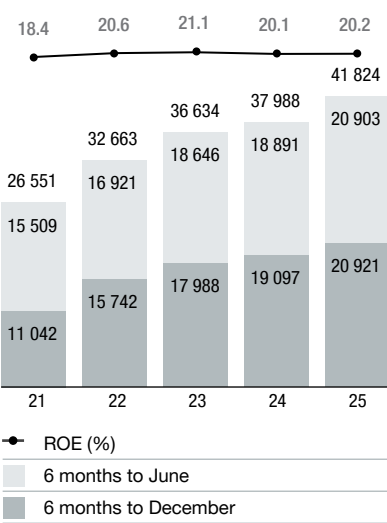


Aldermore

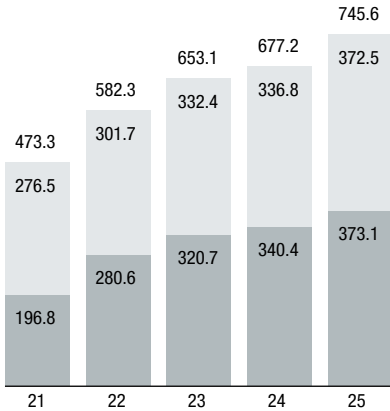
ASHBURTON
INVESTMENTS

Track record

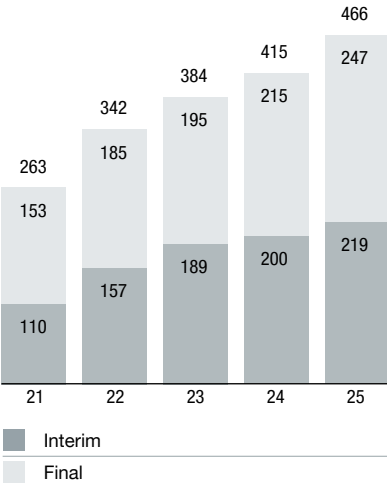
Normalised earnings (*R million*)
and ROE (%)
CAGR 12%



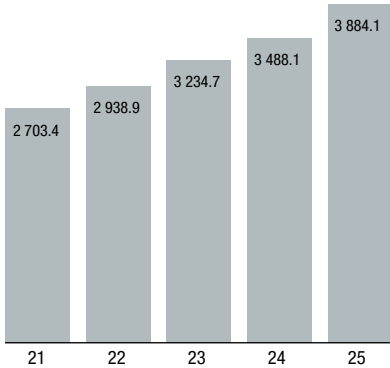
Diluted normalised earnings
per share (*cents*)
CAGR 12%



Dividends per share (*cents*)
CAGR 15%



Normalised net asset value
per share (*cents*)
CAGR 9%



Note: 2021 and 2022 figures are based on IFRS 4, 2023 to 2025 figures are based on IFRS 17.

Key financial and operational results, ratios and statistics – normalised

for the year ended 30 June

This section is based on normalised results and includes the impact of the accounting provision and related fees associated with the previously disclosed UK motor commission matter set out on pages 27 to 29. A detailed reconciliation between IFRS and normalised results is set out on pages 153 to 159.

<i>R million</i>	2025	2024	% change
Earnings performance			
Normalised earnings per share (cents)			
– Basic	746.4	677.2	10
– Diluted	745.6	677.2	10
Headline earnings per share (cents)			
– Basic	748.8	679.0	10
– Diluted	748.0	679.0	10
Earnings per share (cents) – IFRS			
– Basic	748.7	681.4	10
– Diluted	747.9	681.4	10
Attributable earnings – IFRS	41 876	38 191	10
Headline earnings	41 881	38 054	10
Normalised earnings	41 824	37 988	10
Normalised net asset value	217 418	195 664	11
Normalised net asset value per share (cents)	3 884.1	3 488.1	11
Average normalised net asset value	206 541	188 558	10
Net income after cost of capital	11 566	10 364	12
Market capitalisation	424 582	431 370	(2)
Ordinary dividend per share (cents)	466	415	12
– Interim	219	200	10
– Final	247	215	15
Dividend cover (times)	1.60	1.63	
– Interim	1.70	1.70	
– Final	1.51	1.57	
Ratios and key statistics			
ROE (%)	20.2	20.1	
ROA (%)	1.69	1.63	
Cost of equity (%)	14.65	14.65	
Price earnings ratio (times)	10.1	11.4	
Price-to-book ratio (times)	1.9	2.2	
Diversity ratio (%)	39.1	39.1	
Credit impairment charge (R million)	14 044	12 555	12
Credit loss ratio (%)	0.85	0.81	
Stage 3/NPLs as % of core lending advances	4.38	4.25	
Performing book coverage ratio (%)	1.44	1.58	
Specific coverage ratio (%)	42.7	44.1	
Cost-to-income ratio (%)	50.8	52.6	
Effective tax rate (%)	22.0	22.4	
Share price (closing – rand)	75.69	76.90	(2)

<i>R million</i>	2025	2024	% change
Balance sheet			
Normalised total assets (R million)	2 586 538	2 366 815	9
Advances (net of credit impairment) (R million)	1 748 639	1 611 541	9
Average gross loan-to-deposit ratio (%)	82.9	82.9	
Deposits and debt funding (R million)	2 181 874	2 003 151	9
Capital adequacy – IFRS*			
Capital adequacy ratio (%)	16.9	16.1	
Tier 1 ratio (%)	15.1	14.4	
Common Equity Tier 1 ratio (%)	14.0	13.5	
Leverage – IFRS*			
Leverage ratio (%)	8.5	8.2	
Liquidity – IFRS			
Liquidity coverage ratio (%)	129	118	
Net stable funding ratio (%)	120	120	
Operational statistics			
Number of ATMs (including ADTs)	5 772	5 716	1
– South Africa	4 771	4 750	–
– Broader Africa	1 001	966	4
Number of branches	767	757	1
– South Africa	630	623	1
– Broader Africa	137	134	2
Number of FNB CashPlus/AgencyPlus agents**	5 089	4 350	17
– South Africa	118	25	>100
– Broader Africa	4 971	4 325	15
Number of employees	50 717	49 250	3
– South Africa	40 194	39 157	3
– Broader Africa	6 835	6 381	7
– UK operations	1 958	2 088	(6)
– Other	755	694	9
– FirstJob youth employment programme	975	930	5
FNB active customers (millions)	12.37	12.07	2
– South Africa	10.01	9.87	1
– Retail	8.66	8.60	1
– Commercial	1.35	1.27	6
– Broader Africa	2.36	2.20	7
FNB channel volumes (thousands of transactions)			
– ATM/ADT	277 705	292 324	(5)
– Digital	889 568	800 924	11
– Card acquiring	1 111 662	1 059 275	5
– Card issuing	1 300 275	1 221 794	6
Gross written premiums on group licences (R million)	8 546	7 548	13

* Including unappropriated profits.

** Provide an alternative channel for customers to deposit or withdraw cash.

Consolidated income statement – normalised

for the year ended 30 June

<i>R million</i>	2025	2024	% change
Net interest income before impairment of advances	91 231	86 105	6
Impairment charge	(14 044)	(12 555)	12
Net interest income after impairment of advances	77 187	73 550	5
Total non-interest revenue	58 463	55 295	6
– Operational non-interest revenue	55 522	52 873	5
– Fee and commission income	40 258	38 131	6
– Net insurance income*	4 462	4 420	1
– Trading and other fair value income	4 968	5 806	(14)
– Investment income	1 417	476	>100
– Other non-interest revenue	4 417	4 040	9
– Share of profit of associates and joint ventures after tax	2 941	2 422	21
Income from operations	135 650	128 845	5
Operating expenses**	(75 998)	(74 405)	2
Income before indirect tax	59 652	54 440	10
Indirect tax	(1 874)	(1 655)	13
Profit before tax	57 778	52 785	9
Income tax expense	(12 683)	(11 810)	7
Profit for the year	45 095	40 975	10
Other equity instrument holders	(1 664)	(1 518)	10
Non-controlling interests	(1 607)	(1 469)	9
Normalised earnings attributable to ordinary equityholders of the group	41 824	37 988	10

* Net insurance income increased 10% excluding the effect of the MotoVantage classification as an asset held for sale (refer to page 39).

** Include R2 956 million (2024: R3 299 million) relating to the UK motor commission matter.

Consolidated statement of other comprehensive income – normalised

for the year ended 30 June

<i>R million</i>	2025	2024	% change
Profit for the year	45 095	40 975	10
Items that may subsequently be reclassified to profit or loss			
Cash flow hedges	1 810	2 370	(24)
Gains arising during the year	2 183	2 548	(14)
Reclassification adjustments for amounts included in profit or loss	342	688	(50)
Deferred income tax	(715)	(866)	(17)
FVOCI debt reserve	299	(244)	(>100)
Gains/(losses) arising during the year	422	(241)	(>100)
Reclassification adjustments for amounts included in profit or loss	(41)	(90)	(54)
Deferred income tax	(82)	87	(>100)
Exchange differences on translating foreign operations*	2 246	(4 148)	(>100)
Gains/(losses) arising during the year including the effect of hyperinflation	2 184	(4 119)	(>100)
Deferred income tax	62	(29)	(>100)
Insurance and reinsurance finance reserve	296	124	>100
Gains arising during the year on insurance contracts issued	405	173	>100
Gains/(losses) arising during the year on reinsurance contracts held	(2)	(5)	(60)
Deferred income tax	(107)	(44)	>100
Share of other comprehensive income of associates and joint ventures after tax and non-controlling interests	(170)	16	(>100)
Items that may not subsequently be reclassified to profit or loss			
FVOCI equity reserve	12	(3)	(>100)
Gains/(losses) arising during the year	16	(4)	(>100)
Deferred income tax	(4)	1	(>100)
Remeasurements on defined benefit post-employment plans	38	43	(12)
Gains arising during the year	52	63	(17)
Deferred income tax	(14)	(20)	(30)
Revaluation of properties on transfer to investment properties	22	–	–
Other comprehensive income/(loss) for the year	4 553	(1 842)	(>100)
Total comprehensive income for the year	49 648	39 133	27
Attributable to			
Ordinary equityholders	46 396	36 209	28
Other equity instrument holders	1 664	1 518	10
Equityholders of the group	48 060	37 727	27
Non-controlling interests	1 588	1 406	13
Total comprehensive income for the year	49 648	39 133	27

* Refer to page 164 for the exchange rates used.

Consolidated statement of financial position – normalised

as at 30 June

<i>R million</i>	2025	2024
ASSETS		
Cash and cash equivalents	168 379	158 477
Derivative financial instruments	58 486	55 284
Commodities	7 364	15 109
Investment securities	492 646	431 044
Advances	1 748 639	1 611 541
– Advances to customers*	1 682 634	1 532 589
– Marketable advances	66 005	78 952
Collateral, settlement balances and other assets	49 003	36 052
Current tax asset	444	451
Non-current assets and disposal groups held for sale	1 978	1 498
Insurance contract assets	1 433	760
Reinsurance contract assets	569	509
Investments in associates	10 733	10 332
Investments in joint ventures	4 138	3 458
Property and equipment	23 650	23 326
Intangible assets	10 348	9 701
Investment properties	783	704
Defined benefit post-employment asset	8	7
Deferred income tax asset	7 937	8 562
Total assets	2 586 538	2 366 815
EQUITY AND LIABILITIES		
Liabilities		
Short trading positions	17 040	10 273
Derivative financial instruments	54 289	44 645
Creditors, accruals and provisions	36 736	42 447
Current tax liability	438	719
Liabilities directly associated with disposal groups held for sale	1 331	1 126
Deposits and debt funding**	2 181 874	2 003 151
Employee liabilities	16 006	16 572
Other liabilities	5 251	5 806
Insurance contract liabilities	1 139	968
Reinsurance contract liabilities	31	48
Policyholder liabilities under investment contracts	9 095	7 669
Tier 2 liabilities	21 329	17 268
Deferred income tax liability	1 005	843
Total liabilities	2 345 564	2 151 535
Equity		
Ordinary shares	56	56
Share premium	8 056	8 056
Reserves	209 306	187 552
Capital and reserves attributable to equityholders of the group	217 418	195 664
Other equity instruments and reserves	18 133	14 755
Non-controlling interests	5 423	4 861
Total equity	240 974	215 280
Total equities and liabilities	2 586 538	2 366 815

* Included in advances to customers are assets under agreements to resell of R104 825 million (2024: R67 808 million).

** The line description has been updated from "Deposits" to "Deposits and debt funding" to reflect the nature of items included in the balance. The balance previously reported remains unchanged.

Flow of funds analysis – normalised

	June 2025 vs June 2024	June 2024 vs June 2023
<i>R million</i>	12-month movement	12-month movement
Sources of funds		
Capital account movement (including profit and reserves)	25 694	19 611
Working capital movement	(17 965)	(4 726)
Short trading positions and derivative financial instruments	13 209	2 483
Deposits, debt funding and long-term liabilities	182 784	80 447
Total	203 722	97 815
Outflow in deployment of funds		
Advances	(137 098)	(72 166)
Investments	4 880	(222)
Cash and cash equivalents	(9 902)	(10 806)
Investment securities (e.g. liquid asset portfolio)	(61 602)	(14 621)
Total	(203 722)	(97 815)

Consolidated statement of changes in equity – normalised

for the year ended 30 June

Ordinary share capital and ordinary equityholders' funds					
<i>R million</i>	Share capital	Share premium	Share capital and share premium	Defined benefit post-employment reserve	Cash flow hedge reserve
Balance as at 1 July 2023	56	8 056	8 112	622	(3 095)
Additional Tier 1 capital issued during the year	–	–	–	–	–
Additional tier 1 capital redeemed during the year	–	–	–	–	–
Movement in other reserves	–	–	–	–	–
Ordinary dividends	–	–	–	–	–
Distributions on other equity instruments	–	–	–	–	–
Transfer to/(from) other reserves	–	–	–	–	–
Changes in ownership interest of subsidiaries	–	–	–	–	–
Movement in treasury shares	–	–	–	–	–
– Held for client trading	–	–	–	–	–
– Held for employee share scheme	–	–	–	–	–
Total comprehensive income for the year	–	–	–	43	2 370
– Profit for the year	–	–	–	–	–
– Other comprehensive income for the year	–	–	–	43	2 370
Vesting of share-based payments	–	–	–	–	–
Balance as at 30 June 2024	56	8 056	8 112	665	(725)
Additional Tier 1 capital issued during the year	–	–	–	–	–
Additional Tier 1 capital redeemed during the year	–	–	–	–	–
Share-based payment expense	–	–	–	–	–
Deferred tax on share-based payment reserve	–	–	–	–	–
Movement in other reserves	–	–	–	–	–
Ordinary dividends	–	–	–	–	–
Distributions on other equity instruments	–	–	–	–	–
Transfer to/(from) other reserves	–	–	–	–	–
Changes in ownership interest of subsidiaries	–	–	–	–	–
Movement in treasury shares	–	–	–	–	–
– Held for client trading	–	–	–	–	–
– Held for employee share scheme	–	–	–	–	–
Total comprehensive income for the year	–	–	–	38	1 810
– Profit for the year	–	–	–	–	–
– Other comprehensive income for the year	–	–	–	38	1 810
Vesting of share-based payments	–	–	–	–	–
Balance as at 30 June 2025	56	8 056	8 112	703	1 085

* Other reserves include fair value through other comprehensive income (FVOCI) and insurance contract finance reserve.

** Other equity instruments and reserves comprise AT1 instruments.

Headline and normalised earnings adjustments are reflected in the movement in other reserves.

Ordinary share capital and ordinary equityholders' funds				Reserves attributable to ordinary equity-holders	Other equity instruments and reserves**	Non-controlling interests	Total equity
Share-based payment reserve	Foreign currency translation reserve	Other reserves*	Retained earnings				
27	12 769	1 709	161 307	173 339	9 930	4 288	195 669
–	–	–	–	–	7 090	–	7 090
–	–	–	–	–	(2 265)	–	(2 265)
26	–	152	(112) #	66	–	3	69
–	–	–	(22 158)	(22 158)	–	(1 093)	(23 251)
–	–	–	–	–	(1 518)	–	(1 518)
–	–	5	(5)	–	–	–	–
–	–	–	137	137	–	257	394
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	(4 084)	(108)	37 988	36 209	1 518	1 406	39 133
–	–	–	37 988	37 988	1 518	1 469	40 975
–	(4 084)	(108)	–	(1 779)	–	(63)	(1 842)
(41)	–	–	–	(41)	–	–	(41)
12	8 685	1 758	177 157	187 552	14 755	4 861	215 280
–	–	–	–	–	6 839	–	6 839
–	–	–	–	–	(3 461)	–	(3 461)
613	–	–	–	613	–	–	613
13	–	–	–	13	–	–	13
–	–	137	(132) #	5	–	(16)	(11)
–	–	–	(24 329)	(24 329)	–	(1 010)	(25 339)
–	–	–	–	–	(1 664)	–	(1 664)
(10)	–	5	5	–	–	–	–
–	–	–	(2)	(2)	–	–	(2)
(942)	–	–	–	(942)	–	–	(942)
–	–	–	–	–	–	–	–
(942)	–	–	–	(942)	–	–	(942)
–	2 255	469	41 824	46 396	1 664	1 588	49 648
–	–	–	41 824	41 824	1 664	1 607	45 095
–	2 255	469	–	4 572	–	(19)	4 553
–	–	–	–	–	–	–	–
(314)	10 940	2 369	194 523	209 306	18 133	5 423	240 974

“FirstRand’s performance for the year to 30 June 2025 again demonstrates the benefits of a diversified portfolio with deep franchise value, the continued disciplined allocation of financial resources, focused cost management and successful execution on growth strategies.

The quality of the underlying performance, which resulted in a 16% increase in operational earnings, enabled the group to absorb a further accounting provision for the UK motor commission matter and still deliver strong normalised earnings growth of 10% and an ROE of 20.2% (which is well within its target range). Given this high ROE, and ongoing generation of capital, FirstRand can again deliver growth in dividend (+12%) ahead of normalised earnings.

These are extremely pleasing shareholder outcomes despite a challenging year. The strong operational momentum in FNB, RMB, WesBank and Aldermore sets the group up for another strong performance in the coming year.”



~ 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.

FirstRand’s earnings remain tilted towards South Africa, mainly generated by its 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 prevailing backdrop of weak macroeconomic growth and given the group’s size, any aspiration to outperform requires strategic distinction combined with sound execution. The key growth imperatives in the domestic businesses are to grow franchises profitably and efficiently.

The relative size and quality of its transactional, deposit, insurance and other non-lending franchises in South Africa allows the group to achieve high levels of capital-light earnings growth, translating into superior returns for shareholders. At the same time FirstRand 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 characterised by sluggish system growth and increased competition.

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.

FirstRand’s UK operations include Aldermore Bank and MotoNovo. 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.

Aldermore is executing on a strategy anchored to supporting FirstRand’s commitments to its shareholders. A key focus area is improving the return profile, with specific attention on incremental adoption of the group’s financial resource management (FRM) framework, targeted capital optimisation (including returning dividends to the shareholder), risk reward optimisation for enhanced margins and unlocking additional returns from the motor business.

Operating environment

During the year under review, the global macroeconomic environment shifted from a landscape characterised by gradual policy rate cuts and an improvement in risk appetite towards increased levels of geopolitical and geo-economic uncertainty, and a meaningful increase in trade tariffs. These tariffs contributed to lower oil prices, as reduced economic activity dampened demand, while hard commodity prices rose, driven by heightened trade frictions and supply-side uncertainties.

Central banks are in a difficult position as they need to lower rates to support economic growth but are challenged by the possible risks of higher inflation due to the impact of tariffs.

In South Africa the combination of global uncertainty and policy friction within the Government of National Unity continued to impact confidence in the level of economic recovery that can be achieved. However gradual implementation of economic reforms, including the progress made under Operation Vulindlela and the shift towards the implementation of a lower inflation level, potentially provides a foundation for higher economic activity, albeit off of a low base. Consumers' disposable income benefited from a reduction in inflation and lower interest rates, resulting in a stabilisation of household affordability levels.

In the UK, activity and confidence indicators remained soft and the Bank of England (BoE) Monetary Policy Committee reiterated its 'cautious and gradual' approach as it balances stagflation with upside risks to inflation against a loosening labour market.

In the group's broader Africa operations, the most noteworthy macroeconomic developments included improved rainfall in Eswatini, Botswana, Lesotho and Namibia supporting the agricultural sector, increased oil and gas exploration activity in Namibia, higher copper production in Zambia, and the Dangote refinery fundamentally transforming the economic landscape in Nigeria.

While the increase in global trade tariffs remains a source of global uncertainty, the direct GDP impact on broader Africa has been limited.

Financial performance

Despite these ongoing macroeconomic challenges in the jurisdictions where the group operates, given the quality of the group's customer-facing franchises, the consistent approach to new business origination and ongoing discipline in the allocation of financial resources, FirstRand delivered a strong operational performance, with all of the large domestic operating businesses delivering high-quality growth in earnings and improved returns.

This performance enabled the group to absorb the impact of a further pre-tax accounting provision of R2.7 billion relating to the previously disclosed UK motor commission matter. This compares to R3.0 billion raised in the prior year. In addition, a further R253 million (£10.8 million) (2024: R298 million; £12.7 million) of legal and professional fees were incurred in relation to the matter. The total pre-tax impact of these two items relating to the UK motor commission matter is R2.96 billion for the year under review.

Despite this provision normalised earnings increased 10%, to R41.8 billion, and the group produced a normalised ROE of 20.2% (which remains well within the group's stated range of 18% to 22%). Net income after cost of capital (NIACC) grew 12% to R11.6 billion, with net asset value (NAV) increasing 11%.

The overall credit performance is trending broadly in line with the group's through-the-cycle (TTC) expectations with the credit loss ratio at 85 bps remaining at the bottom end of its TTC range. The 4 bps increase in the credit loss ratio was driven mainly by:

- the non-repeat of the UK notice of sums in arrears (NOSIA) credit provision releases in the comparative year of R1.08 billion (£46 million), which provided a 7 bps benefit at the time;
- early emerging strain in FNB commercial in line with expectations given the macro cycle and good book growth, particularly in the small and medium-sized enterprise (SME) client segment; and
- a net increase in the group's central overlay of R350 million year on year.

Given its high return profile, the group remained capital generative, with the Common Equity Tier 1 (CET1) ratio at 14.0% (2024: 13.5%). Taking this strong capital position into account, the board is comfortable to increase the total dividend 12% to 466 cents per share, which translates into a dividend cover of 1.6 times.

FIRSTRAND GROUP FINANCIAL HIGHLIGHTS

The following table provides an overview of the group's performance, including the impact of the UK motor commission matter.

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
NII	91 231	86 105	6
NIR*	58 463	55 295	6
Operating expenses**	(75 998)	(74 405)	2
Impairment charge	(14 044)	(12 555)	12
Normalised earnings	41 824	37 988	10
NIACC	11 566	10 364	12
ROE (%)	20.2	20.1	
Cost-to-income ratio (%)	50.8	52.6	
Gross written insurance premium on group licences	8 546	7 548	13
Deposit franchise	1 681 298	1 551 376	8
Core lending advances	1 699 002	1 597 898	6
Credit loss ratio (%) – core lending advances	0.85	0.81	
Stage 3/NPLs as a % of core lending advances	4.38	4.25	

* Includes share of profit of associates and joint ventures after tax.

** Include R2 956 million (2024: R3 299 million) relating to the UK motor commission matter.

The group's diversified portfolio played its part in delivering this operational performance. The gradual recovery in retail and the particularly strong performance from WesBank has mitigated to some extent the early credit strain emerging from FNB's commercial portfolio. RMB delivered healthy profit before tax (PBT) growth mainly emanating from its private equity and investment banking franchises.

The broader Africa portfolio's contribution was softer, with FNB's broader Africa franchise increasing PBT 5% (8% in constant currency) and RMB's broader Africa PBT declining 2% (up 2% in constant currency).

The UK operations produced 2% growth in underlying PBT (in pound terms), which normalises for the base effect of the non-repeat of the NOSIA provision releases, the reduced losses from the fair value hedge adjustments and the impact of the higher accounting provision for the motor commission matter, taken in the current year.

The Centre, comprising Group Treasury and support functions, produced normalised earnings of R4.6 billion, up 29% year on year. The main contribution to this growth came from Group Treasury's effective approach to managing the capital and funding portfolio of the group, and reduced currency impacts in the broader Africa jurisdictions. In addition, active capital management strategies have mitigated the impact of reducing rates on endowment net interest income (NII). These strategies include Group Treasury's asset-liability management (ALM) investment activities. The ongoing strong capital generation from the business provided higher investment balances, which also contributed to NII.

Sources of normalised earnings are unpacked in the table below:

SOURCES OF NORMALISED EARNINGS

R million	Year ended 30 June				
	2025	% composition	2024	% composition	% change
FNB	23 616	56	21 968	58	8
WesBank	2 377	6	1 981	5	20
RMB	10 723	26	9 744	26	10
UK operations*	4 114	10	4 490	12	(8)
Centre**,**	4 580	11	3 537	9	29
Other equity instrument holders	(1 399)	(3)	(1 314)	(4)	6
UK motor commission matter	(2 187)	(6)	(2 418)	(6)	(10)
UK operations	(1 067)		(320)		>100
Centre	(1 120)		(2 098)		(47)
Normalised earnings	41 824	100	37 988	100	10

* Excluding the impact of the UK motor commission matter disclosed separately.

** Includes MotoNovo back book, FirstRand Limited (company), FirstRand Corporate Centre and Group Treasury – including capital endowment, the impact of accounting mismatches, and interest rate, foreign currency and liquidity management.

Background to the additional UK motor commission provision

As outlined in detail in the group's voluntary update to shareholders published on the Stock Exchange News Service on 4 August 2025, the group considers the outcome of the recent UK Supreme Court judgment, which overturned the majority of the previous UK Appeal Court ruling, to be a significant success. In particular the clarity that car dealers do not owe their customers a fiduciary duty, which was the most important and substantive issue that required the Supreme Court's consideration. However, the Supreme Court did find against the group with regard to unfairness and was ordered to recompense one claimant.

The UK Financial Conduct Authority (FCA) subsequently announced its early thinking on a proposed redress scheme, which was expanded to potentially cover both its initial investigation of discretionary commission arrangements announced in January 2024 together with fixed commissions and any customer detriment resulting from inadequate disclosure as per the ruling of the Supreme Court.

The implications of this expanded process are still not finalised and subject to change. The FCA will publish its consultation process by early October, which will run for six weeks, and aims to finalise the rules such that the scheme can launch in 2026.

This creates ongoing uncertainty, and the possible change in scope of the redress scheme meant the group believed it prudent to raise an additional provision by revising its probability-weighted scenarios, constructed from own data analysis, and considering both the Supreme Court outcome and statements by the FCA. Further background and context to the commission provision is unpacked in greater detail on pages 27 to 29. The amount provided is a best estimate of what can be raised as a conservatively struck accounting provision.

The following table provides an overview of the group's performance, excluding the impact of the UK motor commission matter.

R million	Year ended 30 June		
	2025	2024	% change
Operating expenses	(73 042)	(71 106)	3
Normalised earnings	44 011	40 406	9
NIACC	13 593	12 605	8
Normalised net asset value	219 605	198 082	11
ROE (%)	21.2	21.3	
Cost-to-income ratio (%)	48.8	50.3	

Revenue and cost overview

Overall group NII increased 6%, driven by core lending advances growth (+6%), continued customer deposit gathering (+8%) and the capital endowment benefit (+14%), which includes the outcomes from the ALM strategy, unpacked in more detail later.

Absolute levels of year-on-year advances growth in the secured SA and UK retail portfolios showed a relatively mixed but overall positive picture. SA residential mortgages remained muted (+3%) due to continued household pressures, prevailing low property prices, and generally subdued demand. Retail vehicle asset finance (VAF) however continued to grow strongly (+10%). Origination in retail unsecured (+3%) remained anchored to low- and medium-risk customers. As expected, there was continued good growth in FNB commercial and WesBank corporate (+10% on a consolidated basis).

With regard to the RMB core lending advances, net origination remained robust, increasing 8% year on year, although this translated into overall advances growth of 1% given the distribution strategy implemented during the year. This strategy aims to enhance returns and focus on velocity of capital and funding of the lower margin advances portfolios.

Advances growth from the broader Africa portfolio remained healthy (+8%). Origination continues to be anchored to focused sectors showing above-cycle growth.

The UK operations advances growth of 8% in pounds was driven by property finance (+11%) capitalising on Aldermore's specialist expertise in the buy-to-let segment.

UK property advances growth also benefited from the increased operational capacity that the ongoing technology modernisation is incrementally unlocking. Business Finance grew 5%, underpinned by structuring expertise and focusing on underserved specialist market segments.

FirstRand's 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 FRM strategy and demonstrates the group's commitment to balancing growth with returns.

FirstRand's focus on growing liability-related NII played out strongly across all deposit franchises and remains a key underpin to its superior return profile. Year-on-year movements in advances and deposits are unpacked by operating business and segment in the following table.

	Growth in advances %	Growth in deposits %
FNB	5	8
– Retail	3	7
– Commercial	11	8
– Broader Africa	5	11
WesBank	10	n/a
RMB*	1	10
UK operations**	8	5

* 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.

** In pound terms. Growth in deposits refers to customer savings deposits.

Total transactional NII increased 5%, driven by growth in transactional credit product volumes and retail and commercial customer deposits.

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

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

This active ALM strategy is managed by Group Treasury in line with the following underlying principles:

- do not add to the natural risk profile in aggregate;
- consistently apply the investment philosophy;
- be countercyclical to operating businesses;
- reduce the natural earnings volatility introduced by the interest rate cycle;
- optimise for capital allocation and risk-adjusted return; and
- take cognizance of accounting and regulatory requirements.

The outcomes of this approach for shareholders should be assessed on a TTC basis. The following table shows the cumulative additional endowment NII of R16.3 billion (2024: 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	Year ended 30 June		% change	Cumulative additional endowment NII*
	2025	2024		
Capital endowment	1.4	0.4	>100	11.6
Deposit endowment	(1.1)	(1.9)	(42)	4.7
Total	0.3	(1.5)	(>100)	16.3

* Includes additional endowment NII from 1 July 2017 to 30 June 2025 (measured against repo).

In the current year the strategy produced an additional R0.3 billion as compared to an opportunity cost of R1.5 billion in the prior year, which represents a R1.8 billion year-on-year change, thus contributing c. 2% to NII growth.

As the interest rate environment moderates lower the underlying structural interest rate earnings of the group will begin to reduce, however, the ALM strategy, designed to reduce volatility introduced by the cycle, is expected to outperform the overnight rate.

The group's net interest margin (NIM), excluding the UK operations, increased 6 bps. Margin growth was supported by selected asset growth and pricing, enhanced FRM, higher invested capital and structural interest rate management. This was however partially offset by lower deposit endowment given the rate-cutting cycles in most jurisdictions.

Total group non-interest revenue (NIR) growth (+6%) presents a mixed underlying picture.

FNB delivered solid NIR growth of 6%. Fee and commission income (+6%) benefited from moderate fee increases across both retail and commercial accounts, new customer acquisition and improved volumes. In support of the group's strategy to diversify sources of NIR, FNB's insurance activities continued to contribute strongly, with insurance income up 9%.

Strong growth in assets under management (+15%) further supported an 11% growth in FNB's wealth and investment management NIR.

FNB also benefited from strong NIR growth in value-added services sold into the core transactional base (FNB Connect, Send Money, eBucks and nav). Total revenue from these services grew 15% to more than R2.9 billion in retail. Approximately three million customers use these services.

Overall the group's insurance income was up 1%. Strong growth of 11% and 51% in life and short-term, respectively, was offset by the classification of MotoVantage as an asset held for sale, which therefore generated no income for the year relative to the comparative year and a weak broader Africa performance due to higher flood claims. On a like-for-like basis, insurance income increased 10%.

RMB's NIR increased 2% year on year. The investment banking division (IBD) business delivered 11% growth in NIR, which included an increase of 18% in knowledge-based fees. This growth partially offset the base effect created by a significant principal investment (PI) realisation in the previous year. Treasury and Trade Solutions (TTS) NIR is up 10%, driven by healthy levels of structuring and transactional activities. RMB's private equity business delivered excellent growth in realisation income (+84% year on year). These positive outcomes were offset by a decline in trading income of 27%, which represents a significant portion of RMB's total NIR.

WesBank NIR continued to benefit from strong contributions from the Toyota Financial Services (TFS) and Volkswagen Financial Services (VWFS) joint ventures (JVs) and growth in rental and fleet related income. The reclassification of MotoVantage resulted in an overall decline of 8%.

Group Treasury NIR increased R558 million, driven by foreign exchange (FX) translation benefits, favourable market movements in the investment portfolio backing the group's post-retirement obligation, and hedging activities related to the group share scheme.

Total group operating expenses were tightly managed, resulting in 2% growth, which included a 6% increase in direct staff costs. Operational leverage improved across the operating businesses with investment spend at similar levels to the comparative year.

Including the UK motor commission provision, the cost-to-income ratio improved year on year to 50.8% (2024: 52.6%) and, excluding the provision, improved to 48.8% (2024: 50.3%).

At an operating business level, FNB and RMB increased costs 7% and 6% respectively, with investment spend mainly driving cost growth above inflation.

Operating expenses at WesBank decreased 9% year on year, with a 6% benefit from the MotoVantage restructuring.

Total operating expenses increased 9% in the UK operations, primarily due to the UK motor commission provision charge. Excluding this, operating expenses fell 4% year on year.

Credit performance

SUMMARISED CREDIT HIGHLIGHTS AT A GLANCE

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
Total gross advances	1 803 827	1 665 706	8
Total core lending advances	1 699 002	1 597 898	6
– Performing core lending advances	1 624 518	1 530 058	6
– Non-performing loans	74 484	67 840	10
Assets under agreements to resell	104 825	67 808	55
NPLs as a % of core lending advances	4.38	4.25	
Core lending advances (net of impairment)	1 643 814	1 543 733	6
Total impairments	55 188	54 165	2
Portfolio impairments	23 402	24 228	(3)
NPL-specific impairments	31 786	29 937	6
Coverage ratios			
Performing book coverage ratio (%) – core lending advances*	1.44	1.58	
Specific coverage ratio (%)**	42.7	44.1	
Income statement analysis			
Impairment charge	14 044	12 555	12
Credit loss ratio (%) – core lending advances	0.85	0.81	
Impairment charge excluding UK operations	13 654	12 987	5
Credit loss ratio excluding UK operations (%) – core lending advances	1.08	1.09	

* 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 group's credit loss ratio (CLR) for the year under review concluded at 85 bps, which is at the bottom of the group's TTC range of 80 bps to 110 bps. This is a positive outcome and in line with expectations, despite the shallow rate-cutting cycle and low system growth, and continues to reflect the benefit of the group's approach to origination, with new business continuing to be weighted towards the low- and medium-risk categories.

Impairments in certain portfolios were elevated, especially in commercial and card, where new business strain is evident after periods of strong growth. Card was also impacted by debt counselling inflows but not out of line with expectations.

Direct customer interventions in the year under review have resulted in slowing growth in debt counselling inflows, however they remain elevated compared to historical trends.

As expected lagged impacts are emerging in the small business segment in commercial, with a resilient performance to date from medium and large corporates.

The following table shows the underlying credit performance from the operating businesses. What is demonstrated here is that the group continues to benefit from portfolio diversification both segmentally and geographically.

The origination approach in both SA and broader Africa to target better-risk customers is reflected in the NPL formation, which remains within expectations notwithstanding the strain emanating from commercial.

Overall, the group believes these outcomes are testament to its approach to lending as it balances meeting customer needs with achieving targeted risk-adjusted returns.

	Advances mix %	CLR %	NPLs %	Coverage %	CLR TTC range %
FNB and WesBank					
June 25	47	1.64	6.89	5.18	1.40 – 1.80
June 24	48	1.70	6.82	5.23	
Retail					
June 25	31	1.98	8.53	5.89	1.70 – 2.10
June 24	32	2.24	8.35	5.95	
Commercial					
June 25	12	1.04	3.33	3.37	0.80 – 1.20
June 24	12	0.61	3.07	3.15	
FNB broader Africa					
June 25	4	0.91	5.44	5.41	0.80 – 1.10
June 24	4	0.76	6.29	6.00	
RMB					
June 25	29	0.21	1.35	1.62	0.30 – 0.50
June 24	29	0.31	1.00	1.59	
UK operations					
June 25	24	0.10	3.38	1.53	0.30 – 0.50
June 24	23	(0.12)	3.35	1.99	
FirstRand group					
June 25	100	0.85	4.38	3.25	0.80 – 1.10
June 24	100	0.81	4.25	3.39	

FNB's credit loss ratio is trending in line with its through-the-cycle expectations given the macroeconomic environment and specific origination strategies.

The retail CLR is moving back into its TTC range and the pressures on households experienced in the past two years have shown some signs of easing. However, affordability challenges remain, and debt counselling balances are persistently elevated, particularly as the level of economic recovery expected at the beginning of the calendar year has not yet fully materialised and house price growth remains subdued.

Commercial's CLR has trended into the mid point of its TTC range, mainly due to front book strain resulting from new business origination in the SME subsegment over the past three years, which is in line with expectations. Two specific large exposure defaults in the medium corporate subsegment contributed to higher impairments than initially expected at this point of the cycle. Both exposures remain appropriately collateralised.

WesBank's credit performance for retail VAF and corporate and commercial remains well within expectations.

RMB's CLR trended lower, resulting in a credit impairment charge on the core lending advances of 21 bps (2024: 31 bps), well below the portfolio TTC range. The credit quality of RMB's core lending portfolio remains resilient with the overall performance better than expectations, also reflecting ongoing focused underwriting discipline and prudent provisioning.

The year-on-year increase in the UK operations' CLR primarily reflects the non-repeat of last year's £40 million NOSIA-related provision releases, which significantly reduced the prior year's impairment figure. Excluding this one-off impact, the underlying credit performance showed signs of improvement, supported by easing cost-of-living pressures and improving macroeconomic conditions. The credit loss ratio rose to 10 bps (2024: -12 bps and 14 bps if adjusted for NOSIA-related releases), still below the UK operations TTC range.

Whilst impairments increased across most portfolios in broader Africa, with strain evident in Namibia, Botswana and Mozambique, the overall CLR of 91 bps remained below the mid point of the TTC range.

Financial resource management

The management of the group's financial resources, which it defines as capital, funding and liquidity, and risk appetite, is a critical enabler to ensure FirstRand achieves its stated growth and return targets, and is driven by the group's overall risk appetite. Group Treasury is primarily mandated to execute on the group's FRM strategic initiatives.

Group Treasury also manages the interest rate and foreign exchange rate risk inherent in balance sheet activities within prudential and management limits, as well as the group's risk appetite. The aim is to protect and enhance earnings without adding to the natural risk profile.

Capital position

Capital ratios and the board-approved targets for the group and bank are summarised below:

CAPITAL ADEQUACY*

		Group		Bank**	
		As at 30 June 2025			
%	Internal targets#	2025	2024	2025	2024
CET1	11.5 – 12.5	14.0	13.5	13.3	12.4
Tier 1	>13.25	15.1	14.4	14.9	13.6
Total	>15.5	16.9	16.1	17.2	15.6

* Including unappropriated profits.

** Including the bank's foreign branches.

The bank's internal targets were revised to CET1 of 11.25% – 12.25%, Tier 1 of >13% and total capital adequacy of >15.25%.

The Prudential Authority (PA) published Directive 6 of 2024 in October 2024, requiring South African banks to hold a positive cycle-neutral countercyclical buffer (PCN CCyB) of 1% with effect from 1 January 2026. The group and bank's board-approved internal targets were revised to incorporate the increased PCN CCyB requirement.

The group's CET1 ratio remained well above the upper end of its internal target range. The group continued to focus on the efficient use of financial resources and optimisation of risk-weighted assets (RWA). There is ongoing effort to optimise the overall level and mix of capital across the group and its regulated subsidiaries.

Key factors driving the CET1 outcome include:

- successful RWA optimisation strategies;
- positive earnings generation and an increase in the foreign currency translation reserves partly offset by the payment of dividends;
- an increase in credit risk RWA, driven by higher volumes and foreign currency movements from rand depreciation against the pound; and
- higher revenue generation increased operational risk RWA.

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 *Prudential Standard RA03: Flac Instrument Requirements for Designated Institutions* (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 R200 million to R300 million at the end state, will be incorporated into the group's funding strategies and considered as part of the overall FRM process.

It remains the group's intention to optimise its total loss-absorbing capacity by issuing a combination of capital and Flac instruments in the domestic and/or international markets. The group plans to transition the issuance of Flac instruments and replace maturing senior unsecured debt instruments with Flac over the phase-in period. FirstRand is in the process of establishing a domestic medium-term note programme (DMTN) programme, which will enable the domestic issuance of Flac instruments from the ultimate bank holding company, as required in terms of Prudential Standard RA03. Domestic listed capital instruments have, to date, been issued by FirstRand Bank Limited under its DMTN programme. Once FirstRand's DMTN programme has been registered with the JSE, the group intends to utilise this programme for the issuance of future domestic capital instruments (AT1 and Tier 2).

Capital allocation and returns

The group's methodology for allocating capital to operating businesses considers internal capital targets, regulatory capital requirements (average RWA consumption, regulatory deductions and anticipated regulatory changes), economic capital requirements and NAV. Excess capital above internal capital target levels is not allocated to the operating businesses in SA.

A summary of the capital allocated to the group's operating businesses is provided in the following table.

AVERAGE CAPITAL ALLOCATED

R million	Year ended 30 June		
	2025	2024	% change
FNB	63 189	59 583	6
WesBank	10 898	9 491	15
RMB	51 922	47 968	8
UK operations*	39 542	35 432	12
Centre	15 128	13 924	9
Unallocated capital**	25 862	22 160	17
FirstRand group	206 541	188 558	10

* UK operations' average capital represents pound sterling capital converted to rand using period-end closing exchange rates and includes excess capital.

** Includes excess capital.

ROEs for the group and its operating businesses are provided in the following table. The superior returns generated by the group's portfolio have resulted in continued capital generation.

With the proposed implementation of the final Basel reforms, which further incorporate standardised elements, the group is increasing its focus on the true economic risk introduced to its balance sheet. FirstRand's capital allocation considers both regulatory and economic capital views. The group consistently reviews its allocation approach, including to non-banking entities.

ROE

%	Year ended 30 June	
	2025	2024
FNB	37.4	36.9
WesBank	21.8	20.9
RMB	20.7	20.3
UK operations*	7.7	11.8
Centre (including Group Treasury)	5.0	0.3
FirstRand group	20.2	20.1
FirstRand group – excluding UK motor commission matter	21.2	21.3

* ROEs calculated in pound terms.

Liquidity position

The liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) both exceeded their minimum requirement of 100% over the last quarter and the year under review. The change in LCR reflects expected cyclical changes over the period.

PRUDENTIAL LIQUIDITY RATIOS

	Group*		Bank*	
	As at 30 June			
%	2025	2024	2025	2024
LCR				
Regulatory minimum	100	100	100	100
Actual	129	118	133	121
Average available HQLA (R billion)	513	449	439	380
NSFR				
Regulatory minimum	100	100	100	100
Actual	120	120	117	116

* The group's LCR and NSFR include the bank's operations in South Africa, and all registered banks and foreign branches in the group. The bank's LCR and NSFR reflect the South African operations only.

During the year under review, the level of liquid assets increased, driven by higher reserve balances with the central bank and an increase in reverse repos. This was a result of healthy growth in the underlying deposit franchise and selective capital market issuances.

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

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

COMPOSITION OF LIQUID ASSETS

R billion	As at 30 June	
	2025	2024
Cash and deposits with central banks	123	106
Short-term liquidity instruments	175	149
Including reverse repos*	83	65
Long-term investment securities	177	159
Other liquid assets	38	35
Total liquid assets	513	449

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

The group recognises that although there is a regulatory requirement to hold certain types of liquid assets, these assets do exhibit credit risk. The group thus relies on an internally developed limit and risk assessment framework, which draws on internal and external research, to guide and inform the composition and duration of liquid assets held. Based on internal assessments and monitoring of jurisdiction-specific risks, the group will vary its holdings of liquid assets between immediately accessible central bank reserves, short-dated treasury bills and long-dated bonds.

Foreign currency balance sheet

The group adopts a disciplined and measured approach to managing its foreign currency investments in subsidiaries and their balance sheets. Approved risk frameworks guide the allocation of resources and the management of local and foreign currency risks. The group'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 group thus employs self-imposed structural borrowing and liquidity risk limits that are more conservative than the regulatory macroprudential limits.

The group's philosophy is that, over the longer term, foreign currency assets should be supported by appropriate foreign currency liabilities, primarily in the same jurisdiction. The group's key foreign currency operations are outlined below.

- The UK operations of Aldermore (including MotoNovo) are funded through a sustainable savings deposit funding base and capital markets, as appropriate.
- FirstRand Bank London branch and RMB Mauritius are hard currency platforms for the group's broader Africa and other foreign currency exposures to its corporate clients. In addition, the London branch serves as a hub for servicing its international institutional clients.
- The broader Africa operations are primarily funded through strong in-country deposit franchises that span the retail, commercial and corporate client base. Institutional and capital market funding remains low but is growing as structural factors improve.
- FirstRand Securities in the UK provides the group's South Africa-based businesses with a highly capitalised and matched principal trading platform and offers access to international market liquidity in the securities and derivative markets in which it is most active.
- RMB Securities (USA) and the New York representative office (managed by RMB) are used to maintain the long-term viability of trading securities (in both primary and secondary markets) with institutional investors domiciled in the USA.

Prospects

The global macroeconomic environment remains unsettling but cyclically it is tracking broadly in line with expectations. In South Africa, global fracturing is expected to result in periods of volatility, however there are a number of positive signals, such as slow but steady progress on structural reforms unlocked by Operation Vulindlela and other initiatives, and the shift towards a lower inflation level.

While the shift in US trade policy remains a source of global uncertainty, the direct GDP impact from higher tariffs on broader Africa is not significant given limited exports to the US, strong trade links with China and to date, many export commodities are exempt from tariffs. Certain countries are benefitting from surging precious and base metal prices and there are several country-specific factors that should remain growth-supportive.

In the UK the macroeconomic environment will remain challenging, inflation is likely to peak some time in the first half of the financial year and consumer spending may moderate. However, these pressures are not expected to disrupt the continued recovery in property prices and lending markets.

The group's guidance for the year to June 2026 is unpacked on a like-for-like basis, including the UK motor commission accounting provision. However, it is also important to note that looking forward, the underlying operational performance of the group is likely to be better than the year under review, manifesting across various income statement lines.

Starting with NII, the group expects mid to high single-digit growth in the year ahead. Healthy advances growth is anticipated from all large lending portfolios in South Africa, broader Africa and the UK. In South Africa growth in retail advances is expected to exceed the year under review (particularly in the second half of the financial year). More constructive macros are supportive to household affordability levels given lower inflation, reducing rates and an improving trend in property prices. This is creating capacity for both secured and unsecured retail credit extension. In the UK retail advances are also expected to continue to show the strong trends demonstrated in the past six months.

Commercial and corporate advances growth is still anchored to positive momentum in structural reforms and targeted lending to specific sectors of the economy. Commercial lending will grow at similar levels to the year under review and corporate advances will show higher growth than in the year under review, including the impact of the distribution strategy, with improving margins.

The group's large deposit franchises are expected to continue to grow at similar levels to the previous 12 months. One further rate cut is expected before the end of the calendar year, however the ALM strategy will continue to provide some protection to endowment.

The group's credit loss ratio will remain at the bottom of its through-the-cycle range. Retail credit continues to improve and commercial and corporate are expected to remain within their respective TTC ranges, with some additional front book strain due to book growth. There will be some normalisation in the UK cost of credit given the strong book growth over the previous six months, and the base effect of prior year cost-of-living provision releases.

NIR growth is anticipated to trend materially higher into the low to mid teens range. This will be driven by resilient fee and commission income growth and a strong insurance performance. Ongoing private equity realisations are expected, predominantly in the first half of the financial year, and trading income is expected to rebound off the current low base.

Given the base effect of the motor commission provision, cost growth is expected to print slightly below inflationary growth. Excluding this base effect, costs will trend above inflation by 2% to 3%, which partly reflects expenses incurred by the finalisation of the HSBC transaction in the third quarter of the financial year. These costs will offset any early revenue benefits, however, the transaction will provide support to NII and NIR growth in the following years.

The group's performance reflects the health and quality of its operating franchises, all of which remain well positioned to capture a higher share of any additional growth opportunities that emerge in the jurisdictions where it operates.

For the 12 months to 30 June 2026, normalised earnings growth off the current year base (which includes the provision) will trend up into the high mid-teens, which is significantly above the group's long-term stated target range of nominal GDP + 0% to 3%. The normalised ROE is expected to improve and move closer to the upper end of its stated range of 18% to 22%.

Dividend strategy

FirstRand's dividend strategy is to provide its shareholders with an appropriate, sustainable payout over the long term. The group's high return profile and solid capital position, together with sustainable FRM actions, allow for a dividend cover at the bottom end of the board-approved range of 1.6 times to 2.0 times. A dividend cover at 1.6 times, representing a payout ratio of 63%, leaves the group with sufficient financial resources to deliver on its growth ambitions.

Events after reporting date

HSBC transaction

On 10 June 2025 FirstRand announced that it received regulatory approval to acquire selected banking assets and liabilities, and employees, of HSBC's South Africa branch. The transaction involves the transfer of HSBC South Africa's corporate and multinational portfolio to FirstRand's corporate and investment banking division, Rand Merchant Bank. This is a major milestone following the announcement on 26 September 2024 of the proposed transaction with HSBC. As part of the transaction FirstRand is required to ensure seamless migration of HSBC's portfolios. The migration process complexity may affect the completion date, which is expected to be in the 2026 financial year.

The acquired assets are expected to mainly consist of loans and advances, while the liabilities assumed will primarily comprise customer deposits. The financial impact of this transaction is currently being assessed.

UK commission provision

The Supreme Court of England and Wales (UK Supreme Court) issued a judgment in respect of the Wrench and Johnson motor finance commission cases on 1 August 2025, which was followed by an announcement from the FCA on 3 August 2025. The group concluded that this represented an adjusting post-balance sheet event.

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

Cash dividend declarations

The issued share capital on the dividend declaration dates outlined below was 5 609 488 001 ordinary shares.

The directors declared a final gross cash ordinary dividend totalling 247.0 cents per ordinary share out of income reserves for the year ended 30 June 2025.

Ordinary shares

Cents per share	Year ended 30 June	
	2025	2024
Ordinary dividends		
Interim (declared 5 March 2025)	219.0	200.0
Final (declared 10 September 2025)	247.0	215.0
Total dividends	466.0	415.0

The salient dates for the final ordinary dividend are outlined in the following table.

Last day to trade cum-dividend	Tuesday, 7 October 2025
Shares commence trading ex-dividend	Wednesday, 8 October 2025
Record date	Friday, 10 October 2025
Payment date	Monday, 13 October 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 October 2025 and Friday, 10 October 2025, both days inclusive.

For shareholders who are subject to dividend withholding tax (DWT), tax will be calculated at 20% (or such lower rate as is applicable if a double taxation agreement applies for foreign shareholders). FirstRand's income tax reference number is 9150/201/71/4.

For South African shareholders who are subject to DWT, the final ordinary dividend net of 20% DWT at 49.4000 cents per share will be 197.6000 cents per share.



JP BURGER
CHAIRMAN

10 September 2025



C LOW
COMPANY SECRETARY



M VILAKAZI
CEO



M DAVIAS
CFO

Background and context to the motor commission provision

Introduction to dealer commissions in financing arrangements

Finance arrangements play a pivotal role in enabling customers to purchase vehicles, allowing them to tailor the cost of ownership to meet their needs and budgets. Finance offers and the various options available are presented to the customer in documents provided to them by the dealer, operating as a regulated credit broker. Generally, the dealer would have access to a number of lenders when presenting offers to customers.

The final UK Supreme Court ruling refers to a hire purchase transaction as a well-known three-cornered transaction, whereby if the finance offer is acceptable to the customer:

1. the dealer sells the vehicle to the lender;
2. the customer chooses to enter into an agreement with the lender for a specified term, taking final ownership of the vehicle at the end of that term; and
3. the customer acquires the immediate use of their chosen vehicle.

Thereafter, the lender pays the dealer a commission for the introduction of the lending arrangement. These commissions are paid to enable the dealer to recover its incurred costs, including any margin, of being a regulated credit broker. The cost structure would vary across dealers based on their relative size and scale in the market, and could include licensing, employment and training of specialist finance staff, technology, legal, compliance and marketing. Importantly, pre-2021, commissions were predominantly paid pursuant to discretionary commission arrangements (DCAs) and post the FCA ban of DCAs in 2021, all commissions are paid pursuant to fixed commission arrangements (non-DCAs).

In the dealer's sale process, the vehicle price may be reduced for a buyer using finance, relative to a price quoted for a cash buyer. Where a customer needs finance to obtain the car (rather than buying it outright using cash), a finance package on acceptable terms to the customer becomes an integral part of what is negotiated by the dealer to close the transaction efficiently for all parties.

A finance package can often include additional features designed to provide the customer with various options to help them meet any affordability threshold. Such features could include a discount on the price of the car, or altering the term of the agreement such that the monthly repayment meets both the customer's and the lender's stated affordability criteria and terms. In addition, in some instances the dealer may also include additional parts or services as part of the overall outcome.

Disclosure practices

FCA rules requiring dealers to disclose the existence of commission to borrowers have been in place since April 2014. The FCA rules were explicitly changed in January 2021 to ban DCAs and to enhance and further clarify the regulatory requirements for disclosing commissions to customers, particularly regarding the nature of the commission paid. However, even at that point there was no explicit requirement in the rules for the commission amount to be disclosed unless the client requested it. Ultimately, the aim was to create disclosure consistency and transparency across the industry with regard to the requirements of the regulations. This would also assist customers to make more informed decisions about the agreements they enter into. In 2023, the introduction of consumer duty further strengthened the requirements with a focus on good outcomes for customers.

As additional background, after the UK Court of Appeal ruling in October 2024, MotoNovo changed its disclosure practices and required dealers to fully disclose to customers the commission details at the point when finance options are being discussed and offered (including the amount of commission to be paid). It is worth noting that since the introduction of this further disclosure MotoNovo has not experienced any change in the levels of take-up by customers of finance agreements through dealers.

Regulatory process

On 11 January 2024, the FCA announced that it will exercise its powers under section 166 of the Financial Services and Markets Act 2000 to launch a "skilled person review" into historical motor finance DCAs and vehicle sales and financing involving DCAs. At the time, the group welcomed the regulator's decision to undertake this review but has always believed that its own practices complied with the laws and regulations in place at the time.

As covered above, in 2021 the FCA implemented a ban on DCAs to remove the potential incentive for dealers (as regulated credit brokers under the FCA regulations) regarding the selection of customer interest rates. The FCA also introduced minor amendments to its rules and guidance around giving customers further information about commissions. At this point the FCA banned DCA practices from 2021 onwards, but did not explore any retrospective consultation process or redress considerations.

Since the DCA prohibition, there has been a persistent influx of commission-related complaints from customers with a notable surge in recent years, primarily driven by claims management companies (CMCs) and claimant law firms (CLFs). CLFs, often funded by litigation funders, also instituted numerous claims against lenders in the county courts. To date the industry has defended these claims in the county courts with a large majority win-rate based on the underlying facts of each case. FirstRand

and other industry firms have maintained their position that they complied with their legal and regulatory obligations as they understood them to be applied at the time.

In addition, a significant number of customer complaints have been referred to the Financial Ombudsman Service (FOS) for resolution. In January 2024, the FOS ruled in favour of consumers in two separate DCA complaints, concluding that DCAs created an inherent conflict between the interests of the broker and the interests of the consumer, and that the lenders' disclosures were inadequate. However, the FOS ruled in favour of lenders in relation to a non-DCA complaint.

It is against this backdrop that the FCA chose in January 2024 to invoke a pause on complaints handling for DCA complaints, and later, after the UK Court of Appeal decision in October 2024, to extend that pause to non-DCA complaints, whilst the FCA assessed the issue to determine the best way forward.

In April 2024 the FCA formally communicated its expectation that firms which fall within the remit of their process (including both lenders and dealers/credit brokers) must at all times maintain adequate financial resources, considering their own specific circumstances. At that time, the FCA further indicated that its process may result in establishing an industry-wide redress scheme and therefore, in line with IFRS Accounting Standards, the group raised a provision of £127.4 million (R3.0 billion) for the year ending 30 June 2024. This provision was based on a variety of probability-weighted scenarios constructed from the group's own data analysis and required management judgement and assumptions on the information available at that time. This was therefore management's best estimate of a provision for potential redress, including any operational and legal costs to administer a redress scheme, and covered DCAs from April 2007 to January 2021.

Legal process

In October 2024, the UK Court of Appeal ruled in favour of customers in three motor finance commission claims (the Wrench and Johnson case for FirstRand and the Hopcraft case for another lender), and in doing so significantly broadened the issue beyond discretionary commissions to all commissions paid by lenders to dealers where the customer's informed consent was not explicitly obtained. As covered earlier, at this point in time the motor industry adapted its disclosure practices to accommodate the findings of this judgment.

On 11 December 2024, FirstRand received approval from the UK Supreme Court to appeal the judgment made by the UK Court of Appeal concerning the Wrench and Johnson motor finance commissions cases, as well as another lender's request for appeal. At that time FirstRand did not raise an additional provision for new possible scenarios or outcomes from the potential UK

Supreme Court ruling. This was communicated at the time of the publication of the group's results for the six months to 31 December 2024, and was considered appropriate by management due to its belief that it had a strong case to be heard in the UK Supreme Court.

From 1 April 2025 to 3 April 2025 the UK Supreme Court heard the appeal, and the decisive verdict was delivered on 1 August 2025. The group considers the outcome of the judgment, which overturned the most substantive appeal grounds, to be a significant success. The UK Supreme Court found that motor dealers do not owe customers a fiduciary duty in relation to their role as a credit broker arranging finance. A fiduciary duty is necessary to pursue a claim for tort of bribery, and a "disinterested" duty is not sufficient for such a claim. Consequently, the UK Court of Appeal's findings regarding dishonesty by FirstRand Bank London branch as a result of its payment of a commission to the dealer were also superseded.

However, in the Johnson case only, the UK Supreme Court decided that there was an unfair relationship under section 140A of the Consumer Credit Act 1974 (CCA), based on the specific facts of the case. In its judgment the UK Supreme Court noted that the UK Court of Appeal made a number of errors that impaired its decision on the issue of unfairness under section 140A of the CCA and the test of unfairness permits courts to take account of a very broad range of factors and is highly fact-sensitive. The UK Supreme Court also clarified that the mere fact that there has been no disclosure or only partial disclosure of the commission will not necessarily suffice to make the relationship between lender and customer unfair. It is a factor to be considered in the overall balancing exercise. It also noted that there are further relevant factors specific to Mr Johnson's case. These included:

- the size of the commission paid by FirstRand (the lender) to the dealer was considered significant, amounting to 25% of the advance of credit and 55% of the total charge for credit (comprising interest and fees);
- the non-disclosure of the existence of a commercial tie between FirstRand and the dealer in which FirstRand contractually had a right of first refusal; and
- Mr Johnson's failure to read any of the documents provided by the dealer. The UK Supreme Court also noted that Mr Johnson was commercially unsophisticated, and considering all the other factors, more prominence was required of the commission disclosure.

Furthermore, the UK Supreme Court emphasised that wide discretion could also be applied by the courts to award a remedy. The group's view is that although the UK Supreme Court ordered repayment of commission (plus interest at an undefined commercial rate) in this particular case, this does not create a precedent for other courts to follow as any remedy for an unfair relationship should be based on the specific facts. It is important

to note that the level of commission in the Johnson case is not indicative of the level of commission across the overall MotoNovo book. Less than 3% of total commissions pre-2021 match the Johnson commission outcome, which was 25% of advance and 55% of total charge for credit. It is worth pointing out that Mr Johnson received the lowest interest rate available from FirstRand Bank London branch via the motor dealer selling the car.

Current regulatory response

Subsequent to the UK Supreme Court ruling, on 3 August 2025, the FCA released a statement that it would consult on a redress scheme over a six-week period in early October 2025. It noted that the UK Supreme Court considered several factors it had identified which could point to an unfair relationship and hence be a contravention of the CCA. The redress approach would depend on various factors including size of commission relative to the charge of credit, the nature of the commission, the needs of the consumer, compliance with regulatory rules and the extent and manner of disclosure, and the considered interaction between them.

The FCA also outlined seven principles underpinning a redress scheme and that the scheme will cover DCAs. It also notes that based on the UK Supreme Court judgment it will consult on whether non-DCAs (i.e. fixed commission arrangements) should also be included. The redress calculation methodology will be informed by the degree of harm suffered by the consumer and the need to ensure consumers can continue to access affordable loans for motor vehicles. The potential remedy will consider the UK Supreme Court outcome alongside alternative approaches. It also notes that it is unlikely that alternatives could lead to a higher remedy outcome, but that some may lead to lower outcomes. The consultation will also consider a *de minimis* threshold to be eligible for compensation payments, consulting on an interest rate of average base rate each year plus 1%, and whether the scheme is opt-in or opt-out for consumers. The FCA noted that the cost of any redress scheme will depend on the final design, and this makes it hard to estimate precisely the cost to the industry. Any estimates are highly indicative and susceptible to change, and the final cost will also depend on the take-up rate, the methodology to calculate redress and the mix of DCA and non-DCA ultimately included. It also notes that most individuals will probably receive less than £950 in compensation per agreement.

Provision recalculation

Given both the outcome of the UK Supreme Court judgment and the statement from the FCA, the group has taken the decision to recalculate and refine its June 2024 accounting provision, to include all commission arrangements from January 2007 to October 2024. This also includes revising its probability-weighted scenarios, assumptions and management judgements made at the time, to consider the additional information obtained to date (including the proposed interest rate for the redress scheme of the BoE plus 1%) and to recalculate an appropriate estimate accounting provision.

Until the commencement of the consultation process and further clarity on the detailed redress approach considered by the FCA, uncertainty remains, albeit lower than prior to the latest FCA announcement following the UK Supreme Court ruling.

In deriving its provision, the group has considered all available information and data points to analyse and build scenarios based on its own data. The outcome of this is that at 30 June 2025 the group has raised a total pre-tax provision of £240 million (R5.8 billion), with an incremental income statement impact for the year to 30 June 2025 of £115 million (R2.7 billion).

The FCA has indicated that it will consult on whether non-DCAs (i.e. fixed commissions) should be included in the redress scheme and the period may extend to 2024. Therefore a higher proportion of the provision is raised by the Aldermore Group (the MotoNovo front book) compared to the previous year.

To be conservative, the group's provision does not cover some of its own legal and commercial considerations that would need to be addressed as part of the FCA redress consultation process. Examples of these include any potential dealer liability (given their regulated credit broker responsibilities), any other recoverable amounts by the group that can only be assessed once a redress scheme is announced. In addition, on its own the commission as a percentage of charge for credit can result in a counter-intuitive outcome due to a lower or more favourable interest rate provided to customers that could result in the perception of an "unfair" commission percentage, or vice versa.

REVIEW OF OPERATIONS

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Normalised earnings

R23.62bn  **8%**

2024: R21.97bn

FNB represents the group's activities in the retail and commercial segments in South Africa and several countries in broader Africa.

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, including banking, insurance and investment management;
- integrating WesBank's vehicle and asset finance offering;
- providing innovative products to incentivise and grow customer savings and investments and, in turn, the retail 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/ AgencyPlus) distribution channels in South Africa and broader Africa.

FNB FINANCIAL HIGHLIGHTS

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
Normalised earnings	23 616	21 968	8
Normalised profit before tax	33 645	31 581	7
– South Africa	29 970	28 091	7
– Broader Africa	3 675	3 490	5
Core lending advances	596 099	566 644	5
Core deposits	1 006 503	936 231	8
Performing advances	550 554	524 501	5
Stage 3/NPLs as a % of advances	7.64	7.44	
Credit loss ratio (%) of average advances	1.80	1.85	
ROE (%)	37.4	36.9	
ROA (%)	3.94	3.88	
Cost-to-income ratio (%)	50.3	50.0	
Net advances margin (%)	3.81	3.75	

Overview of results

FNB delivered normalised PBT growth of 7% and an ROE of 37.4% in the year under review.

FNB's NII growth of 6% resulted from growth in both advances and deposits. The deposit franchise in South Africa grew 7% off an already high base with broader Africa's deposits also continuing to scale, delivering 11% growth. Notably, a significant milestone reached during the year is FNB's deposit base exceeding R1 trillion.

FNB grew advances 5%, tilted to commercial customers as household affordability remained under pressure. The overall commercial book grew 11%, with lending anchored to targeting specific sectors and subsegments (i.e. SMEs) informed by lending capacity assessments. Retail advances required some risk cuts in the first half of the financial year and origination strategy adjustments, resulting in 3% growth, weighted towards unsecured portfolios.

The advances margin improved to 3.81% (2024: 3.75%), benefiting from the base impact of the one-off updates to the behavioural tenor estimate in the prior year, lower funding costs and targeted repricing initiatives primarily within retail. This was partially offset by growth in interest in suspense, driven by higher NPLs.

The current interest rate cycle resulted in a net endowment reduction year on year, largely offset by the group's ALM strategy. Furthermore, deposit margins were impacted by stronger relative growth in lower margin investment and savings accounts.

Deposit insurance was introduced in April 2024 in South Africa and the impact amounted to a R234 million year-on-year reduction in NII and 3 bps impact on margins.

FNB delivered 6% growth in NIR. Fee and commission income (+6%) benefited from moderate fee increases across both retail and commercial accounts, new customer acquisition, improved volumes and cross-sell. This was partially offset by the cost of increased eBucks rewards on the back of the roll-out of new partnerships and customer value propositions and higher transaction processing fees.

FNB's early response to changes in the payments landscape when it reduced all related fees for low-value real-time payments has proved to be the correct outcome for customers. This is demonstrated by the 28% increase in real-time clearing volumes, which in turn provided strong support for fee and commission income growth and contributed to a 16% increase in payment related NIR in retail. This strong growth was somewhat offset by marginal growth in cash-linked NIR as cash volumes declined year on year, with customers increasingly adopting digital payment methods.

In support of the group's strategy to diversify sources of NIR, FNB's insurance activities continued to contribute strongly, with insurance income up 9% and insurance PBT up 8%, driven by growth in premiums, better claims experience and excellent cost management.

FNB also benefited from strong NIR growth generated by the value-added services sold into the core transactional base (i.e. FNB Connect, Send Money, eBucks and nav). In the year under review FNB Connect alone generated volumes worth R22 billion (2024: R18.6 billion). Approximately three million customers use these services. Total revenue from these services grew 15% to more than R2.9 billion in retail.

Growth in assets under management (+15%) further supported a 11% increase in wealth and investment management NIR.

FNB's credit performance reflects its origination strategies against a challenging and volatile economic environment. The macroeconomic pressures experienced in the past two years have shown some signs of easing, which is evident in the slowing momentum of retail impairments. However, households continue to face affordability pressures, particularly as the level of economic recovery expected at the beginning of the calendar year has not yet materialised. As a result, retail impairments in the second half remain slightly higher than originally expected.

The year-on-year increase in commercial cost of credit reflects strain resulting from new business origination in the SME client segment from the past three years, which is in line with expectations. Two specific large exposure defaults in the enterprise subsegment contributed to higher impairments than initially expected at this point of the cycle.

FNB expenses increased 7%, driven by staff cost increases, renewal of large foreign currency contracts with suppliers and other operating cost increases. The cost-to-income ratio increased marginally to 50.3% (2024: 50.0%), reflecting targeted investments in areas including sales channels and new product development, as well as payments and platform modernisation.

CHANNEL VOLUMES

Thousands of transactions	Year ended 30 June		
	2025	2024	% change
ATM/ADT	277 705	292 324	(5)
Digital*	889 568	800 924	11
Card acquiring	1 111 662	1 059 275	5
Card issuing	1 300 275	1 221 794	6

* 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 14%). Increased card activity also resulted in good growth in transactional volumes.

Customer segment performance

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

SEGMENT RESULTS

R million	Year ended 30 June		
	2025	2024*	% change
Normalised PBT			
Retail	15 812	14 325	10
Commercial	14 158	13 766	3
Broader Africa	3 675	3 490	5
Total FNB	33 645	31 581	7

* Restated. Refer to pages 68 to 69.

Retail's PBT increase of 10% was supported by NII growth of 4%, in particular from the ongoing strong performance of 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 3%, with good growth particularly in card and FNB personal loans, which increased 7% and 6% respectively. However, this growth was offset by the continued contraction of the DirectAxis personal loan book (down 11%). A shift in new business origination to the Fusion product has resulted in a decline in overdraft advances over the year, which is aligned to the business strategy. Revolving facilities have continued to perform strongly, increasing 17%.

Growth in secured lending remained subdued at 3% due to pressure on customer affordability and weak demand. Property prices, especially in Gauteng and KwaZulu-Natal, continue to be depressed.

Retail NIR increased 7%, bolstered by the good fee and commission growth in the transactional businesses, especially in the higher-income client segments, and the good performance from the insurance businesses.

Commercial's performance continues to be resilient and reflects the strength and quality of this business. Its performance was underpinned by strong growth in advances (+11%) and deposits (+8%), contributing to overall NII growth of 10%. Origination continues to be anchored to FNB's consistent strategy of targeting specific customer cohorts, sectors and counterparties.

Commercial's transactional franchise produced 5% growth in NIR, characterised by higher volumes and fee and commission income on the back of the growth in customers and good traction in the cross-sell of insurance into this segment. These trends were somewhat offset by higher transaction processing costs resulting from growth in foreign card spend and card scheme fees. Acquiring card mix and increased competition in merchant services also placed some pressure on NIR growth.

PBT in broader Africa increased 5%, driven by NIR growth, underpinned by a 7% increase in the active customer base and higher transactional volumes.

The 6% increase in NII in broader Africa was supported by strong deposit growth but somewhat offset by the negative endowment impact from the rate-cutting cycle, which is largely not covered by the group's ALM strategy. The broader Africa origination strategy, combined with good credit risk management and collections efforts, continues to yield positive outcomes. Broader Africa advances increased 5%, driven by moderate growth across the portfolio in the face of macro-uncertainty in key markets.

Overall deposit growth of 11% in broader Africa was supported by new customer acquisition and innovative product offerings across all segments.

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

SEGMENT ANALYSIS OF ADVANCES AND DEPOSIT GROWTH

Segments	Deposit growth		Advances growth	
	%	R million	%	R million
Retail	7	26 792	3	12 479
– Personal* (≤R750k)	2	2 038	(7)	(6 270)
– Private* (>R750k)	8	24 754	6	18 749
Commercial	8	35 486	11	14 046
Broader Africa**	11	7 994	5	2 930
Total FNB	8	70 272	5	29 455

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

** On a constant currency basis, deposit growth in broader Africa was 10% and advances 4%.

The following table unpacks growth in customers per segment, platform users and the change in vertical sales index (VSI), which captures cross-sell activities.

ACTIVE CUSTOMERS AND PLATFORM USERS

Millions	Year ended 30 June		
	2025	2024	% change
Retail	8.66	8.60	1
– Personal* (≤R750k)	7.00	7.05	(1)
– Private* (>R750k)	1.66	1.55	7
Commercial	1.35	1.27	6
Total SA customer base	10.01	9.87	1
FNB broader Africa	2.36	2.20	7
FNB active customers	12.37	12.07	2
SA eWallets**	6.39	6.40	–
Total platform users	18.76	18.47	2
FNB SA VSI	2.96	3.00	(1)

* The income cut-off between the personal and private segments has been updated from R600k to R750k, resulting in the restatement of 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 1.82 million eWallets belonging to FNB customers. FNB customer eWallets represent 22% of the total 8.21 million eWallets.

Pleasingly, FNB SA has reached a milestone of 10 million active customers with the active customer base (excluding eWallets) and total platform users growing 2% year on year. The total population of clients that regularly use FNB's platforms now exceeds 18.7 million.

Healthy growth in customers continued in the private (+7%) and commercial (+6%) segments, and in broader Africa (+7%).

However, the personal segment customer numbers have marginally contracted year on year. This partly reflects migrations from the personal to the private segment, which is a more profitable segment per client due to cross-sell, levels of transactional activity and ability to take on credit.

SA eWallet standalone users are flat. FNB's eWallet remains the market leader in Send Money, recording 69 million transactions in the year under review. FNB's focus is to build out broader functionality beyond traditional Send Money activities as part of its payment modernisation initiatives.

Despite a strong sales performance the personal segment has seen increased attrition, especially in the entry banking space, for several reasons. Firstly, competition levels remain heightened, which means customers with standalone products (such as Easy Zero), where the relationship is not entrenched, are easily switched. In addition FNB's strict application of new tax and Financial Action Task Force regulations resulted in constraints to onboarding and non-compliance account closures.

It is encouraging that the active main-banked customer base has continued to show an increasing trend across segments, growing 2.4% in the personal segment and 3.4% for retail overall.

Businesses that serve the community economy (township and informal sector) represent a significant opportunity and growth driver across retail and commercial. The customer base here has grown to more than 256 000 active customers contributing more than R3.7 billion of revenue (+13%), R17.9 billion of advances (+21%) and R45 billion of deposits (+17%).

FNB South Africa's VSI – which measures the average number of products a customer holds – has slightly decreased. This reflects FNB's strategy to provide clients with the appropriate product, which has resulted in an increasingly simplified proposition set. Therefore the absolute number of products will over time decline in certain segments. An example of a positive client outcome is the strong growth in FNB Business Zero, which services the entry market segment of commercial where customers tend to have only a single product.

Focus remains on cross-selling activities and attracting more customers in segments that have higher product usage. Both the private and commercial segments still represent deep cross-sell opportunities, particularly given the levels of migration and new client acquisition. Cross sell typically lags upgrades and migration by 12 months.

Credit performance

FNB's credit impairment charge increased 3% to R10 481 million (2024: R10 148 million) with the credit loss ratio decreasing to 180 bps (2024: 185 bps).

This year-on-year movement was driven by:

- elevated credit impairments in the commercial segment, including strong growth in the SME client segment and transactional lending products in commercial at higher coverage ratios, creating front book strain;
- accelerated NPL formation, especially in commercial and card on the back of the higher interest rates and inflation. Card was also impacted by debt counselling inflows but not out of line with expectations;
- increase in arrears and debt review inflows, and a higher number of accounts driving a significant increase in credit risk (SICR), which reflects continued strain in certain customer segments;
- direct customer interventions in the year under review have resulted in slowing growth in debt counselling inflows, however, they remain elevated compared to historical trends;
- 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 continues to highlight subdued growth, especially in Gauteng and KwaZulu-Natal, impacting coverage ratios in the residential mortgage portfolio as growth in NPL suspended interest continues to exceed overall house price growth; and
- an increase in write-offs and a reduction in post write-off recoveries year on year.

ANALYSIS OF IMPAIRMENT CHARGE

R million	Year ended 30 June		
	2025	2024	% change
Movement in balance sheet provisions			
Performing book provisions	(83)	95	(>100)
NPL provision	1 989	3 068	(35)
Credit provision increase	1 906	3 163	(40)
Gross write-off and other	12 406	10 456	19
– Bad debts written off*	12 445	10 284	21
– Exchange rate and other	(39)	172	(>100)
Amounts recognised directly in income statement			
Modification loss	932	814	14
Interest suspended on stage 3 advances	(3 404)	(2 811)	21
Post write-off recoveries	(1 359)	(1 474)	(8)
Total impairment charge	10 481	10 148	3

* This represents the gross balance sheet amounts written off. The income statement impact has been recognised over various reporting periods.

FNB's approach to provisioning remains appropriately prudent given the economic cycle.

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 R152 million (2024: R558 million). Overall performing coverage decreased to 2.14% (2024: 2.26%), benefiting from the improved macroeconomic outlook.

Whilst impairments increased across most portfolios in broader Africa with strain evident in Namibia, Botswana and Mozambique, the overall CLR of 0.91% remained below the mid point of the TTC range. Namibia was impacted by the introduction of the BID-2 regulation impacting its write-off policy and coverage ratios.

NPL coverage marginally increased to 47.6% (2024: 46.8%). The increase in coverage was due to new NPL inflows requiring higher coverage.

Insurance

PBT from FNB's insurance activities increased 8%, underpinned by strong premium income growth of 13% in both life and short-term, offset by the reduced contribution from cell captives and commission brokerage. There was 13% growth in the life standalone book, which made a material contribution to overall performance. Efficiency gains, reflected in lower cost-to-income and claims ratios, also assisted. These benefits were partially offset by increased investment into the short-term insurance business, which continues to track ahead of expectations. Strong growth continues to be generated in the commercial segment, which presents significant opportunities for further penetration.

NEW BUSINESS APE

R million	Year ended 30 June		
	2025	2024	% change
Core life (including funeral)	1 350	1 281	5
Underwritten	234	277	(16)
Commercial	339	206	65
Standalone products	1 923	1 764	9
Credit life	817	893	(9)
FNB Life	2 740	2 657	3
FNB Short-term	731	662	10

FNB Life's new business annual premium equivalent (APE) increased 3%, with premiums up 11%.

The core life portfolio achieved 5% overall growth in new business APE, primarily driven by the funeral product.

The underwritten life portfolio's new business APE declined 16% due to risk cuts implemented to manage adverse claims experience, with Life Customised up 9% supported by the advisory channel. Overall, the in-force APE grew 8%, driven by a focus on quality of sales. Semi-underwritten sales declined following an adjustment in risk appetite.

Life insurance sales in the commercial segment recorded a 65% increase in new business APE. Sales are tracking well ahead of expectations.

Credit life new business APE declined 9%, largely due to reduced origination in personal loans.

In the short-term insurance business, new business APE grew 10%. Insurance service premiums increased 29% year on year, now past R1 billion, driven by sales of the personal lines motor and buildings products, together with growth in the commercial portfolio. Loss experience within the personal lines portfolio is currently trending above expectations.

Wealth and investment management

The wealth and investment management (WIM) strategy is to cross-sell investment products and solutions to FNB's retail customers. The focus on growing distribution, and the growth in private advisors and wealth managers, resulted in net inflows of R4 billion with a resultant 15% growth in assets under management (AUM) year on year.

Overall investment accounts grew 10% to 739k, with penetration of the FNB customer base at 11%, predominantly in the private segment (15% penetration).

Share trading activity grew 26%, with the number of active share trading accounts increasing 12% to 427k. NIR was up 11% on the back of AUM growth as well as the increase in share trading activity. The FNB Horizon funds continued their strong performance, with double-digit returns that ranked ahead of both peers and benchmarks.

WIM ASSETS

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
AUM	97 059	84 813	14
FNB Horizon series	8 480	7 138	19
Assets under advice	92 450	79 143	17
Assets under administration	102 234	87 095	17
Assets under execution	109 873	96 188	14
Total WIM assets	410 096	354 377	16

Platform, digitisation and nav

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 year ended 30 June 2025 are outlined below.

- On the FNB app, 5.9 million (up 16% year on year) virtual cards have been activated and R68.8 billion (up 67% year on year) in value transacted. The virtual card is key to facilitating more secure e-commerce transactions and reducing overall fraud-related outcomes.
- Device payments (using Apple or Android) accounted for 252 million transactions worth R98 billion for the year (up 45% period on period).

- Approximately 8.2 million eWallet users accounted for cash withdrawals of R54.5 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 5.5 million users at 30 June 2025, up 20% year on year.
- nav»Home has placed c. 58k families in homes and paid out R71 billion in loans since inception. FNB now originates 12% of home loans through this channel. The platform has 215 registered estate agents, with 2 825 current property listings.
- At 30 June 2025, nav»Car had 1.24 million vehicles (up 17%) loaded in the garage, and WesBank has financed R1.5 billion in vehicle loans through this channel since inception. CarP2P had 192 active private listings at 30 June 2025.
- eBucks travel sales increased by 16% to R1.4 billion (2024: R1.2 billion).
- Digitally active customers grew to 7.78 million (2024: 7.35 million). FNB's digital channels includes mobile banking (USSD), online banking and the award-winning FNB app.
- In June 2025, the banking app active transacting base achieved 6.32 million customers (up 9%), with a new monthly record of 157 million logins. Monthly app logins in June 2025 were 22% higher than in June 2024.
- Digital logins totalled 2.15 billion, with online and mobile banking (USSD) logins of 238 million and 183 million, respectively. The app contributed 1.7 billion logins.
- Total transactional volumes through digital interfaces included 156 million for online banking, 713 million (+14%) for the banking app and 20 million for mobile banking (USSD), highlighting the scalability of FNB's platform.
- In broader Africa, card transactions increased 19% from 115.1 million to 136.5 million and digital penetration increased from 53.1% to 57.2%.



Normalised earnings

R2.38bn  20%

2024: R1.98bn

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

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.

Operating environment

The automotive industry experienced a strong improvement compared to the previous year, with industry sales up 7% to 548 675 units since June 2024.

South Africa's automotive sector faced challenges and growth opportunities, shaped by local and global trends. Chinese car brands are entering the market rapidly, offering advanced technologies, electric and hybrid options, and competitive pricing. WesBank has partnered with several of these brands through multiple supplier and dealer alliance agreements which bolstered advances growth.

Overview of results

Against this backdrop WesBank's origination remains tilted towards quality new business. The strategy of entrenching, 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. Competition for new business continues to increase, particularly for quality-risk customers, resulting in heightened margin pressure to secure these deals.

The MotoVantage business was sold effective 1 July 2025 and is therefore classified as an asset held for sale. Given this accounting treatment there is no income statement contribution from the business, resulting in reduced NIR but a benefit for WesBank's costs.

WESBANK FINANCIAL HIGHLIGHTS

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
Normalised earnings	2 377	1 981	20
Normalised profit before tax	3 148	2 743	15
Core lending advances	190 605	173 262	10
Performing advances	181 977	164 937	10
Stage 3/NPLs as a % of advances	4.53	4.80	
Credit loss ratio (%) of average advances	1.14	1.22	
ROE (%)	21.8	20.9	
ROA (%)	1.29	1.17	
Cost-to-income ratio (%)	47.5	51.9	
Net interest margin (%)	2.58	2.71	

WesBank delivered strong normalised PBT growth of 15% year on year and an ROE of 21.8%. The business's performance benefited from ongoing strong origination in retail VAF and sustained momentum in commercial.

Solid advances growth contributed to NII growth of 5%, with some offset from an increase in suspended interest and a decline in margin.

The 8% decline in total NIR reflects the following:

- good performance from the associates (TFS and VWFS);
- higher rental income, particularly in the fleet management and leasing (FML) business;
- growth in card and maintenance commissions; offset by
- classification of MotoVantage as an asset held for sale.

BREAKDOWN OF PRE-TAX PROFITS BY SEGMENT*

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
Normalised PBT			
Retail VAF**	2 305	1 886	22
Corporate and commercial	843	857	(2)
Total WesBank	3 148	2 743	15

* Refer to additional segmental disclosure on page 60.

** Includes MotoVantage.

Both customer segments performed well, with retail VAF PBT up 22% year on year, benefiting from 10% growth in advances, as well as a significant improvement in the associates' performance as operating conditions related to manufacturing and parts logistics improved at the underlying original equipment manufacturers.

Corporate and commercial PBT declined by 2% despite strong advances growth of 9%, mainly as a result of higher operating costs as platform and business integration continued with FNB commercial.

WesBank's credit performance was in line with expectations, with both the retail and commercial vehicle and asset-backed finance portfolios showing limited strain. The credit loss ratio declined to 1.14% (2024: 1.22%), 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	Year ended 30 June		
	2025	2024	% change
Movement in balance sheet provisions			
Performing book provisions	55	38	45
NPL provision	78	542	(86)
Credit provision increase	133	580	(77)
Bad debts written off*	2 437	1 898	28
Amounts recognised directly in income statement			
Modification loss	51	47	9
Interest suspended on stage 3 advances	(315)	(288)	9
Post write-off recoveries	(237)	(186)	27
Total impairment charge	2 069	2 051	1

* This represents the gross balance sheet amount written off. The income statement impact has been recognised over various reporting periods.

The 1% increase in WesBank's credit impairment charge to R2 069 million (2024: R2 051 million) was mainly due to an increase in portfolio write-offs, offset by modelled provisions releases.

The overall composition of the charge is outlined below:

- Stage 1 provisions increased in line with book growth.
- Stage 2 advances decreased 3%, driven by cures to stage 1 and migrations to stage 3. Coverage increased to 12.70% (2024: 12.35%). Whilst there has been an increase in debt counselling advances, arrears and SICR declined year on year.
- Performing coverage decreased to 1.82% (2024: 1.97%), reflecting the impact of the improved macroeconomic environment and the benefit of interest rate cuts on customers' ability to service debt.
- Stage 3 advances decreased to 4.53% of total advances (2024: 4.80%).
- NPL coverage reduced to 46.4% (2024: 47.1%) 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 year.
- WesBank's write-off policy remains prudent and the proactive management of NPLs continued, with write-offs increasing 28%. NPLs increased to R8.6 billion (2024: R8.3 billion), but remain in line with expectations given cycle.

Operating expenses decreased 9%. There was a 6% benefit from the MotoVantage restructuring, however 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 47.5% (2024: 51.9%).



Normalised earnings

R10.72bn

⬆ 10%

2024: R9.74bn

RMB represents the group's activities in corporate and institutional client segments. RMB's strategy is to deliver integrated financial services value propositions to its clients through a portfolio that spans a leading lending and advisory franchise; a market-risk management, capital markets flow, trading and structuring business; a corporate banking franchise represented by the treasury and trade solutions business and client coverage; a best-in-class private equity franchise and a growing asset management capability. This diversified portfolio, coupled with a disciplined approach to balancing risk, return and growth, is well placed to deliver sustainable earnings growth, and superior returns to the group's shareholders.

RMB FINANCIAL HIGHLIGHTS

R million	Year ended 30 June		
	2025	2024	% change
Normalised earnings	10 723	9 744	10
Normalised profit before tax	15 211	13 677	11
– South Africa	10 751	9 119	18
– Broader Africa*	4 460	4 558	(2)
Core lending advances**	468 711	465 740	1
Core deposits#	299 048	272 500	10
Core performing advances coverage	1.11	1.23	
Stage 3/NPLs as a % of core lending advances	1.35	1.00	
– Lending	1.39	0.89	
– Private equity	–	6.42	
Credit loss ratio (%) – core lending advances	0.21	0.31	
ROE (%)	20.7	20.3	
ROA (%)	1.40	1.35	
Cost-to-income ratio (%)	48.2	48.6	

* Includes in-country and cross-border activities.

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

Core deposits represent total deposits, excluding deposits under repurchase agreement and collateral deposits.

RMB produced normalised PBT growth of 11% year on year, benefiting from a sound performance by the SA business's diversified portfolio, with PBT up 18%. The broader Africa portfolio had a softer year with PBT down 2% (up 2% in constant currency).

RMB's ROE improved to 20.7%, a significant rebound from the interim period of 18.3%. This improvement was driven by the execution of enhanced focus on distribution activities implemented in the second half of the financial year, as well as a material increase in private equity (PE) realisation income.

The underlying operational performances from the client-facing businesses were mixed. Most noteworthy were the strong performances from the IBD and PE, offset to some extent by a weak performance from the Global Markets (GM) business.

Overview of financial performance

NII increased 14%, underpinned by growth in SA average operational deposits and average investment deposits of 9% and 14% respectively. NII further benefited from higher endowment earned on allocated capital.

Net origination remained robust, increasing 8%, although this translated into overall advances growth of 1% given the active distribution strategies aimed at improving capital and funding velocity in lower-margin portfolios.

A detailed reconciliation is set out below:

RMB CORE ADVANCES

	Year ended 30 June
<i>R million</i>	2025
Opening balance	465 740
Net origination*	37 128
Balance pre-distribution	502 868
Distribution	(34 157)
Closing balance	468 711

* Origination less settlements, roll-offs and early termination.

Advances margins in the core IBD lending portfolios increased 5 bps, reflecting strong growth in the broader Africa portfolio at higher margins. In-force margins benefited from the aforementioned distribution strategy, as well as lower credit insurance costs on some of the assets. These benefits were to some extent offset by increased suspended interest on higher levels of NPLs, as well as the roll-off and settlement of some higher-margin exposures.

Importantly, the average margin on the distributed assets is lower than the average margin on the new net origination, resulting in an overall margin uplift from 183 bps to 192 bps for the total RMB core lending advances.

Core deposit margins contracted 8 bps, mainly due to the rate cycle impact on endowment, combined with the benefit of stronger growth in SA term investment deposits. The higher-margin broader Africa operational deposit book contracted 8% due to market liquidity constraints in Botswana and specific client utilisation in Namibia.

RMB's NIR increased 2% year on year. The IBD business delivered 11% growth in NIR, which included an increase of 18% in knowledge-based fees. This growth partially offset the base effect created by a significant PI realisation in the previous year. TTS NIR is up 10%, driven by healthy levels of structuring and transactional activities. RMB's private equity business delivered excellent growth in realisation income (+84% year on year). These positive outcomes were offset by an 18% decline in fair value and other income, which represents a significant portion of RMB's total NIR. This decline was driven predominantly by the derisking of sovereign risk exposures in broader Africa, significantly weaker fixed income, and specifically, inflation performance and currency devaluation impacts (unpacked in more detail in the GM section below).

Credit impairments reduced 30% to R972 million, resulting in a credit impairment charge on the core lending advances of 21 bps (2024: 31 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 ongoing focused underwriting discipline.

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

ANALYSIS OF IMPAIRMENT CHARGE

R million	Year ended 30 June		
	2025	2024	% change
Movement in balance sheet provisions			
Performing book provisions	(540)	728	(>100)
NPL provision	725	(202)	(>100)
Credit provision increase	185	526	(65)
Gross write-off and other	989	963	3
– Bad debts written off*	862	859	–
– Exchange rate and other	127	104	22
Amounts recognised directly in income statement			
Interest suspended on stage 3 advances	(169)	(98)	72
Post write-off recoveries	(33)	(5)	>100
Total impairment charge	972	1 386	(30)

* This represents the gross balance sheet amounts written off. The income statement impact has been recognised over various reporting periods.

The watchlist as a percentage of RMB's overall advances book decreased 39% to 2.06% (2024: 3.06%). This is due to the negative migration to NPL status of a limited number of counters during the year, reflecting ongoing strain in certain sectors of the domestic economy, including real estate. This 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 year. RMB also raised net new impairments of R91 million against a limited number of private equity counters during the year (2024: R427 million) where the underlying operational performance remained under pressure.

RMB believes its consistent and prudent provisioning approach remains appropriate, with the performing book coverage ratio against core lending advances at 111 bps (2024: 123 bps).

RMB's cost growth was well managed at 6%, reflecting core costs trending at inflation coupled with 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 (London branch), US and India-based offices to support its broader Africa international flows strategy.

BREAKDOWN OF NORMALISED PBT CONTRIBUTION BY DIVISION

R million	Year ended 30 June		
	2025	2024*	% change
Investment banking	8 221	7 138	15
Treasury and trade solutions	2 743	2 621	5
Global markets	1 602	2 328	(31)
Private equity	2 965	1 873	58
Other**	(320)	(283)	13
Total RMB	15 211	13 677	11

* 2024 numbers have been restated to reflect a change in the endowment and cost allocation methodology. However, the total PBT remains the same.

** "Other" includes Ashburton, support, head office activities and internal reserve movements.

IBD

IBD's PBT growth of 15% was achieved off an already high base given the PI portfolio realisations of R508 million in the comparative year. NII increased 16%, benefiting from average core advances growth of 7%, with particularly good growth from the broader Africa portfolio where advances increased 16% (+27% in-country advances). Origination focused on infrastructure, sustainable finance, resources and family office assets, and the distribution strategy gained traction, which improved overall margins and balance sheet capacity.

NIR growth of 11% was underpinned by healthy new deal origination, resulting in material structuring and advisory mandates reflecting increased equity capital market activity. This was further bolstered by strong fee income growth of >100% from the PI portfolio, supplemented by net realisation and fair value income of R543 million, down 12% year on year, despite impairments taken to de-risk specific exposures. The 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 5%.

Revenue growth of 6% benefited from a healthy 10% increase in NIR, reflecting increased fees from structured lending, traditional trade and general banking facilities, and a 17% increase in merchant services turnover, assisted by good momentum across SA, Namibia and Botswana. Overall margins remained under pressure due to competitive pricing and elevated association fees.

NII increased 4%, impacted by broader Africa currency devaluation, competitive pressures resulting in margin compression in traditional trade products and distribution initiatives. Total average deposits increased 9%, with strong growth of 14% in SA average investment deposits but at lower relative margins to the shorter-term and current account balances.

The overall performance benefited from a reduction in credit impairments, in part reflecting the partial resolution of a specific NPL.

GM

GM underperformed relative to expectations, with PBT down 31% year on year.

Revenue contracted 15%, primarily reflecting weaker year-on-year performances across most asset classes, except equities. Fixed income, specifically the inflation desk, experienced significant headwinds, with lower levels of client-led structuring and limited trading opportunities due to higher levels of interest rates relative to lower inflation levels.

FX was significantly impacted by an intentional reduction in sovereign risk exposures, coupled with lower margins and levels of activity in broader Africa than the prior year.

The broader Africa portfolio was further impacted by currency translation impacts of c. R190 million.

PE

PE produced excellent results for the year benefiting from an increase of 84% in realisation income during the year. The business has adopted a more proactive portfolio management approach to increase the velocity and timing of exits to create a more consistent realisation income stream.

Gross annuity income growth of 9% reflects strong operational performances from portfolio companies and the benefit of ongoing investment in the underlying portfolio. The overall performance further benefited from lower credit and equity impairments given improved operational performances in the overall portfolio.

The year under review provided several new investment opportunities, with c. R2.6 billion of investment capital deployed. The sustained quality and diversity of the portfolio is reflected in the 21% year-on-year increase in unrealised value of the portfolio to R8 billion (2024: R6.6 billion).

Ashburton Investments*

Ashburton Investment's AUM increased 14% year on year to R144 billion, primarily driven by South Africa, with fixed-income net flows of R11 billion (excluding Jersey transfers). However, net fee income declined 15% indicative of the growth in fixed-income net inflows at lower margins, broader margin compression and higher administrative expenses.

* Included in "Other".



Normalised earnings

£130m  **27%**

2024: £177m

FirstRand's UK operations include Aldermore Bank and MotoNovo. The portfolio consists of specialist lending for property finance (individuals and landlords), business finance for SMEs, motor finance, and retail and business savings products.

UK operations

Aldermore's strategy is to meet the credit needs of individuals and entities which are underserved by mainstream providers. These customer pools in the UK market are large and growing and represent quality risk that is not catered for by the large incumbent players as it requires a bespoke approach to structuring and underwriting. The UK operations are funded mainly by retail deposits from UK savers. With no branch network, Aldermore serves customers and intermediary partners online and telephonically. Motor finance is offered through a network of dealerships across the UK.

The business is executing on its strategy to modernise platforms, streamline processes and focus on four core product solutions in segments where it has a strong and differentiated customer value proposition. It believes it can appropriately scale the business over time, supported by a diversified and sustainable funding base. Execution on this strategy is anchored to supporting FirstRand's commitments to its shareholders.

A key focus area for Aldermore is improving its return profile. Key areas of attention to uplift ROE include adoption of the group's FRM framework, targeted capital stack optimisation (including returning dividends to the shareholder), risk reward optimisation for enhanced NIM, and unlocking additional returns from the motor business.

Aldermore is also building resilience in its funding model. Already the business has successfully grown savings balances with a reduced reliance on pricing and has increasingly diversified its sources of funding. Investment in modernising technology platforms will support continued portfolio growth and drive improved returns as the business scales.

The current focus areas for the core product sets are outlined below.

- **Property finance**

- Grow profitably in existing markets through enhanced value proposition and agility.
- Expand the product offering to drive diversification and target adjacent market opportunities.
- Deliver new originations platform to transform the customer and broker experience.

- **Business finance**

- Leverage structuring expertise to focus on larger opportunities with mid-size enterprises.
- Deliver growth through a focus on underserved specialist market segments with attractive returns.

- **Motor finance**

- Drive core market growth and efficiency through continued modernisation of proposition and capabilities.
- Scale through diversifying routes to market and enhancing credit automation to enable improved risk management and efficiency.

- **Savings**

- Diversify funding sources and distribution mix across retail and SME segments.
- Optimise cost of funds and liquidity profile.

Financial performance

The UK operations produced a resilient operational performance growing underlying PBT 2% year on year. This performance was driven by healthy lending growth across all three core lending franchises. Total advances rose 8% to £16.9 billion, reflecting enhancements to product offerings and increased operational capacity.

This growth was supported by a stable and diversified funding base, with customer deposits increasing 5% to £17.0 billion, and deposits now accounting for 92% of total funding.

£ million	Year ended 30 June		% change
	2025	2024	
Core lending advances	16 858	15 648	8
Core deposits*	18 678	18 148	3

* Core deposits include customer deposits, Bank of England funding and securitisations.

In line with expectations, the NIM declined by 7 bps to 2.94%, reflecting the impact of a lower interest rate environment and continued competitive pressure on pricing, particularly on deposits.

Normalised PBT includes a few items that have negatively impacted the results. These are shown in the table below:

(£ million)	Year ended 30 June		
	2025	2024	% change
UK operations underlying PBT (pre-adjustments)	256	252	2
Adjusted for:	(63)	1	(>100)
– NOSIA impairment release	–	40	(100)
– FCA UK motor commission provision	(59)	(15)	>100
– UK motor commission related costs incurred during the year	(2)	(3)	(33)
– Fair value hedge adjustments	(2)	(21)	(90)
UK operations normalised PBT	193	253	(24)
Income statement view			
Total income	605	594	2
Total operating expenses	(320)	(332)	(4)
Operating expenses	(298)	(300)	(1)
Strategic technology spend	(22)	(32)	(31)
Impairment losses	(17)	18	(>100)
Indirect tax	(14)	(9)	56
UK operations normalised PBT pre-UK commission matter	254	271	(6)
UK motor commission provision and related costs	(61)	(18)	>100
Underlying UK operations normalised PBT post-UK commission matter	193	253	(24)
Underlying ROE (%)	10.7	12.0	

- The remediation programme related to the previously disclosed NOSIA event was largely concluded in 2024, enabling Aldermore Group to release credit impairment provisions previously held due to uncertainty around arrears recoverability. This resulted in a £40 million uplift to normalised profits in the comparative year with no repeat in 2025.
- Aldermore Group recognised an additional provision of £59 million in response to the FCA's review into historic motor finance commission arrangements, following the UK Supreme Court ruling on 1 August 2025 and subsequent regulatory announcements. This is a significantly higher amount than in the comparative year, and the detailed analysis is unpacked on pages 27 to 29.
- In addition Aldermore incurred £2 million (2024: £3 million) in legal and professional costs in relation to the motor commission matter.
- Fair value losses on interest rate hedging instruments reduced year on year, totalling £2 million in 2025 compared to £21 million in 2024. This reduction reflects lower market volatility and effective management of the hedging position.
- Costs have been well managed and reflect continued strategic technology investments with £22.4 million allocated to technology transformation (2024: £31.5 million). This investment supports long-term growth and customer propositional enhancements, and has already positively enabled the additional operating capacity which in turn supported advances growth in the year under review.

Operational performance

As a result of the above normalised earnings decreased 27% and ROE declined to 7.7% (2024: 11.8%).

Financial metrics

Financial performance

UK OPERATIONS FINANCIAL HIGHLIGHTS

	Year ended 30 June		
£ million	2025	2024	% change
Underlying metrics*			
Profit before tax	256	252	2
Normalised earnings	180	180	–
ROE** (%)	10.7	12.0	
ROA** (%)	0.87	0.89	
Cost-to-income ratio** (%)	52.8	54.0	
Credit loss ratio (bps)**	10	14	
Normalised metrics			
Normalised profit before tax	193	253	(24)
Normalised earnings	130	177	(27)
ROE** (%)	7.7	11.8	
ROA** (%)	0.62	0.88	
Cost-to-income ratio** (%)	63.0	58.9	
Credit loss ratio (bps)**	10	(12)	

* Based on underlying performance, excluding fair value hedge accounting adjustments, the NOSIA impairment release and the UK motor commission matter. Refer to the table on page 48. Appropriate tax rates are applied to the various underlying movements based on the entity where the profits are incurred.

** Ratios are calculated using unrounded values designated in pounds.

The CET1 ratio at year end (pre-dividend) was 16.1% (2024: 15.9%), demonstrating the UK operations' strong capital position. This enabled Aldermore Group to pay a dividend of £125 million to FirstRand, the first since Aldermore's acquisition in 2018, reducing the CET1 ratio to 14.9%. The dividend aligns with Aldermore's strategy to distribute excess capital, targeting a medium-term CET1 ratio of 13%–14%.

Aldermore Group obtained a credit rating from Moody's (Baa2 long-term issuer rating with a stable outlook) in January 2025 and established a euro medium-term note (EMTN) programme in March 2025. The programme will support the UK operations' future diversification of capital issuance.

The UK operations maintained a robust liquidity position, with an LCR of 195% (2024: 241%). The LCR reduction was primarily due to Bank of England term funding scheme repayments in the year. The UK operations remain well-positioned to repay the final term funding scheme maturities in the second half of the 2025 calendar year.

ANALYSIS OF IMPAIRMENT CHARGE

	Year ended 30 June		
£ million	2025	2024	% change
Movement in balance sheet provisions			
Performing book provisions	(25)	(53)	(53)
NPL provision	(28)	38	(>100)
Credit provision decrease	(53)	(15)	>100
Bad debts written off*	84	28	>100
Amounts recognised directly in income statement			
Interest suspended on stage 3 advances	(10)	(3)	>100
Post write-off recoveries	(4)	(28)	(86)
Total impairment charge/(release)	17	(18)	(>100)

* This represents the gross balance sheet amounts written off. The income statement impact has been recognised over various reporting periods.

UK operations recorded an impairment charge of £17 million, compared to an £18 million release in 2024. The year-on-year increase primarily reflects the previously mentioned non-recurrence of last year's NOSIA-related provision releases (2024: £40 million), which had significantly reduced the prior year's impairment figure. Excluding this one-off impact, the underlying credit performance showed signs of improvement, supported by easing cost-of-living pressures and improving macroeconomic conditions.

- The credit loss ratio rose to 0.10% (2024: -0.12%). When adjusted for NOSIA-related releases, the prior year's underlying ratio was 0.14%, demonstrating the year-on-year improvement in credit performance and model recalibrations.
- NPLs as a percentage of advances remained broadly stable at 3.38% (2024: 3.35%).
- Performing coverage decreased to 0.69% (2024: 0.91%), reflecting a more constructive macroeconomic environment allowing for the release of cost-of-living overlays and continued improvement in new origination and the quality of the performing loan book.
- NPL coverage declined to 25.5% (2024: 32.9%), largely driven by improved collections and recoveries in the motor finance portfolio following completion of the NOSIA remediation programme, as well as recalibrations to provisioning models based on recent experience.
- The total coverage ratio – which combines performing and non-performing coverage – fell to 1.53% (2024: 1.99%). This reduction is consistent with the improving credit environment and reflects Aldermore's confidence in the quality of its lending portfolio.

Overall, impairment metrics remain within expected ranges, and underlying arrears performance continues to track in line with forecasts, supported by prudent risk management and an improving economic backdrop.

Total operating expenses increased 9% to £381 million (2024: £350 million) primarily due to the Motor Finance commissions review charge (£60.6 million vs £18.1 million in 2024). Excluding this, operating expenses fell 4% year on year, reflecting effective cost control offsetting inflationary pressures.

BREAKDOWN OF PROFIT CONTRIBUTION BY ACTIVITY

£ million	Year ended 30 June		
	2025	2024*	% change
Property finance	69	83	(17)
Business finance	82	62	32
Motor finance**	41	19	>100
Central functions#	64	88	(27)
Underlying PBT	256	252	2

* Restated. Refer to pages 70 to 71.

** Excludes impacts relating to the NOSIA impairment release and the UK motor commission matter.

Exclude fair value accounting losses totalling £2 million (2024: £21 million).

Business unit performance highlights

The operational performances below exclude the impact of remediation activity, prior-year base impacts of NOSIA releases and fair value accounting adjustments.

Property Finance

Property Finance continued to perform strongly in a competitive market, capitalising on Aldermore's specialist expertise in the buy-to-let segment.

- New property originations rose 55% to £2.0 billion, a record year.
- Property advances increased 11% to £8.7 billion, supported by enhanced propositions and increased operational capacity. Buy-to-let advances increased 15% to £6.7 billion and owner-occupied advances grew by 2% to £2.0 billion.
- PBT declined 17% to £69 million, primarily due to a lower impairment release of £10 million (2024: £29 million), as prior-year results benefited from higher cost-of-living overlay releases following stabilisation in inflation and interest rate expectations.
- The UK mortgage market showed early signs of recovery, and Aldermore is well positioned to support customers through improved service delivery and competitive offerings.

Business Finance

Business Finance delivered a strong performance, underpinned by strategic repositioning and sector diversification.

- New originations increased 17% to £1.8 billion, with growth across asset finance, commercial real estate and invoice finance.
- Business Finance advances increased 5% to £3.9 billion, primarily driven by entry into second charge mortgage market via a new third-party forward flow agreement.
- PBT rose 32% to £82 million, supported by a lower impairment charge following model recalibrations as the commercial real estate market improved.
- The business transitioned from a product-led model to a more integrated customer-focused proposition, targeting growth in sectors offering attractive risk-adjusted returns.

Motor Finance

Motor Finance rebounded strongly in the second half of the year under review:

- New originations grew 27% to £2.0 billion, with the second six months delivering the highest monthly volumes since 2022. This uplift was driven by enhancements to product offerings, contributing to increased market share.
- Motor Finance advances grew 3% to £4.2 billion.
- Underlying PBT more than doubled to £41 million (2024: £19 million), reflecting lower impairments due to an improvement in underlying performance, driven by improved arrears and stabilisation in vehicle values.
- The business remains focused on improving return on equity through margin optimisation, cost control and risk management initiatives.

Central functions (including savings)

Central functions, including the savings business, experienced a mixed performance amid a shifting interest rate environment.

- Personal savings balances increased 4% to £11.5 billion, driven by strong demand for individual savings account (ISA) products and the launch of a new reward ISA.
- Corporate savings grew 29% to £2.8 billion, supported by deeper relationships with aggregation platforms.
- Business savings declined 11% to £2.7 billion (2024: £3.1 billion), as UK operations actively managed funding costs in a competitive market.
- PBT fell to £64 million (2024: £88 million), reflecting margin pressure due to falling interest rates and a competitive savings market.
- The business delivered enhancements in pricing agility and customer experience and is progressing a major re-platforming initiative in corporate deposits to support future growth and operational efficiency.

SEGMENTAL REPORTING

- 52** Segment report
- 60** Additional segmental disclosures

Segment report

for the year ended 30 June 2025

	Retail and commercial				
	FNB				
	Retail				
	Residential mortgages	Card	Total personal loans	Retail other	Retail
<i>R million</i>					
Net interest income before impairment of advances	5 048	5 018	8 620	7 870	26 556
Impairment charge	(710)	(2 541)	(4 370)	(442)	(8 063)
Net interest income after impairment of advances	4 338	2 477	4 250	7 428	18 493
Non-interest revenue	65	4 981	719	18 320	24 085
Income from operations	4 403	7 458	4 969	25 748	42 578
Operating expenses	(1 782)	(3 448)	(2 415)	(18 381)	(26 026)
Net income from operations	2 621	4 010	2 554	7 367	16 552
Share of profit of associates and joint ventures after tax	–	–	–	5	5
Income before indirect tax	2 621	4 010	2 554	7 372	16 557
Indirect tax	(13)	(28)	(64)	(640)	(745)
Profit before tax	2 608	3 982	2 490	6 732	15 812
Income tax expense	(704)	(1 075)	(673)	(1 790)	(4 242)
Profit for the year	1 904	2 907	1 817	4 942	11 570
Attributable to					
Ordinary equityholders	1 904	2 907	1 817	4 942	11 570
Other equity instrument holders	–	–	–	–	–
Non-controlling interests	–	–	–	–	–
Profit for the year	1 904	2 907	1 817	4 942	11 570
Attributable earnings to ordinary equityholders	1 904	2 907	1 817	4 942	11 570
Headline earnings adjustments	–	–	–	–	–
Headline earnings	1 904	2 907	1 817	4 942	11 570
Treasury shares	–	–	–	–	–
IAS 19 adjustment	–	–	–	–	–
Private equity related	–	–	–	–	–
Normalised earnings	1 904	2 907	1 817	4 942	11 570

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

* Refer to additional segmental disclosure on page 60.

** Refer to page 61 for additional analysis of UK operations.

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

Retail and commercial			Retail and commercial	Corporate and institutional						
FNB										
Commercial	FNB broader Africa	Total FNB	WesBank*	Retail and commercial	RMB	Aldermore**	Centre (including Group Treasury) and other#	FirstRand group – normalised	Normalised adjustments	FirstRand group – IFRS
17 172	6 166	49 894	6 177	56 071	13 935	14 041	7 184	91 231	(2 797)	88 434
(1 838)	(580)	(10 481)	(2 069)	(12 550)	(972)	(390)	(132)	(14 044)	–	(14 044)
15 334	5 586	39 413	4 108	43 521	12 963	13 651	7 052	77 187	(2 797)	74 390
11 151	5 769	41 005	3 289	44 294	14 782	151	(3 705)	55 522	2 910	58 432
26 485	11 355	80 418	7 397	87 815	27 745	13 802	3 347	132 709	113	132 822
(12 245)	(7 444)	(45 715)	(4 758)	(50 473)	(15 310)	(8 956)	(1 259)	(75 998)	(13)	(76 011)
14 240	3 911	34 703	2 639	37 342	12 435	4 846	2 088	56 711	100	56 811
3	–	8	557	565	3 072	17	(713)	2 941	(1)	2 940
14 243	3 911	34 711	3 196	37 907	15 507	4 863	1 375	59 652	99	59 751
(85)	(236)	(1 066)	(48)	(1 114)	(296)	(321)	(143)	(1 874)	–	(1 874)
14 158	3 675	33 645	3 148	36 793	15 211	4 542	1 232	57 778	99	57 877
(3 819)	(1 050)	(9 111)	(838)	(9 949)	(4 167)	(1 230)	2 663	(12 683)	(63)	(12 746)
10 339	2 625	24 534	2 310	26 844	11 044	3 312	3 895	45 095	36	45 131
10 339	1 707	23 616	2 377	25 993	10 723	3 047	2 061	41 824	52	41 876
–	–	–	–	–	–	265	1 399	1 664	–	1 664
–	918	918	(67)	851	321	–	435	1 607	(16)	1 591
10 339	2 625	24 534	2 310	26 844	11 044	3 312	3 895	45 095	36	45 131
10 339	1 707	23 616	2 377	25 993	10 723	3 047	2 061	41 824	52	41 876
–	–	–	–	–	–	–	–	–	5	5
10 339	1 707	23 616	2 377	25 993	10 723	3 047	2 061	41 824	57	41 881
–	–	–	–	–	–	–	–	–	19	19
–	–	–	–	–	–	–	–	–	(78)	(78)
–	–	–	–	–	–	–	–	–	2	2
10 339	1 707	23 616	2 377	25 993	10 723	3 047	2 061	41 824	–	41 824

Segment report

for the year ended 30 June 2025

	Retail and commercial				
	FNB				
	Retail				
<i>R million</i>	Residential mortgages	Card	Total personal loans	Retail other	Retail
Cost-to-income ratio (%)	34.9	34.5	25.9	70.2	51.4
Diversity ratio (%)	1.3	49.8	7.7	70.0	47.6
Credit loss ratio (%) – core lending advances	0.26	5.94	8.14	6.25	2.12
Stage 3/NPLs as a % of core lending advances	7.12	14.17	16.79	13.44	9.39
Consolidated income statement includes					
Depreciation	(2)	(20)	(13)	(2 391)	(2 426)
Amortisation	–	–	–	(221)	(221)
Net impairment charges	–	–	–	(80)	(80)
Consolidated statement of financial position includes					
Advances (before impairments)	281 669	44 236	54 088	6 823	386 816
Core lending advances	281 669	44 236	54 088	6 823	386 816
– Other core lending advances (AC and FV)	279 985	44 236	54 088	6 823	385 132
– Securitised advances	1 684	–	–	–	1 684
Assets under agreements to resell	–	–	–	–	–
Stage 3/NPLs	20 066	6 268	9 082	917	36 333
Investments in associates	–	–	–	620	620
Investments in joint ventures	–	–	–	–	–
Total deposits and debt funding (including non-recourse deposits)	514	13 408	30	413 619	427 571
Total assets	273 927	37 967	44 307	39 927	396 128
Total liabilities [†]	273 619	35 896	43 624	18 064	371 203
Capital expenditure	1	70	16	3 134	3 221

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

* Refer to additional segmental disclosure on page 60.

** Refer to page 61 for additional analysis of UK operations.

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

† Total liabilities are net of interdivisional balances.

Retail and commercial			Retail and commercial	Corporate and institutional						
FNB										
Commercial	FNB broader Africa	Total FNB	WesBank*	Retail and commercial	RMB	Aldermore**	Centre (including Group Treasury) and other#	FirstRand group – normalised	Normalised adjustments	FirstRand group – IFRS
43.2	62.4	50.3	47.5	50.0	48.2	63.0	45.52	50.8		50.7
39.4	48.3	45.1	38.4	44.4	56.2	1.2	(>100)	39.1		41.0
1.34	0.91	1.80	1.14	1.64	0.21	0.10	0.40	0.85		0.85
3.93	5.44	7.64	4.53	6.89	1.35	3.38	0.25	4.38		4.38
(317)	(465)	(3 208)	(727)	(3 935)	(226)	(199)	(38)	(4 398)	–	(4 398)
4	(16)	(233)	(11)	(244)	(72)	–	(14)	(330)	–	(330)
28	(1)	(53)	(31)	(84)	(15)	24	79	4	(145)	(141)
143 890	65 393	596 099	190 605	786 704	554 472	410 707	51 944	1 803 827	–	1 803 827
143 890	65 393	596 099	190 605	786 704	468 711	410 707	32 880	1 699 002	–	1 699 002
143 890	65 393	594 415	188 256	782 671	468 711	383 105	32 880	1 667 367	–	1 667 367
–	–	1 684	2 349	4 033	–	27 602	–	31 635	–	31 635
–	–	–	–	–	85 761	–	19 064	104 825	–	104 825
5 654	3 558	45 545	8 628	54 173	6 346	13 882	83	74 484	–	74 484
6	–	626	3 248	3 874	5 540	170	1 149	10 733	–	10 733
–	–	–	5	5	4 150	–	(17)	4 138	52	4 190
498 884	80 048	1 006 503	79	1 006 582	367 484	455 046	352 762	2 181 874	–	2 181 874
147 229	69 548	612 905	192 623	805 528	808 341	513 548	459 121	2 586 538	2 232	2 588 770
138 623	65 433	575 259	190 072	765 331	790 693	467 773	321 767	2 345 564	–	2 345 564
431	819	4 471	2 077	6 548	318	294	23	7 183	–	7 183

Segment report

for the year ended 30 June 2024

	Retail and commercial				
	FNB				
	Retail				
	Residential mortgages	Card	Total personal loans	Retail other*	Retail†
<i>R million</i>					
Net interest income before impairment of advances	4 621	4 482	8 376	8 060	25 539
Impairment charge	(1 188)	(2 256)	(4 814)	(584)	(8 842)
Net interest income after impairment of advances	3 433	2 226	3 562	7 476	16 697
Non-interest revenue	74	4 475	917	17 034	22 500
Income from operations	3 507	6 701	4 479	24 510	39 197
Operating expenses	(1 736)	(3 228)	(2 438)	(16 748)	(24 150)
Net income from operations	1 771	3 473	2 041	7 762	15 047
Share of profit of associates and joint ventures after tax	–	–	–	35	35
Income before indirect tax	1 771	3 473	2 041	7 797	15 082
Indirect tax	(12)	(25)	(57)	(663)	(757)
Profit before tax	1 759	3 448	1 984	7 134	14 325
Income tax expense	(475)	(931)	(613)	(1 904)	(3 923)
Profit for the year	1 284	2 517	1 371	5 230	10 402
Attributable to					
Ordinary equityholders	1 284	2 517	1 371	5 230	10 402
Other equity instrument holders	–	–	–	–	–
Non-controlling interests	–	–	–	–	–
Profit for the year	1 284	2 517	1 371	5 230	10 402
Attributable earnings to ordinary equityholders	1 284	2 517	1 371	5 230	10 402
Headline earnings adjustments	–	–	–	–	–
Headline earnings	1 284	2 517	1 371	5 230	10 402
Treasury shares	–	–	–	–	–
IAS 19 adjustment	–	–	–	–	–
Private equity related	–	–	–	–	–
Normalised earnings	1 284	2 517	1 371	5 230	10 402

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

* Restated. Refer to page 68.

** Refer to additional segmental disclosure on page 60.

Refer to page 62 for additional analysis of UK operations.

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

Retail and commercial			Retail and commercial	Corporate and institutional						
FNB										
Commercial*	FNB broader Africa	Total FNB	WesBank**	Retail and commercial	RMB	Aldermore#	Centre (including Group Treasury) and other †	FirstRand group – normalised	Normalised adjustments	FirstRand group - IFRS
15 652	5 832	47 023	5 869	52 892	12 269	14 232	6 712	86 105	(2 651)	83 454
(844)	(462)	(10 148)	(2 051)	(12 199)	(1 386)	432	598	(12 555)	–	(12 555)
14 808	5 370	36 875	3 818	40 693	10 883	14 664	7 310	73 550	(2 651)	70 899
10 635	5 411	38 546	3 661	42 207	15 229	(264)	(4 299)	52 873	3 209	56 082
25 443	10 781	75 421	7 479	82 900	26 112	14 400	3 011	126 423	558	126 981
(11 612)	(7 057)	(42 819)	(5 223)	(48 042)	(14 506)	(8 231)	(3 626)	(74 405)	(326)	(74 731)
13 831	3 724	32 602	2 256	34 858	11 606	6 169	(615)	52 018	232	52 250
4	–	39	527	566	2 356	–	(500)	2 422	4	2 426
13 835	3 724	32 641	2 783	35 424	13 962	6 169	(1 115)	54 440	236	54 676
(69)	(234)	(1 060)	(40)	(1 100)	(285)	(207)	(63)	(1 655)	–	(1 655)
13 766	3 490	31 581	2 743	34 324	13 677	5 962	(1 178)	52 785	236	53 021
(3 717)	(1 072)	(8 712)	(746)	(9 458)	(3 671)	(1 588)	2 907	(11 810)	(31)	(11 841)
10 049	2 418	22 869	1 997	24 866	10 006	4 374	1 729	40 975	205	41 180
10 049	1 517	21 968	1 981	23 949	9 744	4 170	125	37 988	203	38 191
–	–	–	–	–	–	204	1 314	1 518	–	1 518
–	901	901	16	917	262	–	290	1 469	2	1 471
10 049	2 418	22 869	1 997	24 866	10 006	4 374	1 729	40 975	205	41 180
10 049	1 517	21 968	1 981	23 949	9 744	4 170	125	37 988	203	38 191
–	–	–	–	–	–	–	–	–	(137)	(137)
10 049	1 517	21 968	1 981	23 949	9 744	4 170	125	37 988	66	38 054
–	–	–	–	–	–	–	–	–	16	16
–	–	–	–	–	–	–	–	–	(87)	(87)
–	–	–	–	–	–	–	–	–	5	5
10 049	1 517	21 968	1 981	23 949	9 744	4 170	125	37 988	–	37 988

Segment report

for the year ended 30 June 2024

	Retail and commercial				
	FNB				
	Retail				
<i>R million</i>	Residential mortgages	Card	Total personal loans	Retail other*	Retail*
Cost-to-income ratio (%)	37.0	36.0	26.2	66.7	50.2
Diversity ratio (%)	1.6	50.0	9.9	67.7	46.7
Credit loss ratio (%) – core lending advances	0.45	5.75	9.32	7.93	2.43
Stage 3/NPLs as a % of core lending advances	6.69	12.65	16.91	13.88	8.94
Consolidated income statement includes					
Depreciation	(2)	(21)	(18)	(2 251)	(2 292)
Amortisation	–	–	–	(43)	(43)
Net impairment charges	–	–	–	(83)	(83)
Consolidated statement of financial position includes					
Advances (before impairments)	272 363	41 374	53 286	7 314	374 337
Core lending advances	272 363	41 374	53 286	7 314	374 337
– Other core lending advances (AC and FV)	270 461	41 374	53 286	7 314	372 435
– Securitised advances	1 902	–	–	–	1 902
Assets under agreements to resell	–	–	–	–	–
Stage 3/NPLs	18 223	5 233	9 008	1 015	33 479
Investments in associates	–	–	–	516	516
Investments in joint ventures	–	–	–	–	–
Total deposits and debt funding (including non-recourse deposits)	562	12 039	32	388 146	400 779
Total assets	265 076	35 974	43 278	37 983	382 311
Total liabilities†	265 247	34 240	43 099	17 315	359 901
Capital expenditure	1	57	4	3 374	3 436

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

* Restated. Refer to page 69.

** Refer to additional segmental disclosure on page 60.

Refer to page 62 for additional analysis of UK operations.

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

‡ Total liabilities are net of interdivisional balances.

Retail and commercial			Retail and commercial	Corporate and institutional						
FNB										
Commercial*	FNB broader Africa	Total FNB	WesBank**	Retail and commercial	RMB	Aldermore#	Centre (including Group Treasury) and other	FirstRand group - normalised	Normalised adjustments	FirstRand group - IFRS
44.2	62.8	50.0	51.9	50.2	48.6	58.9	(>100)	52.6		52.6
40.8	48.1	45.1	41.6	44.7	58.9	(1.9)	>100	39.1		41.2
0.69	0.76	1.85	1.22	1.70	0.31	(0.12)	2.03	0.81		0.81
3.65	6.29	7.44	4.80	6.82	1.00	3.35	1.95	4.25		4.25
(292)	(422)	(3 006)	(815)	(3 821)	(183)	(263)	(57)	(4 324)	–	(4 324)
2	(9)	(50)	(18)	(68)	(49)	–	(642)	(759)	–	(759)
(35)	1	(117)	(3)	(120)	(6)	–	(19)	(145)	(71)	(216)
129 844	62 463	566 644	173 262	739 906	526 092	359 798	39 910	1 665 706	–	1 665 706
129 844	62 463	566 644	173 262	739 906	465 740	359 798	32 454	1 597 898	–	1 597 898
129 844	62 463	566 742	171 639	736 381	465 740	339 652	32 454	1 574 227	–	1 574 227
–	–	1 902	1 623	3 525	–	20 146	–	23 671	–	23 671
–	–	–	–	–	60 352	–	7 456	67 808	–	67 808
4 733	3 931	42 143	8 325	50 468	4 668	12 071	633	67 840	–	67 840
4	–	520	2 956	3 476	5 666	–	1 190	10 332	–	10 332
–	–	–	4	4	3 471	–	(17)	3 458	52	3 510
463 398	72 054	936 231	78	936 309	321 351	417 284	328 207	2 003 151	–	2 003 151
137 314	65 973	585 598	174 791	760 389	726 475	472 299	407 652	2 366 815	2 524	2 369 339
129 265	62 374	551 540	172 072	723 612	709 546	431 728	286 649	2 151 535	–	2 151 535
617	568	4 621	2 771	7 392	471	314	57	8 234	–	8 234

Additional segmental disclosure – WesBank

<i>R million</i>	Year ended 30 June 2025		
	Retail	Corporate and commercial	Total WesBank
NII before impairment of advances	4 691	1 486	6 177
Impairment of advances	(1 834)	(235)	(2 069)
Normalised profit before tax	2 305	843	3 148
Normalised earnings	1 772	605	2 377
Core advances	124 728	65 877	190 605
Stage 3/NPLs	7 290	1 338	8 628
Advances margin (%)	2.81	2.15	2.58
Stage 3/NPLs as a % of advances	5.84	2.03	4.53
Credit loss ratio (%) of average advances	1.54	0.37	1.14

<i>R million</i>	Year ended 30 June 2024		
	Retail	Corporate and commercial	Total WesBank
NII before impairment of advances	4 465	1 404	5 869
Impairment of advances	(1 798)	(253)	(2 051)
Normalised profit before tax	1 886	857	2 743
Normalised earnings	1 360	621	1 981
Core advances	113 044	60 218	173 262
Stage 3/NPLs	7 216	1 109	8 325
Advances margin (%)	3.00	2.15	2.71
Stage 3/NPLs as a % of advances	6.38	1.84	4.80
Credit loss ratio (%) of average advances	1.62	0.44	1.22

Additional segmental disclosure – UK operations

	Year ended 30 June 2025				
<i>£ million</i>	Business finance	Property finance	Motor finance	Central functions	Total UK operations
Net interest income before impairment of advances	148	149	179	122	598
Impairment charge	4	10	(31)	–	(17)
Net interest income after impairment of advances	152	159	148	122	581
Non-interest revenue (including fair value hedges)	3	(3)	2	4	6
Income from operations	155	156	150	126	587
Operating expenses	(71)	(83)	(167)	(60)	(381)
Net income/(loss) from operations	84	73	(17)	66	206
Share of profit of associates and joint ventures after tax	–	–	–	1	1
Income/(loss) before indirect tax	84	73	(17)	67	207
Indirect tax	(2)	(4)	(3)	(5)	(14)
Profit/(loss) before tax	82	69	(20)	62	193
Income tax expense	–	–	–	(52)*	(52)
Profit/(loss) for the year	82	69	(20)	10	141
Attributable to					
Ordinary equityholders	82	69	(20)	(1)	130
Other equity instrument holders	–	–	–	11	11
Profit/(loss) for the year	82	69	(20)	10	141
Consolidated statement of financial position includes					
Cash and cash equivalents	–	–	–	1 325	1 325
Derivative financial instruments	–	–	–	179	179
Investment securities	–	–	–	2 704	2 704
Advances	3 846	8 677	4 077	–	16 600
– Gross core lending advances	3 904	8 728	4 226	–	16 858
– Impairment of advances	(58)	(51)	(149)	–	(258)
Other assets	1	–	25	245	271
Total assets	3 847	8 677	4 102	4 453	21 079
Derivative financial instruments	–	–	–	99	99
Total deposits and other debt funding	–	–	–	18 678	18 678
Other liabilities	3 766	8 606	3 471	(15 420)	423
Total liabilities	3 766	8 606	3 471	3 357	19 200
Stage 3/NPLs	80	342	148	–	570
Stage 3/NPLs as a % of advances	2.05	3.92	3.49	–	3.38
Credit loss ratio (%) of average advances	(0.09)	(0.13)	0.74	–	0.10
Advances margin (%)	3.91	1.83	4.33	–	3.72

* Tax expense reflected in central functions.

Additional segmental disclosure – UK operations continued

	Year ended 30 June 2024*				
<i>£ million</i>	Business finance	Property finance	Motor finance	Central functions	Total UK operations
Net interest income before impairment of advances	151	138	169	147	605
Impairment charge	(10)	29	(1)	–	18
Net interest income after impairment of advances	141	167	168	147	623
Non-interest revenue (including fair value hedges)	4	(3)	7	(19)	(11)
Income from operations	145	164	175	128	612
Operating expenses	(77)	(76)	(139)	(58)	(350)
Net income/(loss) from operations	68	88	36	70	262
Share of profit of associates and joint ventures after tax	–	–	–	–	–
Income/(loss) before indirect tax	68	88	36	70	262
Indirect tax	(6)	(5)	5	(3)	(9)
Profit/(loss) before tax	62	83	41	67	253
Income tax expense	–	–	–	(67)**	(67)
Profit/(loss) for the year	62	83	41	–	186
Attributable to					
Ordinary equityholders	62	83	41	(9)	177
Other equity instrument holders	–	–	–	9	9
Profit/(loss) for the year	62	83	41	–	186
Consolidated statement of financial position includes					
Cash and cash equivalents	–	–	1	2 305	2 306
Derivative financial instruments	–	–	–	348	348
Investment securities	–	–	–	2 436	2 436
Advances	3 644	7 773	3 920	–	15 337
– Gross core lending advances	3 717	7 833	4 098	–	15 648
– Impairment of advances	(73)	(60)	(178)	–	(311)
Other assets	2	–	43	68	113
Total assets	3 646	7 773	3 964	5 157	20 540
Derivative financial instruments	–	–	–	41	41
Total deposits and debt funding	–	–	–	18 148	18 148
Other liabilities	3 543	7 641	3 396	(13 993)	587
Total liabilities	3 543	7 641	3 396	4 196	18 776
Stage 3/NPLs	82	284	159	–	525
Stage 3/NPLs as a % of advances	2.19	3.64	3.87	–	3.35
Credit loss ratio (%) of average advances	0.25	(0.37)	0.02	–	(0.12)
Advances margin (%)	4.13	1.81	4.07	–	3.92

* Restated. Refer to pages 70 and 71.

** Tax expense reflected in central functions.

Additional segmental disclosure – broader Africa

In order to provide a full strategic overview of the group's broader Africa operations, the information provided below reflects the in-country performance across the various subsidiaries, as well as the impact of cross-border transactions booked on the South Africa, London branch and RMB Mauritius balance sheets, where the deals originated in a broader Africa jurisdiction.

BROADER AFRICA FINANCIAL HIGHLIGHTS

<i>R million</i>	Strategy view		In-country		Cross-border	
	Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2025	2024	2025	2024	2025	2024
Normalised earnings	5 249	5 157	3 200	3 048	2 049	2 109
Normalised profit before tax	9 518	9 200	6 712	6 311	2 806	2 889
Impairment of advances	742	575	616	478	126	97
Core lending advances*	163 531	168 037	87 051	80 711	76 480	87 326
Stage 3/NPLs as a % of core lending advances*	2.81	3.02	4.11	4.89	1.32	1.28
Credit loss ratio (%) of average core lending advances*	0.43	0.34	0.73	0.61	0.14	0.11
Cost-to income ratio (%)	51.4	51.6	55.5	56.1	36.2	35.8
ROE (%)	23.0	24.9	21.2	22.0	26.7	30.7

* In-country advances include Group Treasury advances.

FNB BROADER AFRICA FINANCIAL HIGHLIGHTS

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
Profit before tax	3 675	3 490	5
Core lending advances*	65 393	62 463	5
Total deposits and debt funding**	80 048	72 054	11
Credit loss ratio (%) – core lending advances	0.91	0.76	
ROA (%)	2.53	2.37	
Cost-to-income ratio (%)	62.4	62.8	

* Up 4% in constant currency terms.

** Up 10% in constant currency terms.

RMB BROADER AFRICA STRATEGY FINANCIAL HIGHLIGHTS

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
Profit before tax	4 460	4 558	(2)
Core lending advances*	98 138	105 574	(7)
Total deposits and debt funding**	30 203	29 030	4
Credit loss ratio (%) – core lending advances	0.15	0.11	
ROA (%)	2.56	2.75	
Cost-to-income ratio (%)	44.3	43.4	

* Down 5% in constant currency terms.

** Up 3% in constant currency terms.

Additional segmental disclosure – insurance activities

TOTAL INSURANCE PBT

R million	Year ended 30 June		
	2025	2024	% change
FNB SA	3 447	3 090	12
Credit life	1 690	1 552	9
Core life (including funeral)	1 322	1 204	10
Underwritten	(52)	(82)	(37)
Commercial*	4	(18)	(>100)
Short-term insurance	(39)	(121)	(68)
Other participation agreements**	522	555	(6)
WesBank	120	232	(48)
Value-added products and services (VAPS)# and retail VAF credit life	120	232	(48)
Broader Africa and other†	240	311	(23)
Total	3 807	3 633	5

* 2024 figures have been updated to reflect ongoing refinements in activity and cost allocations.

** Include the DirectAxis book underwritten by Hollard, homeowners book underwritten by OUTsurance and insurance brokers.

MotoVantage's insurance activities were excluded from profit before tax for the year ended 30 June 2025, as the business was sold effective 1 July 2025.

† Other includes UK operations.

GROSS WRITTEN PREMIUMS ON GROUP LICENCES

R million	Year ended 30 June		
	2025	2024	% change
Total life premiums	7 319	6 578	11
Credit life	2 480	2 373	5
Core life (including funeral)	3 601	3 217	12
Underwritten	781	693	13
Commercial	457	295	55
Total short-term premiums	1 041	808	29
Personal lines	930	718	30
Commercial	111	90	23
Broader Africa	186	162	15
Total gross written premiums*	8 546	7 548	13

* Gross written premiums represent the total amount collected by the group, after the deduction of value-added tax and before the deduction of any commission expenses, in exchange for the acceptance of insurance risk underwritten on any of the group's insurance licences.

FNB insurance activities

NEW BUSINESS APE

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Core life (including funeral)	1 350	1 281	5
Underwritten	234	277	(16)
Commercial	339	206	65
Standalone products	1 923	1 764	9
Credit life	817	893	(9)
FNB Life	2 740	2 657	3

FNB SHORT-TERM INSURANCE

<i>Key performance indicators</i>	Year ended 30 June		% change
	2025	2024	
In-force APE (R million)	1 189	937	27
Number of in-force policies (thousands)	310	307	1
New business APE (R million)	731	662	10

Additional segmental disclosure – insurance activities continued

NUMBER OF LIFE POLICIES

<i>Thousands</i>	Year ended 30 June		% change
	2025	2024	
Credit life	2 359	2 443	(3)
Core life (including funeral)	1 918	1 841	4
Underwritten	184	194	(5)
Commercial	55	55	–
Total	4 516	4 533	–

FNB LIFE IN-FORCE APE

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Credit life	2 496	2 483	1
Core life (including funeral)	4 358	3 891	12
Underwritten	897	829	8
Commercial	479	333	44
Total	8 230	7 536	9

WesBank insurance activities

NUMBER OF POLICIES AND GROSS WRITTEN PREMIUM

	MotoVantage (VAPS)*			Retail (VAPS)		
	Year ended 30 June		% change	Year ended 30 June		% change
	2025	2024		2025	2024	
Number of policies (thousands)	–	515	(100)	17	20	(15)
Gross written premium (R million)	–	1 164	(100)	39	49	(20)

* MotoVantage's insurance activities were excluded from the year ended 30 June 2025, as the sale of the business took effect on 1 July 2025.

Additional segmental disclosure – investment management activities

TOTAL ASSETS UNDER MANAGEMENT

<i>R million</i>	As at 30 June		
	2025	2024	% change
Multi-asset and equity*	32 882	30 829	7
Structured products and indexation	9 454	8 970	5
Alternatives	34 174	36 009	(5)
Fixed income	90 645	74 020	22
Private client portfolios	92 141	80 374	15
Total group AUM	259 296	230 202	13

* The prior year number has been restated to align AUM disclosure methodologies with industry practice.

REVENUE BY TYPE

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
Investment management fees*	700	697	–
Advice fees	309	236	31
Trust and estate income	333	299	11
Brokerage income	138	110	25
Administration and other income	148	185	(20)
Net interest income	177	173	2
Total revenue	1 805	1 700	6

* The prior year number has been restated to include administrative costs, as these costs are directly attributable to the investment management fees earned.

Additional information on internal restructures

for the year ended 30 June 2024

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

<i>R million</i>	Retail other previously published	Restatement	Retail other after restatement	Commercial previously published	Restatement	Commercial after restatement	Total FNB previously published	Restatement	Total FNB after the restatement
Net interest income before impairment of advances	8 071	(11)	8 060	15 641	11	15 652	47 023	–	47 023
Impairment charge	(584)	–	(584)	(844)	–	(844)	(10 148)	–	(10 148)
Net interest income after impairment of advances	7 487	(11)	7 476	14 797	11	14 808	36 875	–	36 875
Non-interest revenue	16 909	125	17 034	10 760	(125)	10 635	38 546	–	38 546
Income from operations	24 396	114	24 510	25 557	(114)	25 443	75 421	–	75 421
Operating expenses	(16 678)	(70)	(16 748)	(11 682)	70	(11 612)	(42 819)	–	(42 819)
Net income from operations	7 718	44	7 762	13 875	(44)	13 831	32 602	–	32 602
Share of profit of associates and joint ventures after tax	35	–	35	4	–	4	39	–	39
Income before indirect tax	7 753	44	7 797	13 879	(44)	13 835	32 641	–	32 641
Indirect tax	(663)	–	(663)	(69)	–	(69)	(1 060)	–	(1 060)
Profit before tax	7 090	44	7 134	13 810	(44)	13 766	31 581	–	31 581
Income tax expense	(1 892)	(12)	(1 904)	(3 729)	12	(3 717)	(8 712)	–	(8 712)
Profit for the year	5 198	32	5 230	10 081	(32)	10 049	22 869	–	22 869
Attributable to									
Ordinary equityholders	5 198	32	5 230	10 081	(32)	10 049	21 968	–	21 968
Other equity instrument holders	–	–	–	–	–	–	–	–	–
Non-controlling interests	–	–	–	–	–	–	901	–	901
Profit for the year	5 198	32	5 230	10 081	(32)	10 049	22 869	–	22 869
Attributable earnings to ordinary equityholders	5 198	32	5 230	10 081	(32)	10 049	21 968	–	21 968
Headline earnings adjustments	–	–	–	–	–	–	–	–	–
Headline earnings	5 198	32	5 230	10 081	(32)	10 049	21 968	–	21 968
Treasury shares	–	–	–	–	–	–	–	–	–
IAS 19 adjustment	–	–	–	–	–	–	–	–	–
Private equity related	–	–	–	–	–	–	–	–	–
Normalised earnings	5 198	32	5 230	10 081	(32)	10 049	21 968	–	21 968

Additional information on internal restructures

for the year ended 30 June 2024

<i>R million</i>	Retail other previously published	Restatement	Retail other after restatement	Commercial previously published	Restatement	Commercial after restatement	Total FNB previously published	Restatement	Total FNB after the restatement
Cost-to-income ratio (%)	66.7		66.7	44.2		44.2	50.0		50.0
Diversity ratio (%)	67.7		67.7	40.8		40.8	45.1		45.1
Credit loss ratio (%) – core lending advances	7.93		7.93	0.69		0.69	1.85		1.85
Stage 3/NPLs as a % of core lending advances	13.88		13.88	3.65		3.65	7.44		7.44
Consolidated income statement includes									
Depreciation	(2 251)	–	(2 251)	(292)	–	(292)	(3 006)	–	(3 006)
Amortisation	(43)	–	(43)	2	–	2	(50)	–	(50)
Net impairment charges	(83)	–	(83)	(35)	–	(35)	(117)	–	(117)
Consolidated statement of financial position includes									
Advances (before impairments)	7 314	–	7 314	129 844	–	129 844	566 644	–	566 644
Core lending advances	7 314	–	7 314	129 844	–	129 844	566 644	–	566 644
– Other core lending advances (AC and FV)	7 314	–	7 314	129 844	–	129 844	564 742	–	564 742
– Securitised advances	–	–	–	–	–	–	1 902	–	1 902
Assets under agreements to resell	–	–	–	–	–	–	–	–	–
Stage 3/NPLs	1 015	–	1 015	4 733	–	4 733	42 143	–	42 143
Investments in associates	516	–	516	4	–	4	520	–	520
Investments in joint ventures	–	–	–	–	–	–	–	–	–
Total deposits and debt funding (including non-recourse deposits)	388 146	–	388 146	463 398	–	463 398	936 231	–	936 231
Total assets	37 983	–	37 983	137 314	–	137 314	585 598	–	585 598
Total liabilities	17 271	44	17 315	129 309	(44)	129 265	551 540	–	551 540
Capital expenditure	3 374	–	3 374	617	–	617	4 621	–	4 621

Additional information on internal restructures – UK

for the year ended 30 June 2024

The UK operations segmental disclosure has been updated to align the motor finance division with UK operations' internal reporting to improve consistency of reporting with other segments. Changes include:

- The results of the motor finance securitisations have been transferred from motor finance to central functions, consistent with other securitisations in the Aldermore Group.
- An enhanced funding and cost allocation methodology was used.
- Fair value gains/(losses) and taxation entries were transferred from motor finance to central functions.

<i>£ million</i>	Business finance previously published	Restatement	Business finance after restatement	Property finance previously published	Restatement
Net interest income before impairment of advances	133	18	151	123	15
Impairment charge	(10)	–	(10)	29	–
Net interest income after impairment of advances	123	18	141	152	15
Non-interest revenue (including fair value hedges)	4	–	4	(3)	–
Income from operations	127	18	145	149	15
Operating expenses	(24)	(53)	(77)	(18)	(58)
Net income/(loss) from operations	103	(35)	68	131	(43)
Share of profit of associates and joint ventures after tax	–	–	–	–	–
Income/(loss) before indirect tax	103	(35)	68	131	(43)
Indirect tax	–	(6)	(6)	–	(5)
Profit/(loss) before tax	103	(41)	62	131	(48)
Income tax expense	–	–	–	–	–
Profit/(loss) for the year	103	(41)	62	131	(48)
Attributable to					
Ordinary equityholders	103	(41)	62	131	(48)
Other equity instrument holders	–	–	–	–	–
Profit/(loss) for the year	103	(41)	62	131	(48)
Consolidated statement of financial position includes					
Cash and cash equivalents	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–
Investment securities	–	–	–	–	–
Advances	3 644	–	3 644	7 773	–
– Gross core lending advances	3 717	–	3 717	7 833	–
– Impairment of advances	(73)	–	(73)	(60)	–
Other assets	2	–	2	(1)	1
Total assets	3 646	–	3 646	7 772	1
Derivative financial instruments	–	–	–	–	–
Total deposits and debt funding	–	–	–	–	–
Other liabilities	3 543	–	3 543	7 641	–
Total liabilities	3 543	–	3 543	7 641	–
Stage 3/NPLs	82	–	82	284	–
Stage 3/NPLs as a % of advances	2.19	–	2.19	3.64	–
Credit loss ratio (%) of average advances	0.25	–	0.25	(0.37)	–
Advances margin (%)	3.64	0.49	4.13	1.62	0.19

* Tax expense is reflected in central functions.

Property finance after restatement	Motor finance previously published	Restatement	Motor finance after restatement	Central functions previously published*	Restatement	Central functions after the restatement*	Total UK operations previously published	Restatement	Total UK operations after restatement
138	170	(1)	169	179	(32)	147	605	–	605
29	(1)	–	(1)	–	–	–	18	–	18
167	169	(1)	168	179	(32)	147	623	–	623
(3)	1	6	7	(13)	(6)	(19)	(11)	–	(11)
164	170	5	175	166	(38)	128	612	–	612
(76)	(139)	–	(139)	(169)	111	(58)	(350)	–	(350)
88	31	5	36	(3)	73	70	262	–	262
–	–	–	–	–	–	–	–	–	–
88	31	5	36	(3)	73	70	262	–	262
(5)	8	(3)	5	(17)	14	(3)	(9)	–	(9)
83	39	2	41	(20)	87	67	253	–	253
–	(10)	10	–	(57)	(10)	(67)	(67)	–	(67)
83	29	12	41	(77)	77	–	186	–	186
83	24	17	41	(81)	72	(9)	177	–	177
–	5	(5)	–	4	5	9	9	–	9
83	29	12	41	(77)	77	–	186	–	186
–	43	(42)	1	2 263	42	2 305	2 306	–	2 306
–	3	(3)	–	345	3	348	348	–	348
–	–	–	–	2 436	–	2 436	2 436	–	2 436
7 773	3 920	–	3 920	–	–	–	15 337	–	15 337
7 833	4 098	–	4 098	–	–	–	15 648	–	15 648
(60)	(178)	–	(178)	–	–	–	(311)	–	(311)
–	408	(365)	43	(296)	364	68	113	–	113
7 773	4 374	(410)	3 964	4 748	409	5 157	20 540	–	20 540
–	1	(1)	–	40	1	41	41	–	41
–	407	(407)	–	17 741	407	18 148	18 148	–	18 148
7 641	3 778	(382)	3 396	(14 375)	382	(13 993)	587	–	587
7 641	4 186	(790)	3 396	3 406	790	4 196	18 776	–	18 776
284	159	–	159	–	–	–	525	–	525
3.64	3.87	–	3.87	–	–	–	3.35	–	3.35
(0.37)	0.02	–	0.02	–	–	–	(0.12)	–	(0.12)
1.81	4.10	(0.03)	4.07	–	–	–	3.92	–	3.92

ANALYSIS OF RESULTS

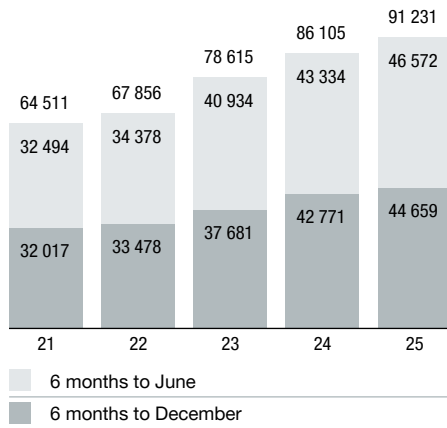
74	Net interest income (before impairment of advances)
86	Credit
112	Non-interest revenue
120	Operating expenses

Net interest income (before impairment of advances)

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

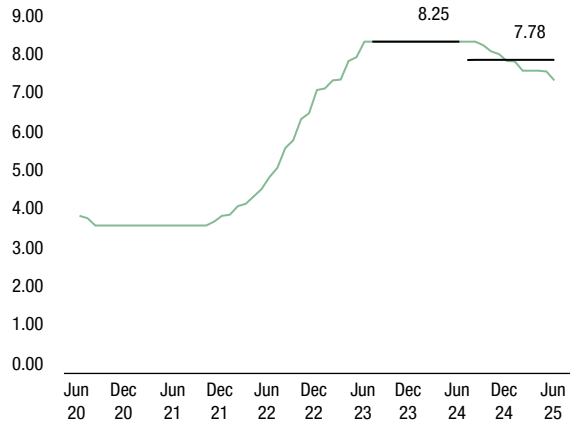
Net interest income
(R million)

NII CAGR 9%



Note: 2021 and 2022 figures are based on IFRS 4, 2023 to 2025 figures on IFRS 17.

Repo rate
(%)



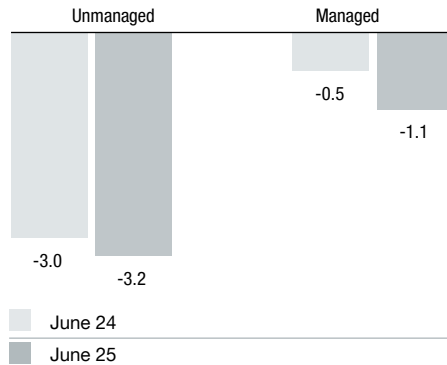
Note 1: The average endowment book for FirstRand Bank was c. R324 billion (2024: R321 billion).

Note 2: The average endowment book for broader Africa was c. R46 billion (2024: R 41 billion).

Note 3: The average net endowment book for Aldermore was c. £750 million (2024: £700 million). The endowment methodology within Aldermore continues to be developed.

FirstRand Bank structural interest rate risk sensitivity
(R billion)

NII per 100 bps



Note: The analysis is an estimate for FirstRand Bank based off the banking book interest rate risk disclosures contained within the Basel Pillar 3 risk report. The analysis shows 12-month behavioural NII sensitivity for sustained, instantaneous parallel downward shocks to interest rates as at 30 June 2025, assuming no subsequent change in the balance sheet and no further management action in response to interest rate movements.

For details on the group'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/.

Net interest income (before impairment of advances) continued

MARGIN CASCADE TABLE

	Year ended 30 June			
	2025			2024
	Average interest-earning assets (R million)	NII (R million)	NIM (%)	NIM (%)
<i>Percentage of average interest-earning banking assets (%)</i>				
Opening normalised margin including UK operations	1 924 830	86 105	4.47	4.47
Impact of UK operations on margin	(473 445)	(14 232)	0.48	0.43
Opening normalised margin excluding UK operations	1 451 385	71 873	4.95	4.90
Asset growth	88 700	4 392		
Balances with central banks	2 984			
Cash and cash equivalents	(2 236)			
Liquid assets	2 642			
Loans and advances	85 310			
Lending interest-earning assets		333	0.02	(0.07)
Asset pricing		551	0.03	(0.07)
Change in advances mix and other		(218)	(0.01)	–
Liabilities		(863)	(0.06)	(0.05)
Deposit endowment (including ALM strategies)		(18)	–	0.03
Deposit pricing		(1 347)	(0.09)	(0.10)
Change in deposit mix and volume		502	0.03	0.02
Capital endowment (including ALM strategies)		887	0.06	0.09
Group Treasury, Centre and other activities		234	0.02	0.03
FNB broader Africa		334	0.02	0.05
Closing normalised margin excluding UK operations	1 540 085	77 190	5.01	4.95
Impact of UK operations on margin	478 379	14 041	(0.49)	(0.48)
Closing normalised margin including UK operations	2 018 464	91 231	4.52	4.47

Net interest income (before impairment of advances) continued

ACTIVITY ANALYSIS OF NET INTEREST INCOME BEFORE IMPAIRMENT OF ADVANCES

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Lending	29 483	27 711	6
Transactional*	21 834	20 827	5
Investment deposits	4 681	4 255	10
Capital endowment (including ALM strategies)	12 683	11 170	14
Group Treasury, Centre and other**	2 343	2 078	13
FNB broader Africa	6 166	5 832	6
Total NII excluding UK operations	77 190	71 873	7
UK operations	14 041	14 232	(1)
Total NII including UK operations	91 231	86 105	6

* Includes NII related to credit cards, overdrafts and transactional deposit products, deposit endowment (including ALM strategies).

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

Net interest income (before impairment of advances) continued

KEY DRIVERS – NII

During the year average repo rate in South Africa decreased 47 bps to 7.78% (2024: 8.25%).

NII growth was driven by increases in both core advances and customer deposits, supported by capital endowment and portfolio management activities. Overall growth was negatively impacted by a marginal decrease in NII from the UK operations due to competitive pricing for funding.

Lending NII increased 6%, underpinned by 8% growth in average advances. The SA retail and commercial portfolios delivered average advances growth of 6%. Margin outcomes still reflect the origination tilt to better-quality credit and change in mix towards lower-yielding products. However, the impact of the origination strategies and mix changes were partly mitigated by repricing strategies implemented in the retail portfolio. RMB average advances (excluding marketable advances and preference shares) reflected growth of 13% year on year as the impact of asset distributions were concentrated in the last six months of the financial year. However, the distribution activities resulted in lower growth in overall lending NII. Most portfolios across the group continued to be impacted by higher levels of suspended interest as non-performing loans (NPLs) increased, impacting lending NII growth by 2%.

The growth in NII on transactional balances reflects increased product volumes and new customer acquisition in FNB retail, commercial and RMB. The current interest rate cycle resulted in a net endowment reduction, partially mitigated by the group's ALM investment 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 in April 2024, which resulted in an a year on year reduction in NII of R234 million.

The increase in NII on investment deposits was underpinned by a targeted customer approach to identify appropriate product offerings. This was further supported by customers seeking higher yields on savings and investment balances rather than traditional transactional deposits.

The NII on capital endowment increased despite the pressure from the lower interest rate environment. This was largely driven by growth in the invested capital balance, supported by improved ALM activity.

Group Treasury, Centre and other NII growth emanated from funding and liquidity management activities reflecting the benefit of reduced professional funding costs, offset by lower gains from interest rate mismatches.

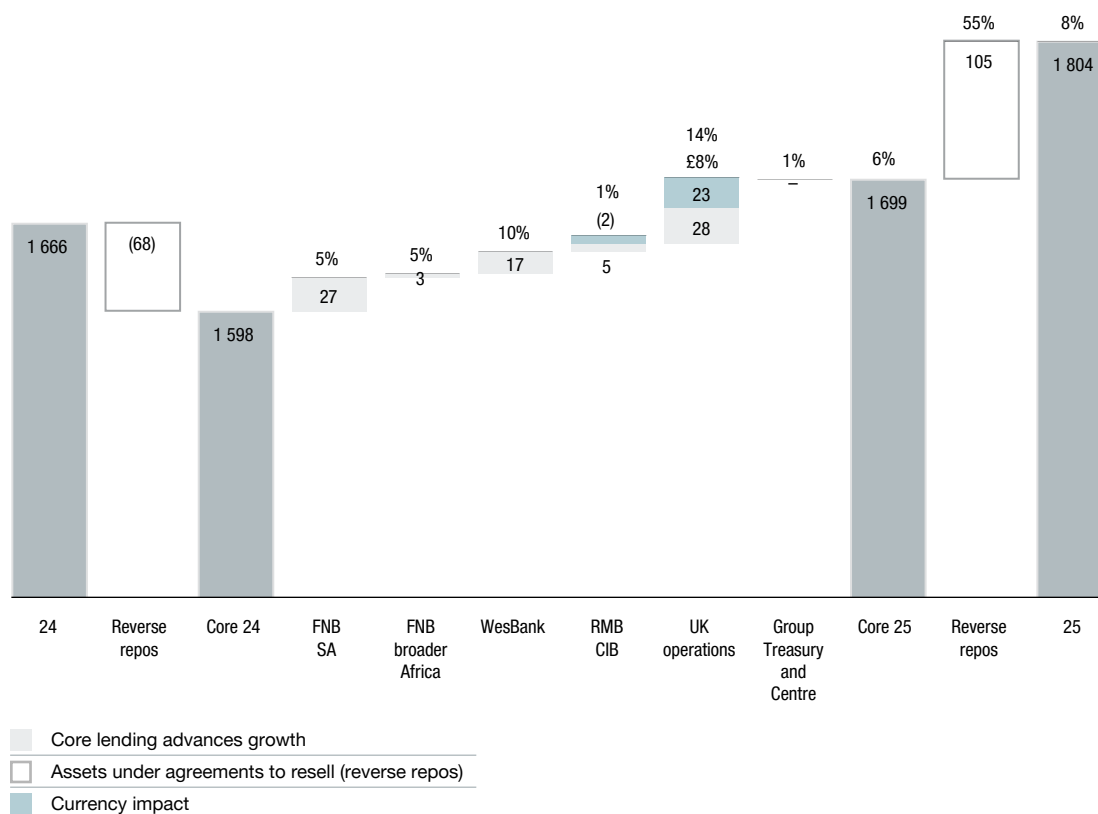
FNB broader Africa's NII continued to increase, but at a slower pace than June 2024 (+13%) due to lower advances and deposit growth on the back of liquidity constraints in Botswana and macroeconomic strain across the portfolio. Overall growth was further moderated by the negative endowment impact from the rate-cutting cycle, which is largely not hedged by the group's ALM strategy.

The UK operations' NII contracted 1% in pound terms. Lending NII was aided by accelerating advances growth in the current year. This growth was more than offset by deposit margin pressures as a result of falling interest rates and as the industry-wide refinancing of the BoE term funding scheme led to more competitive market pricing. Customer deposit growth of 5% reflected a focus on maintaining a stable funding base to support advances growth and replace the maturing BoE term funding scheme balances.

Net interest income (before impairment of advances) continued

Core lending advances – up 6%

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 UK operations and the RMB cross-border book.

R million	As at 30 June		
	2025	2024	% change
Total advances	1 803 827	1 665 706	8
Assets under agreements to resell	(104 825)	(67 808)	55
Total core lending advances (before currency impact)	1 699 002	1 597 898	6
UK operations and dollar cross-border book currency impact*	(21 184)	–	–
Core lending advances after currency impact	1 677 818	1 597 898	5

* If the exchange rate (£1 = R24.36 and \$1 = R17.78) had remained unchanged from 30 June 2024 (£1 = R22.99 and \$1 = R18.22).

For further information on the exchange rate, refer to page 164.

Net interest income (before impairment of advances) continued

KEY DRIVERS – advances

Core lending advances growth remained resilient at 6% but softened slightly relative to the first half of the financial year (December 2024: +7%) as macroeconomic uncertainty continues to weigh on business and household confidence. Although inflation moderated and interest rates declined, the cutting cycle is shallower and later than initially anticipated. This continued to impact retail customer affordability, demand and arrears, resulting in underwriting caution during the first six months of the financial year in the unsecured retail lending portfolio. Absolute growth was further impacted by the distribution strategy in the corporate portfolio. Origination in the UK operations has accelerated, driven by strong origination in the property finance portfolio. Excluding the currency impact of the UK operations and hard currency cross-border book, core lending advances increased 5% largely due to the weakening of the rand against the pound.

SA retail secured advances increased 5%. Residential mortgage advances growth continued to slow (+3%), reflecting continued pressure on customer affordability as the impact of improved economic conditions will unfold gradually. WesBank VAF advances reflect stronger momentum, increasing 10% (2024: 4%) driven by demand for both used and new vehicles, supported by WesBank's established relationships with dealers and partnerships together with new partnership agreements signed during the year.

The retail unsecured lending portfolio increased 3% year on year (2024: 8%). The growth in card (+7%) has decelerated since June 2024 due to a slowdown in utilisation coupled with risk cuts implemented during the first six months of the financial year. The personal loans portfolio increased 2% since June 2024, impacted by declining volumes in the DirectAxis portfolio, further rundown of the Covid-19 relief book and risk cuts in the first half of the financial year. Excluding DirectAxis and the Covid-19 relief book, personal loans increased 6% during the year, supported by strong growth in revolving facilities (17%).

FNB commercial and WesBank corporate delivered strong growth across the portfolios, increasing 10% year on year. This performance was driven by the acquisition of new customers, focused growth in the SME segment and targeted sector-specific and product origination strategies, namely property finance (+12%), overdrafts and working capital facilities (+15%), specialised finance (+20%) and asset-based finance (+6%).

RMB CIB core advances increased 1% year on year. Net origination remained resilient at 8%, reflecting sustained new business origination tilted towards better-rated counters in lower-volatility industries. This was offset, however, by the distribution initiatives during the second half of the financial year. These initiatives resulted in a c. R34 billion reduction in on-balance sheet assets but will result in better future margins and returns and support velocity of capital and funding. The cross-border book decreased 10% in dollar terms (12% in rands), with growth limited by distribution initiatives.

FNB broader Africa advances increased 5% in rand and 4% in constant currency. The largest contributors to this increase were Botswana (+7%), Lesotho (+38%) and Zambia (+10%). Growth has slowed from June 2024 levels, largely due to a muted performance in Namibia (+1%), the portfolio's largest contributor, given macroeconomic strain.

UK operations advances growth accelerated to 8% in pound terms (2024: 1%), reflecting a targeted approach to portfolio growth. This resulted in the following:

- The property finance portfolio increased 11% driven by strong growth in the the buy-to-let segment, supported by enhanced product offerings and improved service delivery.
- The business finance portfolio delivered growth of 5% due to entering the second charge mortgage market through a new third-party forward flow agreement.
- The motor finance portfolio delivered resilient advances growth of 3% driven by improved product offerings constrained by focus on margin improvement.

Assets under agreements to resell (reverse repos) increased driven by liquidity deployment strategies.

Net interest income (before impairment of advances) continued

AVERAGE BALANCE SHEET

		June 2025			June 2024		
		Average balance	Interest income/(expense)	Average rate %	Average balance	Interest income/(expense)	Average rate %
R million	Notes						
INTEREST-EARNING ASSETS							
Average prime rate (RSA)				11.28			11.75
Balances with central banks		44 490	–	–	41 506	–	–
Cash and cash equivalents*		32 800	1 898	5.79	35 036	1 926	5.50
Liquid assets portfolio**		325 295	23 219	7.14	322 653	22 580	7.00
Loans and advances to customers	1	1 137 500	129 832	11.41	1 052 190	124 806	11.86
Interest-earning assets		1 540 085	154 949	10.06	1 451 385	149 312	10.29
INTEREST-BEARING LIABILITIES							
Average repo rate (RSA)				7.78			8.25
Deposits due to customers	2	(1 216 674)	(74 389)	6.11	(1 112 234)	(70 330)	6.32
Group Treasury funding		(296 375)	(23 033)	7.77	(302 973)	(26 377)	8.71
Interest-bearing liabilities		(1 513 049)	(97 422)	6.44	(1 415 207)	(96 707)	6.83
ENDOWMENT AND TRADING BOOK							
Other assets#		313 944	–	–	281 258	–	–
Other liabilities†		(162 505)	–	–	(155 064)	–	–
AT1 instruments and NCNR preference shares		(14 654)	–	–	(11 587)	–	–
Equity		(163 821)	–	–	(150 785)	–	–
Endowment and trading book		(27 036)	19 663	(72.73)	(36 178)	19 268	(53.25)
Total interest-bearing liabilities, endowment and trading book		(1 540 085)	(77 759)	5.05	(1 451 385)	(77 439)	5.34
Net interest margin on average interest-earning assets – excluding UK operations		1 540 085	77 190	5.01	1 451 385	71 873	4.95
Net interest margin on average interest-earning assets – UK operations		478 379	14 041	2.94	473 445	14 232	3.01
Net interest margin on average interest-earning assets – including UK operations		2 018 464	91 231	4.52	1 924 830	86 105	4.47

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

	June 2025		June 2024	
<i>R million</i>	Average balance	Average margin %	Average balance	Average margin %
Average prime rate (RSA)		11.28		11.75
Advances				
Retail – secured	397 970	1.81	380 211	1.85
Residential mortgages	279 390	1.39	268 839	1.35
VAF	118 580	2.79	111 372	3.05
Retail – unsecured	103 027	10.65	98 747	10.57
Card	44 072	7.51	40 419	7.20
Personal loans	53 786	13.66	52 401	13.62
Retail other	5 169	6.04	5 927	6.55
Corporate and commercial	572 401	2.28	512 101	2.21
FNB commercial	131 497	3.37	118 266	3.30
– Mortgages	40 747	2.03	35 101	1.91
– Overdrafts	53 506	4.53	48 690	4.63
– Term loans	37 244	3.17	34 475	2.83
WesBank corporate and commercial	61 111	2.15	57 637	2.15
RMB CIB	379 793	1.92	336 198	1.83
FNB broader Africa	64 102	4.26	61 131	4.22
Total advances excluding UK operations	1 137 500	2.98	1 052 190	2.98
UK operations	378 415	3.71	363 200	3.92
– Motor Finance*	97 005	4.32	97 697	4.07
– Aldermore Bank*	281 410	3.50	265 503	3.86
Total advances including UK operations	1 515 915	3.16	1 415 390	3.22

* Restated. Refer to page 70 for details.

Margin analysis is based on NII as a percentage of average advances/deposits. NII 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 group operates a transfer pricing framework that transmits 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 to Group Treasury where it is managed in aggregate.

Net interest income (before impairment of advances) continued

KEY DRIVERS – *advances margin*

Advances margins, excluding the UK operations, remained stable, an improvement from the declining trend in June 2024. This reflects the benefit of repricing strategies implemented in the retail portfolio and the distribution of lower-yielding advances in the RMB portfolio. These benefits were largely offset by the continued impact of the group's origination approach in retail and stronger growth in lower-margin commercial and corporate portfolios (based on average advances). The market remained highly competitive in all customer segments.

SA retail margins improved due to targeted repricing strategies and from the base impact of updates to the behavioural tenor estimates in the prior year. This was partially offset by higher suspended interest on non-performing loans and slower growth in the unsecured portfolios due to cautious underwriting in the first half of the financial year.

WesBank VAF margins contracted due to market conditions that required competitive pricing to drive volumes, combined with growth in interest in suspense.

FNB commercial margins improved due to a change in book composition, with lower-priced customers rolling off and strong growth in the higher-margin SME segment.

WesBank corporate margins remained stable, an improvement from the decline in June 2024 due to a change in mix of new business towards higher-yielding products.

Advances margins in the RMB portfolios increased, reflecting the benefit of strong growth in the broader Africa portfolio at higher margins and enhanced in-force margins from distribution initiatives. These benefits were somewhat offset by higher suspended interest on non-performing loans and the roll-off and settlement of some higher-margin counters.

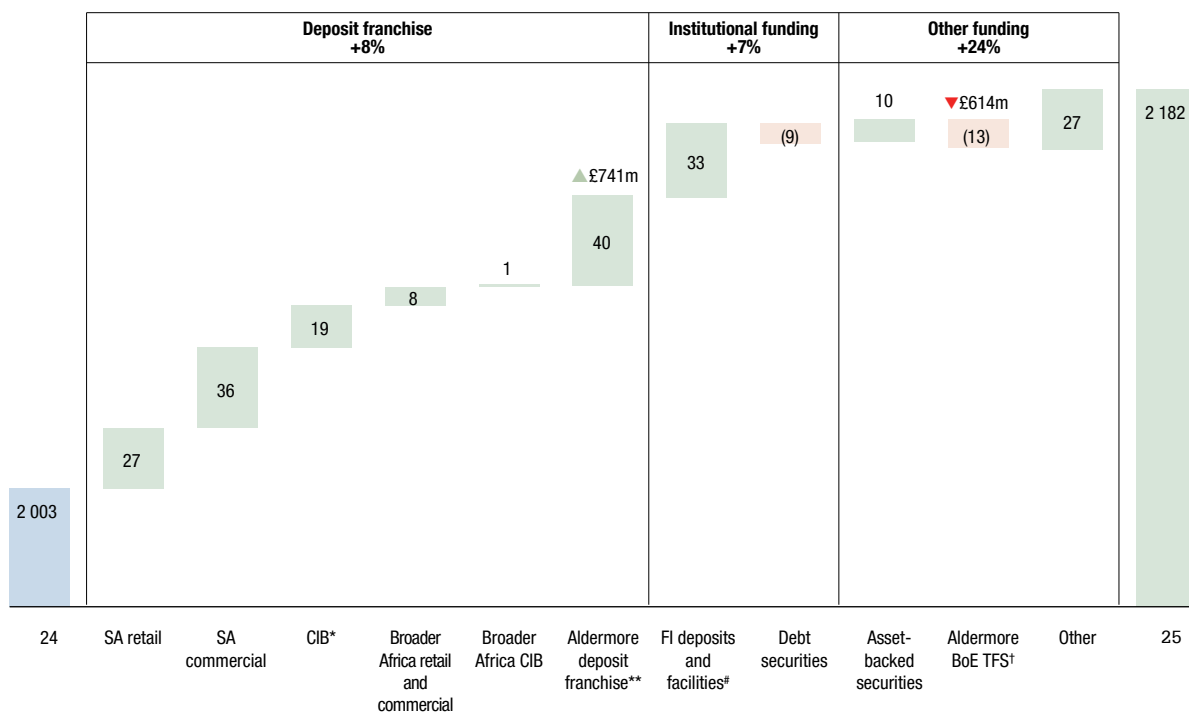
FNB broader Africa benefited from margin expansion across the portfolio, with the exception of Botswana and Ghana. The increase was due to lower funding costs and positive mix changes in the underlying portfolios. The decrease in Botswana was driven by increased funding cost as a result of liquidity constraints and in Ghana it was due to reduced customer rates.

The impact of the UK operations on the group's margin is reflected on page 75. The decrease in the UK operations' NIM reflects the impact of lower interest rates and continued competitive pressures on deposit pricing. The motor finance margins improved 25 bps reflecting the increased focus on quality origination and appropriate pricing, together with one-off benefits of interest not previously recognised following the completion of the NOSIA remediation.

Net interest income (before impairment of advances) continued

Funding – up 9%

Funding growth by segment
(R billion)



* South Africa and the London branch.

** The Aldermore deposit franchise increased 5% to £17 billion.

† Financial institution (FI) deposits and facilities are managed by Group Treasury and include the SARB funding facility related to the South African Covid-19 government-guaranteed loan scheme, the government's bounce-back facility and bounce-back energy facility, totalling c. R1.05 billion.

† Aldermore's BoE term funding scheme decreased 57% to £465 million.

Net interest income (before impairment of advances) continued

KEY DRIVERS – deposits and funding

Deposit franchise

The ongoing strong performance from the FNB retail (+7%) and commercial (+8%) deposit franchises was supported by product updates across segments and competitive pricing. Growth continued to be driven by lower-margin investment deposits (+8% in retail and +7% in commercial) and Islamic deposits (+19% in retail and +17% in commercial). Transactional deposits increased 1% in retail and 6% in commercial, aligned to growth in the active customer base of these segments. The overall level of growth in transactional deposits continues to reflect customer behaviour seeking higher yields on savings and investment balances, particularly in the retail segment where consumers remain constrained.

RMB continues to focus on growing operational balances through primary banked clients and other longer-term targeted strategies. This resulted in domestic average operational balances increasing 9% and robust growth in average investment deposits of 14%.

FNB broader Africa (retail and commercial) deposits increased 11% in rand terms (+10% on a constant currency basis), benefiting from new customer acquisition and innovative product offerings. Growth was driven by Namibia (+13%) and Zambia (+19%) offset by muted growth in Botswana (+2%), which was constrained due to the liquidity shortages in-country.

RMB broader Africa deposits increased 4% (3% in constant currency), negatively impacted by the liquidity shortage in Botswana, reduced utilisation by specific clients in Namibia and general economic strain across the portfolio.

Aldermore delivered customer deposit growth of 5% (in pounds) reflecting targeted strategies. Personal savings balances increased 4% year on year, driven by strong demand for individual savings accounts and the introduction of new products. Business savings decreased 11% since June 2024, reflecting the strategy of actively managing funding costs in a competitive market. Corporate savings grew 29%, supported by relationships with aggregation platforms.

Institutional funding

Growth in institutional funding was primarily driven by increases in the National Treasury's Tax and Loan account balances, as well as additional client-led deposit inflows. Overall deposit growth enabled a measured reduction in refinancing activity across both money market instruments and senior debt issuance, resulting in a year-on-year decline in debt securities.

Other funding

Asset backed securities increased following the execution of two new securitisation transactions, Nitro 8 (WesBank retail VAF advances) and Oak 5 (Aldermore residential mortgage advances).

Aldermore's BoE term funding scheme decreased due to a partial settlement in line with the contractual terms of the arrangement.

Other deposits growth reflect increases in collateral received and secured funding transactions, driven by liquidity deployment strategies.

Net interest income (before impairment of advances) continued

NOTE 2 – MARGIN ANALYSIS ON DEPOSITS DUE TO CUSTOMERS

	June 2025		June 2024	
<i>R million</i>	Average balance	Average margin %	Average balance	Average margin %
Average repo rate (RSA)		7.78		8.25
Deposits				
Retail	374 341	1.75	344 165	1.96
Current and savings	95 868	5.24	92 080	5.74
Call	149 376	0.73	131 797	0.75
Term	129 097	0.34	120 288	0.39
Commercial	477 139	2.33	438 182	2.52
Current and savings	159 572	5.66	148 241	6.05
Call	136 984	1.01	133 978	1.14
Term	180 583	0.38	155 963	0.36
Corporate and investment banking	290 946	1.05	261 549	1.13
Current and savings	133 328	1.87	124 520	1.87
Call	96 679	0.45	84 778	0.57
Term	60 939	0.20	52 251	0.29
FNB broader Africa	74 248	3.72	68 338	3.97
Total deposits excluding UK operations	1 216 674	1.93	1 112 234	2.11
UK operations*	426 409	–	418 680	–
Total deposits including Aldermore	1 643 083	1.43	1 530 914	1.53

* The net UK operations margin is shown in a previous table under advances.

Note: Deposit margins reflected in the table above are before ALM strategies.

Average balances are daily averages for FNB, WesBank and RMB corporate (TTS) and monthly averages for RMB investment banking.

KEY DRIVERS – deposit margins

FNB's retail and commercial deposit margins declined due to the negative impact of rate cuts on endowment combined with the impact of higher growth in lower-margin investment accounts compared to higher-margin transact balances. Margins were further impacted by the implementation of the deposit insurance scheme in April 2024, impacting margins by 3 bps year on year.

RMB deposit margins contracted reflecting the impact of a reduction in the benefit of the elevated rate cycle experienced in the prior financial year, specifically in the broader Africa portfolio, given the declining rate cycle. It was further impacted by a change in book composition, with stronger growth in the SA deposits, while the broader Africa deposit book, at higher margins, contracted year on year. Domestic deposit margins declined as growth was tilted toward low-margin investment deposits (+14%) and lower growth in higher-margin operational deposits (+9%). In the broader Africa portfolio margins declined as average deposits contracted on the back of liquidity constraints in Botswana and reduced utilisation in Namibia.

FNB's broader Africa deposit margins contracted amid liquidity constraints in Botswana driving up funding costs, general competitive pricing pressures across many subsidiaries as well as the impact of rate cuts on endowment.

Credit

CREDIT HIGHLIGHTS AT A GLANCE

<i>R million</i>	Notes	Year ended 30 June		
		2025	2024	% change
Total gross advances		1 803 827	1 665 706	8
Total core lending advances	2 on p.98	1 699 002	1 597 898	6
– Performing core lending advances		1 624 518	1 530 058	6
– Stage 1		1 510 443	1 415 192	7
– Stage 2		114 075	114 866	(1)
– Stage 3/NPLs	4 on p.110	74 484	67 840	10
Assets under agreements to resell		104 825	67 808	55
Stage 3/NPLs as a % of core lending advances	4 on p.110	4.38	4.25	
Core lending advances (net of impairment)		1 643 814	1 543 733	6
Total impairments		55 188	54 165	2
Portfolio impairments	3 on p.108	23 402	24 228	(3)
– Stage 1		11 238	11 644	(3)
– Stage 2		12 164	12 584	(3)
Stage 3 impairments	4 on p.110	31 786	29 937	6
Coverage ratios				
Performing book coverage ratio (%) – core lending advances*	3 on p.108	1.44	1.58	
Specific coverage ratio (%)**	4 on p.110	42.7	44.1	
Income statement analysis				
Impairment charge	1 on p.90	14 044	12 555	12
Credit loss ratio (%) – core lending advances	1 on p.90	0.85	0.81	
Impairment charge excluding UK operations	1 on p.90	13 654	12 987	5
Credit loss ratio excluding UK operations (%) – core lending advances	1 on p.90	1.08	1.09	

* 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, based on movements in the balance sheet provisions.

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Movement in balance sheet provisions			
Performing book provisions	(826)	(806)	2
– Stage 1	(406)	(1 135)	(64)
– Stage 2	(420)	329	(>100)
NPL provision	1 849	3 899	(53)
Credit provision increase	1 023	3 093	(67)
Gross write-off and other	17 884	14 356	25
– Bad debts written off*	18 284	13 732	33
– Exchange rate and other	(400)	624	(>100)
Amounts recognised directly in income statement			
Modification loss	983	861	14
Interest suspended on stage 3 advances	(4 112)	(3 272)	26
Post write-off recoveries	(1 734)	(2 483)	(30)
Total impairment charge	14 044	12 555	12
Credit loss ratio (%) – core lending advances	0.85	0.81	
Credit loss ratio excluding UK operations (%) – core lending advances	1.08	1.09	

* This represents the gross balance sheet amounts written off. The income statement impact has been recognised over various reporting periods.

Credit continued

KEY DRIVERS – Impairment charge

The impairment charge increased 12%, with the CLR at 85 bps (2024: 81 bps). The increase was largely driven by the UK operations, as June 2024 included the one-off benefit related to the release of provisions for the NOSIA remediation project. Excluding the NOSIA release, the group CLR was 88 bps at June 2024, with the impairment charge increasing 3%. Despite the increase in impairments the group's CLR remained at the bottom end of its TTC range of 80 bps – 110 bps.

Excluding the UK operations, impairments increased 5% with the CLR declining to 108 bps (2024: 109 bps) and remaining at the bottom end of the South African and broader Africa TTC range of 100 bps – 130 bps. The increase in the impairment charge was largely driven by the commercial portfolio, with the SA retail VAF, card and the broader Africa portfolios also contributing to the increase. The increase in the commercial portfolio is in line with expectations, given the strong growth in the portfolio over the past three financial years, particularly in the unsecured SME portfolio, and includes the default of two large counters. Despite the easing inflation and interest rates cuts, it will take time to manifest into improved impairment outcomes. Credit strain is still evident in the underlying portfolio performance, with inflows into NPLs continuing, driving the current year impairment charge. In broader Africa impairments increased across most portfolios, with credit strain still evident in Namibia, Botswana and Mozambique. Impairments in the remaining portfolios declined, with the absolute increase in impairments tempered by softer advances growth and an improved macroeconomic outlook, resulting in the release of forward-looking modelled provisions.

The impairment charge increased R1 489 million year on year, due to the following movements in the balance sheet provisions (a further analysis is contained in note 1 on pages 90 to 93):

- Stage 1 provisions decreased R406 million, driven by lower stage 1 coverage due to an improved macro outlook across most jurisdictions, leading to the release of forward-looking modelled provisions as well as cost-of-living-related provisions in the UK operations. This decrease was partially offset by the continued growth in advances across all portfolios.
- Stage 2 provisions decreased R420 million as stage 2 coverage declined across most portfolios, with a marginal decrease in stage 2 advances. The decrease in stage 2 advances was primarily driven by the corporate portfolio as a result of significant exposures curing on the back of improved performance and migrations to stage 3. This was largely offset by increases in the remaining portfolios, driven by SICR inflows. In the retail portfolios the coverage declined due to lower arrears levels as higher coverage exposures flowed into NPL. Coverage in the commercial and corporate portfolios increased due to inflows with higher coverages. These movements are detailed on page 108.
- Stage 3 provisions continued to increase, although a slowdown in the pace of new inflows was noted, with the absolute increase further moderated by increased write-offs.
- The group's stage 3 coverage declined due to the decrease in coverage in the UK operations' motor portfolio following increased write-offs of NOSIA exposures with higher coverages. Stage 3 coverage in the other portfolios was maintained at June 2024 levels as increases across the portfolios was offset by decreases in stage 3 coverage in the personal loans and SA retail VAF portfolios. These changes are unpacked on page 110.
- Net write-offs increased due to higher bad debts written off across the portfolios, most notably in the UK operations, following the resolution of the NOSIA remediation project. NPL inflows increased over the past two financial years, with many of these exposures reaching their write-off point. The broader Africa portfolio was impacted by changes in the regulatory requirements in Namibia, which requires an earlier write-off point. In corporate, there was a write-off in the private equity portfolio.

KEY DRIVERS – Impairment charge

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

SA retail's CLR decreased to 198 bps (2024: 224 bps), moving back into the portfolio's TTC range. The impairment charge declined across all portfolios, with the exception of card and WesBank VAF. The decrease in SA retail impairments was the result of softer advances growth, cautious releases in modelled FLI provisions as the macro-outlook improves and a lower base charge reflecting risk cuts implemented in unsecured lending during the first half of financial year. The following portfolio-specific drivers were noted:

- Residential mortgages' CLR declined to 26 bps (2024: 45 bps), partly due to softer advances growth on the back of customer affordability pressures and from a high base as June 2024 included additional provisions for house price pressure impacting loss given default (LGD). Although there has been some improvement in this trend since June 2024 house price growth remained subdued, particularly in Gauteng and Kwazulu-Natal, resulting in additional provisions being raised in the current year, albeit at a lower level than the prior period.
- The WesBank VAF impairments increased 2% on the back of stronger advances growth. The CLR decreased to 154 bps (2024: 162 bps), due to improved repayment behaviour and releases of FLI provisions.
- FNB card impairments increased 13% from June 2024, driven by origination strain following strong advances growth over the past two financial years. The CLR increased to 594 bps (2024: 575 bps) driven by increased debt counselling inflows.

FNB commercial and WesBank corporate's CLR increased to 104 bps (2024: 61 bps), mainly due to strong advances growth over the past three financial years, with credit strain emerging in the portfolio, most notably in the FNB commercial unsecured SME segment. The default of two large exposures further contributed 13 bps to the overall increase in the CLR. This increase comes off a low base as the prior year charge benefited from the curing of a few large exposures and the release of sector- and event-related provisions.

The RMB (excluding HQLA) CLR decreased to 22 bps (2024: 33 bps). The current year impairment charge reflects the impact of ongoing strain in certain sectors of the domestic economy, in particular real estate, partly offset by positive migrations from stage 2 as the underlying performance of the counters improved. The decrease in the impairment charge compared to June 2024 was primarily due to higher prior period raises in the private equity portfolio (R91 million in June 2025 versus R427 million in June 2024).

The increase in broader Africa's CLR can be attributed to economic challenges in various jurisdictions. These include political uncertainty in Mozambique and a deterioration in the macroeconomic conditions in Botswana given the liquidity constraints and the impact of the challenges facing the diamond sector on the general economy. The impairment charge was further impacted by additional provisions raised for regulatory-driven changes to write-off policies in Namibia.

The UK operations' CLR increased to 10 bps from a release of 12 bps in June 2024 as the prior year included the benefit from the resolution of the NOSIA remediation activities and higher cost-of-living provision releases. Excluding the one-off benefit of the NOSIA remediation the CLR for June 2024 was 14 bps. The current year charge reflected signs of improvement in the underlying credit performance and model recalibrations. Improving macroeconomic conditions resulted in additional cost-of-living overlays being released. The specific portfolio drivers are as follows:

- The property finance CLR increased from a 37 bps release to a release of 13 bps. The current year impairment charge benefited from provision releases to address mortgage refinance risk as the macro outlook improves, though these were less than prior year releases. The underlying portfolio performance remains broadly stable.
- The business finance CLR improved to a 9 bps release (2024: 25 bps), due to improvements in the performance of large exposures in the commercial real estate portfolio and model recalibrations.
- Excluding the impact of the NOSIA remediation activities, the motor finance portfolios' CLR was driven by improved arrears and the partial release of cost-of-living related provisions.

Credit continued**Note 1: Analysis of income statement credit impairments****IMPAIRMENT CHARGE PER PORTFOLIO**

<i>R million</i>	Total impairment charge			As a % of average core lending advances	
	Year ended 30 June			Year ended 30 June	
	2025	2024	% change	2025	2024
SA retail	9 897	10 640	(7)	1.98	2.24
Retail – secured	2 544	2 986	(15)	0.64	0.79
Residential mortgages	710	1 188	(40)	0.26	0.45
WesBank VAF	1 834	1 798	2	1.54	1.62
Retail – unsecured	7 353	7 654	(4)	7.10	7.79
FNB card	2 541	2 256	13	5.94	5.75
Personal loans	4 370	4 814	(9)	8.14	9.32
Retail other	442	584	(24)	6.25	7.93
SA corporate and commercial	3 009	2 459	22	0.46	0.41
FNB commercial and WesBank corporate	2 073	1 097	89	1.04	0.61
FNB commercial	1 838	844	>100	1.34	0.69
WesBank corporate and commercial	235	253	(7)	0.37	0.44
RMB CIB	936	1 362	(31)	0.22	0.33
– Lending	845	935	(10)	0.20	0.24
– Loans to private equity investee companies	91	427	(79)	0.85	4.59
Broader Africa*	616	486	27	0.73	0.62
FNB	580	462	26	0.91	0.76
RMB CIB	36	24	50	0.18	0.13
Centre (including Group Treasury)	132	(598)	(>100)	0.40	(2.03)
Securitisation notes	(11)	4	(>100)	(0.04)	0.02
Other	143	(602)	(>100)	2.79	(18.03)
Total impairment charge excluding UK operations	13 654	12 987	5	1.08	1.09
UK operations (R million)	390	(432)	(>100)	0.10	(0.12)
UK operations (£ million)**	17	(18)	(>100)	0.10	(0.12)
Property finance	(10)	(29)	(66)	(0.13)	(0.37)
Business finance	(4)	10	(>100)	(0.09)	0.25
Motor finance	31	1	>100	0.74	0.02
Total impairment charge including UK operations	14 044	12 555	12	0.85	0.81
Of which:					
Portfolio impairments charge	2 183	2 139	2	0.13	0.14
Specific impairments charge	11 861	10 416	14	0.72	0.67

* Represents the in-country balance sheet excluding Group Treasury.

** Ratios are calculated using unrounded values designated in pounds. Amounts are rounded to the closest million pounds.

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 year, applied to the movement between prior and current year stage 1 advances.
Change in stage 1 coverage	Calculated as the difference in coverage year on year, multiplied by the comparative year stage 1 advances.
Volume change in stage 2	Determined by using the stage 2 coverage in the prior year applied to the movement between prior and current year stage 2 advances.
Change in stage 2 coverage	Calculated as the difference in coverage year on year, multiplied by the comparative year stage 2 advances.
Change in stage 3 provisions	Difference between current and prior year 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**

Year ended 30 June 2025

<i>R million</i>	Movement in the balance sheet provisions						
	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
SA retail	220	(274)	113	(138)	(79)	1 245	1 166
– Secured	134	(84)	92	(90)	52	657	709
– Unsecured	86	(190)	21	(48)	(131)	588	457
Commercial	125	(220)	48	219	172	914	1 086
Corporate	93	103	(890)	124	(570)	722	152
Broader Africa	80	(255)	94	(10)	(91)	(89)	(180)
UK operations	237	(736)	386	(315)	(428)	(433)	(861)
Centre	(8)	229	184	(235)	170	(510)	(340)
Total	747	(1 153)	(65)	(355)	(826)	1 849	1 023

Year ended 30 June 2024

<i>R million</i>	Movement in the balance sheet provisions						
	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
SA retail	173	(423)	413	28	191	3 272	3 463
– Secured	50	(81)	28	184	181	1 311	1 492
– Unsecured	123	(342)	385	(156)	10	1 961	1 971
Commercial	139	115	46	(276)	24	233	257
Corporate	169	153	416	12	750	(186)	564
Broader Africa	89	(239)	6	40	(104)	89	(15)
UK operations**	(142)	(1 028)	(175)	(75)	(1 420)	735	(685)
Centre**	75	(216)	(108)	2	(247)	(244)	(491)
Total	503	(1 638)	598	(269)	(806)	3 899	3 093

* This represents the gross balance sheet amounts written off. The income statement impact has been recognised over various reporting periods.

** The transfer of MotoNovo back book provisions as at 1 July 2023 has been excluded from the UK operations and Centre balance sheet movements as it has a nil impact on prior year expected credit loss (ECL provisions raised at an overall group level).

Year ended 30 June 2025

Recognised directly in the income statement						
Gross write-off and other*	Current year ECL provided	Modification loss	Interest suspended on stage 3 advances	Post write-off recoveries	Total	CLR %
11 845	13 011	992	(2 911)	(1 195)	9 897	1.98
2 763	3 472	69	(706)	(291)	2 544	0.64
9 082	9 539	923	(2 205)	(904)	7 353	7.10
1 793	2 879	(9)	(613)	(184)	2 073	1.04
985	1 137	–	(168)	(33)	936	0.22
1 209	1 029	–	(196)	(217)	616	0.73
1 567	706	–	(224)	(92)	390	0.10
485	145	–	–	(13)	132	0.40
17 884	18 907	983	(4 112)	(1 734)	14 044	0.85

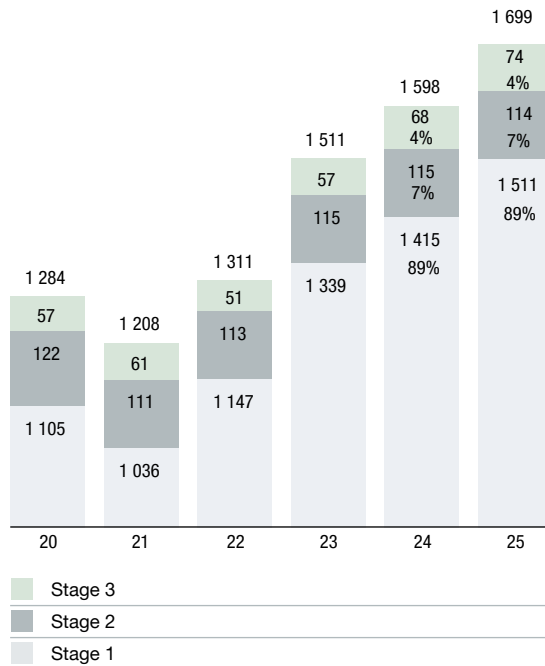
Year ended 30 June 2024

Recognised directly in the income statement						
Gross write-off and other*	Current year ECL provided	Modification loss	Interest suspended on stage 3 advances	Post write-off recoveries	Total	CLR %
10 007	13 470	861	(2 393)	(1 298)	10 640	2.24
2 296	3 788	84	(647)	(239)	2 986	0.79
7 711	9 682	777	(1 746)	(1 059)	7 654	7.79
1 531	1 788	–	(531)	(160)	1 097	0.61
896	1 460	–	(93)	(5)	1 362	0.32
883	868	–	(180)	(202)	486	0.62
978	293	–	(78)	(647)	(432)	(0.12)
61	(430)	–	3	(171)	(598)	(2.03)
14 356	17 449	861	(3 272)	(2 483)	12 555	0.81

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

30 June 2025 vs 30 June 2024

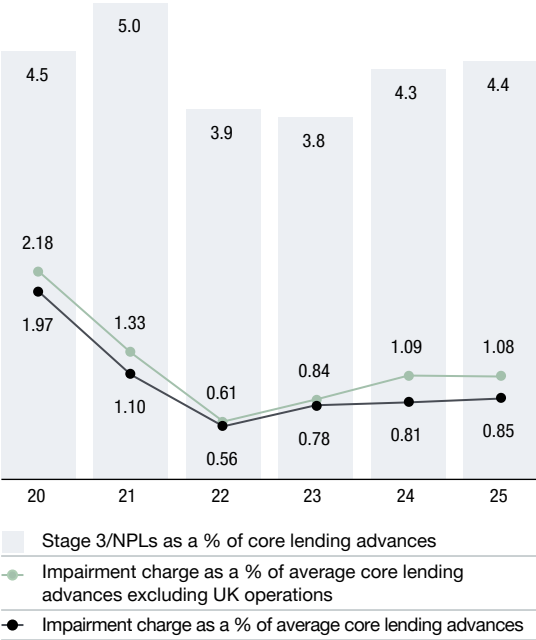
	R million	% change	Percentage point contribution to overall NPL increase
Operational NPLs*	4 046	10	6
Other paying NPLs**	787	6	1
NPLs (excluding UK operations)	4 833	9	7
UK operations	1 811	15	3
Change in total group NPLs	6 644	10	10

* Include debt-review and other core lending advances ≥90 days in arrears.

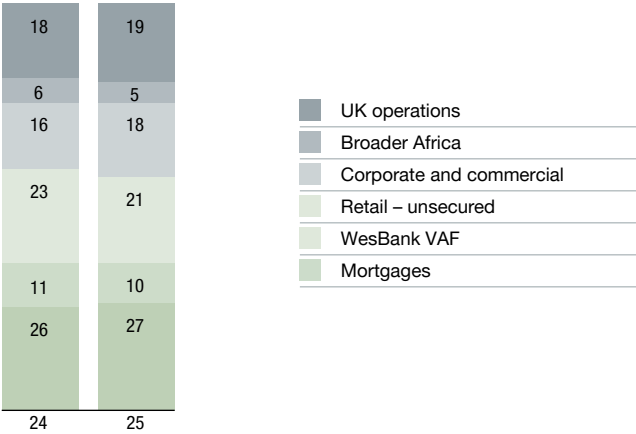
** Include debt-review and other core lending advances <90 days in arrears and still subject to curing criteria.

Stage 3 non-performing loans

NPL and impairment history
%



NPL distribution
(%)



Credit continued

KEY DRIVERS – *Stage distribution of advances*

Stage 1 advances

The increase in stage 1 core lending advances reflects the current year advances growth. A further analysis is contained in note 2 on page 98.

Stage 2 advances

Stage 2 advances decreased marginally, largely driven by the corporate portfolio. In the retail and commercial portfolios, stage 2 advances continued to increase on the back of advances growth and the persistent impact of higher interest rates and lower real income growth on customers. 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 SA stage 2 advances increased year on year, largely driven by the residential mortgages portfolio as underlying repayment pressure continued. The increase was driven by modelled SICR inflows and resulted in a shift in the stage 2 composition from actual arrears emergence to modelled SICR advances. In the remaining portfolios stage 2 advances as a percentage of total advances decreased as arrears exposures migrated to stage 3.
- The increase in FNB commercial and WesBank corporate's stage 2 advances was due to increased SICR levels after the implementation of model refinements.
- RMB stage 2 advances decreased since June 2024 as a result of the migration of a few significant exposures to stage 3 and the curing of material counters due to improved performance.
- Broader Africa stage 2 advances increased, driven in part by watchlist inflows in the Namibia and Botswana commercial portfolios, and an increase in arrears, particularly in Botswana, due to deteriorating macroeconomic conditions.
- UK operations stage 2 advances increased driven by the property and motor portfolios due to an increase in SICR inflows as a result of the implementation of model refinements. In addition, property finance was impacted by elevated stage 2 levels in a portion of the buy-to-let portfolio that was refinanced at the peak of the interest rate cycle. This was partially offset by a decrease in the business finance portfolio following the curing of large commercial real estate exposures.

A further analysis is contained in note 2 on page 98.

KEY DRIVERS – 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 4.38% (2024: 4.25%). A slowdown in the rate of inflows into stage 3 was noted, however.

SA retail NPLs increased 7%, as NPL inflows continued across the underlying portfolios, particularly in the residential mortgages and card portfolios. The NPL ratio increased to 8.53% (2024: 8.35%) driven by arrears emergence, reflecting the continued strain on customers. The inflows of customers entering the debt counselling process continued, although direct customer interventions in the current year resulted in slowing growth. The total advances under debt counselling increased 9% in the current year, a decrease from the 17% growth in June 2024. The debt counselling book amounts to 4.4% (2024: 4.2%) of total retail advances. Although debt counselling inflows have receded from the peak, the absolute levels are still elevated and are expected to remain structurally higher.

WesBank VAF NPLs as a percentage of advances decreased to 5.84% (2024: 6.38%) driven by lower operational NPLs and higher write-offs.

FNB commercial and WesBank corporate NPLs increased as a result of a few large exposures relegated to stage 3 and origination strain in the SME segment.

The year-on-year increase of 36% in RMB NPLs is a result of the migration of a few significant exposures into stage 3. The overall increase was partially mitigated by the write-off of a significant exposure in the private equity portfolio, which was provided for in the prior year. The RMB NPL ratio increased to 1.46% (2024: 1.09%), with coverage increasing to 38.8% (2024: 37.3%) due to new inflows with higher coverages than the existing portfolio.

NPLs in broader Africa decreased since June 2024 due to increased write-offs in Namibia and Botswana. In Namibia, this was due to the implementation of new regulatory requirements, which requires an earlier write-off point, and in Botswana due to the write-off of long-dated NPLs. This, together with advances growth, resulted in the NPL ratio decreasing to 4.11% (2024: 4.89%).

The UK operations' NPLs increased 9% since June 2024 (in pound terms) with the NPL ratio remaining broadly stable at 3.38% (2024: 3.35%) as NPL inflows closely tracked advances growth. The increase reflects the economic pressure on customers as well as strain experienced by customers in the property portfolio that were refinanced at the peak of the rate cycle. Business finance stage 3 advances decreased due to improvements in the performance of large exposures in the commercial real estate portfolio and increased write-offs in the asset finance portfolio. Motor finance NPLs decreased largely as a result of the collection and write-off activities resuming following the remediation of the NOSIA-impacted portfolio and slowing new inflows due to easing cost-of-living pressures.

A further analysis is provided in note 4 on page 110.

Credit continued**Note 2: Analysis of advances****IMPAIRMENT STAGING AND PORTFOLIO ANALYSIS OF ADVANCES**

		Advances	
		As at 30 June	
<i>R million</i>	2025	2024	% change
SA retail	511 544	487 381	5
Retail – secured	406 397	385 407	5
Residential mortgages	281 669	272 363	3
WesBank VAF	124 728	113 044	10
Retail – unsecured	105 147	101 974	3
FNB card	44 236	41 374	7
Personal loans	54 088	53 286	2
Retail other	6 823	7 314	(7)
SA corporate and commercial	656 820	637 554	3
FNB commercial and WesBank corporate	209 767	190 062	10
FNB commercial	143 890	129 844	11
WesBank corporate and commercial	65 877	60 218	9
RMB CIB*	432 913	426 928	1
– Lending	421 246	417 164	1
– Loans to private equity investee companies	11 667	9 764	19
HQLA corporate advances **	14 140	20 564	(31)
Broader Africa#	87 051	80 711	8
FNB	65 393	62 463	5
RMB CIB*	21 658	18 248	19
Centre (including Group Treasury)	32 880	32 454	1
Securitisation notes	28 118	26 951	4
Other	4 762	5 503	(13)
Total core lending advances excluding UK operations	1 288 295	1 238 100	4
UK operations (R million)	410 707	359 798	14
UK operations (£ million)	16 858	15 648	8
Property finance	8 728	7 833	11
Business finance	3 904	3 717	5
Motor finance	4 226	4 098	3
Total core lending advances including UK operations	1 699 002	1 597 898	6
Assets under agreements to resell	104 825	67 808	55
Total advances	1 803 827	1 665 706	8
Total advances excluding currency impact of UK operations and RMB cross-border†	1 782 643	1 665 706	7
Of which:			
Amortised cost book	1 656 021	1 551 374	7
Fair value book	147 806	114 332	29

* RMB CIB, HQLA and RMB broader Africa core lending advances of R468.7 billion (June 2024: R465.7 billion).

** Managed by the Group Treasurer.

Represents the in-country balance sheet excluding Group Treasury.

† If the exchange rate had remained unchanged from 30 June 2024.

Advances

As at 30 June			As at 30 June			% com- position 2025
2025			2024			
Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
418 745	49 176	43 623	399 338	47 348	40 695	27
342 438	36 603	27 356	325 167	34 801	25 439	22
237 410	24 193	20 066	231 891	22 249	18 223	15
105 028	12 410	7 290	93 276	12 552	7 216	7
76 307	12 573	16 267	74 171	12 547	15 256	5
34 812	3 156	6 268	33 111	3 030	5 233	2
36 126	8 880	9 082	35 345	8 933	9 008	3
5 369	537	917	5 715	584	1 015	–
614 924	28 578	13 318	587 871	39 187	10 496	37
189 810	12 965	6 992	171 478	12 742	5 842	12
128 750	9 486	5 654	116 210	8 901	4 733	8
61 060	3 479	1 338	55 268	3 841	1 109	4
410 974	15 613	6 326	395 829	26 445	4 654	24
402 505	12 415	6 326	389 584	23 553	4 027	23
8 469	3 198	–	6 245	2 892	627	1
14 140	–	–	20 564	–	–	1
75 561	7 912	3 578	69 695	7 071	3 945	5
55 000	6 835	3 558	52 535	5 997	3 931	4
20 561	1 077	20	17 160	1 074	14	1
32 742	55	83	31 808	13	633	2
28 118	–	–	26 951	–	–	2
4 624	55	83	4 857	13	633	–
1 141 972	85 721	60 602	1 088 712	93 619	55 769	71
368 471	28 354	13 882	326 480	21 247	12 071	23
15 124	1 164	570	14 199	924	525	
7 920	466	342	7 282	267	284	
3 475	349	80	3 186	449	82	
3 729	349	148	3 731	208	159	
1 510 443	114 075	74 484	1 415 192	114 866	67 840	94
104 825	–	–	67 808	–	–	6
1 615 268	114 075	74 484	1 483 000	114 866	67 840	100
1 596 376	112 534	73 733	1 483 000	114 866	67 840	
1 470 346	111 945	73 730	1 371 586	112 872	66 916	92
144 922	2 130	754	111 414	1 994	924	8

Credit continued

CIB ADVANCES BREAKDOWN

<i>R million</i>	Advances			% composition 2025
	As at 30 June			
	2025	2024	% change	
RMB CIB core lending advances	432 913	426 928	1	78
– South Africa	356 433	339 602	5	64
– Cross-border (broader Africa)	76 480	87 326	(12)	14
– Cross-border (broader Africa) – \$ million	4 302	4 793	(10)	
HQLA corporate advances*	14 140	20 564	(31)	3
RMB broader Africa (in-country)	21 658	18 248	19	4
CIB total core lending advances	468 711	465 740	1	85
CIB total lending advances	457 044	455 976	–	83
CIB shareholder loans to private equity investing companies	11 667	9 764	19	2
CIB total core lending advances	468 711	465 740	1	85
CIB core advances – South Africa**	370 573	360 166	3	67
CIB core advances – broader Africa [#]	98 138	105 574	(7)	18
CIB total core lending advances	468 711	465 740	1	85
Assets under agreements to resell	85 761	60 352	42	15
CIB total advances	554 472	526 092	5	100
RMB cross-border total advances excluding currency impact[†]	78 376	87 326	(10)	

* 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 is the sum of RMB CIB cross-border core lending advances and RMB broader Africa in-country core lending advances.

[†] If the exchange rate had remained unchanged from 30 June 2024.

Credit continued

CENTRE (INCLUDING GROUP TREASURY) ADVANCES BREAKDOWN

<i>R million</i>	Advances			% com- position 2025
	As at 30 June 2025	2024	% change	
Core lending advances	32 880	32 454	1	63
Assets under agreements to resell*	19 064	7 456	>100	37
Total advances	51 944	39 910	30	100

* Increase driven by liquidity deployment requirements.

Credit continued

SECTOR AND GEOGRAPHICAL ANALYSIS OF ADVANCES AND NPLs

R million	Advances		
	As at 30 June		% change
	2025	2024	
Sector analysis			
Agriculture	64 413	61 671	4
Banks	38 571	30 301	27
Financial institutions*	232 418	211 465	10
Building and property development	101 678	94 213	8
Government, Land Bank and public authorities	23 469	33 286	(29)
Individuals	760 783	721 134	5
Manufacturing and commerce	235 865	235 392	–
Mining	32 340	23 462	38
Transport and communication	71 720	64 197	12
Other services	242 570	190 587	27
Total including UK operations	1 803 827	1 665 706	8
Geographical analysis			
South Africa	1 174 733	1 102 898	7
Broader Africa	137 940	144 569	(5)
UK	444 264	384 368	16
Other Europe	29 046	17 696	64
Asia, Americas and Australia	17 844	16 175	10
Total including UK operations	1 803 827	1 665 706	8

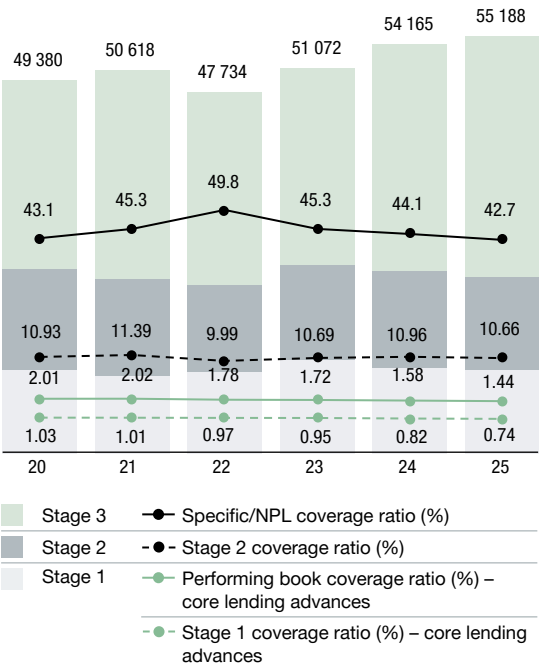
* Investment holding companies are included in the financial institutions sector.

Stage 3/NPLs

% composition 2025	As at 30 June		% change	% composition 2025
	2025	2024		
4	1 434	1 906	(25)	2
2	–	–	–	–
13	1 310	316	>100	2
6	4 678	2 990	56	6
1	1 034	1 162	(11)	1
42	55 411	51 601	7	75
13	4 659	4 856	(4)	6
2	196	178	10	–
4	901	897	–	1
13	4 861	3 934	24	7
100	74 484	67 840	10	100
64	55 813	49 869	12	75
8	4 658	5 206	(11)	6
25	13 975	12 713	10	19
2	17	30	(43)	–
1	21	22	(5)	–
100	74 484	67 840	10	100

Credit continued

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



Credit continued

Movement in balance sheet impairments

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

<i>R million</i>	30 June 2025				30 June 2024			
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Opening balance	54 165	11 644	12 584	29 937	51 072	12 779	12 255	26 038
Total credit provision increase/(release)	1 023	(406)	(420)	1 849	3 093	(1 135)	329	3 899
Transfers between stages	–	1 473	(4 433)	2 960	–	891	(3 418)	2 527
Current year impairment provided	18 907	(1 905)	4 016	16 796	17 449	(1 836)	3 868	15 417
ECL provided on new business*	6 952	2 684	2 191	2 077	7 410	2 922	2 196	2 292
ECL provided/(released) on back book*	11 955	(4 589)	1 825	14 719	10 039	(4 758)	1 672	13 125
Gross write-off and other**	(17 884)	26	(3)	(17 907)	(14 356)	(190)	(121)	(14 045)
Closing balance	55 188	11 238	12 164	31 786	54 165	11 644	12 584	29 937

* Interest suspended on stage 3 core lending advances of R4 112 million (2024: R3 272 million) is included in the expected credit losses provided/(released) amounts.

** This represents the gross balance sheet amounts written off. The income statement impact has been recognised over various reporting periods.

Note: The basis of presentation of this reconciliation can be found in Note 11 – Advances in the annual financial statements on the group's website at <https://www.firststrand.co.za/investors/integrated-reporting-hub/financial-reporting/>.

Credit continued

KEY DRIVERS – coverage

Performing book coverage decreased to 1.44% (2024: 1.58%). 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 retail secured and FNB commercial, which attracts lower coverage than the retail unsecured book. The performing book coverage decrease is also reflective of the origination approach in both SA and broader Africa to target better-risk customers.

NPL coverage declined to 42.7% (2024: 44.1%) mainly due to the UK operations' resolution of the NOSIA remediation process. Excluding the UK operations, NPL coverage remained flat since June 2024. The increases in coverage levels across portfolios were offset by a decline in the personal loans and SA retail VAF portfolios.

During the current year the group included 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. Refer to the forward-looking information in the *Critical accounting estimates, assumptions and judgement* note in the FirstRand annual financial statements (available online at <https://www.firstrand.co.za/investors/integrated-reporting-hub/financial-reporting/>), for an overview of the current macroeconomic scenarios and FLI incorporated in the impairment provisions.

Performing coverage

SA retail performing coverage decreased mainly due to an improved baseline outlook leading to releases of FLI provisions and as a result of exposures flowing to stage 3

The increase in the card portfolio's performing coverage is as a result of additional provisions raised for increased arrears levels.

The performing coverage for FNB commercial and WesBank corporate decreased due to the release of FLI modelled provisions and industry-specific and event risk provisions. It was further impacted by stage 2 exposures moving to stage 1 with lower coverage levels and migrations to stage 3.

RMB core advances' performing coverage decreased since June 2024, reflecting book growth tilted to better-rated counterparties, coupled with the migration of a few significant exposures, with higher coverage to stage 3 and the curing of material counters.

Broader Africa performing coverage declined due to an improved risk position in the portfolio as well as higher risk advances moving to stage 3.

Performing coverage in the UK operations decreased across all portfolios, mainly due to model updates and the release of provisions related to mortgage-refinance risk and cost-of-living pressures as the macroeconomic outlook stabilised.

Performing coverage in the Centre increased reflecting out-of-model provisions to capture increased risk of geo-economic volatility and uncertainty.

A further analysis is provided in note 3 on page 108.

KEY DRIVERS – coverage

Stage 3 coverage

SA retail NPL coverage remained stable since 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 real house prices, increases in overall operational stage 3 advances and the ageing profile of NPL exposures, indicating continued customer strain. In addition, stage 3 coverage levels are also influenced by the treatment of suspended interest under IFRS 9, where it is included in impairment provisions. In contrast, under IAS 39 it was deducted from the carrying value of the exposure. This has resulted in structurally higher stage 3 coverage levels.
- 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.
- Stage 3 coverage in the card portfolio increased reflecting the ageing profile in NPLs due to the continued impact of economic strain on SA consumers.
- The personal loans stage 3 coverage decreased due to an improved repayment performance on paying debt counselling accounts, which however have a lower coverage.

FNB commercial and WesBank corporate's coverage increased since June 2024 due to settlements of highly collateralised exposures with lower coverage and inflows with higher coverage.

Stage 3 coverage increased in RMB following the migration of a few large exposures in the lending portfolio into NPL. These new inflows have higher coverages than the existing NPL portfolio, leading to an increase in the overall stage 3 coverage of the portfolio. This was partially offset by a decline in the private equity portfolio's stage 3 cover following the write off of a significant exposure in this portfolio.

Broader Africa stage 3 coverage increased across many jurisdictions, most notably in Namibia due to revisions of security values in the commercial portfolio. Retail coverage was impacted by a change in the composition of the underlying portfolio, with new inflows tilted towards unsecured exposures on the back of macroeconomic pressures, coupled with accelerated write-offs of secured advances in Namibia.

UK operations stage 3 coverage decreased across all portfolios. In the motor portfolio this was largely due to the resolution of the NOSIA remediation process, with collection activities and write-offs resuming. In the property finance portfolio, coverage decreased due to new inflows with lower coverages flowing into stage 3 and improving property prices. Business finance coverage also decreased, impacted by the write-off of large exposures and the stabilisation of commercial real estate prices. The property and business finance portfolios stage 3 coverage was also impacted by the recalibration of model parameters to incorporate the latest experience, further contributing to the overall decline.

A further analysis is provided in note 4 on page 110.

Credit continued**Note 3: Analysis of performing balance sheet impairments**

Total portfolio impairments

<i>R million</i>	As at 30 June		
	2025	2024	% change
SA retail	10 861	10 940	(1)
Retail – secured	4 615	4 563	1
Residential mortgages	1 673	1 704	(2)
WesBank VAF	2 942	2 859	3
Retail – unsecured	6 246	6 377	(2)
FNB card	2 115	1 930	10
Personal loans	3 781	3 996	(5)
Retail other	350	451	(22)
SA corporate and commercial	7 434	7 832	(5)
FNB commercial and WesBank corporate	2 706	2 534	7
FNB commercial	2 342	2 142	9
WesBank corporate and commercial	364	392	(7)
RMB CIB	4 728	5 298	(11)
– Lending	3 495	4 014	(13)
– Loans to private equity investee companies	1 233	1 284	(4)
Broader Africa*	1 898	1 989	(5)
FNB	1 501	1 622	(7)
RMB CIB	397	367	8
Centre (including Group Treasury)	463	293	58
Securitisation notes	26	36	(28)
Other	437	257	70
Total portfolio impairments excluding UK operations	20 656	21 054	(2)
UK operations (R million)	2 746	3 174	(13)
UK operations (£ million)**	113	138	(18)
Property finance	20	26	(23)
Business finance	37	50	(26)
Motor finance	56	62	(10)
Total portfolio impairments including UK operations	23 402	24 228	(3)

* Represents the in-country balance sheet excluding Group Treasury.

** Ratios are calculated using unrounded values designated in pounds. Amounts are rounded to the closest million pounds.

Total portfolio impairments

As at 30 June				Performing book coverage ratios (% of performing core lending advances)					
2025		2024		As at 30 June					
Stage 1	Stage 2	Stage 1	Stage 2	2025	Stage 1	Stage 2	2024	Stage 1	Stage 2
4 667	6 194	4 721	6 219	2.32	1.11	12.60	2.45	1.18	13.13
1 446	3 169	1 396	3 167	1.22	0.42	8.66	1.27	0.43	9.10
405	1 268	414	1 290	0.64	0.17	5.24	0.67	0.18	5.80
1 041	1 901	982	1 877	2.51	0.99	15.32	2.70	1.05	14.95
3 221	3 025	3 325	3 052	7.03	4.22	24.06	7.35	4.48	24.32
1 258	857	1 157	773	5.57	3.61	27.15	5.34	3.49	25.51
1 762	2 019	1 884	2 112	8.40	4.88	22.74	9.02	5.33	23.64
201	149	284	167	5.93	3.74	27.75	7.16	4.97	28.60
3 492	3 942	3 391	4 441	1.16	0.57	13.79	1.25	0.58	11.33
1 345	1 361	1 440	1 094	1.33	0.71	10.50	1.38	0.84	8.59
1 098	1 244	1 195	947	1.69	0.85	13.11	1.71	1.03	10.64
247	117	245	147	0.56	0.40	3.36	0.66	0.44	3.83
2 147	2 581	1 951	3 347	1.11	0.52	16.53	1.25	0.49	12.66
2 014	1 481	1 863	2 151	0.84	0.50	11.93	0.97	0.48	9.13
133	1 100	88	1 196	10.57	1.57	34.40	14.05	1.41	41.36
960	938	1 135	854	2.27	1.27	11.86	2.59	1.63	12.08
789	712	960	662	2.43	1.43	10.42	2.77	1.83	11.04
171	226	175	192	1.83	0.83	20.98	2.01	1.02	17.88
457	6	236	57	1.41	1.40	10.91	0.92	0.74	438.46
26	–	36	–	0.09	0.09	–	0.13	0.13	–
431	6	200	57	9.34	9.32	10.91	5.28	4.12	438.46
9 576	11 080	9 483	11 571	1.68	0.84	12.93	1.78	0.87	12.36
1 662	1 084	2 161	1 013	0.69	0.45	3.82	0.91	0.66	4.77
68	45	94	44	0.69	0.45	3.82	0.91	0.66	4.77
11	9	19	7	0.24	0.15	1.90	0.35	0.27	2.53
23	14	31	19	0.95	0.65	3.97	1.36	0.96	4.19
34	22	44	18	1.37	0.91	6.25	1.58	1.17	8.90
11 238	12 164	11 644	12 584	1.44	0.74	10.66	1.58	0.82	10.96

Credit continued

Note 4: Analysis of stage 3/NPLs and impairments

	Stage 3/NPLs			
	As at 30 June			% com- position 2025
<i>R million</i>	2025	2024	% change	
SA retail	43 623	40 695	7	58
Retail – secured	27 356	25 439	8	37
Residential mortgages	20 066	18 223	10	27
WesBank VAF	7 290	7 216	1	10
Retail – unsecured	16 267	15 256	7	21
FNB card	6 268	5 233	20	8
Personal loans	9 082	9 008	1	12
Retail other	917	1 015	(10)	1
SA corporate and commercial	13 318	10 496	27	18
FNB commercial and WesBank corporate	6 992	5 842	20	10
FNB commercial	5 654	4 733	19	8
WesBank corporate and commercial	1 338	1 109	21	2
RMB CIB	6 326	4 654	36	8
– Lending	6 326	4 027	57	8
– Loans to private equity investee companies	–	627	(100)	–
Broader Africa*	3 578	3 945	(9)	5
FNB	3 558	3 931	(9)	5
RMB CIB	20	14	43	–
Centre (including Group Treasury)	83	633	(87)	–
Securitisation notes	–	–	–	–
Other	83	633	(87)	–
Total stage 3/NPLs excluding UK operations	60 602	55 769	9	81
UK operations (R million)	13 882	12 071	15	19
UK operations (£ million)**	570	525	9	
Property finance	342	284	20	
Business finance	80	82	(2)	
Motor finance	148	159	(7)	
Total stage 3/NPLs including UK operations	74 484	67 840	10	100
Of which:				
Amortised cost book	73 730	66 916	10	99
Fair value book	754	924	(18)	1

* Represents the in-country balance sheet excluding Group Treasury.

** Ratios are calculated using unrounded values designated in pounds. Amounts are rounded to the closest million pounds.

Stage 3/NPLs as a % of core lending advances		Stage 3 specific provisions			Coverage ratios (% of stage 3/NPLs)	
As at 30 June		As at 30 June		% change	As at 30 June	
2025	2024	2025	2024		2025	2024
8.53	8.35	19 290	18 045	7	44.2	44.3
6.73	6.60	7 804	7 147	9	28.5	28.1
7.12	6.69	4 455	3 747	19	22.2	20.6
5.84	6.38	3 349	3 400	(2)	45.9	47.1
15.47	14.96	11 486	10 898	5	70.6	71.4
14.17	12.65	4 555	3 775	21	72.7	72.1
16.79	16.91	6 138	6 247	(2)	67.6	69.3
13.44	13.88	793	876	(9)	86.5	86.3
2.03	1.65	6 829	5 193	32	51.3	49.5
3.33	3.07	4 373	3 459	26	62.5	59.2
3.93	3.65	3 720	2 935	27	65.8	62.0
2.03	1.84	653	524	25	48.8	47.2
1.46	1.09	2 456	1 734	42	38.8	37.3
1.50	0.97	2 456	1 120	>100	38.8	27.8
–	6.42	–	614	(100)	–	97.9
4.11	4.89	2 047	2 136	(4)	57.2	54.1
5.44	6.29	2 035	2 127	(4)	57.2	54.1
0.09	0.08	12	9	33	60.0	64.3
0.25	1.95	81	591	(86)	97.6	93.4
–	–	–	–	–	–	–
1.74	11.50	81	591	(86)	97.6	93.4
4.70	4.50	28 247	25 965	9	46.6	46.6
3.38	3.35	3 539	3 972	(11)	25.5	32.9
3.38	3.35	145	173	(16)	25.5	32.9
3.92	3.64	31	34	(9)	9.0	11.8
2.05	2.19	21	23	(9)	26.4	28.8
3.49	3.87	93	116	(20)	63.2	72.9
4.38	4.25	31 786	29 937	6	42.7	44.1
4.45	4.31					
0.51	0.81					

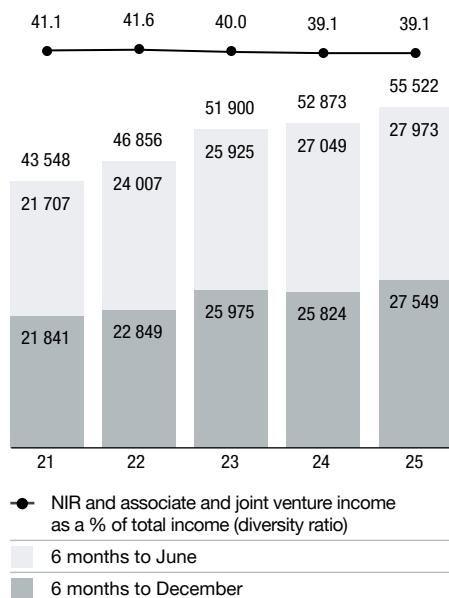
Non-interest revenue

Total non-interest revenue – up 6%

Operational non-interest revenue – up 5%

Operational non-interest revenue and diversity ratio*
(R million)

NIR CAGR 6%



* Excluding share of profit of associates and joint ventures.

Note: 2021 and 2022 figures are based on IFRS 4, 2023 to 2025 figures on IFRS 17.

ANALYSIS OF TOTAL NIR

R million	Notes	Year ended 30 June		
		2025	2024	% change
Net fee, commission and insurance income		44 720	42 551	5
– Fee and commission income	1	40 258	38 131	6
– Net insurance income*	2	4 462	4 420	1
Trading and other fair value income	3	4 968	5 806	(14)
Investment income	4	1 417	476	>100
Other non-interest revenue	5	4 417	4 040	9
Operational non-interest revenue		55 522	52 873	5
Share of profit of associates and joint ventures after tax		2 941	2 422	21
Total non-interest revenue		58 463	55 295	6

* Net insurance income increased 10% excluding the effect of the MotoVantage classification as an asset held for sale (refer to page 39).

Non-interest revenue continued

NOTE 1 – FEE AND COMMISSION INCOME – UP 6%

R million	Year ended 30 June		
	2025	2024	% change
Bank fee and commission income	42 777	40 519	6
– Card commissions	8 304	7 998	4
– Cash deposit fees	1 921	1 866	3
– Exchange and other commissions	3 833	3 603	6
– Bank charges	28 719	27 052	6
– Commitment fees	2 468	2 357	5
– Other bank charges*	26 251	24 695	6
Knowledge-based fees	2 461	2 088	18
Management and fiduciary fees	2 733	2 649	3
– Investment management fees	1 823	1 672	9
– Management fees from associates and joint ventures	720	805	(11)
– Other management and brokerage fee income	190	172	10
Other non-bank commissions	1 413	1 219	16
Gross fee and commission income	49 384	46 475	6
Fee and commission expenditure	(9 126)	(8 344)	9
– Transaction-related fees	(3 283)	(2 898)	13
– Commission paid	(318)	(412)	(23)
– Customer loyalty programmes	(2 583)	(2 362)	9
– Cash sorting, handling and transportation charges	(1 344)	(1 327)	1
– Card-related	(535)	(512)	4
– Other	(1 063)	(833)	28
Net fee and commission income	40 258	38 131	6

* Other bank charges include annual and monthly administrative fees, fees for customer transaction processing (e.g. SASwitch and other 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 6%, driven by customer acquisition (+2%) and growth in transactional volumes (+4%), as well as fee increases, offset by 10% growth in fee and commission expenditure.

Electronic platform volumes grew 5% across all interfaces, whilst manual volumes decreased 5%. Branch and cash centre transaction volumes declined 14% and 16% respectively in line with strategy to encourage customers to use electronic and digital platforms for service.

Card swipe volumes increased 6%, contributing to the 4% growth in card commissions.

RMB's knowledge-based fee income grew strongly (+18%), supported by new deal origination with resulting structuring opportunities, coupled with an uptick in advisory income.

Investment management fees increased on the back of average AUM growth of 16%.

Overall group fee and commission income growth was moderated by certain costs growing more than income. These are linked to increased transactional activity and enhancing customer loyalty programme offerings, coupled with higher association fees, which also reflect growth in foreign exchange turnover with higher commission rates.

Non-interest revenue continued

NOTE 2 – NET INSURANCE INCOME – UP 1%

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Insurance revenue	8 176	7 442	10
– Measured using general measurement model	6 698	6 309	6
– Measured using premium allocation approach	1 478	1 133	30
Insurance service expenses	(4 334)	(4 092)	6
Net expense from reinsurance contracts held	(273)	(157)	74
Total insurance service results	3 569	3 193	12
Net insurance and reinsurance finance expense	(75)	(73)	3
Net insurance results	3 494	3 120	12
Commissions, brokerage and participation agreements	968	1 300	(26)
Net insurance income	4 462	4 420	1

KEY DRIVERS – net insurance income

Net insurance income increased 10% excluding the effect of the MotoVantage reclassification (refer to page 39). MotoVantage was held for sale in the current year as the group's shareholding in the business was being restructured. The sales transaction took effect on 1 July 2025.

Insurance revenue growth reflects:

- Margin releases in the life insurance business general measurement model drove the 6% growth in revenue and reflects releases as services were provided, considering experience and basis changes. The contractual service margin (CSM) release increased across all portfolios, driven by improved sales, an 11% increase in premiums collections and strong policy retention with 9% growth in the in-force APE. The funeral and life customised portfolios showed notable momentum, with in-force APE growth of 14% and 20%, respectively.
- The premium allocation approach revenue, driven primarily by the short-term insurance portfolio, showed strong growth with a 30% increase in insurance revenue. This was largely due to the scaling of the personal lines business, particularly in comprehensive building and motor insurance products, as well as the successful launch of the Outstanding Debt Protection products. FNB Short term APE grew to over R1.1 billion, a 23% year-on-year increase, while collected premiums rose 27%, surpassing the R1 billion milestone in 2025. Additionally, the life commercial book experienced a 77% increase in premiums, driven mainly by the onboarding of the new group risk scheme.

Insurance service expense was driven by higher net claims and servicing costs following book growth across all portfolios. This was partially offset by favourable changes in the outlook for onerous business.

The net impact from reinsurance contracts held increased mainly due to the growth in reinsurance premiums paid due to group risk and underwritten life book growth, and modelling updates in the current year.

Commissions, brokerage and participation agreement income includes all other insurance businesses and arrangements entered into by WesBank, as well as back books from historic arrangements and the group's subsidiaries in broader Africa. Participation agreement income decreased as result of certain books running off as the group builds out its own product offerings. This income decreased 4% year on year excluding the effect of the MotoVantage reclassification.

Non-interest revenue continued

NOTE 3 – TRADING AND OTHER FAIR VALUE INCOME – DOWN 14%

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Trading income	3 971	5 419	(27)
– Equities	13	(139)	(>100)
– Commodities	222	327	(32)
– Fixed income	1 321	2 539	(48)
– Currencies	2 415	2 692	(10)
Other fair value income	997	387	>100
– RMB investment banking and other activities	507	709	(28)
– UK operations fair value hedge	(45)	(488)	(91)
– Group Treasury economic hedges and other	535	166	>100
Total trading and other fair value income	4 968	5 806	(14)

KEY DRIVERS – trading and fair value income

Trading income declined due to lower structuring and market-making opportunities as well as negative currency translation impacts, and reflects the following:

- Equities trended better off a low base on the back of equity capital market activity with a corresponding pickup in volumes.
- Commodities' performance was impacted by reduced hedging activities in the precious metals business.
- The fixed-income business was constrained by lower client flow and event-driven revenue (particularly in the inflation desk), partially offset by stronger credit note facilitation.
- Currencies' performance was impacted by currency devaluation, particularly the naira, coupled with derisking some of the concentration risk positions.

RMB investment banking and other activities included dividend income from the PI portfolio. The decline is due to a significant PI realisation (R508 million) in the prior year.

The UK operations' fair value interest rate hedge portfolio reported a loss of £1.9 million (2024: loss of £20.7 million). This reduction reflects lower market volatility and effective management of the hedging position.

Group Treasury's performance improved, mainly due to lower fair value losses related to share scheme hedging activities, cash flow hedging ineffectiveness releases and foreign exchange gains.

Non-interest revenue continued

NOTE 4 – INVESTMENT INCOME – UP >100 %

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Private equity realisations and dividends received	691	308	>100
– Profit on realisation of private equity investments	54	1	>100
– Dividends received	631	302	>100
– Other private equity income	6	5	20
Other investment income	726	168	>100
– Profit on assets held against employee liabilities	265	36	>100
– Other investment income	461	132	>100
Total investment income	1 417	476	>100

KEY DRIVERS – investment income

New private equity investments totalled c. R2.6 billion for the year (2024: R1.5 billion). The unrealised value in the portfolio is up 21% c. R8.0 billion (2024: R6.6 billion), and reflecting the quality and diversity of the underlying portfolio.

Dividends received includes a special dividend of R170 million (2024: R270 million) from a private equity investee company following a corporate action (structured exit). In addition, improved operations in another private equity investee company resulted in a one-off dividend of c. R350 million.

The performance of the group's post-retirement employee liability asset portfolio benefited from improved performance in both the equity and bond market investments of the portfolio.

Other investment income includes profits from the sale of an associate acquired via a legacy debt restructure (c. R160 million) as well as higher rental income from investment properties and lower sovereign ECL provisions.

Non-interest revenue continued

NOTE 5 – OTHER NON-INTEREST REVENUE – UP 9%

KEY DRIVERS – other NIR

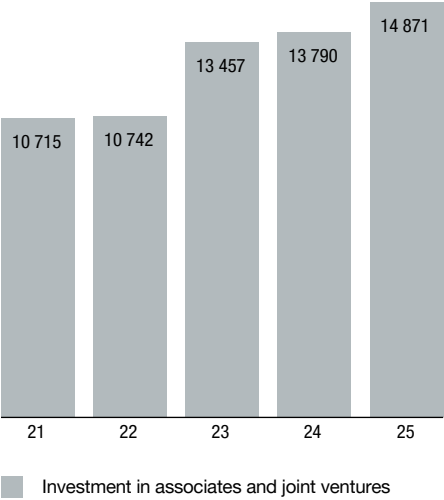
Rental income represents 50% (2024: 49%) of total other NIR and increased 12%, driven by strong FML new business growth and increased income from device rentals.

Other income also includes revenue from FNB’s mobile network operations, which benefited from higher revenue on the back of increased data usage and larger supplier rebates.

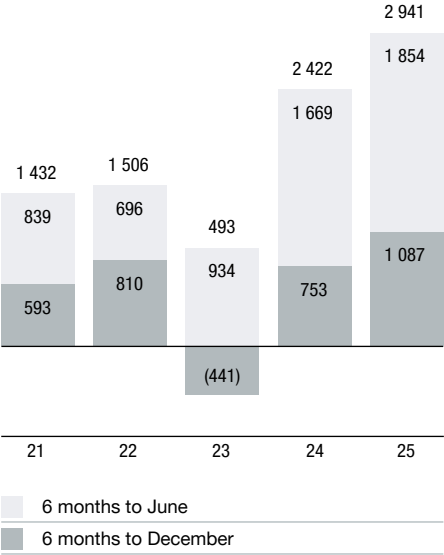
Ghana is no longer considered a hyperinflationary environment in the current year and no related losses have been recognised. The prior year loss as a result of the hyperinflationary environment classification remains.

Share of profits of associates and joint ventures – up 21%

Investment in associates and joint ventures
(R million)



Share of profit of associates and joint ventures
(R million)



Non-interest revenue continued

SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURES

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
Private equity associates and joint ventures	2 644	2 175	22
– Equity-accounted income	2 665	2 279	17
– Impairments	(21)	(104)	(80)
Other operational associates and joint ventures	1 012	752	35
– TFS	349	303	15
– VWFS	195	210	(7)
– RMB Morgan Stanley	209	114	83
– Other	259	125	>100
Share of profit of associates and joint ventures before tax	3 656	2 927	25
Tax on profit of associates and joint ventures	(715)	(505)	42
Share of profit of associates and joint ventures after tax	2 941	2 422	21

KEY DRIVERS – profit from associates and JVs

The private equity share of profit from associates and joint ventures increased, driven by a profit of c. R670 million on the unbundling of one of the underlying investee entities (2024 included a realisation of c. R300 million), as well as improved operating performance.

TFS's equity-accounted income increased as a result of book growth partially offset by higher costs.

VWFS's performance reflects higher funding costs combined with higher arrears and write-offs, which offset increased NII and NIR.

RMB Morgan Stanley's performance improved on the back of higher JSE trading volumes, coupled with improved equity capital markets activity.

The increase in other operational associates and joint ventures is a result of the improved operating performance of investee companies.

Non-interest revenue continued

Total income from private equity activities (private equity division and other private equity related activities)

RMB earns private equity related income primarily from its private equity business. However, other areas in RMB also engage in or hold private equity related investments (as defined in *Circular 01/2023 – Headline Earnings*), which are not reported as part of RMB private equity's results; for example, a debt-to-equity restructure that result in an investment in an associate or joint venture in the IBD business.

The underlying nature of the various private equity related income streams are reflected below.

R million	Year ended 30 June		
	2025	2024	% change
RMB private equity division	3 335	2 483	34
Income from associates and joint ventures	2 644	2 175	22
– Equity-accounted income*	2 665	2 279	17
– Impairments*	(21)	(104)	(80)
Realisations and dividends**	685	303	>100
Other private equity income**	6	5	20
Other business units	419	104	>100
Income from associates and joint ventures and other investments	417	82	>100
– Equity-accounted income*	269	105	>100
– Impairments*, #	(49)	(34)	44
– Other investment income**	197	11	>100
Consolidated other income#	2	22	(91)
Private equity activities before tax	3 754	2 587	45
Tax on equity-accounted private equity investments	(500)	(327)	53
Private equity activities after tax	3 254	2 260	44

* Refer to note on share of profit from associates and joint ventures on page 118.

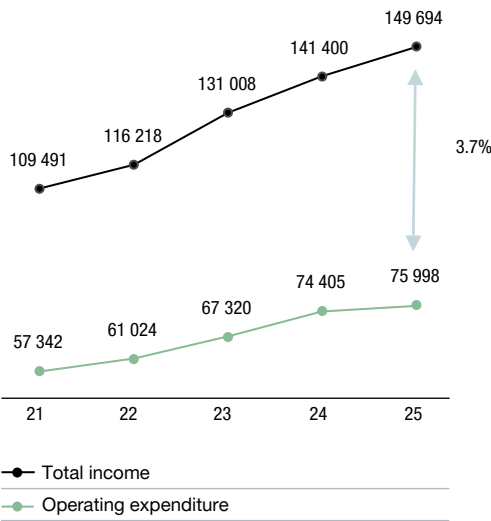
** Refer to note 4 on investment income.

Included in NII, credit impairment charge and other NIR, depending on the underlying nature of the item.

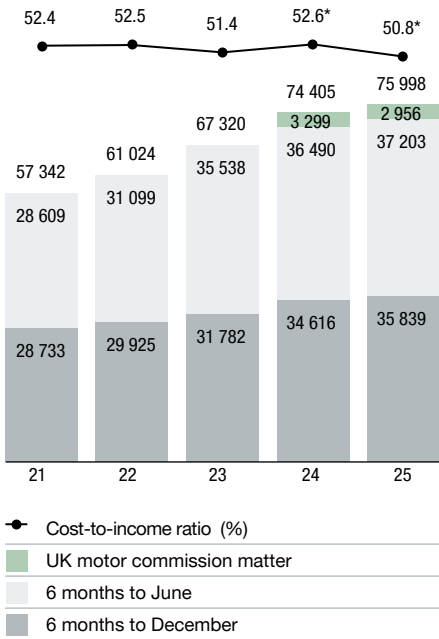
Operating expenses

Operating expenses – up 2%

Operating jaws
(R million)



Operating efficiency
(R million)



Note: 2021 and 2022 figures are based on IFRS 4, 2023 to 2025 figures on IFRS 17.

* 48.8% (2024: 50.3%) excluding the UK motor commission matter.

Operating expenses continued

OPERATING EXPENSES – UP 2%

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
Staff expenditure	46 503	44 300	5
– Direct staff expenditure	34 550	32 515	6
– Variable staff expenditure	8 995	8 711	3
– Short-term incentive payments	6 407	6 161	4
– Share price linked incentive payments	2 588	2 550	1
– Other staff-related expenditure	2 958	3 074	(4)
Depreciation of property and equipment	4 398	4 324	2
Amortisation of intangible assets	330	759	(57)
Advertising and marketing	2 370	1 904	24
Insurance	239	209	14
Lease charges	477	551	(13)
Professional fees	4 127	3 976	4
Audit fees	703	669	5
Computer expenses	5 942	5 397	10
Repairs and maintenance	1 759	1 727	2
Telecommunications	652	559	17
Property	1 626	1 538	6
Business travel	570	491	16
Assets costing less than R7 000	89	86	3
Stationery and printing	148	132	12
Donations	402	378	6
Legal fees	238	353	(33)
Other expenditure	2 469	3 753	(34)
Total operating expenses excluding UK motor commission matter	73 042	71 106	3
UK motor commission matter*	2 956	3 299	(10)
UK motor commission provision	2 703	3 001	(10)
UK motor commission related costs incurred during the year	253	298	(15)
Total operating expenses	75 998	74 405	2

* Refer to pages 27 to 29 for more information on the UK motor commission matter.

Key drivers – staff expenditure

Staff costs represent 61% (2024: 60%) of the group's operating expenses and increased 5%.

	% change	Reasons
Direct staff costs	6	- Annual salary increases in South Africa averaged 6% (unionised staff at 6.2%). - Average headcount (excluding FirstJob employees) remained flat year on year.
Variable staff expenditures		
Short-term incentive payments	4	The increase in short-term incentive payments is largely aligned to the group's performance (excluding the UK motor commission matter), partly offset by lower headcount in some businesses and timing differences.
Share price linked incentive payments	1	The increase is due to inflationary pool allocation growth offset by the impact of the new equity settled share schemes awarded in the current year as well as a higher prior year charge related to the vesting outcome of the CIP21 share award.
Other staff-related costs	(4)	Decrease due to lower leave pay provisions on increased staff leave utilisation and decreased temporary staff costs as a result of fewer contractors.

Operating expenses continued

KEY DRIVERS – operational expenditure

The intangible assets recognised following the acquisition of Aldermore was fully amortised at June 2024.

Higher advertising and marketing expenses increased, driven by inflation increases, new marketing campaigns and strategic group sponsorships.

The rise in insurance costs is due to higher-than-inflation increases and new and additional cover taken.

Computer expenses increased due to higher software licensing and development costs, as well as inflationary pressures.

Property costs reflect higher municipal rates following property revaluations by councils as well as increased water and electricity consumption as office occupancy rates increase.

The increase in business travel is related to the group's increased business activities.

Other expenditure includes various items such as entertainment, profit share payments, subscriptions and membership fees and other provisions.

IT spend

The group's income statement is presented on a nature basis. However, to better illustrate the composition of IT spend, the table below reflects the group's total IT spend on a functional basis, irrespective of the income statement lines in which they are reported (operating expenses or net insurance income).

FUNCTIONAL PRESENTATION OF IT SPEND

<i>R million</i>	Year ended 30 June		
	2025	2024	% change
IT-related staff costs	9 094	8 410	8
Non-staff IT-related costs	11 826	10 961	8
– Computer expenses	6 117	5 553	10
– Professional fees	2 734	2 647	3
– Repairs and maintenance	666	620	7
– Depreciation of equipment	1 492	1 350	11
– Amortisation of software	333	224	49
– Other expenditure	484	567	(15)
Total IT spend	20 920	19 371	8

FINANCIAL RESOURCE MANAGEMENT

- 124** Economic view of the balance sheet
- 125** Funding and liquidity
- 133** Capital
- 138** Performance measurement
- 143** Regulatory update

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 integrated 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.

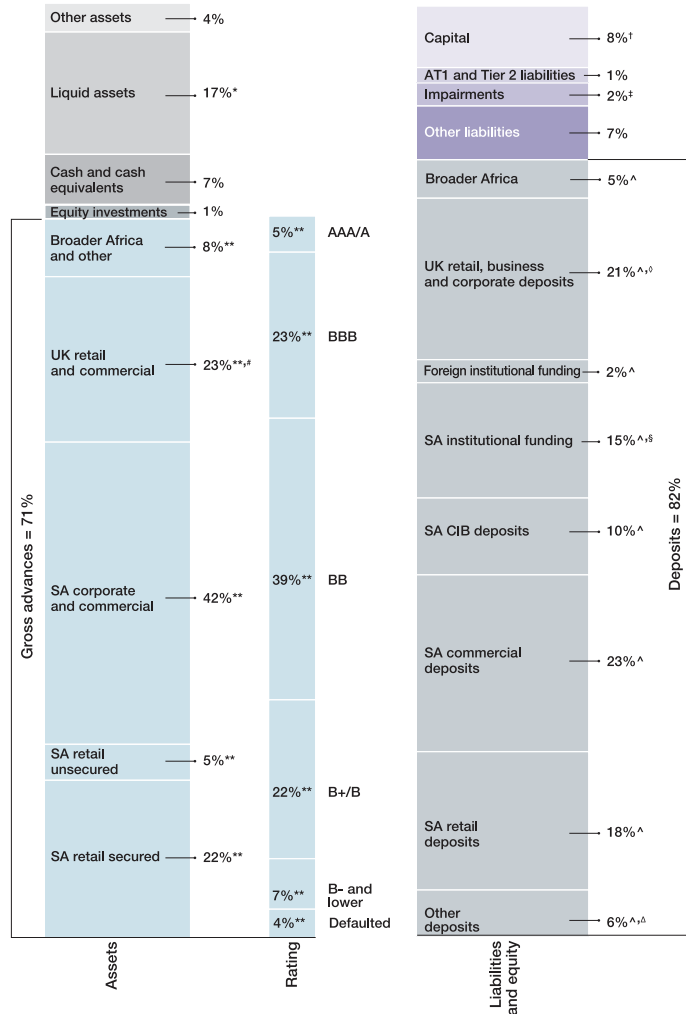
The structure of the balance sheet reflects the group's long-term strategy to increase resilience, diversify credit exposures across sectors and segments, increase asset marketability, and optimise the use of institutional funding.

When assessing the underlying risk in the balance sheet, the group's asset profile reflects a diversified advances portfolio, which constitutes 71% of total assets. The composition of the gross advances portfolio consists of SA retail secured (22%), SA retail unsecured (5%), SA corporate and commercial (42%), UK retail and commercial (23%), and broader Africa and other (8%). At 30 June 2025, the group reported total NPLs of R74 484 million (4.38% of core lending advances) and a credit loss ratio of 85 bps.

Cash and cash equivalents, and liquid assets represent 7% and 17%, respectively, of total assets. The group's equity investments primarily relate to RMB's private equity activities.

FirstRand maintains a risk-adjusted funding profile focused on its core deposit franchises, which enables optimal use of institutional funding. The weighted average remaining term of domestic institutional funding as at 30 June 2025 increased to 39 months (2024: 34 months). The increase reflects refinancing of money market instruments together with additional longer-dated thematic senior debt, Tier 2 and AT1 issuances.

The group remained strongly capitalised with a CET1 ratio of 14.0%, a Tier 1 ratio of 15.1% and a total capital adequacy ratio of 16.9%. The gearing multiple decreased to 12.0 times from 12.4 times at June 2024, with average assets increasing 6% and average equity increasing 10%.



* Include government securities and treasury bills.

** As a proportion of gross advances.

Include advances originated in MotoNovo, Aldermore and the London branch.

† Includes ordinary equity and non-controlling interests.

‡ Include IFRS 9 impairment of advances and investment securities.

^ As a proportion of deposits.

◇ Deposits raised in Aldermore and Guernsey branch (trading as FNB Channel Islands).

§ Includes CIB institutional funding.

△ Consist of liabilities relating to other SPVs and securitisations.

Note: Non-recourse deposits have been netted off against assets. 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 2025, which is available at www.firststrand.co.za/investors/integrated-reporting-hub/risk-disclosures/.

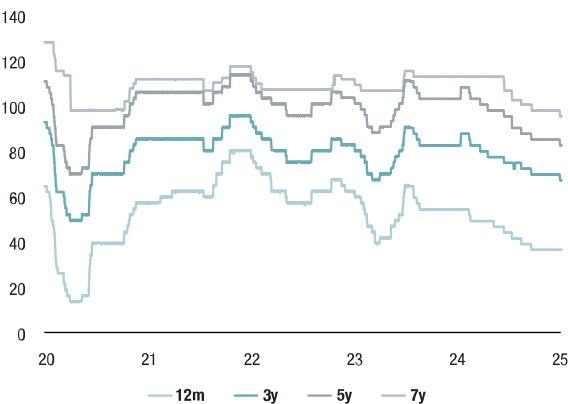
Funding conditions

During the year under review, the global macroeconomic environment remained one of moderate growth amid elevated external risk. Globally, central banks began easing monetary policy as inflation trended lower toward target ranges. In South Africa, inflation fell to the lower bound of the target range, prompting the SARB to ease its monetary policy stance, reducing the policy rate 100 bps during the year. Moderate economic growth was underpinned by easing inflation and policy coordination efforts by the Government of National Unity, however, fiscal pressures, elevated debt levels and external risks have tempered the overall recovery momentum. Liquidity contributions by the SARB and National Treasury under the updated Gold and Foreign Exchange Contingency Reserve Account (GFECRA) framework have been accommodated by larger SARB quotas and secured interbank channels.

From a funding perspective, market conditions remained supportive with the group benefiting from continued access to rand and hard-currency funding. Attractive interest rates on cash investment products supported strong deposit inflows which enabled moderation in funding from wholesale sources. The group successfully raised funding in rand from institutional issuances, including ZARONIA-based money market instruments, and hard currency funding from international finance partners. In line with strategy, institutional funding remains a smaller proportion of the bank's funding relative to the peer group.

The graphs below depict both the spread to the 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 benchmark tenor capital market instruments. During the past 12 months, institutional funding spreads across both the money markets and capital markets have tracked lower in light of improved liquidity availability.

Term funding spreads
(bps)



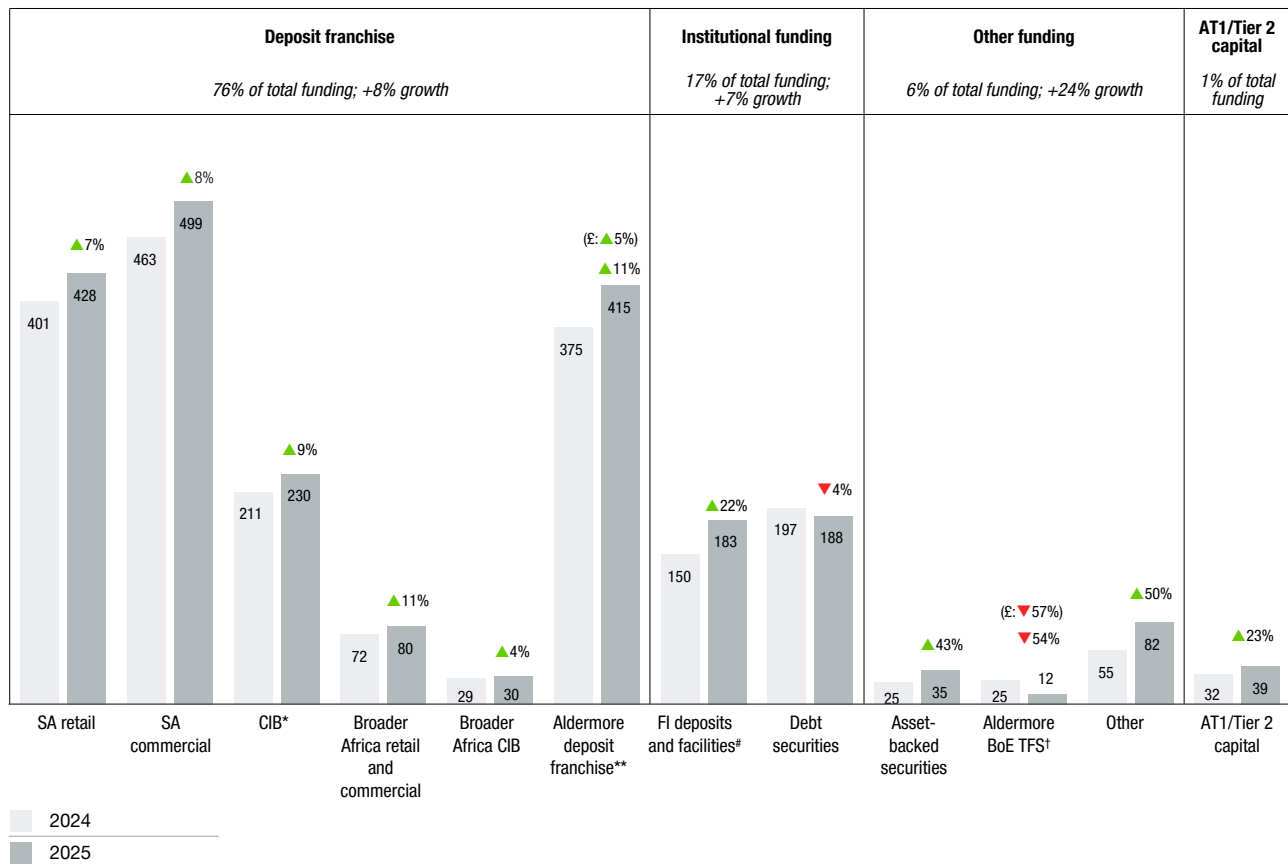
Sources: Bloomberg (RMBP screen) and Reuters.

Funding and liquidity continued

Funding measurement and activity

The following graph and table overleaf provides a segmental and product analysis, respectively, of the group's funding base and unpacks the contribution of each category to the group's overall funding. As part of its capital market issuance plans, AT1 and Tier 2 instruments are issued to meet the group's total capital adequacy requirements, whilst also providing balance sheet funding capacity.

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.

Note 2: Asset-backed securities include all group securitisation transactions.

* South Africa and the London branch.

** The Aldermore deposit franchise increased 5% to £17 billion.

FI deposits and facilities are managed by Group Treasury and include the SARB funding facility related to the South African Covid-19 government-guaranteed loan scheme, the government's bounce-back facility and bounce-back energy facility, totalling circa R1.05 billion.

† Aldermore's BoE term funding scheme decreased 57% to £465 million.

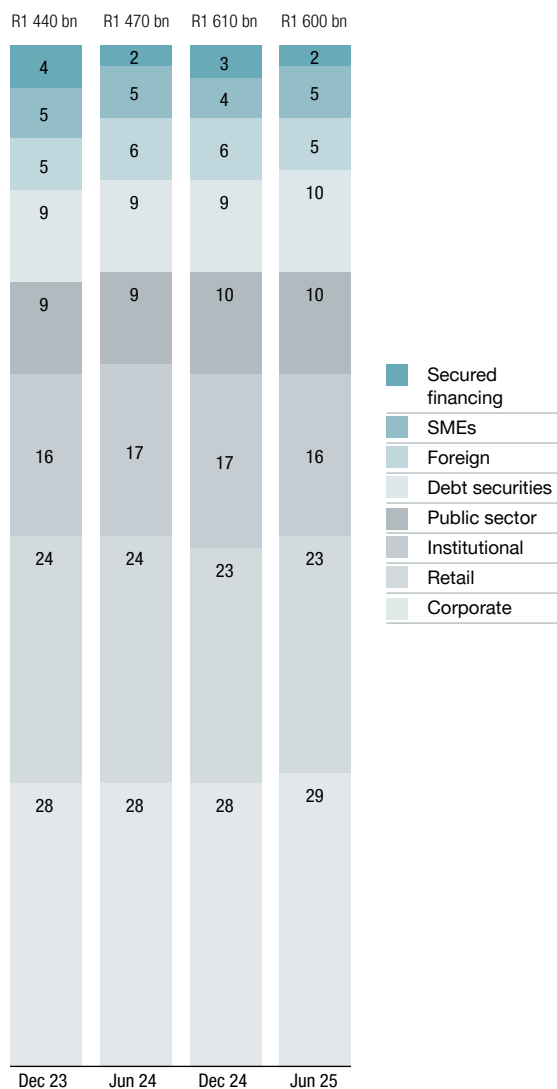
Funding and liquidity continued

	As at 30 June	
<i>R billion</i>	2025	2024
Deposit franchise	1 682	1 551
– Current	409	398
– Call	494	465
– Savings	65	56
– Fixed and notice	710	629
– Other	4	3
Institutional funding	371	347
FI deposits and facilities managed by Group Treasury	183	150
Debt securities - money market instruments	99	105
– Negotiable certificates of deposit	36	69
– Fixed and floating rate notes	63	36
Debt securities - capital market issuance	89	92
– SA senior unsecured	59	65
– SA structured products	29	26
– Broader Africa	1	0
Other funding	129	105
Asset-backed securities	35	25
Aldermore BoE term funding scheme	12	25
Other	82	55
– Repurchase agreements and securities lending	41	22
– Cash collateral, credit-linked notes and other	41	33
Deposits and debt funding balances	2 182	2 003

Funding and liquidity continued

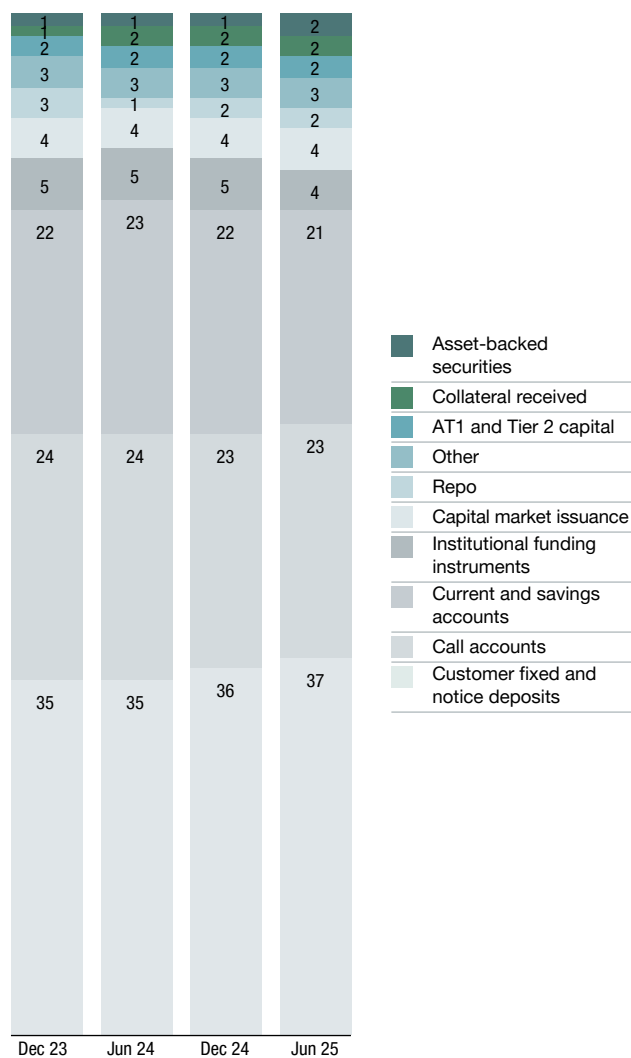
The group's focus on growing main-banked transactional accounts, and retail and commercial savings and investment deposits naturally results in a significant proportion of contractually short-dated funding. Although these deposits fluctuate depending on each customer's individual transactional and savings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

Bank funding analysis by source*
(%)



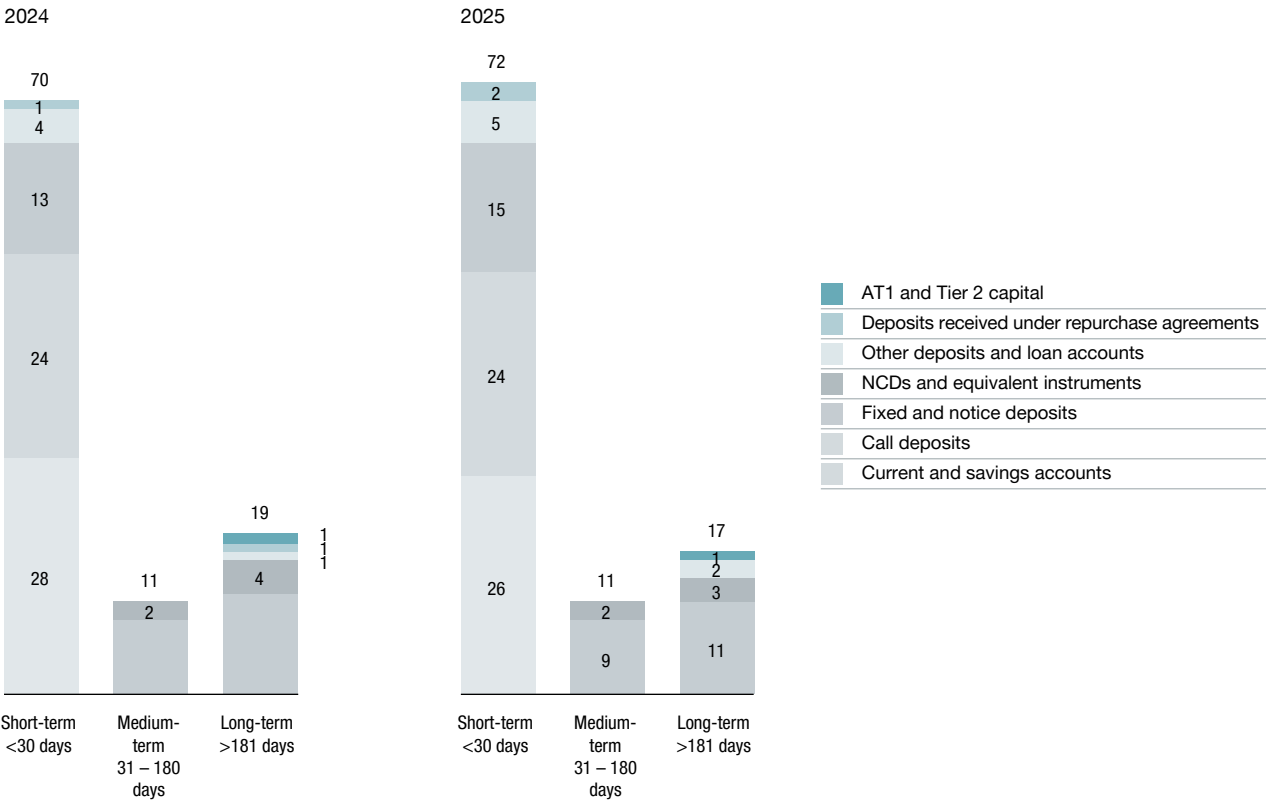
* Excluding foreign branches.

Funding analysis by product
(%)



Funding and liquidity continued

Funding liabilities by instrument type and term
(%)

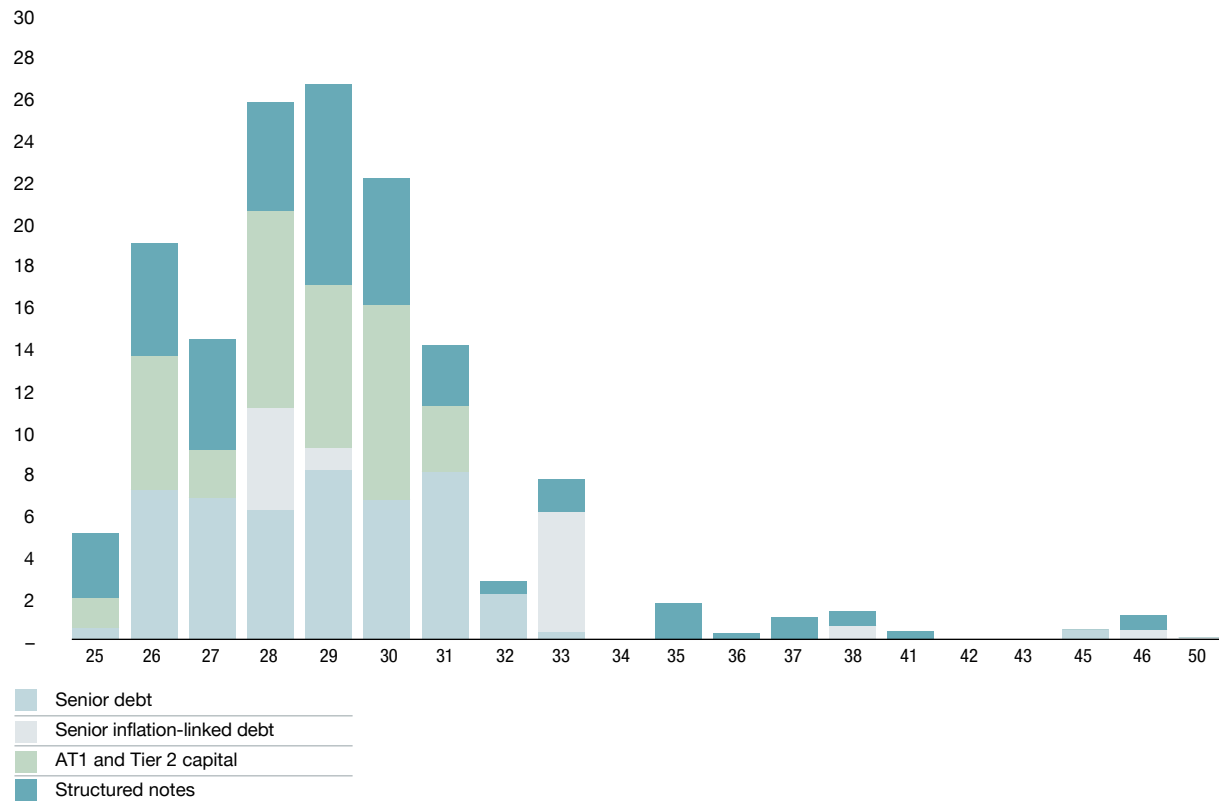


Funding and liquidity continued

The maturity profile of the group's capital market instruments is depicted in the following chart. The group does not have significant instrument-specific concentrations in any one period and seeks to issue across benchmark tenors, taking pricing and investor demand into account. The regulations as it pertains to Flac have been finalised and will be incorporated into the group's future issuance strategies.

Maturity profile of the group's capital market instruments

(R billion)



Funding and liquidity continued

Foreign currency balance sheet

The active management of foreign currency liquidity risk remains a focus given the group’s operations in broader Africa and within the UK and cross-border portfolios.

UK operations

Aldermore is predominantly funded by deposits from retail and business clients but has an active strategy to diversify sources of funding. Customer deposits amounted to £17 billion at June 2025 (June 2024: £16.3 billion).

Aldermore’s liquid asset composition remains prudent, with an LCR well in excess of the regulatory minimum and a liquidity risk position managed to stringent internal parameters. Aldermore has maintained a diverse portfolio of HQLA, which has been managed within risk appetite throughout the period.

Aldermore obtained a credit rating from Moody’s (Baa2 long-term issuer rating, stable outlook) in January 2025 and established an EMTN programme in March 2025. The EMTN will support future diversification of capital issuance, as part of its ongoing aim to optimise its capital mix whilst maintaining prudent capital ratios.

MotoNovo’s new business origination is supported by Aldermore’s funding resources, via a combination of on-balance sheet deposits and institutional and structured funding, including market securitisations and warehouses.

Broader Africa operations

The eight businesses that comprise the broader Africa operations are primarily local currency balance sheets. They are largely funded through strong deposit franchises that span the retail, business and corporate client bases, constituting over 80% of overall funding on an aggregate portfolio basis. The aggregate portfolio LCR is above regulatory minimums with HQLA largely held in sovereign paper. The low structural savings levels in the broader African jurisdictions, coupled with crowding-out effects by government borrowings, explains the low institutional funding component observable across the portfolio.

Botswana continues to face fiscal challenges which have strained government revenues and tightened market liquidity. Despite recent stabilisation efforts, liquidity remains constrained, with yields rising sharply across the curve due. which as also lead to commercial banks raising prime rates. Given the macro environment, FNB Botswana has shown resilience, remaining well above regulatory thresholds. Liquidity management has intensified, with disciplined pipeline and funding oversight, collateral management, and resource allocation.

Liquidity risk position

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

The group’s portfolio of HQLA enables access to liquidity in instances of market stress or wider disruptions. It also enables the group to accommodate the changing liquidity needs of its operating businesses and seamlessly meet its short-term obligations. The HQLA portfolio takes into consideration the group’s funding composition, asset growth, 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 group’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 market and capital market issuances in benchmark tenors to achieve a maturity profile without undue concentration. The group 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 cyclicity arising from the funding mix. The buffer is based on stress and scenario analysis of the cash inflows and outflows that result from the group’s balance sheet profile.

The liquidity ratios for the group and bank at June 2025 are summarised below:

LIQUIDITY RATIOS

%	Group*		Bank*	
	LCR**	NSFR	LCR**	NSFR
Regulatory minimum	100	100	100	100
Actual	129	120	133	117

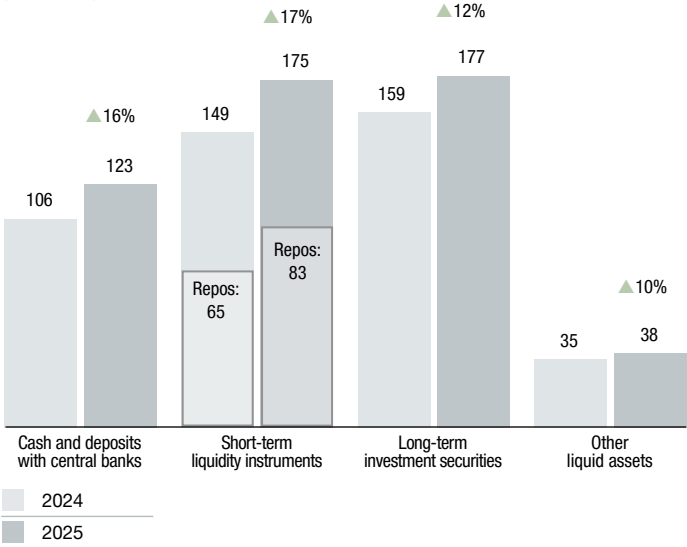
* The group’s LCR and NSFR include the bank’s operations in South Africa and all registered banks and foreign branches in the group. The bank’s LCR and NSFR reflect South African operations only.

** The LCR is calculated as a simple 91-day average of daily observations over the period ended 30 June 2025 for FirstRand Bank South Africa and the London branch. The LCR for the remaining banking entities, including Aldermore and the Guernsey branch, is based on the month-end or quarter-end values. The figures are based on the regulatory submissions to the PA.

Funding and liquidity continued

The group 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 group’s risk appetite.

Liquidity management by investment type*
(R billion)

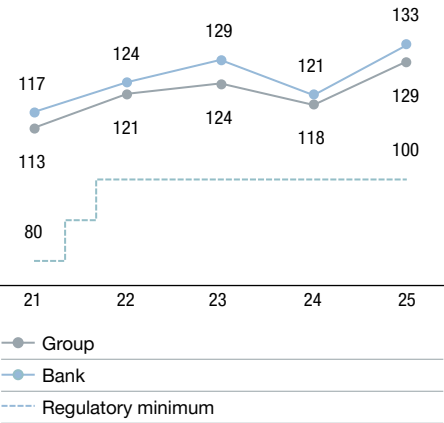


Note 1: Percentage change is based on actual underlying numbers rather than the rounded figures shown in the bar graphs above.

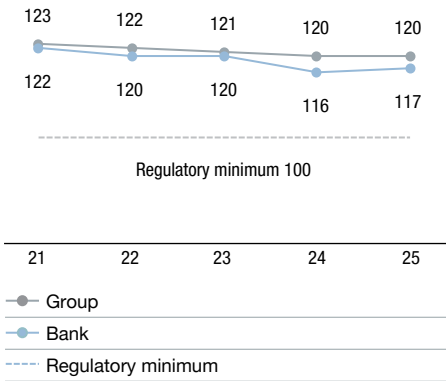
* Chart is based on rand liquid assets in FRB (including foreign branches) and all other banking subsidiaries held by Group Treasury only.

The graphs below provide a historical view of the prudential liquidity ratios for both the group and 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 2025, which is available at www.firstrand.co.za/investors/integrated-reporting-hub/risk-disclosures/.

Year under review

During the year under review the group maintained strong capital and leverage ratios in excess of regulatory minimums and internal targets. The PA published Directive 6 of 2024 in October 2024, requiring South African banks to hold a PCN CCyB of 1% with effect from January 2026. The group's board-approved internal targets were revised to incorporate the increased PCN CCyB requirement. The group is capitalised at the higher of regulatory or economic capital to ensure a desired credit counterparty rating.

CAPITAL ADEQUACY AND LEVERAGE RATIOS AS AT 30 JUNE

%	Capital			Leverage
	CET1	Tier 1	Total	Total
Regulatory minimum*	9.0	11.2	13.5	4.0
Internal target	11.5 – 12.5	>13.25	>15.5	> 5.5
Actual (including unappropriated profits)**				
2025	14.0	15.1	16.9	8.5
2024	13.5	14.4	16.1	8.2

* Includes the group's domestic systemically important bank requirement of 1.5% and a CCyB add-on of 48 bps. 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.

There is ongoing focus on optimising the overall level and mix of capital across the group and its regulated subsidiaries. During the year under review the group issued a combination of AT1 and Tier 2 instruments to ensure sustainable support for ongoing growth initiatives and redemption of existing capital instruments.

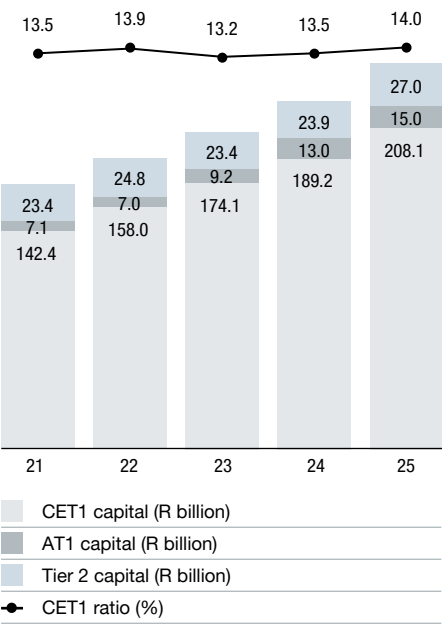
The group continues to enhance the use of economic capital methodology in risk-based decision-making, including capital allocation. The assessment of economic risk aligns with FirstRand's economic capital framework to ensure the group remains solvent at a confidence interval of 99.93%, and that it can 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 year under review, the group continued to meet its economic capital requirements and reported an economic capital multiple (loss-absorbing capital/economic capital requirement) of 1.7 times on a post-diversified basis.

The group also adjusts available regulatory capital resources for certain volatile reserves, as well as expected regulatory and accounting changes that can be estimated. This provides an economic view of excess capital that is used in strategic decision-making.

Capital continued

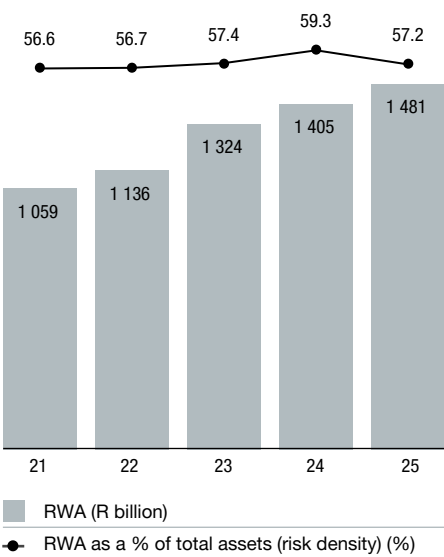
The graphs below provide a five-year view of the group’s capital adequacy, RWA and leverage positions. The decrease in the group’s risk density reflects changes in the balance sheet mix and RWA optimisation.

Capital adequacy*

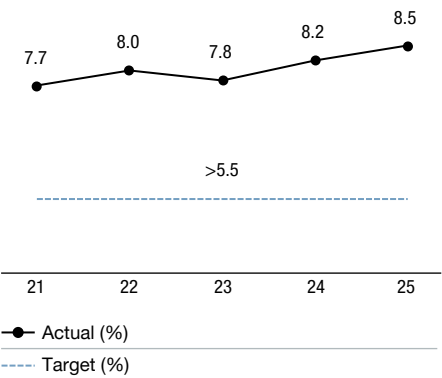


* Including unappropriated profits.

RWA history



Leverage*



* Including unappropriated profits.

Capital continued

Supply of capital

COMPOSITION OF CAPITAL*

<i>R million</i>	As at 30 June	
	2025	2024
CET1 capital including unappropriated profits	208 115	189 158
Additional Tier 1 capital	14 990	12 986
Tier 1 capital	223 105	202 144
Tier 2 capital	26 969	23 901
Total qualifying capital	250 074	226 045

* 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

2025 vs 2024

CET 1 capital



Positive earnings generation partly offset by the payment of dividends, as well as movement in other reserves.

AT1 capital



Tier 2 capital



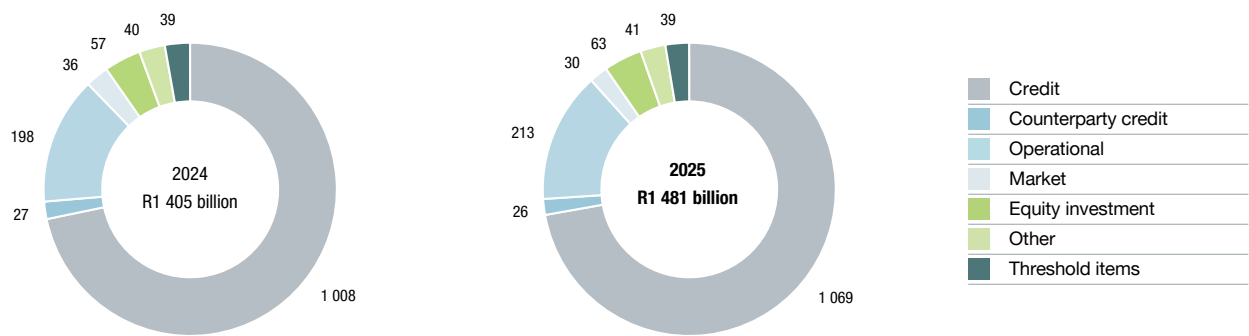
AT1 and Tier 2 issuances net of redemptions to manage rollover of existing profile, support balance sheet growth and optimise overall capital stack.

Additional detail on the group's capital instruments is included on page 167.

Capital continued

Demand for capital

RWA analysis
(R billion)



KEY DRIVERS		
2025 vs 2024		
Credit	▲	Volume growth and foreign currency movements partly offset by model refinements and optimisation.
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 basic indicator and standardised approaches.
Market	▼	Decrease in the trading book risk profile across foreign exchange and interest rates asset classes in response to market conditions.
Equity	▲	New investments and equity-accounted earnings.

Capital continued

Capital adequacy position for the group and its regulated entities

	As at 30 June		
	2025		2024
	Total minimum requirement*	Total capital adequacy	Total capital adequacy
Banking (%)			
Basel III (PA regulations)			
FirstRand**	13.5	16.9	16.1
FirstRand Bank**,#	13.0	17.2	15.6
FirstRand Bank South Africa**	13.0	16.7	15.4
FirstRand Bank London	13.5	27.1	17.8
FirstRand Bank Guernsey	13.0	>100	98.1
FirstRand Bank India†	13.0	>100	>100
Basel III (local regulations)			
Aldermore Bank‡	14.6	20.5	21.6
FNB Namibia^	12.5	19.2	16.6
Basel II (local regulations)			
FNB Botswana	12.5	19.2	18.8
RMB Nigeria	10.0	24.4	25.1
FNB Eswatini	8.0	20.8	21.8
FNB Lesotho	10.0	13.8	13.5
First National Bank Ghana	10.0	23.8	16.4
FNB Mozambique	12.0	17.7	24.2
Basel I (local regulations)			
FNB Zambia	10.0	29.9	26.9
Insurance (times)°			
FirstRand Life Assurance (FNB Life)	1.0	1.5	1.5
FirstRand Short Term Insurance	1.0	3.3	4.2
FRISCOL	1.0	1.6	2.2

* Total minimum requirement excluding any confidential bank-specific requirements. RWA for entities outside of South Africa converted to rand using the closing rates at 30 June 2025.

** Including unappropriated profits.

Including FRB foreign branches.

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

‡ Ratios on a markets basis. Aldermore Group's CET1 and total capital adequacy ratios (on a markets basis and post allowance for dividend declared by the Aldermore Group PLC board in September 2025) at 30 June 2025 were 14.9% and 17.3% respectively.

^ Bank of Namibia increased the minimum requirement to 12.5% from 10% effective from September 2024 reporting period.

° Solvency capital requirements as per quarterly returns as at 30 June 2025 and post allowance for future dividends.

Performance measurement

The group is committed to delivering sustainable returns to its shareholders. Business units and entities including broader Africa and the UK subsidiaries are evaluated on shareholder value created. Targeted hurdle rates are set for business units and capital is allocated to each, based on its risk profile. The capital allocation process is based on an internal assessment of capital requirements.

The group utilises economic profit (NIACC) and ROE as key performance indicators.

NIACC increased 12% year on year, driven by 10% growth in normalised earnings and a 10% increase in average shareholders' equity and reserves. ROE improved from 20.1% to 20.2%, well above the group's cost of equity of 14.65%, and above the mid point of the group's long-term target range of 18% to 22%.

NIACC AND ROE

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Normalised earnings attributable to ordinary shareholders	41 824	37 988	10
Capital charge*	(30 258)	(27 624)	10
NIACC	11 566	10 364	12
Average ordinary shareholders' equity and reserves	206 541	188 558	10
ROE (%)	20.2	20.1	
Cost of equity (%)**	14.65	14.65	
ROA (%)	1.69	1.63	
Return on average RWA (%)	2.90	2.78	

* Capital charge = cost of equity x average ordinary shareholders' equity and reserves.

** The group's cost of equity is calculated using the capital asset pricing model. The risk-free rate of 9.7% (2024: 9.7%) is determined through a fair value assessment of the South African risk-free rate, with the calculations referencing the global risk-free yield and the country risk premium, as well as expected inflation adjusted for potential future inflation uncertainty. The risk premium of 4.95% (2024: 4.95%) is determined using the FirstRand beta and equity risk premium.

Excluding the impact of the UK motor commission matter, NIACC increased 8% year on year driven by 9% growth in normalised earnings and 9% growth in average shareholders' equity and reserves as summarised below:

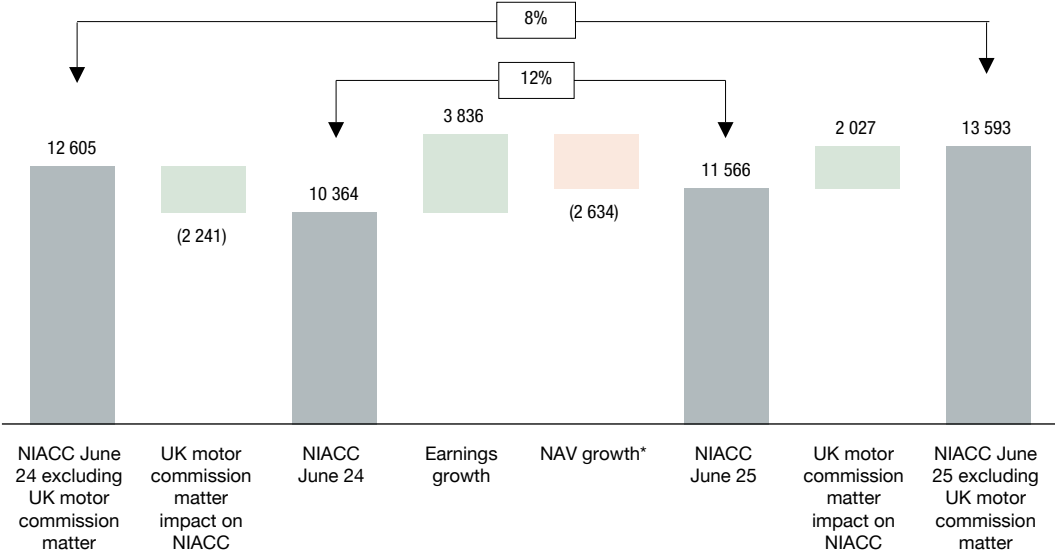
<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Normalised earnings attributable to ordinary shareholders	44 011	40 406	9
NIACC	13 593	12 605	8
Average ordinary shareholders' equity and reserves	207 635	189 767	9
ROE (%)	21.2	21.3	
ROA (%)	1.78	1.73	
Return on average RWA (%)	3.05	2.96	

Performance measurement continued

The graph below provides an analysis of the change in NIACC from 2024 to 2025, including the impact of the UK motor commission matter:

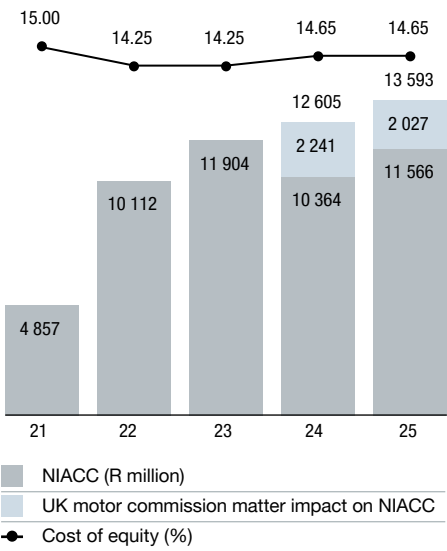
NIACC change year on year

R million



* NAV growth at cost of equity of 14.65%.

NIACC and cost of equity



Note: 2021 and 2022 figures are based on IFRS 4, 2023 to 2025 figures on IFRS 17.

Performance measurement continued

Shareholder value creation

The table presented below illustrates that the increase in ROE can be attributed to an enhancement in ROA coupled with a reduction in gearing.

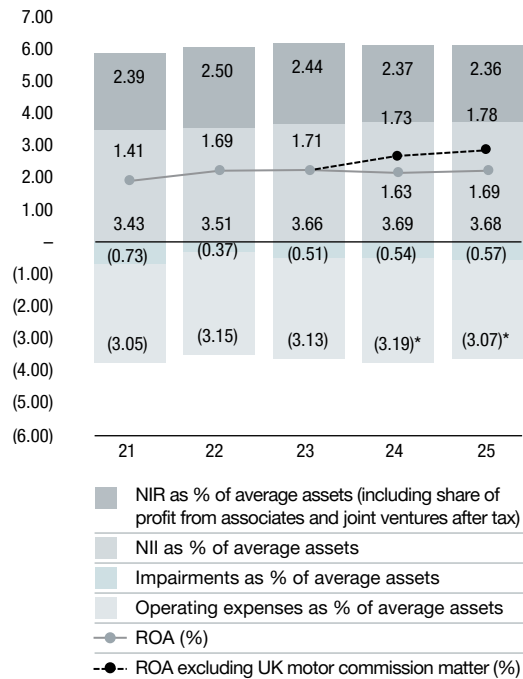
	Year ended 30 June				
	2025*	2024*	2023	2022	2021
ROA (%)	1.69	1.63	1.71	1.69	1.41
Gearing**	12.0	12.4	12.4	12.2	13.0
ROE (%)	20.2	20.1	21.1	20.6	18.4

* Excluding the impact of the UK motor commission matter, ROA would be 1.78% (2024: 1.73%), gearing would decrease to 11.9 (2024: 12.3) and ROE would be 21.2% (2024: 21.3%).

** Gearing = average total assets/average equity (based on unrounded values).

Note: 2021 and 2022 figures are based on IFRS 4, 2023 to 2025 figures on IFRS 17.

ROA analysis



* Excluding the impact of the UK motor commission matter this would be 2.95% (2024: 3.05%).

Note 1: 2021 and 2022 figures are based on IFRS 4, 2023 to 2025 figures on IFRS 17.

Note 2: The graph shows each item before tax and non-controlling interests as a percentage of average assets.

ROA is calculated as normalised earnings (after tax and non-controlling interests) as a percentage of average assets.

Performance measurement continued

Operating business performance

The tables below summarise the performances of the group's operating businesses.

ROE AND NORMALISED EARNINGS PER BUSINESS

R million	Year ended 30 June			
	2025		2024	
	Normalised earnings	ROE %	Normalised earnings	ROE %
Retail and commercial	25 993	35.1	23 949	34.7
– FNB	23 616	37.4	21 968	36.9
– WesBank	2 377	21.8	1 981	20.9
Corporate and institutional – RMB	10 723	20.7	9 744	20.3
UK operations*	3 047	7.7	4 170	11.8
Centre (including Group Treasury)**	2 061	5.0	125	0.3
FirstRand group	41 824	20.2	37 988	20.1
FirstRand group – excluding UK motor commission matter	44 011	21.2	40 406	21.3
Broader Africa [#]	5 249	23.0	5 157	24.9

* ROEs are calculated in pound terms. The underlying financial performance delivered an ROE of 10.7% (2024: 12.0%) as detailed on page 49 and includes excess capital.

** Includes unallocated capital.

[#] Comprises in-country as well as cross-border deals booked on the South Africa, London branch and RMB Mauritius balance sheets, where the deals are originated in a broader Africa jurisdiction.

BUSINESS ROAs

%	Year ended 30 June	
	2025	2024
Retail and commercial	3.32	3.25
– FNB	3.94	3.88
– WesBank	1.29	1.17
Corporate and institutional – RMB	1.40	1.35
UK operations*	0.62	0.88
Centre (including Group Treasury)	0.48	0.03
FirstRand group	1.69	1.63
FirstRand group – excluding UK motor commission matter	1.78	1.73

* ROAs are calculated in pound terms. The underlying financial performance delivered an ROA of 0.87% (2024: 0.89%) as detailed on page 49.

Performance measurement continued

The table below provides a geographical analysis of capital allocated.

GEOGRAPHICAL ANALYSIS OF AVERAGE CAPITAL ALLOCATED

<i>R million</i>	Year ended 30 June				
	2025	% composition	2024	% composition	% change
South Africa and other*	144 213	70	132 405	70	9
Broader Africa**	22 786	11	20 721	11	10
UK operations#	39 542	19	35 432	19	12
FirstRand group	206 541	100	188 558	100	10
FirstRand group – excluding UK motor commission matter	207 635	100	189 767	100	9

* Exclude cross-border deals.

** Comprises in-country as well as cross-border deals booked on the South Africa, London branch and RMB Mauritius balance sheets, where the deals are originated in a broader Africa jurisdiction.

UK operations' average capital represents pound sterling capital converted to rand using period-end closing exchange rates.

The table below provides a geographical ROE analysis.

GEOGRAPHICAL ROE ANALYSIS

%	Year ended 30 June	
	2025	2024
South Africa and other*	23.2	21.6
Broader Africa**	23.0	24.9
UK operations#	7.7	11.8
FirstRand group	20.2	20.1
FirstRand group – excluding UK motor commission matter	21.2	21.3

* Exclude cross-border deals.

** Comprises in-country as well as cross-border deals booked on the South Africa, London branch and RMB Mauritius balance sheets, where the deals are originated in a broader Africa jurisdiction.

ROEs are calculated in pound terms.

Regulatory update

Resolution framework

South Africa’s resolution framework, effected via the Financial Sector Laws Amendment Act (FSLAA) was effective from 1 June 2023 and aligned to global FSB standards. The designation of the SARB as the RA provided 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. Key prudential resolution standards issued to date include:

- RA01 – Stays and Resolution Moratoria (effective 1 June 2024): limits early termination rights and mandates contractual recognition clauses.
- RA02 – Transfers of Assets and Liabilities: requires Separability Analysis and Transfer Playbooks, and is effective two years post resolution strategy finalisation.
- RA03 – Flac Instruments (effective 1 January 2026): sets out implementation timelines, entity level for issuance and calibration.

Draft standards that have been released for comment in July 2025 include Requirements for Valuers Appointed for Resolution Purposes and Requirements for the Identification of Resolution Groups and Reporting Obligations for Designated Institutions.

Capital

The Minister of Finance has, in terms of section 90 of the Banks Act, amended the Regulations on 26 June 2025 in response to the final Basel reforms and was effective from 1 July 2025. A new output floor was also introduced to reduce undue variability in banks’ RWA and improve comparability of capital ratios between banks. It will be phased in over a three-year period. The impact on the group’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. D-SIB banks are required to maintain a leverage ratio buffer of 50% of the higher loss absorbency requirement imposed on CET1 capital, in addition to the 4% minimum leverage ratio requirement. Capital distribution constraints will also be applied when the leverage ratio declines below the specified requirement.

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 20% to 10% took effect on 1 January 2025.

Financial conglomerates

The Financial Sector Regulation Act empowers the PA to designate a group of companies as a financial conglomerate and to also regulate and supervise such designated financial conglomerates. The PA is also empowered to issue Prudential Standards relating to financial conglomerates, and these must be complied with by the holding companies of such financial conglomerates. FirstRand has not been designated as a financial conglomerate, however its designation will be reassessed on a frequent basis. The group voluntarily participates in the field testing of the proposed capital standards.

Rate reforms

JIBAR is set to be replaced. The SARB has indicated the change is likely to occur by the end of 2026, with a confirmation date expected in December 2025. The Market Practitioners Group (MPG) has designated the South African Rand Overnight Index Average (ZARONIA) as the successor rate to JIBAR.

The group currently holds several contracts, including derivatives, that reference JIBAR. To oversee the transition to ZARONIA, a steering committee within FirstRand 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.

BASIS OF PREPARATION

- 146** Presentation
- 150** Independent auditors' assurance report on the compilation of *pro forma* financial information for the year ended 30 June 2025 included in the analysis of financial results
- 152** Statement of headline earnings – IFRS
- 153** Reconciliation from headline to normalised earnings
- 158** Reconciliation of normalised to IFRS summary consolidated income statement and statement of financial position

Presentation

Normalised and constant currency results

The group considers normalised earnings to reflect the economic performance. Consequently, headline earnings have been adjusted to take into account non-operational and accounting anomalies which, in terms of the JSE Limited Listings Requirements, constitute *pro forma* financial information.

All normalised entries, as included and described in the *Analysis of financial results for the year ended 30 June 2025*, remain unchanged from the prior year. Details of the nature of the adjustments and reasons therefore can be found below.

The group also discloses certain information in constant currency which, in terms of the JSE Limited Listings Requirements, constitute *pro forma* financial information. The constant currency information illustrate the impact of changes in the currency rates for each of the group's material currencies. The constant currency amounts are determined as follows:

- The current year profit before taxation has been translated using the average exchange rate for the 12 months ended 30 June 2024, with the average exchange rate calculated as the daily closing rate based on the number of days in the month.
- The current year advances, deposits and debt funding balances have been translated using the closing exchange rate at 30 June 2024.

The constant currency change percentage is calculated using this adjusted current year amount. For further information on the exchange rate, refer to page 164.

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

The *pro forma* information was prepared using the unadjusted IFRS information which has been extracted by the directors from the audited consolidated financial statements, and the adjustments thereto have been extracted by the directors from either the audited consolidated financial statements or the information underlying those financial statements for the year ended 30 June 2025.

The *pro forma* financial information should be read in conjunction with the unmodified Ernst & Young Inc. and PricewaterhouseCoopers Inc. independent auditors' assurance report, in terms of International Standard on Assurance Engagements (ISAE 3420), on pages 150 and 151.

Forecast information

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

Description of difference between normalised and IFRS results

Consolidated private equity subsidiaries

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

FirstRand shares held for client trading activities

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

FirstRand shares held by the group are deemed to be treasury shares for accounting purposes. For the statement of financial position, the cost price of FirstRand shares held long is deducted from equity and the consideration received from selling FirstRand shares short is added back to equity.

All gains and losses on FirstRand shares are reversed to profit or loss.

In addition, one of the group's joint ventures holds FirstRand shares for client trading activities. In terms of IAS 32, profits or losses cannot be recognised on an entity's own equity instruments. The group's portion of the fair value change in the FirstRand shares is therefore deducted from equity-accounted earnings and the carrying value of the investment recognised using the equity-accounted method. The shares held by the joint venture are not deducted from equity.

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

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

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

Margin-related items included in fair value income

In terms of IFRS Accounting Standards the group is required to, or has elected to, measure certain financial assets and liabilities at fair value through profit or loss. In terms of the group's IFRS Accounting Standards 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 US dollar funding and liquidity pool.

IAS 19 remeasurement of plan assets

Interest income is recognised on the plan assets and set off against staff costs in the income statement. All other remeasurements of plan assets are recognised in other comprehensive income. In instances where the plan asset is a qualifying insurance policy which has a limit of indemnity, the fair value of the plan asset is limited to that limit of indemnity. The limit of indemnity continually reduces as payments are made in terms of the insurance policy. After the recognition of interest income on the plan asset, any further adjustment required to revalue the plan asset to the limit of indemnity is recognised in other comprehensive income. 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.

Realisation on the sale of private equity subsidiaries

In terms of *Circular 01/2023 – Headline Earnings*, gains or losses from the sale of subsidiaries are excluded from headline earnings.

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

Cash-settled share-based payments and the economic hedge

The group 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-based awards.

The expense resulting from these share 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 group defers a portion of the recognition of the fair value gain or loss on the hedging instrument for the specific reporting period to the period in which the share-based payment expense will manifest in the group's results. This reflects the economic substance of the hedge and associated share-based payment expense for the group for 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.

IFRS 10 Consolidation of fully vested empowerment vehicles

When assessing if a structured entity is controlled by another entity, it must consider whether the sponsoring entity was instrumental in the design and purpose of the mandate and operational parameters of the entity being evaluated, and whether benefits are obtained. Where both these requirements are met, the sponsoring entity is deemed to have control over the entity.

FirstRand's black economic empowerment (BEE) transaction is fully vested and distributed to the broad-based black economic empowerment beneficiaries, which include the empowerment trusts. Although the trustees are empowered and responsible for making investment decisions and disbursements to beneficiaries, as FirstRand was instrumental in the initial design and obtains non-financial benefits, namely BEE ownership points, the group is deemed to have control and therefore consolidates the empowerment trusts.

For the purpose of calculating normalised results the consolidation of the trusts is reversed as the assets, liabilities and returns within the trusts are not for the benefit of FirstRand shareholders, either on distribution or dissolution of the trusts.

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 amount of these adjustments are provided in the reconciliation between headline earnings and IFRS profit on page 152.

The consolidated group and FirstRand Limited company audited annual financial statements are available on the group's website at www.firstrand.co.za/investors/integrated-reporting-hub/financial-reporting/.

Independent Auditors' Assurance Report on the compilation of pro forma financial information for the year ended 30 June 2025 included in the Analysis of Financial Results

To the Directors of FirstRand Limited

We have completed our assurance engagement to report on the compilation of the pro forma financial Information of FirstRand Limited and its subsidiaries (together the "Group") by the directors. The pro forma financial Information, as set out on pages 146 to 159 of the Analysis of Financial Results, consists of the following information (collectively referred to as the "Pro Forma Financial Information"):

- Conversion of profit before tax, core lending advances, and total deposits and debt funding for the year ended 30 June 2025 to constant currency information;
- Reconciliation from headline to normalised earnings for the year ended 30 June 2025;
- Reconciliation of normalised to IFRS consolidated income statement for the year ended 30 June 2025; and
- Reconciliation of normalised to IFRS consolidated statement of financial position as at 30 June 2025.

The applicable criteria on the basis of which the directors have compiled the Pro Forma Financial Information are specified in the Listings Requirements of the JSE Limited ("the JSE Listings Requirements"), including Guidance Letter: Presentation of constant currency information dated 16 August 2012 and described in the Basis of Preparation section of the Analysis of Financial Results of the Pro Forma Financial Information on pages 146 to 149 of the Analysis of Financial Results (the "Applicable Criteria").

The Pro Forma Financial Information has been compiled by the directors solely for illustrative purposes to reflect constant currency and operational performance for the year ended 30 June 2025. As part of this process, information about the Group's financial position and financial performance has been extracted by the directors from the Group's financial statements for the year ended 30 June 2025, on which an audit opinion was issued on 10 September 2025.

Directors' responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the Pro Forma Financial Information on the basis of the Applicable Criteria.

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors' (IRBA Code)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firms apply the International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express an opinion, as required by the JSE Listings Requirements, about whether the Pro Forma Financial Information has been compiled, in all material respects, by the directors based on the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Analysis of Financial Results for the Group is solely prepared for illustrative purposes to reflect profit before tax, core lending advances and total deposits and debt funding in constant foreign exchange rates as compared to the prior financial year and to reflect operational performance for the year ended 30 June 2025.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the events and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Keith Ackerman
Registered Auditor

Johannesburg, South Africa
10 September 2025

Ernst & Young Inc.

Ernst & Young Inc.

Director: Ernest van Rooyen
Registered Auditor

Johannesburg, South Africa
10 September 2025

Statement of headline earnings – IFRS

for the year ended 30 June

<i>R million</i>	2025	2024	% change
Profit for the year	45 131	41 180	10
Other equity instrument holders	(1 664)	(1 518)	10
Non-controlling interests	(1 591)	(1 471)	8
Earnings attributable to ordinary equityholders	41 876	38 191	10
Adjusted for	5	(137)	(>100)
Gain on disposal of non-private equity associates	–	(208)	(100)
(Gain)/loss on partial disposal of subsidiaries	(5)	3	(>100)
Loss on remeasurement of non-current assets and disposal groups held for sale which were not sold	82	–	–
(Gain)/loss on disposal of property and equipment	(142)	23	(>100)
Fair value movement on investment properties	(15)	(28)	(46)
Impairment of goodwill	–	61	(100)
Net impairment of assets in terms of IAS 36	65	11	>100
Other	2	–	–
Tax effects of adjustments	34	(1)	(>100)
Non-controlling interest adjustments	(16)	2	(>100)
Headline earnings	41 881	38 054	10

Reconciliation from headline to normalised earnings

for the year ended 30 June

<i>R million</i>	2025	2024	% change
Headline earnings	41 881	38 054	10
Adjusted for	(57)	(66)	(14)
Treasury shares*	19	16	19
IAS 19 adjustment	(78)	(87)	(10)
Private equity related**	2	5	(60)
Normalised earnings	41 824	37 988	10

* Include FirstRand shares held for client trading activities.

** Realisation of private equity subsidiaries net of private equity related goodwill and other asset impairments.

Reconciliation of normalised to IFRS consolidated income statement

for the year ended 30 June 2025

<i>R million</i>	Normalised	Private equity related	Treasury shares*	Margin- related items included in fair value income
Net interest income before impairment of advances	91 231	–	–	(3 112)
Impairment charge	(14 044)	–	–	–
Net interest income after impairment of advances	77 187	–	–	(3 112)
Total non-interest revenue	58 463	–	(19)	3 112
– Operational non-interest revenue	55 522	–	(18)	3 112
– Share of profit of associates and joint ventures after tax	2 941	–	(1)	–
Income from operations	135 650	–	(19)	–
Operating expenses	(75 998)	(2)	–	–
Income before indirect tax	59 652	(2)	(19)	–
Indirect tax	(1 874)	–	–	–
Profit before tax	57 778	(2)	(19)	–
Income tax expense	(12 683)	–	–	–
Profit for the year	45 095	(2)	(19)	–
Attributable to				
Other equity instrument holders	(1 664)	–	–	–
Non-controlling interests	(1 607)	–	–	–
Ordinary equityholders	41 824	(2)	(19)	–
Headline and normalised earnings adjustments	–	2	19	–
Normalised earnings attributable to ordinary equityholders of the group	41 824	–	–	–

* FirstRand shares held for client trading activities.

IAS 19 adjustment	Headline earnings adjustments	TRS and IFRS 2 liability remeasurement	IFRS
–	–	315	88 434
–	–	–	(14 044)
–	–	315	74 390
–	159	(343)	61 372
–	159	(343)	58 432
–	–	–	2 940
–	159	(28)	135 762
107	(146)	28	(76 011)
107	13	–	59 751
–	–	–	(1 874)
107	13	–	57 877
(29)	(34)	–	(12 746)
78	(21)	–	45 131
–	–	–	(1 664)
–	16	–	(1 591)
78	(5)	–	41 876
(78)	5	–	(52)
–	–	–	41 824

Reconciliation of normalised to IFRS consolidated income statement

for the year ended 30 June 2024

<i>R million</i>	Normalised	Private equity related	Treasury shares*	Margin- related items included in fair value income
Net interest income before impairment of advances	86 105	–	–	(2 896)
Impairment charge	(12 555)	–	–	–
Net interest income after impairment of advances	73 550	–	–	(2 896)
Total non-interest revenue	55 295	(17)	(16)	2 896
– Operational non-interest revenue	52 873	(17)	(20)	2 896
– Share of profit of associates and joint ventures after tax	2 422	–	4	–
Income from operations	128 845	(17)	(16)	–
Operating expenses	(74 405)	12	–	–
Income before indirect tax	54 440	(5)	(16)	–
Indirect tax	(1 655)	–	–	–
Profit before tax	52 785	(5)	(16)	–
Income tax expense	(11 810)	–	–	–
Profit for the year	40 975	(5)	(16)	–
Attributable to				
Other equity instrument holders	(1 518)	–	–	–
Non-controlling interests	(1 469)	–	–	–
Ordinary equityholders	37 988	(5)	(16)	–
Headline and normalised earnings adjustments	–	5	16	–
Normalised earnings attributable to ordinary equityholders of the group	37 988	–	–	–

* FirstRand shares held for client trading activities.

IAS 19 adjustment	Headline earnings adjustments	TRS and IFRS 2 liability remeasurement	IFRS
-	-	245	83 454
-	-	-	(12 555)
-	-	245	70 899
-	210	140	58 508
-	210	140	56 082
-	-	-	2 426
-	210	385	129 407
119	(72)	(385)	(74 731)
119	138	-	54 676
-	-	-	(1 655)
119	138	-	53 021
(32)	1	-	(11 841)
87	139	-	41 180
-	-	-	(1 518)
-	(2)	-	(1 471)
87	137	-	38 191
(87)	(137)	-	(203)
-	-	-	37 988

Reconciliation of normalised to IFRS consolidated statement of financial position

as at 30 June 2025

<i>R million</i>	Normalised	Treasury shares*	Empowerment Fund reserve	IFRS
ASSETS				
Cash and cash equivalents	168 379	–	–	168 379
Derivative financial instruments	58 486	–	–	58 486
Commodities	7 364	–	–	7 364
Investment securities	492 646	(1 100)	3 280	494 826
Advances	1 748 639	–	–	1 748 639
– Advances to customers	1 682 634	–	–	1 682 634
– Marketable advances	66 005	–	–	66 005
Collateral, settlement balances and other assets	49 003	–	–	49 003
Current tax asset	444	–	–	444
Non-current assets and disposal groups held for sale	1 978	–	–	1 978
Insurance contract assets	1 433	–	–	1 433
Reinsurance contract assets	569	–	–	569
Investments in associates	10 733	–	–	10 733
Investments in joint ventures	4 138	52	–	4 190
Property and equipment	23 650	–	–	23 650
Intangible assets	10 348	–	–	10 348
Investment properties	783	–	–	783
Defined benefit post-employment asset	8	–	–	8
Deferred income tax asset	7 937	–	–	7 937
Total assets	2 586 538	(1 048)	3 280	2 588 770
EQUITY AND LIABILITIES				
Liabilities				
Short trading positions	17 040	–	–	17 040
Derivative financial instruments	54 289	–	–	54 289
Creditors, accruals and provisions	36 736	–	–	36 736
Current tax liability	438	–	–	438
Liabilities directly associated with disposal groups held for sale	1 331	–	–	1 331
Deposits and debt funding	2 181 874	–	–	2 181 874
Employee liabilities	16 006	–	–	16 006
Other liabilities	5 251	–	–	5 251
Insurance contract liabilities	1 139	–	–	1 139
Reinsurance contract liabilities	31	–	–	31
Policyholder liabilities under investment contracts	9 095	–	–	9 095
Tier 2 liabilities	21 329	–	–	21 329
Deferred income tax liability	1 005	–	–	1 005
Total liabilities	2 345 564	–	–	2 345 564
Equity				
Ordinary shares	56	–	–	56
Share premium	8 056	(1 050)	–	7 006
Reserves	209 306	2	–	209 308
Capital and reserves attributable to equityholders of the group	217 418	(1 048)	–	216 370
Other equity instruments and reserves	18 133	–	3 280	21 413
Non-controlling interests	5 423	–	–	5 423
Total equity	240 974	(1 048)	3 280	243 206
Total equities and liabilities	2 586 538	(1 048)	3 280	2 588 770

* FirstRand shares held for client trading activities.

Reconciliation of normalised to IFRS consolidated statement of financial position

as at 30 June 2024

<i>R million</i>	Normalised	Treasury shares*	Empowerment Fund reserve	IFRS
ASSETS				
Cash and cash equivalents	158 477	–	–	158 477
Derivative financial instruments	55 284	–	–	55 284
Commodities	15 109	–	–	15 109
Investment securities	431 044	(444)	2 916	433 516
Advances	1 611 541	–	–	1 611 541
– Advances to customers	1 532 589	–	–	1 532 589
– Marketable advances	78 952	–	–	78 952
Collateral, settlement balances and other assets	36 052	–	–	36 052
Current tax asset	451	–	–	451
Non-current assets and disposal groups held for sale	1 498	–	–	1 498
Insurance contract assets	760	–	–	760
Reinsurance contract assets	509	–	–	509
Investments in associates	10 332	–	–	10 332
Investments in joint ventures	3 458	52	–	3 510
Property and equipment	23 326	–	–	23 326
Intangible assets	9 701	–	–	9 701
Investment properties	704	–	–	704
Defined benefit post-employment asset	7	–	–	7
Deferred income tax asset	8 562	–	–	8 562
Total assets	2 366 815	(392)	2 916	2 369 339
EQUITY AND LIABILITIES				
Liabilities				
Short trading positions	10 273	–	–	10 273
Derivative financial instruments	44 645	–	–	44 645
Creditors, accruals and provisions	42 447	–	–	42 447
Current tax liability	719	–	–	719
Liabilities directly associated with disposal groups held for sale	1 126	–	–	1 126
Deposits and debt funding	2 003 151	–	–	2 003 151
Employee liabilities	16 572	–	–	16 572
Other liabilities	5 806	–	–	5 806
Insurance contract liabilities	968	–	–	968
Reinsurance contract liabilities	48	–	–	48
Policyholder liabilities under investment contracts	7 669	–	–	7 669
Tier 2 liabilities	17 268	–	–	17 268
Deferred income tax liability	843	–	–	843
Total liabilities	2 151 535	–	–	2 151 535
Equity				
Ordinary shares	56	–	–	56
Share premium	8 056	(416)	–	7 640
Reserves	187 552	24	–	187 576
Capital and reserves attributable to equityholders of the group	195 664	(392)	–	195 272
Other equity instruments and reserves	14 755	–	2 916	17 671
Non-controlling interests	4 861	–	–	4 861
Total equity	215 280	(392)	2 916	217 804
Total equities and liabilities	2 366 815	(392)	2 916	2 369 339

* FirstRand shares held for client trading activities.

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Headline earnings additional disclosure

Set out below is additional information pertaining to section 1 of *Circular 01/2023 – Sector-Specific Rules for Headline Earnings*.

Issue 1 – Remeasurement relating to private equity activities (associates and joint ventures excluding any private equity investments carried at fair value in terms of IFRS 9) regarded as operating or trading activities

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Aggregate cost of portfolio	5 172	4 126	25
Aggregate carrying value	8 843	8 365	6
Aggregate fair value*	17 021	15 259	12
Equity-accounted income**	2 346	1 919	22
Profit on realisation#	197	1	>100

* Aggregate fair value is disclosed, including non-controlling interests.

** Share of profits from associates and joint ventures is disclosed post-tax.

Profit on realisation is disclosed post-tax and non-controlling interests.

Issue 2 – Capital appreciation on investment products

<i>R million</i>	Year ended 30 June		% change
	2025	2024	
Carrying value of investment properties	783	704	11
Fair value of investment properties	783	704	11

Number of ordinary shares in issue

as at 30 June

	2025		2024	
	IFRS	Normalised	IFRS	Normalised
Shares in issue				
Number of ordinary shares in issue	5 609 488 001	5 609 488 001	5 609 488 001	5 609 488 001
Less: treasury shares	(26 391 359)	(11 878 475)	(5 764 883)	–
– Shares held for client trading*	(14 512 884)	–	(5 764 883)	–
– IFRS 2 share awards held	(11 878 475)	(11 878 475)	–	–
Number of shares in issue (after treasury shares)	5 583 096 642	5 597 609 526	5 603 723 118	5 609 488 001
Weighted average number of shares				
Weighted average number of shares before treasury shares	5 609 488 001	5 609 488 001	5 609 488 001	5 609 488 001
Less: treasury shares	(16 329 309)	(6 302 626)	(4 954 913)	–
– Shares held for client trading*	(10 026 683)	–	(4 954 913)	–
– IFRS 2 share awards held	(6 302 626)	(6 302 626)	–	–
Weighted average number of shares in issue	5 593 158 692	5 603 185 375	5 604 533 088	5 609 488 001
Dilution impact:				
– IFRS 2 share awards not yet acquired	5 958 865	5 958 865	–	–
Diluted weighted average number of shares in issue	5 599 117 557	5 609 144 240	5 604 533 088	5 609 488 001

* For normalised reporting purposes, shares held for client trading activities are treated as externally issued.

Key market indicators and share statistics

	Year ended 30 June		% change
	2025	2024	
Market indicators			
\$/R exchange rate			
– Closing	17.78	18.22	(2)
– Average	18.15	18.71	(3)
£/R exchange rate			
– Closing	24.36	22.99	6
– Average	23.49	23.55	–
¥/R exchange rate			
– Closing	0.0116	0.0122	(5)
– Average	0.0114	0.0173	(34)
BWP/R exchange rate			
– Closing	1.33	1.34	(1)
– Average	1.34	1.38	(3)
GHC/R exchange rate			
– Closing	1.72	1.19	45
– Average	1.23	1.50	(18)
ZMW/R exchange rate			
– Closing	0.74	0.76	(3)
– Average	0.67	0.80	(16)
SA prime overdraft (%)	10.75	11.75	
SA average prime overdraft (%)	11.28	11.75	
SA average CPI (%)	3.27	5.26	
JSE All Share Index	96 430	79 707	21
JSE Banks Index	12 828	11 833	8
Share statistics/performance on the JSE			
Number of shares in issue (thousands)	5 609 488	5 609 488	–
Share price			
– High for the year (cents)	8 922	7 868	13
– Low for the year (cents)	5 908	5 890	–
– Closing (cents)	7 569	7 690	(2)
Closing price/net asset value per share	1.95	2.20	
Closing price/earnings (headline)	10.11	11.33	
Shares traded			
– Number of shares (millions)	3 420	3 404	–
– Value of shares (R million)	262 912	228 308	15
– Turnover in shares traded (%)	46.94	40.73	
Market capitalisation (R million)	424 582	431 370	(2)
Share price performance			
FirstRand average share price (cents)	7 707	6 694	15
JSE Bank Index (average)	12 655	10 332	22
JSE All Share Index (average)	86 622	74 775	16

Company information

Directors

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

Company secretary and registered office

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

JSE equity sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)
1 Merchant Place, Corner Fredman Drive and Rivonia Road
Sandton, 2196
Tel: +27 11 282 8000
Email: sponsorteam@rmb.co.za

Namibian sponsor

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

Transfer secretaries – South Africa

Computershare Investor Services (Pty) Ltd
1st Floor, Rosebank Towers
15 Biermann Avenue
Rosebank, Johannesburg, 2196
Private Bag X9000, Saxonwold, 2132
Tel: +27 11 370 5000
Fax: +27 11 688 5248

Transfer secretaries – Namibia

Transfer Secretaries (Pty) Ltd
4 Koch Street, Klein Windhoek
PO Box 3970, Windhoek, Namibia
Tel: +264 612 27647
Fax: +264 612 48531

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 group

Listed equity

JSE Limited (JSE)

Ordinary shares		
Issuer	Share code	ISIN code
FirstRand Limited	FSR	ZAE000066304

Namibia Securities Exchange (NSX)

Ordinary shares		
Issuer	Share code	ISIN code
FirstRand Limited	FST	ZAE000066304
FirstRand Namibia Limited	FNB	NA0003475176

Botswana Stock Exchange (BSE)

Ordinary shares		
Issuer	Issuer	ISIN code
First National Bank of Botswana Limited	FNBB	BW0000000066

Eswatini Stock Exchange (ESE)

Ordinary shares		
Issuer	Share code	ISIN code
First National Bank of Eswatini	FNBE	SZE000331064

Listed debt

South Africa

FRB remains the group's rated entity from which debt is issued. FRB's JSE-listed programmes, and debt and specialist securities 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/

Broader Africa

Issuer: First National Bank of Namibia Limited

NSX – domestic medium-term note programme

ISIN code	
Senior unsecured	Subordinated debt
NA000A3K3LR6	NA000A3L6P87
NA000A4D8WA6	

Credit ratings

Refer to www.firstrand.co.za/investors/debt-investor-centre/credit-ratings for FirstRand's and FRB's current credit ratings.

Refer to www.firstrandnamibia.com.na/investors/debt-investor-centre/credit-ratings/ for First National Bank Namibia's current credit ratings.

Refer to <https://www.aldermore.co.uk/investors/debt-investors/credit-rating/> for Aldermore Group and Aldermore Bank's current credit ratings.

Listed financial instruments of the group continued

Capital instruments

BASEL III COMPLIANT AT1 AND TIER 2 INSTRUMENTS

<i>R million</i>	Maturity date	Call date	As at 30 June	
			2025	2024
AT1				
FirstRand Bank				
FRB25	Perpetual	2024/09/19	–	3 461
FRB28	Perpetual	2025/12/02	1 400	1 400
FRB34	Perpetual	2028/06/02	2 804	2 804
FRB37	Perpetual	2029/02/26	1 387	1 387
FRB38	Perpetual	2029/05/06	2 039	2 039
FRB39	Perpetual	2028/11/13	1 574	1 574
FRB41	Perpetual	2029/06/12	2 090	2 090
FRB42	Perpetual	2030/09/26	3 910	–
FRB44	Perpetual	2031/06/09	2 929	–
Total AT1			18 133	14 755
Tier 2				
FirstRand Bank				
FRB27	2031/06/03	2026/06/03	715	715
FRB29	2031/04/19	2026/04/19	2 374	2 374
FRB30	2031/04/19	2026/04/19	698	698
FRB31	2031/11/24	2026/11/24	2 500	2 500
FRB32	2032/09/28	2027/09/28	2 296	2 296
FRB33	2034/09/28	2029/09/28	1 662	1 662
FRB35	2033/02/06	2028/02/06	2 300	2 300
FRB36	2033/09/14	2028/09/14	2 500	2 500
FRB40	2035/03/11	2030/03/11	2 846	1 548
FRB43	2035/11/13	2030/11/13	2 500	–
FNB Namibia				
FNB34*	2034/12/03	2029/12/03	500	–
Total Tier 2			20 891	16 593

* NAD500 million issued.

Refer to the www.firststrand.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 and qualifying capital instruments issued out of fully consolidated subsidiaries to third parties 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, qualifying reserves and third-party capital, less specified regulatory deductions
Contingent convertible securities	Fixed-rate perpetual subordinated contingent convertible securities issued by Aldermore. These instruments qualify as AT1 capital
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
Dividend cover	Normalised earnings per share divided by dividend per share
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 and debt funding
Loss given default (LGD)	Economic loss that will be suffered on an exposure following default of the counterparty, expressed as a percentage of the amount outstanding at the time of default
Net income after cost of capital (NIACC)	Normalised earnings less the cost of equity multiplied by the average ordinary shareholders' equity and reserves
Normalised earnings	The group believes normalised earnings reflect its economic performance. Headline earnings are adjusted to take into account non-operational and accounting anomalies
Normalised earnings per share	Normalised earnings attributable to ordinary equityholders divided by the weighted average number of shares, including the effect of treasury shares
Normalised net asset value	Normalised equity attributable to ordinary equityholders
Normalised net asset value per share	Normalised equity attributable to ordinary equityholders divided by the number of issued ordinary shares
Price earnings ratio (times)	Closing price at end of period divided by basic normalised earnings per share
Price-to-book (times)	Closing share price at end of period divided by normalised net asset value per share
Return on assets (ROA)	Normalised earnings divided by average normalised 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
Shares in issue	Number of ordinary shares listed on the JSE
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, capital instruments issued out of fully consolidated subsidiaries to third parties, 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
Weighted average number of ordinary shares	Weighted average number of ordinary shares in issue during the year as listed on the JSE

Abbreviations

AC and FV	Amortised cost and fair value
ALM	Asset-liability management
APE	Annual premium equivalent
ASF	Available stable funding
AT1	Additional Tier 1
AUM	Assets under management
BEE	Black economic empowerment
BoE	Bank of England
BSE	Botswana Stock Exchange
CAGR	Compound annual growth rate
CCA	Consumer Credit Act 1974 (UK)
CCyB	Countercyclical buffer
CET1	Common Equity Tier 1
CIB	Corporate and investment banking
CLR	Credit loss ratio
COE	Cost of equity
Covid-19	Coronavirus disease
CPI	Consumer price index
DCA	Discretionary commission arrangement
DMTN	Domestic medium-term note
DWT	Dividend withholding tax
ECL	Expected credit loss
EMTN	Euro medium-term note
FCA	Financial Conduct Authority
FI	Financial institution
Flac	Financial loss absorbing capacity
FLI	Forward-looking information
FML	Fleet management and leasing
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
FSLAA	Financial Sector Laws Amendment Act 23 of 2021
FVOCI	Fair value through other comprehensive income
FX	Foreign exchange
GM	Global Markets
HQLA	High-quality liquid assets
IBD	Investment banking division
IFRS	IFRS® Accounting Standards

IMF	International Monetary Fund
ISA	Individual savings account
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
JV	Joint venture
LCR	Liquidity coverage ratio
LGD	Loss given default
NAV	Net asset value
NCNR	Non-cumulative non-redeemable
NIACC	Net income after cost of capital
NII	Net interest income
NIM	Net interest margin
NIR	Non-interest revenue
NOSIA	Notice of sums in arrears
NPL	Non-performing loan
NSFR	Net stable funding ratio
NSX	Namibian Stock Exchange
PA	Prudential Authority
PBT	Profit before tax
PCN CCyB	Positive cycle-neutral countercyclical buffer
PE	Private equity
PI	Principal investment
RA	Resolution Authority
ROA	Return on assets
ROE	Return on equity
RWA	Risk-weighted assets
SARB	South African Reserve Bank
SICR	Significant increase in credit risk
SME	Small and medium-sized enterprise
SPV	Special purpose vehicle
TFS	Toyota Financial Services (Pty) Ltd
TRS	Total return swap
TTC	Through-the-cycle
TTS	Treasury and Trade Solutions
UK	United Kingdom
VAF	Vehicle asset finance
VAPS	Value-added products and services
VSI	Vertical sales index
VWFS	Volkswagen Financial Services (Pty) Ltd
WIM	Wealth and investment management
ZARONIA	South African Rand Overnight Index Average

Abbreviations of financial reporting standards

International Financial Reporting 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 17	Insurance Contracts
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

Abbreviations of financial reporting standards continued

International 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 20	Accounting for Government Grants and Disclosure of Government Assistance
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



FirstRand

www.firstrand.co.za

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2025

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Certain entities within the FirstRand group are authorised financial services and credit providers. This analysis is available on the group's website: www.firstrand.co.za

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



A

FIVE-YEAR REVIEW AND ECONOMIC IMPACT

FIVE-YEAR REVIEW AND ECONOMIC IMPACT

A

A5	Five-year review
A8	Economic impact

Five-year review

R million	2021	2022	2023	2024	2025	Compound growth %
Statement of financial position						
Total assets	1 870 013	1 999 724	2 298 039	2 369 339	2 588 770	8
Average assets	1 882 317	1 934 869	2 148 882	2 333 689	2 479 055	7
Core lending advances	1 208 468	1 311 441	1 511 037	1 597 898	1 699 002	9
Average core lending advances	1 246 300	1 259 955	1 411 239	1 554 468	1 648 450	7
Impairment and fair value of credit of advances	50 618	47 734	51 072	54 165	55 188	2
Non-performing loans (NPLs)	60 705	50 886	57 432	67 840	74 484	5
Gross advances before impairments	1 274 052	1 382 058	1 590 447	1 665 706	1 803 827	9
Deposits and debt funding	1 542 078	1 655 972	1 923 103	2 003 151	2 181 874	9
Capital and reserves attributable to equityholders of the group						
	163 262	177 211	194 146	212 943	237 783	10
Treasury shares	25	70	145	416 *	1 990	>100
Ordinary dividends	6 170	17 390	27 991	22 158	24 329	41
Total equity before dividends and treasury shares						
	169 457	194 671	222 282	235 517 *	264 102	12
Total ordinary equity	151 617	165 566	181 300	195 272	216 370	9
Assets under administration	2 282 511	2 408 608	2 766 190	2 876 866	3 171 685	9
Income statement						
Net interest income before impairment of advances	63 290	66 375	76 436	83 454	88 434	9
Impairment and fair value of credit of advances	(13 660)	(7 080)	(10 949)	(12 555)	(14 044)	1
Non-interest revenue	45 195	48 248	53 844	56 082	58 432	7
Share of profit of associates and joint ventures after tax	1 538	1 491	487	2 426	2 940	18
Operating expenses	(57 556)	(60 769)	(67 429)	(74 731)	(76 011)	7
Earnings attributable to ordinary equityholders	26 743	32 761	36 331	38 191	41 876	12
Headline earnings	26 950	32 817	36 700	38 054	41 881	12
Earnings per share (cents)						
– Basic	476.9	584.3	648.1	681.4	748.7	12
– Diluted	476.9	584.3	648.1	681.4	747.9	12
Headline earnings per share (cents)						
– Basic	480.5	585.3	654.7	679.0	748.8	12
– Diluted	480.5	585.3	654.7	679.0	748.0	12

* Restated. This restatement does not have an impact on the annual financial statements included in section B of this report.

Five-year review continued

R million	2021	2022	2023	2024	2025	Compound growth %
Dividend per share (cents)	263.0	342.0	384.0	415.0	466.0	
Special dividend per share (cents)	—	125	—	—	—	
Dividend cover based on headline earnings	1.8	1.7	1.7	1.6	1.6	
NCNR preference dividends per share (cents)						
– February	253.6	270.7	52.2	—	—	(100)
– August	273.9	307.4	—	—	—	(100)
Net asset value per ordinary share (cents)	2 703.5	2 952.6	3 233.7	3 484.7	3 875.4	9
Shares in issue (millions)	5 609.5	5 609.5	5 609.5	5 609.5	5 609.5	—
Weighted average number of shares in issue (millions)	5 608.2	5 606.7	5 605.7	5 604.5	5 593.2	—
Diluted weighted average number of shares in issue (millions)	5 608.2	5 606.7	5 605.7	5 604.5	5 599.1	—

Five-year review continued

R million	2021	2022	2023	2024	2025	Compound growth %
Key ratios						
Return on ordinary equity based on headline earnings (%)	18.6	20.7	21.2	20.2	20.3	
Price earnings ratio based on headline earnings (times)	11.2	10.7	10.5	11.3	10.1	
Price-to-book ratio (times)	2.0	2.1	2.1	2.2	2.0	
Market capitalisation (R million)	300 612	349 864	384 250	431 370	424 582	
Closing share price (cents)	5 359	6 237	6 850	7 690	7 569	
Cost-to-income ratio (%)	52.3	52.3	51.6	52.6	50.7	
Credit loss ratio (%) – core lending advances	1.10	0.56	0.78	0.81	0.85	
NPLs as a % of core lending advances	5.02	3.88	3.80	4.25	4.38	
Non-interest income as a % of total income	42.5	42.8	41.5	41.2	41.0	
Return on average total assets based on headline earnings (%)	1.4	1.6	1.7	1.6	1.7	
Interest margin on average advances (%)	5.1	5.0	5.1	5.1	5.1	
Exchange rates						
Rand/\$						
– Closing	14.26	16.41	18.84	18.22	17.78	
– Average	15.33	15.19	17.73	18.71	18.15	
Rand/£						
– Closing	19.72	19.95	23.95	22.99	24.36	
– Average	20.66	20.21	21.31	23.55	23.49	
Statement of financial position (\$)*						
Total assets	131 137	121 860	121 977	130 041	145 600	3
Gross advances before impairments	89 344	84 220	84 419	91 422	101 453	3
Deposits and debt funding	108 140	100 912	102 076	109 942	122 715	3
Total equity	11 449	10 799	10 305	11 687	13 374	4
Assets under administration	160 064	146 777	146 825	157 896	178 385	3
Income statement (\$)***						
Earnings attributable to ordinary equityholders	1 744	2 157	2 049	2 041	2 307	7
Headline earnings	1 758	2 160	2 070	2 034	2 307	7
Statement of financial position (£)*						
Total assets	94 828	100 237	95 952	103 060	106 271	3
Gross advances before impairments	64 607	69 276	66 407	72 454	74 049	3
Deposits and debt funding	78 199	83 006	80 297	87 131	89 568	3
Total equity	8 279	8 883	8 106	9 262	9 761	4
Assets under administration	115 746	120 732	115 499	125 136	130 201	3
Income statement (£)**						
Earnings attributable to ordinary equityholders	1 294	1 621	1 705	1 622	1 783	8
Headline earnings	1 304	1 624	1 722	1 616	1 783	8

* The statement of financial position is converted using the closing rates as disclosed.

** The income statement is converted using the average rate as disclosed.

Economic impact

	2025		2024	
	R million	%	R million	%
Value added				
Net interest income after impairment	184 685	75.6	176 969	75.7
Non-interest revenue	61 372	25.1	58 508	25.0
Non-operating expenses	(1 732)	(0.7)	(1 687)	(0.7)
Value added by operations	244 325	100.0	233 790	100.0
To employees				
Salaries, wages and other benefits	46 367	19.0	44 568	19.1
To providers of funding	136 288	55.8	129 746	55.5
Dividends to shareholders	25 993		23 676	
Interest paid	110 295		106 070	
To suppliers	24 479	10.0	24 573	10.5
To government	14 662	6.0	14 539	6.2
Normal tax	12 795		12 899	
Value-added tax	1 830		1 644	
Capital gains tax	–		–	
Other	37		(4)	
To communities				
Corporate social investment spend	296	0.1	291	0.1
To expansion and growth	22 233	9.1	20 073	8.6
Retained income	17 547		16 033	
Depreciation and amortisation	4 728		5 083	
Deferred income tax	(42)		(1 043)	
Total value added	244 325	100.0	233 790	100.0

B

**FIRSTRAND
GROUP AUDITED
CONSOLIDATED
ANNUAL
FINANCIAL
STATEMENTS**

FIRSTRAND GROUP AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

B

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Audit committee report

The committee herewith presents its report in respect of the group’s financial year ended 30 June 2025. As a key component of the group’s governance framework, the audit committee assists the board in fulfilling its oversight responsibilities over the internal and external audit functions, ensuring fairly presented financial statements and other financial reports (including the evaluation and efficiency of accounting policies), internal financial controls and legal and regulatory requirements related to financial reporting.

This report has been prepared based on the requirements of the South African Companies Act, 71 of 2008, as amended (Companies Act), the King Code of Governance for South Africa (King IV), the JSE Listings Requirements and other applicable regulatory requirements.

The group audit committee is constituted as a statutory committee of the FirstRand board in respect of the group’s duties in terms of section 94(7) of the Companies Act and section 64 of the Banks Act of 1990 (Banks Act). The objectives and functions of the committee are set out in its terms of reference, which was reviewed and updated during the financial year.

SUMMARY OF RESPONSIBILITIES

- Reviews the quality, independence and effectiveness of the statutory audit work performed by the group’s external auditors.
- Recommends the appointment of external audit firms and lead audit partners to the board for endorsement and approval by the shareholders.
- Monitors the extent of non-audit engagements provided by the group’s external audit firms in accordance with approved internal policies and limits.
- Assists the board in evaluating the adequacy and effectiveness of the group’s internal control environment (including internal financial controls and IT risk-related controls), accounting practices, information systems and internal assurance processes.
- Ensures that a combined assurance model is applied to provide a coordinated approach to assurance activities by group internal audit, external audit, group compliance, group risk and other internal control functions.
- Provides independent oversight regarding financial reporting risks and internal financial controls, including risks relating to the validity, accuracy and completeness of financial information and financial statements and recommends these items to the board for approval. Assesses reports received on fraud and IT risks as these relate to financial reporting.
- Satisfies itself as to the expertise, resources and experience of the group CFO and finance function.
- Assesses and evaluates the effectiveness of the group’s processes regarding compliance with applicable financial reporting related legal and regulatory requirements, as well as accounting policies.

The effectiveness of the committee and its individual members is assessed annually by the board.

The committee is satisfied that it has, during the past financial year, executed its duties in accordance with these terms of reference and relevant legislation, regulations and governance practices.

Feedback was obtained from management and external and internal audit in making all assessments.

Composition and governance

Members of the committee satisfy the requirements for serving as members of an audit committee, as provided in section 94 of the Companies Act, King IV and the Banks Act. As a collective, the committee possesses the appropriate financial expertise, related qualifications and a balance of skills and experience to discharge its responsibilities. All members are independent non-executive directors.

Segment audit committees, established as management committees, support the group audit committee in executing its tasks. They are chaired by the same competent, independent non-executive members of the group audit committee.

The composition of the group audit committee and the attendance of meetings by its members for the 2025 financial year are set out below.

COMPOSITION	MEETINGS
T Winterboer (Chair - effective November 2024)	2/2
GG Gelink (retired from the board and as Chair November 2024)	2/2
TC Isaacs	4/4
PJ Makosholo (appointed November 2024)	2/2
Z Roscherr	4/4
LL von Zeuner	4/4

ATTENDEES
• Chief executive officer • Chief financial officer • Chief risk officer • Chief audit executive • External auditors • Heads of finance, risk and internal audit

AREAS OF FOCUS

In addition to the items detailed in the specific sections that follow, the committee performed the following during the year:

- Reviewed and considered the effectiveness of the internal financial controls and the going concern aspect of FirstRand and its significant subsidiaries, in terms of Regulation 40(4) of the Banks Act regulations (including specific approval of the list of loss-making entities and/or those with a negative net asset value).
- Reviewed the report on management's self-assessment of internal financial controls, enabling the directors' attestation in terms of the JSE Listings Requirements section 3.84(k).
- Conducted the quarterly financial analysis of the group's performance.
- Reviewed and approved the internal and external audit work plan.
- Reviewed and approved the audit committee terms of reference.
- Reviewed the impact of emerging and current regulations on the group.
- Reviewed and responded to the outcome of the statutory and regulatory audits.
- Noted management's response to JSE proactive monitoring of the financial statements report relating to the 2024 calendar year and additional reports issued by the JSE applicable for the 2025 financial year.

EXTERNAL AUDIT

The committee has satisfied itself as to the performance and quality of the external audit function, as well as the independence of the external auditors and lead partners of the group, as set out in section 94(8) of the Companies Act. In reaching this conclusion, the following matters were considered:

- Representations made by the external auditors to the audit committee, including the ISQM1 and ISQM2 system of quality control representations.
- Independence criteria specified by the Independent Regulatory Board for Auditors (IRBA) and international regulatory bodies, as well as criteria for internal governance processes within audit firms.
- Auditor suitability assessment in terms of paragraph 3.84(g)(iii) of the JSE Listings Requirements.
- Previous appointments of the auditors, tenure of the auditors and rotation of the lead partners.
- The extent of non-audit work undertaken by the auditors for the group (in accordance with approved internal policy limits to ensure external audit independence is not jeopardised).
- Any matters arising from the closed meeting between audit firm senior leadership and the committee regarding the firm's risk and quality processes, independently from what the audit team disclosed to the committee.
- The public conduct of audit firms, for example through media reports with follow-up sessions with the external auditors.
- KPMG was appointed at the 29 November 2024 annual general meeting as one of the joint auditors of FirstRand, replacing PricewaterhouseCoopers (PwC), for the financial year ending 30 June 2026. The appointment of KPMG Incorporated as external auditor of FirstRand Bank Limited and FirstRand Limited, and Pierre Fourie as the engagement partner was approved by the Prudential Authority on 30 July 2025.
- The committee reappointed PwC and EY as the external audit firms responsible for performing the function of joint auditors for the 2025 financial year. The committee ensured that the appointment of the auditors complied with all required legislation. It also approved the proposed audit fees for the financial year under review.
- Approved the audit plan and budgeted audit fees for the financial year ended 30 June 2025 of R587 million. The budgeted fee compromised R251 million for EY, R259 million for PwC and R76 million for other audit firms.

NON-AUDIT SERVICES

The committee annually reviews and approves the list of non-audit services which the auditors may perform. There is an approval process whereby all non-audit service engagements above a certain threshold must be approved by the CFO, and above a further threshold, be pre-approved by the chairman of the audit committee. If above the highest threshold, it needs to be approved by the entire committee. A maximum limit of 25% of the group's annual audit fee is in place for non-audit services, in aggregate and individually, per firm. The cumulative spend for the year to date is presented to the committee on a quarterly basis to keep track of the non-audit spend as well as the nature of services.

The 2025 non-audit fees were 6.08% of the external audit fees. This is comprised of R6 million (2.56%) for EY and R25 million (9.48%) for PwC. The committee approved the non-audit fee spend.

INTERNAL AUDIT

The internal audit function's mission is to protect and enable sustainable growth for the FirstRand group and all its stakeholders. Group Internal Audit (GIA) leverages its unique position in the group to deliver independent and objective assurance, data-driven insights and impactful advice.

GIA assists executive management and the audit committee in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes within the group.

The committee reviewed and approved the internal audit charter and evaluated the independence, effectiveness and performance of GIA in compliance with its terms of reference after having done the following:

- Assessed the performance of the chief audit executive and the arrangements of internal audit, and is satisfied that the function is independent and appropriately resourced, and that the chief audit executive has fulfilled the obligations of that position.
- Reviewed the key changes from the revised Global Internal Audit Standards, discussed the essential conditions from domain III relating to governing the internal audit function, and assessed the outcomes of the gap analysis performed against the revised Standards.
- Reviewed and approved the refreshed GIA strategy which places a strong emphasis on transforming the function to remain fit for the future. Central to this refreshed strategy is the prioritisation of digitalisation, which is a core pillar to drive efficiency, enhance risk identification and support the evolving needs of the organisation. This forward-looking focus reflects the committee's commitment to fostering a dynamic and resilient internal audit function, equipped to navigate a rapidly changing business landscape.
- Reviewed and approved the annual internal audit plan, which was informed by combined assurance role players and aligned to the group's strategic objectives, risks and opportunities identified by management, as well as topical issues facing the financial services industry. On a quarterly basis, the committee reviewed the status of the audit plan and approved changes made, to ensure it remained agile in its response to the changing risk landscape.
- Reviewed quarterly activity reports from internal audit which covered audit plan progress, insights, opportunities for improvement, a summary of audit observations with a focus on significant matters for escalation and other matters for noting, a cumulative view on internal controls, and status updates on management's remediation efforts to address findings raised.

The group's external auditors conducted an annual assessment of the internal audit function against International Standards on Auditing (ISA) 610 and confirmed that the work performed by internal audit was suitable for the purposes of external audit reliance. The international standards for the professional practice of internal auditing and the FirstRand group internal audit charter require the internal audit function to be reviewed every five years by a qualified, independent assessor or assessment team from outside the group. This review was last performed by EY in 2020, with the overall assessment concluding that the activities of FirstRand's internal audit function generally conform to the Institute of Internal Auditors (IIA) standards. The next review is scheduled to commence early in 2026 financial year, to meet the five-year requirement.

FINANCIAL STATEMENTS AND FINANCE FUNCTION

FirstRand maintains a strong risk culture and the effective functioning of its internal financial controls is relied upon to confirm the integrity and reliability of the financial statements. A formal attestation process relating to the effective functioning of internal financial controls within the segments enables the positive attestation required from the CFO and CEO as stipulated in paragraph 3.84(k) of the JSE Listings Requirements.

Where deficiencies were identified and reported, the committee assessed the significance thereof, as well as the existence and effectiveness of mitigating controls, and reviewed the remediation actions implemented. The committee is satisfied that the group has appropriate financial reporting control frameworks and procedures in place, and that these procedures are operating effectively.

The committee reports that, based on a formal assessment process, it was satisfied as to the appropriateness of the expertise, effectiveness and experience of the group CFO during the financial year. In addition, the committee is satisfied with the expertise, effectiveness and adequacy of resources and arrangements in the finance function, as well as the experience and continued professional development of the finance leadership team.

The committee confirms that it was able to carry out its work to fulfil its statutory mandate under normal and unrestricted conditions. The committee is satisfied that the assurance obtained during the meetings, corroborated by the review of the documentation deemed necessary and by its own analyses, sustains its conclusions reached for the 2025 financial year.

The committee recommended the consolidated financial statements and company financial statements for the year ended 30 June 2025 for approval to the board. The financial statements will be open for discussion at the forthcoming annual general meeting.

Key audit matters identified by the external auditors are included in their report in the group's annual financial statements. These matters have been discussed and agreed upon with management and were presented to the committee. The committee has considered the appropriateness of the key audit matters reported on by the external auditors. It is satisfied with management's treatment thereof and the audit response thereto.

CONCERNS/COMPLAINTS PROCESS

An audit committee process exists to receive and deal appropriately with any concerns or complaints relating to:

- reporting practices and internal audit of the group;
- content or auditing of the financial statements;
- internal financial controls of the bank or controlling company; and
- any other related matter.

No complaints were received relating to accounting practices or internal audit, or to the content or audit of the group's annual financial statements.

COMBINED ASSURANCE MODEL AND RELATIONSHIP WITH OTHER GOVERNANCE COMMITTEES

The committee focused on the identification of key and emerging risks, and monitored alignment of all assurance providers to eliminate multiple approaches to assurance and reporting thereon. The combined assurance model incorporates and optimises all assurance services and functions so that, taken as a whole, these enable an effective control environment; support the integrity of information used for internal decision-making by management, the governing body and its committees; and support the integrity of the group's external reports.

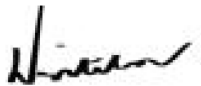
The committee works closely with the group's risk, capital management and compliance committee; the social, ethics and transformation committee and the operational and information technology risk committee to identify common risk and control themes and achieve synergy between combined assurance processes. Thereby it ensures that, where appropriate, relevant information is shared and that these functions can leverage off one another.

The committee is satisfied with the expertise, effectiveness and adequacy of arrangements in place for combined assurance.

The committee encouraged the focus of assurance activities on key risk areas and robust discussion on emerging risks and the implication thereof for assurance providers. It fostered effective communication between first-, second- and third-line assurance providers (i.e. business, risk, compliance, and internal audit function).

FUTURE AREAS OF FOCUS

- Oversee the transition process with KPMG for the financial year ending 30 June 2026.
- Monitor the implementation of the amended regulatory and IFRS® Accounting Standards requirements.
- Champion assurance innovation and operational efficiencies as technology reshapes the audit landscape.
- Oversee digital transformation of financial reporting and internal control processes.
- Review and monitor matters emanating from the UK and broader Africa operations.



T Winterboer
Chairman, audit committee
Sandton

10 September 2025

Directors' responsibility statement and approval of the annual financial statements

To the shareholders of FirstRand Limited

The directors of FirstRand Limited (the company or the group) are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements comprising the statement of financial position, income statement, and statements of comprehensive income, changes in equity and cash flows, and the notes to the annual financial statements as at, and for the year ended 30 June 2025.

These annual financial statements have been prepared in accordance with IFRS® Accounting Standards, including IFRIC® Interpretations, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, the Banks Act, no. 94 of 1990 and the requirements of the Companies Act, no. 71 of 2008.

Simonet Terblanche, CA(SA), supervised the preparation of the annual financial statements for the year.

The directors have reviewed the group and company's budgets and flow of funds forecasts and considered the group and company's ability to continue as a going concern in light of current and anticipated economic conditions. On the basis of this review, the directors are satisfied that it has adequate resources to continue in business for the foreseeable future and the going concern basis has been adopted in the preparation of the annual financial statements.

Chief executive and chief financial officers' responsibility statement relating to internal financial controls

The CEO and CFO, whose names appear below, hereby confirm that:

- the consolidated annual financial statements of the group, which appear on pages [B36](#) to [B260](#), and the separate annual financial statements of the company, which appear on pages [B261](#) to [B272](#), fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and auditors any deficiencies in the design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

The group's system of controls includes controls over the security of the website and specifically establishing and controlling the process for electronically distributing annual financial statements and other financial information to shareholders.

Approval of the separate and consolidated annual financial statements

The separate and consolidated annual financial statements, as set out on the pages outlined above, were approved by the board of directors on 10 September 2025.

It is the responsibility of the group's independent external auditors, Ernst & Young Inc. (EY), and PricewaterhouseCoopers Inc. (PwC), to report on the fair presentation of the annual financial statements. These annual financial statements have been audited in terms of section 29(1) of the Companies Act, no. 71 of 2008. Their unmodified report appears on page [B22](#).



JP Burger
Chairman



M Vilakazi
Chief Executive Officer



MG Davias
Chief Financial Officer

Sandton
10 September 2025

Declaration by the company secretary in respect of Section 88(2)(E) of the Companies Act

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

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

C Low
Company secretary

Sandton
10 September 2025

Directors' report

for the year ended 30 June 2025

Nature of business

FirstRand Limited is a public company and registered bank-controlling company with a primary listing on the JSE (under Financial – Banks, share code: FSR) and a secondary listing on the Namibian Stock Exchange (NSX) (share code: FST). FirstRand Limited is the holding company of the FirstRand group of companies.

FirstRand's portfolio of integrated financial services businesses comprises FNB, RMB, WesBank and Aldermore and offers a universal set of transactional, lending, investment and insurance products and services. The Centre segment represents group-wide functions.

Whilst the group is predominantly South Africa-based, it has subsidiaries in the United Kingdom (being Aldermore Group plc), Namibia, Botswana, Zambia, Mozambique, Nigeria, Eswatini, Lesotho and Ghana. The bank has branches in London and Guernsey, and representative offices in Kenya, Angola, New York and China.

The board acknowledges its responsibilities for the integrity of this report. Guidelines as provided by King IV have been adopted in preparation of this report. The board believes that this report fairly represents the performance of the group.

Group results

Profit after tax amounted to R45 131 million (2024: R41 180 million). The operating results and the state of affairs of the company and the group are fully disclosed in the annual financial statements.

Dividend declarations

Dividends

ORDINARY SHARES

Cents per share	Year ended 30 June	
	2025	2024
Interim (declared 5 March 2025)	219.0	200.0
Final (declared 10 September 2025)	247.0	215.0
Total dividends	466.0	415.0

Distributions on other equity instruments

Distributions of R1 664 million were made on other equity instruments (2024: R1 518 million). Current tax of R449 million (2024: R410 million) relating to the AT1 instruments was recognised in the income statement.

Share capital

Details of FirstRand's authorised share capital as at 30 June 2025 are shown in note [29](#) to the group's financial statements.

Ordinary share capital

There were no changes to authorised or issued ordinary share capital during the year.

Preference share capital

There were no changes to authorised preference share capital during the year.

Shareholder analysis

The following shareholders have a significant beneficial interest in FirstRand's issued ordinary shares.

%	Year ended 30 June	
	2025	2024
Public Investment Corporation	15.7	14.7
Black economic empowerment (BEE) partners	4.9	4.9
BlackRock investment management	3.0	3.1
Old Mutual	2.7	2.8

A further analysis of shareholders is set out in section C.

Events after reporting period

The events after reporting period are detailed in note 40.

Directors' report continued**Board changes**

The following changes to the board of directors took place during the 2025 financial year.

		EFFECTIVE DATE
Appointment		
PJ Makosholo*	Independent non-executive director	1 October 2024
Retirement		
GG Gelink**	Independent non-executive director	29 November 2024

* PJ Makosholo was appointed as independent non-executive director to add to the skillset of the board.

** GG Gelink retired at the AGM on 29 November 2024.

Directors' and prescribed officers' interests in FirstRand

Closed periods commence on 1 January and 1 July and are in force until the announcement of the interim and year end results. Closed periods also include any period where the company is trading under caution or where participants have knowledge of price sensitive information. A director or prescribed officer is prohibited from using their position or confidential and price sensitive information to benefit themselves or any related party.

Under the requirements of the Companies Act, 71 of 2008 (the Act), a director must use their power and perform their functions in good faith and for a proper purpose in the best interest of the company. This includes the duty to avoid a conflict of interest. Directors' and officers' are required to notify the board of any matter in which they have a personal financial interest or in which they know that a related party has a personal financial interest in relation to particular items of business or other directorships. At the request of the chair, declarations are tabled before commencement of each board meeting and all board members are required to declare their interests and potential conflicts in dealing with matters for consideration at the meeting.

Directors' report continued

In terms of the JSE Listings Requirements, directors and prescribed officers are prohibited from dealing in any securities of the company during prohibited periods.

All directors and prescribed officers' dealings require the prior approval of the chairman before trading in the company's securities, and the company secretary retains a record of all such dealings in securities and approvals. Trading in securities by employees who are exposed to price sensitive information is subject to the group's personal account trading rules. It is not a requirement of the company's memorandum of incorporation or the board charter that directors own shares in the company.

DIRECTORS' AND PRESCRIBED OFFICERS' INTEREST IN ORDINARY SHARES IN FIRSTRAND LIMITED

	Direct beneficial (thousands)	Indirect beneficial (thousands)	Held by associates (thousands)	Total 2025 (thousands)	Total 2024 (thousands)	Percentage holding %
Executive directors and prescribed officers						
A Pullinger (resigned CEO effective 31 March 2024)	–	–	–	–	7 079	–
HS Kellan*#	1 779	712	153	2 644	2 559	0.05
M Vilakazi#	547	–	–	547	463	0.01
MG Davias#	178	–	4	182	32	–
J Celliers (resigned PO effective 31 March 2024)	–	–	–	–	856	–
S Cooper**	35	89	–	124	124	–
EA Brown#	784	–	–	784	661	0.01
Non-executive directors						
JP Burger	–	5 012	124	5 136	5 136	0.09
GG Gelink** (retired 29 November 2024)	102	–	–	102	102	–
WR Jardine (resigned 30 November 2023)	–	–	–	–	247	–
RM Loubser (retired 30 November 2023)	–	–	–	–	1 812	–
Z Roscherr	659	–	–	659	659	0.01
T Winterboer**	15	–	–	15	15	–
L von Zeuner**	5	3	–	8	8	–
TC Isaacs**	–	–	4	4	4	–
Total	4 104	5 816	285	10 205	19 757	0.17

* Has 2 000 000 debt securities in FirstRand Bank Ltd which do not form part of this calculation.

** Percentage is insignificant in relation to total issued share capital.

Includes BSOP awards.



JP Burger
Chairman



M Vilakazi
Chief executive officer



MG Davias
Chief financial officer

Sandton
10 September 2025

Independent auditors' report

To the shareholders of FirstRand Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

We have audited the consolidated and separate financial statements of FirstRand Limited and its subsidiaries (the Group and Company) set out on pages B36 to B272 which comprise:

- the consolidated and separate statements of financial position as at 30 June 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the separate statement of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of FirstRand Limited as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Reporting in terms of the IRBA Rule on Enhanced Auditor Reporting

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

The amount we set as final materiality represents a quantitative threshold used to evaluate the effects of misstatements to the consolidated and separate financial statements as a whole based on our professional judgement. Qualitative factors are also considered in making final determinations regarding what is material to the consolidated and separate financial statements.

	Consolidated financial statements	Separate financial statements
Final materiality	R3 041 million	R822 million
How we determined it	5% of adjusted consolidated profit before income tax	1% of total assets
Rationale for the materiality benchmark applied	We have identified consolidated profit before income tax as the most appropriate basis because, in our view, it is the measure against which the performance of the Group is most commonly measured by users of the consolidated financial statements, and is a generally accepted materiality benchmark for similar entities. The consolidated profit before income tax was adjusted for a non-recurring provision for the UK Motor Commission matter, as disclosed in note 3, recognised in the current year, which is not reflective of the Group's normal operations. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies.	We have identified total assets as the most appropriate basis because, in our view, it is the measurement against which the financial position of the Company is most commonly measured by users of the separate financial statements and is a generally accepted materiality benchmark for similar entities. We chose 1% which is consistent with quantitative materiality thresholds used for holding companies in this sector.

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We considered the Group's organisational, legal, consolidation structures and its financial reporting processes when identifying components for purposes of planning and performing audit procedures. For purposes of our Group audit scope, we considered a component to be a single reporting unit within the Group being consolidated.

In establishing the Group audit scope, based on our Group risk assessment we determined the type of work that needed to be undertaken on the financial information of the components. In selecting components, we performed risk assessment procedures across the Group and its components to identify risks of material misstatement. We then identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response. We have identified 11 components where we assessed that further audit procedures would be required to address the risks of material misstatement at the Group level.

Based on our scoping procedures described above, we have determined that 9 components would be subject to full scope audits on the entire financial information of the component. We scoped in 2 components for an audit of one or more account balances within the components' financial information. For other components, analytical procedures to confirm our risk assessment were performed. As a result, based on the risk assessment and scoping procedures performed, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information that was not subject to further audit procedures.

We determined the type of work that was needed to be performed by us, as the joint auditors of the Group, or component auditors from other network firms of the joint Group auditors or other firms operating under our instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	How our audit addressed the key audit matter
Impairment of Advances Management has continued to exercise judgement to ensure that the final Expected Credit Loss (ECL) is aligned to the requirements of IFRS Accounting Standard 9 – Financial Instruments (IFRS 9) and industry developments. This judgement includes the setting of macroeconomic scenarios and associated probabilities, as well as the forecasting of macroeconomic variables under the set scenarios. Impairment of advances is a matter of most significance to our current year audit due to the following: • Advances are material to the consolidated financial statements. • The level of subjective judgement applied in determining the ECL on advances. • Event-driven uncertainty and its impact on the assessment of ECL. <u>Wholesale Advances*</u> The areas of significant judgement and estimation include: Determination of PD, EAD and LGD • Input assumptions and methodologies applied to estimate the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).	Our audit of impairment of advances included the following procedures to address the key areas of significant judgement and estimation in determining the ECL, using our economic, credit and actuarial expertise: • Tested the design, implementation and operating effectiveness of the relevant financial reporting controls, the existence of key governance structures and the general and application computer controls related to the technology systems supporting ECL. • Assessed the impairment policies and practices applied by management, across all significant portfolios, against the requirements of IFRS 9. • Assessed the Group's probability-weighted macroeconomic scenario estimates and evaluated the methodology, scenario views and associated probabilities in terms of the principles of IFRS 9. • Assessed whether the forecasts are sound in terms of macroeconomic forecasting principles. • Reviewed the approval of these macroeconomic variables through the appropriate governance structures. This was performed through discussions with management, inspection of documentation as well as attendance of the governance forums. • Assessed the macroeconomic variables through comparison to our own and benchmarked economic forecasts and independent market data. • Corroborated that the latest approved macroeconomic outlook has been appropriately incorporated into the forward-looking estimate of ECL. • Evaluated the impact of events and risks not included in the macroeconomic forecasts with reference to the macroeconomic environment. • Through discussions with management and inspection of policy documents, obtained an understanding of the methodologies and assumptions used by management in the various ECL model components and how these were calibrated to use historical information to estimate future cash flows. • On a sample basis, identified and tested the controls over the credit risk management and governance processes when advancing new facilities, restructuring existing facilities or reviewing facilities on a periodic basis, and determining credit ratings.

Key audit matter	How our audit addressed the key audit matter
Evaluation of SICR - Assessing whether there has been a Significant Increase in Credit Risk (SICR) event since the origination date of the exposure to the reporting date (i.e. a trigger event that has caused a significant deterioration in credit risk and results in migration of the loan from Stage 1 to Stage 2). Incorporation of macro-economic inputs and forward-looking information into the ECL measurement - Assessing the impact of macroeconomic uncertainty on the forward-looking econometric information incorporated into the respective models. - Ensuring consistency between forward-looking information (FLI) and the SICR assessment and ECL calculations. Assessment of post model adjustments - Constraints in respect of the respective models' ability to address specific trends or conditions due to inherent limitations of modelling based on past performance, the timing of model updates, specific events and changes in risk profile necessitate the raising of additional provisions as post-model adjustments. Assessment of ECL raised for Stage 3 exposures - Assumptions used to estimate the recoverable amounts and timing of future	- Evaluated the reasonability of how counterparties are grouped together with reference to similar risks (PD) or credit rating buckets. - Through discussions with management and inspection of policy documents, confirmed our understanding of the methodologies used to back-test PDs, EADs and LGDs to historical data or how these are linked to rating agencies inferred variables. - Assessed the quality of the data used in credit management, reporting and modelling for completeness and accuracy through data analytics and, for a sample of facilities, agreed model input data to underlying supporting documentation. - On a sample basis, assessed the appropriateness of assumptions made by management in determining the applicable macroeconomic inputs, credit ratings, EADs, PDs and LGDs in the current economic climate. - Selected a sample of performing advances and assessed if the application of the SICR trigger was reasonable by forming an independent view based on publicly available information and management's periodic credit reviews. - Independently reperformed the ECL models based on management's methodologies and assessed the areas of judgement within the methodology. - Performed an independent FLI assessment at an industry level to evaluate whether the recent experience and economic outlook per industry were appropriately incorporated. - Performed industry analyses for a sample of industries and assessed a sample of individual counterparties based on publicly available information to evaluate the appropriateness of the assumptions applied in the post-model adjustments raised and released. - Evaluated a sample of performing advances against management's definition of default to assess completeness of stage 3 advances.

Key audit matter	How our audit addressed the key audit matter
cash flows of individual exposures, which have been classified as non-performing. <i>*This applies to wholesale advances in RMB Corporate and Investment Banking (South Africa and Broader Africa), as well as Centre (including Group Treasury).</i> <u>Retail and Commercial Advances**</u> Retail and commercial advances are higher in volume and lower in value and, therefore, a significant portion of credit impairments are calculated on a portfolio basis. This requires the use of statistical models incorporating data and assumptions which are not always observable. The areas of significant judgement and estimation include: Determination of input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement Management applies professional judgement in developing the credit impairment models, analysing data and determining the most appropriate assumptions and estimates used. The inputs into the modelling process require significant management judgement, which include: • Input assumptions and methodologies applied to estimate the PD, EAD, and LGD within the ECL calculations. • Determining the expected value to be realised from collateral, as applicable, and the time it will take to realise.	• In respect of Stage 3 advances, inspected a sample of legal agreements and underlying supporting documentation to assess the existence of a legal right to collateral and assessed the expected realisable value and timing of future cash flows. • Through discussions with management and inspection of policy documents, obtained an understanding of the methodologies and assumptions used by management in the various ECL model components (PD, LGD, EAD) and how these were calibrated to use historical information to estimate future cash flows and also to estimate forward-looking ECL. • Through independent reperformance, assessed the appropriateness of assumptions made by management in applying the macroeconomic inputs, credit risk grades, EADs, PDs, LGDs and valuation of collateral in the current economic climate. • Assessed the appropriateness of the ECL methodology, including any refinements against actual experience and industry practice through benchmarking and evaluating alignment with the principles of IFRS 9. • Independently recalculated the ECL by applying our own independent assessment of the component inputs used by management. Our independent results were compared to management's results for reasonableness. • Through reperformance, as applicable, tested the accurate implementation of the documented methodologies and assessed the alignment between modelled outcomes and recent actual experience. • Assessed the potential impact of reduced collateral values, a delayed recovery process and reduced cure from default for secured exposures by separately considering individually significant collateral, historically stressed collateral values and by quantifying the impact of potentially extended collateral realisations.

Key audit matter	How our audit addressed the key audit matter
Evaluation of SICR • The assessment of whether there has been a SICR event since the origination date of the exposure to the reporting date, considering the impact of the event driven uncertainty, as well as future default rates forecast by the forward-looking macroeconomic model. Determining of the write-off point • The determination of the write-off point, being the point at which there is no reasonable expectation of further recovery to be made, and application of the cure rules. Incorporation of macro-economic inputs and forward-looking information (FLI) into the ECL measurement • The incorporation of FLI and macroeconomic inputs into the SICR assessment and ECL calculations. • Determining and weighting of assumptions used in the forward-looking economic model to account for the forward-looking uncertainty. Assessment of post model adjustments • Constraints in respect of the respective models' ability to address specific trends or conditions due to inherent limitations of modelling based on past performance, the timing of model updates, specific events and changes in risk profile	• Through applying the assumptions and data included in management's modelled client risk ratings and performance of cured accounts, assessed the accurate implementation of SICR classifications. • Tested the SICR thresholds applied and the resultant transfer of non-arrears accounts into Stage 2 for SICR. This included comparing the volume of up-to-date accounts transferred to Stage 2 to the historical movements from performing into arrears and the impact of forward-looking expectation of default risk on these historical movements. • Tested the model ranking ability and model stability by testing the performance of client behavioural scores and other client behavioural data that drive PD estimates and SICR triggers. • Evaluated the write-off point relative to historical post write-off recoveries to assess whether the write-off point applied by management is still the point at which there is no reasonable expectation of further recovery. • Through recalculation, tested the application of the write-off policy, including the exclusion of post write-off recoveries from the LGD. • Obtained an understanding of the assumptions used in the forward-looking economic model including the macroeconomic variables selected and the sensitivity of ECL components to each variable. • Tested the performance and sensitivity of the FLI model to evaluate whether the chosen macroeconomic variables, scenario weightings and model design provide a reasonable representation of the impact of the various macroeconomic scenarios on the ECL results. This included an assessment of the extent to which plausible downside risk scenarios are captured by the macroeconomic scenarios that are used to determine forward looking estimates. • Where applicable, developed an independent view to assess management's forward-looking model by using our own challenger model. • Assessed, recalculated and performed a sensitivity analysis on management's post-model adjustments relating to the impact on ECL of additional relevant information not catered for in the models. • Where applicable, we used an independent methodology to assess the appropriateness of post

Key audit matter	How our audit addressed the key audit matter
necessitate the raising of additional provisions as post-model adjustments and overlays. <i>**This applies to retail and commercial advances in total retail secured and unsecured, FNB Commercial, WesBank Corporate and Commercial, and Broader Africa.</i> UK Operations The measurement of expected credit losses (ECL) involves significant judgements and estimates. The risk of material misstatement of ECL remains heightened in the current year due to the increased judgement and estimation uncertainty as a result of the ongoing economic and geopolitical uncertainties. The key areas where we have identified greater levels of management judgement and therefore increased levels of audit focus in management's estimation of ECL are: Economic Scenarios - IFRS 9 requires ECL to be measured on a forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied to determine the economic scenarios used, particularly in the current economic environment, and the probability weightings assigned to each economic scenario. Model estimations - Inherently judgemental modelling is used to estimate ECLs which involves determining Probabilities of Default (PD), Loss Given Default (LGD) and Exposures at Default (EAD). The LGD model used in the property ECL, the PD model used in the motor finance ECL and the forward looking information (FLI) model used across modelled ECL calculations are the key drivers of management's ECL results and are therefore the most significant judgemental aspects of management's ECL modelling approach. Significant Increase in Credit Risk (SICR) - The criteria selected to identify a significant increase in credit risk is a key	model adjustments and overlays to ensure that model and forward-looking risk is accurately accounted for and that adjustments are applied in a way that ensures consistency with the base models and estimates. - Recalculated the ECL measured for each of the loan portfolios. Performed testing over key inputs, data and assumptions to assess the reasonableness of key aspects of the ECL calculations - Assessed the reasonableness of management's methodology for determining the economic scenarios used and the probability weightings applied to them; and - Assessed the overall reasonableness of the economic forecasts by comparing management's forecasts to our own modelled forecasts. - Evaluated management's IFRS 9 models using our credit risk modelling expertise. Used our knowledge of the Group and our experience of the industry that the Group operates in to independently challenge the appropriateness of management's IFRS 9 models. - Assessed the technical compliance and completeness of management's SICR criteria and its ongoing

Key audit matter	How our audit addressed the key audit matter
area of judgement within management's ECL calculation as these criteria determine whether a 12-month or lifetime provision is recorded. Post-model adjustments (PMAs) - Adjustments to the model-driven ECL results are raised by management to address issues relating to model limitations, model responsiveness or emerging trends including current macroeconomic uncertainties. Certain adjustments are inherently uncertain, and significant judgement is involved in estimating these amounts. The effect of these matters is that, as part of our risk assessment, we determined that the ECL on loans and receivables has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The credit impairment models are subject to formal model governance and approval. The related disclosures in the consolidated financial statements are included in: - Critical accounting estimates: Impairment of financial assets; - Note 11 – Advances; - Note 12 – Impairment of advances; - Note 38 – Financial and Insurance risks; and - Accounting policies: Financial Instruments.	effectiveness. In addition, independently applied management's staging methodology for a selection of loan portfolios to assess whether each loan has been assigned to the correct stage per management's approved staging criteria For each of the significant adjustments to the model-driven ECL results, assessed the reasonableness of the adjustments by evaluating the key assumptions, inspecting the calculation methodology, tracing a sample of data used back to source data, and recalculating the PMAs and overlays. Assessed the completeness of PMAs, and overlays recognised including in response to model limitations, data limitations and the evolving macroeconomic outlook. Observations – Impairment of Advances Based on the procedures performed over impairment of advances, we did not identify any significant matters requiring further consideration in concluding on our procedures.
Fair value measurement The valuation of complex financial instruments involves areas of significant judgement and estimation, which include: Unobservable inputs and developments in valuation methodologies including XVAs (X-Valuation Adjustments) related to derivative financial instruments due to the impact of funding costs and liquidity, as well as counterparty credit spreads, and the related fair value disclosures.	Our audit procedures over the valuation of complex financial instruments included the following procedures which were performed with the assistance of our valuation specialists: - Tested the design, implementation and operating effectiveness of the relevant financial reporting controls, the existence of key governance structures and the general and application computer controls related to the technology systems supporting valuations. - Performed risk assessment procedures on the key components of fair value, based on complexity,

Key audit matter	How our audit addressed the key audit matter
- Valuation methodologies, which are constantly evolving in line with developing market practices and trends. - Factors such as inherent subjectivity due to unobservable inputs, funding costs, low levels of market liquidity, counterparty credit risk, market volatility, and economic and regulatory developments. The financial instruments impacted by management judgement include: - Advances carried at fair value (level 3); - Complex derivative financial instruments (certain level 2 and 3); and - Investment securities valued with reference to unobservable inputs (level 3). Valuation disclosures are significant as they rely on material inputs, valuation techniques, assumptions and management judgement. The related disclosures in the consolidated financial statements are included in: - Note 35 – Fair value measurements. - Accounting policies: Financial Instruments.	sensitivity and exposure. The risk assessment procedures were performed on curves, volatility surfaces, fair value models and valuation adjustments. - Evaluated the technical appropriateness and accuracy of valuation methodologies including XVAs which involved the assessment of key assumptions made, modelling approaches and contractual obligations applied by management with reference to market practice. Also assessed practical constraints on the ability to apply the methodologies to the instruments being valued and for consistency with prior periods. - Assessed the appropriateness of the significant judgemental and/or unobservable inputs used in valuations, related to funding costs, low levels of market liquidity, counterparty credit risk, and market volatility, against factors which impacted the reported exit values, with reference to the best available independent information. - Evaluated the completeness and accuracy of management's assessment of valuation adjustments required in terms of financial instrument valuation theory, market practice and the requirements of IFRS, as well as to respond to economic and regulatory developments impacting the portfolio. - Assessed the appropriateness of a sample of curves and volatility surfaces by reconstructing these using independently sourced market data where available. Where independent market data was not available, assessed, on a sample basis, the quality of the data used by management for completeness and accuracy. - For a sample of complex financial instruments, independently recalculated the fair values. - Assessed the appropriateness and sensitivity of unobservable market rates, projected cash flows and valuation adjustments. - Obtained an understanding of and assessed the judgement applied in the recognition of revenue, specifically in relation to complex transactions such as private equity realisations or fund investments and assessed the judgement applied by management in determining the fair value of unlisted equity instruments carried at fair value. - Evaluated the appropriateness of the fair value hierarchy disclosures with reference to the requirements of IFRS 13 - Fair value measurements. - Our audit procedures over the judgements applied were aligned to the relative risk, the complexity of the judgement applied, and the consistency of approach adopted by management.

Key audit matter	How our audit addressed the key audit matter
	Observations – Fair value measurement Based on the procedures performed over fair value measurement, we did not identify any significant matters requiring further consideration in concluding on our procedures.
<u>UK Motor Commission matter</u> Under International Accounting Standard 37 – Provisions, Contingent Liabilities and Contingent Assets (IAS 37), significant judgement is required in determining whether a present obligation exists or whether an outflow is probable, and in estimating the amount required to settle the obligation. Significant uncertainties can arise in measuring potential obligations due to the range of possible outcomes relating to operational, legal and regulatory matters. The most significant matter in this regard is management's provision in respect of motor commissions, recognised at 30 June 2025. Management's estimate is based on the information available to them in respect of motor finance commission arrangements following developments during 2024 and 2025, including the adjusting post-balance sheet events arising from the Supreme Court judgement on 1 August 2025 and Financial Conduct Authority (FCA) announcement on 3 August 2025. The key areas of estimation uncertainty include the redress approaches that management have incorporated across each of its scenarios, along with the probability-weights assigned to each scenario to calculate the overall estimate. The effect of these matters is that, as part of our risk assessment, we determined that the provision for motor commissions has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as whole, and possibly many times that amount. The disclosures regarding management's approach to determining provision amounts under the motor finance commission matter are important in explaining the key	Our audit of the provision for the UK motor commission matter included the following procedures to address the key areas of significant judgement and estimation in determining the provision: - Assessed the methodology implementation applied by management to calculate the provision against the requirements of IAS 37. - Evaluated management's assessment of the potential outcomes and associated probabilities. In addition, tested the data inputs and mathematical accuracy of the provision calculation and critically evaluated the assumptions used in calculating the estimate. - Performed a sensitivity analysis on the judgemental assumptions, including customer response rates and probability-weightings, to determine those most significant to the estimated provision. The impact on the provision was also critically assessed using a range of alternative assumptions. - Assessed whether management's disclosures appropriately reflect and address the uncertainty which exists in determining the provision for motor finance

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
judgements and material inputs to the provision calculations, as well as the sensitivity of provision amounts to changes in management's assumptions, in light of the estimation uncertainty arising. The related disclosures in the consolidated financial statements are included in: • Note 3 – Operating expenses; and • Note 25 – Creditors, accruals and provisions.	commissions, as well as whether the sensitivity disclosures are adequate and clear. In addition, challenged whether the disclosure of the key judgements and assumptions made are sufficiently clear. Observations – UK motor commission matter Based on the procedures performed over the provision created for the motor finance commission matter, we did not identify any significant matters requiring further consideration in concluding on our procedures.

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "FirstRand Annual Financial Statements for the year ended 30 June 2025", which includes the Directors' Report, the Audit Committee Report and the Company Secretary's Certification as required by the Companies Act of South Africa, which we obtained prior to the date of this auditors' report, and the documents titled "FirstRand Corporate Governance Report for the year ended 30 June 2025", "FirstRand Remuneration Report for the year ended 30 June 2025", "Chairman's Statement" and "FirstRand Material Risk Factor Disclosure for the year ended 30 June 2025", which are expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Incorporated and Ernst & Young Incorporated have been the joint auditors of FirstRand Limited for 29 years and 2 years, respectively.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Keith Ackerman
Chartered Accountant (SA)
Registered Auditor
Johannesburg, South Africa
10 September 2025

Ernst & Young Inc

Ernst & Young Inc.

Director: Ernest van Rooyen
Chartered Accountant (SA)
Registered Auditor
Johannesburg, South Africa
10 September 2025

Consolidated income statement

for the year ended 30 June

R million	Notes	2025	2024
Interest income calculated using effective interest rate		197 863	188 258
Interest on other financial instruments and similar income		866	1 266
Interest and similar income	1.1	198 729	189 524
Interest expense and similar charges	1.2	(110 295)	(106 070)
Net interest income before impairment of advances		88 434	83 454
Impairment and fair value of credit on advances		(14 044)	(12 555)
– Impairment on amortised cost advances	12.2	(13 913)	(12 510)
– Fair value of credit on advances	12.2	(131)	(45)
Net interest income after impairment of advances		74 390	70 899
Non-interest revenue	2	58 432	56 082
– Net fee and commission income	2.1	40 258	38 131
– Fee and commission income		49 384	46 475
– Fee and commission expense		(9 126)	(8 344)
– Net insurance income		4 462	4 420
– Insurance service result	2.2	3 569	3 193
– Insurance revenue		8 176	7 442
– Insurance service expenses		(4 334)	(4 092)
– Net expenses from reinsurance contracts held		(273)	(157)
– Net finance expenses from insurance contracts issued	2.2	(103)	(98)
– Net finance income from reinsurance contracts held	2.2	28	25
– Commission, brokerage and participation agreements		968	1 300
– Fair value income and foreign exchange gains	2.3	7 718	8 824
– Fair value gains and foreign exchange gains		19 398	20 423
– Interest expense on fair value activities		(11 680)	(11 599)
– Gains less losses from investing activities	2.4	1 427	703
– Net other non-interest revenue	2.5	4 567	4 004
– Other non-interest revenue		6 390	6 017
– Other non-interest related expense		(1 823)	(2 013)
Income from operations		132 822	126 981
Operating expenses	3	(76 011)	(74 731)
Net income from operations		56 811	52 250
Share of profit of associates after tax	17	1 289	1 466
Share of profit of joint ventures after tax	18	1 651	960
Income before indirect tax		59 751	54 676
Indirect tax	4.1	(1 874)	(1 655)
Profit before income tax		57 877	53 021
Income tax expense	4.2	(12 746)	(11 841)
Profit for the year		45 131	41 180
Attributable to			
Ordinary equityholders		41 876	38 191
Other equity instrument holders		1 664	1 518
Equityholders of the group		43 540	39 709
Non-controlling interests		1 591	1 471
Profit for the year		45 131	41 180
Earnings per share (cents)			
– Basic	5	748.7	681.4
– Diluted	5	747.9	681.4

Consolidated statement of other comprehensive income

for the year ended 30 June

R million	2025	2024
Profit for the year	45 131	41 180
Items that may subsequently be reclassified to profit or loss		
Cash flow hedges	1 810	2 370
Gains arising during the year	2 183	2 548
Reclassification adjustments for amounts included in profit or loss	342	688
Deferred income tax	(715)	(866)
FVOCI debt reserve	299	(244)
Gain/(loss) arising during the year	422	(241)
Reclassification adjustments for amounts included in profit or loss	(41)	(90)
Deferred income tax	(82)	87
Exchange differences on translating foreign operations	2 246	(4 148)
Gain/(loss) arising during the year including the effect of hyperinflation	2 184	(4 119)
Deferred income tax	62	(29)
Insurance and reinsurance finance reserve	296	124
Gains arising during the year on insurance contracts issued	405	173
Losses arising during the year on reinsurance contracts held	(2)	(5)
Deferred income tax	(107)	(44)
Share of other comprehensive income of associates and joint ventures after tax and non-controlling interest	(170)	16
Items that may not subsequently be reclassified to profit or loss		
FVOCI equity reserve	12	(3)
Gain/(loss) arising during the year	16	(4)
Deferred income tax	(4)	1
Remeasurements on defined benefit post-employment plans	(40)	(44)
Losses arising during the year	(55)	(56)
Deferred income tax	15	12
Revaluation of properties on transfer to investment properties	22	-
Other comprehensive income/(loss) for the year	4 475	(1 929)
Total comprehensive income for the year	49 606	39 251
Attributable to		
Ordinary equityholders	46 370	36 325
Other equity instrument holders	1 664	1 518
Equityholders of the group	48 034	37 843
Non-controlling interests	1 572	1 408
Total comprehensive income for the year	49 606	39 251

Consolidated statement of financial position

as at 30 June

R million	Notes	2025	2024
ASSETS			
Cash and cash equivalents	7	168 379	158 477
Derivative financial instruments	8	58 486	55 284
Commodities	9	7 364	15 109
Investment securities	10	494 826	433 516
Advances	11	1 748 639	1 611 541
– Advances to customers*		1 682 634	1 532 589
– Marketable advances		66 005	78 952
Collateral, settlement balances and other assets	13	49 003	36 052
Current tax asset		444	451
Non-current assets and disposal groups held for sale	14	1 978	1 498
Insurance contract assets	15	1 433	760
Reinsurance contract assets	15	569	509
Investments in associates	17	10 733	10 332
Investments in joint ventures	18	4 190	3 510
Property and equipment	19	23 650	23 326
Intangible assets	20	10 348	9 701
Investment properties	21	783	704
Defined benefit post-employment asset	22	8	7
Deferred income tax asset	23	7 937	8 562
Total assets		2 588 770	2 369 339
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	24	17 040	10 273
Derivative financial instruments	8	54 289	44 645
Creditors, accruals and provisions	25	36 736	42 447
Current tax liability		438	719
Liabilities directly associated with disposal groups held for sale	14	1 331	1 126
Deposits and debt funding**	26	2 181 874	2 003 151
Employee liabilities	22	16 006	16 572
Other liabilities	27	5 251	5 806
Insurance contract liabilities	15	1 139	968
Reinsurance contract liabilities	15	31	48
Policyholder liabilities under investment contracts	16	9 095	7 669
Tier 2 liabilities	28	21 329	17 268
Deferred income tax liability	23	1 005	843
Total liabilities		2 345 564	2 151 535
Equity			
Ordinary shares	29	56	56
Share premium	29	7 006	7 640
Reserves		209 308	187 576
Capital and reserves attributable to equityholders of the group		216 370	195 272
Other equity instruments and reserves	30	21 413	17 671
Non-controlling interests	31	5 423	4 861
Total equity		243 206	217 804
Total equity and liabilities		2 588 770	2 369 339

* Included in advances to customers are assets under agreements to resell of R104 825 million (2024: R67 808 million).

** The prior year description for this line was Deposits. During the current year, the group changed the description to Deposits and debt funding to better reflect the nature of the balance. The prior year balance was not impacted by the change in description.

Consolidated statement of changes in equity
for the year ended 30 June

R million	Ordinary share capital and ordinary equityholders' funds										Other equity instruments and reserves**	Non-controlling interests	Total equity
	Share capital	Share premium	Share capital and share premium	Defined benefit post-employment reserve	Cash flow hedge reserve	Share-based payment reserve and treasury shares	Foreign currency translation reserve	Other reserves*	Retained earnings	Reserves attributable to ordinary equity-holders			
Balance as at 1 July 2023	56	7 860	7 916	(546)	(3 095)	27	12 769	1 709	162 520	173 384	12 846	4 288	198 434
Additional Tier 1 capital issued during the year	–	–	–	–	–	–	–	–	–	–	7 090	–	7 090
Additional Tier 1 capital redeemed during the year	–	–	–	–	–	–	–	–	–	–	(2 265)	–	(2 265)
Movement in other reserves	–	–	–	–	–	26	–	152	(244)	(66)	–	1	(65)
Ordinary dividends	–	–	–	–	–	–	–	–	(22 158)	(22 158)	–	(1 093)	(23 251)
Distributions on other equity instruments	–	–	–	–	–	–	–	–	–	–	(1 518)	–	(1 518)
Transfer to/(from) reserves	–	–	–	–	–	–	–	5	(5)	–	–	–	–
Changes in ownership interest of subsidiaries	–	–	–	–	–	–	–	–	137	137	–	257	394
Movement in treasury shares	–	(220)	(220)	–	–	–	–	–	(5)	(5)	–	–	(225)
– Held for client trading	–	(220)	(220)	–	–	–	–	–	(5)	(5)	–	–	(225)
– Held for employee share scheme	–	–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	(44)	2 370	–	(4 084)	(108)	38 191	36 325	1 518	1 408	39 251
– Profit for the year	–	–	–	–	–	–	–	–	38 191	38 191	1 518	1 471	41 180
– Other comprehensive income for the year	–	–	–	(44)	2 370	–	(4 084)	(108)	–	(1 866)	–	(63)	(1 929)
Vesting of share-based payments	–	–	–	–	–	(41)	–	–	–	(41)	–	–	(41)
Balance as at 30 June 2024	56	7 640	7 696	(590)	(725)	12	8 685	1 758	178 436	187 576	17 671	4 861	217 804
Additional Tier 1 capital issued during the year	–	–	–	–	–	–	–	–	–	–	6 839	–	6 839
Additional Tier 1 capital redeemed during the year	–	–	–	–	–	–	–	–	–	–	(3 461)	–	(3 461)
Share based payments expense	–	–	–	–	–	613	–	–	–	613	–	–	613
Deferred tax on share based payment reserve	–	–	–	–	–	13	–	–	–	13	–	–	13
Movement in other reserves	–	–	–	–	–	–	–	137	(125)	12	364	–	376
Ordinary dividends	–	–	–	–	–	–	–	–	(24 329)	(24 329)	–	(1 010)	(25 339)
Distributions on other equity instruments	–	–	–	–	–	–	–	–	–	–	(1 664)	–	(1 664)
Transfer (from)/to reserves	–	–	–	–	–	(10)	–	5	5	–	–	–	–
Changes in ownership interest of subsidiaries	–	–	–	–	–	–	–	–	(2)	(2)	–	–	(2)
Movement in treasury shares	–	(634)	(634)	–	–	(942)	–	–	(3)	(945)	–	–	(1 579)
– Held for client trading	–	(634)	(634)	–	–	–	–	–	(3)	(3)	–	–	(637)
– Held for employee share scheme	–	–	–	–	–	(942)	–	–	–	(942)	–	–	(942)
Total comprehensive income for the year	–	–	–	(40)	1 810	–	2 255	469	41 876	46 370	1 664	1 572	49 606
– Profit for the year	–	–	–	–	–	–	–	–	41 876	41 876	1 664	1 591	45 131
– Other comprehensive income for the year	–	–	–	(40)	1 810	–	2 255	469	–	4 494	–	(19)	4 475
Vesting of share-based payments	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 30 June 2025	56	7 006	7 062	(630)	1 085	(314)	10 940	2 369	195 858	209 308	21 413	5 423	243 206

* Refer to note 29.2 for a breakdown of other reserves.

** Other equity instruments and reserves at 30 June 2025 include R18 133 million (2024: R14 755 million) of AT1 instruments and R3 280 million (2024: R2 916 million) in empowerment fund reserve.

Consolidated statement of cash flows

for the year ended 30 June

R million	Notes	2025	2024
Cash flows from operating activities			
Profit before income tax		57 877	53 021
Adjustments for non-cash items:		(72 602)	(68 023)
- Depreciation and amortisation		4 756	5 098
- Net impairment on assets excluding advances*		169	216
- Impairment loss on advances excluding post write-off recoveries		15 778	15 038
- Interest and similar income		(198 729)	(189 524)
- Interest expenses and similar charges		110 295	106 070
- Non-interest revenue**		(510)	(295)
- Hyperinflation		–	27
- Dividends accrued		(3 924)	(3 882)
- Indirect tax		1 874	1 655
- Share of profit of associates and joint venture		(2 940)	(2 426)
- Equity-settled share-based payment expense		629	–
- Interest received		197 770	186 594
- Interest paid		(109 735)	(105 189)
- Dividends received		6 787	5 965
- Dividends paid		(25 993)	(23 676)
- Dividends paid to non-controlling interests		(1 010)	(1 093)
- Taxation paid		(14 891)	(13 986)
- Indirect tax paid		(1 849)	(1 838)
- Income tax paid		(13 042)	(12 147)
Cash flow from operating activities before operating assets and liabilities		38 203	33 613
Movement in operating assets and liabilities		(31 845)	(14 926)
– Investment securities	10	(56 883)	(21 686)
– Advances	11	(131 471)	(98 911)
– Deposits and debt funding	26	151 671	106 723
– Collateral, settlement balances and other assets	13	(12 884)	(4 982)
– Creditors, accruals and provisions	25	(6 423)	450
– Employee liabilities	22	(672)	(340)
– Defined benefit post-employment asset	22	(1)	–
– Insurance assets and liabilities	15	(94)	(801)
– Reinsurance assets and liabilities	15	(79)	129
– Policyholder liabilities under investment contracts	16	1 427	1 433
– Non-current assets and disposal groups held for sale	14	–	379
– Derivatives and short trading position liabilities		18 541	(26 969)
– Derivatives and commodity assets		5 023	29 649
Net cash generated from operating activities		6 358	18 687
Cash flows from investing activities			
Acquisition of investments in associates	17	(389)	(622)
Proceeds on disposal of investments in associates	17	328	22
Acquisition of investments in joint ventures	18	(744)	(101)
Proceeds on disposal of investments in joint ventures	18	10	–
Proceeds on disposal of subsidiaries	31.2.1	–	398
Acquisition of property and equipment		(5 306)	(6 360)
Proceeds on disposal of property and equipment		1 388	929
Acquisition of investment properties	21	(42)	(323)
Acquisition of intangible assets	20	(552)	(704)
Proceeds on disposal of non-current assets held for sale	14	–	770
Net cash outflow from investing activities		(5 307)	(5 991)
Cash flows from financing activities			
Proceeds on the issue of other financial liabilities	27.1	694	1 026
Redemption of other financial liabilities	27.1	(1 120)	(1 612)
Principal payments towards lease liabilities	27.1	(1 085)	(1 071)
Proceeds from issue of Tier 2 liabilities	28.1	4 298	1 548
Capital repaid on Tier 2 liabilities	28.1	(263)	(1 910)
Redemption of AT1 equity instruments	30	(3 461)	(2 265)

Consolidated statement of cash flows continued

R million	Notes	2025	2024
Proceeds from issue of AT1 equity instruments	30	6 839	7 090
Purchase of treasury shares for group share-based payments		(942)	–
Net cash inflow/(outflow) from financing activities		4 960	2 806
Net increase in cash and cash equivalents		6 011	15 502
Cash and cash equivalents at the beginning of the year	7	158 477	147 671
Effect of exchange rate changes on cash and cash equivalents		3 891	(4 692)
Transfer to non-current assets held for sale	14	–	(4)
Cash and cash equivalents at the end of the year	7	168 379	158 477
Cash and cash equivalents comprises:			
Coins and bank notes		10 808	10 679
Money at call and short notice		62 621	88 436
Mandatory reserves with central banks		42 313	40 503
Other reserves with central banks		52 637	18 859
Cash and cash equivalents at the end of the year	7	168 379	158 477

*The prior year description for this line was Net impairment on intangible assets and property and equipment. During the current year, the group changed the description to Net impairment on assets excluding advances to better reflect the nature of the adjustment. The prior year balance was not impacted by the change in the description.

** The prior year description for this line was Net gain on investing activities. During the current year, the group changed the description to Non-interest revenue to better reflect the nature of the adjustment. The prior year balance was not impacted by the change in the description.

Basis of preparation

The group's consolidated and separate annual financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), including IFRIC Interpretations, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, JSE Limited Listings Requirements, and requirements of the Companies Act no. 71 of 2008.

These financial statements comprise the statements of financial position (also referred to as the balance sheet) as at 30 June 2025; the income statements and statements of other comprehensive income; statements of changes in equity and statements of cash flows for the year ended; as well as the notes, which comprise a summary of material accounting policies and other explanatory notes. The accounting policies applied in preparation of the group's annual financial statements have been consistently applied to all years presented, with the exception of the discontinuation of IAS 29 – *Financial Reporting in Hyperinflationary Economies*.

Application of the going concern principle

The directors reviewed the group's and company's budgets and flow of funds forecasts for the next three years and considered the group's and company's ability to continue as a going concern. On the basis of this review, and in light of the current financial position and profitable trading history, the directors are satisfied that the group and company has adequate resources to continue in business for the foreseeable future. The going concern basis, therefore, continues to apply and has been adopted in the preparation of the annual financial statements.

Presentation of financial statements, functional and foreign currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Presentation	The group presents its statement of financial position in order of liquidity. Where permitted or required under IFRS Accounting Standards, the group offsets assets and liabilities or income and expenses and presents the net amount in the statement of financial position, the income statement, or the statement of other comprehensive income.
Materiality	IFRS Accounting Standards are only applicable to material items. Applying the concept of materiality requires judgement, in particular in relation to matters of presentation and disclosure. Management assesses the relevance of the information to the user of the financial statement and considers both qualitative and quantitative factors in determining the materiality threshold for disclosure and presentation purposes.
Functional and presentation currency of the group	South African rand (R)
Level of rounding	All amounts are presented in millions of rands. The group has a policy of rounding off to the nearest million. Amounts less than R500 000 will therefore round down to Rnil and are presented as a dash.

Basis of preparation continued

Foreign operations with a different functional currency from the group presentation currency	The financial position and results of the group's foreign operations are translated at the closing or average exchange rate, as required per IAS 21. Upon consolidation, exchange differences arising on the translation of the net investment in foreign operations are recognised as a separate component of other comprehensive income (OCI) (the foreign currency translation reserve) and are reclassified to profit or loss upon loss of control of the foreign operation. The net investment in a foreign operation includes any monetary items for which settlement is neither planned nor likely in the foreseeable future. The results, cash flows and financial position of group entities which are accounted for as entities operating in hyperinflationary economies that have functional currencies different from the presentation currency of the group are translated into the presentation currency of its parent at the exchange rate at the reporting date. These foreign exchange gains and losses on a hyperinflationary foreign operation are presented in OCI.
Hyperinflation accounting	The group has concluded that, effective 30 June 2025, the economy of Ghana is no longer considered hyperinflationary for the purposes of IAS 29 and has a result, discontinued the application of IAS 29. The carrying amounts expressed in the measuring unit current at the end of the previous reporting period have been adopted as the basis for the carrying amounts in the subsequent financial statements. No further restatement of non-monetary items has been made in the current year. Comparative figures have not been restated in accordance with the requirements of IAS 29.
Foreign currency transactions of the group	Translated into the functional currency using the exchange rates prevailing at the date of the transactions.
Translation and treatment of foreign denominated balances	Translated at the relevant exchange rates, depending on whether it is a monetary item (in which case the closing spot rate is applied) or non-monetary items. For non-monetary items measured at cost the rate applied is the rate on the transaction date. For non-monetary items measured at fair value the rate at the date the fair value is determined (reporting date) is applied. Foreign exchange gains or losses are recognised in profit or loss in fair value gains or losses. To the extent that foreign exchange gains or losses relate to financial assets held at fair value through other comprehensive income (FVOCI) the following applies: • equity instruments – recognised in OCI as part of the fair value movement; and • debt instruments – allocated between profit or loss (those that relate to changes in amortised cost) and OCI (those that relate to changes in the fair value).

Critical accounting estimates, assumptions and judgements

Introduction

In preparing the annual financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities. Included below are all the material critical accounting estimates, assumptions and judgements made by the group, except those related to fair value measurement, which are included in note [35](#).

IMPAIRMENT OF ADVANCES

In determining whether an impairment loss should be recognised, the group makes judgements as to whether there is a measurable decrease in the estimated future cash flows from a portfolio of loans.

The objective of the measurement of an impairment loss is to produce a quantitative measure of the group's credit risk exposure.

The group adopts the PD/LGD approach to calculate ECL for advances. ECL is based on a weighted average of the macroeconomic scenarios selected, weighted by the probability of occurrence.

Regression modelling techniques are used to predict borrowers' behaviour and transaction characteristics in accordance with and to align with IFRS 9, based on relationships observed in historical data related to the group of accounts to which the model will be applied. Models are used to estimate impairment parameters (PD, LGD and EAD) based on the predictive characteristics identified through the regression process.

FORWARD-LOOKING INFORMATION

Forward-looking macroeconomic information has been incorporated into expected credit loss 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 micro- and macroeconomic developments to formulate the macroeconomic forecasts. Sustainability risks and the impact on macroeconomic forecasts are also considered. 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.

Critical accounting estimates, assumptions and judgements

FORWARD-LOOKING INFORMATION continued

Within the RMB corporate and investment banking portfolios, macroeconomic stress testing models are applied to estimate the impact of FLI on ECL. These stress testing models are industry-specific and make use of regression techniques, observed macroeconomic correlations and expert judgement, depending on the extent of data available in each industry. The outputs from these models are used to determine the level of stress that a particular industry is expected to experience, and through-the-cycle impairment parameters are scaled accordingly, with scaling factors based on historical Standard & Poors Global Ratings (S&P) default data.

Within retail and commercial portfolios, forward-looking ECL is modelled using regression-based techniques that determine the relationship between key macroeconomic factors and credit risk parameters (with industry considerations further applied in the case of commercial portfolios) based on historically observed correlations. Modelled correlations and macroeconomic variable weightings are adjusted on the basis of expert judgement to ensure that the relationships between macroeconomic forecasts and risk parameters are intuitive and that ECL is reflective of forward-looking expectations of credit performance.

The approach applied within the UK operations is aligned with the approach applied within domestic retail portfolios, with FLI-adjusted ECL estimates determined on the basis of a combination of regression-based modelling and expert judgement.

Where the impact of forward-looking macroeconomic information on ECL is determined based on historical relationships between macroeconomic movements and default rates, and it is not expected for these relationships to hold under current macroeconomic conditions, judgemental post-model adjustments have been applied to ensure that relationships between macroeconomic forecasts and ECL estimates are intuitive, with ECL increasing where macroeconomic conditions are expected to worsen, and reflecting additional relevant information not catered for in models. Other post-model overlays reflecting additional relevant information not catered for in models are also incorporated into the ECL allowance and staged appropriately per portfolio. This approach is followed across all portfolios and does not constitute a material portion of the ECL allowance.

For the group's South African and broader Africa operations, three macroeconomic scenarios were utilised for the financial year ended 30 June 2024, namely a base scenario, an upside scenario and a downside scenario. For the 30 June 2025 financial year the group has included two additional macroeconomic scenarios, a mild upside and mild downside, in the IFRS 9 impairment models for its South African operations. These additional scenarios were included to capture a greater share of the macroeconomic risk distribution to reduce the risk of non-linear impacts on the group's ECL provisions. The objective of these new scenarios is to capture the portions of the risk distribution that sit between the baseline houseview forecast and the upside risk scenario and downside risk scenario respectively.

Critical accounting estimates, assumptions and judgements continued**FORWARD-LOOKING INFORMATION** continued

The table below sets out the most significant macroeconomic factors used to estimate the FLI relating to ECL provisions in South Africa and broader Africa. The information is forecast over a period of three years, per major economic region that the group operates in. The probability weightings assigned to the broader Africa portfolio for 30 June 2025 were as follows: baseline – 57%, upside – 18% and downside – 25%.

Scenario	Probability	Description
Baseline	57% (2024: 60%)	- The global economy slows but avoids a sharp and sudden economic downturn. - Geopolitical and trade tensions are managed in such a way that financial and trade flows are substantially disrupted. - 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. - Preferential access to the US export markets is lost. - Inflation lifts cyclically within target levels and the South African Reserve Bank (SARB) is able to shift monetary policy into neutral territory. - Real GDP growth lifts, supporting a recovery in credit demand above pre-pandemic levels and a mild consolidation of sovereign indebtedness. - The sovereign rating is upgraded to BB- and BB+ for foreign and local currency ratings, respectively. - South Africa realises some reductions in carbon emissions from adding renewables to its energy mix, but does not realise its Nationally Determined Contributions (NDCs) in terms of the Paris Agreement.
Upside	5% (2024: 15%)	- The global economy slows but avoids a recession. - Geopolitical and trade tensions are managed in such a way that financial and trade flows are not materially disrupted. - Countries adopt a loosely 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. - The sovereign rating is upgraded twice over the forecast period to BBB- and BBB on foreign and local currency ratings, respectively. - South Africa realises significant emissions reductions, thanks to the addition of 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.
Mild upside	13%	- The global economy slows but avoids a recession. - Geopolitical and trade tensions are managed, albeit with increased frictions to financial and trade flows. - Countries continue to invest in reducing carbon emissions, carbon tax regimes are partially complied with and a path towards a Paris-aligned temperature increase is realised. - Inflation falls below target levels and the SARB is able to shift monetary policy to mildly accommodative territory. - Real GDP growth lifts above baseline expectations, supporting increases in credit demand and a reduction in sovereign indebtedness. - The sovereign rating is upgraded over the forecast period to BB+ and BBB- on foreign and local currency ratings, respectively. - South Africa realises some emissions reductions thanks to the addition of renewables to its energy mix and emissions reductions across industries.

Critical accounting estimates, assumptions and judgements continued

FORWARD-LOOKING INFORMATION continued		
Scenario	Probability	Description
Downside	9% (2024: 25%)	• The US and global economies fall into recession. • Geopolitical and trade tensions are handled in such a way that financial and trade flows are materially disrupted, leading to increased geopolitical strife and volatility. • 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 2050. • Exports are materially constrained through US trade restrictions translating into global trade restrictions. • 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, which fails to reduce sovereign indebtedness. • The sovereign rating is downgraded once over the forecast period to B+ and BB- on foreign and local currency ratings, respectively. • South Africa adopts a “business as usual” approach to the climate transition and does not realise its NDCs in terms of the Paris Agreement.
Mild downside	16%	• The US experiences a recession and the global economy slows considerably. • Geopolitical and trade tensions are handled in such a way that financial and trade flows are materially disrupted. • Countries take a fragmented approach towards reducing carbon emissions and carbon tax regimes become more haphazard. This puts the globe on course for an above Paris Agreement temperature increase of more than 2°C by 2050. • Preferential access to the US market is lost and a material share of US exports cannot be rerouted to other markets. • Inflation lifts on account of higher global input prices and currency pressure, and the SARB is forced to maintain restrictive interest rates. • Real GDP growth remains low, constraining demand for and supply of credit. This results in limited progress to reduce sovereign indebtedness. • The sovereign rating remains unchanged over the forecast period, at BB and BB+ on foreign and local currency ratings, respectively. • South Africa adopts a “business as usual” approach to the climate transition and does not realise its NDCs in terms of the Paris agreement.

Critical accounting estimates, assumptions and judgements continued**FORWARD-LOOKING INFORMATION** continued

The following table sets out the scenarios and the probabilities assigned to each scenario for the group's UK operations at 30 June 2025:

Scenario	Probability	Description
Base	55% (2024: 50%)	- Below consensus and trend rate economic growth is forecast. Consumer and public spending were projected to be the strongest contributors to growth. - Despite an expected uplift in inflation to over 3.5% and gradual disinflation thereafter, the Bank of England (BoE) is expected to continue reducing the bank rate, given gradually falling domestic inflation measures and broader concerns about global and domestic growth. Services and food inflation are forecast to be the largest drivers behind inflation. - The bank rate was forecast to fall to 3.75% by December 2025 and further to a terminal rate of 3.50% early in the 2026 calendar year, with risks around the pace and depth tilted to the downside. - Unemployment is forecast to lift to 4.8% given challenges to businesses, especially through higher taxes and tepid demand, but growing economic slack is not expected to disrupt the continued recovery in property markets. - Low single-digit residential and commercial property price growth is projected over the forecast horizon owing to weaker real disposable income growth, slower corporate profit growth and still restrictive interest rates.
Upside	20% (2024: 20%)	- GDP growth picks up quickly as the cost-of-living crisis continues to ease. - Global tariffs are quickly and fully reversed, and financial and commodity market risk premiums recede. - Continued demand and supply side disinflation alleviates the cost-of-living crisis and significantly lowers forward inflation expectations. - Lower domestic inflation and persistence of inflation allow the BoE to begin normalising interest rates. - Excess household savings, strong nominal wage and savings income, and positive real disposable income growth boost consumption. - The UK services sector achieves an efficient and beneficial outcome for the trade relationship with the European Union. - Improvements in technology and high adoption rates (e.g. in AI) improve efficiency, and raise output and trend growth. - Lower inflation and interest rates reduce government interest payments and together with high nominal growth increase fiscal headroom. - Labour supply mismatches clear rapidly and unemployment falls in the near term as the market successfully absorbs increasing labour supply. - A growing economy sees hiring intentions rise. Labour supply mismatches clear rapidly, and unemployment falls as the market successfully absorbs increasing labour supply. - Asset prices rise broadly as the economy recovers, interest rates fall and commercial property price momentum recovers.

Critical accounting estimates, assumptions and judgements continued

FORWARD-LOOKING INFORMATION continued		
Scenario	Probability	Description
Downside	20% (2024: 20%)	- Reciprocal tariffs and global trade frictions tip the global economy into recession. - Longer than previously experienced monetary policy lags, weaker consumer spending and corporate capital market refinancing needs all feed into corporate balance sheets, whose excess savings are now depleted, causing a wave of insolvencies and redundancies and a one-year recession. - Fiscal manoeuvrability is limited given elevated debt stock and interest servicing levels, and the government is unable to react swiftly. - Higher redundancies and the return of inactive workers seeking to boost income result in unemployment rising to 6.5%. - The loss of income through a looser labour market offsets the previous income gains from elevated interest rates, and households reduce consumption. - A weaker currency, trade disruption and increased regulation/bureaucracy put upward pressure on imported inflation (e.g. fuel, food and goods), however, cratering domestic inflation sees the BoE rapidly reduce interest rates to 1.5% to support the economy, alleviating pressures on business and public balance sheets. - Rising unemployment introduces forced selling, causing an 8% fall in house prices, with larger declines in regions where affordability metrics are most stretched, such as London and the South East. - Commercial real estate capital prices fall over 30% peak to trough, focused on poor quality, energy inefficient and retail and office sector properties. - The BoE raises interest rates as the economic recovery unfolds, ensuring that the labour market recovers sufficiently.
Severe downside	5% (2024: 10%)	- Geopolitical and global tariff escalation leads to a significant supply-side inflation shock and the risk of a wage price spiral, prompting aggressive action from central banks, which all lead to a deep recession. - Natural gas and oil prices rise significantly, with Brent oil topping \$120 per barrel. The government is less able to provide the significant fiscal support needed due to already elevated debt levels and soaring borrowing costs. The Energy Price Guarantee is re-established at £3 500. The cost of the policy limits the other support that the government can provide. - The UK fails to secure any significant post-Brexit trade deals, resulting in much lower trade volumes. - The inflationary and fiscal consequences of the resurgence in energy prices, the risk of a wage price spiral re-emerging and a depreciating currency prompt a second flurry of tightening from the BoE, taking the bank rate to 6.25%. Policy stays tighter for longer. - Unemployment rises considerably to over 8% as business insolvencies surge and productivity and earnings growth fall sharply. - Rising mortgage rates and unemployment drive increased forced selling in the residential property market where affordability metrics are already stretched, causing a substantial correction in house prices of -20%, focused on regions and property types where valuations are most stretched. - Commercial real estate prices decline severely by 40% due to diminished demand and high business insolvencies. - Consumer and investor sentiment falls further and spare capacity in the economy increases significantly, while economic shocks result in permanent economic scarring and lower trend growth.

Critical accounting estimates, assumptions and judgements continued**FORWARD-LOOKING INFORMATION** continued**Overview of forward-looking information included in the 30 June 2025 impairment of advances**

During the year, global economic growth and inflation continued to moderate and central banks implemented cutting cycles. 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. This includes ongoing tariff and trade war uncertainty and an expectation that trade surpluses with the US will be under significant policy pressure.

The war in Ukraine remained ongoing and the conflict in Gaza continued to intensify, 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 group operates during the period under review.

South Africa

South Africa's inflation has moderated below the target range, prompting a gradual easing of interest rates and offering some relief to consumers and businesses. However, real economic activity remains subdued, with household consumption and corporate earnings still impacted by the effects of prior monetary tightening and inflationary pressures. The SARB has signalled a strong preference to anchor inflation at 3%, the lower bound of its current 3% – 6% target range. To secure this objective, the SARB's Monetary Policy Committee is expected to maintain a slightly restrictive interest rate stance in the near term, balancing inflation control with economic support.

The cessation of rolling blackouts and a marginal improvement in logistics have provided a modest boost to operational stability, yet export growth continues to be constrained by weak global demand. Furthermore, geopolitical tensions have intensified, further clouding the external trade outlook.

The peaceful election and establishment of the Government of National Unity (GNU) have elevated hopes for reform and improved service delivery, reflected in resilient financial market performance. Nonetheless, internal ideological divisions within the GNU have introduced political friction, raising concerns about policy coherence and long-term stability.

Looking ahead, South Africa's economic trajectory will hinge on its ability to navigate global headwinds, maintain fiscal discipline and translate political consensus into actionable reform.

United Kingdom

UK economic growth has slowed, but the outlook remains positive. The large injection of public spending announced in the autumn budget will support activity further. Inflation has temporarily dipped below the BoE's 2% target, however mild inflationary pressures across energy prices, wages and tax pass-through have emerged. The downward trajectory of the BoE's preferred measures of inflation, coupled with concerns about a flatter growth profile, should see the Monetary Policy Committee continue to reduce the restrictiveness of policy and support activity. Risks are two-sided and are sensitive to the pace of any loosening in the labour market. Further easing in affordability metrics will support lending markets, primarily within the housing sector, where low, single-digit annual property price growth is expected over the forecast period.

Critical accounting estimates, assumptions and judgements continued**FORWARD-LOOKING INFORMATION** continued**Broader Africa****General**

During the year the macroeconomic environment of the group's broader Africa footprint continued to be characterised by varied inflation, interest rate and GDP growth cycles. An abrupt protectionist shift in US trade policies in the second half of the financial year has, however, clouded the outlook. While most countries in the broader Africa portfolio have weak trade ties with the US, specific sector impacts will be felt. Global growth, too, will be weaker on account of higher US tariffs in other developed and developing countries and the impact of increased geopolitical uncertainty on investment more generally. Elections generally went smoothly in countries where they took place during the year, apart from Mozambique.

Namibia

Despite subdued crop farming and contractions in diamond production, the tertiary sector ensured that growth in the economy as a whole remained relatively firm during the year. Upward revisions to historical GDP data also played a role. The group remains upbeat about prospects in the year ahead, projecting real GDP to expand by around 3%. While diamond mining output will likely contract further, more favourable rainfall should stand the agricultural sector in good stead. Two other sectors also look well placed for a rebound: the uranium sector, and oil and gas exploration. While low inflation ought to keep interest rates low, fiscal strain from declining Southern African Customs Union and diamond revenues could result in the government having to dial back its ambitious spending targets to ensure debt sustainability. Namibia's exports to the US make up less than 1% of GDP, while certain products are also exempt from US tariffs.

Botswana

Battered by markedly lower diamond prices, declining mining output and the lingering impact of the drought, the economy continued to endure recessionary conditions during the year. Given the struggling diamond sector and the knock-on effects on the broader economy, the group expects real economic activity to remain depressed for a while. Falling mineral revenues impacting tax revenue have compelled the government to adopt an austerity budget. The blow from such growth-dampening factors will only be partially cushioned by the support provided from subdued inflation and low interest rates to pockets of consumer spending and business fixed investment. For the economy to regain a fundamentally stronger footing in the future will require greater vigour in the implementation of structural economic reform. Botswana's exports to the US come to only 0.5% of GDP, so viewed in isolation the direct GDP impact from higher US tariffs should be minimal.

Critical accounting estimates, assumptions and judgements continued**SIGNIFICANT MACROECONOMIC FACTORS**

The table below sets out the most significant macroeconomic factors used to estimate the FLI 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 group's forecasts for each period at 30 June.

30 June 2025

South Africa (%)	Upside scenario			Mild upside scenario			Baseline expectation			Mild downside scenario			Downside scenario		
	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
Applicable across all portfolios															
Real GDP growth	3.90	3.90	2.70	2.80	2.90	2.40	1.60	1.80	2.00	0.70	1.20	2.50	(0.60)	(0.20)	2.50
CPI inflation	2.90	3.00	3.00	3.70	3.80	3.90	4.20	4.20	4.30	4.90	5.60	4.30	5.60	6.90	5.90
Repo rate	5.50	5.50	5.50	6.25	6.25	6.25	7.00	7.00	7.00	8.00	7.25	7.25	9.00	8.00	7.50
Retail-specific															
Retail real income growth	7.90	3.80	2.10	4.80	2.90	1.80	1.90	2.00	1.90	(0.90)	–	2.00	(3.60)	(2.30)	1.10
House price index growth*	6.10	7.70	6.00	4.80	6.20	5.40	2.70	3.10	3.20	1.00	2.20	3.60	(0.50)	0.90	4.30
Household debt to income	59.60	60.60	63.80	60.70	61.50	63.70	61.80	62.70	63.90	62.20	63.00	63.70	62.70	63.60	63.50
Household debt service cost to income**	8.50	8.80	9.20	8.60	8.90	9.20	8.80	9.00	9.10	9.00	9.10	9.20	9.20	9.30	9.20
Employment growth	0.80	1.50	1.90	0.80	1.30	1.50	0.70	1.00	1.10	0.50	0.90	1.10	0.20	0.60	0.90
Wholesale-specific															
Fixed capital formation	5.40	9.10	8.20	4.10	6.10	6.40	2.40	3.10	4.50	–	1.30	4.80	(2.60)	(1.00)	4.20
Foreign exchange rate (USD/ZAR)	17.80	17.30	17.00	18.10	17.90	17.80	18.30	18.50	18.70	19.20	19.00	19.10	20.10	19.50	19.60

* Applicable to the secured portfolio.

** This indicator has become a significant input in the FLI modelled provisions during the current year.

Critical accounting estimates, assumptions and judgements continued

SIGNIFICANT MACROECONOMIC FACTORS continued												
UK (%)	Upside scenario			Baseline expectation			Downside scenario			Severe scenario		
	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
Real GDP growth	2.10	2.80	2.70	0.80	1.40	1.50	(2.00)	1.80	1.30	(3.80)	0.30	0.80
CPI inflation	1.70	1.70	2.00	2.20	2.00	2.10	0.60	2.00	2.10	6.00	2.10	2.00
BoE rate	2.50	2.50	2.50	3.50	3.50	3.50	1.50	2.25	3.00	6.25	5.00	5.00
Household disposable income growth	2.30	1.40	1.70	0.80	1.20	1.80	(0.40)	0.90	1.90	(5.00)	0.20	2.40
House price index growth*	5.50	3.80	3.60	3.00	3.40	3.00	(6.70)	0.20	3.80	(13.30)	(3.00)	0.90
Unemployment rate	3.80	3.80	3.80	4.80	4.70	4.40	6.50	5.90	5.00	8.30	8.20	7.90

* Applicable to the secured portfolio.

Broader Africa												
Namibia (%)	Upside scenario			Baseline expectation			Downside scenario					
	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
Real GDP growth	5.80	6.30	6.00	2.80	3.00	3.50	(0.50)	–	0.50			
CPI inflation	5.70	6.20	6.00	4.50	4.40	3.30	6.80	7.50	7.00			
Repo rate	7.50	7.25	7.25	6.75	6.75	6.50	9.00	8.50	7.75			

Botswana (%)	Upside scenario			Baseline expectation			Downside scenario					
	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
Real GDP growth	5.10	5.80	5.30	0.60	2.30	2.54	(1.70)	(0.50)	0.40			
CPI inflation	2.30	2.60	3.00	3.30	3.80	3.80	6.90	7.20	6.10			
Repo rate	1.20	1.20	1.20	1.90	1.90	1.90	3.75	4.00	4.00			

Critical accounting estimates, assumptions and judgements continued

SIGNIFICANT MACROECONOMIC FACTORS continued													
30 June 2024													
South Africa		Upside scenario			Baseline expectation			Downside scenario					
(%)		2025	2026	2027	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.													
UK		Upside scenario			Baseline expectation			Downside scenario			Severe scenario		
(%)		2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
Real GDP growth		2.10	2.80	2.70	0.90	1.20	1.30	(1.70)	1.90	1.30	(3.60)	(0.10)	0.80
CPI inflation		1.90	2.40	2.20	2.00	2.40	2.20	0.60	2.40	2.20	6.50	1.20	1.50
BoE rate		3.00	2.50	2.50	3.50	3.50	3.50	1.50	1.75	2.75	7.00	6.00	5.00
Household disposable income growth		2.00	1.60	1.40	1.10	1.70	1.60	(1.00)	1.70	2.30	(5.80)	2.30	3.50
House price index growth*		3.50	4.10	3.60	3.00	3.10	3.00	2.70	1.90	3.60	1.20	(3.90)	0.70
Unemployment rate		3.50	3.50	3.50	4.70	4.30	4.10	7.00	6.20	5.10	9.20	8.70	8.10
* Applicable to the secured portfolio.													
Broader Africa													
Namibia		Upside scenario			Baseline expectation			Downside scenario					
(%)		2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
Real GDP growth		5.70	6.10	6.00	4.40	3.10	3.40	0.65	–	0.30			
CPI inflation		6.30	6.50	6.60	5.30	5.20	4.90	7.65	7.80	7.80			
Policy rate		6.75	6.10	6.00	7.50	7.50	7.50	10.75	9.90	7.75			
Botswana		Upside scenario			Baseline expectation			Downside scenario					
(%)		2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2028
Real GDP growth		8.25	8.50	8.00	4.20	4.00	3.80	0.25	1.00	1.50			
CPI inflation		3.60	3.00	2.70	4.10	3.70	3.50	8.50	8.00	7.00			
Policy rate		2.10	2.10	2.10	2.15	2.15	2.15	3.70	3.70	3.70			

Critical accounting estimates, assumptions and judgements continued**SIGNIFICANT MACROECONOMIC FACTORS** continued

The following table reflects the impact on the performing (stage 1 and stage 2) impairment provisions on advances, if the probability weighting assigned to the baseline, upside and downside scenarios were increased to 100%. The analysis only reflects the changing of the probability assigned to these scenarios to 100%. As the mild upside and mild downside scenarios have not been implemented across all portfolios, they have not been included in the analysis.

R million	IFRS 9 impairment provision	Baseline	% change in total IFRS 9 provision	Upside	% change in total IFRS 9 provision	Downside	% change in total IFRS 9 provision
Total at 30 June 2025	22 566	22 220	(2)	18 562	(18)	27 211	21
Retail	10 861	10 609	(2)	8 465	(22)	13 652	26
Commercial	2 690	2 761	3	2 145	(20)	3 058	14
RMB CIB	3 915	3 913	–	3 678	(6)	4 166	6
Broader Africa	1 898	2 040	7	1 710	(10)	2 227	17
Centre (including Group Treasury)	456	458	–	453	(1)	462	1
UK operations	2 746	2 439	(11)	2 111	(23)	3 646	33
Total at 30 June 2024	23 501	22 469	(4)	19 790	(16)	27 173	16
Retail	10 938	10 504	(4)	9 077	(17)	12 762	17
Commercial	2 529	2 521	–	2 191	(13)	2 771	10
RMB CIB	4 584	4 494	(2)	4 267	(7)	4 827	5
Broader Africa	1 988	2 023	2	1 735	(13)	2 359	19
Centre (including Group Treasury)	288	286	(1)	280	(3)	292	1
UK operations	3 174	2 641	(17)	2 240	(29)	4 162	31

Critical accounting estimates, assumptions and judgements continued

Judgement	Retail and retail SME	Wholesale and commercial SME
Measurement of the 12-month ECL and lifetime expected credit losses (LECL)	Parameters are determined on a basis whereby exposures are pooled at a portfolio level (at a minimum). Where appropriate, more granular pooling is applied. The inputs used to determine parameter values include historically observed behaviour, as well as behavioural and demographic information related to individual exposures currently on book. PD parameters are determined through assessment of the influence that various risk drivers have had on historical default rates. EAD parameter estimates are based on product characteristics in addition to historical drawdown and payment behaviour. LGDs are determined by estimating expected future cash flows, adjusted for FLI such as the house price index, the prime lending rate and GDP. These cash flows include direct costs and proceeds from the sale of collateral. Collateral recovery rates are based on historically observed outcomes. The statistical models applied implicitly assume that risk drivers that influence default risk, payment behaviour and recovery expectations within historical data will continue to be relevant in the future.	Parameters are determined based on the application of statistical models that produce estimates based on counterparty-specific financial information and transaction characteristics. These characteristics include the nature of available collateral. Due to the specialised nature of these exposures, parameters produced by models are taken through a robust review and challenge process before being applied to calculate ECL, and are required to be signed off by a committee of wholesale and commercial credit experts who can motivate adjustments to modelled parameters.
	Parameters are calibrated for the calculation of 12-month ECL and LECL using term structures that consider borrower risk, account age, historical behaviour, transaction characteristics and correlations between parameters. Term structures have been developed over the remaining lifetime of an instrument. The remaining lifetime is limited to the contractual term of instruments in the portfolio, except for instruments with an undrawn commitment such as credit cards, where there is no contractual expiry date. In such instances the remaining lifetime is determined with reference to the change in client requirements that would trigger a review of the contractual terms, for example an increase in limit. ECL on open accounts is discounted from the expected date of default to the reporting date, using the asset's original effective interest rate or a reasonable approximation thereof.	
	SICR triggers continue to be based on client behaviour, client-based behaviour scores and judgemental factors.	SICR triggers continue to be determined based on client behaviour and the internal FirstRand client rating or risk score, as well as judgemental factors, which include triggers for industries in distress, potentially resulting in the client being added to the watchlist through the group's ongoing risk management process. These triggers are determined at a deal and client level and are calibrated over time to determine what level of deterioration is reflective of a SICR.

Critical accounting estimates, assumptions and judgements continued

Judgement	Retail and retail SME	Wholesale and commercial SME	
Sensitivity staging	The move from 12-month ECL (stage 1) to LECL (stage 2) can result in a substantial increase in ECL. The sensitivity information provided in the table below details the estimated additional ECL charge to the income statement that the group would need to recognise if 5% of the stage 1 gross carrying amount (GCA) of advances suffered a SICR and were moved from stage 1 to stage 2 as at 30 June 2025. A movement of 5% of the stage 1 balance to stage 2 can be viewed as a reasonably possible alternative based on the current economic conditions.		
		30 June 2025	
		5% increase in gross carrying amount of exposure*	Increase in the loss allowance
	R million		
	Retail secured	17 122	1 354
	Retail unsecured	3 815	797
	Total retail secured and unsecured	20 937	2 151
	FNB commercial	6 438	784
	WesBank corporate and commercial	3 053	90
	RMB corporate and investment banking	25 541	4 386
	Total corporate and commercial	35 032	5 260
	Broader Africa	3 781	454
	Centre (including Group Treasury)	2 589	316
	UK operations	18 424	561
	– Retail	14 191	421
	– Commercial	4 233	140
	Total increase in stage 2 advances and ECL	80 763	8 742
		30 June 2024**	
	Retail secured	16 258	1 300
	Retail unsecured	3 709	756
	Total retail secured and unsecured	19 967	2 056
	FNB commercial	5 811	554
	WesBank corporate and commercial	2 763	93
	RMB corporate and investment banking	23 835	2 631
	Total corporate and commercial	32 409	3 278
	Broader Africa	3 487	384
	Centre (including Group Treasury)	1 963	928
	UK operations	16 324	656
	– Retail	12 661	537
	– Commercial	3 663	119
	Total increase in stage 2 advances and ECL	74 150	7 302
	* Includes exposures across the group's exposures in South Africa, broader Africa and UK operations.		
	** Amounts disclosed has been updated to the classes presented in the notes to the annual financial statements. The total previously presented has remained unchanged.		

Critical accounting estimates, assumptions and judgements continued**SUBSIDIARIES**

Only one party can have control over a subsidiary. In determining whether the group has control over an entity, consideration is given to any rights the group has that result in the ability to direct the relevant activities of the investee, and the group's exposure to variable returns.

In operating entities, shareholding is most often the clearest indication of control. However, for structured entities and investment management funds, judgement is often needed to determine which investors have control of the entity or fund. Generally, where the group's shareholding is greater than 50%, the investment is accounted for as a subsidiary.

Decision-making power	Some of the major factors considered by the group in making this determination include the following: • the purpose and design of the entity; • what the relevant activities of the entity are; • who controls the relevant activities and whether control is based on voting rights or contractual agreements. This includes considering: – what percentage of voting rights is held by the group, and the dispersion and behaviour of other investors; – potential voting rights and whether these increase/decrease the group's voting powers; – who makes the operating and capital decisions; – who appoints and determines the remuneration of the key management personnel (KMP) of the entity; – whether any investor has any veto rights on decisions; – whether there are any management contracts in place that confer decision-making rights; – whether the group provides significant funding or guarantees to the entity; and – whether the group's exposure is disproportionate to its voting rights; • whether the group is exposed to any downside risk or upside potential that the entity was designed to create; • to what extent the group is involved in the set-up of the entity; and • to what extent the group is responsible to ensure that the entity operates as intended.

Critical accounting estimates, assumptions and judgements continued

SUBSIDIARIES continued	
Exposure to variable returns	Factors considered include: • the group's rights in respect of profit or residual distributions; • the group's rights in respect of repayments and return of debt funding; • whether the group receives any remuneration from servicing assets or liabilities of the entity; • whether the group provides any credit or liquidity support to the entity; • whether the group receives any management fees and whether these are market related; and • whether the group can obtain any synergies through the shareholding that are not available to other shareholders. Benefits could be non-financial in nature, such as employee services, etc.
Ability to use power to affect returns	Factors considered include: • whether the group is acting as an agent or principal; • whether the group has any <i>de facto</i> decision-making rights; • whether the decision-making rights the group has are protective or substantive; and • whether the group has the practical ability to direct the relevant activities.

Associates	Joint arrangements
Determining whether the group has significant influence over an entity: • Significant influence may arise from rights other than voting rights, for example management agreements. • The group considers both the rights that it has as well as currently exercisable rights that other investors have when assessing whether it has the practical ability to significantly influence the relevant activities of the investee.	Determining whether the group has joint control over an entity: • The group considers all contractual arrangements to determine whether unanimous consent is required in all circumstances. • A joint arrangement is classified as a joint venture when it is a separate legal entity, and the shareholders share in the net assets of the separate legal entity which requires consideration of the practical decision-making ability and management control over the activities of the joint arrangement.

STRUCTURED ENTITIES
Structured entities are those where voting rights generally relate to administrative tasks only and the relevant activities are determined only by means of a contractual arrangement. When assessing whether the group has control over a structured entity, specific consideration and judgement is given to the purpose and design of the structured entity, and whether the group has power over decisions that relate to activities that the entity was designed to conduct.

Critical accounting estimates, assumptions and judgements continued

INVESTMENT FUNDS

The group acts as fund manager to a number of investment funds. In terms of a mandate the group is required to make active investment management decisions in respect of the fund.

Determining whether the group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the group in the fund (comprising any direct interests in the fund and expected management fees), as well as the investors' right to remove the group as fund manager.

If the other investors are able to easily remove the group as fund manager or the group's aggregate interest is not deemed to be significant, the group does not consolidate the funds as it is merely acting as an agent for other investors. Other investors are considered to be able to easily remove the fund manager if it is possible for a small number of investors acting together to appoint a new fund manager in the absence of misconduct. Where the group has a significant investment and an irrevocable fund management agreement, the fund is consolidated.

Where such funds are consolidated, judgement is applied in determining if the non-controlling interests in the funds are classified as equity or financial liabilities. Where the external investors have the right to put their investments back into the fund, these non-controlling interests do not meet the definition of equity and are classified as financial liabilities.

Where such funds are not consolidated or equity accounted, the group accounts for the investments in the funds as investment securities in terms of IFRS 9.

Where investments in funds managed by the group meet the criteria for consolidation, but are considered to be financially inconsequential both individually and in aggregate with other inconsequential investments in funds, they are not consolidated by the group, and are recognised as marketable advances.

As decisions related to the relevant activities are based on a contractual agreement (mandate) as opposed to voting or similar rights, investment funds that are managed by the group are considered to be structured entities as defined in IFRS 12, except where other investors can easily remove the group as fund manager without cause as this represents rights similar to voting rights.

The group receives investment management fees from the funds for investment management services rendered. These fees are typical of supplier-customer relationships in the investment management industry.

Where the group provides seed funding or has any other interests in investment funds it manages, and does not consolidate, the investment is considered to represent a typical customer-supplier relationship.

IMPAIRMENT OF GOODWILL

The carrying amount of goodwill is tested annually for impairment in accordance with the group's policy. Goodwill is considered to be impaired when its recoverable amount is less than its carrying amount. The recoverable amount of the cash generating unit (CGU) is determined as the higher of the value in use or fair value less costs to sell. For impairment testing purposes, goodwill is allocated to CGUs at the lowest level of operating activity to which it relates and is therefore not combined at group level. The group's goodwill impairment test is performed on the balances as at 31 March annually, except balances for Aldermore are tested at 30 June.

The goodwill balance as at 30 June is allocated to the following significant CGUs:

R million	Segment the goodwill is allocated to	2025	2024
Aldermore	Aldermore	8 520	8 078
WesBank	WesBank	0	2
African operations	FNB broader Africa	36	36
Other	Various	65	65
Total		8 621	8 181

Refer to Note 3 - Operating expenses for details of the impairment charge recognised in profit or loss.

Critical accounting estimates, assumptions and judgements continued

DETERMINATION OF RECOVERABLE AMOUNT

The recoverable amount of all CGUs to which goodwill is allocated was determined using the value-in-use methodology. The value in use is calculated as the net present value of the discounted cash flows of the CGU. This is determined by discounting the estimated future pre-tax cash flows (cash flow projections) to its present value using a pre-tax weighted average cost of capital discount rate. In the prior year, the recoverable amount of the goodwill attributable to the WesBank segment was determined using fair value less costs to sell. The fair value was determined using the discounted cash flow methodology.

Management's judgement in estimating the recoverable amount of a CGU

The cash flow projections for each CGU are based on budgets and forecasts approved by the board as part of the annual budget and forecast process undertaken in April and May each year. The budgets and forecasts are based on historical data adjusted for management's expectation of future performance. Expected future performance is determined using both internal and external sources of information. The board challenges and endorses planning assumptions in light of the internal capital allocation decisions necessary to support strategy, current market conditions and the macroeconomic outlook.

Cash flow projections up to 2030 were prepared for Aldermore, whereas cash flows projections until 2029 were considered for other CGUs.

The terminal cash flows are calculated from the final cash flow period, which is extrapolated into perpetuity, using the estimated growth rates stated below. These growth rates are consistent with economic reports specific to the country in which each CGU operates.

To determine net present value, the cash flows of the CGU are discounted using the weighted average cost of capital for the specific CGU.

The table below shows the discount rates and the growth rates used in calculating the value in use for the CGUs.

R million	Discount rates		Growth rates	
	2025	2024	2025	2024
Aldermore	12.10	15.34	2.00	2.00
WesBank	20.07	20.34	3.00	3.00
African operations	13.10	15.45	2.50	5.00
Other	20.07	20.34	3.00	3.00

Impairment results

For all CGUs, a reasonable change in projected cash flows, the discount rate or growth rate of the above-mentioned CGUs results in their recoverable amount being sufficiently in excess of the carrying amount resulting in changes to the assumptions not changing the final outcome of the test. The goodwill attributable to the Aldermore CGU in the current and prior period were not shown to be sensitive to changes in assumptions supporting the recoverable amount, as the recoverable amount calculated is higher than the carrying amount attributable to Aldermore.

Critical accounting estimates, assumptions and judgements continued**TAXATION**

The group is subject to direct tax in a number of jurisdictions. As such there may be transactions and calculations for which the ultimate tax determination has an element of uncertainty during the ordinary course of business.

The group recognises liabilities for uncertain tax positions in accordance with the criteria defined within IAS 12 and IFRIC 23, based on objective estimates of the amount of tax that may be due, which is calculated, where relevant, with reference to expert advice received. Where payment is determined to be possible but not probable, the tax exposure is disclosed as a contingent liability. The group recognises probable liabilities based on objective estimates of the amount of tax that may be due. Where the final tax determination is different from the amounts that were initially recorded, the difference will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Furthermore, deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The most significant management assumption is the forecasts that are used to support the probability assessment that sufficient taxable profits will be generated by the entities in the group in order to utilise the deferred tax assets.

PROVISIONS FOR LITIGATION

The group has a policy and process in place to determine when to recognise provisions for potential litigation and claims. The recognition of such provisions is linked to the ranking of the legal risk of potential litigation on the group's litigation database which indicates if outflow is probable.

Critical accounting estimates, assumptions and judgements continued

TRANSACTION WITH EMPLOYEE	
EMPLOYEE BENEFITS – DEFINED BENEFIT PLANS	
Determination of required funding levels	Funding levels are monitored on an annual basis and the current agreed employer contribution rate in respect of the defined benefit members in the pension fund is 21.1% (2024: 21.1%) of pensionable salaries (in excess of the minimum recommended contribution rate set by the fund actuary). The group considers the recommended contribution rate as advised by the fund actuary with each actuarial valuation. In addition, the trustees of the fund target a funding position on pensioner liabilities that exceeds the value of the best estimate actuarial liability. The funding position is also considered in relation to a solvency reserve basis, which makes allowance for the discontinuance cost of outsourcing the pensions. As at the last interim actuarial valuation of the pension fund (30 June 2024), all categories of liabilities were at least 100% funded. If a defined contribution member chooses to retire and purchase a life annuity in the fund, the funding position of the pensioner liabilities increases as the life annuity purchase price is determined on the stronger solvency reserve basis.
EMPLOYEE BENEFITS – DEFINED BENEFIT PLANS	
Determination of present value of defined benefit plan obligations	The cost of the benefits and the present value of the defined benefit pension funds and post-employment medical obligations depend on a number of factors that are determined annually on an actuarial basis, by independent actuaries, using the projected unit credit method which incorporates a number of assumptions. The key assumptions used in determining the charge to profit or loss arising from these obligations include the expected long-term rate of return on the relevant plan assets, discount rate, expected salary, medical scheme contribution and pension increase rates. Any changes in these assumptions will impact the charge to profit or loss and may affect planned funding of the pension plans.
CASH-SETTLED SHARE-BASED PAYMENT PLANS	
Determination of fair value of the award	The award is determined using the Black Scholes option pricing model with a zero strike price. The following estimates are included in the model to determine the value: • management's estimate of future dividends; • the risk-free interest rate; and • staff turnover and historical forfeiture rates as indicators of future conditions.
EQUITY-SETTLED SHARE-BASED PAYMENT PLANS	
Determination of fair value of the award	The total value of the services received is calculated with reference to the fair value of the award on grant date. The fair value of the award is determined excluding non-market vesting conditions. These vesting conditions are included in the assumptions of the number of awards expected to vest.

Critical accounting estimates, assumptions and judgements continued

INSURANCE CONTRACTS																				
Discount rate	The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks to derive an expected present value. A bottom-up approach is used to determine the discount rate for the cash flows that do not vary, based on the returns on underlying items in all other contracts within the scope of IFRS 17, and is derived as the sum of the risk-free yield and an illiquidity premium (where necessary). Discount rates are based off the RMB government zero yield curve, which is derived from the RSA government bond curve with a flat extrapolation beyond 2053. Beyond 2053, the yield curve is unobservable and a flat extrapolation methodology for the non-observable part of the curve was chosen as it supports sound investment and risk management strategies. Using a flat rate from the last observable point is, in the group's view, more accessible and behaves in a way most consistent with near observable markets. The table below sets out the yield curves used to discount the cash flows of insurance contracts: <table> <tr> <th>Risk-free rates %</th><th>2025</th><th>2024</th></tr> <tr> <td>1 year</td><td>7.67</td><td>8.95</td></tr> <tr> <td>5 years</td><td>8.87</td><td>10.11</td></tr> <tr> <td>10 years</td><td>10.89</td><td>12.23</td></tr> <tr> <td>20 years</td><td>12.95</td><td>13.54</td></tr> <tr> <td>50 years</td><td>12.45</td><td>13.63</td></tr> </table>		Risk-free rates %	2025	2024	1 year	7.67	8.95	5 years	8.87	10.11	10 years	10.89	12.23	20 years	12.95	13.54	50 years	12.45	13.63
Risk-free rates %	2025	2024																		
1 year	7.67	8.95																		
5 years	8.87	10.11																		
10 years	10.89	12.23																		
20 years	12.95	13.54																		
50 years	12.45	13.63																		
Risk adjustment for non-financial risk	The group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the entity to the reinsurer. The risk adjustment was calculated at each insurance entity level and then allocated down to each group of contracts in accordance with their risk profiles. The scenario value-at-risk approach was used to determine the overall adjustment for non-financial risk regarding the liability for remaining coverage (LRC), which includes a specified upfront confidence level (probability of sufficiency) of 80% over a one-year period. The group allows for diversification benefits across products at an overall insurance entity level. With respect to the risk adjustment included in the fulfilment cash flows (FCF) attributable to the liability for incurred claims (LIC), the group has applied a bootstrapping approach. The bootstrapping approach makes use of the basic chain ladder as a source of input, which is a common actuarial reserving methodology.																			
Onerous contracts	An insurance contract is onerous if, at the date of initial recognition, the fulfilment cash flows allocated to the contract, plus any insurance acquisition cash flows, plus any cash flows arising from the contract at the date of initial recognition, in total are a net outflow. Onerous testing is performed at a policy level taking into account the best estimate of all cash flows within the boundary of the insurance contract that would be taken into account in the initial measurement of the insurance contract, as well as a risk adjustment for non-financial risk.																			

Critical accounting estimates, assumptions and judgements continued

CONTRACTS MEASURED UNDER THE GENERAL MEASUREMENT MODEL	
Estimates of future cash flows	The current estimate of future cash flows to be included in the measurement of insurance contracts incorporates the unbiased and probability-weighted mean of the full range of possible outcomes, which includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events, that is reasonable and supportable without undue cost or effort at the reporting date. Consistent assumptions are used when measuring estimates of the present value of future cash flows for a group of reinsurance contracts held and estimates of the present value of future cash flows for the group(s) of underlying insurance contracts. For contracts measured using the general measurement model (GMM), the measurement of the LRC includes cash flows within the contract boundary of the insurance contracts. Cash flows that are within the contract boundary are those that relate directly to the fulfilment of the contract, including those which the entity has discretion over in terms of amount or timing.
Contractual service margin (CSM) amortisation – determination of coverage units	The group currently issues GMM insurance contracts without discretionary participation features. As such, the CSM is amortised to profit or loss using coverage units based on the discounted sum assured in force, which represents the proportion of actual service provided during the financial period. Amortisation of the CSM is determined by first calculating the present value of the coverage units over the remaining period. The amortisation percentage for the reporting period is then calculated as the current coverage units over the current coverage units plus the present value of future coverage units. In the formula, the current coverage unit is calculated as the expected coverage unit for the current period. Although actual coverage units for the current period should present the actual service of the actual coverage provided, as a practical expedient to alleviate operational complexity expected coverage units for the reporting period are used, as the expected coverage unit has been found to be a close proxy to actual coverage units.

Critical accounting estimates, assumptions and judgements and new standards adopted in the current year

KEY ASSUMPTIONS TO WHICH THE ESTIMATION OF LIABILITIES IS PARTICULARLY SENSITIVE

Material judgement is required in determining liabilities and in the choice of assumptions. Assumptions in use are based on experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation. Assumptions are further evaluated on a continual basis in order to ensure realistic and reasonable valuations. The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

Mortality, retrenchment and morbidity rates	Group-specific tables, which are assessed on an annual basis, are based on standard industry tables, national tables, reinsurer tables or internal tables where sufficient data is available. These tables are modified to reflect the entity's specific recent historical experience, and differentiated by certain factors (for example gender, underwriting class and contract types, among others).
Expenses modelling	Expenses comprise all future cash flows that are directly related to the fulfilment of a group of contracts and are referred to as directly attributable expenses. For contracts measured under the GMM, the group projects the estimate of future expenses relating to fulfilment of contracts (costs of maintaining and servicing in-force policies) using current level of expenses taken as an appropriate expense base, adjusted for expected expense inflation. The expense inflation assumption is based on the relationship between the nominal rates and real rates using Fisher's equation. The nominal rates are derived from the RMB Government Zero Curve, while the real rates are obtained from the RMB Real Curve.
Lapse and cancellation rates	Lapses relate to the termination of policies due to non-payment of premiums. Cancellations relate to the voluntary termination of policies by policyholders or the settlement or termination of financing products, to which embedded and credit life policies are linked. Policy termination assumptions are determined using statistical measures based on the group's experience and vary by product type.

FAIR VALUE MEASUREMENT

The details of the processes, procedures and assumptions used in the determination of fair value are disclosed in note 35. In particular, the areas that involve the greatest amount of judgement and complexity include the following:

- assessing whether instruments are trading with sufficient frequency and volume that can be considered liquid;
- the inclusion of a measure of the risk of counterparty non-performance in the fair value measurement of loans and advances; and
- the inclusion of credit valuation adjustments and funding valuation adjustments in the fair value measurement of derivative instruments.

New standards adopted in the current year

Amendments to IFRS 16 – *Leases*, IAS 1 – *Presentation of Financial Statements*, IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments: Disclosures* became effective in the current year. None of these amendments to the IFRS Accounting Standards impacted the group's reported earnings, financial position or reserves, or the accounting policies.

Notes to the consolidated financial statements

for the year ended 30 June

1 Analysis of interest income and interest expense

1.1 Interest and similar income

R million	2025	2024
Analysis of interest and similar income		
Debt instruments at fair value through other comprehensive income	4 509	5 058
Instruments at fair value through profit and loss	848	1 249
Instruments at amortised cost	193 354	183 201
Non-financial instruments	18	16
Interest and similar income	198 729	189 524
Advances	161 884	154 542
– Overdrafts and cash management accounts	11 742	11 468
– Term loans	11 768	10 115
– Card loans	7 500	7 011
– Instalment sales and hire purchase agreements	28 471	27 045
– Lease payments receivable	1 064	998
– Property finance	49 639	47 842
– Home loans	41 846	40 303
– Commercial property finance	7 793	7 539
– Personal loans	13 198	12 726
– Preference share agreements	3 012	3 125
– Assets under agreements to resell	1 134	1 027
– Investment bank term loans	21 785	19 445
– Long-term loans to group associates and joint ventures	93	69
– Other customer advances	4 247	4 415
– Invoice finance	1 940	2 205
– Marketable advances	6 291	7 051
Cash and cash equivalents	6 016	5 466
Investment securities	26 558	25 231
Accrued on off-market advances	71	64
Interest on derivatives qualifying as hedging instruments	2 038	2 433
Collateral, settlement balances and other	2 162	1 788
Interest and similar income	198 729	189 524

Notes to the consolidated financial statements continued**1 Analysis of interest income and interest expense** continued**1.2 Interest expense and similar charges**

R million	2025	2024
Analysis of interest expense and similar charges		
Instruments at fair value through profit or loss	(196)	(36)
Instruments at amortised cost	(109 894)	(105 829)
Non-financial instruments	(205)	(205)
Interest expense and similar charges	(110 295)	(106 070)
Deposits and debt funding	(118 545)	(115 087)
Deposits from customers	(99 779)	(94 751)
– Current accounts	(10 952)	(11 459)
– Savings deposits	(3 988)	(3 516)
– Call deposits	(32 644)	(32 320)
– Fixed and notice deposits	(50 576)	(46 780)
– Other deposits	(1 619)	(676)
Debt securities	(15 328)	(16 535)
– Negotiable certificates of deposit	(4 699)	(6 294)
– Fixed-rate and floating-rate notes	(10 629)	(10 241)
Securitisation issuances	(1 227)	(1 374)
Repurchase agreements	(697)	(809)
Securities lending	(402)	(377)
Cash collateral and credit-linked notes	(1 112)	(1 241)
Other funding liabilities	(992)	(2 036)
SARB funding facility due to Covid-19 SME government guarantee	(71)	(93)
Preference shares and other	(156)	(97)
Lease liabilities	(202)	(189)
Tier 2 liabilities	(1 909)	(1 789)
Interest on derivatives qualifying as hedging instruments	334	1 836
Other	(434)	(214)
Gross interest expense and similar charges	(121 975)	(117 669)
Less: interest expense on fair value activities reallocated*	11 680	11 599
Interest expense and similar charges	(110 295)	(106 070)

* Relates to interest expense accrued on amortised cost financial liabilities that fund fair value activities. This has been reallocated to non-interest revenue.

Notes to the consolidated financial statements continued**2 Non-interest revenue**

R million	Notes	2025	2024
Fee and commission income		49 384	46 475
– Instruments at amortised cost		39 859	37 291
– Instruments at fair value through profit or loss		57	30
– Non-financial instruments		9 468	9 154
Fee and commission expenses		(9 126)	(8 344)
Net fee and commission income	2.1	40 258	38 131
Net insurance income		4 462	4 420
– Instruments mandatory at fair value through profit or loss		7 074	11 961
– Instruments designated at fair value through profit or loss		(852)	(923)
– Translation gains or losses on instruments not held at fair value through profit or loss		1 496	(2 214)
Fair value income and foreign exchange gains/(losses)	2.3	7 718	8 824
– Instruments at fair value through profit or loss		270	60
– Mandatory fair value through profit or loss		265	50
– Designated fair value through profit or loss		5	10
– Instruments at amortised cost		76	(110)
– Instruments at fair value through other comprehensive income		56	103
– Non-financial instruments		1 025	650
Gains less losses from investing activities*	2.4	1 427	703
Other non-interest revenue	2.5	4 567	4 004
Total non-interest revenue		58 432	56 082

* The term investing activities used in this note does not have the same meaning as investing activities in the cash flow statement.

Notes to the consolidated financial statements

2 Non-interest revenue continued

2.1 Net fee and commission income

R million	2025	2024
Banking fee and commission income	42 777	40 519
– Card commissions	8 304	7 998
– Cash deposit fees	1 921	1 866
– Commitment fees	2 468	2 357
– Electronic transaction fees	1 193	1 167
– Exchange commissions	2 640	2 436
– Brokerage income	7	72
– Bank charges	26 244	24 623
– Transaction and service fees	9 668	8 706
– Documentation and administration fees	12 152	11 496
– Cash handling fees	3 159	3 127
– Other	1 265	1 294
Knowledge-based fee and commission income	2 461	2 088
Management, trust and fiduciary fees	2 733	2 649
Other non-bank commissions	1 413	1 219
Fee and commission income*	49 384	46 475
Transaction processing fees	(3 177)	(2 683)
Transaction-based fees	(106)	(215)
Commission paid	(261)	(350)
Customer loyalty programmes	(2 583)	(2 362)
Cash sorting, handling and transportation charges	(1 344)	(1 327)
Card and cheque book related	(535)	(512)
ATM commissions paid	(57)	(62)
Other	(1 063)	(833)
Fee and commission expenses	(9 126)	(8 344)
Net fee and commission income	40 258	38 131

* Revenue from contracts with customers that are within the scope of IFRS 15.

Notes to the consolidated financial statements

2 Non-interest revenue continued

2.2 Insurance income

Total insurance service results

	2025					2024				
R million	Life	Non-life	Life reinsurance held	Non-life reinsurance held	Total	Life	Non-life	Life reinsurance held	Non-life reinsurance held	Total
Notes	15.3	15.4	15.5	15.6		15.3	15.4	15.5	15.6	
Insurance revenue										
Amounts relating to the changes in the LRC for insurance contracts measured under the GMM										
– Expected incurred claims and other directly attributable expenses	3 216	–	–	–	3 216	3 007	232	–	–	3 239
– Change in the risk adjustment for the risk expired	418	–	–	–	418	325	–	–	–	325
– CSM recognised for the services provided	2 530	–	–	–	2 530	2 162	48	–	–	2 210
– Experience adjustments – arising from premiums received in the period other than those that relate to future service	242	–	–	–	242	236	–	–	–	236
– Experience adjustments – arising from insurance acquisition cash flows paid in the period other than those that relate to future service	(7)	–	–	–	(7)	(31)	–	–	–	(31)
Insurance acquisition cash flows recovery	299	–	–	–	299	264	66	–	–	330
Insurance revenue from contracts measured under the GMM	6 698	–	–	–	6 698	5 963	346	–	–	6 309
Insurance revenue from contracts measured under the PAA	295	1 183	–	–	1 478	167	966	–	–	1 133
Total insurance revenue	6 993	1 183	–	–	8 176	6 130	1 312	–	–	7 442
Insurance service expenses										
Incurred claims and other directly attributable expenses	(3 196)	(816)	–	–	(4 012)	(3 111)	(991)	–	–	(4 102)
Changes that relate to past service – changes in the FCF relating to the LIC	(106)	(6)	–	–	(112)	234	89	–	–	323
Losses on onerous contracts and reversals of those losses	226	(2)	–	–	224	96	10	–	–	106
Insurance acquisition cash flows amortisation	(299)	–	–	–	(299)	(265)	(66)	–	–	(331)
Insurance acquisition cash flows immediately expensed for contracts measured under the PAA	(23)	(112)	–	–	(135)	(3)	(85)	–	–	(88)
Total insurance service expenses	(3 398)	(936)	–	–	(4 334)	(3 049)	(1 043)	–	–	(4 092)

Notes to the consolidated financial statements

2 Non-interest revenue continued

2.2 Insurance income continued

Total insurance service results continued

R million Notes	2025					2024				
	Life 15.3	Non-life 15.4	Life reinsurance held 15.5	Non-life reinsurance held 15.6	Total	Life 15.3	Non-life 15.4	Life reinsurance held 15.5	Non-life reinsurance held 15.6	Total
Net income (expenses) from reinsurance contracts held										
Amounts relating to the changes in the remaining coverage for reinsurance contracts held measured under GMM										
– Expected incurred claims and other directly attributable expenses recovery	—	—	(329)	(259)	(588)	—	—	(309)	(200)	(509)
– Change in the risk adjustment for the risk expired	—	—	(13)	(16)	(29)	—	—	(1)	(9)	(10)
– CSM recognised for the services rendered	—	—	(28)	42	14	—	—	34	26	60
– Experience adjustments – arising from ceded premiums paid in the period other than those that relate to future service	—	—	(27)	211	184	—	—	(63)	25	(38)
Reinsurance expenses – contracts measured under the GMM	—	—	(397)	(22)	(419)	—	—	(339)	(158)	(497)
Reinsurance expenses – contracts measured under the PAA	—	—	(222)	(270)	(492)	—	—	(134)	(107)	(241)
Incurred claims recovery	—	—	466	241	707	—	—	368	261	629
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	—	—	(5)	(5)	(10)	—	—	27	(58)	(31)
Income on initial recognition of onerous underlying contracts	—	—	28	6	34	—	—	49	12	61
Subsequent changes in the loss recovery component*	—	—	(93)	—	(93)			(64)	(14)	(78)
Total net income (expenses) from reinsurance contracts held	—	—	(223)	(50)	(273)	—	—	(93)	(64)	(157)
Total insurance service result	3 595	247	(223)	(50)	3 569	3 081	269	(93)	(64)	3 193

*The prior year balances for "Reinsurance contracts held under the GMM: Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held" and "Reinsurance contracts held under the GMM: Changes in the FCF of reinsurance contracts held from onerous underlying contracts" have been aggregated to "Subsequent changes in the loss recovery component" in the current year to provide more relevant information.

Notes to the consolidated financial statements

2 Non-interest revenue continued

2.2 Insurance income continued

Net finance income and expenses from insurance activities

R million Notes	2025					2024				
	Life 15.3	Non-life 15.4	Life reinsurance held 15.5	Non-life reinsurance held 15.6	Net	Life 15.3	Non-life 15.4	Life reinsurance held 15.5	Non-life reinsurance held 15.6	Net
Net finance income (expenses) from insurance contracts issued and reinsurance contracts held										
Interest accreted	(91)	(12)	31	(3)	(75)	(86)	(12)	27	(2)	(73)
Effect of changes in interest rates and other financial assumptions	408	—	(2)	—	406	173	—	(5)	—	168
Total net finance income (expenses) from insurance contracts issued and reinsurance contracts held	317	(12)	29	(3)	331	87	(12)	22	(2)	95
Recognised in profit or loss	(91)	(12)	31	(3)	(75)	(86)	(12)	27	(2)	(73)
Recognised in other comprehensive income	408	—	(2)	—	406	173	—	(5)	—	168
Total net finance income (expenses) from insurance contracts issued and reinsurance contracts held	317	(12)	29	(3)	331	87	(12)	22	(2)	95

Additional disclosure relating to the net income (expenses) from assets backing insurance contracts

Net income (expenses) from assets backing insurance contracts issued										
Interest revenue from financial assets not measured at fair value through profit or loss	163	99	—	—	262	151	163	—	—	314
Net gains or losses on financial assets measured at fair value through profit or loss	102	—	—	—	102	115	—	—	—	115
Net credit impairment losses	—	—	—	—	—	—	(3)	—	—	(3)
Net gains on investments in debt securities measured at fair value through other comprehensive income	26	22	—	—	48	6	8	—	—	14
Net income (expenses) from assets backing insurance contracts issued	291	121	—	—	412	272	168	—	—	440

Notes to the consolidated financial statements

2 Non-interest revenue continued

2.3 Fair value income and foreign exchange gains

R million	2025	2024
Dividend income on preference shares held	2 638	2 800
Fair value income	5 080	6 024
Fair value income and foreign exchange gains	7 718	8 824

2.4 Gains less losses from investing activities

R million	Notes	2025	2024
Gains on disposal of investment activities at amortised cost		95	2
Impairment loss of debt investment securities at amortised cost		(28)	(155)
Reclassification from other comprehensive income on the derecognition/sale of assets FVOCI		40	90
Dividends received*		644	393
Gain/(loss) on disposal of investments in subsidiaries		5	(3)
Gain on disposal of investments in associates**		76	208
Gain on disposal of investments in joint ventures		140	–
Fair value remeasurements on investment properties	21	15	28
Rental income from investment properties	21	158	115
Other gains from investing activities		282	25
Gains less losses from investing activities		1 427	703

* In the prior year, R47 million was disclosed separately as Preference share dividends from unlisted investments. The line has been incorporated into Dividends received in the current year. Dividends received was disclosed as Other dividends received in the prior year.

** The prior year balance includes a gain of R207 million on the disposal of an associate classified as held for sale.

2.5 Other non-interest revenue

R million	2025	2024
Revenue from contracts with customers*	3 821	3 713
– Sales**	2 635	2 619
– Other income	1 186	1 094
Rental income#	2 212	1 976
Other operating lease transactions	357	328
Other non-interest revenue	6 390	6 017
– Cost of sales	(1 962)	(1 983)
– Gain/(loss) on disposal of property and equipment	142	(23)
– Other	(3)	(7)
Other non-interest related expense	(1 823)	(2 013)
Net other non-interest revenue	4 567	4 004

* Revenue from contracts with customers that are within the scope of IFRS 15.

** This balance includes revenue from commission and sale of smart devices of R982 million (2024: R999 million) and network services of R1 224 million (2024: R1 108 million) which are recognised at a point in time and over time respectively.

Rental income mainly comprises operating lease income earned from vehicle leasing arrangements and speedpoint rentals.

Notes to the consolidated financial statements

3 Operating expenses

R million	Notes	2025	2024
Auditors' remuneration		(703)	(669)
– Audit fees		(672)	(641)
– Fees for other services		(31)	(26)
– Prior year under accrual		–	(2)
Non-capitalised lease charges		(477)	(551)
– Short-term lease charge		(370)	(374)
– Low-value lease charge		(130)	(199)
– Variable lease charge		(14)	(7)
– Early termination gains on lease		37	29
Staff costs		(46 367)	(44 568)
– Salaries, wages and allowances		(34 550)	(32 515)
– Contributions to employee benefit funds		(772)	(728)
– Defined contribution schemes		(728)	(625)
– Defined benefit schemes	22.1	(44)	(103)
– Social security levies		(960)	(933)
– Share-based payments	33	(2 561)	(2 963)
– Movement in short-term employee benefit liabilities		(6 505)	(6 282)
– Other staff costs		(1 019)	(1 147)
Other operating costs		(25 508)	(25 644)
– Amortisation of intangible assets		(330)	(759)
– Depreciation of property and equipment		(4 398)	(4 324)
– Impairments incurred*		(193)	(267)
– Impairments reversed		52	51
– Insurance		(239)	(209)
– Advertising and marketing		(2 370)	(1 904)
– Maintenance		(1 759)	(1 727)
– Property		(1 631)	(1 542)
– Computer		(5 942)	(5 397)
– Stationery, storage and delivery		(302)	(279)
– Telecommunications		(652)	(559)
– Professional fees		(4 129)	(3 981)
– Donations		(402)	(378)
– Assets costing less than R7 000		(89)	(86)
– Business travel		(570)	(491)
– Profit share expenses		(85)	(176)
– Bank charges		(89)	(101)
– Legal fee expenses		(238)	(353)
– Entertainment		(386)	(345)
– Subscriptions and memberships		(431)	(386)
– Training expenses		(430)	(410)
– Other operating expenditure		(895)	(2 021)
Total operating expenses excluding UK motor commission matter		(73 055)	(71 432)
UK motor commission matter**		(2 956)	(3 299)
UK motor commission provision**		(2 703)	(3 001)
UK motor commission related costs incurred during the year**		(253)	(298)
Total operating expenses		(76 011)	(74 731)

* Notable impairments incurred include R115 million (2024: R20 million) impairment losses recognised on properties held by the group that have been reduced to their respective recoverable amounts. Other notable impairments in the current year include ECL of R76 million (2024: R115 million) were raised on non-advances included in the FNB segment.

** Refer to note 25 Creditors, accruals and provisions.

Notes to the consolidated financial statements

3 Operating expenses continued

Directors' and prescribed officers' emoluments

Information relating to directors' remuneration for the year under review and dealings in FirstRand shares are set out below.

Non-executive directors' remuneration

R thousand	2025			2024		
	Services as directors			Services as directors		
	FirstRand	Group	Total	FirstRand	Group	Total
Independent non-executive directors						
WR Jardine (resigned 30 November 2023)	–	–	–	3 756	204	3 960
G Gelink (resigned 29 November 2024)	1 362	1 283	2 645	2 632	1 936	4 568
RM Loubser (resigned 30 November 2023)	–	–	–	1 544	1 158	2 702
PD Naidoo	1 487	347	1 834	1 252	261	1 513
L Von Zeuner	3 615	1 428	5 043	2 931	1 148	4 079
T Winterboer	2 313	2 139	4 452	1 943	1 579	3 522
Z Roscherr	2 957	1 968	4 925	2 375	1 982	4 357
SP Sibisi	1 932	1 783	3 715	1 847	1 251	3 098
TC Isaacs	2 332	349	2 681	1 474	–	1 474
P Makosholo (Appointed 1 October 2024)	1 207	298	1 505	–	–	–
JP Burger (Chairman)	8 184	893	9 077	5 064	997	6 061
Total	25 389	10 488	35 877	24 818	10 516	35 334

Directors Emoluments reporting: Awarded Remuneration

.Cash package, retirement contributions and other allowances reflect what was paid to the prescribed officers during the year ended 30 June 2025. The FirstRand annual remuneration cycle runs from 1 August to 31 July.

Short term incentives (STIs) reward both group and individual performance achieved during the year. STIs that exceed a certain threshold are deferred into cash and share price linked awards (eventual payments are linked to the share price).

Long-term incentive (LTI) awards are granted annually under the conditional incentive plan (CIP), with vesting subject to the achievement of cumulative performance conditions over a three year period. Previously, LTI's were reported for the year in which they were issued, which occurred in the September of the financial year with reference to the previous financial year. For the year ended 30 June 2025, the value in the remuneration table reflect the face value of the LTI awarded in respect of the reporting period i.e. the LTIs awarded for the year ended 30 June issued in September of the following financial year. Comparative information is presented on the same basis.

The explanation of the basis of preparation of the remuneration tables is disclosed in the FirstRand remuneration report.

Notes to the consolidated financial statements

3 Operating expenses continued

R thousand	2025	2024
AP Pullinger⁵		
Cash package paid during the year	–	10 084
Retirement contributions paid during the year	–	229
Other allowances	–	372
Guaranteed package	–	10 685
Performance-related STI:		
Cash ²	–	10 800
– Within 6 months	–	7 533
– Within 1 year	–	3 267
Restricted share award 2 years (BSOP) ³	–	8 800
Variable pay	–	19 600
Total guaranteed and variable pay	–	30 285
Value of LTI awards allocated during the financial year under the CIP ⁴	–	–
Total reward including LTIs	–	30 285
M Vilakazi (group CEO)^{1*6}		
Cash package paid during the year	10 703	8 973
Retirement contributions paid during the year	231	187
Other allowances	270	242
Guaranteed package	11 204	9 402
Performance-related STI:		
Cash ²	12 500	8 275
– Within 6 months	8 667	5 850
– Within 1 year	3 833	2 425
Restricted share award 2 years (BSOP) ³	10 500	6 275
Variable pay	23 000	14 550
Total guaranteed and variable pay	34 204	23 952
Value of LTI awards allocated during the financial year under the CIP ⁴	26 000	24 000
Special LTI Award ⁶	18 000	–
Total reward including LTIs	78 204	47 952
M Davias (group CFO)		
Cash package paid during the year	8 331	6 770
Retirement contributions paid during the year	171	134
Other allowances	311	278
Guaranteed package	8 813	7 182
Performance-related STI:		
Cash ²	10 000	6 880
– Within 6 months	7 000	4 920
– Within 1 year	3 000	1 960
Restricted share award 2 years (BSOP) ³	8 000	4 880
Variable pay	18 000	11 760
Total guaranteed and variable pay	26 813	18 942
Value of LTI awards allocated during the financial year under the CIP ⁴	19 000	16 600
Total reward including LTIs	45 813	35 542

Notes to the consolidated financial statements

3 Operating expenses continued

R thousand	2025	2024
HS Kellan (CEO FNB)		
Cash package paid during the year	9 137	9 083
Retirement contributions paid during the year	74	74
Other allowances	249	266
Guaranteed package	9 460	9 423
Performance-related STI:		
Cash ²	11 000	8 335
– Within 6 months	7 667	5 890
– Within 1 year	3 333	2 445
Restricted share award 2 years (BSOP) ³	9 000	6 335
Variable pay	20 000	14 670
Total guaranteed and variable pay	29 460	24 093
Value of LTI awards allocated during the financial year under the CIP ⁴	17 500	19 200
Total reward including LTIs	46 960	43 293
J Celliers⁷		
Cash package paid during the year	–	8 629
Retirement contributions paid during the year	–	181
Other allowances	–	332
Guaranteed package	–	9 142
Performance-related STI:		
Cash ²	–	10 218
– Within 6 months	–	7 145
– Within 1 year	–	3 073
Restricted share award 2 years (BSOP) ³	–	8 217
Variable pay	–	18 435
Total guaranteed and variable pay	–	27 577
Value of LTI awards allocated during the financial year under the CIP ⁴	–	13 000
Total reward including LTIs	–	40 577
E Brown (CEO RMB)		
Cash package paid during the year	8 529	8 009
Retirement contributions paid during the year	154	139
Other allowances	75	69
Guaranteed package	8 758	8 217
Performance-related STI:		
Cash ²	11 210	11 045
– Within 6 months	7 807	7 696
– Within 1 year	3 403	3 349
Restricted share award 2 years (BSOP) ³	9 210	9 045
Variable pay	20 420	20 090
Total guaranteed and variable pay	29 178	28 307
Value of LTI awards allocated during the financial year under the CIP ⁴	17 500	15 000
Total reward including LTIs	46 678	43 307

Notes to the consolidated financial statements

3 Operating expenses continued

£ thousand	2025	2024
S Cooper (Aldermore CEO)		
Cash package paid during the year	814	796
Retirement contributions paid during the year	71	80
Other allowances	297	290
Guaranteed package	1 182	1 166
Performance-related STI:		
Cash	612	565
– Within 6 months ⁸	245	334
– More than one year (in line with CRD V regulations) ¹¹	367	231
Share linked- deferred ⁹	611	566
Variable pay	1 223	1 131
Total guaranteed and variable pay	2 405	2 297
Value of LTI awards allocated during the financial year under the CIP ⁴⁺¹⁰	–	360
Total reward including LTIs	2 405	2 657

1 FirstRand defines its prescribed officers as the group's executive directors, and the CEOs of the group's Retail and Commercial, and Corporate and Institutional segments, as well as the CEO of the Aldermore Group. These officers are members of the group strategic executive committee and attend board meetings.

2 Variable compensation (STI), paid in cash in respect of the year ended June, is paid in three tranches during the following year ending on 30 June, i.e. August, December and June (with interest on the deferred payments).

3 A portion of variable compensation is deferred restricted share awards and vests after two years and earns dividends as and when they are declared.

4 Long-term incentive (LTI) awards are granted annually under the CIP, with vesting subject to the achievement of cumulative performance conditions over a three-year period. Previously, LTI's were reported for the year in which they were issued, which occurred in the September of the financial year with reference to the previous financial year. For the year ended 30 June 2025, the value disclosed in the remuneration table reflect the face value of the LTI awarded in respect of the reporting period i.e. LTI's awarded for 30 June issued in September of the following financial year. Comparative information is presented on the same basis. (LTI awarded values disclosed in the 2024 financial year based on historical disclosure methodology: A Pullinger - R28 000, M Vilakazi - R16 600, M Davias - R7 441, HS Kellan - R18 317, J Celliers - R18 918, E Brown - R13 750 and S Cooper - £282)

5 Alan Pullinger stepped down as group CEO on the 31 of March 2024 and retired on the 30th of June 2024.

6 A once-off award of R18 million was awarded to Mary and will vest in equal portions over three years, subject to the LTI performance targets being achieved. Vesting of this award will occur in September 2025, September 2026 and September 2027.

7 Jacques Celliers stepped down as CEO FNB on 31 March 2024.

8 The Aldermore performance-related STI cash component is paid in full in August.

9 The Aldermore performance-related STI deferred cash component is paid in equal tranches over the deferral period required by Capital Requirements Directive 5 (CRD V) Regulations.

10 The Aldermore performance related STI share price linked is released in equal annual tranches over the deferral period required by Capital Requirements Directive 5 (CRD V) Regulations.

11 The Aldermore LTI allocated amount is the on-target value assumed at 67% of maximum. The LTI is a 100 % share price linked award.

All executive directors and prescribed officers in South Africa have a notice period of one month. Steven Cooper has a notice period of six months. Non-executive directors are appointed for a period of three years and are subject to the Companies Act, 71 of 2008 provision relating to removal.

Notes to the consolidated financial statements

3 Operating expenses continued

Ownership of FirstRand Bank Limited

FRB is a wholly owned subsidiary of FSR.

Covid-19 instrument for executive directors and prescribed officers

The Covid-19 health crisis and the resulting economic impact have been evident in FirstRand's results. This impact has resulted in the 2017, 2018 and 2019 LTI not vesting. In September 2020, Remco introduced a one-off Covid-19 instrument that caters for the retention of employees considered critical to the ongoing sustainability of the business. The value of the Covid-19 instrument was struck at half of the original value of the 2018 and 2019 LTIs and is linked to the FirstRand share price.

For FirstRand executive directors and prescribed officers, the award vests in three equal proportions (tranches) over three years (September 2021, 2022 and 2023), if performance conditions are met, including both financial and risk elements. The financial conditions are linked to the group's ROE being within the target range.

In September 2021 and 2022 the first and second Covid-19 tranche vested as the 2018 and 2019 LTI award failed, respectively. Should an employee who receives this award resign within 12 months of a tranche of the award vesting, they will be required to repay the full amount of the vested tranche. Thereby the instrument represents a retention period of up to four-years.

At 30 June 2025, there are no outstanding balances on the Covid-19 award as the last tranche, vested in September 2023. Refer to the prescribed officers' outstanding incentives table on page [B81](#) for details.

Long-term executive management retention scheme

LTEMRS ¹ participation award realised in September 2023		
Designation	Number of participation awards realised (thousands)	Participation award value realised (thousands)
Previous Executive Director		
AP Pullinger	188	2 203
Prescribed officers		
HS Kellan	563	4 617
J Celliers	469	3 847

¹ In addition to the group's existing long-term incentive plan, and in order to better align executive interests with those of the group's shareholders, the group introduced a long-term executive management retention scheme (LTEMRS) in December 2016. This is a five-year scheme in which members of the group's strategic committee were eligible to participate, on a voluntary basis, by purchasing a predetermined fixed number of participation awards. Participants paid an upfront cash deposit of 10% for their predetermined fixed number of participation awards, with the balance being funded by the group through a facilitated mechanism. The fixed number for each participant was converted into a number of participation awards, determined by the share price of R53.33, being the three-day volume-weighted average price of the FirstRand share price at the date of award, being 15 December 2016. The scheme and the funding mechanism ensure that participants have full risk and potential reward of their participation awards (downside risk and upside potential). Continued employment is a condition for vesting of the cash settled scheme. Early termination before the expiry of three full years of service carries the full cost of early termination, including a full forfeit of any potential benefit, with a sliding scale of forfeiture being applied in years four and five. No cost to the group is associated with the LTEMRS as the scheme is economically hedged. In the 2020 financial year, Remco approved a two-year extension of the scheme, from the original vesting date of September 2021 to September 2023. If the participant leaves after September 2020 but before the amended vesting date of September 2023, the participant will forfeit 20% of the upside of the scheme and carry 100% downside risk in line with the scheme. The extension of the scheme is considered an amendment of terms and therefore an increased rate, linked to the real interest rate, has been applied to the outstanding funding. The scheme vested and terminated in September 2023.

Prescribed officers' outstanding incentives

The outstanding incentive disclosure has been prepared in the format required by King IV. King IV reporting requires disclosure of the number of units of outstanding incentive schemes, the value of outstanding incentive schemes and value on settlement. The explanation of the basis of preparation of the remuneration tables is disclosed in the FirstRand remuneration report.

Notes to the consolidated financial statements

3 Operating expenses continued

			Units		Number of awards settled in year	Closing number of awards ^{3*4} 30 Jun 2025	Value on settlement in 2025 ⁵ R thousand	Total value of dividends paid in respect of all plans ⁶ R thousand	
	Value at grant date R thousand		Opening balance	Awards made during year ^{1*2}					
Issue date		Settlement date							
M Vilakazi									
Deferred share price linked STI awards									
2022 (2-year deferral)	September 2022	4 406	September 2024	70 977	–	(70 977)	–	6 717	–
2023 (2-year deferral)	September 2023	4 912	September 2025	75 737	–	–	75 737	–	–
Balance deferred share price linked STIs		9 318		146 714	–	(70 977)	75 737	6 717	
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	6 275	September 2026	–	84 835	–	84 835	–	186
2025 (2-year deferral)	September 2025	10 500	September 2027	–	–	–	–	–	–
Balance deferred share price linked STIs		16 775		–	84 835	–	84 835	–	186
LTI awards under the CIP									
2021	September 2021	14 000	September 2024	227 221	–	(227 221)	–	23 557	–
2022	September 2022	15 120	September 2025	243 557	–	–	243 557	–	–
2023	September 2023	16 600	September 2026	255 936	–	–	255 936	–	–
2024	September 2024	24 000	September 2027	–	285 205	–	285 205	–	–
2025	September 2025	18 000	September 2025-2027	–	260 456	–	260 456	–	–
2025	September 2025	26 000	September 2028	–	–	–	–	–	–
Balance LTIs		113 720		726 714	545 661	(227 221)	1 045 154	23 557	–
MG Davias									
Deferred share price linked STI awards									
2022 (2-year deferral)	September 2022	3 250	September 2024	52 352	–	(52 352)	–	4 954	–
2023 (2-year deferral)	September 2023	3 640	September 2025	56 121	–	–	56 121	–	–
Balance deferred share price linked STIs		6 890		108 473	–	(52 352)	56 121	4 954	–
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	4 880	September 2026	–	65 975	–	65 975	–	144
2025 (2-year deferral)	September 2025	8 000	September 2027	–	–	–	–	–	–
Balance deferred share price linked STIs		12 880		–	65 975	–	65 975	–	144
LTI awards under the CIP									
2021	September 2021	6 500	September 2024	105 496	–	(105 496)	–	12 837	–
2022	September 2022	6 890	September 2025	110 986	–	–	110 986	–	–
2023	September 2023	7 441	September 2026	114 727	–	–	114 727	–	–
2024	September 2024	16 600	September 2027	–	197 266	–	197 266	–	–
2025	September 2025	19 000	September 2028	–	–	–	–	–	–
Balance LTIs		56 431		331 209	197 266	(105 496)	422 979	12 837	–
HS Kellan									
Deferred share price linked STI awards									
2022 (2-year deferral)	September 2022	4 838	September 2024	77 924	–	(77 924)	–	7 374	–
2023 (2-year deferral)	September 2023	5 362	September 2025	82 678	–	–	82 678	–	–
Balance deferred share price linked STIs		10 200		160 602	–	(77 924)	82 678	7 374	–
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	6 335	September 2026	–	85 646	–	85 646	–	188
2025 (2-year deferral)	September 2025	9 000	September 2027	–	–	–	–	–	–
Balance deferred share price linked STIs		15 335		–	85 646	–	85 646	–	188
LTI awards under the CIP									
2021	September 2021	16 000	September 2024	259 682	–	(259 682)	–	26 922	–
2022	September 2022	16 960	September 2025	273 196	–	–	273 196	–	–
2023	September 2023	18 317	September 2026	282 405	–	–	282 405	–	–
2024	September 2024	19 200	September 2027	–	228 163	–	228 163	–	–
2025	September 2025	17 500	September 2028	–	–	–	–	–	–
Balance LTIs		87 977		815 283	228 163	(259 682)	783 764	26 922	

Notes to the consolidated financial statements

3 Operating expenses continued

	Issue date	Value at grant date R thousand	Settlement date	Units		Number of awards settled in year	Closing number of awards ^{3,4} 30 Jun 2025	Value on settlement in 2025 ⁵ R thousand	Total value of dividends paid in respect of all plans ⁶ R thousand
				Opening balance	Awards made during year ^{1,2}				
E Brown									
Deferred share price linked STI awards									
2022 (2-year deferral)	September 2022	8 375	September 2024	134 907	–	(134 907)	–	12 767	–
2023 (2-year deferral)	September 2023	8 550	September 2025	131 822	–	–	131 822	–	–
Balance deferred share price linked STIs		16 925		266 729	–	(134 907)	131 822	12 767	–
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	9 045	September 2026	–	122 286	–	122 286	–	268
2025 (2-year deferral)	September 2025	9 210	September 2027	–	–	–	–	–	–
Balance deferred share price linked STIs		18 255		–	122 286	–	122 286	–	268
LTI awards under the CIP									
2021	September 2021	8 400	September 2024	136 333	–	(136 333)	–	16 589	–
2022	September 2022	12 500	September 2025	201 353	–	–	201 353	–	–
2023	September 2023	13 750	September 2026	211 995	–	–	211 995	–	–
2024	September 2024	15 000	September 2027	–	178 253	–	178 253	–	–
2025	September 2025	17 500	September 2028	–	–	–	–	–	–
Balance LTIs		67 150		549 681	178 253	(136 333)	591 601	16 589	–
S Cooper (£ thousand)									
Deferred share price linked STI awards⁷									
2021 (3-year deferral)	September 2021	32	September 2022-2024	–	–	–	–	14	–
2022 (7-year deferral)	September 2022	434	September 2023-2030	–	–	–	–	–	–
2023 (7-year deferral)	September 2023	581	September 2024-2031	–	–	–	–	434	–
2024 (7-year deferral)	September 2024	566	September 2025-2032	–	–	–	–	–	–
2025 (7-year deferral)	September 2025	611	September 2026-2033	–	–	–	–	–	–
Balance deferred share price linked STIs		2 224		–	–	–	–	448	–
LTI awards under the CIP⁸									
2021	September 2021	542	September 2024-2029	–	–	–	–	860	–
2022	September 2022	282	September 2025-2030	–	–	–	–	–	–
2023	September 2023	282	September 2026-2031	–	–	–	–	–	–
2024	September 2024	360	September 2027-2032	–	–	–	–	–	–
2025	September 2025	–	September 2028-2033	–	–	–	–	–	–
Balance LTIs		1 466		–	–	–	–	860	–

1 FirstRand share price linked schemes (BCIP/CIP) are determined on monetary value and not on the number of shares. The allocation of the share price linked awards is determined after year end, using the average three-day volume-weighted average price (VWAP) eight days after the results announcement. This means that the number of restricted shares allocated in 2025 is only calculated after the annual financial statements are issued.

2 The allocation of restricted share awards (BSOP) is determined after the half year results announcement, using the average price (VWAP) ten days after the results announcement.

3 Deferred share price linked STI awards and restricted share awards vesting depends on continued employment over two years as well as individual and business unit performance.

4 For all, LTI schemes vesting depends on performance conditions and targets being met on a cumulative basis over three years. The group does not apply a probability of vesting to the unvested awards and the assumption is 100% vesting up until the final remuneration committee decision, given the current environment and uncertainty in quantifying the probability of vesting. For information purposes, the maximum possible value of the unvested awards as at June 2025 is the market value of the total number of shares at R75.69 per share on the last trading day of the financial year (28 June 2025).

5 The values at settlement date include share price growth and interest earned (deferred share price linked STI awards) from grant date.

6 Dividends are payable on restricted share awards as and when they are declared.

7 The Aldermore performance-related STI share price linked component is released in equal annual tranches over the deferral period required by CRD V regulations.

8 Aldermore incentive awards are not convertible into units.

For prior year disclosure refer to Note 39 Disclosure of comparative information.

Notes to the consolidated financial statements

4 Indirect and income tax expense

R million	2025	2024
4.1 Indirect tax		
Value-added tax (net)	(1 830)	(1 644)
Securities transfer tax	(8)	(10)
Other	(36)	(1)
Total indirect tax	(1 874)	(1 655)
4.2 Income tax expense		
South African income tax		
Current	(8 909)	(9 183)
– Current year	(9 428)	(9 164)
– Current taxation related to Pillar II	(86)	–
– Prior year adjustment	605	(19)
Deferred income tax	487	417
– Current year	531	448
– Prior year adjustment	(44)	(31)
Total South African income tax	(8 422)	(8 766)
Foreign company and withholding tax		
Current	(3 886)	(3 716)
– Current year	(3 814)	(3 700)
– Prior year adjustment	(72)	(16)
Deferred income tax	(445)	626
– Current year	(454)	573
– Prior year adjustment	9	53
Total foreign company and withholding tax	(4 331)	(3 090)
South African capital gains tax	–	8
– Deferred capital gains tax	–	8
Total capital gains tax	–	8
Customer tax adjustment account	1	(1)
Deferred tax rate adjustment	6	8
Total income tax expense	(12 746)	(11 841)

Tax rate reconciliation

%	2025	2024
Standard rate of income tax	27.0	27.0
Total tax has been affected by:		
Dividend and other exempt income	(2.6)	(3.6)
Other non-taxable income*	(0.2)	(0.2)
Rate difference	(0.4)	(0.4)
Prior year adjustments	(0.9)	–
Tax difference on associates	(0.6)	(0.7)
Tax difference on joint ventures	(0.8)	(0.4)
Disallowed expenditure**	1.4	1.2
Effect of capital gains tax rate	(0.1)	–
Other	(0.8)	(0.6)
Effective rate of tax	22.0	22.3

* The majority of other non-taxable income relates to non-taxable translation (gains)/losses on preference shares and AT1 instruments.

** The majority of the disallowed expense relates to non-recoverable expenses from foreign operations that are non-deductible.

Notes to the consolidated financial statements

5 Headline earnings, earnings and dividends per share

	Notes	Earnings attributable			
		R million		Cents per share	
		2025	2024	2025	2024
Headline earnings					
– Basic	5.2	41 881	38 054	748.8	679.0
– Diluted	5.2	41 881	38 054	748.0	679.0
Earnings attributable to ordinary equityholders					
– Basic	5.2	41 876	38 191	748.7	681.4
– Diluted	5.2	41 876	38 191	747.9	681.4
Dividends – ordinary					
– Interim paid				219.0	200.0
– Final declared/paid				247.0	215.0

5.1 Weighted average number of shares

	2025	2024
Weighted average number of shares before treasury shares	5 609 488 001	5 609 488 001
Less: treasury shares	(16 329 309)	(4 954 913)
– Shares for client trading	(10 026 683)	(4 954 913)
– IFRS 2 share awards held	(6 302 626)	—
Weighted average number of shares in issue	5 593 158 692	5 604 533 088
Dilution impact:	5 958 865	—
– IFRS 2 share awards	5 958 865	—
Diluted weighted average number of shares in issue	5 599 117 557	5 604 533 088

During the current year, the group introduced a new share award scheme (refer to note 33). This resulted in the group calculating diluted earnings per share (EPS) by applying IAS 33 principles for determining the diluted weighted average number of shares using share option methodology for employee awards. In the prior year, the same weighted average number of shares was used for the basic and diluted headline earnings per share and basic and diluted earnings per share (EPS) as there were no potential dilutive ordinary shares in issue.

5.2 Headline earnings reconciliation

R million	2025		2024	
	Gross	Net	Gross	Net
Earnings attributable to ordinary equityholders		41 876		38 191
Adjusted for:				
Gains on disposal of non-private equity associates	—	—	(208)	(208)
(Gain)/loss on disposal of investments in subsidiaries	(5)	(5)	3	2
(Gain)/loss on disposal of property and equipment	(142)	(126)	23	18
Loss on remeasurement of non-current assets and disposal groups held for sale which are not sold	82	66	—	—
Impairment of goodwill	—	—	61	61
Fair value movement on investment properties	(15)	(2)	(28)	(18)
Net impairment of assets in terms of IAS 36	65	70	11	8
Other	2	2	—	—
Headline earnings attributable to ordinary equityholders		41 881		38 054

Notes to the consolidated financial statements

6 Analysis of assets and liabilities

6.1 Analysis of assets

The following table analyses the assets in the statement of financial position per category of financial instrument, according to the measurement basis.

		2025									
		Amortised cost	At fair value through profit or loss		At fair value through other comprehensive income		Derivatives designated as hedging instruments	Non-financial instruments	Total carrying value	Current	Non-current and non-contractual
R million	Notes		Mandatory	Designated	Debt	Equity					
ASSETS											
Cash and cash equivalents	7	168 379	–	–	–	–	–	–	168 379	168 379	–
Derivative financial instruments	8	–	52 890	–	–	–	5 596	–	58 486	54 231	4 255
Investment securities*	10	260 875	140 968	10 528	82 077	378	–	–	494 826	255 517	239 309
Advances	11	1 601 907	124 556	22 176	–	–	–	–	1 748 639	498 869	1 249 770
Collateral, settlement balances and other assets	13	41 786	–	–	–	–	–	7 217	49 003	36 907	12 096
Non-current assets and disposal groups held for sale	14	806	–	–	–	–	–	1 172	1 978	1 978	–
Insurance contract assets		–	–	–	–	–	–	1 433	1 433	580	853
Reinsurance contract assets		–	–	–	–	–	–	569	569	288	281
Non-financial assets		–	–	–	–	–	–	65 457	65 457	7 802	57 655
Total assets		2 073 753	318 414	32 704	82 077	378	5 596	75 848	2 588 770	1 024 551	1 564 219
2024											
Cash and cash equivalents	7	158 477	–	–	–	–	–	–	158 477	158 477	–
Derivative financial instruments	8	–	46 007	–	–	–	9 277	–	55 284	48 302	6 982
Investment securities*	10	241 559	112 232	9 609	69 728	388	–	–	433 516	209 769	223 747
Advances	11	1 498 197	98 111	15 233	–	–	–	–	1 611 541	487 771	1 123 770
Collateral, settlement balances and other assets	13	33 511	–	–	–	–	–	2 541	36 052	30 585	5 467
Non-current assets and disposal groups held for sale	14	814	–	–	–	–	–	684	1 498	1 498	–
Insurance contract assets		–	–	–	–	–	–	760	760	191	569
Reinsurance contract assets		–	–	–	–	–	–	509	509	137	372
Non-financial assets		–	–	–	–	–	–	71 702	71 702	15 552	56 150
Total assets		1 932 558	256 350	24 842	69 728	388	9 277	76 196	2 369 339	952 282	1 417 057

* All non-recourse investments are included in the investment securities balance held at mandatory FVTPL.

Notes to the consolidated financial statements

6 Analysis of assets and liabilities continued

6.2 Analysis of liabilities

The following table analyses the liabilities in the statement of financial position per category of financial instrument, according to measurement basis and in order of when the liabilities are expected to be settled.

		2025							
R million	Notes	Amortised cost	At fair value through profit or loss Mandatory	or loss Designated	Derivatives designated as hedging instruments	Non-financial instruments	Total carrying value	Current	Non-current and non-contractual
LIABILITIES									
Short trading positions	24	–	17 040	–	–	–	17 040	17 040	–
Derivative financial instruments	8	–	51 283	–	3 006	–	54 289	51 879	2 410
Creditors, accruals and provisions	25	16 666	–	–	–	20 070	36 736	24 755	11 981
Liabilities directly associated with disposal groups held for sale	14	584	–	–	–	747	1 331	1 331	–
Deposits and debt funding	26	2 088 293	80 217	13 364	–	–	2 181 874	1 883 574	298 300
Other liabilities	27	2 403	–	25	–	2 823	5 251	2 081	3 170
Insurance contract liabilities	15	–	–	–	–	1 139	1 139	616	523
Reinsurance contract liabilities	15	–	–	–	–	31	31	31	–
Policyholder liabilities under investment contracts	16	1 711	–	7 384	–	–	9 095	3 091	6 004
Tier 2 liabilities	28	21 329	–	–	–	–	21 329	3 890	17 439
Non-financial liabilities		–	–	–	–	17 449	17 449	10 514	6 935
Total liabilities		2 130 986	148 540	20 773	3 006	42 259	2 345 564	1 998 802	346 762

2024

LIABILITIES									
Short trading positions	24	–	10 273	–	–	–	10 273	10 273	–
Derivative financial instruments	8	–	43 439	–	1 206	–	44 645	43 272	1 373
Creditors, accruals and provisions	25	22 888	–	–	–	19 559	42 447	31 470	10 977
Liabilities directly associated with disposal groups held for sale	14	281	–	–	–	845	1 126	1 126	–
Deposits and debt funding	26	1 937 166	55 761	10 224	–	–	2 003 151	1 746 352	256 799
Other liabilities	27	2 695	–	49	–	3 062	5 806	1 535	4 271
Insurance contract liabilities	15	–	–	–	–	968	968	448	520
Reinsurance contract liabilities	15	–	–	–	–	48	48	35	13
Policyholder liabilities under investment contracts	16	–	–	7 669	–	–	7 669	2 479	5 190
Tier 2 liabilities	28	17 268	–	–	–	–	17 268	–	17 268
Non-financial liabilities		–	–	–	–	18 134	18 134	10 191	7 943
Total liabilities		1 980 298	109 473	17 942	1 206	42 616	2 151 535	1 847 181	304 354

Notes to the consolidated financial statements

7 Cash and cash equivalents

R million	2025	2024
Coins and bank notes	10 808	10 679
Money at call and short notice	62 621	88 436
Balances with central banks	94 950	59 362
Mandatory reserve balances with central banks	42 313	40 503
Other balances with central banks	52 637	18 859
Total cash and cash equivalents*	168 379	158 477

* ECL for physical cash is zero. ECL for cash equivalents is calculated using the loss rate approach and is immaterial.

Mandatory reserve balances with central banks

Banks across the group are required to deposit a minimum average balance, calculated monthly, with their respective central bank, which is available for use subject to certain restrictions and limitations levelled by the central banks within the countries of operation. These deposits bear little or no interest. Amounts that do not meet the definition of cash and cash equivalents are included in collateral, settlement balances and other assets.

Notes to the consolidated financial statements

8 Derivative financial instruments

Use of derivatives

The group transacts in derivatives for two purposes: to create risk management solutions for clients and to manage and hedge the group's own risk. The group's derivative activities give rise to open positions in portfolios of derivatives. These positions are managed constantly to ensure that they remain within acceptable risk levels, with offsetting deals being utilised to achieve this where necessary.

Derivative instruments are classified either as held for trading or formally designated as hedging instruments. The group applies IFRS 9 for cash flow and fair value micro hedges. IAS 39 is applied to portfolio hedges, which the group refers to as macro hedges, to which fair value hedge accounting has been applied.

For further details on the valuation of derivatives refer to note [35](#).

Qualifying for hedge accounting

Where all required criteria are met, derivatives may be classified as qualifying for hedge accounting. Hedge accounting is applied to remove the accounting mismatch between the derivative (hedging instrument) and the underlying hedged item. Qualifying hedging relationships are designated as either fair value or cash flow hedges. The group applies hedge accounting in respect of specified interest rate risk and equity price risk detailed in this note.

The group defines interest rate risk in the banking book (IRRBB) as the sensitivity of the statement of financial position and income statement to unexpected adverse movements in interest rates. IRRBB and equity price risks are managed by Group Treasury and the FirstRand asset, liability and capital committee (ALCCO) under approved policies. Aldermore manages its interest rate risk through its own treasury department and ALCCO. For further details on the group's approach to managing interest rate risk and market risk, refer to note [38](#).

IRRBB is expected within a banking operation and can be an important source of profitability and shareholder value. It is therefore managed from an earnings approach, with the aim to protect and enhance net interest income (NII). Therefore, both fair value and cash flow hedge accounting are applied to provide a better reflection of how IRRBB is managed in profit or loss.

Notes to the consolidated financial statements

8 Derivative financial instruments continued

Qualifying for hedge accounting continued

The group is exposed to equity price risk through its obligation under its employee share incentive schemes, the future cash outflows of which are directly impacted by changes in FirstRand's share price. This equity price risk is managed by purchasing equity derivatives which mitigate the exposure to variability in cash outflows as a result of FirstRand's share price movements. Cash flow hedge accounting is employed to provide a better reflection of how equity price risk is managed in profit or loss.

IFRS 9 does not specify a method for assessing hedge effectiveness. The group uses the regression analysis approach to quantitatively assess hedge effectiveness for all the cash flow and fair value hedges and it considers this approach to accurately capture the characteristics of the hedging relationships and sources of ineffectiveness. The hedge effectiveness results are assessed against the effectiveness range of 80% and 125%. Even though this quantitative measure is not required under IFRS 9, the group believes that this is a benchmark which has been extensively used in the past and is a prudent approach to determining the effectiveness of the hedge relationship in line with the group's risk management strategy.

Held for trading activities

Most of the group's derivative transactions relate to sales activities. Sales activities include the structuring and marketing of derivative products to customers to enable them to take on, transfer, modify or reduce current or expected risks.

Notional amounts represent the gross notional amount of all outstanding contracts at year end. The gross notional amount is the sum of the absolute purchase and sales of derivative instruments. The notional amounts do not represent amounts exchanged by the parties and therefore represent only the measure of involvement by the group in the derivative contracts and not its exposures to risk. Notional amounts that are denominated in foreign currency are translated to the bank's functional currency at the spot rate of exchange. Exchange rate fluctuations impact the value of the notional.

The following tables reflect the notional and fair values of the derivative instruments that qualify for hedge accounting or are held for trading. The notional amounts for derivative instruments qualifying for fair value hedge accounting include macro hedging portfolios.

Notes to the consolidated financial statements

Derivative financial instruments

R million	2025					2024				
	Notional asset	Notional liability	Total notional	Fair value assets	Fair value liabilities	Notional asset	Notional liability	Total notional	Fair value assets	Fair value liabilities
Qualifying for hedge accounting	398 674	381 981	780 655	5 596	3 006	523 433	496 717	1 020 150	11 148	1 206
Fair value hedge accounting	228 585	202 989	431 574	4 923	2 286	244 166	124 378	368 544	9 430	740
– Interest rate derivatives*	228 585	202 989	431 574	4 923	2 286	244 166	124 378	368 544	9 430	740
Cash flow hedge accounting	170 089	178 992	349 081	673	720	279 267	372 339	651 606	1 718	466
– Interest rate derivatives*	168 774	174 616	343 390	450	318	271 908	372 339	644 247	187	466
– Equity derivatives	1 315	4 376	5 691	223	402	7 359	–	7 359	1 531	–
Held for trading	11 665 123	17 461 588	29 126 711	52 890	51 283	11 675 458	11 383 616	23 059 074	44 136	43 439
– Currency derivatives	382 455	352 837	735 292	10 599	9 290	375 656	287 438	663 094	9 968	9 911
– Interest rate derivatives*	11 194 821	16 997 036	28 191 857	34 785	35 957	11 208 943	11 025 219	22 234 162	27 913	29 826
– Equity derivatives	51 032	64 168	115 200	4 786	2 604	44 543	45 608	90 151	4 211	2 440
– Commodity derivatives	29 205	43 236	72 441	2 359	3 203	39 472	23 252	62 724	1 793	1 140
– Energy derivatives	3 083	3 149	6 232	163	149	1 852	995	2 847	78	26
– Credit derivatives	4 527	1 162	5 689	198	80	4 992	1 104	6 096	173	96
Total derivative assets/liabilities	12 063 797	17 843 569	29 907 366	58 486	54 289	12 198 891	11 880 333	24 079 224	55 284	44 645
Exchange traded	37 805	51 639	89 444	–	–	16 594	33 713	50 307	17	6
Over the counter	12 025 992	17 791 930	29 817 922	58 486	54 289	12 182 297	11 846 620	24 028 917	55 267	44 639
Total derivative assets/liabilities	12 063 797	17 843 569	29 907 366	58 486	54 289	12 198 891	11 880 333	24 079 224	55 284	44 645

* Include derivatives cleared by a central clearing counterparty and whose fair value is reflected on a net basis, although the notional continues to be reflected on a gross basis.

Notes to the consolidated financial statements

8 Derivative financial instruments continued

Derivative financial instruments

Fair value hedges

Interest rate risk

The group defines interest rate risk, to which fair value hedge accounting is applied, as the potential variations in NII due to the group issuing portfolios of fixed-rate long-dated term financial liabilities and holding investment securities, as well as fixed-rate advances, which may result from:

- mismatches in the repricing of assets and liabilities;
- increases or decreases in the absolute levels of interest rates and/or changes in the shape of the term structure of interest rates when applied to the group's balance sheet; and
- behavioural uncertainties of the underlying hedged item, for example increased defaults, prepayments or early deposit withdrawals.

Where a hedging relationship involves government bonds classified at amortised cost and FVOCI as the designated hedged item, the hedged risk is the change in the fair value due to changes in the benchmark interest rate. However, only the benchmark interest rate component of the coupon cash flows plus the principal are designated as the hedged item. The interest rate swap curve is regarded as the best indicator of the interest rate risk and as such the benchmark interest rate is obtained from the interest rate swap curve denominated in the exposure's currency. The swap curve enables the measurement of the benchmark interest rate component on designation. The difference between the benchmark rate and the base rate is therefore excluded from the hedge risk designated.

As such, the benchmark interest rate risk is the component being hedged, while other risks such as credit risk are managed but not hedged by the group. This benchmark interest rate risk comprises the majority of the hedged items fair value risk.

For all other hedged items, the complete cash flow of the underlying financial asset or financial liability is designated as the hedged item, where the credit risk is proven not to dominate the fair value movements as a result of this risk.

The following are the identified hedged items subject to fair value interest rate risk hedge accounting and the related hedging instrument:

- Specified long-term fixed-rate investment securities, advances and other funding liabilities measured at amortised cost, as well as investment securities measured at amortised cost and FVOCI. To manage the interest rate risk associated with such risk exposures, the group uses a variety of cash collateralised vanilla fixed-for-floating interest rate swap derivatives.
- Interest rate exposure on a portfolio of fixed-rate high-quality liquid assets (HQLA) measured at amortised cost and FVOCI, and advances and deposits measured at amortised cost in Aldermore, where Aldermore enters into interest rate swaps on a monthly basis. The exposure from these portfolios frequently changes due to contractual repayments, prepayments, early withdrawals and new transactions being entered into. As a result, Aldermore has adopted a dynamic hedging strategy (macro hedging) to hedge the exposure profile by de-designating and re-designating interest rate swap agreements at each month end to reach offsetting positions.

The designated hedged items attract fixed interest rate cash flows, which expose the group to the risk of changes in the hedged item's fair value, attributable to changes in the benchmark interest rate embedded in the hedge item. The group presents the change in value (fair value of the interest rate component of the hedged portfolio) of the hedged item in an asset position within collateral, settlement balances and other assets and for a hedged item in a liability position within creditors and accruals.

The group enters into a variety of collateralised fixed-for-floating vanilla interest rate swaps. As such there is an expectation that the changes in fair value of the hedged item would move in the opposite direction to changes in the interest rate swaps as a result of movements in the benchmark interest rate swap curve. The swap prices off the swap curve denominated in the exposure's currency, which is regarded as the best indicator of the interest rate risk present in the hedged item.

Notes to the consolidated financial statements

8 Derivative financial instruments continued

In certain circumstances, the economic relationship is evident due to critical terms such as the denominated currency, nominal amount, duration and either the fixed rate on the hedged item or the benchmark rate component of the hedged item and the interest rate swap matching. In other instances, the hedge accounting relationship is designated based on matching the PV01 of the hedging instrument to the hedged item. In both instances, the group uses regression analyses to quantitatively prove the economic relationship.

The outcome of this is that for most hedge accounting relationships a 1:1 hedge ratio is maintained throughout the duration of the relationship. Some hedge accounting relationships do not have 1:1 hedge ratios as the designations are not based on matching notional amounts, but rather on matching the PV01 associated with the hedged item to that of the hedging instrument.

In the fair value hedge relationships for interest rate risk, the following may lead to ineffectiveness:

- the designated fixed interest rate on the hedged item differs from the offsetting rate of the interest rate swap;
- the unwinding of the time value of money element contained within the fair value of the hedging instrument on designation date;
- prepayment risk on macro hedging portfolios on the date of designating the hedge relationship;
- day 1 gains or losses on the hedging instrument at the inception of the hedge;
- differences in maturities of the interest rate swap and the hedged item;
- where applicable, the effects of the interest rates reforms, as the amendments to the terms of the hedging instrument and the related hedged item could take effect at different times;
- different reset and/or settlement dates for the hedging instrument and the hedged items; and
- difference in the notional amounts of the hedging instrument and the hedged items.

The following table discloses the maturity of the hedging instruments and the average interest rate included in fair value hedging relationships, excluding the maturity of the macro hedging portfolios.

	2025	2024
	Interest rate risk	Interest rate risk
	Notional amount	Notional amount*
R million		
1 – 3 months	2 356	–
4 – 12 months	800	–
1 – 5 years	17 138	8 205
>5 years	7 536	19 094
Total	27 830	27 299

* In the prior year the total notional was reflected as R28 713 million, it has been restated to R27 299 million. In the prior year, R9 619 million was incorrectly disclosed in the 1-5 years maturity.

	2025	2024
	Average interest rate	Average interest rate
	risk (%)	risk (%)
R million		
Derivative assets*		
1 – 3 months	2	–
4 – 12 months	1	–
1 – 5 years	5	4
>5 years	5	5
Derivative liabilities*		
1 – 3 months	–	–
4 – 12 months	–	–
1 – 5 years	8	–
> 5 years	9	9

* In the current year the average interest rate for the Derivative assets and Derivative liabilities has been disaggregated. In the prior year the average interest rate for the Derivative liabilities > 5 years bucket was reflected as 0% and has been restated to 9%.

Notes to the consolidated financial statements

The following table sets out information about hedged items in fair value hedging relationships.

R million	2025			2024		
	Advances	Investment securities	Funding liabilities*	Advances	Investment securities**	Funding liabilities*
Interest rate risk — hedged items						
Carrying amount excluding fair value hedge adjustments	216 831	63 095	145 109	164 382	50 536	129 854
Accumulated fair value hedge adjustments for instruments that are actively hedged [#]	518	(246)	(399)	(2 998)	(2 102)	(151)
Total carrying amount of hedged items	217 349	62 849	144 710	161 384	48 434	129 703
Accumulated fair value hedge adjustments for items that have ceased to be adjusted for fair value hedge gains and losses	–	(227)	–	26	(267)	–

* Deposits and Tier 2 liabilities presented on the statement of financial position are aggregated and reflected as funding liabilities.

** In the current year, the group has refined the calculation of the carrying amount for investment securities to include only the proportion of bonds that are subject to fair value hedging. The prior year has been restated. It was previously reported as R53 162 million.

[#] Accumulated fair value hedge adjustments for instruments that are actively hedged reflected under advances includes the macro hedges employed by Aldermore. The hedged items that form part of the macro hedges include advances, investment securities and funding liabilities. The accumulated fair value hedge balance attributable to these macro hedges is presented in collateral, settlement balances and other assets, and in creditors, accruals and provisions.

Notes to the consolidated financial statements

8 Derivative financial instruments continued

The following amounts were recognised in NII and NIR for the year in respect of both single and macro fair value hedging relationships. Negative values reflect a credit, positive values reflect a debit against the carrying amount of the hedging instrument and the hedged item respectively.

R million	2025	2024
Interest rate risk		
Changes in fair value for the year arising on hedging instruments	(5 362)	(9 876)
– Interest rate derivatives	(5 362)	(9 876)
Changes in fair value on the hedged items attributable to the hedged risk	5 363	9 503
– Advances	3 695	6 537
– Investment securities – amortised cost	684	(40)
– Investment securities – FVOCI	1 223	3 640
– Funding liabilities*	(239)	(634)
Ineffectiveness recognised in NIR**	1	(373)

* Deposits and Tier 2 liabilities presented on the statement of financial position are aggregated and reflected as funding liabilities.

** Included in the fair value income and foreign exchange gains/losses.

Notes to the consolidated financial statements

8 Derivative financial instruments continued

Cash flow hedges

The group employs cash flow hedge accounting to mitigate changes in future cash flows on variable rate financial instruments with the objective of mitigating variability in future cash flows resulting from changes in market rates. The following are the identified hedged items subject to cash flow hedge accounting:

- prime-linked advances (cash flow interest rate risk);
- variable Johannesburg Interbank Average Rate-linked (JIBAR-linked) advances (cash flow interest rate risk);
- variable overnight financial liabilities (cash flow interest rate risk); and
- the group's share incentive scheme (cash flow equity price risk).

Interest rate risk

Cash flow hedges of interest rate risk relate to exposures to the variability in future interest cash flows due to the movement of benchmark interest rates on recognised financial assets and financial liabilities. The change in the interest cash flows attributable to the change in benchmark rate is designated as the hedged risk for hedge accounting purposes. This variability in cash flows is hedged by cash collateralised vanilla interest rate swaps, fixing the hedged cash flows.

The variable interest rate on JIBAR-linked assets and overnight financial liabilities exposes the group to volatility in interest cash flows as the variable benchmark interest rate varies over time. To manage the cash flow risk, the group enters into interest rate swaps that have similar critical terms as the hedged items, such as reference rates, reset dates, payment dates, maturities and notional amounts. Variable rate assets are hedged with receive fixed pay float interest rate swaps, and variable rate liabilities are hedged with receive float pay fixed interest rate swaps. The changes in the cash flows on the hedging instruments are therefore expected to offset the changes in the cash flows on hedged items, resulting in an economic relationship.

A 1:1 hedge ratio is applied as the nominal amount of the hedging instruments and the designated hedged item is the same.

In the cash flow hedge of interest rate risk, the main sources of ineffectiveness are:

- day 1 gains or losses on the hedging instrument at the inception of the hedge;
- benchmark rate differences (basis risk) arising from the use of prime and JIBAR-linked swaps to hedge overnight financial liabilities; and
- designation of JIBAR-linked advances between JIBAR fixing dates.

Equity price risk

Equity price risk exists within the group's employee share incentive schemes that enable KMP and employees to benefit from the performance of FirstRand's share price. Refer to note 33 for further details. These share incentive schemes, which are accounted for as cash-settled share-based payment (SBP) in terms of IFRS 2, expose the group to cash equity price risk due to volatility in FirstRand's share price.

The fair value of the IFRS 2 liability, which is predominantly driven by movements in the FirstRand share price, is economically hedged with total return swaps (TRS). When the share price increases/decreases, the SBP expense increases/decreases in line with the share price movement. Similarly, the fair value of the TRS will increase/decrease for the share price component of the derivative in line with the increase/decrease in share price. Changes in the cash flows of the hedged item and the hedging instrument are expected to offset each other, resulting in an economic relationship being present between the SBP expense and the TRS. The number of FirstRand shares covered by the TRS is 75 million (2024: 119 million).

In cash flow hedging for equity price risk hedge relationships, the main sources of ineffectiveness are:

- mismatches in the critical terms (including differences between the notional amount of the hedging instrument and the actual number of grants vested or expected to vest) of the hedged item and the hedging instrument;
- actual number of shares that vest versus the vesting probabilities used in the calculation of the cash-settled SBP;
- funding costs associated with the hedging instrument; and
- the complete fair value of the hedging instrument at inception as well as the unwinding of the time value of money element contained within the fair value of the hedging instrument on designation date.

Notes to the consolidated financial statements

8 Derivative financial instruments continued

The following table discloses the maturity of the hedging instruments according to their respective maturity buckets and the average rate included in cash flow hedging relationships.

R million	2025		2024	
	Notional amount		Notional amount	
	Interest rate risk	Equity price risk	Interest rate risk	Equity price risk
1 – 3 months	9 098	–	98 772	–
4 – 12 months	50 632	5 691	224 677	6 137
1 – 5 years	248 170	–	279 533	1 223
>5 years	35 490	–	41 265	–
Total	343 390	5 691	644 247	7 360

R million	2025		2024	
	Average rate/share price		Average rate/share price	
	Interest rate risk (%)	Equity price risk (ZAR)	Interest rate risk (%)	Equity price risk (ZAR)
Derivative assets				
1 – 3 months	5	–	7	–
4 – 12 months	7	63	7	62
1 – 5 years	8	–	7	63
>5 years	8	–	8	–
Derivative liabilities				
1 – 3 months	6	–	8	–
4 – 12 months	6	81	7	–
1 – 5 years	8	–	7	–
>5 years	8	–	8	–

Notes to the consolidated financial statements

8 Derivative financial instruments continued

The following amounts were recorded in NIR for the year in respect of cash flow hedging relationships. Negative values reflect a credit and a positive value reflects a debit against the carrying amount of the hedging instrument.

R million	2025			2024		
	Interest rate risk	Equity price risk	Total	Interest rate risk	Equity price risk	Total
Changes in fair value for the year						
On the hedging instruments	2 794	497	3 291	3 022	723	3 745
– Interest rate derivatives	2 794	–	2 794	3 022	–	3 022
– Equity derivatives	–	497	497	–	723	723
On the hedged item subject to the hedged risk	(2 748)	(728)	(3 476)	(2 929)	(765)	(3 694)
– Advances	(5 649)	–	(5 649)	(6 152)	–	(6 152)
– Other funding liabilities	2 901	–	2 901	3 223	–	3 223
– Share-based payment	–	(728)	(728)	–	(765)	(765)
Ineffectiveness recognised in NIR*	46	–	46	93	–	93

* Included in fair value income and foreign exchange gains/losses.

Notes to the consolidated financial statements

8 Derivative financial instruments continued

The following amounts relate to the fair value and cash flow movements in the cash flow hedge reserve, reflected through other comprehensive income on hedging instruments included in cash flow hedging relationships.

R million	2025			2024		
	Interest rate risk	Equity price risk	Total	Interest rate risk	Equity price risk	Total
As at 30 June 2025						
Cash flow hedge reserve – opening balance ((debit)/credit)	(1 271)	546	(725)	(3 721)	626	(3 095)
Movement in the reserve attributable to changes in the fair value of the hedge instrument	1 780	403	2 183	1 780	768	2 548
Analysis of transfers out of cash flow hedging reserve:						
Nil and operating expenses (staff costs)	1 173	(831)	342	1 577	(889)	688
– Hedged item affects profit or loss	1 142	(831)	311	1 215	(889)	326
– Hedged future cash flows no longer expected to occur	31	—	31	362	—	362
Deferred tax on reserve movement	(797)	82	(715)	(907)	41	(866)
Cash flow hedge reserve – closing balance	885	200	1 085	(1 271)	546	(725)
Cash flow hedge reserve relating to continuing hedges	583	200	783	(1 447)	544	(903)
Cash flow hedge reserve relating to discontinued hedges	302	—	302	176	2	178
Cash flow hedge reserve – closing balance ((debit)/credit)	885	200	1 085	(1 271)	546	(725)

Notes to the consolidated financial statements

9 Commodities

R million	2025	2024
Agricultural commodities	1 256	1 426
Gold	6 006	13 611
Platinum group metals	102	72
Total commodities	7 364	15 109

Notes to the consolidated financial statements

10 Investment securities

R million	2025	2024
Negotiable certificates of deposit	375	39
Treasury bills	114 965	94 391
Other government and government-guaranteed stock	307 014	277 977
Other dated securities	25 182	30 786
Other undated securities	1 504	1 495
Non-recourse investments	8 898	4 830
Equities	30 136	18 412
Other	7 594	6 424
Total gross carrying amount of investment securities	495 668	434 354
Loss allowance on investment securities	(842)	(838)
Total investment securities	494 826	433 516

10.1 Analysis of impairment stages of investment securities

R million	Amortised cost			FVOCI (debt)		
	Gross carrying amount*	ECL allowance	Carrying amount	Gross carrying amount*	ECL allowance**	Carrying amount
As at 30 June 2025						
Stage 1	259 940	(805)	259 135	82 077	–	82 077
Stage 2	1 070	(37)	1 033	–	–	–
Stage 3	–	(22)	(22)	–	–	–
Purchased or originated credit impaired	707	22	729	–	–	–
Total investment securities	261 717	(842)	260 875	82 077	–	82 077
As at 30 June 2024						
Stage 1#	241 862	(822)	241 040	69 728	–	69 728
Stage 2#	1	(1)	–	–	–	–
Stage 3	43	(15)	28	–	–	–
Purchased or originated credit impaired	491	–	491	–	–	–
Total investment securities	242 397	(838)	241 559	69 728	–	69 728

* In the prior year, the carrying amount column represented the gross carrying amount. The description has been updated and the carrying amount information has been included in the current year in accordance with IFRS 7.

** ECL for FVOCI debt instruments are calculated using the loss rate approach and is immaterial.

Stage 2 Gross carrying amount was previously disclosed as nil. R1 million has been reclassified from Stage 1 to Stage 2.

Notes to the consolidated financial statements

10 Investment securities continued

10.2 Non-recourse investments at fair value through profit or loss

The group entered into the following transactions with its consolidated structured entities over the course of many years.

SPV	Type of SPV	Instruments
iNkotha Investments Limited	Call bond programme	Overnight high credit quality
iNguza Investments Limited	Repack programme	Debentures or notes linked to underlying credit exposure

The performance on the commercial paper is directly linked to the performance and risk of the underlying portfolio of the special purpose vehicle (SPV). The group has no obligations towards other investors beyond the amount already invested. Information regarding other investments is kept at the group's registered offices.

The aggregated fair value of the non-recourse investments and associated liabilities R8 898 million (2024: R4 831 million) and R8 898 million (2024: R4 831 million), respectively, increased in the current year from trade activity of iNguza.

10.3 Repurchase agreements and securities lending transactions

The table below sets out the details of investment securities that have been transferred in terms of repurchase agreements, but not derecognised.

	Investment securities (carrying amount)		Associated liabilities recognised in deposits (carrying amount)	
R million	2025	2024*	2025	2024*
Repurchase agreements	32 867	12 038	32 061	11 123

* The prior year balance for the carrying amount of Investment securities and Associated liabilities were understated by R4 166 million and R3 852 million respectively, comparatives have been restated.

Transferred investments and related deposits under repurchase agreements are either measured at amortised cost or at fair value through profit or loss (FVTPL).

The fair value of the investment securities transferred under repurchase agreements is R32 867 million (2024: R12 038 million) and that of the associated liabilities is R32 061 million (2024: R11 123 million).

10.4 Equity investments designated at fair value through other comprehensive income

Strategic equity investments which the group does not plan on selling are designated as non-trading equity instruments classified on initial recognition as measured at FVOCI. The fair values of these investments is R378 million (2024: R389 million).

Notes to the consolidated financial statements

11 Advances

11.1 Category analysis of advances

R million	Notes	2025	2024
Overdrafts and cash management accounts		100 619	97 614
Term loans		117 906	112 983
Card loans		49 309	46 357
Instalment sales, hire purchase agreements and lease payments receivable	11.2	317 979	290 871
Property finance		598 518	550 693
Personal loans		63 077	61 235
Preference share agreements		44 091	41 453
Investment bank term loans		263 096	243 900
Long-term loans to group associates and joint ventures		3 948	2 919
Other		74 454	70 921
Total customer advances		1 632 997	1 518 946
Marketable advances		66 005	78 952
Assets under agreements to resell		104 825	67 808
Gross value of advances		1 803 827	1 665 706
Impairment and credit of fair value advances	12.1	(55 188)	(54 165)
Net advances		1 748 639	1 611 541
Gross advances – amortised cost		1 656 021	1 551 374
Impairment of advances – amortised cost		(54 114)	(53 177)
Net advances – amortised cost		1 601 907	1 498 197
Gross advances – fair value		147 806	114 332
Impairment of advances – fair value		(1 074)	(988)
Net advances – fair value		146 732	113 344
Net advances		1 748 639	1 611 541

11.2 Analysis of instalment sales, hire purchase agreements and lease payments receivable

R million	2025	2024
Within 1 year	50 065	46 131
Between 1 and 2 years	45 691	42 800
Between 2 and 3 years	36 218	35 829
Between 3 and 4 years	26 997	22 304
Between 4 and 5 years	7 601	5 985
More than 5 years	5 017	5 108
Total gross amount*	171 589	158 157
Unearned finance charges	(26 271)	(24 973)
Net amount of hire purchase and lease payments receivable	145 318	133 184
Instalment sales	172 661	157 687
Total instalment sales, hire purchase agreements and lease payments receivable	317 979	290 871

* Hire purchase agreements and lease payments receivable relate to leases for motor vehicles and equipment. The agreements do not include contingent rentals. The increase in the gross amount is due to improved demand in WesBank and UK operations as economic conditions ease on customers, and increased redemptions from a maturing portfolio in the UK operations. This is offset by the decrease attributable to the run-down of the hire purchase agreements in the MotoNovo back book.

Notes to the consolidated financial statements

11 Advances continued

11.3 Securitisation transactions

The following bankruptcy remote structured entities were created over the course of many years to facilitate traditional securitisation transactions for WesBank retail instalment sale advances (FAST and Nitro Programme - Nitro 7 and Nitro 8), FNB residential mortgages (Lehae Programme), MotoNovo retail hire purchase advances (MotoMore) and for Aldermore residential mortgage advances (Oak 3, Oak 4 and Oak 5). These structured entities are consolidated by the FirstRand. During the financial year, new issuances were made under the Nitro programme (Nitro 8) and the Oak 5 securitisation was launched. Oak 3 was closed out and the notes under the FAST securitisation was settled. The table below discloses the carrying amount of advances and related assets held by the structured entities at 30 June, as well as the financial liabilities incurred to fund the initial acquisitions and other related liabilities.

Name of securitisation	Established	Initial transaction value	Carrying value of assets		Carrying value of liabilities	
			R million		R million	
			2025	2024	2025	2024
FAST	July 2016	R6.8 billion	1 343	1 919	3	704
Nitro Programme (Nitro 7)	May 2019	R2 billion	–	2	–	–
Oak 3	September 2019	£344 million	–	1 579	–	1 572
MotoMore	September 2019	£250 million	10 181	9 786	10 002	9 593
Oak 4	May 2023	£447 million	5 296	6 914	5 654	6 993
Lehae Programme	September 2023	R2.04 billion	1 758	1 980	1 742	1 971
Nitro Programme (Nitro 8)	December 2024	R2.05 billion	1 731	–	1 716	–
Oak 5	March 2025	£456 million	7 403	–	7 448	–

Notes to the consolidated financial statements

11 Advances continued

11.4 Analysis of advances per class

Basis of preparation of the analysis of advances per class

In determining classes of advances, the type of client is used as a primary indicator, whereafter the type of loans provided to that type of client is reflected as subclasses.

The UK operations retail portfolio consists of property finance and motor finance. Commercial represents the structured and specialised finance business.

11.5 Reconciliation of the gross advances and loss allowance on total advances per class

Basis of preparation of the reconciliation

The reconciliation of the GCA and ECL has been prepared using a year-to-date view. This means that the group reports exposures based on the impairment stage at the end of the reporting period. The reconciliation distinguishes between the back book and new business, as this provides meaningful information to the user in gaining an understanding of the performance of advances overall.

The group transfers opening balances (back book) at the value as at 1 July, based on the impairment stage at the end of the reporting period. Any change in exposure and additional ECL raised or released is included in the impairment stage as at the end of the reporting period. Exposures that are in the back book can move directly from stage 3 to stage 1 if the curing requirements have been met in a reporting period. The opening balances as at 1 July are transferred to the impairment stage at 30 June in the transfers section. The current year movements of the back book are included in changes in exposure and net movement GCA and ECL provided/(released) are reflected separately in the reconciliation. The current year movement in the ECL for stage 2 advances is split between exposure where there has been a change in the measurement basis from 12 months to LECLs and other changes.

The movement on GCA is split between:

- additional amounts advanced on the back book and any settlements, with transfers on the back book reflected separately; and
- new business originated during the financial year, the transfers between stages of the new origination and any settlements.

Current year ECL provided/(released):

- relates to an increase/(decrease) in the carrying amount of the back book during the current financial year, as well as the increase/(decrease) in the risk associated with the opening balance of the back book; and
- includes interest on stage 3 advances for stage 3 exposures in the back book and new business.

New business is broadly defined as any new product issued to a new or existing customer during the current financial year. All new business is reflected based on the impairment stage at the end of the reporting period. Therefore, exposures in the new business lines can be reported in stage 3 at the end of the reporting date.

The majority of the fair value advances is originated within the RMB corporate and investment banking portfolio.

The decrease in the advance as a result of a write-off is equal to the decrease in the ECL (bad debts written off), as exposures are 100% provided for before being written off. There is, however, an exception in the RMB corporate and investment banking portfolio, where partial write-offs are permitted on a case-by-case basis.

Additional information relating to advances

The total contractual amount outstanding on amortised cost advances that were written off during the period and are still subject to enforcement activity is R14 415 million (30 June 2024: R12 124 million).

Included in the core lending advances are advances of R1 937 million (30 June 2024: R1 632 million) for which no ECL is raised due to over-collateralisation. These advances are originated in FNB commercial and RMB corporate and investment banking. Advances under agreements to resell are also fully collateralised and therefore no ECL is raised for these advances either. All advances under agreements to resell are classified in stage 1.

Notes to the consolidated financial statements

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.1 Reconciliation of the gross carrying amount of total advances per class

Amortised cost – 30 June 2025

R million	Retail secured		Retail unsecured		Corporate and commercial					Centre (including Group Treasury)	UK operations		Total
	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa		Retail	Commercial	
GCA reported as at 1 July 2024	272 363	113 044	41 374	53 286	7 314	129 028	60 218	394 788	80 409	39 752	274 339	85 459	1 551 374
– Stage 1	231 891	93 276	33 111	35 345	5 715	115 394	55 268	366 607	69 393	39 106	253 218	73 262	1 371 586
– Stage 2	22 249	12 552	3 030	8 933	584	8 901	3 841	24 451	7 071	13	10 923	10 324	112 872
– Stage 3	18 223	7 216	5 233	9 008	1 015	4 733	1 109	2 890	3 945	633	10 198	1 873	66 076
– Purchased or originated credit impaired	–	–	–	–	–	–	–	840	–	–	–	–	840
Transfers between stages	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	(4 867)	(3 395)	(2 168)	(4 225)	(207)	(3 195)	(1 192)	6 273	(521)	3	(8 160)	(2 249)	(23 903)
– Transfers into stage 1	6 554	2 772	944	1 759	145	1 672	1 781	12 069	2 878	3	3 961	4 100	38 638
– Transfers out of stage 1	(11 421)	(6 167)	(3 112)	(5 984)	(352)	(4 867)	(2 973)	(5 796)	(3 399)	–	(12 121)	(6 349)	(62 541)
Transfers to/(from) stage 2	1 344	501	(394)	(539)	82	534	512	(9 348)	30	(3)	4 848	1 616	(817)
– Transfers into stage 2	11 532	5 442	1 355	4 179	347	3 153	2 528	5 796	3 107	1	10 095	6 000	53 535
– Transfers out of stage 2	(10 188)	(4 941)	(1 749)	(4 718)	(265)	(2 619)	(2 016)	(15 144)	(3 077)	(4)	(5 247)	(4 384)	(54 352)
Transfers to/(from) stage 3	3 523	2 894	2 562	4 764	125	2 661	680	3 075	491	–	3 312	633	24 720
– Transfers into stage 3	6 359	3 999	2 678	6 119	275	2 761	800	3 075	655	2	4 226	1 003	31 952
– Transfers out of stage 3	(2 836)	(1 105)	(116)	(1 355)	(150)	(100)	(120)	–	(164)	(2)	(914)	(370)	(7 232)
Current year movement	9 844	13 977	5 165	7 719	294	15 638	5 854	24 970	7 225	9 567	25 594	4 770	130 617
New business – changes in exposure	40 400	47 874	3 730	19 976	1 251	30 204	18 699	127 167	15 491	497	87 747	32 967	426 003
Back book – current year movement	(30 556)	(33 897)	1 435	(12 257)	(957)	(14 566)	(12 845)	(102 316)	(8 266)	9 070	(62 153)	(28 197)	(295 505)
– Exposures with a change in measurement basis from 12 months to LECL	(1 323)	(1 965)	144	(1 368)	(8)	(1 145)	(1 268)	(1 010)	58	1	(2 906)	(4 457)	(15 247)
– Other current year change in exposure/ net movement on GCA	(29 233)	(31 932)	1 291	(10 889)	(949)	(13 421)	(11 577)	(101 306)	(8 324)	9 069	(59 247)	(23 740)	(280 258)
Purchased or originated credit impaired	–	–	–	–	–	–	–	119	–	–	–	–	119
Acquisition/(disposal) of advances	–	–	–	–	–	–	–	(28 939)	302	–	–	–	(28 637)
Transfers from/(to) other divisions	1	–	–	2	(1)	(2)	–	–	–	–	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	(1 072)	370	35	17 297	5 268	21 898
Bad debts written off	(521)	(2 242)	(2 151)	(6 177)	(755)	(1 598)	(195)	(816)	(1 255)	(518)	(1 634)	(386)	(18 248)
Modifications that did not give rise to derecognition	(18)	(51)	(152)	(742)	(29)	9	–	–	–	–	–	–	(983)
GCA as at 30 June 2025	281 669	124 728	44 236	54 088	6 823	143 075	65 877	388 931	87 051	48 836	315 596	95 111	1 656 021
– Stage 1	237 410	105 028	34 812	36 126	5 369	127 935	61 060	369 833	75 561	48 741	283 808	84 663	1 470 346
– Stage 2	24 193	12 410	3 156	8 880	537	9 486	3 479	13 526	7 912	12	19 857	8 497	111 945
– Stage 3	20 066	7 290	6 268	9 082	917	5 654	1 338	4 680	3 578	83	11 931	1 951	72 838
– Purchased or originated credit impaired	–	–	–	–	–	–	–	892	–	–	–	–	892
Core lending advances	281 669	124 728	44 236	54 088	6 823	143 075	65 877	388 865	87 051	32 441	315 596	95 111	1 639 560
Assets under agreements to resell*	–	–	–	–	–	–	–	66	–	16 395	–	–	16 461
Total GCA of advances as at 30 June 2025	281 669	124 728	44 236	54 088	6 823	143 075	65 877	388 931	87 051	48 836	315 596	95 111	1 656 021

* All balances are included in stage 1.

Notes to the consolidated financial statements

- 11 Advances continued
- 11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued
- 11.5.2 Reconciliation of the loss allowance on total advances per class
- Amortised cost – 30 June 2025

	Retail secured		Retail unsecured		Corporate and commercial				Broader Africa	Centre (including Group Treasury)	UK operations		Total
	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking			Retail	Commercial	
R million													
ECL reported as at 1 July 2024	5 451	6 259	5 705	10 243	1 327	5 071	916	6 058	4 124	877	5 473	1 673	53 177
– Stage 1	414	982	1 157	1 884	284	1 189	245	1 347	1 134	229	1 460	701	11 026
– Stage 2	1 290	1 877	773	2 112	167	947	147	3 238	854	57	580	433	12 475
– Stage 3	3 747	3 400	3 775	6 247	876	2 935	524	891	2 136	591	3 433	539	29 094
– Purchased or originated credit impaired	–	–	–	–	–	–	–	582	–	–	–	–	582
Transfers between stages	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	207	234	56	(124)	10	149	49	620	48	–	72	147	1 468
– Transfers into stage 1	254	314	215	376	24	268	76	648	161	–	127	184	2 647
– Transfers out of stage 1	(47)	(80)	(159)	(500)	(14)	(119)	(27)	(28)	(113)	–	(55)	(37)	(1 179)
Transfers to/(from) stage 2	(246)	(642)	(414)	(1 192)	3	(384)	(59)	(1 161)	(35)	1	(154)	(144)	(4 427)
– Transfers into stage 2	282	150	81	672	67	97	29	28	132	1	77	53	1 669
– Transfers out of stage 2	(528)	(792)	(495)	(1 864)	(64)	(481)	(88)	(1 189)	(167)	–	(231)	(197)	(6 096)
Transfers to/(from) stage 3	39	408	358	1 316	(13)	235	10	541	(13)	(1)	82	(3)	2 959
– Transfers into stage 3	319	526	422	1 845	53	289	32	541	54	1	155	40	4 277
– Transfers out of stage 3	(280)	(118)	(64)	(529)	(66)	(54)	(22)	–	(67)	(2)	(73)	(43)	(1 318)
Current year provision created/(released)	1 198	2 274	3 116	5 851	571	2 575	296	1 017	1 029	142	689	18	18 776
New business – impairment charge/(release)	312	1 398	291	2 431	182	520	193	580	302	(4)	446	194	6 845
Back book – impairment charge/(release)	886	876	2 825	3 420	389	2 055	103	258	727	146	243	(176)	11 752
– Exposures with a change in measurement basis from 12 months to LECL	68	(239)	166	46	9	359	(3)	(97)	52	(1)	(9)	(45)	306
– Other current year impairment charge/(release)	818	1 115	2 659	3 374	380	1 696	106	355	675	147	252	(131)	11 446
Purchased or originated credit impaired	–	–	–	–	–	–	–	179	–	–	–	–	179
Acquisition/(disposal) of advances	–	–	–	–	–	–	–	(119)	1	–	–	–	(118)
Transfers from/(to) other divisions	–	–	–	2	–	(2)	–	–	–	–	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	(7)	46	36	352	100	527
Bad debts written off	(521)	(2 242)	(2 151)	(6 177)	(755)	(1 598)	(195)	(816)	(1 255)	(518)	(1 634)	(386)	(18 248)
ECL as at 30 June 2025	6 128	6 291	6 670	9 919	1 143	6 046	1 017	6 133	3 945	537	4 880	1 405	54 114
– Stage 1	405	1 041	1 258	1 762	201	1 082	247	1 814	960	450	1 110	552	10 882
– Stage 2	1 268	1 901	857	2 019	149	1 244	117	2 101	938	6	747	337	11 684
– Stage 3	4 455	3 349	4 555	6 138	793	3 720	653	1 524	2 047	81	3 023	516	30 854
– Purchased or originated credit impaired	–	–	–	–	–	–	–	694	–	–	–	–	694
Current year provision created/(released) per impairment stage	1 198	2 274	3 116	5 851	571	2 575	296	1 017	1 029	142	689	18	18 776
– Stage 1	(215)	(174)	45	4	(95)	(255)	(48)	(89)	(206)	216	(494)	(334)	(1 645)
– Stage 2	224	666	498	1 098	(20)	680	29	86	112	(50)	284	30	3 637
– Stage 3	1 189	1 782	2 573	4 749	686	2 150	315	841	1 123	(24)	899	322	16 605
– Purchased or originated credit impaired	–	–	–	–	–	–	–	179	–	–	–	–	179

Notes to the consolidated financial statements

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.3 Reconciliation of the gross carrying amount of total advances per class

Fair value – 30 June 2025

R million	FNB commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total
GCA reported as at 1 July 2024	816	113 005	353	158	114 332
– Stage 1	816	110 087	353	158	111 414
– Stage 2	–	1 994	–	–	1 994
– Stage 3	–	924	–	–	924
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	–	(455)	–	(42)	(497)
– Transfers into stage 1	–	282	–	–	282
– Transfers out of stage 1	–	(737)	–	(42)	(779)
Transfers to/(from) stage 2	–	425	–	42	467
– Transfers into stage 2	–	703	–	42	745
– Transfers out of stage 2	–	(278)	–	–	(278)
Transfers to/(from) stage 3	–	30	–	–	30
– Transfers into stage 3	–	30	–	–	30
– Transfers out of stage 3	–	–	–	–	–
Current year movement	(1)	30 902	–	2 952	33 853
New business – changes in exposure	–	19 660	–	–	19 660
Back book – current year movement	(1)	11 242	–	2 952	14 193
– Exposures with a change in measurement basis from 12 months to LECL	–	16	–	1	17
– Other current year change in exposure/net movement on GCA	(1)	11 226	–	2 951	14 176
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	209	(312)	–	(103)
Transfers from/(to) other divisions	–	–	–	–	–
Exchange rate differences	–	(257)	17	–	(240)
Bad debts written off	–	(34)	–	(2)	(36)
GCA as at 30 June 2025	815	143 825	58	3 108	147 806
– Stage 1	815	140 984	58	3 065	144 922
– Stage 2	–	2 087	–	43	2 130
– Stage 3	–	754	–	–	754
– Purchased or originated credit impaired	–	–	–	–	–
Core lending advances	815	58 188	–	439	59 442
Assets under agreements to resell*	–	85 637	58	2 669	88 364
Total GCA of advances as at 30 June 2025	815	143 825	58	3 108	147 806

* All balances are included in stage 1.

Notes to the consolidated financial statements

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.4 Reconciliation of the loss allowance on total advances per class

Fair value – 30 June 2025

R million	FNB commercial	RMB and investment banking	Broader Africa	Centre (including Group Treasury)	Total
ECL reported as at 1 July 2024	6	974	1	7	988
– Stage 1	6	604	1	7	618
– Stage 2	–	109	–	–	109
– Stage 3	–	261	–	–	261
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	–	3	–	2	5
– Transfers into stage 1	–	18	–	2	20
– Transfers out of stage 1	–	(15)	–	–	(15)
Transfers to/(from) stage 2	–	(4)	–	(2)	(6)
– Transfers into stage 2	–	14	–	–	14
– Transfers out of stage 2	–	(18)	–	(2)	(20)
Transfers to/(from) stage 3	–	1	–	–	1
– Transfers into stage 3	–	1	–	–	1
– Transfers out of stage 3	–	–	–	–	–
Current year provision created/(released)	10	119	–	2	131
New business – impairment charge/(release)	–	106	–	1	107
Back book – impairment charge/(release)	10	13	–	1	24
– Exposures with a change in measurement basis from 12 months to LECL	–	194	–	1	195
– Other current year impairment charge/(release)	10	(181)	–	–	(171)
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	(1)	–	(1)
Transfers from/(to) other divisions	–	–	–	–	–
Exchange rate differences	–	(8)	–	–	(8)
Bad debts written off	–	(34)	–	(2)	(36)
ECL as at 30 June 2025	16	1 051	–	7	1 074
– Stage 1	16	333	–	7	356
– Stage 2	–	480	–	–	480
– Stage 3	–	238	–	–	238
– Purchased or originated credit impaired	–	–	–	–	–
Current year provision created/(released) per impairment stage	10	119	–	2	131
– Stage 1	10	(270)	–	–	(260)
– Stage 2	–	378	–	1	379
– Stage 3	–	11	–	1	12
– Purchased or originated credit impaired	–	–	–	–	–

Notes to the consolidated financial statements

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.5 Reconciliation of the gross carrying amount of total advances per class

Amortised cost – 30 June 2024

R million	Retail secured		Retail unsecured		Corporate and commercial					Centre (including Group Treasury)	UK operations		Total
	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa		Retail	Commercial	
GCA reported as at 1 July 2023	259 635	108 779	37 149	50 072	7 406	115 928	54 212	335 608	76 804	40 861	286 908	85 834	1 459 196
– Stage 1	223 096	90 310	30 073	35 024	5 843	102 500	49 682	311 754	65 913	40 861	259 928	77 780	1 292 764
– Stage 2	22 466	12 300	3 019	7 501	639	8 655	3 464	19 495	7 346	–	18 256	6 636	109 777
– Stage 3	14 073	6 169	4 057	7 547	924	4 773	1 066	3 577	3 545	–	8 724	1 418	55 873
– Purchased or originated credit impaired	–	–	–	–	–	–	–	782	–	–	–	–	782
Transfers between stages	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	(4 661)	(4 132)	(1 733)	(5 211)	(261)	(1 761)	(827)	(8 134)	(1 519)	9	708	(5 585)	(33 107)
– Transfers into stage 1	6 758	2 606	1 066	1 443	177	3 297	2 745	1 312	5 010	21	10 117	2 437	36 989
– Transfers out of stage 1	(11 419)	(6 738)	(2 799)	(6 654)	(438)	(5 058)	(3 572)	(9 446)	(6 529)	(12)	(9 409)	(8 022)	(70 096)
Transfers to/(from) stage 2	(572)	890	(634)	130	19	240	484	7 689	240	12	(4 671)	4 404	8 231
– Transfers into stage 2	10 455	5 770	1 221	3 920	342	4 293	3 238	9 081	5 814	8	7 101	7 322	58 565
– Transfers out of stage 2	(11 027)	(4 880)	(1 855)	(3 790)	(323)	(4 053)	(2 754)	(1 392)	(5 574)	4	(11 772)	(2 918)	(50 334)
Transfers to/(from) stage 3	5 233	3 242	2 367	5 081	242	1 521	343	445	1 279	(21)	3 963	1 181	24 876
– Transfers into stage 3	6 913	4 129	2 464	5 821	358	1 822	607	445	1 529	22	4 628	1 285	30 023
– Transfers out of stage 3	(1 680)	(887)	(97)	(740)	(116)	(301)	(264)	–	(250)	(43)	(665)	(104)	(5 147)
Current year movement	13 240	6 091	6 190	9 127	559	14 512	6 125	65 057	8 702	(2 623)	800	3 489	131 269
New business – changes in exposure	40 258	38 672	3 735	20 785	1 207	28 911	20 517	131 950	18 839	3 013	62 091	28 465	398 443
Back book – current year movement	(27 018)	(32 581)	2 455	(11 658)	(648)	(14 399)	(14 392)	(66 951)	(10 137)	(5 636)	(61 291)	(24 976)	(267 232)
– Exposures with a change in measurement basis from 12 months to LECL	(1 229)	(2 092)	198	(1 251)	1	(567)	(590)	(2 019)	(109)	(24)	(3 241)	(2 520)	(13 443)
– Other current year change in exposure/ net movement on GCA	(25 789)	(30 489)	2 257	(10 407)	(649)	(13 832)	(13 802)	(64 932)	(10 028)	(5 612)	(58 050)	(22 456)	(253 789)
Purchased or originated credit impaired	–	–	–	–	–	–	–	58	–	–	–	–	58
Acquisition/(disposal) of advances	–	–	–	–	–	–	–	(3 737)	–	–	–	–	(3 737)
Transfers from/(to) other divisions	(28)	–	–	–	28	–	–	–	–	1 592	(1 592)	–	–
Exchange rate differences	–	–	–	–	–	–	–	(1 653)	(4 452)	(44)	(11 460)	(3 524)	(21 133)
Bad debts written off	(447)	(1 779)	(1 869)	(5 263)	(648)	(1 412)	(119)	(487)	(645)	(34)	(317)	(340)	(13 360)
Modifications that did not give rise to derecognition	(37)	(47)	(96)	(650)	(31)	–	–	–	–	–	–	–	(861)
GCA as at 30 June 2024	272 363	113 044	41 374	53 286	7 314	129 028	60 218	394 788	80 409	39 752	274 339	85 459	1 551 374
– Stage 1	231 891	93 276	33 111	35 345	5 715	115 394	55 268	366 607	69 393	39 106	253 218	73 262	1 371 586
– Stage 2	22 249	12 552	3 030	8 933	584	8 901	3 841	24 451	7 071	13	10 923	10 324	112 872
– Stage 3	18 223	7 216	5 233	9 008	1 015	4 733	1 109	2 890	3 945	633	10 198	1 873	66 076
– Purchased or originated credit impaired	–	–	–	–	–	–	–	840	–	–	–	–	840
Core lending advances	272 363	113 044	41 374	53 286	7 314	129 028	60 218	394 712	80 409	32 296	274 339	85 459	1 543 842
Assets under agreements to resell*	–	–	–	–	–	–	–	76	–	7 456	–	–	7 532
Total GCA of advances as at 30 June 2024	272 363	113 044	41 374	53 286	7 314	129 028	60 218	394 788	80 409	39 752	274 339	85 459	1 551 374

* All balances are included in stage 1.

Notes to the consolidated financial statements

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.6 Reconciliation of the loss allowance on total advances per class

Amortised cost – 30 June 2024

R million	Retail secured		Retail unsecured		Corporate and commercial				UK operations				Total
	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Retail	Commercial	
ECL reported as at 1 July 2023	4 356	5 862	4 767	9 289	1 248	4 952	733	5 210	4 140	531	6 866	1 792	49 746
– Stage 1	432	995	1 165	2 069	310	907	228	1 334	1 285	370	2 372	962	12 429
– Stage 2	1 076	1 879	754	1 901	168	1 213	111	2 436	808	151	889	382	11 768
– Stage 3	2 848	2 988	2 848	5 319	770	2 832	394	1 195	2 047	10	3 605	448	25 304
– Purchased or originated credit impaired	–	–	–	–	–	–	–	245	–	–	–	–	245
Transfers between stages	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	187	200	81	(327)	8	206	62	67	188	9	190	9	880
– Transfers into stage 1	226	290	234	326	30	282	81	112	255	9	244	93	2 182
– Transfers out of stage 1	(39)	(90)	(153)	(653)	(22)	(76)	(19)	(45)	(67)	–	(54)	(84)	(1 302)
Transfers to/(from) stage 2	(337)	(609)	(422)	(1 024)	(21)	(324)	(34)	(82)	(239)	–	(265)	(58)	(3 415)
– Transfers into stage 2	157	144	79	486	58	96	29	43	79	3	76	79	1 329
– Transfers out of stage 2	(494)	(753)	(501)	(1 510)	(79)	(420)	(63)	(125)	(318)	(3)	(341)	(137)	(4 744)
Transfers to/(from) stage 3	150	409	341	1 351	13	118	(28)	15	51	(9)	75	49	2 535
– Transfers into stage 3	304	501	395	1 633	67	225	17	15	102	2	159	76	3 496
– Transfers out of stage 3	(154)	(92)	(54)	(282)	(54)	(107)	(45)	–	(51)	(11)	(84)	(27)	(961)
Current year provision created/(released)	1 612	2 176	2 807	6 122	752	1 531	302	1 360	868	(420)	(7)	300	17 403
New business – impairment charge/(release)	362	1 280	328	2 779	161	511	225	497	469	–	428	273	7 313
Back book – impairment charge/(release)	1 250	896	2 479	3 343	591	1 020	77	526	399	(420)	(435)	27	9 753
– Exposures with a change in measurement basis from 12 months to LECL	119	(187)	171	52	15	189	31	296	49	(2)	(7)	1	727
– Other current year impairment charge/(release)	1 131	1 083	2 308	3 291	576	831	46	230	350	(418)	(428)	26	9 026
Purchased or originated credit impaired	–	–	–	–	–	–	–	337	–	–	–	–	337
Acquisition/(disposal) of advances	–	–	–	–	–	–	–	(9)	–	–	–	–	(9)
Transfers from/(to) other divisions	(70)	–	–	95	(25)	–	–	–	–	827	(827)	–	–
Exchange rate differences	–	–	–	–	–	–	–	(16)	(239)	(27)	(242)	(79)	(603)
Bad debts written off	(447)	(1 779)	(1 869)	(5 263)	(648)	(1 412)	(119)	(487)	(645)	(34)	(317)	(340)	(13 360)
ECL as at 30 June 2024	5 451	6 259	5 705	10 243	1 327	5 071	916	6 058	4 124	877	5 473	1 673	53 177
– Stage 1	414	982	1 157	1 884	284	1 189	245	1 347	1 134	229	1 460	701	11 026
– Stage 2	1 290	1 877	773	2 112	167	947	147	3 238	854	57	580	433	12 475
– Stage 3	3 747	3 400	3 775	6 247	876	2 935	524	891	2 136	591	3 433	539	29 094
– Purchased or originated credit impaired	–	–	–	–	–	–	–	582	–	–	–	–	582
Current year provision created/(released) per impairment stage	1 612	2 176	2 807	6 122	752	1 531	302	1 360	868	(420)	(7)	300	17 403
– Stage 1	(133)	(215)	(90)	46	(9)	76	(44)	(31)	(287)	(152)	(1 019)	(237)	(2 095)
– Stage 2	550	607	442	1 235	20	58	70	884	356	(102)	(12)	125	4 233
– Stage 3	1 195	1 784	2 455	4 841	741	1 397	276	170	799	(166)	1 024	412	14 928
– Purchased or originated credit impaired	–	–	–	–	–	–	–	337	–	–	–	–	337

Notes to the consolidated financial statements

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.7 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	Broader Africa	Centre (including Group Treasury)	Total
GCA reported as at 1 July 2023	520	130 400	255	76	131 251
– Stage 1	520	124 776	255	33	125 584
– Stage 2	–	4 847	–	43	4 890
– Stage 3	–	777	–	–	777
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	–	(1 068)	–	43	(1 025)
– Transfers into stage 1	–	–	–	43	43
– Transfers out of stage 1	–	(1 068)	–	–	(1 068)
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	–	4	–	–	4
– Transfers into stage 3	–	4	–	–	4
– Transfers out of stage 3	–	–	–	–	–
Current year movement	296	(16 638)	176	82	(16 084)
New business – changes in exposure	320	15 016	353	38	15 727
Back book – current year movement	(24)	(31 654)	(177)	44	(31 811)
– 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)	(31 632)	(177)	44	(31 789)
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–	–
Exchange rate differences	–	(385)	(78)	–	(463)
Bad debts written off	–	(372)	–	–	(372)
GCA as at 30 June 2024	816	113 005	353	158	114 332
– Stage 1	816	110 087	353	158	111 414
– Stage 2	–	1 994	–	–	1 994
– Stage 3	–	924	–	–	924
– Purchased or originated credit impaired	–	–	–	–	–
Core lending advances	816	52 780	302	158	54 056
Assets under agreements to resell*	–	60 225	51	–	60 276
Total GCA of advances as at 30 June 2024	816	113 005	353	158	114 332

* All balances are included in stage 1.

Notes to the consolidated financial statements

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.8 Reconciliation of the loss allowance on total advances per class

Fair value – 30 June 2024

R million	FNB commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total
ECL reported as at 1 July 2023	51	1 258	–	17	1 326
– Stage 1	51	295	–	4	350
– Stage 2	–	483	–	4	487
– Stage 3	–	480	–	9	489
– 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)	100	1	(10)	46
New business – impairment charge/(release)	5	92	–	–	97
Back book – impairment charge/(release)	(50)	8	1	(10)	(51)
– Exposures with a change in measurement basis from 12 months to LECL	–	(162)	–	–	(162)
– Other current year impairment charge/(release)	(50)	170	1	(10)	111
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–	–
Exchange rate differences	–	(12)	–	–	(12)
Bad debts written off	–	(372)	–	–	(372)
ECL as at 30 June 2024	6	974	1	7	988
– Stage 1	6	604	1	7	618
– Stage 2	–	109	–	–	109
– Stage 3	–	261	–	–	261
– Purchased or originated credit impaired	–	–	–	–	–
Current year provision created/(released) per impairment stage	(45)	100	1	(9)	46
– Stage 1	(45)	313	1	(10)	259
– Stage 2	–	(365)	–	–	(365)
– Stage 3	–	152	–	–	152
– Purchased or originated credit impaired	–	–	–	–	–

Notes to the consolidated financial statements

11 Advances continued

11.6 Modified advances measured at amortised cost

The following table provides information on advances that were modified while they had a loss allowance measured at an amount equal to LECL, and the modification resulted in a modification gain or loss being recognised.

R million	2025				2024			
	Stage 2 and stage 3				Stage 2 and stage 3			
	Gross carrying amount before modification	Loss allowance before modification	Amortised cost before modification	Modification gain/(loss)	Gross carrying amount before modification	Loss allowance before modification	Amortised cost before modification	Modification gain/(loss)
Residential mortgages	806	(72)	734	(18)	941	(85)	856	(37)
WesBank VAF	1 685	(454)	1 231	(51)	1 495	(348)	1 147	(47)
Total retail secured	2 491	(526)	1 965	(69)	2 436	(433)	2 003	(84)
FNB card	1 059	(584)	475	(152)	823	(434)	389	(96)
Personal loans	2 773	(1 047)	1 726	(742)	2 810	(1 163)	1 647	(650)
Retail other	91	(44)	47	(29)	99	(50)	49	(31)
Total retail unsecured	3 923	(1 675)	2 248	(923)	3 732	(1 647)	2 085	(777)
FNB commercial	259	(42)	217	9	43	(3)	40	–
Total	6 673	(2 243)	4 430	(983)	6 211	(2 083)	4 128	(861)

The GCA in stage 2 or stage 3 of advances that previously had been modified but not derecognised, and whose improvement in credit risk in the current year has moved into stage 1, amounted to R559 million (2024: R561 million).

Notes to the consolidated financial statements

12 Impairment of advances

12.1 Analysis of the loss allowance closing balance

R million	2025				
	Loss allowance				
	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired
Amount as at 30 June 2025	55 188	11 238	12 164	31 092	694
Amortised cost	54 114	10 882	11 684	30 854	694
Fair value	1 074	356	480	238	–
Included in the total loss allowance					
– On- and off-balance sheet exposure*	55 022	11 131	12 114	31 083	694
– Letters of credit and guarantees**	166	107	50	9	–
Components of total loss allowance as at 30 June 2025					
– Forward-looking information [#]	1 536	682	574	280	–
– Model updates [†]	429	(104)	305	228	–
2024					
Amount as at 30 June 2024	54 165	11 644	12 584	29 355	582
Amortised cost	53 177	11 026	12 475	29 094	582
Fair value	988	618	109	261	–
Included in the total loss allowance					
– On- and off-balance sheet exposure*	53 955	11 540	12 482	29 351	582
– Letters of credit and guarantees**	210	104	102	4	–
Components of total loss allowance as at 30 June 2024					
– Forward-looking information [#]	2 836	1 164	1 200	472	–
– Model updates [†]	22	59	(58)	21	–

* Includes loan commitments as the credit risks are managed and monitored with the drawn component as a single EAD. The EAD on the entire facility is used to calculate the ECL and is therefore included in the ECL allowance.

** These represent the total ECL closing balance related to letters of credit and guarantees granted to customers but undrawn at 30 June.

[#] This represents the total ECL closing balance as at 30 June that is attributable to incorporating modelled FLI macroeconomic information into the ECL calculations. For more detail on the process of incorporating FLI into the ECL calculation, please refer to the critical accounting estimates and judgements on page B44.

[†] These represent the total ECL closing balance as at 30 June that is attributable to model recalibrations or refinements in the impairment methodology used that has been approved by a governance body. The amount reflected is the additional ECL recognised at the point/date that the model update was implemented.

Notes to the consolidated financial statements

12 Impairment of advances continued

12.2 Breakdown of ECL created in the reporting period

12.2.1 Breakdown of ECL created in the reporting period per impairment charge

R million	2025				
	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired
Current year ECL provided	18 907	(1 905)	4 016	16 617	179
Interest suspended on stage 3 advances	(4 112)	–	–	(4 025)	(87)
Current year change in ECL provided after interest suspended on stage 3 advances	14 795	(1 905)	4 016	12 592	92
Post write-off recoveries	(1 734)	–	–	(1 734)	–
Modification losses	983	–	72	911	–
Impairment recognised in the income statement for the year ended 30 June 2025	14 044	(1 905)	4 088	11 769	92
Amortised cost	13 913	(1 645)	3 709	11 757	92
Fair value*	131	(260)	379	12	–
2024					
Current year ECL provided	17 449	(1 836)	3 868	15 080	337
Interest suspended on stage 3 advances	(3 272)	–	–	(3 215)	(57)
Current year change in ECL provided after interest suspended on stage 3 advances	14 177	(1 836)	3 868	11 865	280
Post write-off recoveries	(2 483)	–	–	(2 483)	–
Modification losses	861	–	106	755	–
Impairment recognised in the income statement for the year ended 30 June 2024	12 555	(1 836)	3 974	10 137	280
Amortised cost	12 510	(2 095)	4 339	9 986	280
Fair value*	45	259	(365)	151	–

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

Notes to the consolidated financial statements

12 Impairment of advances continued

12.2 Breakdown of ECL created in the reporting period continued

12.2.2 Breakdown of ECL created in the reporting period per key driver

The table below provides a breakdown of the change in the ECL impairment recognised in the current period based on the key drivers. The key components of the ECL impairment recognised in the current period are as follows:

Income statement component	Definition and key drivers
Volume change in stage 1	This represents the change in the impairment on stage 1 core lending advances, assuming that the coverage ratio has remained unchanged from the prior year. It is calculated as the movement in the GCA of stage 1 advances (current year less prior year) multiplied by the prior year stage 1 coverage ratio. The key drivers relate to the change in volume of stage 1 advances due to new business, stage migrations and loans commencing in the period in stage 1 subsequently written off or curing.
Change in stage 1 coverage	This represents the change in the impairment on stage 1 core lending advances due to a change in the coverage ratio for stage 1 advances. This is calculated as the GCA of stage 1 advances at the current year end, multiplied by the difference in the current year and prior year stage 1 coverage ratio.
Volume change in stage 2	This represents the change in the impairment on stage 2 core lending advances, assuming that the coverage ratio remained unchanged from the prior year. This is calculated as the movement in the GCA of stage 2 advances (current year less prior year) multiplied by the prior year stage 2 coverage ratio. This column therefore represents the change in volume of stage 2 advances due to stage migration, or loans commencing the period in stage 2 subsequently migrating to stage 3 or curing.
Change in stage 2 coverage	This represents the change in the impairment on stage 2 core lending advances due to a change in the coverage ratio for stage 2 advances. This is calculated as the gross carrying amount of stage 2 advances at the current year end, multiplied by the difference in the current year and prior year stage 2 coverage ratio.
Change in stage 3 provisions (non-performing loans (NPLs))	This represents the change in the impairment on stage 3 core lending advances due to a change in the coverage ratio and volume changes due to loans commencing in the period in stage 3 subsequently written off or curing.
Modification gains or losses	Gains or losses recognised on modified exposures that are not derecognised.
Write-offs and other charges	Gross advances written off and other movements (foreign exchange movements, acquisition and disposal of advances and transfers to non-current assets held for sale).

Notes to the consolidated financial statements

12 Impairment of advances continued

12.2 Breakdown of ECL created in the reporting period continued

12.2.2 Breakdown of ECL created in the reporting period per key driver continued

R million	2025												
	Movement in the balance sheet provisions					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/ (decrease)	Gross write-off and other	Current year ECL provided	Modification loss	Interest suspended on stage 3 advances	Post write-off recoveries*	Total
Total retail secured	134	(84)	92	(90)	52	657	709	2 763	3 472	69	(706)	(291)	2 544
Total retail unsecured	86	(190)	21	(48)	(131)	588	457	9 082	9 539	923	(2 205)	(904)	7 353
Total retail secured and unsecured	220	(274)	113	(138)	(79)	1 245	1 166	11 845	13 011	992	(2 911)	(1 195)	9 897
FNB commercial	99	(196)	62	235	200	785	985	1 599	2 584	(9)	(567)	(170)	1 838
WesBank corporate and commercial	26	(24)	(14)	(16)	(28)	129	101	194	295	–	(46)	(14)	235
RMB corporate and investment banking	93	103	(890)	124	(570)	722	152	985	1 137	–	(168)	(33)	936
Total corporate and commercial	218	(117)	(842)	343	(398)	1 636	1 238	2 778	4 016	(9)	(781)	(217)	3 009
Broader Africa	80	(255)	94	(10)	(91)	(89)	(180)	1 209	1 029	–	(196)	(217)	616
Centre (including Group Treasury)	(8)	229	184	(235)	170	(510)	(340)	485	145	–	–	(13)	132
UK operations	237	(736)	386	(315)	(428)	(433)	(861)	1 567	706	–	(224)	(92)	390
– Retail	128	(478)	463	(296)	(183)	(410)	(593)	1 281	688	–	(194)	(19)	475
– Commercial	109	(258)	(77)	(19)	(245)	(23)	(268)	286	18	–	(30)	(73)	(85)
Total	747	(1 153)	(65)	(355)	(826)	1 849	1 023	17 884	18 907	983	(4 112)	(1 734)	14 044
2024													
Total retail secured	50	(81)	28	184	181	1 311	1 492	2 296	3 788	84	(647)	(239)	2 986
Total retail unsecured	123	(342)	385	(156)	10	1 961	1 971	7 711	9 682	777	(1 746)	(1 059)	7 654
Total retail secured and unsecured	173	(423)	413	28	191	3 272	3 463	10 007	13 470	861	(2 393)	(1 298)	10 640
FNB commercial	113	124	34	(300)	(29)	103	74	1 412	1 486	–	(495)	(147)	844
WesBank corporate and commercial	26	(9)	12	24	53	130	183	119	302	–	(36)	(13)	253
RMB corporate and investment banking	169	153	416	12	750	(186)	564	896	1 460	–	(93)	(5)	1 362
Total corporate and commercial	308	268	462	(264)	774	47	821	2 427	3 248	–	(624)	(165)	2 459
Broader Africa	89	(239)	6	40	(104)	89	(15)	883	868	–	(180)	(202)	486
Centre (including Group Treasury)	75	(216)	(108)	2	(247)	(244)	(491)	61	(430)	–	3	(171)	(598)
UK operations**	(142)	(1 028)	(175)	(75)	(1 420)	735	(685)	978	293	–	(78)	(647)	(432)
– Retail	(86)	(823)	(387)	86	(1 210)	644	(566)	558	(8)	–	(44)	(593)	(645)
– Commercial	(56)	(205)	212	(161)	(210)	91	(119)	420	301	–	(34)	(54)	213
Total	503	(1 638)	598	(269)	(806)	3 899	3 093	14 356	17 449	861	(3 272)	(2 483)	12 555

* Post write-off recoveries collected in the financial year consist of exposures written off over multiple previous reporting periods, including amounts written off under IAS 39. Under IAS 39, the group followed a conservative approach to writing off exposures and reflected high levels of post write-off recoveries. The absolute level of recoveries post the implementation of IFRS 9 (1 July 2018) continues to be impacted by amounts written off under the previous conservative write-off policy.

** The information for the UK operations has been disaggregated to reflect the impact of the underlying portfolios. The total amount for the UK operations as presented in the prior year remains unchanged.

Notes to the consolidated financial statements

13 Collateral, settlement balances and other assets

R million	2025	2024
Items in transit	6 507	4 397
Interest and commission accrued	4	19
Prepayments	3 896	3 493
Properties in possession	45	55
Sundry debtors	1 603	1 645
Fair value hedge asset/ (liability)*	518	(2 998)
Dividends receivable	370	292
– Profit share receivable on insurance cells	255	231
– Other dividends receivable	115	61
Mandatory reserve balance with other central banks**	3 073	2 642
Accounts receivable and other**	5 306	5 368
Collateral and settlement balances	28 093	21 625
– Variation margin – unsettled balances	824	454
– Variation margin	6 559	4 754
– Initial margin	20 710	16 417
Total gross carrying amount of other assets	49 415	36 538
– Financial	42 198	33 997
– Non-financial	7 217	2 541
– Loss allowance on other financial assets#	(412)	(486)
Total collateral, settlement balances and other assets	49 003	36 052

* The balance reflected relates to the fair value of the interest rate risk component of the hedged items designated in the group's fair value macro hedge accounting relationship.

** The mandatory reserve balances with other central banks has been disaggregated from the accounts receivable and other balance in the current year. Other central banks include Nigeria and Zambia.

No further information is provided on the loss allowance on other assets, as the amounts are immaterial.

14 Non-current assets and disposal groups held for sale

R million	2025	2024
ASSETS		
Cash and cash equivalents*	–	4
Investment securities*	806	692
Collateral, settlement balances and other assets	–	180
Current tax assets	35	19
Property and equipment	81	115
Investment properties	55	–
Intangible assets	29	114
Investment in associates	715	147
Deferred income tax asset	257	227
Total assets and disposal groups classified as held for sale	1 978	1 498
LIABILITIES		
Creditors, accruals and provisions	107	452
Current tax liability	15	12
Other liabilities*	584	63
Deferred tax liability	121	121
Employee benefit liabilities	34	50
Insurance contract liabilities	470	428
Total liabilities and disposal groups classified as held for sale	1 331	1 126
Net assets and disposal groups classified as held for sale	647	372

* Carrying amount approximates fair value.

Notes to the consolidated financial statements

14 Non-current assets and disposal groups held for sale continued

14.1 Investment in subsidiary held for sale

During the prior year the group approved the plan to dispose of a subsidiary within the WesBank segment and an international asset manager within the RMB segment. The sale of the subsidiary within the WesBank segment was finalised in July 2025, while the international asset manager transaction was rescinded during the current year and ceased to be classified as held for sale.

14.2 Investment in associate held for sale

An associate within the UK operations was previously classified as held for sale and was transferred back to investments in associates (refer to note 17) as the held for sale criteria was no longer met. During the current year, an associate within the RMB segment of R715 million was obtained with the intention to sell within 12 months.

15 Insurance and reinsurance contract assets and liabilities

R million	Life	Non-life	Life reinsurance held	Non-life reinsurance held	Total
Notes	15.3	15.4	15.5	15.6	
As at 30 June 2025					
Insurance contract assets	1 433	–	–	–	1 433
Insurance contract liabilities	(814)	(325)	–	–	(1 139)
Net insurance contract assets	619	(325)	–	–	294
Reinsurance contract assets	–	–	520	49	569
Reinsurance contract liabilities	–	–	(28)	(3)	(31)
Net reinsurance contract assets	–	–	492	46	538
As at 30 June 2024					
Insurance contract assets	760	–	–	–	760
Insurance contract liabilities	(686)	(282)	–	–	(968)
Net insurance contract liabilities	74	(282)	–	–	(208)
Reinsurance contract assets	–	–	484	25	509
Reinsurance contract liabilities	–	–	(29)	(19)	(48)
Net reinsurance contract assets	–	–	455	6	461

15.1 Expected timing of the release of the CSM for insurance contracts issued

R million	2025	2024
Life insurance contracts issued		
Within 1 year	(1 468)	(1 350)
Between 1 and 5 years	(2 616)	(2 340)
Between 5 and 10 years*	(1 348)	(1 125)
More than 10 years*	(3 128)	(3 160)
Total	(8 560)	(7 975)
Total CSM for insurance contracts issued		
Within 1 year	(1 468)	(1 350)
Between 1 and 5 years	(2 616)	(2 340)
Between 5 and 10 years*	(1 348)	(1 125)
More than 10 years*	(3 128)	(3 160)
Total	(8 560)	(7 975)

* The prior year balance for the "More than 5 years" category has been disaggregated to "Between 5 and 10 years" and "More than 10 years" in the current year to provide more relevant information.

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.2 Expected timing of the release of the CSM for reinsurance contracts held

R million	2025	2024
Life reinsurance		
Within 1 year	26	23
Between 1 and 5 years	37	38
Between 5 and 10 years*	9	15
More than 10 years*	35	44
Total	107	120
Non-life reinsurance		
Within 1 year	(3)	(34)
Between 1 and 5 years	–	–
Between 5 and 10 years*	–	–
More than 10 years*	–	–
Total	(3)	(34)
Total reinsurance contracts held		
Within 1 year	23	(11)
Between 1 and 5 years	37	38
Between 5 and 10 years*	9	15
More than 10 years*	35	44
Total	104	86

* The prior year balance for the "More than 5 years" category has been disaggregated to "Between 5 and 10 years" and "More than 10 years" in the current year to provide more relevant information.

Notes to the consolidated financial statements

15.3 Life – insurance contracts issued

15.3.1 Life insurance contracts – reconciliation of the liability for remaining coverage and the liability for incurred claims .

R million	2025						2024					
	LRC		LIC for contracts under PAA				LRC		LIC for contracts under PAA			
	Excluding loss component	Loss component	LIC for contracts under GMM	Present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	LIC for contracts under GMM	Present value of future cash flows	Risk adjustment	Total
Net insurance contract assets (liabilities) as at 1 July	1 654	(553)	(762)	(251)	(14)	74	1 463	(585)	(768)	(191)	(2)	(83)
– Insurance contract assets as at 1 July	1 437	(298)	(379)	–	–	760	1 295	(332)	(408)	–	–	555
– Insurance contract liabilities as at 1 July	217	(255)	(383)	(251)	(14)	(686)	168	(253)	(360)	(191)	(2)	(638)
Insurance revenue	6 993	–	–	–	–	6 993	6 130	–	–	–	–	6 130
Insurance service expenses	(299)	226	(3 027)	(287)	12	(3 375)	(265)	96	(2 707)	(158)	(12)	(3 046)
Incurring claims and other directly attributable expenses	–	202	(2 879)	(314)	(3)	(2 994)	–	166	(2 982)	(117)	(12)	(2 945)
Changes that relate to past service – changes in the FCF relating to the LIC	–	–	(148)	27	15	(106)	–	–	275	(41)	–	234
Losses on onerous contracts and reversals of those losses	–	24	–	–	–	24	–	(70)	–	–	–	(70)
Insurance acquisition cash flows amortisation	(299)	–	–	–	–	(299)	(265)	–	–	–	–	(265)
Insurance service result	6 694	226	(3 027)	(287)	12	3 618	5 865	96	(2 707)	(158)	(12)	3 084
Net finance expenses from insurance contracts issued	424	(71)	(20)	(15)	(1)	317	183	(63)	(22)	(11)	–	87
Total amounts recognised in comprehensive income	7 118	155	(3 047)	(302)	11	3 935	6 048	33	(2 729)	(169)	(12)	3 171
Transfer to working capital/other balance sheet accounts	–	–	702	41	–	743	–	–	660	32	–	692
Cash flows	(6 571)	–	2 306	132	–	(4 133)	(5 857)	–	2 074	77	–	(3 706)
Premiums received	(7 228)	–	–	–	–	(7 228)	(6 518)	–	–	–	–	(6 518)
Claims paid	–	–	2 306	132	–	2 438	–	–	2 074	77	–	2 151
Insurance acquisition cash flows	657	–	–	–	–	657	661	–	–	–	–	661
Net insurance contract assets/(liabilities) as at 30 June	2 201	(398)	(801)	(380)	(3)	619	1 654	(553)	(762)	(251)	(14)	74
- Insurance contract assets as at 30 June	2 223	(298)	(492)	–	–	1 433	1 437	(298)	(379)	–	–	760
- Insurance contract liabilities as at 30 June	(22)	(100)	(309)	(380)	(3)	(814)	217	(255)	(383)	(251)	(14)	(686)

All contracts that existed at transition were accounted for using the fully retrospective approach at transition.

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.3 Life – insurance contracts issued continued

15.3.2 Life insurance contracts – reconciliation of the measurement components of insurance contract balances measured under the GMM

R million	2025				2024			
	Present value of future cash flows	Risk adjustment	CSM	Total	Present value of future cash flows	Risk adjustment	CSM	Total
Net insurance contract assets/(liabilities) as at 1 July	9 345	(1 029)	(7 975)	341	7 882	(886)	(6 886)	110
– Insurance contract assets as at 1 July	8 089	(870)	(6 457)	762	6 966	(751)	(5 660)	555
– Insurance contract liabilities as at 1 July	1 256	(159)	(1 518)	(421)	916	(135)	(1 226)	(445)
Changes that relate to current service	778	412	2 530	3 720	373	348	2 162	2 883
CSM recognised for the services provided	–	–	2 530	2 530	–	–	2 162	2 162
Change in the risk adjustment for the risk expired	–	412	–	412	–	348	–	348
Experience adjustments								
– Relating to premiums received in the period that relate to current service	242	–	–	242	236	–	–	236
– Relating to insurance acquisition cash flows incurred in the year	(7)	–	–	(7)	(31)	–	–	(31)
– Relating to insurance service expenses	543	–	–	543	168	–	–	168
Changes that relate to future service	2 684	(448)	(2 212)	24	2 796	(403)	(2 464)	(71)
Changes in estimates that adjust the CSM	648	(107)	(541)	–	813	(102)	(711)	–
Changes in estimates that result in onerous contract losses or reversal of losses	180	(16)	–	164	125	(11)	–	114
Contracts initially recognised in the period	1 856	(325)	(1 671)	(140)	1 858	(290)	(1 753)	(185)
Changes that relate to past service	(150)	2	–	(148)	253	22	–	275
Changes that relate to past service – changes in the FCF relating to the LIC	(150)	2	–	(148)	253	22	–	275
Insurance service result	3 312	(34)	318	3 596	3 422	(33)	(302)	3 087
Net finance expenses from insurance contracts issued	1 387	(151)	(903)	333	996	(110)	(788)	98
Total amounts recognised in comprehensive income	4 699	(185)	(585)	3 929	4 418	(143)	(1 090)	3 185
Transfer to working capital/other balance sheet accounts	702	–	–	702	660	–	–	660
Cash flows	(3 986)	–	–	(3 986)	(3 615)	–	–	(3 615)
Premiums received	(6 949)	–	–	(6 949)	(6 350)	–	–	(6 350)
Claims paid	2 306	–	–	2 306	2 074	–	–	2 074
Insurance acquisition cash flows	657	–	–	657	661	–	–	661
Net insurance contract assets as at 30 June	10 760	(1 214)	(8 560)	986	9 345	(1 029)	(7 975)	341
– Insurance contract assets as at 30 June	10 531	(1 139)	(7 974)	1 418	8 089	(870)	(6 457)	762
– Insurance contract liabilities as at 30 June	229	(75)	(586)	(432)	1 256	(159)	(1 518)	(421)

All contracts that existed at transition were accounted for using the fully retrospective approach at transition.

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.3 Life – insurance contracts issued continued

15.3.3 Life insurance contracts – impact of GMM contracts issued during the year

R million	2025			2024		
	Non- onerous contracts	Onerous contracts	Total	Non-onerous contracts	Onerous contracts	Total
Estimates of the present value of future cash outflows	(2 525)	(539)	(3 064)	(2 057)	(846)	(2 903)
– Insurance acquisition cash flows	(556)	(87)	(643)	(373)	(249)	(622)
– Claims and other directly attributable expenses	(1 969)	(452)	(2 421)	(1 684)	(597)	(2 281)
Estimates of the present value of future cash inflows	4 511	409	4 920	4 065	696	4 761
Risk adjustment	(315)	(10)	(325)	(255)	(35)	(290)
CSM	(1 671)	–	(1 671)	(1 753)	–	(1 753)
Increase in insurance contract liabilities from contracts recognised in the year	–	(140)	(140)	–	(185)	(185)

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.4 Non-life – insurance contracts issued

15.4.1 Non-life insurance contracts – reconciliation of the liability for remaining coverage and the liability for incurred claims

R million	2025						2024					
	LRC		LIC for contracts under PAA				LRC		LIC for contracts under PAA			
	Excluding loss component	Loss component	LIC for contracts under GMM	Present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	LIC for contracts under GMM	Present value of future cash flows	Risk adjustment	Total
Net insurance contract liabilities as at 1 July	(49)	(1)	–	(211)	(21)	(282)	(433)	(11)	(19)	(265)	(26)	(754)
– Insurance contract liabilities as at 1 July	(49)	(1)	–	(211)	(21)	(282)	(433)	(11)	(19)	(265)	(26)	(754)
Insurance revenue	1 183	–	–	–	–	1 183	1 312	–	–	–	–	1 312
Insurance service expenses	–	(2)	–	(822)	–	(824)	(66)	10	(232)	(676)	6	(958)
Incurred claims and other directly attributable expenses	–	–	–	(798)	(18)	(816)	–	–	(232)	(740)	(19)	(991)
Changes that relate to past service – changes in the FCF relating to the LIC	–	–	–	(24)	18	(6)	–	–	–	64	25	89
Losses on onerous contracts and reversals of those losses	–	(2)	–	–	–	(2)	–	10	–	–	–	10
Insurance acquisition cash flows amortisation	–	–	–	–	–	–	(66)	–	–	–	–	(66)
Insurance service result	1 183	(2)	–	(822)	–	359	1 246	10	(232)	(676)	6	354
Net finance expenses from insurance contracts issued	–	–	–	(11)	(1)	(12)	–	–	–	(12)	(1)	(13)
Total amounts recognised in comprehensive income	1 183	(2)	–	(833)	(1)	347	1 246	10	(232)	(688)	5	341
Investment components and transfers between the LRC and LIC	–	–	–	–	–	–	–	–	–	–	–	–
Transfer to working capital/other balance sheet accounts	–	–	–	143	–	143	–	–	14	123	–	137
Cash flows	(1 213)	–	–	680	–	(533)	(1 274)	–	221	619	–	(434)
Premiums received	(1 213)	–	–	–	–	(1 213)	(1 340)	–	–	–	–	(1 340)
Claims paid	–	–	–	680	–	680	–	–	221	619	–	840
Insurance acquisition cash flows	–	–	–	–	–	–	66	–	–	–	–	66
Acquisition/disposal of subsidiary balances	–	–	–	–	–	–	–	–	–	–	–	–
Transfer to/from non-current assets and disposal groups held for sale	–	–	–	–	–	–	412	–	16	–	–	428
Net insurance contract liabilities as at 30 June	(79)	(3)	–	(221)	(22)	(325)	(49)	(1)	–	(211)	(21)	(282)
– Insurance contract liabilities as at 30 June	(79)	(3)	–	(221)	(22)	(325)	(49)	(1)	–	(211)	(21)	(282)

All GMM contracts that existed at transition were accounted for using the modified retrospective approach at transition

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.4 Non-life – insurance contracts issued continued

15.4.2 Non-life insurance contracts – reconciliation of the measurement components of insurance contract balances measured under the GMM

R million	2025				2024			
	Present value of future cash flows	Risk adjustment	CSM	Total	Present value of future cash flows	Risk adjustment	CSM	Total
Net insurance contract liabilities as at 1 July	–	–	–	–	(295)	(12)	(119)	(426)
– Insurance contract liabilities as at 1 July	–	–	–	–	(295)	(12)	(119)	(426)
Changes that relate to current service	–	–	–	–	–	–	48	48
CSM recognised for the services provided	–	–	–	–	–	–	48	48
Changes that relate to future service	–	–	–	–	8	–	–	8
Changes in estimates that adjust the CSM	–	–	–	–	–	–	–	–
Changes in estimates that result in onerous contract losses or reversal of losses	–	–	–	–	8	–	–	8
Insurance service result	–	–	–	–	8	–	48	56
Total amounts recognised in comprehensive income	–	–	–	–	8	–	48	56
Transfer to working capital/other balance sheet accounts	–	–	–	–	14	–	–	14
Cash flows	–	–	–	–	(73)	–	–	(73)
Premiums received	–	–	–	–	(360)	–	–	(360)
Claims paid	–	–	–	–	221	–	–	221
Insurance acquisition cash flows	–	–	–	–	66	–	–	66
Transfer to/from non-current assets and disposal groups held for sale	–	–	–	–	345	12	71	428
Net insurance contract assets/ (liabilities) as at 30 June	–	–	–	–	–	–	–	–
– Insurance contract liabilities as at 30 June	–	–	–	–	–	–	–	–

All GMM contracts that existed at transition were accounted for using the modified retrospective approach at transition.

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.5 Life reinsurance held

15.5.1 Life reinsurance contracts – reconciliation of the remaining coverage and the incurred claims components

R million	2025						2024					
	Remaining coverage		Incurred claims for contracts under PAA				Remaining coverage		Incurred claims for contracts under PAA			
	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts under GMM	Present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts under GMM	Present value of future cash flows	Risk adjustment	Total
Net reinsurance contract assets as at 1 July	(244)	201	233	252	13	455	(179)	238	261	209	2	531
- Reinsurance contract assets as at 1 July	(204)	201	225	249	13	484	(177)	238	261	209	2	533
- Reinsurance contract liabilities as at 1 July	(40)	–	8	3	–	(29)	(2)	–	–	–	–	(2)
Net income (expense) from reinsurance contracts held	(619)	(88)	296	186	2	(223)	(473)	(62)	322	109	11	(93)
Reinsurance expenses	(619)	–	–	–	–	(619)	(473)	–	–	–	–	(473)
Incurred claims recovery and other directly attributable expenses	–	(23)	302	184	3	466	–	(47)	333	71	11	368
Changes that relate to past service – changes in the FCF relating to the incurred claims recovery	–	–	(6)	2	(1)	(5)	–	–	(11)	38	–	27
Income on initial recognition of onerous underlying contracts	–	28	–	–	–	28	–	49	–	–	–	49
Subsequent changes in the loss recovery component*	–	(93)	–	–	–	(93)	–	(64)	–	–	–	(64)
Insurance service result	(619)	(88)	296	186	2	(223)	(473)	(62)	322	109	11	(93)
Net finance income from reinsurance contracts held	(31)	34	12	13	1	29	(15)	25	2	10	–	22
Total amounts recognised in comprehensive income	(650)	(54)	308	199	3	(194)	(488)	(37)	324	119	11	(71)
Cash flows	647	–	(347)	(69)	–	231	423	–	(352)	(76)	–	(5)
Premiums paid net of ceding commissions	647	–	–	–	–	647	423	–	–	–	–	423
Recoveries from reinsurance	–	–	(347)	(69)	–	(416)	–	–	(352)	(76)	–	(428)
Net reinsurance contract assets as at 30 June	(247)	147	194	382	16	492	(244)	201	233	252	13	455
- Reinsurance contract assets as at 30 June	(218)	147	193	382	16	520	(204)	201	225	249	13	484
- Reinsurance contract liabilities as at 30 June	(29)	–	1	–	–	(28)	(40)	–	8	3	–	(29)

* The prior year balances for "Changes in the FCF of reinsurance contracts held from onerous underlying contracts" has been renamed to "Subsequent changes in the loss recovery component" in the current year to provide more relevant information.

All GMM contracts that existed at transition were accounted for using the fully retrospective approach at transition

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.5 Life reinsurance held continued

15.5.2 Life reinsurance contracts – reconciliation of the measurement components of reinsurance contract balances measured under the GMM

R million	2025				2024			
	Present value of future cash flows	Risk adjustment	CSM	Total	Present value of future cash flows	Risk adjustment	CSM	Total
Net reinsurance contract assets as at 1 July	78	67	120	265	227	45	78	350
– Reinsurance contract assets as at 1 July	150	61	73	284	229	45	78	352
– Reinsurance contract liabilities as at 1 July	(72)	6	47	(19)	(2)	–	–	(2)
Changes that relate to current service	(79)	(11)	(28)	(118)	(88)	(1)	34	(55)
CSM recognised for the services received	–	–	(28)	(28)	–	–	34	34
Change in the risk adjustment for the risk expired	–	(11)	–	(11)	–	(1)	–	(1)
Experience adjustments								
– Relating to premiums paid in the year that relate to current service	(27)	–	–	(27)	(63)	–	–	(63)
– Relating to incurred claims and other directly attributable expenses recovery	(52)	–	–	(52)	(25)	–	–	(25)
Changes that relate to future service	(60)	(1)	(4)	(65)	(36)	20	1	(15)
Changes in estimates that adjust the CSM	92	(13)	(79)	–	49	10	(59)	–
Subsequent changes in the loss recovery component*	(93)	–	–	(93)	(64)	–	–	(64)
Contracts initially recognised in the year**	(59)	12	75	28	(21)	10	60	49
Changes that relate to past service	(4)	(2)	–	(6)	(7)	(4)	–	(11)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	(4)	(2)	–	(6)	(7)	(4)	–	(11)
Insurance service result	(143)	(14)	(32)	(189)	(131)	15	35	(81)
Net finance income from reinsurance contracts held	(15)	11	19	15	(1)	7	7	13
Total amounts recognised in comprehensive income	(158)	(3)	(13)	(174)	(132)	22	42	(68)
Cash flows	82	–	–	82	(18)	–	–	(18)
Premiums paid net of ceding commissions	429	–	–	429	334	–	–	334
Recoveries from reinsurance	(347)	–	–	(347)	(352)	–	–	(352)
Net reinsurance contract assets as at 30 June	2	64	107	173	78	67	120	265
– Reinsurance contract assets as at 30 June	78	57	57	192	150	61	73	284
– Reinsurance contract liabilities as at 30 June	(76)	7	50	(19)	(72)	6	47	(19)

* The prior year line for “Changes in the FCF of reinsurance contracts held from onerous underlying contracts” has been renamed to “Subsequent changes in the loss recovery component” in the current year to provide more relevant information.

** The prior year balances for “Contracts initially recognised in the period” and “CSM adjustment for income on initial recognition of onerous underlying contracts” have been aggregated to “Contracts initially recognised in the year” in the current year to provide more relevant information.

All GMM contracts that existed at transition were accounted for using the fully retrospective approach at transition.

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.5 Life reinsurance held continued

15.5.3 Life reinsurance contracts – impact of GMM contracts issued during the period

R million	2025			2024		
	Contracts originated not in a net gain	Contracts originated in a net gain	Total	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Estimates of the present value of future cash outflows	(319)	–	(319)	(302)	–	(302)
Estimates of the present value of future cash inflows	260	–	260	282	–	282
Risk adjustment	12	–	12	10	–	10
CSM	47	–	47	10	–	10
Increase in reinsurance contract assets from contracts recognised in the year	–	–	–	–	–	–

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.6 Non-life – reinsurance contracts held

15.6.1 Non-life reinsurance contracts – reconciliation of the remaining coverage and the incurred claims components

R million	2025						2024					
	Remaining coverage		Incurred claims for contracts under PAA				Remaining coverage		Incurred claims for contracts under PAA			
	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts under GMM	Present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts under GMM	Present value of future cash flows	Risk adjustment	Total
Net reinsurance contract assets/(liabilities) as at 1 July	(93)	–	60	35	4	6	(55)	2	27	72	9	55
– Reinsurance contract assets as at 1 July	(15)	–	1	35	4	25	(33)	2	27	72	9	77
– Reinsurance contract liabilities as at 1 July	(78)	–	59	–	–	(19)	(22)	–	–	–	–	(22)
Net income (expense) from reinsurance contracts held	(292)	1	60	177	4	(50)	(265)	(2)	151	57	(5)	(64)
Reinsurance expenses	(292)	–	–	–	–	(292)	(265)	–	–	–	–	(265)
Incurred claims recovery and other directly attributable expenses	–	(5)	47	191	8	241	–	–	164	93	4	261
Changes that relate to past service – changes in the FCF relating to the incurred claims recovery	–	–	13	(14)	(4)	(5)	–	–	(13)	(36)	(9)	(58)
Income on initial recognition of onerous underlying contracts	–	6	–	–	–	6	–	12	–	–	–	12
Subsequent changes in the loss recovery component*	–	–	–	–	–	–	–	(14)	–	–	–	(14)
Insurance service result	(292)	1	60	177	4	(50)	(265)	(2)	151	57	(5)	(64)
Net finance income from reinsurance contracts held	(5)	–	1	1	–	(3)	(5)	–	1	2	–	(2)
Total amounts recognised in comprehensive income	(297)	1	61	178	4	(53)	(270)	(2)	152	59	(5)	(66)
Cash flows	293	–	(112)	(88)	–	93	232	–	(119)	(95)	–	18
Premiums paid net of ceding commissions	293	–	–	–	–	293	232	–	–	–	–	232
Recoveries from reinsurance	–	–	(112)	(88)	–	(200)	–	–	(119)	(95)	–	(214)
Net reinsurance contract assets/(liabilities) as at 30 June	(97)	1	9	125	8	46	(93)	–	60	35	4	6
– Reinsurance contract assets as at 30 June	(94)	1	9	125	8	49	(15)	–	1	35	4	25
– Reinsurance contract liabilities as at 30 June	(3)	–	–	–	–	(3)	(78)	–	59	–	–	(19)

* The prior year balances for "Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held" and "Changes in the FCF of reinsurance contracts held from onerous underlying contracts" have been aggregated to "Subsequent changes in the loss recovery component" in the current year to provide more relevant information.

All GMM contracts that existed at transition were accounted for using the fully retrospective approach at transition.

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.6 Non-life – reinsurance contracts held continued

15.6.2 Non-life reinsurance contracts – reconciliation of the measurement components of reinsurance contract balances measured under the GMM

R million	2025				2024			
	Present value of future cash flows	Risk adjustment	CSM	Total	Present value of future cash flows	Risk adjustment	CSM	Total
Net reinsurance contract (liabilities)/assets as at 1 July	(3)	25	(34)	(12)	24	26	(53)	(3)
– Reinsurance contract assets as at 1 July	8	2	(9)	1	24	26	(53)	(3)
– Reinsurance contract liabilities as at 1 July	(11)	23	(25)	(13)	–	–	–	–
Changes that relate to current service	(2)	(16)	42	24	(17)	(4)	26	5
CSM recognised for the services received	–	–	42	42	–	–	26	26
Change in the risk adjustment for the risk expired	–	(16)	–	(16)	–	(4)	–	(4)
Experience adjustments								
– Relating to incurred claims and other directly attributable expenses recovery	(213)	–	–	(213)	(42)	–	–	(42)
– Relating to premiums paid in the period that relate to current service	211	–	–	211	25	–	–	25
Changes that relate to future service	13	(4)	(9)	–	(3)	3	(2)	(2)
Changes in estimates that adjust the CSM	13	(4)	(9)	–	(7)	1	6	–
Subsequent changes in the loss recovery component*	–	–	–	–	(3)	–	(11)	(14)
Contracts initially recognised in the year**	–	–	–	–	7	2	3	12
Experience adjustments – arising from ceded premiums paid in the year that relate to future service	–	–	–	–	–	–	–	–
Changes that relate to past service	18	(5)	–	13	(11)	(2)	–	(13)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	18	(5)	–	13	(11)	(2)	–	(13)
Insurance service result	29	(25)	33	37	(31)	(3)	24	(10)
Net finance income from reinsurance contracts held	(2)	1	(3)	(4)	–	2	(5)	(3)
Total amounts recognised in comprehensive income	27	(24)	30	33	(31)	(1)	19	(13)
Cash flows	(18)	–	–	(18)	3	–	–	3
Premiums paid net of ceding commissions	94	–	–	94	121	–	–	121
Recoveries from reinsurance	(112)	–	–	(112)	(118)	–	–	(118)
Net reinsurance contract liabilities as at 30 June	6	1	(3)	4	(3)	25	(34)	(12)
– Reinsurance contract assets as at 30 June	6	1	(3)	4	8	2	(9)	1
– Reinsurance contract liabilities as at 30 June	–	–	–	–	(11)	23	(25)	(13)

* The prior year balances for “Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held” and “Changes in the FCF of reinsurance contracts held from onerous underlying contracts” have been aggregated to “Subsequent changes in the loss recovery component” in the current year to provide more relevant information.

** The prior year balances for “Contracts initially recognised in the period” and “CSM adjustment for income on initial recognition of onerous underlying contracts” have been aggregated to “Contracts initially recognised in the year” in the current year to provide more relevant information.

All GMM contracts that existed at transition were accounted for using the fully retrospective approach at transition.

Notes to the consolidated financial statements

15 Insurance and reinsurance contract assets and liabilities continued

15.6 Non-life – reinsurance contracts held continued

15.6.3 Non-life reinsurance contracts – impact of GMM contracts entered into during the year

R million	2025			2024		
	Contracts originated not in a net gain	Contracts originated in a net gain	Total	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Estimates of the present value of future cash outflows	–	–	–	–	(45)	(45)
Estimates of the present value of future cash inflows	–	–	–	–	52	52
Risk adjustment	–	–	–	–	2	2
CSM	–	–	–	–	(9)	(9)
Increase in reinsurance contract assets from contracts recognised in the year	–	–	–	–	–	–

16 Policyholder liabilities under investment contracts

R million	2025	2024
Opening balance	7 669	6 236
Premiums received	1 160	1 394
Fees deducted from account balances	(61)	(51)
Interest expense from financial liabilities measured at amortised cost	138	–
Policyholder benefits on investment contracts	(699)	(515)
Fair value adjustments recognised in fair value gains or losses	888	605
Closing balance	9 095	7 669

Notes to the consolidated financial statements

17 Investments in associates

R million	2025	2024
Analysis of the carrying value of associates		
Shares at cost less impairment	6 956	6 508
Share of post-acquisition reserves	3 777	3 824
Total investments in associates	10 733	10 332
Movement in the carrying value of associates		
Opening balance	10 332	10 400
Share of profit of associates after tax	1 289	1 466
– Income before tax for the year	1 759	1 977
– Net impairments of associates incurred	(67)	(114)
– Tax for the year	(403)	(397)
Net movement resulting from acquisitions, disposals and transfers	51	(312)
– Acquisition of associates	542	1 002
– Cash consideration	389	622
– Non-cash consideration	153	380
– Transfer to marketable advances	(42)	(1 314)
– Disposal of associates	(623)	–
– Transfer from non-current assets and disposal groups held for sale	174	–
Movement in other reserves	(167)	14
Exchange rate differences	10	(1)
Dividends received for the year	(782)	(1 235)
Closing balance	10 733	10 332

During the current year R138 million (2024: R604 million) in losses were not recognised for associates that have nil carrying amount. The cumulative share of losses from associates not recognised is R1 281 million (2024: R1 206 million). During the current year, the group transferred a portion of its interest in a fund that has been classified as an associate to marketable advances of R42 million (2024: R1 314 million). No gain or loss was recognised on the transfer. An associate that was previously classified as held for sale no longer met the held for sale criteria and was transferred back to investment in associate at an amount of R174 million.

The group has no exposure to contingent liabilities as a result of its relationships with associates.

Notes to the consolidated financial statements

17 Investments in associates continued

Financial information of significant associates

	Toyota Financial Services Proprietary Limited		Primedia Holdings Proprietary Limited		Volkswagen Financial Services SA Proprietary Limited	
Nature of business	Vehicle finance		Broadcasting		Vehicle finance	
Place of business	South Africa		South Africa		South Africa	
% ownership	33		22		49	
% voting rights	33		22		49	
R million	2025	2024	2025	2024	2025	2024
Amounts recognised in profit or loss and other comprehensive income of the investee						
Dividends received	106	56	–	–	–	175
Revenue	2 246	2 123	2 617	2 318	1 761	1 688
Profit or loss from continuing operations after tax	636	569	535	284	326	258
Total comprehensive income	636	569	535	284	326	258
Amounts recognised on the statement of financial position of the investee						
Total assets	58 264	52 054	4 759	4 750	41 115	39 257
– Current assets	16 607	13 980	648	784	19 287	20 874
– Non-current assets	41 657	38 074	4 111	3 966	21 828	18 383
Total liabilities	(52 853)	(47 109)	(2 755)	(2 947)	(38 162)	(36 273)
– Current liabilities	(21 638)	(14 153)	(786)	(886)	(14 348)	(22 103)
– Non-current liabilities	(31 215)	(32 956)	(1 969)	(2 061)	(23 814)	(14 170)
Net asset value	5 411	4 945	2 004	1 803	2 953	2 984
Group's share of net asset value	1 786	1 632	441	397	1 447	1 462
Other adjustments to net asset value	(39)	(34)	(196)	(252)	47	(110)
Carrying value of investments	1 747	1 598	245	145	1 494	1 352
Acquisitions of associates						
Total consideration transferred	–	–	–	–	–	–
– Discharged by cash	–	–	–	–	–	–

Notes to the consolidated financial statements

17 Investments in associates continued

Financial information of individually immaterial associates

	RMB private equity associates		Other individually immaterial associates	
R million	2025	2024	2025	2024
Carrying amount	4 805	5 124	2 442	2 113
Group's share of profit or loss after tax from continuing operations	788	1 024	4	23
Group's share of other comprehensive loss	(159)	13	–	–
Group's share of total comprehensive income/(loss)	629	1 037	4	23
Acquisitions of associates				
Acquisition date	Various	Various	Various	Various
Interest acquired (%)	Various	Various	Various	Various
Total consideration transferred	162	882	380	120
– Discharged by cash	11	502	378	120
– Non-cash consideration and other purchases	151	380	2	–
Disposal of associates				
Disposal date	Various	Various	Various	Various
Interest disposed (%)	Various	Various	Various	Various
Total consideration received	509	8	232	1 307
– Discharged by cash	118	7	210	15
– Non-cash consideration and other purchases	391	1	22	1 292
Carrying value of the associate on disposal	(467)	(7)	(198)	(1 307)
Gains on disposal of associates	42	1	34	–

Significant acquisitions, disposal and impairment of associates

Impairment and disposals of associates - 2025

In the current year, the net impairment of R67 million recognised relates to associates that underperformed which necessitated impairment. The carrying value of the investments is based on their fair value less cost to sell and was determined using an earnings multiple approach, with the key assumptions being the earnings multiples and sustainable earnings. The fair values less cost to sell is level 3 of the fair value hierarchy.

In the current year R623 million (2024: Rnil million) of disposals arose from various associates that are private equity in nature. An associate is private equity in nature if the investment is acquired with the main objective of realising a return on investment through dividends and capital profit on sale of the investment and where management is involved as directors in taking an active role in helping build and develop the associate.

Impairment of associates - 2024

In the prior year, the net impairment of R114 million recognised was driven by impairments arising from two associates. Macroeconomic factors necessitated impairments to these investee companies. The carrying value of the investments is based on their fair value less cost to sell and was determined using an earnings multiple approach, with the key assumptions being the earnings multiples and sustainable earnings. The fair values less cost to sell is level 3 of the fair value hierarchy.

Notes to the consolidated financial statements

18 Investments in joint ventures

R million	2025	2024
Analysis of carrying value of joint ventures		
Shares at cost less impairment	1 370	535
Share of post-acquisition reserves	2 820	2 975
Carrying value of investments in joint ventures	4 190	3 510
Movement in the carrying value of joint ventures		
Opening balance	3 510	3 105
Share of profit of joint ventures after tax	1 651	960
– Income before tax for the year	1 965	1 093
– Net impairments of joint ventures incurred	(2)	(25)
– Tax for the year	(312)	(108)
Net movement resulting from acquisitions and disposals	1 192	101
– Acquisition of joint ventures	1 268	101
– Disposal of joint ventures	(76)	–
Movement in other reserves	(3)	2
Dividends received for the year	(2 160)	(658)
Closing balance	4 190	3 510

Notes to the consolidated financial statements

18 Investments in joint ventures continued

Financial information of significant joint ventures

	RMB Morgan Stanley	
Nature of business	Equity sales, trading and research	
Place of business	South Africa	
% ownership	50	
% voting rights	50	
R million	2025	2024
Amounts recognised in profit or loss and other comprehensive income of the investee		
Dividends received	150	80
Revenue	1 091	851
Profit or loss from continuing operations after tax	291	160
Total comprehensive income	291	160
Amounts recognised in the statement of financial position of the investee		
Total assets	28 217	27 585
– Current assets	27 682	27 003
– Non-current assets	535	582
Total liabilities	(26 682)	(26 041)
– Current financial liabilities	(23 694)	(22 719)
– Current non-financial liabilities	(2 466)	(2 731)
– Non-current financial liabilities	(483)	(540)
– Non-current non-financial liabilities	(39)	(51)
Net asset value	1 535	1 544
Group's share of net asset value	768	772
Other adjustments to net asset value	34	35
Carrying value of investment	802	807
Included in total assets, liabilities and comprehensive income		
Cash and cash equivalents	587	548
Depreciation and amortisation	(4)	(11)
Interest income	23	21
Interest expense	(311)	(304)
Income tax	(126)	(59)

Notes to the consolidated financial statements

18 Investments in joint ventures continued

Financial information of individually immaterial joint ventures

R million	RMB private equity joint ventures		Other	
	2025	2024	2025	2024
Carrying amount	2 960	2 350	428	353
Group's share of profit or loss after tax	1 395	842	112	34
Group's share of other comprehensive income	(2)	2	–	–
Group's share of total comprehensive income	1 393	844	112	34
Acquisition of joint ventures				
Acquisition date	Various	Various	Various	Various
Interest acquired (%)	Various	Various	Various	Various
Total consideration transferred	1 248	6	20	95
– Discharged by cash	744	6	–	95
– Non-cash consideration	504	–	20	–
Disposal of joint ventures				
Disposal date	Various	Various	Various	Various
Interest disposed of (%)	Various	Various	Various	Various
Total consideration received	86	–	131	–
– Discharged by cash	10	–	–	–
– Non-cash consideration and other purchases	76	–	131	–
Carrying value of the joint venture on disposal date	(77)	–	–	–
Gain on disposal of joint ventures	9	–	131	–

Significant acquisitions, disposal and impairment of joint ventures

In the current year, R1 268 million (2024: R101 million) of acquisitions of various joint ventures in the RMB segment relates to increases in existing investments and acquisitions of new investments.

During the current year losses of R64 million (2024: R244 million) were not recognised as the balance of the investment in the joint venture was Rnil. The cumulative share of losses from joint ventures not recognised is R982 million (2024: R1 148 million). During the current year the group's share of profit or losses after tax of R1 395 million (R842 million) includes the impact of a once distribution from a joint venture in the RMB segment.

The group has exposure to contingent liabilities of R150 million (2024: R150 million) as a result of its relationships with its joint ventures.

Notes to the consolidated financial statements

19 Property and equipment

R million	Freehold property	Right of use property	Right of use equipment	Assets held under leasing agreements	Computer equipment	Other equipment	Total
Net book value at 1 July 2023	6 794	5 695	403	127	3 477	4 659	21 155
Cost	10 421	10 324	871	319	8 414	9 014	39 363
Accumulated depreciation	(3 627)	(4 629)	(468)	(192)	(4 937)	(4 355)	(18 208)
Movement for the year	(27)	38	(20)	(22)	878	1 324	2 171
Acquisitions*	433	1 579	173	45	2 324	3 323	7 877
Disposals	(41)	(34)	–	(25)	(10)	(853)	(963)
Acquisitions of subsidiaries	–	–	–	–	3	–	3
Exchange rate difference	(27)	(93)	(1)	(5)	(43)	(34)	(203)
Depreciation charge for the year	(315)	(1 287)	(175)	(31)	(1 391)	(1 130)	(4 329)
Impairments recognised	(20)	–	–	(6)	(5)	(29)	(60)
Early terminations/modification of leases	–	(71)	(17)	–	–	–	(88)
Impairments reversed	–	2	–	–	–	47	49
Transfer to non-current asset and disposal groups held for sale	(57)	(58)	–	–	–	–	(115)
Net book value at 30 June 2024	6 767	5 733	383	105	4 355	5 983	23 326
Cost	10 672	10 597	744	290	9 184	10 114	41 601
Accumulated depreciation	(3 905)	(4 864)	(361)	(185)	(4 829)	(4 131)	(18 275)
Movement for the year	(402)	(217)	(62)	41	398	566	324
Acquisitions*	145	1 298	144	69	1 953	2 612	6 221
Disposals	(86)	(24)	–	(8)	(24)	(1 098)	(1 240)
Exchange rate difference	(4)	42	3	2	6	20	69
Depreciation charge for the year	(342)	(1 298)	(186)	(32)	(1 538)	(1 008)	(4 404)
Impairments recognised	(115)	–	–	–	–	–	(115)
Early terminations/modification of leases	–	(290)	(23)	–	–	–	(313)
Impairments reversed	–	–	–	10	–	40	50
Transfer from non-current asset and disposal groups held for sale	–	55	–	–	1	–	56
Net book value at 30 June 2025	6 365	5 516	321	146	4 753	6 549	23 650
Cost	10 572	10 766	700	304	9 804	10 639	42 785
Accumulated depreciation	(4 207)	(5 250)	(379)	(158)	(5 051)	(4 090)	(19 135)

* Include capitalised improvements to property leases of R394 million (2024: R235 million) and transfer to investment property of R133 million.

Notes to the consolidated financial statements

20 Intangible assets

R million	Goodwill	Broker relation- ship	Software and develop- ment costs	Trade- marks	Other	Total
Net book value at 1 July 2023	8 646	536	918	37	140	10 277
Cost	9 861	3 161	2 502	343	481	16 348
Accumulated amortisation and impairment	(1 215)	(2 625)	(1 584)	(306)	(341)	(6 071)
Movement for the year	(465)	(536)	451	(10)	(16)	(576)
Acquisitions and capitalisations	–	–	704	–	–	704
Transfer to non-current asset and disposal groups held for sale	(92)	–	(22)	–	–	(114)
Exchange rate differences	(312)	(9)	(9)	–	(6)	(336)
Amortisation for the year	–	(527)	(222)	(10)	(10)	(769)
Impairments recognised	(61)	–	–	–	–	(61)
Net book value at 30 June 2024	8 181	–	1 369	27	124	9 701
Cost	9 113	3 034	2 973	340	460	15 920
Accumulated amortisation and impairment	(932)	(3 034)	(1 604)	(313)	(336)	(6 219)
Movement for the year	440	–	216	(9)	–	647
Acquisitions and capitalisations	–	–	551	1	–	552
Exchange rate differences	440	– *	(2)	–	10	448
Amortisation for the year	–	–	(333)	(10)	(10)	(353)
Net book value at 30 June 2025	8 621	–	1 585	18	124	10 348
Cost	9 519	3 215 *	3 075	345	485	16 639
Accumulated amortisation and impairment	(898)	(3 215)*	(1 490)	(327)	(361)	(6 291)

*The cost and accumulated amortisation and impairment increased by R181 million due to translation of balances to the presentation currency.

In the prior year, goodwill and software and development costs of R92 million and R22 million respectively have been transferred to non-current assets held for sale. Refer to note 14.1 for more information.

Notes to the consolidated financial statements

21 Investment properties

R million	Notes	2025	2024
Opening balance		704	353
Fair value remeasurements	2.4	15	28
Additions*		175	323
Acquisition/(disposal) of subsidiaries		(56)	–
Transfer to non-current assets and disposal groups held for sale		(55)	–
Closing balance		783	704

- * This balance includes transfer from property and equipment of R133 million.

The following amounts have been disclosed in profit or loss with respect to investment property:

R million	Notes	2025	2024
Rental income from investment property	2.4	158	115
Direct operating expenses on investment property that generated rental income		75	74
Direct operating expenses on investment property that did not generate rental income		47	–

In the current and prior year the group has and had no contractual obligations to purchase, construct or develop investment property, nor were there material costs incurred for repairs, maintenance and enhancements of investment property.

External valuations are performed every two years, with the last external valuation conducted in May 2025. A desktop valuation is undertaken in the years where an external valuation is not performed, so as to ensure significant changes in the fair value of investment properties are reported.

Refer to note 35 for the significant inputs used to determine the fair value of investment properties.

Notes to the consolidated financial statements

22 Employee liabilities and related costs

R million	Notes	2025	2024
Liability for short-term employee benefits		9 860	9 541
Share-based payment liability (detailed in note 33)		4 572	5 540
Defined benefit post-employment liability	22.1	1 490	1 420
Other long-term employee benefit liability		84	71
Defined contribution post-employment liability	22.2	–	–
Total employee liabilities		16 006	16 572
Defined benefit post-employment asset	22.1	(8)	(7)
Net amount due to employees		15 998	16 565

22.1 Defined benefit post-employment liability

The group has financial liabilities in respect of two defined benefit arrangements in South Africa – a plan that provides defined post-employment medical benefits to a closed group of employees payable during retirement, and a defined benefit pension plan. In terms of the defined post-employment medical plan, the group is liable to the retirees for specific payments in their retirement and for the defined pension plans the group is liable for any deficit in the provision of these benefits from the plan assets. The liabilities and assets of these plans are reflected as an asset or liability on the statement of financial position.

NATURE OF BENEFITS	
Pension	Medical
The pension plan (FirstRand Retirement Fund) provides retired employees with a pension benefit after service. A separate trust account (the fund) has been established. The account holds assets that are used solely to pay pension benefits. For current pensioners the fund pays a pension to the members and a dependant's pension to the spouse and eligible children on death of the pensioner. There is also a small number of active members whose benefit entitlement will be determined on a defined benefit basis as prescribed by the rules of the fund. For this small number of defined benefit contributing members in the pension plan (2 535 members), the group is liable for any deficit in the value of accrued benefits exceeding the assets in the fund earmarked for these liabilities. The liability of the plan in respect of defined contribution members is equal to the member's fund credit, which is determined as the accumulation of the member's contributions (net of deduction for fund expenses and cost of death benefits) as well as any amounts transferred into the fund by the member, increased with the net investment returns earned (positive or negative) on the member's assets. The fund provides a pension that can be purchased with the member's fund credit (equal to the value of member contributions and investment returns at retirement) should the member so choose.	The medical plan scheme provides retired employees with medical benefits. The employer's post-employment healthcare liability consists of a commitment to pay a portion of the members' post-employment medical plan scheme contributions. This liability is also generated in respect of dependants who are offered continued membership of the medical scheme on the death of the primary member. Members employed on or after 1 December 1998 do not qualify for a post-employment medical subsidy.

Notes to the consolidated financial statements

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

NATURE OF BENEFITS	
Pension	Medical
In terms of the existing pensioners in the pension plan, the trustees are responsible for setting the pension increase policy and for granting pension increases, subject to the ring-fenced pensioner assets of the fund supporting such increases. Should the pension account in the fund be in deficit to the extent that current pensions in payment cannot be maintained, the group is liable to maintain the nominal value of pensions in payment. The fund also provides benefits on death, retrenchment and withdrawal.	
GOVERNANCE	
Pension	Medical
The pension plan is regulated by the Financial Sector Conduct Authority in South Africa. Responsibility for governance of the plans, including investment decisions, lies with the board of trustees. Contribution categories available to members are jointly determined by the group and board of trustees. The board of trustees must be composed of representatives of the group and plan participants in accordance with the plans' regulations. The board consists of four representatives of the group and four representatives of the plan participants in accordance with the plans' regulations. The trustees serve on the board for four years and may be re-elected a number of times. An external auditor performs an audit of the fund on an annual basis and such annual financial statements are submitted to the Registrar of Pension Funds (i.e. to the Financial Sector Conduct Authority). A full actuarial valuation of the pension fund is submitted to the Financial Sector Conduct Authority every three years. The 30 June 2023 valuation is the last valuation that has been submitted to the Financial Sector Conduct Authority. Annual interim actuarial valuations are performed for the trustees and for IAS 19 purposes. At the last valuation date the fund was financially sound.	The medical plan is regulated by the registrar of the Council for Medical Schemes in South Africa. Governance of the post-employment medical aid subsidy policy lies with the group. The group has established a committee that meets regularly to discuss and review the management of the medical plan scheme and the subsidy. This committee is managed and governed by the FirstRand group financial resource management executive committee and the FirstRand group ALCCO. The committee also considers administration and data management issues and analyses demographic and economic risks inherent in the subsidy policy.

Notes to the consolidated financial statements

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

ASSET-LIABILITY MATCHING STRATEGIES

The pension plan Board of Trustees ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investment returns that are in line with the obligations under the schemes. Within this framework, the plan's asset-liability matching objective is to match assets to the pension obligations by investing in long-term fixed-interest securities with maturities that match the benefit payments as they fall due. The plan trustees actively monitor how the duration and expected yield of the investments match the expected cash outflows arising from the pension obligations. Investments are well diversified to ensure that the failure of any single investment would not have a material impact on the overall level of assets.

The trustees of the fund have adopted an investment strategy in respect of the pensioner liabilities that largely follows an 80% exposure in fixed-interest instruments to immunise against interest rate and inflation risk, and 20% exposure to local and foreign growth assets. An overlay comprising 20% exposure of high-quality corporate credit fixed-income instruments is funded through a repo transaction of a portion of the South African government-issued inflation-linked bonds to improve the probability of achieving the performance objective.

The fixed-interest instruments consist mainly of long-dated South African government-issued inflation-linked bonds, while the growth assets are allocated to selected local and foreign asset managers. The trustees receive monthly reports on the funding level of the pensioner liabilities and an in-depth attribution analysis in respect of changes in the pensioner funding level.

The trustees of the fund aim to apportion an appropriate level of balanced portfolio, conservative portfolio, and inflation-linked and money market assets to match the maturing defined benefit active member liabilities. It should be noted that this is an approximate matching strategy, as elements such as salary inflation and decrement rates cannot be matched. This is, however, an insignificant liability compared to the total liability of the pension plan.

RISK ASSOCIATED WITH THE PLANS

The group is exposed to a number of risks through its defined benefit pension plans and post-employment medical plans. The most significant of risks are detailed below.

Asset volatility – Assets are held in order to provide a return to back the plans' obligations, therefore any volatility in the value of these assets relative to the value of the liabilities would create a mismatch profit or deficit.

Inflation risk – The plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. Consumer price inflation and healthcare cost inflation form part of the financial assumptions used in the valuation.

Life expectancy – The plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

Demographic movements – The plans' liabilities are determined based on a number of best estimate assumptions based on the demographic movements of participants, including withdrawal and early retirement rates. This is especially relevant to the post-employment medical aid subsidy liabilities. Should fewer eligible employees withdraw and/or should more eligible employees retire earlier than assumed, the post-employment healthcare liabilities could be understated.

Notes to the consolidated financial statements

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

Details of the gross defined benefit plan assets and fund liability and net fund asset/liability are shown below.

		2025			2024		
R million	Notes	Pension	Medical*	Total	Pension	Medical*	Total
Post-employment benefit fund liability							
Present value of funded obligation		7 635	3 285	10 920	7 522	3 234	10 756
Fair value of plan assets		(8 734)	(1 805)	(10 539)	(8 555)	(1 823)	(10 378)
– Listed equity instruments		(2 506)	–	(2 506)	(2 243)	–	(2 243)
– Cash and cash equivalents		(182)	–	(182)	(216)	–	(216)
– Debt instruments		(2 347)	–	(2 347)	(2 318)	–	(2 318)
– Derivatives		(18)	–	(18)	(20)	–	(20)
– Qualifying insurance policy		–	(1 805)	(1 805)	–	(1 823)	(1 823)
– Other		(3 681)	–	(3 681)	(3 758)	–	(3 758)
Total employee (asset)/liability		(1 099)	1 480	381	(1 033)	1 411	378
Limitation imposed by IAS 19 asset ceiling		1 101	–	1 101	1 035	–	1 035
Total net post-employment liabilities/(asset)		2	1 480	1 482	2	1 411	1 413
Total amount recognised on the income statement (included in staff costs)	3	(138)	182	44	(77)	180	103
Movement in post-employment benefit fund liability							
Present value at the beginning of the year		7 522	3 234	10 756	7 784	3 135	10 919
Exchange differences		12	–	12	(3)	–	(3)
Current service cost		10	29	39	11	30	41
Interest expense		875	369	1 244	892	365	1 257
Past service cost		(17)	–	(17)	–	–	–
Remeasurements: recognised in OCI		48	(108)	(60)	(189)	(71)	(260)
– Actuarial gains from changes in demographic		(2)	–	(2)	(5)	–	(5)
– Actuarial (losses)/gains from financial assumptions		52	(79)	(27)	(261)	(33)	(294)
– Other remeasurements		(2)	(29)	(31)	77	(38)	39
Benefits paid		(815)	(239)	(1 054)	(973)	(225)	(1 198)
Employer contribution		–	–	–	–	–	–
Employee contribution		–	–	–	–	–	–
Closing balance		7 635	3 285	10 920	7 522	3 234	10 756

* The medical plan asset is an insurance policy with a limit of indemnity. The insurance policy is backed by assets held through an insurance cell captive. The excess assets of the cell captive belong to a subsidiary of the group and are recognised in accounts receivable. The group's liability is therefore sufficiently funded.

Notes to the consolidated financial statements

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

R million	2025			2024		
	Pension	Medical*	Total	Pension	Medical*	Total
Movement in the fair value of plan assets:						
Opening balance	8 555	1 823	10 378	8 474	1 818	10 292
Interest income	1 006	216	1 222	980	215	1 195
Remeasurements: recognised in OCI	(22)	(27)	(49)	61	(25)	36
Exchange differences	3	–	3	(8)	–	(8)
Employer contributions	15	29	44	14	37	51
Employee contributions	6	–	6	7	–	7
Benefits paid and settlements	(815)	(236)	(1 051)	(973)	(222)	(1 195)
Limitation on net asset	(14)	–	(14)	–	–	–
Closing balance	8 734	1 805	10 539	8 555	1 823	10 378
Reconciliation of limitation imposed by IAS 19 asset ceiling						
Opening balance	1 035	–	1 035	683	–	683
Interest income	129	–	129	85	–	85
Change in the asset ceiling, excluding amounts included in interest	(63)	–	(63)	267	–	267
Closing balance	1 101	–	1 101	1 035	–	1 035
Actual return on plan assets	11%			12%		
Included in plan assets were the following:						
FirstRand Limited ordinary shares with a fair value of	555	–	555	34	–	34
Total	555	–	555	34	–	34

* The medical plan asset is an insurance policy with a limit of indemnity. The insurance policy is backed by assets held through an insurance cell captive. The excess assets of the cell captive belong to a fellow subsidiary of the group and are recognised as an account receivable. FirstRand group's liability is therefore sufficiently funded.

Net defined benefit fund asset/liability reconciliation

The table below provides the reconciliation of the net opening balance to the net closing balance for the post-employment benefit fund liability, taking into consideration the effect of the plan asset ceiling.

R'million	2025			2024		
	Pension	Medical	Total	Pension	Medical	Total
Movement in post-employment benefit fund liability						
Present value at the beginning of the year	2	1 411	1 413	(7)	1 317	1 310
Exchange differences	9	–	9	5	–	5
Current service cost	10	29	39	11	30	41
Net interest	(131)	153	22	(88)	150	62
Past service cost	(17)	–	(17)	–	–	–
Remeasurements: recognised in OCI	136	(81)	55	102	(46)	56
– Actuarial losses from changes in demographic	(2)	–	(2)	(5)	–	(5)
– Actuarial losses from financial assumptions	52	(79)	(27)	(261)	(33)	(294)
– Other remeasurements	86	(2)	84	368	(13)	355
Benefits paid	–	(3)	(3)	–	(3)	(3)
Employer contribution	(15)	(29)	(44)	(14)	(37)	(51)
Employee contribution	(6)	–	(6)	(7)	–	(7)
Limitation on net assets	14	–	14	–	–	–
Closing balance	2	1 480	1 482	2	1 411	1 413

Notes to the consolidated financial statements

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

Each sensitivity analysis is based on changing one assumption while keeping all other remaining assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity analysis has been calculated in terms of the projected unit credit method and illustrates how the value of the liability would change in response to certain changes in actuarial assumptions.

%	2025		2024	
	Pension	Medical	Pension	Medical
The principal actuarial assumptions used for accounting purposes were:				
Expected rates of salary increases %	6.9	—	8.4	—
Discount rate %	11.2	—	12.5	11.8
Long-term increase in health costs %	—	7.4	—	9.1
The effects of a change in the discount rate were:				
Increase in the discount rate by 1%:				
Effect on the defined benefit obligation (R million)	1.8	284.9	2.0	276.3
Effect on the aggregate of the current service cost and interest cost (R million)	0.4	5.9	0.5	11.4
Decrease in the discount rate by 1%:				
Effect on the defined benefit obligation (R million)	(1.9)	(337.1)	(2.2)	(326.2)
Effect on the aggregate of the current service cost and interest cost (R million)	(0.3)	(6.1)	(0.4)	(12.8)
The effects of a 1% movement in the assumed health cost rate (medical) and the expected rates of salary (pension) were:				
Increase of 1%				
Effect on the defined benefit obligation (R million)	1.9	345.1	2.2	335.3
Effect on the aggregate of the current service cost and interest cost (R million)	0.3	41.9	0.4	44.5
Decrease of 1%				
Effect on the defined benefit obligation (R million)	(0.7)	(295.4)	(2.1)	(287.5)
Effect on the aggregate of the current service cost and interest cost (R million)	(1.8)	(35.7)	(0.5)	(38.0)
The effects of a change in the average life expectancy of a pensioner retiring at age 65:				
Increase in life expectancy by 1 year				
Effect on the defined benefit obligation (R million)	234.2	105.9	226.7	99.9
Effect on the aggregate of the current service cost and interest cost (R million)	42.9	12.0	45.8	12.5
Decrease in life expectancy by 1 year				
Effect on the defined benefit obligation (R million)	(233.2)	(106.4)	(226.0)	(99.8)
Effect on the aggregate of the current service cost and interest cost (R million)	(42.8)	(12.1)	(45.8)	(12.5)
Estimated contributions expected to be paid to the plan in the next annual period (R million)				
	2	—	2	—
Net increase in rate used to value pensions, allowing for pension increases (%)				
	5.1	3.5	5.3	3.2
The weighted average duration of the defined benefit obligation (years)				
	8.1	10.6	8.0	10.5

The expected maturity analysis of undiscounted pension and post-employment medical benefits is given below.

R million	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Pension benefits	846	3 325	41 408	45 579
Post-employment medical benefits	245	1 135	16 058	17 438
Total as at 30 June 2025	1 091	4 460	57 466	63 017
Pension benefits	843	3 434	46 422	50 699
Post-employment medical benefits	229	1 096	20 462	21 787
Total as at 30 June 2024	1 072	4 530	66 884	72 486

The interest income is determined using a discount rate with reference to high-quality government bonds.

Notes to the consolidated financial statements

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

Mortality rates

The normal retirement age for active members of the pension fund and post-employment medical benefit scheme is between 60 and 65.

The mortality rate table used for active members and pensioners of the pension fund and post-employment medical benefits is PA (90)-2. It refers to standard actuarial mortality tables for current and prospective pensioners on a defined benefit plan where the possibility of passing away after early or normal retirement is expressed at each age for each gender. The two-year age rating allows for a longer-than-average life expectancy of retirees compared to general annuitant mortality. In addition, allowance is made for future expected improvements in annuitant mortality based on the income level of the annuitant (on average 0.50% p.a.).

The mortality rate table used for the active members of the post-employment medical plan fund is SA 85-90. It refers to standard actuarial mortality tables for active members on a defined benefit plan where the possibility of passing away before normal retirement is expressed at each age for each gender.

The average life expectancy in years of an employee retiring at age 65 on the reporting date for pension and medical is 17 for males and 21 for females. The average life expectancy of an employee retiring at age 65 in 20 years after the reporting date for pension and medical is 18 for males and 22 for females.

	2025	2024
Pension		
The number of employees covered by the scheme		
Active members	2 535	2 448
Pensioners	4 945	5 073
Deferred plan participants	251	252
Total employees	7 731	7 773
Defined benefit obligation amounts due to		
Benefits vested at the end of the reporting period (R million)	7 650	7 522
– Conditional benefits (R million)	185	175
– Amounts attributable to future salary increases (R million)	41	50
– Other benefits (R million)	7 424	7 297
Medical		
The number of employees covered by the scheme		
Active members	1 921	2 090
Pensioners	5 013	5 019
Total employees	6 934	7 109
Defined benefit obligation amounts due to		
Total benefits (R million)	3 285	3 235
– Benefits vested at the end of the reporting period (R million)	2 433	2 373
– Benefits accrued but not vested at the end of the reporting period (R million)	852	862
Total benefits (R million)	3 285	3 235
– Conditional benefits (R million)	889	897
– Other benefits (R million)	2 396	2 338

22.2 Defined contribution post-employment liability

R million	2025	2024
Post-employment defined contribution plan		
Present value of obligation	42 932	36 639
Present value of assets	(42 932)	(36 639)
Net defined contribution liability	–	–

The defined contribution scheme allows active members to purchase a pension on retirement. The purchase price for the pension is determined based on the purchasing member's demographic details, the pension structure and economic assumptions at time of purchase. Should a member elect to purchase a pension, the group becomes exposed to longevity and other actuarial risks. However, because of the way that the purchase is priced, the employer is not exposed to any asset return risk prior to the election of this option. On the date of the purchase the defined benefit liability and the plan assets will increase with the purchase amount and thereafter the accounting treatment applicable to defined benefit plans will be applied to the purchased pension. It should be

Notes to the consolidated financial statements

noted that the purchase price for a new retiree would be slightly higher than the liability determined on the accounting valuation, as the purchase price allows for a more conservative mortality assumption based on the solvency reserves of the fund.

23 Deferred income tax

R million	2025	2024
Deferred income tax asset		
Opening balance	8 562	8 693
Acquisitions of subsidiaries	–	(3)
Exchange rate difference including the effect of hyperinflation	17	(63)
Release to profit or loss	44	966
Deferred income tax on amounts charged directly to other comprehensive income	(690)	(797)
Transfer to non-current assets and disposal group held for sale	–	(225)
Other	4	(9)
Total deferred income tax asset	7 937	8 562
Deferred income tax liability		
Opening balance	(843)	(1 033)
Disposals of subsidiaries	–	–
Exchange rate difference including the effect of hyperinflation	1	5
Release to profit or loss	4	93
Deferred income tax on amounts charged directly to other comprehensive income	(128)	(42)
Transfer to non-current assets and disposal group held for sale	–	118
Other	(39)	16
Total deferred income tax liability	(1 005)	(843)
Net deferred income tax asset	6 932	7 719

R million	As at 30 June		Recognised on income statement	
	2025	2024	2025	2024
Deferred income tax asset				
Tax losses	28	28	(14)	42
Provision for loan impairment	4 547	4 511	44	272
Provision for post-employment benefits	392	374	3	15
Other provisions	2 365	1 959	352	700
Cash flow hedges	(388)	327	–	–
Financial instruments	49	65	(16)	33
Instalment credit assets	(89)	(172)	83	28
Accruals	94	110	10	21
Debt instruments designated at FVOCI	(90)	(35)	–	–
Capital gains tax	129	411	(281)	45
Equity instruments designated at FVOCI	94	98	–	–
Foreign currency translation reserve	–	–	(62)	29
Financial liabilities classified at FVTPL	–	14	–	1
Share-based payments	1 099	1 296	(210)	(175)
Deferred revenue and deferred expenses	(534)	(476)	(57)	(70)
Intangible assets	75	50	25	(11)
Other	166	2	167	36
Total deferred income tax asset	7 937	8 562	44	966
Deferred income tax liability				
Provision for loan impairment	72	138	(6)	(14)
Provision for post-employment benefits	15	10	4	(1)
Other provisions	(50)	(60)	14	14
Financial instruments	(40)	(5)	(35)	(4)
Instalment credit assets	(111)	(101)	(11)	(26)
Accruals	(182)	(288)	106	(7)
Available-for-sale securities	(32)	(11)	–	–
Capital gains tax	(17)	1	2	(2)
Equity instruments designated at FVOCI	4	5	–	–
Intangible assets	(20)	(36)	10	107
Other*	(644)	(496)	(80)	26
Total deferred income tax liability	(1 005)	(843)	4	93

* Other relates mainly to prepayments and fixed assets.

Dividends declared by South African entities are subject to shareholders' withholding tax. The group would therefore incur no additional tax if the total reserves of R209 308 million (2024: R187 576 million) were declared as dividends. The group has not recognised a deferred tax asset amounting to R532 million (2024: R247 million) relating to tax losses because there was insufficient taxable income. None of these losses have an expiry date.

Notes to the consolidated financial statements

23 Deferred income tax continued

The FirstRand group is within the scope of the Organisation for Economic Co-Operation and Development (OECD)'s Pillar Two global minimum tax model rules. On 24 December 2024, the Pillar Two legislation was substantively enacted in South Africa. The law requires large South African parented multinational enterprises to be subject to a minimum effective corporate tax rate of 15% in each jurisdiction they operate in for fiscal years beginning on or after 1 January 2024 (i.e. applicable to FirstRand's 2025 financial year).

The legislation resulted in the group recognising a current tax expense in profit or loss (within tax expense) amounting to R86 million (refer to Note 4.2). This expense is mainly attributable to the group's earnings within Mauritius which had an effective corporate tax rate lower than 15%.

Within the United Kingdom, the Pillar Two rules are effective for accounting periods beginning on or after 31 December 2023, thus applying to FirstRand's UK entities from their 2025 financial year. The new rules do not result in an increase in the effective tax rate within the UK as the rate already exceeds 15%.

Within Guernsey, legislation has been approved to implement the OECD's Pillar Two model rules, effective for fiscal years beginning on or after 1 January 2025, thus applying to FirstRand's Guernsey entities from their 2026 financial year. These Pillar Two rules are estimated to increase the effective corporate tax rate in Guernsey to 15% from 1 July 2025.

The group has applied the mandatory deferred tax exemption in IAS 12, which introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and targeted disclosure requirements for entities affected by Pillar Two global minimum tax model rules.

The group will continue to monitor the position across all jurisdictions the group operates in, as new legislation and guidance is issued.

24 Short trading positions

R million	2025	2024
Government and government-guaranteed stock	16 734	9 819
Other dated securities	183	46
Undated securities	123	408
Total short trading positions	17 040	10 273

25 Creditors, accruals and provisions

R million	Note	2025	2024
Accounts payable		19 903	28 987
Accrued expenses		4 800	4 014
Audit fees accrued		425	376
Customer loyalty programme liability	25.1	2 091	2 039
Contract liabilities	25.1	334	399
Payments received in advance		366	277
Fair value hedge interest asset*		399	151
Provisions (including litigations and claims)	25.2	7 448	5 340
Withholding tax for employees		970	864
Total creditors, accruals and provisions		36 736	42 447

* The balance reflected relates to the fair value of the interest rate risk component of the hedged items designated in macro hedge accounting relationships in Aldermore.

Notes to the consolidated financial statements

25 Creditors, accruals and provisions continued

25.1 Reconciliation of contract liabilities and customer loyalty programme liability

R million	2025	2024
Opening balance	2 438	2 707
Increases due to cash received and other increases in contract liabilities	3 293	2 773
Transfer to non-current assets and disposal group held for sale	–	(166)
Revenue recognised during the year	(3 306)	(2 876)
Closing balance	2 425	2 438

Contract liabilities relate to service fees that are earned on value-added products provided to customers with the revenue recognised over the contract period. The customer loyalty programme liability relates to eBucks, and is determined based on the value of eBucks in issue that have not been converted to cash or redeemed by the customer. The timing of the customer's use of these eBucks as reward credits redeemable against future purchases with the group or a loyalty programme strategic partner is purely at the customer's discretion.

25.2 Reconciliation of provision

R million	2025			2024*		
	Motor commission provision	Other	Total	Motor commission provision	Other	Total
Opening balance	2 929	2 411	5 340	–	3 022	3 022
Transfer to non-current assets and disposal groups held for sale	–	–	–	–	(69)	(69)
Exchange rate differences	275	35	310	(72)	(54)	(126)
Charge to profit or loss	2 703	(325)	2 378	3 001	791	3 792
– Additional provisions created	2 703	631	3 334	3 001	915	3 916
– Unused provisions reversed	–	(956)	(956)	–	(124)	(124)
Utilised	(61)	(519)	(580)	–	(1 279)	(1 279)
Closing balance	5 846	1 602	7 448	2 929	2 411	5 340

* In the prior year, provisions was disclosed as other. The Motor commission provision has been separately disclosed in the current year to provide additional information.

A provision of £127.4 million (R3.00 billion) for the potential impact of the UK Financial Conduct Authority (FCA)'s review into historical motor finance commission arrangements and sales, which was announced on 11 January 2024, was recorded in the prior year.

The group has recognised a further provision of £115.1 million (R2.70 billion) in the current financial year for this matter, following the announcement from the FCA on 3 August 2025 after the judgment from the Supreme Court of England and Wales (the SC) handed down on 1 August 2025. The group concluded that this represented an adjusting event after the reporting period. This brings the total provision held on the statement of financial position to £240.0 million (R5.85 billion) as at 30 June 2025.

On 11 December 2024, the group obtained permission from the SC to appeal the Court of Appeal's (CoA) October 2024 judgment against it in respect of the Wrench and Johnson motor finance commissions cases. This appeal was heard by the SC between 1 April 2025 and 3 April 2025. Another UK lender obtained the same permission from the SC for a separate case with related grounds.

The CoA had held that motor dealers, acting as credit brokers, owed disinterested and fiduciary duties to customers and should have obtained consent for any commission paid to them by lenders. Lenders were also deemed to be liable for any deficiencies in the dealers' disclosure of these commissions, with the deficiencies in disclosures being noted as potentially dishonest. This increased the threshold for disclosure of, and customer consent to, the nature, value and existence of any commission paid relative to the group's understanding of what was required under legal and regulatory standards in place at the time (and prior to this verdict), and which it sought to comply with at the time. It also brought into scope both discretionary commission arrangements (DCA) and non-DCA cases and went beyond the remit of the FCA's original review.

The main ground of appeal before the SC was upheld in that motor dealers do not owe customers a fiduciary duty in relation to their role as a credit broker arranging finance (relevant to claims for the tort of bribery and secret/half-secret commissions). A fiduciary duty is required to bring a bribery claim against a lender; further, "disinterested" duty is not sufficient for such a claim. Therefore, the CoA's findings of dishonesty around the disclosures were all superseded.

Notes to the consolidated financial statements

25 Creditors, accruals and provisions continued

25.2 Reconciliation of provision continued

In the Johnson case only, the SC decided that there was an unfair relationship under s140A of the Consumer Credit Act 1974 on the specific facts of the case and hence found against the group. It is important to note that the SC emphasised that the court had a wide discretion to award a remedy under s140A and the outcome and remedy in Johnson was based on the specific facts of the that case. Accordingly, the group does not believe that this verdict on unfairness creates a direct precedent for other courts to follow.

Subsequent to the SC ruling, the FCA issued a statement on 3 August outlining its initial thinking on a proposed redress scheme. The proposals within that statement were not final and are subject to change. The FCA noted that it will publish its consultation process for a redress scheme by early October 2025 and this will run for 6 weeks. It aims to finalise the rules, such that a redress scheme can launch next year. The group continues to engage with the FCA and will participate in the consultation process.

The FCA extended its temporary complaint handling moratorium for DCA complaints to include non-DCA complaints until December 2025 following the CoA verdict in October 2024. The group has continued to receive a large number of complaints and a number of County Court claims for motor finance commissions during the current year. Many of these claims have been paused, pending the verdict from the SC and the ultimate FCA remediation scheme.

An upcoming CoA hearing involving another lender may influence the eventual outcome of this matter. This appeal relates to a judicial review of a final decision by the Financial Ombudsman Service (FOS) against another lender, originally heard in October 2024. This appeal was deferred, pending the outcome of the SC verdict. The appeal will now be heard by the CoA on 16 to 18 September.

In light of the above, the provision for this matter has been reassessed during the year, based on probability-weighted scenarios constructed from the group's own data analysis, assumptions and emerging estimates. It comprises probable legal, future incremental operational and redress costs (using a range of judgemental assumptions for commissions, interest rates, redress approaches including for both DCA and non-DCA customers and response rates). A number of potential outcomes for a remediation scheme are therefore covered with all scenarios taking into account the SC's unfairness finding held in the Johnson case. Compensatory interest has been assumed utilising the FCA's proposed interest rate of the average Bank of England base rate per year +1%. The amount covers origination by the group from April 2007 to October 2024.

The group believes estimation uncertainty remains in deriving its current provision at least until the FCA provides full and final clarity of the proposed redress scheme. It has therefore undertaken a sensitivity analysis whereby a 5% increase in the probability applied to the most unfavourable scenario included within the provision has been offset by a compensating 5% reduction in the most favourable scenario. Assuming all other assumptions remain unchanged, the outcome would be less than a 10% increase in the estimated provision. A further key area of estimation uncertainty relates to the customer response rates used in constructing the provision, which as set, are higher than the recent level of customer contact rates observed by the group. A 10% change in the assumed response rates, with all other assumptions unchanged, would also increase or decrease the estimated provision by less than 10%.

The developments identified above mean it is possible that the key areas of estimation uncertainty could change by more than the sensitivities illustrated and therefore require a significant adjustment to the provision. IFRS Accounting Standards require that the group discloses the fact that the ultimate financial impact could be higher or lower than the amount currently provided, which includes the possibility of a future provision increase or decrease in excess of the sensitivities disclosed above. The Group however believes that the current provision is appropriate based on the information available at the time of reporting.

During the financial year under review, the group incurred £10.8 million (R253 million; 30 June 2024: R298 million (£12.7 million)) of operational and legal costs in relation to managing increased complaints volumes and legal expenses largely resulting from the CoA and SC cases.

Notes to the consolidated financial statements

26 Deposits and debt funding

R million	2025	2024
Category analysis		
Deposits from customers	1 874 670	1 724 773
– Current accounts	409 620	401 012
– Call deposits	515 209	483 271
– Savings accounts	65 050	56 130
– Fixed and notice deposits	809 286	720 727
– Other deposits from customers	75 505	63 633
Debt securities	188 087	196 823
– Negotiable certificates of deposit	35 827	69 118
– Fixed-rate and floating-rate notes	150 873	125 172
– Exchange-traded notes	1 387	2 533
Asset-backed securities	35 345	24 666
– Securitisation issuances	26 447	19 835
– Non-recourse deposits	8 898	4 831
Other	83 772	56 889
– Repurchase agreements	39 724	20 529
– Securities lending	1 534	1 658
– Cash collateral and credit-linked notes	41 454	33 174
– SARB funding facility	1 060	1 528
Total deposits and debt funding	2 181 874	2 003 151

Notes to the consolidated financial statements

27 Other liabilities

R million	2025	2024
Lease liabilities	2 823	3 062
Funding liabilities	2 428	2 744
– Preference shares	1 286	1 286
– Commercial paper issued: Central Bank of Nigeria	330	263
– Bank of Ghana	614	906
– Other*	198	289
Total other liabilities	5 251	5 806

* In the prior year, commercial paper issued to the Central Bank of Nigeria and funding received for FNB Ghana were included in “other”.

27.1 Other liabilities reconciliation

R million	2025			2024		
	Funding liabilities	Lease	Total	Funding liabilities	Lease	Total
Opening balance	2 744	3 062	5 806	4 007	3 026	7 033
Cash flow movements	(593)	(1 271)	(1 864)	(701)	(1 246)	(1 947)
– Proceeds from the issue of other liabilities	694	–	694	1 026	–	1 026
– Redemption of other liabilities	(1 120)	–	(1 120)	(1 612)	–	(1 612)
– Principal payments towards lease liabilities	–	(1 085)	(1 085)	–	(1 071)	(1 071)
– Interest paid	(167)	(186)	(353)	(115)	(175)	(290)
Non-cash flow movements	277	1 032	1 309	(562)	1 282	720
– Fair value movement	5	29	34	(5)	69	64
– Transfers (to)/from non-current asset and disposal group held for sale	–	61	61	–	(72)	(72)
– Foreign exchange	33	44	77	(856)	(60)	(916)
– New leases recognised during the year	–	1 047	1 047	–	1 273	1 273
– Early termination/modification of lease	–	(351)	(351)	–	(117)	(117)
– Interest accrued	239	202	441	299	189	488
Total other liabilities	2 428	2 823	5 251	2 744	3 062	5 806

The group’s significant leases relate to property rentals of office premises and the various branch network channels represented by full-service and tellerless branches, self-service devices and Smartboxes. The rentals have fixed monthly payments. Escalation clauses are based on market-related rates and vary between 0% and 16%.

The lease periods usually have a duration of one to five years. The leases are non-cancellable and some of the leases have an option to renew for a further leasing period at the end of the original lease term.

Restrictions are more of an exception than the norm and usually relate to the restricted use of the asset for the business purposes specified in the lease contract.

For details on the contractual maturity of lease liabilities, refer to Note 38.2.1 – Liquidity risk.

Notes to the consolidated financial statements

28 Tier 2 liabilities

R million	Call dates*	Maturity dates	Interest rate	2025	2024
Fixed-rate bonds				1 518	1 518
– ZAR denominated	19 April 2026 to 3 June 2026	19 April 2031 to 3 June 2031	8.155% – 10.19%	1 430	1 430
– Other currencies	15 December 2026	15 December 2031	7.2%	88	88
Floating-rate bonds				19 811	15 750
– ZAR denominated	19 April 2026 to 13 November 2030	19 April 2031 to 13 November 2035	3-month JIBAR 186 bps – 234 bps	19 150	15 328
– Other currencies	15 December 2026 to 3 December 2029	15 December 2031 to 3 December 2034	511 bps above relevant reference rate** and 195 bps over 3 month JIBAR	661	422
Total Tier 2 liabilities				21 329	17 268

* Redemption subject to regulatory approval.

** Monetary policy rate.

28.1 Tier 2 liabilities reconciliation

R million	2025	2024
Opening balance	17 268	16 869
Cash flow movements	2 179	(1 370)
– Proceeds from the issue of Tier 2 liabilities	4 298	1 548
– Capital repaid on Tier 2 liabilities	(263)	(1 910)
– Interest paid on Tier 2 liabilities	(1 856)	(1 008)
Non-cash flow movements	1 882	1 769
– Foreign exchange	(3)	(20)
– Fair value hedging adjustment	–	–
– Interest accrued	1 885	1 789
Total Tier 2 liabilities	21 329	17 268

29 Share capital, share premium and other reserves

29.1 Share capital and share premium

Authorised shares

	2025	2024
Ordinary shares	6 001 688 450	6 001 688 450

Issued shares

	2025			2024		
	Number of shares	Ordinary share capital R million	Share premium R million	Number of shares	Ordinary share capital R million	Share premium R million
Opening balance	5 609 488 001	56	7 640	5 609 488 001	56	7 860
Shares issued	–	–	–	–	–	–
Total issued ordinary share capital and share premium	5 609 488 001	56	7 640	5 609 488 001	56	7 860
Treasury shares	(14 512 884)	–	(634)	(5 764 883)	–	(220)
Total issued share capital attributable to equityholders of the group	5 594 975 117	56	7 006	5 603 723 118	56	7 640

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

The shareholding of subsidiaries held in trading portfolios, in FirstRand Limited was 0.3% (2024: 0.1%) of total issued ordinary shares and these shares have been treated as treasury shares.

Notes to the consolidated financial statements

29 Share capital, share premium and other reserves continued

29.2 Other reserves

Other reserves are made up of the following:

R million	2025	2024
Regulatory reserves raised by African subsidiaries*	1 372	1 275
General risk reserve raised by African subsidiaries	71	66
Insurance contingency reserve	189	189
FVOCI reserve – debt instruments	384	85
FVOCI reserve – equity instruments	(324)	(337)
Other attributable reserves of associates and joint ventures	(45)	115
Reserves arising on acquisition of subsidiaries	(140)	(140)
Insurance and reinsurance finance reserve	485	189
Other reserves	377	316
Total	2 369	1 758

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

29.3 Share based payment and treasury share reserve

The table below shows the reconciliation of total number of treasury shares held by the group. Treasury shares held in trading portfolios are included in share premium. Treasury shares forming part of the group's share-based payment transaction are included in the share-based payment and treasury share reserve.

	2025			2024		
	Number of treasury shares	Trading Portfolio	Share-based payment and treasury reserve	Number of treasury shares	Trading Portfolio	Share-based payment and treasury reserve
Opening balance	5 764 883	5 764 883	–	2 900 304	2 900 304	–
Share-based payment expense	–	–	–	–	–	–
Shares acquired in the market	24 866 246	12 983 715	11 882 531	3 663 722	3 663 722	–
Redemption settlement	–	–	–	–	–	–
Shares disposed	(4 239 770)	(4 235 714)	(4 056)	(799 143)	(799 143)	–
Issued on vesting of share scheme	–	–	–	–	–	–
Closing number of shares	26 391 359	14 512 884	11 878 475	5 764 883	5 764 883	–

Notes to the consolidated financial statements

30 Other equity instruments and reserves

Authorised preference shares

	2025	2024
A preference shares – unlisted variable rate cumulative convertible redeemable*	198 311 550	198 311 550
B preference shares – listed variable rate non-cumulative non-redeemable*	100 000 000	100 000 000
C preference shares – unlisted variable rate convertible non-cumulative redeemable*	100 000 000	100 000 000
D preference shares – unlisted variable rate cumulative redeemable*	100 000 000	100 000 000

* No preference shares are in issue.

Additional Tier 1 capital and other reserves

R million	Rate	2025	2024
FRB25	3-month JIBAR plus 440 basis points	–	3 461
FRB28	3-month JIBAR plus 440 basis points	1 400	1 400
FRB34	3-month JIBAR plus 340 basis points	2 804	2 804
FRB37	3-month JIBAR plus 310 basis points	1 387	1 387
FRB38	3-month JIBAR plus 296 basis points	2 039	2 039
FRB39	3-month JIBAR plus 290 basis points	1 574	1 574
FRB41	3-month JIBAR plus 290 basis points	2 090	2 090
FRB42	3-month JIBAR plus 284 basis points	3 910	–
FRB44	3-month JIBAR plus 262 basis points	2 929	–
Total Additional Tier 1 capital		18 133	14 755
Empowerment Fund reserve*		3 280	2 916
Total other equity instruments and reserves		21 413	17 671

* The Empowerment Fund reserve includes the impacts of consolidating the fully vested empowerment vehicles. Refer to note 36 for more information.

FirstRand Bank Limited's (FRB's) AT1 capital instruments are perpetual and pay non-cumulative, discretionary coupons on a quarterly basis. The terms and conditions provide for an issuer call option after at least five years, and at every coupon payment date that follows. In addition, at the discretion of the Prudential Authority (PA) and the Resolution Authority, FRB may write off the notes, in whole or in part, with no obligation to pay compensation to the noteholders upon the earlier of:

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

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

The total coupon paid during the financial year was R1 664 million (2024: R1 518 million). Current tax of R449 million (2024: R410 million) was recognised in the income statement.

31 Subsidiaries and non-controlling interests

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

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

Subsidiary	Operation
FirstRand Bank Limited	SA banking activities, as well as foreign branches in London and Guernsey, global administrative office in India, and representative offices in Kenya, Angola, New York and Shanghai.
FirstRand EMA Holdings Proprietary Limited	Broader Africa subsidiaries
FirstRand International Limited (Guernsey)	UK banking and hard currency platform
FirstRand Insurance Holdings Proprietary Limited	Insurance
FirstRand Investment Management Holdings Limited	Investment management
FirstRand Investment Holdings Proprietary Limited	Other activities

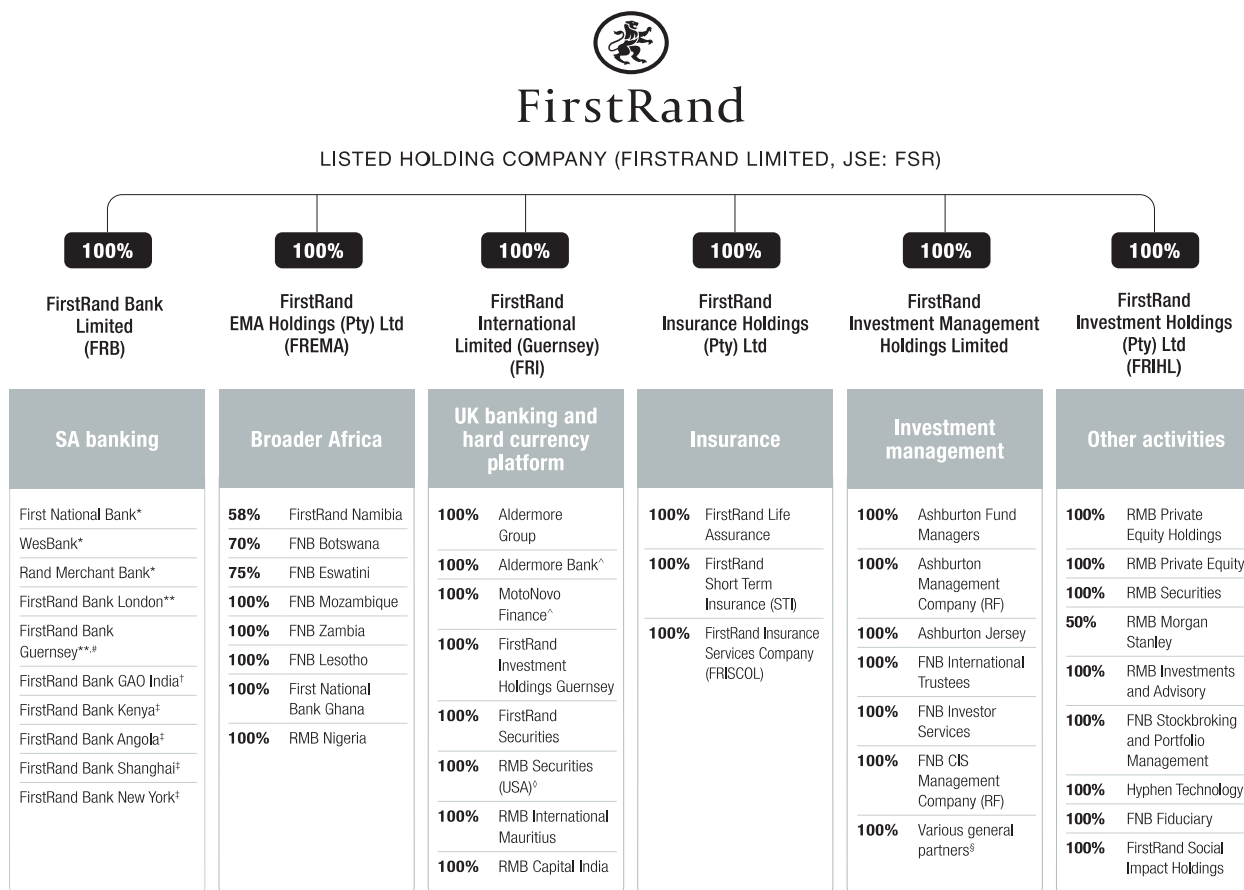
There are no significant restrictions on the ability to transfer cash or other assets to or from entities within the group.

Notes to the consolidated financial statements

31 Subsidiaries and non-controlling interests continued

Impact of hyperinflation

The Ghanaian economy ceased to be hyperinflationary in the current year. Accordingly, the results, cash flows and financial position of the group's subsidiary, First National Bank Ghana Ltd, ceased to be expressed in terms of the measuring unit current from 1 July 2024.



* Division

** Branch

Trading as FNB Channel Islands.

† Representative office

DirectAxis is a business unit of FirstRand Bank Limited.

[‡] Wholly owned subsidiary of Aldermore Group.

[^] Wholly owned subsidiary of FirstRand Securities.

^o 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.

FRIHL's 81% shareholding in MotoVantage was sold effective 1 July 2025.

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 SPVs are in FRB, FRI and FRIHL.

Notes to the consolidated financial statements

31 Subsidiaries and non-controlling interests

31.1 Disposals of subsidiaries

31.1.1 Disposals of interest in subsidiaries with loss of control

R million	Other insignificant disposals	
	2025	2024
ASSETS		
Cash and cash equivalents	–	1
Collateral settlement balances and other assets	93	8
Total assets disposed of	93	9
LIABILITIES		
Creditors and accruals	–	2
Other liabilities	98	1
Total liabilities disposed of	98	3
Net asset value as at date of disposal	(5)	6
Total gain on disposal is calculated as follows:		
Total consideration	–	(3)
Total cash consideration received	–	(3)
Non-cash consideration	–	–
Add: non-controlling share of net asset value at disposal date	–	–
Less: group's portion of the net asset value on disposal	–	–
(Gain)/loss on disposal of controlling interest in a subsidiaries	(5)	3
Cash flow information		
Discharged by cash consideration	–	4
Less: overdrafts/(cash and cash equivalents) disposed of in the subsidiary	8	(1)
Net cash inflow on disposal of subsidiaries	8	3

Disposals in 2025

The group, through its subsidiary RMBIA, disposed of a subsidiary and realised a net profit of R5 million.

Disposals in 2024

The group, through its subsidiary FREMA, disposed of two subsidiaries and realised a net loss of R3 million.

Notes to the consolidated financial statements

31 Subsidiaries and non-controlling interests continued

31.1.2 Disposals that do not result in a change of control

R million	Other insignificant disposals	
	2025	2024
Carrying amount of investment sold to non-controlling interest	(4)	(257)
Consideration received from non-controlling interests	2	394
– Discharged by cash consideration	–	394
– Non-cash consideration	2	–
(Loss)/gain recognised directly in equity	(2)	137

In the prior year, First National Bank Eswatini commenced trading on the Eswatini Stock Exchange. The listing required the group to dispose of 20% of its shareholding to local investors. The disposal resulted in the introduction of minority interests. A gain on the disposal was recognised directly in equity as it was a transaction between equity participants.

31.2 Non-controlling interests

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

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

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

	FirstRand Namibia Limited		First National Bank of Botswana Limited	
	Namibia		Botswana	
Country of incorporation				
% ownership held by non-controlling interests	41.0		30.5	
% voting rights by non-controlling interests	41.0		30.5	
R million	2025	2024	2025	2024
Balances included in the consolidated statement of financial position				
Total assets	56 289	60 803	46 534	49 267
Balances with central banks	507	560	–	827
Total liabilities	49 141	54 563	40 335	43 566
Balances included in the consolidated statement of comprehensive income				
Interest and similar income	5 856	6 048	3 321	3 297
Non-interest revenue	2 680	2 526	2 446	2 238
Profit before tax	2 663	2 419	2 554	2 489
Total comprehensive income	1 904	1 703	1 819	1 630
Amounts attributable to non-controlling interests				
Dividends paid to non-controlling interests	413	600	459	378
Profit attributable to non-controlling interests	791	709	588	573
Accumulated balance of non-controlling interests	2 908	2 530	1 807	1 687

Notes to the consolidated financial statements

31 Subsidiaries and non-controlling interests continued

31.3 Consolidated structured entities

The group holds certain interests in consolidated structured entities to ring-fence certain risks and/or achieve specific objectives. Structured entities are entities that have been designed so that voting roles are not the predominant factor in deciding who controls the entity.

The group has identified the following consolidated structured entities:

- FirstRand Empowerment Foundation.
- Social investing foundations and trusts.
- Securitisations.
- Structured investment vehicles.

Name of entity	Country of incorporation	Nature of business
FirstRand Empowerment Foundation	South Africa	Promotes the educational and professional development of historically disadvantaged South Africans.
Social investing trusts	South Africa	Provide funding for community upliftment as well as assisting black employees of the companies in the group and the members of their immediate families with their educational, healthcare and other needs.
Structured investment vehicles	South Africa	Originate or acquire advances and issue notes that are referenced to these loans to investors.
Securitisations	South Africa or the UK	Refer to note 11.3.

The group did not incur any losses related to the group's interests in consolidated structured entities in the current financial period (2024: Rnil).

Notes to the consolidated financial statements

31 Subsidiaries and non-controlling interests continued

31.4 Unconsolidated structured entities

The level of risk that the group is exposed to is determined by the nature and purpose of the holding of its interest in an entity. The group does not consolidate these structured entities as it either does not have the power to control investment decisions or it is not exposed to significant variable returns of these structured entities.

Structured investment vehicles

The group provides financing to a number of structured entities, established and managed by clients, in the form of investing in debt instruments of the structured entity, subscription for cumulative redeemable preference shares and the advancement of credit loan facilities. The group's involvement is predominantly to provide financing. The group's rights under its involvement are limited to typical lender protection rights. The group's financing of and investment in the preference shares or notes issued by the entities are considered to have been made at market-related terms. As such the relationship between the group and the structured entities is considered to be a typical customer-supplier relationship. The group does not have the ability to direct the relevant business activities of these entities. Therefore, in the absence of control, the entities are not consolidated.

The group earns interest income on the loans advanced to the customer and the notes and preference shares issued by the structured entities.

An entity was established for the purpose of creating HQLA that can be pledged as collateral under the SARB's committed liquidity facility, if required. The entity is merely a mechanism to facilitate the transaction and as there was no drawdown on the facility in the current or prior year, the entity has no economic substance. The group has not provided any additional financial or other support to this entity in the current or prior year. The group does not have the intention to provide additional support in the foreseeable future and, as such, is not exposed to any additional risks from the relationship with this entity.

Investment in funds and asset management

The group acts as fund manager to a number of investments funds. The group's interest is generally restricted to fund services and asset management fees, which are based on assets under management. The group may hold direct interests in a number of the funds, however, the magnitude of such interests varies with sufficient regularity. Whether the group consolidates any of these funds through its direct interest depends on the purpose and magnitude of the interest held therein, as well as on the group's ability to direct the relevant activities of the fund, either directly or indirectly. The group earns management fee income from its involvement in the funds, as well as unrealised gains and losses as a result of revaluations of the units held directly in the funds. Refer to note 32 for information on the assets under management.

The following table reflects the carrying amount of the group's recorded interest in and maximum exposure to risk due to these exposures arising from unconsolidated structured entities and asset management activities.

	2025			2024		
	Structured investment vehicles	Investment in funds	Total	Structured investment vehicles	Investment in funds	Total
Advances	154	431	585	87	150	237
Total assets	154	431	585	87	150	237
Total liabilities	—	—	—	—	—	—
Off-balance sheet exposures	—	—	—	—	—	—
Maximum exposure to loss*	503	431	934	498	150	648

* The group's maximum exposure to losses from its interests in unconsolidated structured entities is limited to the group's interests in these entities.

** The group did not incur losses related to the group's interests in unconsolidated structured entities in the current financial reporting period (2024: Rnil). The group did not provide any financial support during the current financial reporting period to unconsolidated structured entities.

Notes to the consolidated financial statements

32 Assets under management

The following table sets out the market value of assets for which the group earns fees as part of providing investment management services but does not recognise on its statement of financial position.

R million	2025	2024*
Assets under management	259 296	230 202
– Traditional products	225 122	194 193
– Alternative products	34 174	36 009

* During the prior year, an amount of R5 154 million was omitted from Traditional products. In addition, there was a misallocation of R31 261 million between Traditional products (R220 300 million) and Alternative products (R4 748 million). Comparatives have been restated to correctly reflect the product balances.

Traditional products comprise collective investment schemes, exchange-traded funds and discretionary mandates. Alternative products managed by the group include credit funds, private equity funds, structured products and other unregulated funds and mandates.

33 Remuneration schemes

R million	Notes	2025	2024
The charge to profit or loss for share-based payments is as follows:			
Conditional and deferred incentive plan		2 561	2 963
Amount included in profit or loss	3	2 561	2 963
Attributable to:			
- Cash-settled share-based payments		1 932	2 937
- Equity-settled share-based payments		629	26

The purpose of these schemes is to appropriately attract, incentivise and retain managers and employees within the group.

Description of the scheme and vesting conditions:

Notes to the consolidated financial statements

33 Remuneration schemes continued

CONDITIONAL AND DEFERRED AWARDS		
IFRS 2 treatment	Cash settled*	Equity settled
Description	The award is a notional share award based on the FirstRand share price.	For share ownership plans and CIP award settled with FirstRand shares.
Vesting conditions	Deferred bonus awards Short-term incentives over a specified threshold are converted to notional share awards and vest after 24 months to ensure that these payments are share price linked. These awards are subject to employment conditions and personal and business unit performance requirements, and have been included in the share awards outstanding tables below. From September 2024, group introduced share ownership plans for all new awards going forward. Previously, the awards were share price linked. The new scheme awards restricted share instruments, with the participant qualifying for dividends when they are declared. Deferred incentive and conditional incentive awards These awards vest up to three years after the initial award. The awards vest if the employment and performance conditions are met. The deferred incentive plan (DIP) awards are subject to employment conditions and personal performance requirements. From September 2024, the group introduced the share ownership plans for all new awards going forward. Similar to the DIP, this award is only forfeited if the individual performance requirements are not met over the three-year vesting period, or if the individual is no longer employed by the group. However, where the DIP is share price linked, the share ownership plans award restricted share instruments, with the participants qualifying for dividends when they are declared. The conditional incentive plan (CIP) awards are subject to employment conditions and vesting conditions relating to group performance. CIP vesting conditions are subject to specified financial performance targets set annually by the group's remuneration committee. These corporate performance targets (CPTs) are set out below.	
Valuation methodology	The awards are valued using the Black Scholes option pricing model. The awards are cash settled and are repriced at each reporting date.	The award value is settled by the delivery of a variable number of FirstRand shares at specified points during the vesting period. As such, the share awards are valued at the fair value of the award at grant date. For conditional incentive plans (CIP) award, the FirstRand share price at grant date informs the fair value of the award at grant date adjusted to exclude rights to dividends over the vesting period. The conditional features are non-market vesting and affect the number of awards that vest.

* The UK conditional award for UK-based employees (including Aldermore) differs from the rest of the group. The scheme is based on an initial sterling amount which varies in response to the FirstRand share price. The scheme has a liability of R292 million (2024: R281 million).

Notes to the consolidated financial statements

33 Remuneration schemes continued

VALUATION ASSUMPTIONS	
Dividend data	Management's estimates of future discrete dividends.
Market related	Interest rate is the risk-free rate of return as recorded on the last day of the financial year, on a funding curve of a term equal to the remaining expected life of the plan.
Employee related	The weighted average forfeiture rate used is based on historical forfeiture data observed over all schemes.

Corporate performance targets

The FirstRand remuneration committee sets the CPTs for each award based on expected macroeconomic conditions, group earnings and returns forecasts over the performance period. These criteria vary from year to year, depending on the expectations for each of the aforementioned variables. For vesting to occur, the criteria must be met or exceeded. If the performance conditions are not met, the award fails. The awards have a graded vesting structure. The level of vesting is correlated to the earnings growth achieved relative to macroeconomic variables and minimum ROE requirements. The vesting outcome is based on the delivery of the performance conditions and this level is finally determined and calculated by the group remuneration committee. The remuneration committee is permitted to adjust the final outcome of the graded vesting level downwards for predetermined factors. In terms of the scheme rules, participants are not entitled to dividends on their conditional share awards during the vesting period.

The criteria for the expired and currently open schemes are set out below.

Expired schemes

2021 (Award vested at vesting date in September 2024) – From 2021, all CIP awards have performance conditions applied to 100% of the award. The group implemented a DIP without corporate performance conditions for certain employees and no longer issues CIP awards with only employment as a condition for vesting. Graded vesting applies to all CIP awards. The awards are subject to the achievement of performance conditions set at award date and these determine the value that will ultimately vest. These performance conditions include a minimum condition to achieve any vesting, a target, a stretch and a maximum (super stretch) target, with linear grading correlated to normalised earnings per share growth between targets.

Remco has the right to adjust the vesting level downwards by as much as 20% if materially negative outcomes for the business occur that are within management control. Examples would include:

- issues that materially damaged the group's businesses, including its reputation;
- material enterprise-wide risk and control issues, as recommended to it by the risk, capital management and compliance committee (RCCC);
- concerns regarding adherence to the liquidity and capital management strategies in place; and
- lack of compliance with the group's climate roadmap over the three-year period.

Notes to the consolidated financial statements

33 Remuneration schemes continued

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both performance conditions must be met for vesting to occur.

	Performance conditions		
	Vesting level should both conditions be met*	ROE target – minimum ROE requirement at 30 June 2024**	Normalised earnings per share growth requirement (3-year CAGR) FirstRand Limited must achieve growth in normalised earnings per share relative to the South African CPI plus real GDP growth# on a cumulative basis over the three-year performance period from the base year end, being 30 June 2021, as set out for each vesting level indicated below:
Threshold (minimum vesting, below which the award lapses)	50%	≥17%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 1%
On-target performance	100%	≥18%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 3%
Stretch†	120%	≥20%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 5%
Super stretch†	150%	≥20%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 8%

* Linear grading between these vesting levels based on the growth achieved. The lower of the vesting outcome based on the ROE or the vesting outcome based on earnings growth will apply.

** The ROE is measured at 30 June 2024. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS Accounting Standards changes or changes in volatile reserves.

In the event that the three-year CAGR of real GDP is negative, the target will be calculated using CPI only.

† For vesting at 120% or above, ROE of ≥20% is required. The vesting level between 120% and 150% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 150% at a level of real GDP growth plus CPI plus 8% over the three-year period.

During the prior year, it was determined by Remco that the ROE and earnings growth conditions were met for 100% vesting even when including the UK motor commission provision as at 30 June 2024. Remco however excluded the UK motor commission provision from the calculation of the graded vesting level for all participants other than the executive directors (in the role pre-April 2024). The outcomes were as follows (excluding the UK motor commission provision):

- The ROE at 30 June 2024 was delivered at the upper end of the group's target ROE range, at 21.2%. The ROE outcome was delivered at the 150% vesting level and therefore the lower vesting outcome relating to the compound growth in normalised earnings per share determined the final vesting level. Normalised earnings per share at 30 June 2024 was 716.4 cents, and delivered a three-year compound annual growth rate of 14.8%. This growth was 7.4% above real GDP plus CPI measured over the three-year period.
- The combination of the ROE at 21.2% and the strong earnings growth performance resulted in the vesting level of 144.6%, as the group delivered on its outperformance targets.
- For the executive directors (in the role pre-April 2024), the vesting outcome is 123.2%.
- After considering the non-financial measures, Remco concluded that no downward adjustment of the vesting outcome was necessary.

Notes to the consolidated financial statements

33 Remuneration schemes continued

Currently open

2022 (Vesting date in September 2025) – All CIP awards are subject to performance conditions. For all the awards graded vesting applies. The awards are subject to the achievement of performance conditions set at award date and these determine the value that will ultimately vest. These performance conditions include a minimum condition to achieve any vesting, a target, a stretch and a super stretch target with linear grading correlated to normalised earnings per share growth between targets.

Remco has the right to adjust the vesting level downwards by as much as 20% if materially negative outcomes for the business occur that are within management control. Examples would include:

- issues that materially damaged the group's businesses, including its reputation;
- material enterprise-wide risk and control issues, as recommended to it by the RCCC;
- concerns regarding adherence to the liquidity and capital management strategies in place; and
- lack of compliance with the group's climate roadmap over the three-year period.

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both performance conditions must be met for vesting to occur.

		Performance conditions (both conditions must be met)	
	Vesting level*	Minimum ROE requirement**	Normalised earnings per share growth requirement (3-year CAGR)*
			FirstRand Limited must achieve growth in normalised earnings per share relative to the South African CPI plus real GDP growth on a cumulative basis over the three-year performance period from the base year end, being 30 June 2022, as set out for each vesting level indicated below:
Threshold (minimum vesting, below which the award lapses)	50%	≥19%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 1.5%
On-target performance	100%	≥20.5%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 2.5%
Stretch†	120%	≥22%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 5%
Super stretch†	150%	≥22%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 9%

* Linear grading between these vesting levels based on the earnings growth achieved. The lower of the vesting outcome based on the ROE or the vesting outcome based on earnings growth will apply.

** The ROE is measured as the average over the three-year performance period. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS Accounting Standards changes or changes in volatile reserves.

In the event that the three-year CAGR of real GDP is negative, the target will be calculated using CPI only.

† For vesting at 120% or above, ROE of ≥22% is required. The vesting level between 120% and 150% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 150% at a level of real GDP growth plus CPI plus 9% over the three-year period.

Notes to the consolidated financial statements

33 Remuneration schemes continued

2023 (Vesting date in September 2026) – All CIP awards are subject to performance conditions. For all the awards graded vesting applies. The awards are subject to the achievement of performance conditions set at award date and these determine the value that will ultimately vest. These performance conditions include a minimum condition to achieve any vesting, a target, a stretch and a super stretch target with linear grading correlated to normalised earnings per share growth between targets.

Remco has the right to adjust the vesting level downwards by as much as 20% if materially negative outcomes for the business occur that are within management control. Examples would include:

- issues that materially damaged the group's businesses, including its reputation;
- material enterprise-wide risk and control issues, as recommended to it by the RCCC;
- concerns regarding adherence to the liquidity and capital management strategies in place; and
- lack of compliance with the group's climate roadmap over the three-year period.

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both performance conditions must be met for vesting to occur.

		Performance conditions (both conditions must be met)	
	Vesting level*	Minimum ROE requirement**	Normalised earnings per share growth requirement (3-year CAGR)*
			FirstRand Limited must achieve growth in normalised earnings per share relative to the South African CPI plus real GDP growth on a cumulative basis over the three-year performance period from the base year end, being 30 June 2023, as set out for each vesting level indicated below:
Threshold (minimum vesting, below which the award lapses)	50%	≥20%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI
On-target performance	100%	≥21%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 4%
Stretch†	120%	≥22%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 6.5%
Super stretch†	150%	≥22%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 10.5%

* Linear grading between these vesting levels based on the earnings growth achieved. The lower of the vesting outcome based on the ROE or the vesting outcome based on earnings growth will apply.

** The ROE is measured as the average over the three-year performance period. The ROE calculation is based on based on net asset value (NAV) taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS Accounting Standards changes or changes in volatile reserves.

‡ In the event that the three-year CAGR of real GDP is negative, the target will be calculated using CPI only.

† For vesting at 120% or above, ROE of ≥22% is required. The vesting level between 120% and 150% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 150% at a level of real GDP growth plus CPI plus 10.5% over the three-year period.

Notes to the consolidated financial statements

33 Remuneration schemes continued

2024 (Vesting date in September 2027) – All CIP awards are subject to performance conditions and must be settled in FirstRand shares. For all the awards graded vesting applies. All awards that vest will be settled in shares. The awards are subject to the achievement of performance conditions set at award date and these determine the value that will ultimately vest. These performance conditions include a minimum condition to achieve any vesting, a target, a stretch and a super stretch target with linear grading correlated to normalised earnings per share growth between targets.

Remco has the right to adjust the vesting level downwards by as much as 20% if materially negative outcomes for the business occur that are within management control. Examples would include:

- issues that materially damaged the group's businesses, including its reputation;
- material enterprise-wide risk and control issues, as recommended to it by the RCCC;
- concerns regarding adherence to the liquidity and capital management strategies in place; and
- lack of compliance with the group's climate roadmap over the three-year period.

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both performance conditions must be met for vesting to occur.

	Vesting level*	Performance conditions (both conditions must be met)*	
		Minimum ROE requirement**	Normalised earnings per share growth requirement (3-year CAGR)#
			FirstRand Limited must achieve growth in normalised earnings per share relative to the South African CPI, plus real GDP growth on a cumulative basis, over the three-year performance period from the base year end, being 30 June 2024, as set out for each vesting level indicated below:
Threshold (minimum vesting, below which the award lapses)	50%	≥19.5%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 1.5%
On-target performance	100%	≥20.5%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 2.5% to real GDP growth plus CPI plus 4%
Stretch†	120%	≥21.5%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 6%
Super stretch†	150%	≥21.5%	Cumulative normalised earnings per share growth rate over three years of real GDP growth plus CPI plus 9%

* Linear grading between these vesting levels based on the earnings growth achieved. After measuring the ROE outcome and growth outcome separately, the lower of either will become the vesting level. Both conditions must be met for vesting at any level to occur. Thereafter, Remco will assess if any downward adjustment is necessary for the factors listed.

** The ROE is measured as the average over the three-year performance period. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS Accounting Standards changes or changes in volatile reserves (including the foreign currency translation reserves).

In the event that the three-year CAGR of real GDP is negative, the target will be calculated using CPI only.

† For vesting at 120% or above, ROE of ≥21.5% is required. The vesting level between 120% and 150% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 150% at a level of real GDP growth plus CPI plus 9% over the three-year period.

Notes to the consolidated financial statements

33 Remuneration schemes continued

The significant weighted average assumptions used to estimate the grant value (for equity-settled share-based payments) and the fair value (for cash-settled share-based payments) of the various awards granted are detailed below.

	Conditional and deferred incentive plans (FirstRand shares)	
	2025	2024
Award life (years)	0.32 - 3	1 - 3
Risk-free rate (%)	7.35 - 7.68	8.43 - 8.83

	Conditional and deferred incentive plans (FirstRand shares)	
	2025	2024
Share awards outstanding		
Number of awards in force at the beginning of the year (millions)	117.1	147.0
Number of awards granted during the year (millions)	14.6	48.7
'Number of awards purchased with respect to the share ownership award plans (millions)	4.7	–
Number of awards exercised/released during the year (millions)	(42.3)	(66.9)
– Market value range at date of exercise/release (cents)*	6 486 - 8 415	6 089 - 7 381
– Weighted average (cents)	8 398	6 533
Number of awards forfeited during the year (millions)	(3.6)	(11.7)
Number of awards in force at the end of the year (millions)	90.5	117.1

	Conditional and deferred incentive plan (FirstRand shares)*			
	2025		2024	
	Weighted average remaining life (years)	Outstanding awards (millions)	Weighted average remaining life (years)	Outstanding awards (millions)
Awards outstanding**				
Vesting during 2022	–	0.1	–	0.1
Vesting during 2023	–	0.1	–	0.1
Vesting during 2024	–	–	0.3	40.4
Vesting during 2025	0.2	38.2	1.4	39.7
Vesting during 2026	1.4	39.9	2.3	36.8
Vesting during 2027	2.3	12.2		
Total conditional awards		90.5		117.1
Number of participants		4 802		5 319

* Market values indicated above include those instances where a probability of vesting is applied to accelerated share award vesting prices due to a no-fault termination, as per the rules of the scheme.

** Years referenced in the rows related to calendar years and not financial years.

With respect to the Share Ownership Award Plans, the award value granted to employees is settled in a variable number of shares at specific points throughout the vesting period. Therefore it is not possible to determine at reporting date, the number of awards in force. The award value outstanding table below reflects the share award value for which shares have not yet been purchased. At the point the shares are purchased, the value of the award is transferred to awards outstanding, with the number of shares purchased with respect to the share ownership award plan reflected in the share award outstanding table above.

	Share Award Plan	
R million	2025	2024
Award value outstanding		
Value of awards in force at the beginning of the year	–	–
Value of awards granted during the year	1 910	–
Value of awards forfeited during the year	(62)	–
Value of awards that were transferred to awards outstanding	(346)	–
Value of award in force at the end of the year	1 502	–

Notes to the consolidated financial statements

34 Contingencies and commitments

R million	2025	2024
Committed capital expenditure*	6 360	4 892
Legal proceedings**	192	168
Total contingencies and commitments	6 552	5 060

* 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 group, 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.

34.1 Future minimum lease payments receivable under operating leases where the bank is the lessor

The group owns various assets that are leased to third parties under operating leases as part of the group's revenue-generating operations.

The minimum future lease payments under non-cancellable operating leases on assets where the group is the lessor are detailed below.

R million	2025			
	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Property	128	224	66	418
Motor vehicles	1 372	2 271	239	3 882
Total operating lease receivable	1 500	2 495	305	4 300
2024				
Property	93	251	102	446
Motor vehicles	1 361	2 207	304	3 873
Total operating lease receivable	1 454	2 458	406	4 319

Notes to the consolidated financial statements

35 Fair value measurements

35.1 Valuation methodology

The group has established control frameworks and processes at an operating business level to independently validate its valuation techniques and inputs used to determine its fair value measurements. At an operating business level, valuation specialists are responsible for the selection and implementation of the valuation techniques used to determine fair value measurements, as well as any changes required. Valuation committees comprising representatives from key management have been established within each operating business and at an overall group level. They are responsible for overseeing the valuation control process and considering the appropriateness of the valuation techniques applied in fair value measurement. The valuation models and methodologies are subject to independent review and approval at an operating business level by the required valuation specialists, valuation committees and relevant risk committees annually, or more frequently if considered appropriate.

35.2 Fair value hierarchy and measurements

Measurement of assets and liabilities at level 2 and level 3

The table below sets out the valuation techniques applied by the group for recurring fair value measurements of assets and liabilities categorised as level 2 and level 3.

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs – level 2	Unobservable inputs – level 3
DERIVATIVE FINANCIAL INSTRUMENTS				
Forward rate agreements, forwards and swaps	Discounted cash flow	Future cash flows are projected using a related forecasting curve or referencing a traded future contract price and then discounted using a market-related discounting curve over the contractual period. The reset date is determined in terms of legal documents.	Market interest rates, future contract prices, credit and currency basis curves and spot prices	Unobservable market interest rates, credit and currency basis curves
Options and equity derivatives	Option pricing and industry standard models	The models calculate fair value based on input parameters such as share prices, dividends, volatilities, interest rates, equity repo curves and, for multi-asset products, correlations. Unobservable model inputs are determined by reference to liquid market instruments and by applying extrapolation techniques to match the appropriate risk profile.	Strike price of the option, market-related discount rate, spot or forward rate, the volatility of the underlying, dividends and listed share prices	Volatilities, dividends and unlisted share prices Range of volatilities: 1 759 - 11 575 bps (2024: 1 839 - 12 910 bps)
ADVANCES TO CUSTOMERS				
Advances under repurchase agreements and other advances	Discounted cash flow	Future cash flows are discounted using market-related interest rates adjusted for credit inputs over the contractual period. For advances under repurchase agreements, credit inputs are an insignificant input as the advance is fully collateralised. For some advances under repurchase agreements, the amount repayable is referenced to a listed price of an underlying. In a case where the fair value of the credit is not significant year on year but may become significant in future, and where the counterparties do not have actively traded or observable credit spreads, the group classifies other loans and advances to customers as level 3 in the fair value hierarchy.	Market interest rates, credit inputs and listed prices of an underlying	Credit inputs and market risk correlation factors
Corporate and investment banking book	Discounted cash flow	Future cash flows are discounted using market-related interest rates, adjusted for credit inputs such as PD of the counterparty. Credit risk is not observable and could have a significant impact on the fair value measurement of these advances. Where credit risk has a significant impact on the fair value measurement, these advances are classified as level 3 in the fair	Market interest rates	Credit spread Range of credit spreads: 3.5 - 3 198 bps (2024: 3.8 - 3 596 bps)

Notes to the consolidated financial statements

35 Fair value measurements continued

35.2 Fair value hierarchy and measurements continued

Measurement of assets and liabilities at level 2 and level 3 continued

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs – level 2	Unobservable inputs – level 3
INVESTMENT SECURITIES				
Equities listed in an inactive market	Discounted cash flow	For listed equities, the listed price is used where the market is active (i.e. level 1). However, if the market is not active and the listed price is not representative of fair value, a valuation technique is used to determine the fair value. The valuation technique will be based on risk parameters of comparable securities and the potential pricing difference in spread and/or price terms with the traded comparable is considered. Future cash flows are discounted using a market-related interest rate.	Market interest rates	Price earnings (P/E) ratios
Unlisted equities	P/E model and discounted cash flow	For unlisted equities, the earnings included in the model are derived from a combination of historical and budgeted earnings, depending on the specific circumstances of the entity whose equity is being valued. The P/E multiple is derived from current market observations taking into account an appropriate discount rate for unlisted companies. The valuation of these instruments may be corroborated by a discounted cash flow valuation or by the observation of other market transactions that have taken place.	Market transactions and market interest rates	Growth rates and P/E ratios Range of P/E multiples: 1.3 - 15 (2024: 2.9 - 15.6)
Unlisted bonds, bonds listed in an inactive market or negotiable certificates of deposit (NCDs)	Discounted cash flow	Future cash flows are discounted using a market-related interest rate adjusted for credit inputs over the contractual period. Where the valuation technique incorporates observable inputs for credit risk or the credit risk is an insignificant input, level 2 of the fair value hierarchy is deemed appropriate. Where the valuation technique incorporates significant inputs for credit risk, level 3 of the fair value hierarchy is deemed appropriate.	Market interest rates, credit inputs and market quotes for NCD instruments	Credit inputs Range of credit inputs: 115 - 414 bps (2024: 139 - 677 bps)
Treasury bills and other government and government-guaranteed stock	Exchange prices. Exchange yields converted into a price using specific debt market bond pricing models. Discounted cash flow.	Instrument fair values are determined by either marking to exchange traded prices, converting exchange yields into prices by applying the specific debt market trading models, for example JSE/Bond Exchange of South Africa (BESA) or by discounting the cash flows off an appropriate curve.	Market quotes for money market and fixed-income instruments. Market interest rates	N/A
Non-recourse investments	Discounted cash flow	Future cash flows are discounted using a discount rate which is determined as a base rate plus a margin. The base rate is determined by legal agreements as either a bond or swap curve. The margin approximates the level of risk attached to the cash flows. When there is a change in the base rate of the market, the valuation is adjusted accordingly. The valuation model is calibrated to reflect transaction price at initial recognition.	Market interest rates	N/A

Notes to the consolidated financial statements

35 Fair value measurements continued

35.2 Fair value hierarchy and measurements continued

Measurement of assets and liabilities at level 2 and level 3 continued

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs – level 2	Unobservable inputs – level 3
INVESTMENT SECURITIES continued				
Investments in funds and unit trusts	Third-party valuations	For certain investments in funds (such as hedge funds) or unit trusts, where an internal valuation technique is not applied, the group places reliance on valuations from third parties, such as broker quotes or valuations from asset managers. Where considered necessary, the group applies minority and marketability or liquidity discount adjustments to these third-party valuations. Third-party valuations are reviewed by the relevant operating business's investment committee on a regular basis. Where these underlying investments are listed, third-party valuations can be corroborated with reference to listed share prices and other market data and are thus classified as level 2 of the fair value hierarchy.	Equity listed prices	Third-party valuations used, minority and marketability adjustments
INVESTMENT PROPERTIES				
Investment properties	Discounted cash flow	The fair value of investment properties is determined by obtaining a valuation from an independent professional valuer not related to the group. This fair value is based on a discounted cash flow model which is the sum of the present values of a stream of cash flows into the future, with an appropriate exit or terminal value. Considerations related to above-market and below-market rentals, fluctuating expenses and general property risk are factored into the model. Variables are obtained through surveys and comparable recent market transactions not publicly quoted. Professional valuations are performed every two years and are subject to internal management review. Desktop valuations are performed in the years where professional valuations are not performed. The fair value was based on unobservable income capitalisation rate inputs.	N/A	Expected rentals, capitalisation and exit/terminal rates

Notes to the consolidated financial statements

35 Fair value measurements continued

35.2 Fair value hierarchy and measurements continued

Measurement of assets and liabilities at level 2 and level 3 continued

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs – level 2	Unobservable inputs – level 3
DEPOSITS AND DEBT FUNDING				
Call and non-term deposits	Discounted cash flow or the undiscounted amount is used	Cash flows are discounted with the interest rates derived from the appropriate curve to arrive at the present value. Where the deposit has a demand feature, the undiscounted amount of the deposit is the fair value due to the short-term nature of the instruments. The fair value is not less than the amount payable on demand, i.e. the undiscounted amount of the deposit.	Market interest rates	N/A
Non-recourse deposits and other liabilities	Discounted cash flow	Future cash flows are discounted using market-related interest rates. Fair value incorporates interest rate risk with no valuation adjustment for own credit risk. Valuation adjustments are affected by changes in the applicable credit ratings of the assets. Where the value of a liability is linked to the performance of an underlying and the underlying is observable, the liabilities are classified as level 2.	Market interest rates or performance of underlying	Performance of underlying contracts
Deposits referencing credit-linked instruments and other deposits	Discounted cash flow	The related forecasting curve is adjusted for liquidity premiums and business unit margins. The valuation methodology does not take early withdrawals and other behavioural aspects into account.	Market interest rates	Credit inputs, market risk and correlation factors Spread of rate curves: -34 - 650 bps (2024: 241 - 1 249 bps)
POLICYHOLDER LIABILITIES UNDER INVESTMENT CONTRACTS				
Unit-linked contracts or contracts without fixed benefits	Adjusted value of underlying assets	The underlying assets related to the contracts are recognised by the group. The investment contracts require the group to use these assets to settle the liabilities. The fair value of investment contract liabilities, therefore, is determined with reference to the fair value of the underlying assets. The fair value is determined using the current unit price of the underlying unitised assets linked to the liability and multiplied by the number of units attributed to the policyholders at reporting date. The fair value of the liability is never less than the amount payable on surrender, discounted for the required notice period where applicable.	Spot price of underlying	N/A
Contracts with fixed and guaranteed terms	Discounted cash flow	The liability fair value is the present value of future payments, adjusted using appropriate market-related yield curves to maturity.	Market interest rates	N/A
OTHER				
Financial assets and liabilities not measured at fair value but for which fair value is disclosed	Discounted cash flow	Future cash flows are discounted using market-related interest rates and curves adjusted for credit inputs.	Market interest rates	Credit inputs

Notes to the consolidated financial statements

35 Fair value measurements continued

35.2.1 Fair value hierarchy

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

R million	2025				2024			
	Level 1	Level 2	Level 3	Total fair value	Level 1	Level 2	Level 3	Total fair value
Assets								
<i>Recurring fair value measurements</i>								
Derivative financial instruments	2	54 205	4 279	58 486	18	54 637	629	55 284
Advances	–	80 985	65 747	146 732	–	58 672	54 672	113 344
Investment securities	189 983	30 420	4 650	225 053	156 249	26 383	4 494	187 126
Non-recourse investments	1 950	6 948	–	8 898	1 281	3 550	–	4 831
Commodities	7 364	–	–	7 364	15 109	–	–	15 109
Investment properties	–	–	783	783	–	–	704	704
<i>Non-recurring fair value measurements</i>								
Disposal groups held for sale – financial assets	–	–	–	–	–	14	35	49
Total fair value assets	199 299	172 558	75 459	447 316	172 657	143 256	60 534	376 447
Liabilities								
<i>Recurring fair value measurements</i>								
Short trading positions	15 490	1 550	–	17 040	9 443	830	–	10 273
Derivative financial instruments	–	52 362	1 927	54 289	6	42 786	1 853	44 645
Deposits and debt funding	–	68 880	15 803	84 683	1 546	49 007	10 601	61 154
Non-recourse deposits	–	8 898	–	8 898	–	4 831	–	4 831
Other liabilities	–	25	–	25	–	49	–	49
Policyholder liabilities under investment contracts	–	7 384	–	7 384	–	7 669	–	7 669
<i>Non-recurring fair value measurements</i>								
Disposal groups held for sale – financial liabilities	–	–	–	–	–	–	–	–
Total fair value liabilities	15 490	139 099	17 730	172 319	10 995	105 172	12 454	128 621

Notes to the consolidated financial statements

35 Fair value measurements continued

35.3 Additional disclosures for level 3 financial instruments

35.3.1 Transfers between fair value hierarchy levels

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

R million	2025			2024		
	Transfers in	Transfers out	Reasons for significant transfers in	Transfers in	Transfers out	Reasons for significant transfers in
Level 1	417	(136)	The inputs used to determine the fair value of certain investment securities have become observable during the current year as a result of increased liquidity in the market. As a result these investment securities transferred from level 3 to level 1.	316	(606)	The inputs used to determine the fair value of certain investment 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	1 193	(1 392)	The inputs used to determine the fair value of certain structured deposits and derivatives have become observable during the current year, resulting in the transfer from level 3 to 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	1 528	(1 610)	The inputs used to determine the fair value of certain structured deposits and equity derivatives have become unobservable during the current year, resulting in the transfers from level 2 to 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	3 138	(3 138)		1 414	(1 414)	

Notes to the consolidated financial statements

35 Fair value measurements continued

35.3 Additional disclosures for level 3 financial instruments continued

35.3.2 Changes in level 3 instruments with recurring fair value measurements

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

R million	Derivative financial assets	Advances	Investment securities	Investment properties	Derivative financial liabilities	Other liabilities	Deposits and debt funding
Balance as at 30 June 2023	952	66 726	4 624	353	2 477	6	6 840
Gains or losses recognised in profit or loss	483	5 457	947	22	787	–	902
Losses recognised in other comprehensive income	–	–	(5)	–	–	–	–
Purchases, sales, issue and settlements	(806)	(17 222)	(1 335)	5	(1 410)	(6)	3 350
Acquisitions/disposals of subsidiaries	–	5	(5)	324	–	–	–
Net transfer (to)/from level 3	–	–	290	–	(1)	–	(490)
Exchange rate differences	–	(294)	(22)	–	–	–	(1)
Balance as at 30 June 2024	629	54 672	4 494	704	1 853	–	10 601
Gains or losses recognised in profit or loss	3 144	6 041	164	15	1 056	–	260
Gains recognised in other comprehensive income	–	–	13	–	–	–	–
Purchases, sales, issue and settlements	(251)	5 262	(317)	120	(781)	–	5 879
Acquisitions/disposals of subsidiaries	–	–	(1)	(56)	–	–	–
Net transfer (to)/from level 3	757	–	300	–	(202)	–	(937)
Exchange rate differences	–	(228)	(4)	–	1	–	–
Balance as at 30 June 2025	4 279	65 747	4 649	783	1 927	–	15 803

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 or the disposal of subsidiaries. Decreases in the value 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 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.

Notes to the consolidated financial statements

35 Fair value measurements continued

35.3 Additional disclosures for level 3 financial instruments continued

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

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

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

R million	2025		2024	
	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	3 059	—	483	—
Advances*	5 212	—	4 773	—
Investment securities	(352)	13	657	—
Investment properties	167	—	22	—
Total	8 086	13	5 935	—
Liabilities				
Derivative financial instruments	(896)	—	(786)	—
Deposits and debt funding	(652)	—	(1 137)	—
Total	(1 548)	—	(1 923)	—

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

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

The table below illustrates the sensitivity of the significant inputs when changed to reasonably possible alternative inputs.

Asset/liability	Unobservable input to which reasonably possible changes are applied	Reasonably possible changes applied	
Derivative financial instruments	Volatilities, yields, interest rates, credit spreads	A 10% relative stress (i.e. $(1 \pm 10\%)$ * base input) of the following base inputs	
		Exposure	Unobservable Input
		Options	Volatility
		Nominal bonds	Yield
		Inflation bonds	Real yield
		Currency basis	Rate curve
		Credit	Credit spreads
		Interest rates	Rate curve
Advances	Credit migration matrix	The PD is adjusted to fully reflect the upside or downside scenarios in relation to the base case.	
Investment securities	Credit, growth rates or P/E ratios of unlisted investments	Increased and decreased by between 7% and 10%, depending on the nature of the instrument.	
Investment properties	Escalation rates applied to rentals and discount rates	Expected rentals are adjusted for comparable rentals. A range of capitalisation rates was used to assess the reasonability of the rate(s) used.	
Deposits and debt funding	Credit inputs, correlation and devaluation parameters	The sensitivity to credit risk has been assessed in the same way as for advances, using the credit migration matrix, with the deposit representing the cash collateral component thereof.	

Notes to the consolidated financial statements

35 Fair value measurements continued

35.3 Additional disclosures for level 3 financial instruments continued

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

R million	2025			2024		
	Reasonably possible alternative fair value			Reasonably possible alternative fair value		
	Fair value	Using more positive assumptions	Using more negative assumptions	Fair value	Using more positive assumptions	Using more negative assumptions
Assets						
Derivative financial instruments	4 279	4 468	4 091	629	676	579
Advances	65 747	65 767	65 578	54 672	54 857	54 445
Investment securities	4 650	4 966	4 312	4 494	4 796	4 287
Investment properties	783	879	687	704	775	639
Total financial assets measured at fair value in level 3	75 459	76 080	74 668	60 499	61 104	59 950
Liabilities						
Derivative financial instruments	1 927	1 886	1 982	1 853	1 800	1 905
Deposits and debt funding	15 803	15 561	16 047	10 601	10 205	10 734
Other liabilities	–	–	–	–	–	–
Total financial liabilities measured at fair value in level 3	17 730	17 447	18 029	12 454	12 005	12 639

35.4 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 a reasonable approximation of the fair value.

R million	2025				
	Carrying value	Total fair value	Level 1	Level 2	Level 3
Assets					
Advances	1 601 907	1 604 681	–	191 737	1 412 944
Investment securities	260 875	259 904	158 711	90 934	10 259
Total financial assets at amortised cost	1 862 782	1 864 585	158 711	282 671	1 423 203
Liabilities					
Deposits and debt funding	2 088 293	2 092 783	3 652	1 623 052	466 079
Other liabilities	2 403	2 413	330	681	1 402
Policyholder liabilities under investment contracts	1 711	1 711	–	1 711	–
Tier 2 liabilities	21 329	21 503	–	21 503	–
Total financial liabilities at amortised cost	2 113 736	2 118 410	3 982	1 646 947	467 481
2024					
Assets					
Advances	1 498 197	1 501 967	–	175 544	1 326 423
Investment securities	241 559	237 400	146 202	83 046	8 152
Total financial assets at amortised cost	1 739 756	1 739 367	146 202	258 590	1 334 575
Liabilities					
Deposits and debt funding	1 937 166	1 939 957	1 647	1 500 933	437 376
Other liabilities	2 695	2 706	–	1 010	1 697
Policyholder liabilities under investment contracts	–	–	–	–	–
Tier 2 liabilities	17 268	17 379	–	17 379	–
Total financial liabilities at amortised cost	1 957 129	1 960 042	1 647	1 519 322	439 073

Notes to the consolidated financial statements

35 Fair value measurements continued

35.5 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.

R million	2025	2024
Opening balance	187	211
Day 1 profits or losses not initially recognised on financial instruments in the current year	33	308
Amount recognised in profit or loss as a result of changes which would be observable by market participants	(165)	(332)
Closing balance	55	187

35.6 Financial instruments designated at fair value through profit or loss

FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Different methods are used to determine the current period and cumulative changes in fair value attributable to credit risk due to the differing inherent credit risk of these instruments. These are the methods used.

Financial assets	Advances The change in credit risk is the difference between the fair value of advances, based on the original credit spreads (as determined using the group's credit spread pricing matrix), and the fair value of advances based on the most recent credit inputs where there has been a change in the credit risk of the counterparty. The group uses its own annual credit review process to determine if there has been a change in the credit rating or PD of the counterparty. Investment securities The change in fair value due to credit risk for investments designated at FVTPL is calculated by stripping out the movements that result from a change in market factors that give rise to market risk. The change in fair value due to credit risk is then calculated as the balancing figure, after deducting the movement due to market risk from the total movement in fair value.
Financial liabilities	Determined with reference to changes in the mark-to-market yields of own issued bonds. The change in fair value of financial liabilities due to changes in credit risk is immaterial.

35.6.1 Financial assets designated at fair value through profit or loss

The group has designated certain financial assets at FVTPL that would otherwise have been measured at amortised cost or FVOCI. The table below contains details regarding the change in credit risk attributable to these financial assets. Losses are indicated in brackets.

R million	2025			
	Change in fair value due to credit risk			
	Fair value	Mitigated credit risk	Current period	Cumulative
Advances	23 250	550	66	(134)
Investment securities	10 516	–	–	–
Total	33 766	550	66	(134)
2024				
Advances	16 221	857	129	45
Investment securities	9 586	–	–	–
Total	25 807	857	129	45

Losses are included in brackets.

Notes to the consolidated financial statements

35 Fair value measurements continued

35.6 Financial instruments designated at fair value through profit or loss continued

35.6.2 Financial liabilities designated at fair value through profit or loss

R million	2025		2024	
	Fair value	Contractually payable at maturity	Fair value	Contractually payable at maturity
Deposits and debt funding	4 466	4 087	5 393	4 808
Non-recourse deposits	8 898	7 079	4 831	3 080
Other liabilities	25	25	49	49
Policyholder liabilities under investment contracts	7 384	7 384	7 669	7 669
Total	20 773	18 575	17 942	15 606

35.7 Total fair value income included in profit or loss for the year

R million	2025	2024
Total fair value income for the year has been disclosed as:		
Fair value gains and losses included in non-interest revenue*	7 718	8 824
Fair value of credit of advances included in impairment of advances	(131)	(45)

* Refer to note 2.3.

36 Segment information

The segmental analysis included in the segment report is based on the information reported to the chief operating decision maker (CODM) for the respective segments under the current operating business management structures. The information is prepared in terms of IFRS Accounting Standards and certain adjustments are made to the segment results in order to eliminate the effect of non-taxable income and other segment-specific items that impact certain key ratios reviewed by the CODM when assessing the operating segments' performance. In addition, certain normalised adjustments are also processed to the segment results.

36.1 Reportable segments

SEGMENT REPORTING		
Group’s chief operating decision maker	Chief executive officer (CEO)	
Identification and measurement of operating segments	Aligned to internal reporting provided to the CEO and reflects the risks and rewards related to the segments’ specific products and services offered in their specific markets. Operating segments of which total revenue, absolute profit or loss for the period, or total assets that constitute 10% or more of all the segments’ revenue, profit or loss or total assets are reported separately.	
Major customers	The FirstRand group has no major customer as defined (i.e. revenue from the customer exceeds 10% of total revenue) and is therefore not reliant on revenue from one or more major customers.	
REPORTABLE SEGMENTS		
RETAIL AND COMMERCIAL		
	Products and services	Footprint
FNB	FNB represents the group’s activities in the retail and commercial segments in South Africa and broader Africa. FNB offers a diverse set of financial products and services to market segments, including retail (personal and private), small and medium-sized enterprises (SMEs), business, agriculture, medium corporate, and public sector entities. FNB’s products cover the entire spectrum of financial services – transactional, lending, insurance, investment management and savings. Products include mortgage loans and commercial property finance; credit and debit cards (card issuing); personal loans (including loans offered by DirectAxis); debtor and leveraged finance; securities-based lending; foreign exchange; funeral, credit life, life and short-term insurance policies; and savings and investment products. Services include transactional and deposit taking, card-acquiring, credit facilities, insurance, trust and fiduciary services, rewards programme (eBucks), FNB Connect (a mobile virtual network operator), merchant services (card acquiring) and cash management solutions, among others.	FNB operates in South Africa, Namibia, Botswana, Lesotho, Eswatini, Zambia, Mozambique and Ghana. FNB’s distribution channels include the branch network and other physical representation points, ATMs, call centres, an app, cellphone banking (USSD) and online banking.

Notes to the consolidated financial statements

36 Segment information continued

36.1 Reportable segments continued

REPORTABLE SEGMENTS		
	Products and services	Footprint
WesBank	WesBank represents the group's asset-based finance activities in the retail, commercial and corporate segments in South Africa. It is a leading provider of vehicle finance and fleet management in the country. MotoVantage provides value-added products and services (VAPS) related to vehicle ownership. These include maintenance and service plans, warranties, and credit life and shortfall cover.	WesBank operates in South Africa.
CORPORATE AND INSTITUTIONAL		
RMB	RMB represents the group's activities in the corporate and institutional segments in South Africa and on the broader African continent. In addition, it has niche offerings in the UK and India, and a broker-dealer business and representative office in the USA. RMB offers corporate finance, leveraged finance, resource sector solutions, infrastructure sector solutions, real estate finance, debt capital markets, debt trade solutions, sponsor services, corporate broking, loan syndications, coverage, advisory, corporate transactional banking and principal investments. From a markets perspective, it offers market making, financial risk management and investment across interest rate, currency, commodity, equity and credit asset classes as well as execution, asset financing, custody and clearing services. The results of Ashburton Investments, the group's asset management business, are also reported as part of RMB.	RMB operates in South Africa, Namibia, Botswana, Eswatini, Lesotho, Mozambique, Zambia, Ghana and Nigeria, and manages FirstRand Bank's representative offices in Kenya, Angola, Shanghai and New York. RMB has niche offerings in the UK (London branch) and India. It has established a broker-dealer business in the USA.
ALDERMORE		
Aldermore	The UK operations include Aldermore Bank and MotoNovo (front book). The portfolio consists of specialist lending for property finance (individuals and landlords), structured and specialist finance for SMEs, motor finance (provided by MotoNovo), and retail and business savings products. The UK operations are funded mainly by retail deposits from UK savers. With no branch network, Aldermore serves customers and intermediary partners online and telephonically, with motor finance offered through a network of dealerships across the UK.	Aldermore and MotoNovo operate in the UK.
CENTRE (INCLUDING GROUP TREASURY)		
Centre (including Group Treasury)	The Centre represents group-wide functions, including Group Treasury, Group Finance, Group Tax, Enterprise Risk Management, Group Compliance and Group Internal Audit. The reportable segment includes all management accounting and consolidated entries and the total operational performance of MotoNovo's back book (i.e. business written prior to the integration with Aldermore).	

Notes to the consolidated financial statements

36 Segment information continued

36.2 Description of normalised adjustments

NORMALISED ADJUSTMENTS	
The group presents normalised earnings which take into account non-operational and accounting anomalies. Normalised earnings are the measurement basis used by the CODM to manage the group. Normalised earnings adjustments include reallocation entries where amounts are moved between income statement lines and lines of the statement of financial position, without having an impact on the IFRS profit or loss for the year or total assets and total liabilities reported in terms of IFRS Accounting Standards. Other normalised adjustments have an impact on the profit or loss reported for the period.	
Consolidated private equity subsidiaries	In accordance with IFRS Accounting Standards, operating costs of consolidated private equity subsidiaries are included in profit or loss as part of operating expenses. When calculating normalised results, these operating costs are reclassified to NIR, where income earned from these entities is included. This presentation of net income earned from consolidated private equity subsidiaries more accurately reflects the underlying economic substance of the group's relationship with these entities.
FirstRand shares held for client trading activities	The group invests in FirstRand shares to offset its exposure as a result of client trading positions. Depending on the nature of the client trading position and resulting risks, FirstRand shares may be held long or sold short by the group. FirstRand shares held by the group are deemed to be treasury shares for accounting purposes. For the statement of financial position, the cost price of FirstRand shares held long is deducted from equity and the consideration received from selling FirstRand shares short is added back to equity. All gains and losses on FirstRand shares are reversed to profit or loss. In addition, one of the group's joint ventures also holds FirstRand shares for client trading activities. In terms of IAS 32, profits or losses cannot be recognised on an entity's own equity instruments. The group's portion of the fair value change in the FirstRand shares is, therefore, deducted from equity-accounted earnings and the carrying value of the investment recognised using the equity-accounted method. The shares held by the joint venture are not deducted from equity. Changes in the fair value of FirstRand shares and dividends declared on these shares affect the fair value of client trading positions reflected in the statement of financial position, unless the client trading position is itself an equity instrument. The change in the fair value of client trading positions is recognised in profit or loss. However, because of the rules relating to treasury shares and the elimination of upstream and downstream profits when equity accounting is applied, the corresponding fair value changes (or the group's portion of the fair value changes) in the FirstRand shares held to match client trading positions are reversed or eliminated. This results in a mismatch in the overall equity and profit or loss of the group. For purposes of calculating normalised results, the adjustments described above are reversed and FirstRand shares held for client trading positions are treated as issued to parties external to the group. Where the client trading position is itself an equity instrument, neither gains nor losses on client trading positions, or FirstRand shares held to hedge these, are reflected in profit or loss or in the statement of financial position.
Margin-related items included in fair value income	In terms of IFRS Accounting Standards, the group is either required to or has elected to measure certain financial assets and liabilities at FVTPL. In terms of the group's IFRS Accounting Standards 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 FVTPL; • 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 US dollar funding and liquidity pool.

Notes to the consolidated financial statements

36 Segment information continued

36.2 Description of normalised adjustments continued

NORMALISED ADJUSTMENTS	
IAS 19 – Remeasurement of plan assets	Interest income is recognised on the plan assets and set off against staff costs in the income statement. All other remeasurements of plan assets are recognised in OCI. 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 OCI. 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 OCI. Economically, the value of the plan asset has simply reduced with claims paid. Normalised results are adjusted to reflect this by increasing staff costs to the value of the interest on the plan assets and increasing OCI.
Realisations on the sale of private equity subsidiaries	In terms of <i>Circular 01/2023 – Headline Earnings</i> , gains or losses from the sale of subsidiaries are excluded from headline earnings. The circular includes specific industry rules. Rule 1 allows entities to include in headline earnings gains or losses associated with private equity investments that are associates or joint ventures, which form part of trading or operating activities. This industry rule, however, does not apply to gains or losses associated with private equity investments that are subsidiaries. The group includes gains or losses on the sale of private equity subsidiaries in normalised results to reflect the nature of these investments.
Cash-settled share-based payments and the economic hedge	The group entered into various 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. The expense resulting from these share 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 SBP expense. When calculating normalised results, the group defers a portion of the recognition of the fair value gain or loss on the hedging instrument for the specific reporting period to the period in which the SBP expense will manifest in the group's results. This reflects the economic substance of the hedge and associated SBP expense for the group for the share schemes that are not hedge accounted. In addition, the portion of the SBP 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 SBP expense included in operating expenses that remain is equal to the grant date fair value of the awards given.
IFRS 10 – Consolidation of fully vested empowerment vehicles	When assessing if a structured entity is controlled by another entity, it must consider whether the sponsoring entity was instrumental in the design and purpose of the mandate and operational parameters of the entity being evaluated, and whether benefits are obtained. Where both these requirements are met, the sponsoring entity is deemed to have control over the entity. FirstRand's BEE transaction is fully vested and distributed to the broad-based black economic empowerment beneficiaries, which include the empowerment trusts. Although the trustees are empowered and responsible for making investment decisions and disbursements to beneficiaries, as FirstRand was instrumental in the initial design and obtains non-financial benefits, namely BEE ownership points, the group is deemed to have control and therefore consolidates the empowerment trusts. For the purpose of calculating normalised results the consolidation of the trusts is reversed as the assets, liabilities and returns within the trusts are not for the benefit of FirstRand shareholders, either on distribution or dissolution of the trusts.
Headline earnings adjustments	All adjustments that are required by <i>Circular 01/2023 – Headline Earnings</i> 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 amount of these adjustments are provided in the reconciliation between headline earnings and IFRS profit.

Notes to the consolidated financial statements

36 Segment information continued

R million	2025									
	Retail and commercial FNB			Corporate and institutional			Centre (including Group Treasury)	FirstRand group – normalised	Normalised adjustments	FirstRand group – IFRS
	FNB SA	FNB broader Africa	WesBank	Retail and commercial	RMB	Aldermore				
Net interest income before impairment of advances	43 728	6 166	6 177	56 071	13 935	14 041	7 184	91 231	(2 797)	88 434
Impairment charge	(9 901)	(580)	(2 069)	(12 550)	(972)	(390)	(132)	(14 044)	–	(14 044)
Net interest income after impairment of advances	33 827	5 586	4 108	43 521	12 963	13 651	7 052	77 187	(2 797)	74 390
Non-interest revenue	35 236	5 769	3 289	44 294	14 782	151	(3 705)	55 522	2 910	58 432
Net income from operations	69 063	11 355	7 397	87 815	27 745	13 802	3 347	132 709	113	132 822
Operating expenses*	(38 271)	(7 444)	(4 758)	(50 473)	(15 310)	(8 956)	(1 259)	(75 998)	(13)	(76 011)
Share of profit of associates and joint ventures after tax	8	–	557	565	3 072	17	(713)	2 941	(1)	2 940
Income before tax	30 800	3 911	3 196	37 907	15 507	4 863	1 375	59 652	99	59 751
Indirect tax	(830)	(236)	(48)	(1 114)	(296)	(321)	(143)	(1 874)	–	(1 874)
Profit for the year before tax	29 970	3 675	3 148	36 793	15 211	4 542	1 232	57 778	99	57 877
Income tax expense	(8 061)	(1 050)	(838)	(9 949)	(4 167)	(1 230)	2 663	(12 683)	(63)	(12 746)
Profit for the year	21 909	2 625	2 310	26 844	11 044	3 312	3 895	45 095	36	45 131
The income statement includes										
Staff expenditure	(25 328)	(4 125)	(1 694)	(31 147)	(8 057)	(4 179)	(3 120)	(46 503)	136	(46 367)
Depreciation	(2 743)	(465)	(727)	(3 935)	(226)	(199)	(38)	(4 398)	–	(4 398)
Amortisation	(217)	(16)	(11)	(244)	(72)	–	(14)	(330)	–	(330)
Net impairment charges (non-financial asset)	(52)	(1)	(31)	(84)	(15)	24	79	4	(145)	(141)
Non-interest revenue earned between segments**	609	67	48	724	(2 180)	141	1 315	–	–	–
Non-interest revenue includes the following external revenue from contracts with customers#										
Banking fees and commissions	32 364	5 820	549	38 733	6 391	161	(47)	45 238	–	45 238
Other non-banking fees and commissions	1 145	121	4	1 270	81	40	22	1 413	–	1 413
Insurance income (excluding risk-related income)	646	203	119	968	–	(6)	6	968	–	968
Management, trust and fiduciary fees	1 379	35	576	1 990	703	–	40	2 733	–	2 733
Other non-interest revenue from customers	2 038	45	1 214	3 297	332	179	(136)	3 672	149	3 821
The statement of financial position includes										
Investments in associated companies	626	–	3 248	3 874	5 540	170	1 149	10 733	–	10 733
Investments in joint ventures	–	–	5	5	4 150	–	(17)	4 138	52	4 190
Total assets	543 357	69 548	192 623	805 528	808 341	513 548	459 121	2 586 538	2 232	2 588 770
Total liabilities†	509 826	65 433	190 072	765 331	790 693	467 773	321 767	2 345 564	–	2 345 564

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

* Includes the change in UK motor commission provision for which R1 423 million is included in the Aldermore segment and R1 533 million included in the Centre segment.

"" During the year the group reviewed the segmental reporting disclosure. As a result of the review, the group enhanced the segmental reporting disclosure by providing the NIR earned between segments.To provide comparability the prior year amount has been disclosed.

The vast majority of external revenue from contracts with customers was recognised at a point in time.

† Total liabilities are net of interdivisional balances.

Notes to the consolidated financial statements

36 Segment information continued

R million	2024									
	Retail and commercial			Corporate and institutional			Centre (including Group Treasury)	FirstRand group – normalised	Normalised adjustments	FirstRand group – IFRS
	FNB		WesBank	Retail and commercial	RMB	Aldermore				
	FNB SA	FNB broader Africa								
Net interest income before impairment of advances	41 191	5 832	5 869	52 892	12 269	14 232	6 712	86 105	(2 651)	83 454
Impairment charge	(9 686)	(462)	(2 051)	(12 199)	(1 386)	432	598	(12 555)	–	(12 555)
Net interest income after impairment of advances	31 505	5 370	3 818	40 693	10 883	14 664	7 310	73 550	(2 651)	70 899
Non-interest revenue	33 135	5 411	3 661	42 207	15 229	(264)	(4 299)	52 873	3 209	56 082
Net income from operations	64 640	10 781	7 479	82 900	26 112	14 400	3 011	126 423	558	126 981
Operating expenses*	(35 762)	(7 057)	(5 223)	(48 042)	(14 506)	(8 231)	(3 626)	(74 405)	(326)	(74 731)
Share of profit of associates and joint ventures after tax	39	–	527	566	2 356	–	(500)	2 422	4	2 426
Income before tax	28 917	3 724	2 783	35 424	13 962	6 169	(1 115)	54 440	236	54 676
Indirect tax	(826)	(234)	(40)	(1 100)	(285)	(207)	(63)	(1 655)	–	(1 655)
Profit for the year before tax	28 091	3 490	2 743	34 324	13 677	5 962	(1 178)	52 785	236	53 021
Income tax expense	(7 640)	(1 072)	(746)	(9 458)	(3 671)	(1 588)	2 907	(11 810)	(31)	(11 841)
Profit for the year	20 451	2 418	1 997	24 866	10 006	4 374	1 729	40 975	205	41 180
The income statement includes										
Staff expenditure	(23 804)	(3 864)	(1 887)	(29 555)	(7 672)	(4 319)	(2 754)	(44 300)	(268)	(44 568)
Depreciation	(2 584)	(422)	(815)	(3 821)	(183)	(263)	(57)	(4 324)	–	(4 324)
Amortisation	(41)	(9)	(18)	(68)	(49)	–	(642)	(759)	–	(759)
Net impairment charges	(118)	1	(3)	(120)	(6)	–	(19)	(145)	(71)	(216)
Non-interest revenue earned between segments**	592	7	36	635	(1 064)	259	170	–	–	–
Non-interest revenue includes the following external revenue from contracts with customers#										
Banking fees and commissions	30 551	5 380	640	36 571	5 936	148	(48)	42 607	–	42 607
Other non-banking fees and commissions	937	115	6	1 058	68	46	47	1 219	–	1 219
Insurance income (excluding risk-related income)	694	233	376	1 303	–	(9)	6	1 300	–	1 300
Management, trust and fiduciary fees	1 289	34	575	1 898	728	–	23	2 649	–	2 649
Other non-interest revenue from customers	2 216	3	1 216	3 435	374	21	(82)	3 748	(35)	3 713
The statement of financial position includes										
Investments in associated companies	520	–	2 956	3 476	5 666	–	1 190	10 332	–	10 332
Investments in joint ventures	–	–	4	4	3 471	–	(17)	3 458	52	3 510
Total assets	519 625	65 973	174 791	760 389	726 475	472 299	407 652	2 366 815	2 524	2 369 339
Total liabilities†	489 166	62 374	172 072	723 612	709 546	431 728	286 649	2 151 535	–	2 151 535

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

* Includes the UK motor commission matter for which R426 million is included in the Aldermore segment and R2 873 million is included in the Centre segment.

** During the year the group reviewed the segmental reporting disclosure. As a result of the review, the group enhanced the segmental reporting disclosure by providing the NIR earned between segments. To provide comparability the prior year amount has been disclosed.

The vast majority of external revenue from contracts with customers was recognised at a point in time.

† Total liabilities are net of interdivisional balances.

Notes to the consolidated financial statements

36 Segment information continued

Geographical segments

R million	2025				
	South Africa	Broader Africa	United Kingdom	Other	Total
Net interest income after impairment	50 096	9 379	14 290	625	74 390
Non-interest revenue	50 974	8 731	1 556	111	61 372
– Non-interest revenue from contracts with customers*	46 050	7 145	799	43	54 037
– Other non-interest revenue	2 019	1 568	740	68	4 395
– Share of profits of associates and joint ventures after tax	2 905	18	17	–	2 940
Non-current assets**	37 689	2 987	8 904	124	49 704
2024					
Net interest income after impairment	45 618	8 957	15 687	637	70 899
Non-interest revenue	49 627	8 314	554	13	58 508
– Non-interest revenue from contracts with customers*	41 913	6 607	903	52	49 475
– Other non-interest revenue	5 287	1 707	(349)	(39)	6 606
– Share of profits of associates and joint ventures after tax	2 427	–	–	–	2 427
Non-current assets**	36 253	2 876	8 441	3	47 573

* Includes other non-interest related expenses which mostly relate to South Africa.

** Exclude financial instruments, other assets, deferred income tax assets, current tax assets, post-employment benefit assets and rights arising under insurance contracts.

Notes to the consolidated financial statements

37 Related parties

37.1 Balances with related parties

R million	2025	2024
Advances		
Associates*	31 422	24 876
Joint ventures	3 846	5 645
Key management personnel	43	41
Other assets		
Associates	693	914
Joint ventures	10 565	9 855
Derivative assets		
Joint ventures	–	–
Investment securities		
Associates	537	492
Deposits and debt funding		
Associates	2 147	1 683
Joint ventures	11 953	12 616
Key management personnel	194	87
Accounts payable		
Associates	61	7
Derivative liabilities		
Joint ventures	138	4 152
Commitments		
Associates	629	401
Joint ventures	3	5 886

* The prior year amount disclosed was R25 176 million, which included R300 million that is not advances. The comparative has been restated to reflect the correct balance.

Refer to the remuneration disclosures on page B189 for details of the compensation payable to KMP.

Transactions with related parties occur in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those for comparable transactions with other external parties. These transactions do not involve more than the normal risk of collectability or present other unfavourable features.

The amounts advanced to KMP consist of mortgages, instalment finance agreements, credit cards and other loans. The amounts deposited by KMP are held in cheque and current accounts, savings accounts and other term accounts. Market-related rates and terms and conditions apply to transactions with related parties, including KMP.

Included in advances to associates is supplier development financing to the Vumela Enterprise Development Fund for R550 million (2024: R541 million), which provides growth finance to early-stage SMEs. The prior year amount disclosed in the narrative was R841 million, which included R300 million that is not advances. The comparative has been restated to reflect the correct balance.

Notes to the consolidated financial statements

37 Related parties continued

37.2 Transactions with related parties appear below

R million	2025	2024
Interest received		
Associates	2 576	1 408
Joint ventures	1 003	1 156
Key management personnel	12	7
Interest paid		
Associates	(91)	(97)
Joint ventures	(290)	(345)
Key management personnel	(17)	(11)
Non-interest revenue		
Associates*	1 279	3 556
Joint ventures	395	1 543
Key management personnel	7	–
Operating expenses		
Associates	(866)	(964)
Dividends received		
Associates	782	862
Joint ventures	2 161	1 117
Salaries and other employee benefits		
Key management personnel	274	317
– Salaries and other short-term benefits	176	207
– Share-based payments	98	110

* The non-interest revenue for Associates was previously reported as R2 983 million and has been restated by R573 million to include management fees.

Deferred compensation of R51 million (2024: R57 million) is due to KMP and settlement value is linked to the FirstRand shares. A list of the board of directors of the group is available in the Corporate governance section of this report.

Market transactions with RMB Morgan Stanley Joint Venture have significantly reduced during the year, which has resulted in a decrease in commitments R3 million (2024: R5 886 million) and non-interest income R395 million (2024: R1 543 million) from related parties compared with prior year.

During the financial year, no contracts were entered into in which directors or officers of the bank had an interest and which significantly affected the business of the group.

The directors had no interest in any third party or company responsible for managing any of the business activities of the bank.

37.3 Post-retirement benefit fund

Details of transactions between the group and the group's post-employment benefit plan are listed below.

R million	2025	2024
Dividend income	26	21
Deposits held with the group	969	702
Interest income	56	53

Refer to note 22 for details of the closing balance of the group's post-employment benefit plan.

Notes to the consolidated financial statements

38 Financial and insurance risks

Risk governance in the group

FirstRand believes that effective risk, performance and financial resource management is key to its success and underpins the delivery of sustainable returns to shareholders. These disciplines are, therefore, deeply embedded in the group's operational, tactical and strategic decision-making.

Effective risk management is supported by effective governance structures, robust policy frameworks and a risk-focused culture. Strong governance structures and policy frameworks foster the embedding of risk considerations in business processes and ensure that consistent standards exist across the group. In line with the group's corporate governance framework, the board retains ultimate responsibility for providing strategic direction, approving risk appetite and ensuring that risks are adequately identified, measured, monitored, managed and reported on.

The group's risk management framework describes the group's risk governance structures and approach to risk management. Effective risk management requires three lines of control or safeguards that should consistently be applied at various levels throughout the organisation.

The primary board committee overseeing risk matters across the group is the FirstRand RCCC. It has delegated responsibility for a number of specialist risk types to various subcommittees. Additional risk, audit and compliance committees exist in the operating businesses, segments and subsidiaries, whose governance structures align closely with those of the group.

A detailed overview of the group's risk governance process is provided in the group's unaudited Pillar 3 disclosure on the FirstRand website at <http://www.firstrand.co.za/investors/integrated-reporting-hub/risk-disclosures/>.

Overview of financial and insurance risks

The financial instruments recognised in the group's statement of financial position expose the group to various financial risks.

The information presented in this note represents the information required by IFRS 7 and sets out the group's exposure to these financial and insurance risks. This section also contains details on the group's capital management process.

OVERVIEW OF FINANCIAL AND INSURANCE RISKS		
Credit risk	The risk of loss due to the non-performance of a counterparty in respect of any financial or other obligation. For fair value portfolios, the definition of credit risk is expanded to include the risk of losses through fair value changes arising from changes in credit spreads. Credit risk also includes credit default, pre-settlement, country, concentration and securitisation risk.	
	Credit risk arises primarily from the following instruments: • advances; • certain investment securities; and • off-balance sheet exposures. Other sources of credit risk are: • reinsurance assets; • cash and cash equivalents; • accounts receivable included in Collateral, settlement balances and other assets; and • derivative balances.	The following information is presented for these assets: • credit assets and concentration risk (38.1.1); • information about the quality of credit assets (38.1.2 and 38.1.3); and • credit risk mitigation techniques and collateral held (38.1.4).
Liquidity risk	The risk that the group will not be able to effectively meet current and future cash flow and collateral requirements without negatively affecting the normal course of business, financial position or reputation.	
	All assets and liabilities with differing maturity profiles expose the group to liquidity risk.	The following information is presented for these assets and liabilities: • undiscounted cash flow analysis of financial liabilities (38.2.1); • discounted cash flow analysis of total assets and liabilities (38.2.2); • collateral pledged (38.2.3) and • concentration analysis of deposits (38.2.4).

Notes to the consolidated financial statements

38 Financial and insurance risks continued

Overview of financial and insurance risks continued

OVERVIEW OF FINANCIAL AND INSURANCE RISKS		
Market risk	The group distinguishes between traded market risk and non-traded market risk. For non-traded market risk the group distinguishes between interest rate risk in the banking book and structural foreign exchange risk. Traded market risk is the risk of adverse revaluation of any financial instrument as a consequence of changes in the market prices or rates.	
	Traded market risk (38.3.1) emanates mainly from the provision of hedging solutions for clients, market-making activities and term-lending products, and is taken and managed by RMB.	10-day 99% value-at-risk (VaR) analysis has been presented for traded market risk.
	Interest rate risk in the banking book (38.4.1) is the sensitivity of a bank's financial position and earnings to unexpected, adverse movements in interest rates. It originates from the differing repricing characteristics of balance sheet positions/instruments, yield curve risk, basis risk and client optionality embedded in banking book products.	The following information is presented for interest rate risk in the banking book: - projected NII sensitivity to interest rate movements; and - banking book NAV sensitivity to interest rate movements as a percentage of total group capital.
	Structural foreign exchange risk (38.4.2) is the risk of an adverse impact on the group's financial position and earnings or other key ratios as a result of movements in foreign exchange rates impacting balance sheet exposures. It arises from balances denominated in foreign currencies and group entities with functional currencies other than the South African rand.	Information on the group's net structural foreign exposures and sensitivity of these exposures are presented.
Equity investment risk	The risk of an adverse change in the fair value of an investment in a company, fund or listed, unlisted or bespoke financial instruments.	
	Equity investment risk (38.5) arises primarily from equity exposures from private equity and corporate and investment banking activities in RMB, and strategic investments held by WesBank, FNB, Aldermore and the Centre. Ashburton Investments also contributes to equity investment risk through the short-term seeding of new traditional and alternative funds, both locally and offshore, which exposes the group until these investments are taken up by external parties. Long-term seeding is also provided where there is alignment with strategy and the business case meets the internal return hurdle requirements. Any equity investments in any types of funds held in the bank's banking book, including money market funds, are treated as part of equity investment risk.	The following information is presented for equity investments: - investment risk exposure, risk-weighted assets (RWA) and sensitivity analysis of investment risk; and - estimated sensitivity of remaining investment balances.
Insurance risk	Insurance risk arises from the inherent uncertainties of liabilities payable under an insurance contract. These uncertainties can result in the occurrence, amount or timing of the liabilities differing from expectations. Insurance risk can arise throughout the product cycle and is related to product design, pricing, underwriting or claims management.	
	The insurance risk arises from the group's long-term insurance operations, underwritten through its subsidiary FirstRand Life Assurance Limited (FirstRand Life), and short-term insurance operations, underwritten through its subsidiary FirstRand Short Term Insurance.	
Tax risk	The risk of financial loss due to the final determination of the tax treatment of a transaction by revenue authorities being different from the implemented tax consequences of such a transaction, combined with the imposition of penalties, sanction or reputational damage due to: - non-compliance with the various revenue acts; and/or - the inefficient use of available mechanisms to benefit from tax dispensations.	
	Any event, action or inaction in the strategy, operations, financial reporting or compliance that either adversely affects the entity's tax or business position, or results in unanticipated penalties, assessments, additional taxes, harm to reputation, lost opportunities or financial statement exposure is regarded as tax risk.	
Capital management	The overall capital management objective is to maintain sound capital ratios and a strong credit rating to ensure confidence in the group's solvency and quality of capital during calm and turbulent periods in the economy and financial markets. The group, therefore, maintains capitalisation ratios aligned with its risk appetite and appropriate for safeguarding operations and stakeholder interests. The key focus areas and considerations of capital management are to ensure an optimal level and mix of capital, effective allocation of resources including capital and risk capacity, and a dividend strategy to provide shareholders with an appropriate, sustainable payout over the long term.	

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk

Credit risk is a loss due to the non-performance of a counterparty in respect of any financial or other obligation. For fair value portfolios, the definition of credit risk is expanded to include the risk of losses through fair value changes arising from changes in credit spreads. Credit risk considerations extend to pre-settlement, country, industry, concentration, securitisation and climate (physical and transitional) risks.

The objective of credit risk management is to optimise the group's measure of economic profit, i.e. NIACC, within acceptable levels of earnings volatility by maintaining credit risk exposures and credit performance within acceptable parameters.

Assessment and management

Credit risk is managed through the implementation of comprehensive policies, processes and controls. This ensures consistent high-quality execution across the credit value chain, including credit risk appetite, underwriting, risk-based pricing, portfolio monitoring and reporting, impairing for ECL, capital assessment, stress testing, collections and recoveries.

Credit risk management across the group is split into three distinct portfolios, which are aligned to customer profiles. These portfolios are retail, commercial and corporate.

The assessment of credit risk across the group relies on internally developed quantitative models for addressing regulatory and business needs. These models are used for the internal assessment of the three primary credit risk components:

- PD;
- EAD; and
- LGD.

Management of the credit portfolio is reliant on these three credit risk measures. PD, EAD and LGD are inputs into the portfolio and group-level credit risk assessment where the measures are combined with estimates of correlations between individual counterparties, industries and portfolios to reflect diversification benefits across the portfolio.

The group employs a granular, 100-point master rating scale, which has been mapped to the continuum of default probabilities, as illustrated in the following table. FirstRand rating 1 is the lowest PD and FirstRand rating 100 the highest in the FirstRand rating scale. These mappings are reviewed and updated on a regular basis. During the current year the mapping table was updated based on the latest historic and external default data. External ratings have also been mapped to the master rating scale for reporting purposes.

Mapping of FirstRand grades to rating agency scales

FirstRand rating	Midpoint PD	International scale mapping (based on S&P)*
1 – 14	0.06 %	AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB (upper)
15 – 25	0.29 %	BBB, BBB-(upper), BBB-, BB+(upper), BB+
26 – 32	0.77 %	BB(upper), BB, BB-(upper), BB-
33 – 39	1.44 %	B+(upper)
40 – 53	2.52 %	B+, B(upper)
54 – 83	6.18 %	B, B-(upper), B-
84 – 90	13.68 %	CCC+
91 – 99	59.11 %	CCC
100	100 %	D (defaulted)

* Indicative mapping to the international rating scales of S&P Global Ratings. The group currently only uses mapping to S&P rating scales.

38.1.1 Credit assets and concentration risk

The assets and off-balance sheet amounts included in the table below expose the group to credit risk. For all on-balance sheet exposures, the gross amount disclosed represents the maximum exposure to credit risk, before taking collateral and other credit enhancements into account. Off-balance sheet exposures disclosed include loan commitments as defined in the group's accounting policy.

Revocable loan commitments which the group can cancel at any time amounted to R107 726 million (2024: R106 983 million).

Credit concentration risk is the risk of loss to the group arising from an excessive concentration of exposure to a single counterparty, industry, market, product, financial instrument or type of security, country or region, maturity or climate risk (physical and transitional risks). This concentration typically exists when several counterparties are engaged in similar activities and have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Concentration risk is managed based on the nature of the credit concentration within each portfolio.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.1 Credit assets and concentration risk continued

Geographic concentration of significant credit asset exposure

The following table provides a breakdown of credit exposure across geographical areas.

R million	2025						2024					
	South Africa	Broader Africa	United Kingdom [#]	Other Europe	Asia, Americas and Australasia	Total	South Africa	Broader Africa	United Kingdom	Other Europe	Asia, Americas and Australasia	Total
On-balance sheet exposures												
Cash and short-term funds	94 558	11 710	37 348	5 287	8 668	157 571	57 393	10 599	59 328	7 558	12 920	147 798
Total advances	1 174 733	137 940	444 264	29 046	17 844	1 803 827	1 102 898	144 569	384 368	17 696	16 175	1 665 706
Stage 3 advances*	55 813	4 658	13 975	17	21	74 484	49 869	5 206	12 713	30	22	67 840
Derivatives	23 725	2 024	15 218	17 051	468	58 486	23 422	1 565	21 259	8 914	124	55 284
Debt investment securities**	318 495	44 603	33 620	17 176	42 740	456 634	284 803	39 869	30 324	14 472	41 644	411 112
Collateral, settlement balances and other financial assets	26 547	2 202	6 555	5 771	1 123	42 198	22 079	3 942	5 346	1 472	1 158	33 997
Insurance contract assets	1 433	–	–	–	–	1 433	760	–	–	–	–	760
Reinsurance contract assets	561	8	–	–	–	569	499	10	–	–	–	509
Off-balance sheet exposures												
Guarantees, acceptances and letters of credit [#]	43 005	7 977	372	1 470	5 948	58 772	41 917	9 399	273	2 682	3 068	57 339
Loan commitments	152 781	12 487	18 760	5 176	3 813	193 017	159 966	9 823	16 558	8 886	3 122	198 355

* Include purchased or originated credit impaired advances.

** Exclude non-recourse investments.

[#] The guarantees, acceptances and letters of credit amount for the prior year for the United Kingdom has been restated to exclude an intercompany financial guarantee that was not appropriately eliminated. The previously reported amounts for the United Kingdom and the Total were R34 763 million and R91 829 million respectively and have been restated to reduce both by R34 490 million.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.1 Credit assets and concentration risk continued

Breakdown of advances per class

R million	2025	2024
Retail secured	406 397	385 407
– Residential mortgages	281 669	272 363
– WesBank VAF*	124 728	113 044
Retail unsecured**	105 147	101 974
– FNB card	44 236	41 374
– Personal loans	54 088	53 286
– Retail other	6 823	7 314
Corporate and commercial	742 523	697 855
– FNB commercial	143 890	129 844
– WesBank corporate and commercial	65 877	60 218
– RMB corporate and investment banking	532 756	507 793
Broader Africa	87 109	80 762
Centre (including Group Treasury)	51 944	39 910
UK operations	410 707	359 798
– Retail	315 596	274 339
– Commercial	95 111	85 459
Gross advances	1 803 827	1 665 706

* Includes public sector.

** Includes acceptances.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.1 Credit assets and concentration risk continued

Sector analysis concentration of advances

Advances expose the group to concentration risk in various industry sectors. The following tables set out the group's exposure to various industry sectors for total advances and credit-impaired advances.

R million	2025			
	Total advances	Advances	Stage 3	
			Security held and expected recoveries	Impairment
Sector analysis				
Agriculture	64 413	1 434	842	592
Banks	38 571	–	–	–
Financial institutions	232 418	1 310	603	707
Building and property development	101 678	4 678	3 104	1 574
Government, Land Bank and public authorities	23 469	1 034	808	226
Individuals	760 783	55 411	32 848	22 563
Manufacturing and commerce	235 865	4 659	1 542	3 117
Mining	32 340	196	65	131
Transport and communication	71 720	901	391	510
Other services	242 570	4 861	2 495	2 366
Total advances	1 803 827	74 484	42 698	31 786
2024				
Sector analysis				
Agriculture	61 671	1 906	1 189	717
Banks	30 301	–	–	–
Financial institutions	211 465	316	132	184
Building and property development	94 213	2 990	1 969	1 021
Government, Land Bank and public authorities	33 286	1 162	1 028	134
Individuals	721 132	51 601	29 478	22 123
Manufacturing and commerce	235 392	4 856	1 504	3 352
Mining	23 462	178	71	107
Transport and communication	64 197	897	448	449
Other services	190 587	3 934	2 084	1 850
Total advances	1 665 706	67 840	37 903	29 937

38.1.2 Quality of credit assets

The following table shows the GCA of advances carried at amortised cost and the fair value of advances measured at FVTPL, as well as the exposure to credit risk of loan commitments and financial guarantees per class of advance and per internal credit rating.

The amounts in stage 3 that do not have a FirstRand rating of 91-100 relate to technical cures (performing accounts that have previously defaulted but do not meet the 12-month curing definition and therefore remain in stage 3) and paying debt-review customers, as the PDs on these customers are lower than operational stage 3 advances and the PD drives the FirstRand rating. In addition, where the group holds a guarantee against a stage 3 advance, the FirstRand rating would reflect the same.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.2 Quality of credit assets continued

30 June 2025

R million	Retail secured		Retail unsecured			Corporate and commercial				Centre (including Group Treasury)	UK operations		Total
	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa		Retail	Commercial	
Total on-balance sheet	281 669	124 728	44 236	54 088	6 823	143 890	65 877	532 756	87 109	51 944	315 596	95 111	1 803 827
FirstRand rating 1-25 on-balance sheet	108 043	–	669	273	286	10	11 693	228 098	6 613	46 502	129 162	6 135	537 484
– Stage 1	107 887	–	669	73	286	10	11 689	227 964	6 303	46 502	129 157	5 953	536 493
– Stage 2	156	–	–	200	–	–	4	134	310	–	5	182	991
– Stage 3	–	–	–	–	–	–	–	–	–	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 on-balance sheet	142 532	114 046	35 380	36 647	5 138	134 326	51 904	297 548	71 547	5 345	165 278	84 927	1 144 618
– Stage 1	129 097	104 840	33 638	34 858	5 013	128 508	49 064	282 834	66 918	5 302	153 849	78 231	1 072 152
– Stage 2	13 425	9 206	1 742	1 789	116	5 705	2 840	14 714	4 508	43	11 429	6 696	72 213
– Stage 3	10	–	–	–	9	113	–	–	121	–	–	–	253
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 on-balance sheet	31 094	10 682	8 187	17 168	1 399	9 554	2 280	7 110	8 949	97	21 156	4 049	121 725
– Stage 1	426	188	505	1 195	70	232	307	19	2 398	2	802	479	6 623
– Stage 2	10 612	3 204	1 414	6 891	421	3 781	635	765	3 094	12	8 423	1 619	40 871
– Stage 3	20 056	7 290	6 268	9 082	908	5 541	1 338	5 434	3 457	83	11 931	1 951	73 339
– Purchased or originated credit impaired	–	–	–	–	–	–	–	892	–	–	–	–	892
Total off-balance sheet	49 499	–	–	–	553	15 752	1 409	155 569	14 973	–	12 076	1 958	251 789
FirstRand rating 1-25 off-balance sheet	46 039	–	–	–	74	–	1 394	81 586	3 048	–	128	–	132 269
– Stage 1	46 039	–	–	–	74	–	1 394	81 586	3 046	–	128	–	132 267
– Stage 2	–	–	–	–	–	–	–	–	2	–	–	–	2
– Stage 3	–	–	–	–	–	–	–	–	–	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 off-balance sheet	3 449	–	–	–	460	15 674	15	73 441	10 190	–	11 948	1 958	117 135
– Stage 1	3 411	–	–	–	460	15 379	15	71 427	9 882	–	11 948	1 958	114 480
– Stage 2	38	–	–	–	–	292	–	2 014	308	–	–	–	2 652
– Stage 3	–	–	–	–	–	3	–	–	–	–	–	–	3
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 off-balance sheet	11	–	–	–	19	78	–	542	1 735	–	–	–	2 385
– Stage 1	1	–	–	–	19	23	–	186	1 731	–	–	–	1 960
– Stage 2	5	–	–	–	–	35	–	253	4	–	–	–	297
– Stage 3	5	–	–	–	–	20	–	59	–	–	–	–	84
– Purchased or originated credit impaired	–	–	–	–	–	–	–	44	–	–	–	–	44
Total exposure	331 168	124 728	44 236	54 088	7 376	159 642	67 286	688 325	102 082	51 944	327 672	97 069	2 055 616
– Stage 1	286 861	105 028	34 812	36 126	5 922	144 152	62 469	664 016	90 278	51 806	295 884	86 621	1 863 975
– Stage 2	24 236	12 410	3 156	8 880	537	9 813	3 479	17 880	8 226	55	19 857	8 497	117 026
– Stage 3	20 071	7 290	6 268	9 082	917	5 677	1 338	5 493	3 578	83	11 931	1 951	73 679
– Purchased or originated credit impaired	–	–	–	–	–	–	–	936	–	–	–	–	936

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.2 Quality of credit assets continued

30 June 2024

R million	Retail secured		Retail unsecured			Corporate and commercial				Centre (including Group Treasury)*	UK operations		Total*
	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa		Retail	Commercial	
Total on-balance sheet	272 363	113 044	41 374	53 286	7 314	129 844	60 218	507 793	80 762	39 910	274 339	85 459	1 665 706
FirstRand rating 1-25 on-balance sheet	104 305	–	462	208	303	–	10 157	151 405	2 882	6 920	90 979	11 014	378 635
– Stage 1	104 109	–	462	50	303	–	10 147	151 405	2 871	6 920	90 975	10 853	378 095
– Stage 2	196	–	–	158	–	–	10	–	11	–	4	161	540
– Stage 3	–	–	–	–	–	–	–	–	–	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 on-balance sheet	140 586	102 504	34 045	36 270	5 452	122 616	48 432	349 627	69 959	32 345	166 568	69 212	1 177 616
– Stage 1	127 518	93 129	32 209	33 955	5 319	116 095	44 906	325 289	65 986	32 345	161 370	61 869	1 099 990
– Stage 2	13 068	9 375	1 836	2 315	124	6 466	3 526	23 711	3 970	–	5 198	7 343	76 932
– Stage 3	–	–	–	–	9	55	–	627	3	–	–	–	694
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 on-balance sheet	27 472	10 540	6 867	16 808	1 559	7 228	1 629	6 761	7 921	645	16 792	5 233	109 455
– Stage 1	264	147	440	1 340	93	115	215	–	889	–	873	540	4 916
– Stage 2	8 985	3 177	1 194	6 460	460	2 435	305	2 734	3 090	12	5 721	2 820	37 393
– Stage 3	18 223	7 216	5 233	9 008	1 006	4 678	1 109	3 187	3 942	633	10 198	1 873	66 306
– Purchased or originated credit impaired	–	–	–	–	–	–	–	840	–	–	–	–	840
Total off-balance sheet	46 988	–	–	–	412	14 031	2 766	166 957	12 266	1 257	8 642	2 375	255 694
FirstRand rating 1-25 off-balance sheet	43 794	–	–	–	66	–	2 766	75 451	3 572	–	–	–	125 649
– Stage 1	43 788	–	–	–	66	–	2 766	75 451	3 572	–	–	–	125 643
– Stage 2	6	–	–	–	–	–	–	–	–	–	–	–	6
– Stage 3	–	–	–	–	–	–	–	–	–	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 off-balance sheet	3 169	–	–	–	343	13 919	–	90 086	8 294	1 257	8 642	2 375	128 085
– Stage 1*	3 121	–	–	–	343	13 694	–	88 625	7 662	1 257	8 642	2 375	125 719
– Stage 2	48	–	–	–	–	224	–	1 461	632	–	–	–	2 365
– Stage 3	–	–	–	–	–	1	–	–	–	–	–	–	1
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 off-balance sheet	25	–	–	–	3	112	–	1 420	400	–	–	–	1 960
– Stage 1	2	–	–	–	3	7	–	609	360	–	–	–	981
– Stage 2	9	–	–	–	–	51	–	729	18	–	–	–	807
– Stage 3	14	–	–	–	–	54	–	82	22	–	–	–	172
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
Total exposure	319 351	113 044	41 374	53 286	7 726	143 875	62 984	674 750	93 028	41 167	282 981	87 834	1 921 400
– Stage 1	278 802	93 276	33 111	35 345	6 127	129 911	58 034	641 379	81 340	40 522	261 860	75 637	1 735 344
– Stage 2	22 312	12 552	3 030	8 933	584	9 176	3 841	28 635	7 721	12	10 923	10 324	118 043
– Stage 3	18 237	7 216	5 233	9 008	1 015	4 788	1 109	3 896	3 967	633	10 198	1 873	67 173
– Purchased or originated credit impaired	–	–	–	–	–	–	–	840	–	–	–	–	840

* The FirstRand rating 26-90 off-balance sheet stage 1 for the prior year for the Centre has been restated to exclude an intercompany financial guarantee that was not appropriately eliminated. The previously reported amount of R35 747 million has been reduced by R34 490 million to R1 257 million. Refer to note 39.2.1 for information reported in the prior year.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.2 Quality of credit assets continued

Analysis of impaired advances (stage 3)

The following table represents an analysis of impaired advances (stage 3) for financial assets measured at amortised cost, and debt instruments measured at both FVOCI and FVTPL, in line with the manner in which the group manages credit risk.

R million	2025			2024		
	Total	Security held and expected recoveries	Stage 3 impairment	Total	Security held and expected recoveries	Stage 3 impairment
Stage 3 by class						
Total retail secured	27 356	19 552	7 804	25 439	18 292	7 147
– Residential mortgages	20 066	15 611	4 455	18 223	14 476	3 747
– WesBank VAF	7 290	3 941	3 349	7 216	3 816	3 400
Total retail unsecured	16 267	4 781	11 486	15 256	4 358	10 898
– FNB card	6 268	1 713	4 555	5 233	1 458	3 775
– Personal loans	9 082	2 944	6 138	9 008	2 761	6 247
– Retail other	917	124	793	1 015	139	876
Total retail secured and unsecured	43 623	24 333	19 290	40 695	22 650	18 045
Total corporate and commercial*	13 318	6 489	6 829	10 496	5 303	5 193
– FNB commercial	5 654	1 934	3 720	4 733	1 798	2 935
– WesBank corporate and commercial	1 338	685	653	1 109	585	524
– RMB corporate and investment banking	6 326	3 870	2 456	4 654	2 920	1 734
Broader Africa	3 578	1 531	2 047	3 945	1 809	2 136
Centre (including Group Treasury) – unsecured	83	2	81	633	42	591
UK operations	13 882	10 343	3 539	12 071	8 099	3 972
– Retail	11 931	8 908	3 023	10 198	6 765	3 433
– Commercial*	1 951	1 435	516	1 873	1 334	539
Total stage 3	74 484	42 698	31 786	67 840	37 903	29 937
Stage 3 by category						
Overdrafts and cash management accounts	3 876	727	3 149	3 729	802	2 927
Term loans	2 038	806	1 232	2 113	928	1 185
Card loans	6 688	1 758	4 930	5 590	1 510	4 080
Instalment sales and hire purchase agreements	13 112	6 375	6 737	13 428	5 884	7 544
Lease payments receivable	252	122	130	127	44	83
Property finance	32 480	25 891	6 589	28 990	22 991	5 999
– Home loans	29 774	24 056	5 718	26 578	21 346	5 232
– Commercial property finance	2 706	1 835	871	2 412	1 645	767
Personal loans	9 585	3 090	6 495	9 432	2 880	6 552
Preference share agreements	141	49	92	394	38	356
Investment bank term loans	5 763	3 537	2 226	3 364	2 372	992
Long-term loans to group associates and joint ventures	–	–	–	104	–	104
Other	549	343	206	569	454	115
Total stage 3	74 484	42 698	31 786	67 840	37 903	29 937

* The vast majority of total corporate and commercial (including UK commercial) is secured with collateral.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.3 Quality of credit assets – non-advances

The following table shows the GCA of non-advances carried at amortised cost and the fair value of non-advances measured at FVTPL or through OCI per external credit rating.

R million	2025		
	AAA to BBB	BB+ to B-	CCC
Investment securities			
Investment securities at amortised cost	35 167	217 393	9 157
– Stage 1	35 167	217 393	7 380
– Stage 2	–	–	1 071
– Stage 3	–	–	–
– Purchased or originated credit impaired	–	–	706
Investment securities at fair value through other comprehensive income	61 063	20 227	787
– Stage 1	61 063	20 227	787
Investment securities at fair value through profit or loss	13 424	98 570	846
Total investment securities	109 654	336 190	10 790
Collateral, settlement balances and other financial assets			
– Stage 1*	10 172	17 914	5
– Stage 2	1 281	9 115	3 364
– Stage 3	–	251	96
Total collateral, settlement balances and other financial assets	11 453	27 280	3 465
Cash and cash equivalents			
– Stage 1	50 200	103 553	3 795
– Purchased or originated credit impaired	23	–	–
Total cash and cash equivalents	50 223	103 553	3 795
Derivative assets	36 722	21 602	162

* Collateral balances are similar in nature to cash and cash equivalents and are included in stage 1.

R million	2024		
	AAA to BBB	BB+ to B-	CCC
Investment securities			
Investment securities at amortised cost	35 099	199 643	7 655
– Stage 1	35 099	199 643	7 121
– Stage 2	–	–	–
– Stage 3	–	–	43
– Purchased or originated credit impaired	–	–	491
Investment securities at fair value through other comprehensive income	50 586	18 466	676
– Stage 1	50 586	18 466	676
Investment securities at fair value through profit or loss	20 661	77 884	442
Total investment securities	106 346	295 993	8 773
Collateral, settlement balances and other financial assets			
– Stage 1*	4 792	16 834	–
– Stage 2	2 726	6 712	2 715
– Stage 3	–	117	101
Total collateral, settlement balances and other financial assets	7 518	23 663	2 816
Cash and cash equivalents			
– Stage 1	79 723	61 737	6 316
– Purchased or originated credit impaired	22	–	–
Total cash and cash equivalents	79 745	61 737	6 316
Derivative assets	33 791	21 431	62

* Collateral balances are similar in nature to cash and cash equivalents and are included in stage 1.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.4 Credit risk mitigation and collateral held

Managing credit risk is core to all lending activities which are a material driver of earnings growth and return profile. The group therefore aims to optimise the amount of credit risk it takes to achieve its growth and return objectives. Mitigation of credit risk is an important component of this, beginning with the structuring and approval of facilities only for those clients and within those parameters that fall within risk appetite.

Although, in principle, credit assessment focuses on the counterparty's ability to repay the debt, credit mitigation instruments are used where appropriate to reduce the group's lending risk, resulting in security against the majority of exposures. These include financial or other collateral, netting agreements, guarantees or credit derivatives. The collateral types are determined by portfolio, product or counterparty type.

Credit risk mitigation instruments:

- Mortgage and instalment finance portfolios in FNB, WesBank and Aldermore are secured by the underlying assets financed.
- FNB and Aldermore commercial credit exposures are secured by the assets of the SME counterparties and commercial property finance deals are secured by the underlying property and associated cash flows.
- Personal loans, overdrafts and credit card exposures are generally unsecured or secured by guarantees and sureties.
- For FNB and WesBank retail customers, life insurance and insurance against disability, and retrenchment are prescribed, where applicable.
- Structured facilities in RMB are secured as part of the structure through financial or other collateral, including guarantees, credit derivative instruments and assets.
- Counterparty credit risk in RMB is mitigated through the use of netting agreements and financial collateral. For additional information relating to the use of the netting agreements refer to the offsetting table within note 38.1.4.
- Working capital facilities in RMB can be secured or unsecured.

The group employs strict policies governing the valuation and management of collateral across all business areas. Collateral is managed internally to ensure that title is retained over collateral taken over the life of the transaction. Collateral is valued at inception of the credit agreement, and subsequently where necessary through physical inspection or index valuation methods. For corporate and commercial counterparties, collateral is reassessed during the annual review of the counterparty's creditworthiness to ensure that proper title is retained. For mortgage portfolios, collateral is revalued on an ongoing basis using an index model, and physical inspection is performed at the beginning of the recovery process. For asset finance, the total security reflected represents only the realisation value estimates of the vehicles repossessed at the date of repossession. Where the repossession has not yet occurred, the realisation value of the vehicle is estimated using internal models and is included as part of total recoveries. Concentrations in credit risk mitigation types, such as property, are monitored and managed at a product and segment level, in line with the requirements of the group credit risk appetite framework. Collateral is taken into account for capital calculation purposes through the determination of LGD. Collateral reduces LGD, and LGD levels are determined through statistical modelling techniques based on historical experience of the recovery processes.

There have been no significant changes to collateral valuation policies and procedures in the reporting period.

The following table represents an analysis of the maximum exposure to credit risk for financial assets at amortised cost and debt instruments at FVTPL, as well as a breakdown of collateral, both financial and non-financial, held against the exposure along with any other credit enhancements and netting arrangements.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.4 Credit risk mitigation and collateral held continued

R million	2025						
	Gross carrying amount	Off-balance sheet exposure*	Loss allowance	Maximum exposure to credit risk	Netting and financial collateral**	Unsecured	Secured#
Residential mortgages	281 669	49 499	(6 128)	325 040	2 553	40	322 447
WesBank VAF	124 728	–	(6 291)	118 437	–	–	118 437
FNB card	44 236	–	(6 670)	37 566	–	37 566	–
Personal loans	54 088	–	(9 919)	44 169	–	44 169	–
Retail other	6 823	553	(1 143)	6 233	–	3 124	3 109
FNB commercial	143 890	15 752	(6 062)	153 580	4 282	25 872	123 426
WesBank corporate and commercial	65 877	1 409	(1 017)	66 269	–	123	66 146
RMB corporate and investment banking	532 756	155 569	(7 184)	681 141	2 044	138 984	540 113
Broader Africa	87 109	14 973	(3 945)	98 137	4 454	36 124	57 559
Centre (including Group Treasury)	51 944	–	(544)	51 400	–	31 872	19 528
UK operations	410 707	14 034	(6 285)	418 456	–	9 791	408 665
– Retail	315 596	12 076	(4 880)	322 792	–	128	322 664
– Commercial	95 111	1 958	(1 405)	95 664	–	9 663	86 001
Total advances	1 803 827	251 789	(55 188)	2 000 428	13 333	327 665	1 659 430
Investment securities†	456 634	–	(842)	455 792	1 409	439 784	14 599
Cash and cash equivalents	157 571	–	–	157 571	3 526	154 045	–
Collateral, settlement balances and other financial assets	42 198	–	(412)	41 786	22 943	18 838	5
Derivatives	58 486	–	–	58 486	42 096	16 390	–

2024							
Residential mortgages	272 363	46 988	(5 451)	313 900	1 686	68	312 146
WesBank VAF	113 044	–	(6 259)	106 785	–	–	106 785
FNB card	41 374	–	(5 705)	35 669	–	35 669	–
Personal loans	53 286	–	(10 243)	43 043	–	43 043	–
Retail other	7 314	412	(1 327)	6 399	388	3 775	2 236
FNB commercial	129 844	14 031	(5 077)	138 798	7 353	22 081	109 364
WesBank corporate and commercial	60 218	2 766	(916)	62 068	–	69	61 999
RMB corporate and investment banking	507 793	166 957	(7 032)	667 718	2 107	141 329	524 282
Broader Africa	80 762	12 266	(4 125)	88 903	3 849	30 389	54 665
Centre (including Group Treasury)*	39 910	1 257	(884)	40 283	–	30 442	9 841
UK operations	359 798	11 017	(7 146)	363 669	–	8 701	354 968
– Retail	274 339	8 642	(5 473)	277 508	–	–	277 508
– Commercial	85 459	2 375	(1 673)	86 161	–	8 701	77 460
Total advances	1 665 706	255 694	(54 165)	1 867 235	15 383	315 566	1 536 286
Investment securities†,‡	411 112	–	(838)	410 274	92	400 358	9 824
Cash and cash equivalents	147 798	–	–	147 798	5 123	142 675	–
Collateral, settlement balances and other financial assets	33 997	–	(486)	33 511	15 898	17 538	75
Derivatives	55 284	–	–	55 284	37 506	17 778	–

* The off-balance sheet exposure amount for the prior year for the Centre has been restated to exclude an intercompany financial guarantee that was not appropriately eliminated. The previously reported amount of R35 747 million has been reduced by R34 490 million to R1 257 million. Refer to note 39.2.2 for information reported in the prior year.

** Financial collateral relating to reverse repos are excluded. Details of these transactions are included on page B203 on the note detailing the offsetting disclosures.

Secured represent balances which have non-financial collateral and financial collateral received under reverse repos. Details of financial collateral and netting on these are disclosed on page B203 on the note detailing the offsetting disclosures.

† Include debt instruments measured at fair value but exclude equity and non-recourse investments.

‡ The netting and financial collateral and unsecured amount for the prior year has been restated by R14 711 million. An amount was incorrectly reflected as collateral and has been moved to the unsecured column. The netting and financial collateral and the unsecured amounts previously presented were R14 803 million and R385 647 million respectively.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.4 Credit risk mitigation and collateral held continued

Collateral held against derivative positions

The table below sets out the cash collateral held against the net derivative position.

R million	2025	2024
Cash collateral held	12 842	8 741

The table below reflects the collateral that the group holds where it has the ability to sell or repledge in the absence of default by the owner of the collateral.

Collateral held in structured transactions

R million	2025		2024	
	Fair value	Fair value of collateral sold or repledged in the absence of default	Fair value	Fair value of collateral sold or repledged in the absence of default
Cash and cash equivalents	11 217	–	14 346	–
Advances	104 825	24 294	67 808	25 379
Investment securities	3 539	3 520	4 131	4 131
Total collateral pledged	119 581	27 814	86 285	29 510

Investment securities exclude securities lending transactions where securities are obtained as collateral for securities lent. This is in line with industry practice.

Collateral taken possession of

When the group takes possession of collateral that is neither cash nor readily convertible into cash, the group determines a minimum sale amount (pre-set sale amount) and auctions the asset for the pre-set sale amount. Where the group is unable to obtain the pre-set sale amount at an auction, it will continue to hold the asset while actively marketing it to ensure an appropriate value is obtained. Properties taken possession of amounted to R46 million (2024: R55 million).

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.1 Credit risk continued

The financial collateral included in the previous table is limited to the net statement of financial position exposure in line with the requirements of IFRS 7 and excludes the effect of any over-collateralisation. The collateral amount included in the table for IFRS 7 disclosure purposes has been determined at a business unit level. If these limits were determined on a group-wide level, the collateral amount included in this table could increase. The total amount reported on the statement of financial position is the sum of the net amount reported in the statement of financial position and the financial instruments amount not subject to offset or master netting agreement (MNA).

	Derivatives		Structured transactions		Other advances/deposits	
R million	2025	2024	2025	2024	2025	2024
Assets						
Offsetting applied						
Gross amount	112 517	102 191	136 018	91 156	1 644 359	1 543 733
Amount offset*	(54 030)	(46 907)	(31 193)	(23 348)	(544)	—
Net amount reported on the statement of financial position	58 487	55 284	104 825	67 808	1 643 815	1 543 733
Offsetting not applied						
Financial instruments subject to MNAs and similar agreements	(37 303)	(28 874)	(5 289)	(1 184)	—	—
Financial collateral	(4 793)	(8 632)	(77 899)	(40 930)	—	—
Net amount	16 391	17 778	21 637	25 694	1 643 815	1 543 733
Liabilities						
Offsetting applied						
Gross amount	108 851	92 771	72 451	45 484	2 140 616	1 981 894
Amount offset*	(54 561)	(48 126)	(31 193)	(23 297)	—	(930)
Net amount reported on the statement of financial position	54 290	44 645	41 258	22 187	2 140 616	1 980 964
Offsetting not applied						
Financial instruments subject to MNAs and similar agreements	(37 303)	(28 874)	(5 289)	(1 184)	—	—
Financial collateral	(11 446)	(7 386)	(23 399)	(11 850)	—	—
Net amount	5 541	8 385	12 570	9 153	2 140 616	1 980 964

* Amounts offset under derivatives are contracts that are set off under netting agreements, such as the MNA or derivative clearing counterparty agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting is applied across all outstanding transactions covered by these agreements.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.2 Liquidity risk

Objective

Liquidity risk arises from the group's potential inability to meet its payment obligations as and when they fall due, or only being able to meet these obligations by incurring excessive costs. Liquidity risk is driven by the maturity profile of the group's assets and liabilities as well as client behaviour. To effectively manage and mitigate the liquidity risk introduced by its core business activities, the group strategically optimises its funding mix within structural and regulatory constraints and pursues a funding strategy that supports operational efficiency and long-term sustainability.

The group continues to offer innovative and competitive products to grow its deposit franchise to reduce dependence on institutional funding. These initiatives continue to improve the funding and liquidity profile of the group and provide for natural liquidity risk buffers. Ongoing compliance with prudential liquidity metrics remains a central pillar of the group's funding approach.

Assessment and management

The group focuses on continually monitoring and analysing the impact of potential risks on its funding and liquidity position in order to ensure business activities are preserved, and funding is available and stable. This ensures that the group can operate through periods of stress when access to funding may be constrained.

Mitigation of market and funding liquidity risks is achieved via contingent liquidity risk management. A portfolio of high-quality liquid assets with appropriate buffers is held, either to be sold into the market or to serve as collateral for loans to cover any unforeseen cash shortfalls that may arise.

The group's approach to liquidity risk management distinguishes between daily, structural and contingency liquidity risk management across all currencies, and various approaches are employed in the assessment and management of these on a daily, weekly and monthly basis, as illustrated below.

DAILY LIQUIDITY RISK	STRUCTURAL LIQUIDITY RISK	CONTINGENCY LIQUIDITY RISK
Ensuring that intraday and day-to-day anticipated and unforeseen payment obligations can be met by maintaining a sustainable balance between liquidity inflows and outflows.	Managing the risk that structural, long-term on- and off-balance sheet exposures cannot be funded timeously or at reasonable cost.	Maintaining several contingency funding sources to draw upon in times of economic stress.

Regular and rigorous stress tests are conducted on the funding profile and liquidity position as part of the overall stress testing framework, with a focus on:

- quantifying the potential exposure to future liquidity stresses;
- analysing the possible impact of economic and event risks on cash flows, liquidity, profitability and the solvency position; and
- proactively evaluating the potential secondary and tertiary effects of other risks on the group.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.2 Liquidity risk continued

38.2.1 Undiscounted cash flows

The following table presents the group's undiscounted cash flows of financial liabilities and off-balance sheet amounts, and includes all cash outflows related to principal amounts, as well as future payments.

R million	2025			
	Undiscounted carrying amount	Term to maturity		
		Call to 3 months	4 – 12 months	>12 months and non-contractual
On-balance sheet exposures				
Deposits and current accounts	2 283 638	1 595 030	315 820	372 788
Short trading positions	17 040	17 040	–	–
Derivative financial instruments	54 556	49 656	2 074	2 826
Creditors, accruals and provisions	37 652	22 529	2 980	12 143
Tier 2 liabilities	27 057	461	5 320	21 276
Other liabilities	2 535	317	711	1 507
Lease liabilities	3 225	302	826	2 097
Policyholder liabilities under investment contracts	9 095	600	2 491	6 004
Off-balance sheet exposures*				
Financial and other guarantees	58 773	56 795	1 061	917
Loan commitments	193 017	193 017	–	–
2024				
On-balance sheet exposures				
Deposits and current accounts	2 116 430	1 456 790	314 712	344 928
Short trading positions	10 273	10 273	–	–
Derivative financial instruments	44 470	41 837	879	1 754
Creditors, accruals and provisions	42 925	30 659	1 050	11 216
Tier 2 liabilities	22 951	–	63	22 888
Other liabilities	3 185	275	277	2 633
Lease liabilities	3 535	291	778	2 466
Policyholder liabilities under investment contracts	7 669	738	1 740	5 191
Off-balance sheet exposures				
Financial and other guarantees**	57 339	55 802	1 141	396
Loan commitments	198 355	198 355	–	–

* The group has re-assessed the liquidity risk disclosures and consequently removed the Other contingencies and commitments line which are not in scope of IFRS 7.

** In the prior year, the financial and other guarantees balance was overstated by R34 490 million because an intercompany financial guarantee was not eliminated. The "undiscounted carrying amount" and ">12 months and non-contractual" amounts were previously reported as R91 829 million and R34 886 million respectively, the balances have been restated to reflect the correct exposure.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.2 Liquidity risk continued

38.2.2 Discounted cash flows

The following table represents the group's contractual discounted cash flows of total assets, liabilities and equity. Relying solely on the contractual liquidity mismatch when assessing a bank's maturity analysis would overstate risk, since this represents a worst-case assessment of cash flows at maturity rather than the underlying aggregate client behaviour.

Banks tend to have a particularly pronounced contractual negative gap in the shorter term due to predominately transactional and savings deposits (contractually available on demand) supplemented by short-term institutional funding representing a significant proportion of banks' liabilities. South Africa's structurally lower discretionary savings rate results in South African banks placing additional reliance on short-term wholesale funding. The group's funding strategy is led by a client deposit focus to mitigate and offset the inherent liquidity risk of funding long-term assets, e.g. mortgages.

Discounted cash flow analysis – maturity analysis of total assets, liabilities and equity based on the present value of the expected payment

R million	2025			
	Discounted carrying amount	Term to maturity		
		Call to 3 months	4 – 12 months	>12 months and non-contractual
Total assets	2 588 770	748 616	275 935	1 564 219
Total equity and liabilities	2 588 770	1 689 877	308 925	589 968
Net liquidity gap	–	(941 261)	(32 990)	974 251
Cumulative liquidity gap	–	(941 261)	(974 251)	–
2024				
Total assets	2 369 339	673 531	278 751	1 417 057
Total equity and liabilities	2 369 339	1 543 516	303 665	522 158
Net liquidity gap	–	(869 985)	(24 914)	894 899
Cumulative liquidity gap	–	(869 985)	(894 899)	–

38.2.3 Collateral pledged

The group pledges assets under the following terms and conditions:

- assets are pledged as collateral under repurchase agreements with other banks and for security deposits relating to local futures and options; and
- collateral in the form of cash and other investment securities is pledged when the group borrows equity securities from third parties. These transactions are conducted under the terms and conditions that are usual and customary to standard securities lending arrangements.

All other pledges are conducted under terms that are usual and customary to lending arrangements.

The following assets have been pledged to secure the liabilities set out in the table below. These assets are not available in the normal course of business.

R million	2025	2024*
Cash and collateral balances	23 925	19 030
Advances	53 234	60 718
Investment securities – held under repurchase agreements	32 867	12 038
Investment securities – other	7 201	8 747
Total assets pledged	117 227	100 533

* Investment securities - other has been restated by an amount of R3 292 million due to the reclassification of R4 166 million to Investment securities - held under repurchase agreements and an understatement of R874 million. This resulted in total assets pledged being restated from R99 659 million to R100 533 million.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.2 Liquidity risk continued

38.2.3 Collateral pledged continued

The following liabilities have been secured by the group pledging either its own or borrowed financial assets, except for the short-trading positions, which are covered by borrowed securities only.

R million	2025	2024
Short-trading positions	17 040	10 273
Total deposits and debt funding	53 622	48 074
– Deposits under repurchase agreements	39 724	20 529
– Deposits in securities lending transactions*	1 534	1 658
– Other secured deposits	12 364	25 887
Derivative liabilities	24 039	17 605
Other	1 657	1 772
Total	96 358	77 724

* Securities lending transactions include only those where cash is placed against the securities borrowed. Transactions where securities are lent and borrowed and other securities placed against the borrowing and lending are excluded.

38.2.4 Concentration analysis of deposits

R million	2025	2024
Sector analysis		
Deposit current accounts and other loans		
Sovereigns, including central banks	107 989	83 429
Public sector entities	97 444	98 723
Local authorities	16 030	16 197
Banks	82 710	83 520
Securities firms	26 679	20 018
SME, commercial and corporate	1 087 625	995 914
Retail customers	756 328	698 393
Other	7 069	6 957
Total deposits	2 181 874	2 003 151
Geographical analysis		
South Africa	1 485 388	1 349 918
Broader Africa	157 998	149 410
UK	484 778	446 967
Other	53 710	56 856
Total deposits	2 181 874	2 003 151

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.3 Market risk

38.3.1 Traded market risk

Objective

Traded market risk for the group includes traded equity and credit risk, commodity risk, foreign exchange risk and interest rate risk in the trading book, as well as interest rate risk in the RMB banking book.

Assessment and management

The group uses the internal models approach for its domestic trading units, which is based on its internal VaR model supplemented with a stressed VaR (sVaR). In addition, risk related to market risk-taking activities is also measured using an internal expected tail loss (ETL) measure, as a proxy for economic capital.

Management and monitoring of interest rate risk in the domestic banking book is discussed in the *Interest rate risk in the banking book* section of this note. RMB manages a portion of the interest rate risk in its banking book under the market risk framework, with risk measured and monitored according to the same principles and processes outlined in this section for the trading book, and management oversight provided by the FirstRand market and investment risk committee. This portion of the RMB banking book interest rate risk exposure was R99 million on a 10-day ETL basis at 30 June 2025 (2024: R92 million).

The market risk model has performed as expected and the market risk framework continues to ensure adequate management of exposures. All measures have remained within board approved limits over the period.

Quantification of risk exposures

ETL	The internal measure of risk is an ETL metric at the 99% confidence level under a full revaluation methodology using historical risk factor scenarios (historical simulation method). To accommodate the regulatory stress loss imperative, the set of scenarios used for revaluation of the current portfolio comprises historical scenarios which incorporate both the past 260 trading days and at least one static period of market stress, which is currently the 2008/2009 period. The stress period is periodically reviewed for suitability. The ETL measure may be liquidity adjusted for exposures deemed illiquid. Holding periods, ranging between 10 and 90 days or more, are used in the calculation and are based on an assessment of stressed liquidity of portfolios.
VaR and sVaR	Both VaR and sVaR are calculated using historical risk factor scenarios as an input into a full revaluation methodology. VaR is calculated at the 99% 10-day holding period level in order to best reflect the current business environment. For regulatory capital purposes, this is supplemented with an sVaR, calculated at the 99% 10-day holding period level using a static stress period. The stress period currently applied is the 2008/2009 period, which has been assessed as the most volatile in recent history. This is reviewed periodically for suitability. When simulating potential movements in risk factors, both absolute and relative risk factors are used. VaR calculations over a holding period of one day are used as an additional tool in the assessment of market risk. The updating of historical scenarios is kept within the one-month regulatory requirement and is monitored on a daily basis.

38.3.2 Market risk in the trading book

Market risk in the trading book is taken and managed in line with risk limits and management frameworks approved by the C&I Financial Risk Management executive committee and the FirstRand Market and Investment Risk Committee. ETL and VaR limits are set for portfolios and risk types, with market liquidity being a primary factor in determining the level of limits set. Market risk limits are governed according to the market risk framework. The ETL/VaR model is designed to take into account a comprehensive set of risk factors across all asset classes.

During the period global economic expansion weakened primarily as a consequence of sustained uncertainty imposed by geopolitical tensions in the Middle East and adjustments to international trade tariffs weighing on global trade flows and currency strength on emerging markets. The market risk measurement framework continued to perform well during the review period and all exposures remained within approved limits.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.3 Market risk continued

38.3.2 Market risk in the trading book

VaR analysis by risk type

The following table reflects the 10-day VaR and sVaR at a 99% confidence level. The 10-day VaR calculation is performed using 10-day scenarios created from the past 260 trading days, whereas the 10-day sVaR is calculated using scenario data from the static stress period.

R million	2025*							2024*						
	Equities	Interest rates**	Foreign exchange	Com-modities	Traded credit	Diversi-fication effect	Diversified total	Equities	Interest rates**	Foreign exchange	Com-modities	Traded credit	Diversi-fication effect	Diversified total
VaR (10-day 99%)														
Maximum value#	67.8	370.7	516.8	119.9	6.3	–	503.0	58.2	550.2	474.8	72.1	17.2	–	448.4
Average value	25.0	184.3	287.2	29.1	3.5	–	309.5	20.5	284.3	217.9	24.7	6.7	–	279.5
Minimum value#	1.8	58.1	50.9	3.0	0.6	–	82.6	4.5	138.3	77.1	8.1	2.5	–	170.4
Period end	66.8	195.4	66.8	115.8	2.6	(240.8)	206.5	20.0	166.7	357.8	17.6	6.2	(210.6)	357.7
sVaR (10-day 99%)														
Maximum value#	155.6	604.0	418.6	86.0	19.5	–	520.7	106.7	590.9	412.4	87.8	30.5	–	374.7
Average value	69.2	306.1	141.9	30.2	6.8	–	285.4	51.4	312.0	184.3	36.7	11.4	–	247.3
Minimum value#	4.8	125.0	30.6	8.9	1.8	–	123.9	7.0	148.0	29.3	9.4	3.4	–	131.8
Period end	105.1	257.6	232.6	28.2	8.6	(422.7)	209.4	16.6	176.0	70.4	30.9	6.2	(168.3)	131.8

* Excludes foreign branches and subsidiaries, which are reported on in the standardised approach for market risk. The sVaR numbers relate to FirstRand Bank South Africa only.

** Interest rate risk in the trading book.

The maximum and minimum VaR figures for each asset class did not necessarily occur on the same day. Consequently, a diversification effect was omitted from the above table.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.4 Non-traded market risk

38.4.1 Interest rate risk in the banking book

Assessment and management

FirstRand Bank (South Africa)

The measurement techniques used to monitor IRRBB include NII sensitivity/earnings risk, NAV/economic value of equity (EVE) sensitivity and the closely related daily price value of a basis point measure. A repricing gap is also generated to better understand the repricing characteristics of the balance sheet. In calculating the repricing gap, all banking book assets, liabilities and derivative instruments are placed at gap intervals based on repricing characteristics.

The internal funds transfer pricing process is used to transfer interest rate risk from the operating businesses to Group Treasury. This process allows risk to be managed centrally and portfolio-wide in line with the group's macroeconomic outlook.

Management of the resultant risk position is achieved by balance sheet optimisation or through the use of financial market instruments such as government bonds or derivative transactions. Interest rate swaps, for which a liquid market exists, are the main instruments utilised. Where possible hedge accounting treatment is applied to minimise any accounting mismatches, thus ensuring that amounts deferred in equity are released to the income statement at the same time as movements attributable to the underlying hedged asset/liability. Interest rate risk from the fixed-rate book is managed to low levels, with remaining risk stemming from timing and basis risk.

Foreign operations

Management of IRRBB across broader Africa, Aldermore and the bank's foreign branches is the responsibility of in-country management teams with oversight provided by Group Treasury and Group Treasury Risk Management. For subsidiaries, earnings sensitivity measures are used to monitor and manage interest rate risk in line with the group's appetite. Where applicable, NAV sensitivity risk limits are also used for endowment hedges.

Sensitivity analysis

A change in interest rates impacts both the earnings potential of the banking book (as underlying assets and liabilities reprice to new rates) and the economic value/NAV of an entity (as a result of a change in the fair value of any open risk portfolios used to manage the earnings risk). The role of management is to protect and enhance both the financial performance as a result of a change in earnings and the long-term economic value. To achieve this, both earnings sensitivity and economic sensitivity measures are monitored and managed within appropriate risk limits and appetite levels, considering the macroeconomic environment and factors which could cause a change in rates.

The group IRRBB methodology as per Directive 2 of 2023, ensures that:

1. client behaviour is considered in the management of IRRBB. Relevant behavioural adjustments that capture modelled customer behaviour (where they have legal discretion to repay or withdraw funds) are incorporated into the calculation. This allows for a more effective assessment of IRRBB and aligns with how the group manages this risk.
2. there is a more effective and transparent measure of the risk associated with specific currency exposures to different interest rates, and different possible shocks; and
3. there is a more explicit consideration of basis risk and credit spread risk.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.4 Non-traded market risk continued

38.4.1 Interest rate risk in the banking book continued

Assessment and management continued

Earnings sensitivity

Earnings models are run monthly to provide a measure of the NII sensitivity of the existing banking book balance sheet to shocks in interest rates. The calculation assumes a constant balance sheet size and product mix over the forecast horizon.

The following tables show the 12-month NII sensitivity for sustained, instantaneous parallel downward and upward shocks to interest rates. The size of the shocks is consistent with the regulatory prescribed shocks per currency. The most material shocks applied are 400 bps for ZAR exposures, 200 bps for USD exposures and 250 bps for GBP exposures.

Most of the group's NII sensitivity relates to the endowment book mismatch. The group's average endowment book was R370 billion, excluding Aldermore, for the year ended 30 June 2025 (2024: R362 billion). Aldermore average net endowment book during this period was c.£750 million (2024: £700 million).

Projected ZAR NII sensitivity to interest rate movements

R million	2025		
	Change in projected 12-month NII		
	FirstRand Bank South Africa	Subsidiaries and foreign branches	Total FirstRand
Downward	(4 227)	(2 134)	(6 361)
Upward	4 270	1 345	5 615
2024*			
Downward	(2 160)	(1 416)	(3 576)
Upward	1 801	1 033	2 834

* Restated to include Aldermore which was previously omitted. Downward and upward were previously disclosed as (R1 294) million and R911 million respectively

As at 30 June 2025, assuming no change in the balance sheet and no management action in response to interest rate movements, an instantaneous, sustained parallel decrease in interest rates would result in a reduction in projected 12-month NII of R6 361 million (2024: R3 576 million). A similar increase in interest rates would result in an increase in projected 12-month NII of R5 615 million (2024: R2 834 million).

The endowment effect is the most significant driver of IRRBB and is a result of the use of low or non-rate liabilities to fund variable-rate assets. The primary driver of the year-on-year change, beyond the impact of the endowment effect, is due to a change in the interest rate benchmark applied to certain underlying non-maturity products, with a resultant change in the ALM profile.

Effect of reference rate reform

The Johannesburg Interbank Average Rate (JIBAR) will be succeeded by the South African Index Average (ZARONIA). The industry timeline published by the SARB outlines several key milestones leading up to this transition. Notable events include the initial use of ZARONIA for derivatives and its introduction in the bond and negotiable certificates of deposit markets, which both commenced in May 2025. Future milestones include the formal announcement of JIBAR cessation which is anticipated for December 2025, the no new JIBAR milestone is provisionally set to occur from March 2026 and the final cessation of JIBAR is set for the end of 2026.

A steering committee, comprising key personnel from finance, risk, IT, treasury, legal and compliance departments, along with external advisors, oversees the group's interbank offered rate reform transition. This committee has developed a comprehensive transition process for both existing and potential future contracts, aiming to minimise business disruption, mitigate operational and conduct risks, and prevent financial losses. The South African rates reform steering committee will apply the same transition policies to these JIBAR-referenced contracts as it did for other interbank offered rates.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.4 Non-traded market risk continued

38.4.1 Interest rate risk in the banking book continued

Effect of reference rate reform continued

Financial assets that are impacted by reference rate reform:

	2025	2024
	ZAR JIBAR	ZAR JIBAR
R million		
Assets recognised on the balance sheet		
Derivative financial instruments (assets)*	5 811 813	8 659 479
Investment securities	35 222	28 076
Advances	196 148	202 952
Collateral settlement balances and other assets	3 824	4 487
Total assets recognised on the balance sheet subject to reference rate reform	6 047 007	8 894 994
Off-balance sheet items		
Loan commitments	19 431	26 823
Total off-balance sheet exposure subject to reference rate reform	19 431	26 823
Total asset exposure subject to reference rate reform	6 066 438	8 921 817

Financial liabilities that are impacted by reference rate reform:

	2025	2024
	ZAR JIBAR	ZAR JIBAR
R million		
Liabilities recognised on the balance sheet		
Derivative financial instruments (liabilities)*	5 510 706	8 710 585
Deposits and debt funding	133 775	68 956
Other liabilities	66	86
Tier 2 liabilities	19 603	15 129
Total liabilities recognised subject to reference rate reform	5 664 150	8 794 756

* These balances represent the notional amount directly impacted by the reference rate reform.

Economic value of equity

An EVE sensitivity measure is used to assess the impact on the total NAV of the group as a result of a shock to underlying rates. Unlike the trading book, where a change in rates will impact fair value income and reportable earnings of an entity, the realisation of a rate move in the banking book will impact the distributable and non-distributable reserves to varying degrees. This represents an opportunity cost/benefit over the life of the underlying positions. As a result, a purely forward-looking EVE shock applied to the banking book is monitored relative to total risk limits, appetite levels and current economic conditions.

Six EVE shock scenarios are applied, based on regulatory guidelines. The most material of the scenarios comprises sustained, instantaneous parallel downward and upward shocks to interest rates. These shocks are applied to all banking book positions.

The following table:

- highlights the sensitivity of banking book NAV as a percentage of total Tier 1 capital; and
- reflects a point-in-time view which is dynamically managed and can fluctuate over time.

Banking book NAV sensitivity to interest rate movements as a percentage of total group Tier 1 capital

	2025	2024
Downward	8.03	9.09
Upward	(7.38)	(8.24)

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.4 Non-traded market risk continued

38.4.2 Structural foreign exchange risk

Objective

The group is exposed to foreign exchange risk as a result of on-balance sheet transactions in a currency other than rand, as well as through structural foreign exchange risk from the translation of its foreign operations' results into rand.

Group Treasury is responsible for the oversight of structural foreign exchange risk and reports to group ALCCO, a subcommittee of the RCCC. It is also responsible for the management and reporting of the group's foreign currency exposures relative to the macroprudential limit for authorised dealers.

Assessment and management

The ability to transact on-balance sheet in a currency other than the home currency (rand) is governed by in-country macroprudential and regulatory limits. At a group level, additional board limits and management appetite levels are set for this exposure. The impact of any residual on-balance positions is managed as part of the market risk reporting process (see *Note 38.3.1 – Traded market risk* section).

Structural foreign exchange risk impacts the current NAV of the group as well as future profitability and earnings potential. Economic hedging is undertaken where feasible, given market constraints and within risk appetite levels.

The following table provides an overview of the group's exposure to entities with functional currencies other than the rand, and the pre-tax impact on equity of a 15% change in the exchange rate between the rand and the relevant functional foreign currencies. There were no significant structural hedging strategies employed by the group in the current financial year.

Net structural foreign exposures due to investments in foreign entities

R million	2025		2024	
	Carrying value of net investment	Pre-tax impact on equity from 15% currency translation shock	Carrying value of net investment	Pre-tax impact on equity from 15% currency translation shock
Functional currency				
Botswana pula	6 444	967	6 212	932
US dollar	16 072	2 411	14 547	2 182
Sterling	48 291	7 244	45 252	6 788
Nigerian naira	1 452	218	1 148	172
Zambian kwacha	2 990	448	2 234	335
Mozambican metical	990	148	1 207	181
Indian rupee	1 061	159	1 078	162
Ghanaian cedi	1 620	243	426	64
Tanzanian shilling	2	–	42	6
Common Monetary Area (CMA) countries*	9 360	1 404	7 860	1 179
Total	88 282	13 242	80 006	12 001

* Currently Namibia, Eswatini and Lesotho are part of the CMA. Unless these countries decide to exit the CMA, rand volatility will not impact these countries' rand reporting values.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.5 Equity investment risk

Assessment and management

The equity investment risk portfolio is managed through a rigorous valuation and review process from the inception to exit of a transaction. All investments are subject to a comprehensive due diligence process, during which a thorough understanding of the target company's business, risks, challenges, competitors, management team and unique advantage or value proposition is developed.

For each transaction, an appropriate structure is put in place, which aligns the interests of all parties involved through the use of incentives and constraints for management and other investors. Where appropriate, the group seeks to take a number of seats on the company's board and maintains close oversight through the monitoring of operations and financial discipline.

The investment thesis, results of the due diligence process and investment structure are discussed at the investment committee before final approval is granted. In addition, normal biannual reviews are performed for the portfolio and crucial parts of these reviews, such as valuation estimates, are scrutinised at the appropriate governance forums.

The table below shows the equity investment risk exposure and sensitivity. The 10% sensitivity movement is calculated on the carrying value of investments, excluding those subject to the ETL process and the carrying value of investments in associates and joint ventures.

Investment risk exposure and sensitivity of investment risk

R million	2025	2024
Listed investment risk exposure included in the equity investment risk ETL process	56	19
Estimated sensitivity of remaining investment balances		
Sensitivity to 10% movement in market value on investment fair value	600	492

38.6 Insurance risk

Risk management

Ensuring that insurance risk is understood and priced correctly is an important component of managing insurance risk. This is achieved through:

- Rigorous and proactive risk management processes that ensure sound product design and accurate pricing, which include:
 - independent model validation;
 - challenging assumptions, methodologies and results;
 - debating and challenging design, relevance, target market and market competitiveness, and treating customers fairly;
 - identifying potential risks;
 - monitoring business mix and risk of new business; and
 - thoroughly reviewing policy terms and conditions.
- Life policies are underwritten. This allows underwriting limits and risk-based pricing to be applied to manage the insurance risk. Where specific channels introduce the risk of anti-selection, mix of business by channel is monitored. On non-underwritten products insurance risk can be controlled through lead selection for outbound sales and product features such as waiting periods.
- The design of appropriate reinsurance structures is an important component of the pricing and product design to keep risk exposure within appetite.

The assessment and management of insurance risk of the in-force book use the following:

- Monitoring and reporting of claims experience by considering incidence rates, claims ratios and business mix.
- The actuarial valuation process for life insurance products involves the long-term projection of in-force policies and the setting up of insurance liabilities. This provides insight into the longer-term evolution of the risks on the portfolio. Adequate reserves are set for future and current claims and expenses.
- Experience investigations are performed annually to understand the actual experience compared to the basis used in valuations and pricing. These investigations are signed off by the head of the actuarial function. Where required, changes are made to bases and product design.
- There are also reinsurance agreements in place to mitigate various insurance risks and manage catastrophe risk.
- Asset/liability management is performed to ensure that assets backing insurance liabilities are appropriate and liquid.
- Stress and scenario analyses are performed and provide insights into the risk profile and future capital position.

The management of insurance risk is governed by a suite of group policies and processes. Tools and systems are available in the business to assess and manage insurance risk.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.6 Insurance risk continued

An own risk and solvency assessment (ORSA) process is performed at least annually. ORSA is defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage and report on short-term and long-term risks that the group faces or might face, and to determine the funds necessary to ensure that the overall solvency needs of each insurance entity in the group are met at all times and are sufficient to achieve the individual entities' business strategy. An ORSA report is produced annually.

Detailed risk management per risk type:

Mortality risk is the risk that mortality rates and the associated cash flows are different from those assumed. The risk is managed as follows:

- For underwritten products, underwriting is a key control.
- For non-underwritten products the mix of business by various factors is monitored and outbound sales leads are selected to influence the desired mix and product features such as waiting periods.
- Reinsurance is used to control exposure to large risks. The retention limits vary by portfolio.
- Validation and fraud checks are performed at claim stage to ensure only valid claims in line with the terms and conditions of the policy are paid.

Morbidity risk is the risk that morbidity rates and the associated cash flows are different from those assumed. The risk is managed as follows:

- Quota share reinsurance on underwritten products where there is limited data.
- Monitoring of trends in experience on credit life business.
- Validation and fraud checks are performed at claim stage to ensure only valid claims in line with the terms and conditions of the policy are paid.

Retrenchment risk is the risk that retrenchment rates and the associated cash flows are different from those assumed. The risk is managed as follows:

- Selection of retrenchment risk is controlled by FNB's credit scoring or internal selection models.
 - Additional margins are allowed in pricing assumptions to allow for potential cyclical in experience.
 - Regular monitoring of exposure by industry, and employer and feedback into risk selection takes place.
 - Validation and fraud checks are performed at the claim stage to ensure only valid claims in line with the terms and conditions of the policy are paid.

Catastrophe risk is the risk that stems from extreme or irregular events contingent on insured events, the effects of which are not expected. The risk is managed by catastrophe reinsurance, limiting exposure to extreme events. The group is, however, not covered for pandemics. The limits are reviewed annually based on the composition of the book and risk appetite. No cover is in place against a retrenchment catastrophe as this is not available at a reasonable cost. Additional capital is held in economic capital to cover a retrenchment catastrophe scenario.

Lapse risk is the risk that lapse rates and the associated cash flows are different from those assumed, as well as the risk of a mass lapse in policies. The risk is managed as follows:

- Collection strategies are regularly reviewed to ensure they are optimal.
- Changes to product lapse rules are made where more lenient lapse rules can benefit both the customer and the group.

Expenses risk is the risk that expenses and/or expense inflation is different from that assumed in pricing and valuations. The group has a rigorous budgeting process in place to manage this risk.

The overall responsibility for risk management resides with the board. The board committees of FirstRand Insurance Holdings include an audit and risk committee, which provides oversight over risk management, and ALCCO, which is responsible for:

- providing oversight of the product suite;
- approving new products;
- financial resource management; and
- governance and challenging input models and results of pricing valuations.

These committees are supported by management committees.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.6 Insurance risk continued

Life insurance products

Overview and governance

The risk arises from the group's long-term insurance operations, underwritten through its subsidiary, FirstRand Life Assurance Limited (FirstRand Life).

FirstRand Life currently underwrites a range of insurance products such as life, disability, funeral, credit life (against FNB credit products) and annuity policies. These policies are all originated through the FNB business. FirstRand Life also writes linked-investment policies. There is, however, no insurance risk associated with these policies.

FirstRand Life is exposed to insurance risk from the policies underwritten as indicated in the following table.

		GROUPING	DESCRIPTION	CORE PRODUCT TYPE	RISK
Catastrophe risk	Lapse risk	Core life products	Simple, non-underwritten products that are sold in the open market and are subject to simple sales processes.	Funeral policies	Mortality
				Benefit paid upon death of life assured	
				Health cash plans	Hospitalisation
				Benefit paid per day the policyholder is hospitalised	
				Accidental death plans	Mortality
				Benefit paid upon death of policyholder	
				Lifestyle protection plans	Morbidity
				Benefit paid upon death or disability	
				PayProtect policies	Morbidity and retrenchment
				Benefit paid upon disability or retrenchment	
		Underwritten life products	Underwritten life products comprise Life Simplified, Life Customised and Life & Legacy. Life Simplified provides death cover of up to R1 million after limited underwriting. Life Customised policies provide for more complex needs with cover amounts of up to R100 million, R50 million and R5 million on death, disability and critical illness cover respectively.Life & Legacy provides death cover up to R 1 500 000 on death as a lumpsum payout benefit or as monthly instalments over a period of 24 months.	Life cover combined with disability and critical illness.	• Mortality • Morbidity
	Credit life	Products that are sold in conjunction with FNB’s credit products. The current offering includes credit cover across credit products within FNB,which include personal loans (compulsory), home loans (compulsory), housing financing, credit cards, overdrafts and revolving loans (voluntary).	Credit life policies	• Mortality • Morbidity • Retrenchment	
	Business life products	Products to business customers.	• Key person policies • Grouped funeral policies • Business credit protect • Simplified group schemes • Personal health insurance	• Mortality • Morbidity	
Annuities		Regular monthly income until death	• Annuities	• Longevity • Investment	

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.6 Insurance risk continued

As a result of these insurance risk exposures, the group is exposed to catastrophe risk stemming from the possibility of an extreme event linked to any of the above (except for annuities).

For all of the above, the risk is that the decrement rates (e.g. mortality rates and morbidity rates) and associated cash flows are different from those assumed when pricing or reserving. Mortality, morbidity and retrenchment risk can further be broken down into parameter risk, random fluctuations and trend risk, which may result in the parameter value assumed differing from actual experience.

Policies underwritten by FirstRand Life are available through all of FNB's distribution channels. Some of these channels introduce the possibility of anti-selection, which also impacts the level of insurance risk. This is managed through monitoring the mix of business by channel.

These policies also expose FirstRand Life to lapse risk, which is the risk of the loss of future profits and expenses risks. These risks are classified as business risks but are included in this section as they result from insurance products.

Concentration risk

The majority of the portfolio consists of funeral and credit life policies sold to retail customers. There is, therefore, no significant concentration risk, but the mix of portfolios according to various factors impacting different risk types is frequently monitored. Large policies in the underwritten portfolio are reinsured to avoid single large exposures to lives. Catastrophe reinsurance is in place to provide cover against many lives being lost in a single event (excluding pandemics).

The following table demonstrates the concentration risk across life insurance products for sums assured at risk before and after reinsurance.

Retail sums assured at risk	Before reinsurance						
	Mortality risk		Morbidity risk		Retrenchment risk		Total
	R million	%	R million	%	R million	%	R million
2025							
1 – 499 999	228 851	42	76 054	47	21 371	100	326 276
500 000 – 999 999	72 724	13	19 298	12	49	–	92 071
1 000 000 – 1 999 999	140 044	26	16 823	10	8	–	156 875
2 000 000 and above	100 693	19	50 470	31	–	–	151 163
Total	542 312	100	162 645	100	21 428	100	726 385
2024							
1 – 499 999	219 715	44	77 102	55	21 187	100	318 004
500 000 – 999 999	67 095	14	18 735	13	58	–	85 888
1 000 000 – 1 999 999	133 945	27	12 443	9	13	–	146 401
2 000 000 and above	74 195	15	32 534	23	–	–	106 729
Total	494 950	100	140 814	100	21 258	100	657 022

Retail sums assured at risk	After reinsurance						
	Mortality risk		Morbidity risk		Retrenchment risk		Total
	R million	%	R million	%	R million	%	R million
2025							
1 – 499 999	215 645	63	70 635	60	21 272	100	307 552
500 000 – 999 999	40 842	12	11 858	10	10	–	52 710
1 000 000 – 1 999 999	60 729	18	4 096	3	2	–	64 827
2 000 000 and above	24 372	7	32 309	27	–	–	56 681
Total	341 588	100	118 898	100	21 284	100	481 770
2024							
1 – 499 999	201 867	61	71 570	67	21 066	100	294 503
500 000 – 999 999	43 004	13	12 878	12	12	–	55 894
1 000 000 – 1 999 999	67 314	21	3 747	3	3	–	71 064
2 000 000 and above	16 437	5	19 313	18	–	–	35 750
Total	328 622	100	107 508	100	21 081	100	457 211

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.6 Insurance risk continued

Assessment and management of concentration risk

The group manages the insurance risk of its policies through monitoring incidence rates, claims ratios and business mix, as policies are not underwritten and pricing is flat. Larger policies are underwritten.

Concentration risk mitigation

The risk exposure is mitigated by diversification across a portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

Non-life insurance products

The risk arises from the group's short-term insurance operations.

The short-term insurance products offered by the group include:

- Personal line products are policies sold to retail customers or individuals. This includes liability cover, property cover, motor cover, legal cover, health cover and personal accident cover.
- Commercial line products are policies sold to entities which are carrying on a trade and require cover for risks specific to the running of a business. This includes liability cover, property cover, motor cover, legal cover and business interruption cover.

The terms and conditions of short-term insurance contracts have a material effect on the amount, timing and uncertainty of future cash flows. The key risks associated with general insurance contracts are claims experience. The methodology driving the provisions for these contracts is reviewed at least annually. As claims experience develops, certain claims are settled, further claims are revised and new claims are reported. The reasonableness of the estimation process is assessed by management and reviewed on a regular basis. The group believes that the liability for claims carried at the end of the year is adequate.

Concentration risk mitigation

The largest insurance risk exposure is now property risk, with the property classes outgrowing legal exposure during this financial year. The portfolio is well diversified across product lines. The portfolio utilises reinsurance to protect against large losses and catastrophes. Concentration risk through location and sum insured accumulations continues to become more material and is managed in line with the insurance risk management framework.

Retail sums assured at risk	Before reinsurance						
	Legal risk		Motor risk		Property risk		Total
	R million	%	R million	%	R million	%	R million
2025							
1 – 499 999	29 592	96	9 196	66	5 472	4	44 260
500 000 – 999 999	1 325	4	3 466	25	9 894	8	14 685
1 000 000 – 1 999 999	—	—	1 123	8	22 587	17	23 710
2 000 000 and above	—	—	161	1	94 232	71	94 393
Total	30 917	100	13 946	100	132 185	100	177 048
2024							
1 – 499 999	31 038	100	7 355	69	4 880	5	43 273
500 000 – 999 999	131	—	2 431	23	8 899	8	11 461
1 000 000 – 1 999 999	—	—	729	7	20 250	19	20 979
2 000 000 and above	—	—	125	1	73 049	68	73 174
Total	31 169	100	10 640	100	107 078	100	148 887

Retail sums assured at risk	After reinsurance						
	Legal risk		Motor risk		Property risk		Total
	R million	%	R million	%	R million	%	R million
2025							
1 – 499 999	29 592	96	6 473	68	3 570	4	39 635
500 000 – 999 999	1 325	4	2 239	24	6 982	8	10 546
1 000 000 – 1 999 999	—	—	711	7	15 716	18	16 427
2 000 000 and above	—	—	99	1	60 176	70	60 275
Total	30 917	100	9 522	100	86 444	100	126 883
2024							
1 – 499 999	31 038	100	2 426	69	1 418	3	34 881
500 000 – 999 999	131	—	797	23	2 551	6	3 479
1 000 000 – 1 999 999	—	—	233	7	6 492	16	6 726
2 000 000 and above	—	—	38	1	30 671	75	30 709
Total	31 169	100	3 494	100	41 132	100	75 795

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.6 Insurance risk continued

Claims development

The table below compares actual claims payments with previous estimates of the undiscounted amounts of the claims, without taking into account any reinsurance contracts held.

Gross of reinsurance R million	2021 and earlier	2022	2023	2024	2025	Total
At end of year in which an initial claim was made	154	277	523	634	682	
1 year later	472	265	444	621	—	
2 years later	346	266	455	—	—	
3 years later	358	285	—	—	—	
4 years later	390	—	—	—	—	
Cumulative gross claims and other directly attributable expenses paid	(378)	(273)	(443)	(595)	(516)	(2 205)
Total undiscounted claims	12	12	12	26	166	228
Effect of discounting						(7)
Effect of risk adjustment for non-financial risk						22
Closing balance of liability for incurred claims						243

Gross of reinsurance R million	2020 and earlier*	2021*	2022*	2023*	2024*	Total*
At end of year in which an initial claim was made	114	40	277	523	634	
1 year later	201	183	265	444	—	
2 years later	165	182	266	—	—	
3 years later	168	190	—	—	—	
4 years later	173	—	—	—	—	
Cumulative gross claims and other directly attributable expenses paid	(176)	(192)	(260)	(418)	(437)	(1 483)
Total undiscounted claims	(3)	(2)	4	28	197	224
Effect of discounting						(13)
Effect of risk adjustment for non-financial risk						21
Closing balance of liability for incurred claims						232

The gross claims development information that was previously disclosed in the prior year financial statements is as follows:

Gross of reinsurance R million	2020 and earlier	2021	2022	2023	2024	Total
At end of year in which an initial claim was made	114	40	134	259	380	
1 year later	201	137	307	502		
2 years later	120	133	284			
3 years later	125	140				
4 years later	133					
Cumulative gross claims and other directly attributable expenses paid	(137)	(139)	(271)	(456)	(213)	(1 216)
Total undiscounted claims	(4)	1	13	46	168	224
Effect of discounting						(13)
Effect of risk adjustment for non-financial risk						21
Closing balance of liability for incurred claims						232

* Restated. The amounts as previously reported were on a calendar year basis. The group has elected to change the claims development basis to report amounts based on underwriting years.

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.6 Insurance risk continued

The table below compares actual claims payments with previous estimates of the undiscounted amounts of the claims, taking into account reinsurance contracts held.

Net of reinsurance R million	2021 and earlier	2022	2023	2024	2025	Total
At end of year in which an initial claim was made	154	209	290	303	326	
1 year later	451	200	249	334	—	
2 years later	326	201	255	—	—	
3 years later	338	220	—	—	—	
4 years later	368	—	—	—	—	
Cumulative net claims and other directly attributable expenses paid	(357)	(208)	(243)	(318)	(282)	(1 408)
Total undiscounted claims	11	12	12	16	44	95
Effect of discounting						(7)
Effect of risk adjustment for non-financial risk						13
Closing balance of net liability for incurred claims						101

Net of reinsurance R million	2020 and earlier	2021	2022	2023	2024	Total
At end of year in which an initial claim was made	114	40	209	290	303	—
1 year later	201	171	200	249	—	—
2 years later	155	171	201	—	—	—
3 years later	159	180	—	—	—	—
4 years later	163	—	—	—	—	—
Cumulative net claims and other directly attributable expenses paid	(166)	(181)	(196)	(223)	(217)	(983)
Total undiscounted claims	(3)	(1)	5	26	86	113
Effect of discounting						9
Effect of risk adjustment for non-financial risk						11
Closing balance of net liability for incurred claims						133

All insurance products

Credit risk of reinsurers

The table below outlines the maximum exposure to credit risk and the credit ratings of reinsurers for reinsurance contracts held that are in an asset position based on international ratings. Where the reinsurers have no international ratings, the rating of the parent companies, which have provided guarantees, is provided instead.

R million	2025	2024
Rating		
AAA to A-	553	500
BBB to B-	16	9
Total reinsurance contracts assets	569	509

Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.6 Insurance risk continued

Maturity analysis of insurance and reinsurance contract liabilities

The amounts below represent the estimated amount and timing of the remaining contractual discounted cash inflows/(outflows) arising from insurance and reinsurance contract liabilities. Liabilities for remaining coverage that are measured under the PAA are excluded from the analysis.

R million	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Between 5 and 10 years*	After 10 years*	Total
2025								
Insurance contract liabilities	(323)	(38)	(16)	(10)	(6)	(12)	33	(372)
Reinsurance contract liabilities	(36)	(16)	(9)	(4)	—	(1)	(10)	(76)
Total	(359)	(54)	(25)	(14)	(6)	(13)	23	(448)
2024								
Insurance contract liabilities	(272)	8	17	24	27	150	841	795
Reinsurance contract liabilities	(36)	(17)	(12)	(7)	(4)	(19)	15	(80)
Total	(308)	(9)	5	17	23	131	856	715

* The prior year balance for the "More than 5 years" category has been disaggregated to "Between 5 and 10 years" and "More than 10 years" in the current period to provide more relevant information.

There are no insurance and reinsurance contract liabilities that are payable on demand.

Sensitivities

The following tables present information on how reasonably possible changes in assumptions made by the group with regard to underwriting risk variables and market risk variables impact product line insurance liabilities, and profit or loss, and equity before and after risk mitigation by reinsurance contracts held. The risk variables accounted for represent the components the balance sheet and risk management are most sensitive to. The analysis is based on a change in an assumption while holding all other assumptions constant.

R million	2025			2024		
	Impact on CSM	Impact on profit before tax	Pre-tax impact on equity	Impact on CSM	Impact on profit before tax	Pre-tax impact on equity
Insurance contracts issued						
5% increase in mortality	390	(168)	(261)	385	(196)	(199)
5% increase in lapse rate	235	(11)	(38)	204	—	(18)
5% increase in servicing costs*	91	(43)	(53)			
1% increase in interest rates	98	(31)	(265)	116	(54)	(234)
1% decrease in interest rates	(98)	31	265	(116)	54	234
Reinsurance contracts held						
5% increase in mortality	(38)	43	51	(29)	57	57
5% increase in lapse rate	(1)	(1)	(1)	(5)	(4)	(4)
5% increase in servicing costs*	8	8	8			
1% increase in interest rates	13	(4)	(6)	14	7	7
1% decrease in interest rates	(13)	4	6	(14)	(7)	(7)

* A sensitivity for servicing costs was added in the current year.

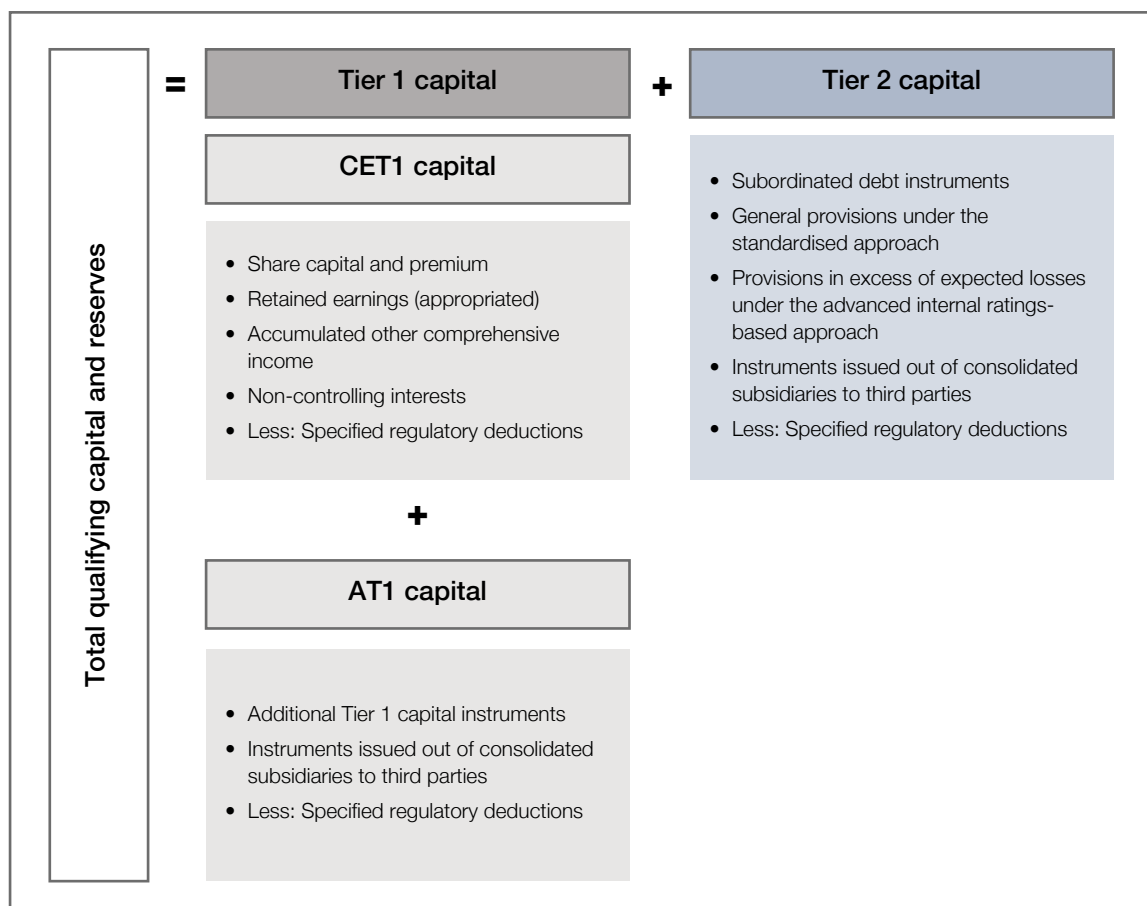
Notes to the consolidated financial statements

38 Financial and insurance risks continued

38.7 Capital management

The capital planning process ensures that the CET1, Tier 1 and total capital adequacy ratios remain within or above target ranges and regulatory minimums across economic and business cycles. Capital is managed on a forward-looking basis and the group remains appropriately capitalised under a range of normal and severe stress scenarios. The group aims to back all economic risk with loss-absorbing capital and remains well capitalised in the current environment. The group continues to focus on the quality and mix of capital, as well as optimisation of the group's RWA. The group's capital ratios remain strong and above the regulatory minimums and internal targets. The board-approved internal targets are CET1 of 11.5% – 12.5% (2024: 11.0% – 12.0%), Tier 1 of >13.25% (2024: >12.0%) and total capital of >15.5% (2024: >14.75%).

The following diagram defines the main components of qualifying capital and reserves.



Capital adequacy for the group's regulated subsidiaries and foreign branches

The group's registered banking subsidiaries and foreign branches must comply with PA regulations and those of their respective in-country regulators, with primary focus placed on Tier 1 capital and total capital adequacy ratios. The group's approach is that all entities must be adequately capitalised on a standalone basis.

Adequate controls and processes are in place to ensure that each entity is adequately capitalised to meet in-country regulatory and economic capital requirements. Based on the outcome of detailed stress testing, each entity targets a capital level in excess of in-country regulatory minimums.

Capital generated by subsidiaries in excess of targeted levels is returned to FirstRand, usually in the form of dividends, unless retained for organic or inorganic growth. No restrictions were experienced on the repayment of dividends during the year under review.

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38 Financial and insurance risks continued

Capital management for insurance entities

The overall objective of capital management is to actively manage the structure of the group's insurance entities' capital base to ensure that it remains cost-effective and creates value for the group's shareholders. The group aims to fulfil the requirements of its stakeholders (including policyholder interests) whilst still maintaining an efficient and optimal capital structure with limited excesses which will support organic growth requirements.

The Solvency Assessment and Management (SAM) framework requires South African insurers to maintain a minimum regulatory capital, also known as the Solvency Capital Requirement (SCR). The SCR is set at a level that ensures that insurance entities can meet their obligations to policyholders over the next 12 months with a 99.5% probability. The SCR is determined using the Financial Soundness Standards for Insurers determined by the PA. The target SCR for the group's insurance entities is above the minimum SCR in terms of SAM as it includes a buffer above the minimum requirement. For entities outside South Africa, the minimum capital requirements are set with reference to relevant local regulatory requirements.

Notes to the consolidated financial statements

39 Disclosure of comparative information

39.1 Directors emolument

			Units					
Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year ¹	Number of awards settled in year	Number of awards forfeited in year	Closing number of awards ^{2,3} 30 Jun 2024	Value on settlement in 2024 ⁴ R thousand
AP Pullinger								
Deferred share price linked STI awards								
2020 (3-year deferral)	September 2020	September 2023	48 738	–	(48 738)	–	–	3 477
2021 (2-year deferral)	September 2021	September 2023	81 658	–	(81 658)	–	–	5 922
2022 (2-year deferral)	September 2022	September 2024	95 234	–	–	–	95 234	–
2023 (2-year deferral)	September 2023	September 2025	99 844	–	–	–	99 844	–
2024 (2-year deferral)	September 2024	September 2026	–	–	–	–	–	–
Balance deferred share price linked STIs	28 132		325 474	–	(130 396)	–	195 078	9 399
LTI awards under the CIP								
2020	September 2020	September 2023	611 621	–	(611 621)	–	–	47 604
2021	September 2021	September 2024	403 156	–	–	–	403 156	–
2022	September 2022	September 2025	424 137	–	–	–	424 137	–
2023	September 2023	September 2026	–	431 699	–	–	431 699	–
Balance LTIs	103 170		1 438 914	431 699	(611 621)	–	1 258 992	47 604
LTI awards under the Covid-19 scheme⁵								
2020	September 2020	September 2023	163 719	–	(163 719)	–	–	10 619
Balance Covid-19 award	6 425		163 719	–	(163 719)	–	–	10 619
M Vilakazi								
Deferred share price linked STI awards								
2020 (3-year deferral)	September 2020	September 2023	25 802	–	(25 802)	–	–	1 841
2021 (2-year deferral)	September 2021	September 2023	53 965	–	(53 965)	–	–	3 914
2022 (2-year deferral)	September 2022	September 2024	70 977	–	–	–	70 977	–
2023 (2-year deferral)	September 2023	September 2025	75 737	–	–	–	75 737	–
2024 (2-year deferral)	September 2024	September 2026	–	–	–	–	–	–
Balance deferred share price linked STIs	19 931		226 481	–	(79 767)	–	146 714	5 755
LTI awards under the CIP								
2020	September 2020	September 2023	285 015	–	(285 015)	–	–	22 183
2021	September 2021	September 2024	227 221	–	–	–	227 221	–
2022	September 2022	September 2025	243 557	–	–	–	243 557	–
2023	September 2023	September 2026	–	255 936	–	–	255 936	–
Balance LTIs	56 904		755 793	255 936	(285 015)	–	726 714	22 183
LTI awards under the Covid-19 scheme⁵								
2020	September 2020	September 2023	141 331	–	(141 331)	–	–	9 167
Balance Covid-19 award	5 546		141 331	–	(141 331)	–	–	9 167

Notes to the consolidated financial statements

39.1 Directors emolument continued

				Units					
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year ¹	Number of awards settled in year	Number of awards forfeited in year	Closing number of awards ^{2,3} 30 Jun 2024	Value on settlement in 2024 ⁴ R thousand
MG Davias									
Deferred share price linked STI awards									
2021 (2-year deferral)	September 2021	2 400	September 2023	38 952	–	(38 952)	–	–	2 825
2022 (2-year deferral)	September 2022	3 250	September 2024	52 352	–	–	–	52 352	–
2023 (2-year deferral)	September 2023	3 640	September 2025	56 121	–	–	–	56 121	–
2024 (2-year deferral)	September 2024	4 880	September 2026	–	–	–	–	–	–
Balance deferred share price linked STIs		14 170		147 425	–	(38 952)	–	108 473	2 825
LTI awards under the CIP									
2020	September 2020	6 000	September 2023	152 905	–	(152 905)	–	–	11 901
2021	September 2021	6 500	September 2024	105 496	–	–	–	105 496	–
2022	September 2022	6 890	September 2025	110 986	–	–	–	110 986	–
2023	September 2023	7 441	September 2026	–	114 727	–	–	114 727	–
Balance LTIs		26 831		369 387	114 727	(152 905)	–	331 209	11 901
LTI awards under the Covid-19 scheme⁵									
2020	September 2020	2 008	September 2023	51 180	–	(51 180)	–	–	3 320
Balance Covid-19 award		2 008		51 180	–	(51 180)	–	–	3 320
HS Kellan									
Deferred share price linked STI awards									
2020 (3-year deferral)	September 2020	1 150	September 2023	29 306	–	(29 306)	–	–	2 091
2021 (2-year deferral)	September 2021	3 750	September 2023	60 863	–	(60 863)	–	–	4 414
2022 (2-year deferral)	September 2022	4 838	September 2024	77 924	–	–	–	77 924	–
2023 (2-year deferral)	September 2023	5 362	September 2025	82 678	–	–	–	82 678	–
2024 (2-year deferral)	September 2024	6 335	September 2026	–	–	–	–	–	–
Balance deferred share price linked STIs		21 435		250 771	–	(90 169)	–	160 602	6 505
LTI awards under the CIP									
2020	September 2020	13 950	September 2023	355 530	–	(355 530)	–	–	27 672
2021	September 2021	16 000	September 2024	259 682	–	–	–	259 682	–
2022	September 2022	16 960	September 2025	273 196	–	–	–	273 196	–
2023	September 2023	18 317	September 2026	–	282 405	–	–	282 405	–
Balance LTIs		65 227		888 408	282 405	(355 530)	–	815 283	27 672
LTI awards under the Covid-19 scheme⁵									
2020	September 2020	4 240	September 2023	108 053	–	(108 053)	–	–	7 008
Balance Covid-19 award		4 240		108 053	–	(108 053)	–	–	7 008

Notes to the consolidated financial statements

39.1 Directors emolument continued

				Units					
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year ¹	Number of awards settled in year	Number of awards forfeited in year	Closing number of awards ^{2,3} 30 Jun 2024	Value on settlement in 2024 ⁴ R thousand
J Celliers									
Deferred share price linked STI awards									
2020 (3-year deferral)	September 2020	2 075	September 2023	52 880	–	(52 880)	–	–	3 773
2021 (2-year deferral)	September 2021	5 850	September 2023	94 946	–	(94 946)	–	–	6 886
2022 (2-year deferral)	September 2022	7 357	September 2024	118 508	–	–	–	118 508	–
2023 (2-year deferral)	September 2023	8 109	September 2025	125 025	–	–	–	125 025	–
2024 (2-year deferral)	September 2024	8 217	September 2026	–	–	–	–	–	–
Balance deferred share price linked STIs		31 608		391 359	–	(147 826)	–	243 533	10 659
LTI awards under the CIP									
2020	September 2020	16 100	September 2023	410 296	–	(410 296)	–	–	31 934
2021	September 2021	16 664	September 2024	270 458	–	–	–	270 458	–
2022	September 2022	17 663	September 2025	284 534	–	–	–	284 534	–
2023	September 2023	18 918	September 2026	–	291 674	–	–	291 674	–
Balance LTIs		69 345		965 288	291 674	(410 296)	–	846 666	31 934
LTI awards under the Covid-19 scheme⁵									
2020	September 2020	5 003	September 2023	127 484	–	(127 484)	–	–	8 269
Balance Covid-19 award		5 003		127 484	–	(127 484)	–	–	8 269
E Brown									
Deferred share price linked STI awards									
2021 (2-year deferral)	September 2021	6 350	September 2023	103 061	–	(103 061)	–	–	7 475
2022 (2-year deferral)	September 2022	8 375	September 2024	134 907	–	–	–	134 907	–
2023 (2-year deferral)	September 2023	8 550	September 2025	131 822	–	–	–	131 822	–
2024 (2-year deferral)	September 2024	9 045	September 2026	–	–	–	–	–	–
Balance deferred share price linked STIs		32 320		369 790	–	(103 061)	–	266 729	7 475
LTI awards under the CIP									
2020	September 2020	8 000	September 2023	203 874	–	(203 874)	–	–	15 868
2021	September 2021	8 400	September 2024	136 333	–	–	–	136 333	–
2022	September 2022	12 500	September 2025	201 353	–	–	–	201 353	–
2023	September 2023	13 750	September 2026	–	211 995	–	–	211 995	–
Balance LTIs		42 650		541 560	211 995	(203 874)	–	549 681	15 868
LTI awards under the Covid-19 scheme⁵									
2020	September 2020	1 175	September 2023	29 944	–	(29 944)	–	–	1 942
Balance Covid-19 award		1 175		29 944	–	(29 944)	–	–	1 942

Notes to the consolidated financial statements

39.1 Directors emolument continued

					Units ⁸				
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year ¹	Number of awards settled in year	Number of awards forfeited in year	Closing number of awards ^{2,3} 30 Jun 2024	Value on settlement in 2024 ⁴ R thousand
S Cooper (£ thousand)									
Deferred share price linked STI awards⁶									
2021 (3-year deferral)	September 2021	32	September 2022-2024	–	–	–	–	–	11
2022 (7-year deferral)	September 2022	434	September 2023-2030	–	–	–	–	–	288
2023 (7-year deferral)	September 2023	581	September 2024-2031	–	–	–	–	–	–
2024 (7-year deferral)	September 2024	566	September 2025-2032	–	–	–	–	–	–
Balance deferred share price linked STIs		1 613		–	–	–	–	–	299
LTI awards under the CIP⁷									
2021	September 2021	542	September 2024	–	–	–	–	–	–
2022	September 2022	282	September 2025-2030	–	–	–	–	–	–
2023	September 2023	282	September 2026-2031	–	–	–	–	–	–
Balance LTIs		1 106		–	–	–	–	–	–

1 FirstRand share price linked schemes are determined on monetary value and not on the number of shares. The allocation of deferred share price linked STI awards is determined after year end, using the average three-day volume-weighted average price (VWAP) eight days after the results announcement. This means that the number of deferred share price linked STI award units allocated in 2024 is only calculated after the annual financial statements are issued.

2 Deferred share price linked STI awards vesting depends on continued employment as well as personal and business unit performance requirements as well as personal and business unit performance requirements over two years. Previously vesting was split equally over two and three years for the executive directors and prescribed officers (2019 and 2020).

3 FirstRand does not apply graded vesting to LTI awards allocated before September 2019, with awards thereafter having graded vesting. For these incentive schemes, LTI vesting depends on performance conditions and targets being met on a cumulative basis over three years as well as continued employment. For the unvested awards the assumption is 100% vesting up until the final remuneration committee decision, given the current environment and uncertainty in quantifying the probability of vesting. For information purposes, the maximum possible value of the unvested awards as at June 2024 is the market value of the total number of shares at R76.90 per share on the last trading day of the financial year (30 June 2024).

4 The values at settlement date include share price growth and interest earned (deferred share price linked STI awards) from grant date.

5 The Covid-19 retention instrument was awarded in September 2020. The value was converted to share price linked instruments on the award date and will vest in equal proportions (tranches) over three years (September 2021, 2022 and 2023) if the performance conditions are met. The third and final tranche of the Covid-19 instrument vested and was settled in September 2023, with the performance conditions being tested as at June 2024 (clawback was not applied, as the Covid-19 award performance conditions were met).

6 The Aldermore performance-related STI share price linked component is released in equal annual tranches over the deferral period required by CRD V regulations, 2022 and 2023 have been restated to only reflect equity linked deferrals.

7 Aldermore incentive awards are not convertible into units.

Notes to the consolidated financial statements

39.2 Quality of credit assets and Credit risk mitigation and collateral held

This note includes prior year reported disclosures relating to quality of credit assets and credit risk mitigation and collateral held, that are impacted by the restatement of financial and other guarantees (off-balance sheet exposures). Refer to notes 38.1.2, 38.1.4 and 38.2.1

39.2.1 Quality of credit assets (previously reported)

30 June 2024

R million	Retail secured		Retail unsecured		Corporate and commercial					UK operations			Total
	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Retail	Commercial	
Total on-balance sheet	272 363	113 044	41 374	53 286	7 314	129 844	60 218	507 793	80 762	39 910	274 339	85 459	1 665 706
FirstRand rating 1-25 on-balance sheet	104 305	–	462	208	303	–	10 157	151 405	2 882	6 920	90 979	11 014	378 635
– Stage 1	104 109	–	462	50	303	–	10 147	151 405	2 871	6 920	90 975	10 853	378 095
– Stage 2	196	–	–	158	–	–	10	–	11	–	4	161	540
– Stage 3	–	–	–	–	–	–	–	–	–	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 on-balance sheet	140 586	102 504	34 045	36 270	5 452	122 616	48 432	349 627	69 959	32 345	166 568	69 212	1 177 616
– Stage 1	127 518	93 129	32 209	33 955	5 319	116 095	44 906	325 289	65 986	32 345	161 370	61 869	1 099 990
– Stage 2	13 068	9 375	1 836	2 315	124	6 466	3 526	23 711	3 970	–	5 198	7 343	76 932
– Stage 3	–	–	–	–	9	55	–	627	3	–	–	–	694
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 on-balance sheet	27 472	10 540	6 867	16 808	1 559	7 228	1 629	6 761	7 921	645	16 792	5 233	109 455
– Stage 1	264	147	440	1 340	93	115	215	–	889	–	873	540	4 916
– Stage 2	8 985	3 177	1 194	6 460	460	2 435	305	2 734	3 090	12	5 721	2 820	37 393
– Stage 3	18 223	7 216	5 233	9 008	1 006	4 678	1 109	3 187	3 942	633	10 198	1 873	66 306
– Purchased or originated credit impaired	–	–	–	–	–	–	–	840	–	–	–	–	840
Total off-balance sheet	46 988	–	–	–	412	14 031	2 766	166 957	12 266	35 747	8 642	2 375	290 184
FirstRand rating 1-25 off-balance sheet	43 794	–	–	–	66	–	2 766	75 451	3 572	–	–	–	125 649
– Stage 1	43 788	–	–	–	66	–	2 766	75 451	3 572	–	–	–	125 643
– Stage 2	6	–	–	–	–	–	–	–	–	–	–	–	6
– Stage 3	–	–	–	–	–	–	–	–	–	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 off-balance sheet	3 169	–	–	–	343	13 919	–	90 086	8 294	35 747	8 642	2 375	162 575
– Stage 1	3 121	–	–	–	343	13 694	–	88 625	7 662	35 747	8 642	2 375	160 209
– Stage 2	48	–	–	–	–	224	–	1 461	632	–	–	–	2 365
– Stage 3	–	–	–	–	–	1	–	–	–	–	–	–	1
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 off-balance sheet	25	–	–	–	3	112	–	1 420	400	–	–	–	1 960
– Stage 1	2	–	–	–	3	7	–	609	360	–	–	–	981
– Stage 2	9	–	–	–	–	51	–	729	18	–	–	–	807
– Stage 3	14	–	–	–	–	54	–	82	22	–	–	–	172
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
Total exposure	319 351	113 044	41 374	53 286	7 726	143 875	62 984	674 750	93 028	75 657	282 981	87 834	1 955 890
– Stage 1	278 802	93 276	33 111	35 345	6 127	129 911	58 034	641 379	81 340	75 012	261 860	75 637	1 769 834
– Stage 2	22 312	12 552	3 030	8 933	584	9 176	3 841	28 635	7 721	12	10 923	10 324	118 043
– Stage 3	18 237	7 216	5 233	9 008	1 015	4 788	1 109	3 896	3 967	633	10 198	1 873	67 173
– Purchased or originated credit impaired	–	–	–	–	–	–	–	840	–	–	–	–	840

Notes to the consolidated financial statements

39.2 Quality of credit assets and Credit risk mitigation and collateral held

39.2.2 Credit risk mitigation and collateral held (previously reported)

	2024						
R million	Gross carrying amount	Off-balance sheet exposure	Loss allowance	Maximum exposure to credit risk	Netting and financial collateral	Unsecured	Secured*
Residential mortgages	272 363	46 988	(5 451)	313 900	1 686	68	312 146
WesBank VAF	113 044	–	(6 259)	106 785	–	–	106 785
FNB card	41 374	–	(5 705)	35 669	–	35 669	–
Personal loans	53 286	–	(10 243)	43 043	–	43 043	–
Retail other	7 314	412	(1 327)	6 399	388	3 775	2 236
FNB commercial	129 844	14 031	(5 077)	138 798	7 353	22 081	109 364
WesBank corporate and commercial	60 218	2 766	(916)	62 068	–	69	61 999
RMB corporate and investment banking	507 793	166 957	(7 032)	667 718	2 107	141 329	524 282
Broader Africa	80 762	12 266	(4 125)	88 903	3 849	30 389	54 665
Centre (including Group Treasury)	39 910	35 747	(884)	74 773	–	64 932	9 841
UK operations	359 798	11 017	(7 146)	363 669	–	8 701	354 968
– Retail	274 339	8 642	(5 473)	277 508	–	–	277 508
– Commercial	85 459	2 375	(1 673)	86 161	–	8 701	77 460
Total advances	1 665 706	290 184	(54 165)	1 901 725	15 383	350 056	1 536 286
Investment securities**	411 112	–	(838)	410 274	14 803	385 647	9 824
Cash and cash equivalents	147 798	–	–	147 798	5 123	142 675	–
Collateral, settlement balances and other financial assets	33 997	–	(486)	33 511	15 898	17 538	75
Derivatives	55 284	–	–	55 284	37 506	17 778	–

* Secured represent balances which have non-financial collateral attached to the financial asset.

** Include debt instruments measured at fair value but exclude equity and non-recourse investments.

Notes to the consolidated financial statements

40 Events after balance sheet date

HSBC transaction

On 10 June 2025 FirstRand announced that it received regulatory approval to acquire selected banking assets and liabilities, and employees of HSBC's South Africa branch. The transaction involves the transfer of HSBC South Africa's corporate and multinational portfolio to FirstRand's corporate and investment banking division, Rand Merchant Bank (RMB). This is a major milestone following the announcement on 26 September 2024 of the proposed transaction with HSBC. As part of the transaction FirstRand is required to ensure seamless migration of HSBC's portfolios, and the migration process complexity may affect the completion date.

The acquired assets are expected to mainly consist of loans and advance, while the liabilities assumed will primarily comprise customer deposits. The financial impact of this transaction is currently being assessed.

UK commission provision

The Supreme Court of England and Wales (SC) issued a judgement in respect of the Wrench and Johnson motor finance commission cases on 1 August 2025, which was followed by an announcement from the FCA on 3 August 2025. The group concluded that this represented an adjusting event after the reporting period. Refer to note 25 for more information.

Notes to the consolidated financial statements

Accounting policies

The accounting policies and other methods of computation applied in the preparation of the consolidated financial statements are in terms of IFRS Accounting Standards and are consistent with those applied for the year ended 30 June 2024.

SUMMARY OF MATERIAL ACCOUNTING POLICIES			
1	Subsidiaries, associates and joint arrangements	Consolidation and equity accounting	Related party transactions
2	Income, expenses and taxation	Income and expenses	Taxation
3	Financial instruments	Classification and measurement	Impairment
		Transfers, modifications and derecognition	Offset and collateral
			Derivatives and hedge accounting
4	Other assets and liabilities	Property and equipment	Investment properties
		Commodities	Provisions
		Non-current assets held for sale	Leases
			Intangible assets
5	Capital and reserves	Share capital and treasury shares	Dividends and non-cash distributions
			Other reserves
6	Transactions with employees	Employee liabilities	Share-based payment transactions
7	Non-banking activities	Insurance activities	Investment management activities

Notes to the consolidated financial statements

1. Subsidiaries, associates and joint arrangements

Basis of consolidation and equity accounting

	SUBSIDIARIES AND OTHER STRUCTURED ENTITIES	ASSOCIATES	JOINT VENTURES
Typical shareholding in the assessment of entities that are not structured entities	Greater than 50%	Between 20% and 50%	

When an entity is a structured entity and control of it is not evidenced through shareholding, the group considers the substance of the arrangement and the group's involvement with the structured entity to determine whether the group has control, joint control or significant influence over the significant decisions that impact its relevant activities.

Nature of the relationship between the group and the investee	Entities over which the group has control, as defined in IFRS 10, are consolidated. These include certain investment funds managed by the group, securitisation structures or other entities used for the purpose of buying or selling credit protection.	Entities over which the group has significant influence as defined in IAS 28. These include investment funds not consolidated, but over which the group has significant influence.	A joint arrangement in terms of which the group and the other contracting parties have joint control, as defined in IFRS 11. Joint ventures are those joint arrangements where the group has rights to the net assets of the arrangement.

SEPARATE FINANCIAL STATEMENTS

The company measures investments in the above entities at cost less impairment (in terms of IAS 36), with the exception of investments acquired and held exclusively with the view to dispose of them in the near future (within 12 months). These investments are measured at fair value less cost to sell in terms of IFRS 5.

INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

Interests in unconsolidated structured entities may expose the group to variability in returns from the structured entity. However, because of a lack of power over the structured entity it is not consolidated. Normal customer or supplier relationships, where the group transacts with the structured entity on the same terms as other third parties, are not considered to be interests in the entity. From time to time the group also sponsors the formation of structured entities primarily for the purpose of allowing clients to hold investments, for asset securitisation transactions and for buying and selling credit protection. Where the interest or sponsorship does not result in control, disclosures of these interests or sponsorships are made in the notes in terms of IFRS 12.

COMMON CONTROL TRANSACTION

There is currently no guidance under IFRS Accounting Standards for the accounting treatment of business combinations under common control. In terms of IAS 8, the group developed an accounting policy that requires that business combinations under common control use the predecessor values of the acquiree without the restatement of comparatives. Therefore, any difference between the NAV and the amount paid (i.e. the purchase consideration) is recorded directly in equity.

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation	Equity accounting
Initial recognition in the consolidated financial statements	Subsidiaries acquired are accounted for by applying the acquisition method of accounting to business combinations. The excess (shortage) of the sum of the consideration transferred, the value of non-controlling interest and the fair value of any existing interest over the fair value of identifiable net assets are recognised as goodwill or a gain on bargain purchase, as set out further below. Transaction costs are included in operating expenses within profit or loss, when incurred.	Associates and joint ventures are initially recognised at cost (including goodwill) and subsequently equity accounted. The carrying amount is increased or decreased to recognise the group's share of profit or loss from the investee after the date of acquisition. Items that impact the investee NAV that don't impact OCI are recognised directly in gains less losses from investing activities within NIR.

Notes to the consolidated financial statements

1. Subsidiaries, associates and joint arrangements continued

Basis of consolidation and equity accounting continued

CONSOLIDATED FINANCIAL STATEMENTS		
	Consolidation	Equity accounting
Intercompany transactions and balances	Intercompany transactions are all eliminated on consolidation, including unrealised gains. Unrealised losses on transactions between group entities are also eliminated unless the transaction provides evidence of impairment of the transferred asset, in which case the transferred asset will be tested for impairment in accordance with the group's impairment policies.	Unrealised gains on transactions are eliminated to the extent of the group's interest in the entity. Unrealised losses are also eliminated to the extent of the group's interest in the entity, unless the transaction provides evidence of an impairment of the transferred asset.
Impairment	In the consolidated financial statements either the CGU is tested, i.e. a grouping of assets no higher than an operating segment of the group, or, if the entity is not part of a CGU, the individual assets of the subsidiary and goodwill are tested for impairment in terms of IAS 36.	The entire carrying amount of the investment, including other long-term interests, is tested for impairment. Certain loans and other long-term interests in associates and joint ventures are considered to be, in substance, part of the net investment in the entity when settlement is neither planned nor likely to occur in the foreseeable future. Such items may include preference shares and long-term receivables or loans, but do not include trade receivables or any long-term loans for which adequate collateral exists. These loans and other long-term interests in associates and joint ventures are included in advances and are measured in terms of IFRS 9. The value of such loans after any ECLs raised for IFRS 9 where such loans are measured at amortised cost is, however, included in the carrying amount of the investee for purposes of determining the share of losses of the investee attributable to the group and for impairment testing purposes.
Goodwill	Goodwill on the acquisition of businesses and subsidiaries represents excess consideration transferred and is recognised as an intangible asset at cost less accumulated impairment losses. If this amount is negative, as in the case of a bargain purchase, the difference is immediately recognised in gains less losses from investing activities within NIR. Goodwill is tested annually for impairment by the group in March, or earlier if there are objective indicators of impairment, except balances for Aldermore are tested in June. For subsidiaries acquired between March and June, a goodwill impairment test is performed in June in the year of acquisition and thereafter annually in March. For testing purposes, goodwill is allocated to a suitable CGU.	Notional goodwill on the acquisition of associates and joint ventures is included in the equity accounted carrying amount of the investment. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Notes to the consolidated financial statements

1. Subsidiaries, associates and joint arrangements continued

Basis of consolidation and equity accounting continued

CONSOLIDATED FINANCIAL STATEMENTS		
	Consolidation	Equity accounting
Non-controlling interest	Non-controlling interests in the net assets of subsidiaries are separately identified and presented from the group's equity. All transactions with non-controlling interests which do not result in a loss of control are treated as transactions with equityholders. Partial disposals and increases in effective shareholding between 50% and 100% are treated as transactions with equityholders. Non-controlling interest is initially measured either at the proportional share of net assets or at fair value. The measurement distinction is made by the group on a case-by-case basis.	Transactions with other shareholders are not equity transactions and the effects thereof are recognised in profit or loss as part of gains less losses from investing activities in NIR.

Related party transactions

Related parties of the group, as defined, include:

Subsidiaries	Associates	Joint ventures	Post-employment benefit funds (pension funds)
Entities that have significant influence over the group, and subsidiaries of these entities	KMP	Close family members of KMP	Entities controlled, jointly controlled or significantly influenced by KMP or their close family members

KMP of the group are the FirstRand Limited board of directors and prescribed officers, including any entities which provide KMP services to the group. Their close family members include spouse/domestic partner and dependent children, domestic partner's dependent children and any other dependants of the individual or their domestic partner. Children over the age of 25 are not considered dependants.

Notes to the consolidated financial statements

2. Income, expenses and taxation

NET INTEREST INCOME RECOGNISED IN PROFIT OR LOSS

Interest income is calculated using the effective interest rate, which includes origination fees. The original effective interest rate is applied to:

- the GCA of financial assets which are not credit impaired;
- the amortised cost of financial assets which represents the net carrying amount, from the month after the assets become credit impaired (refer to section 4.2 of the accounting policies);
- modified advances (derecognition not achieved) – the unamortised portion of origination fees and capitalised transaction costs on financial assets are included as part of interest income. The interest income on the modified financial asset (refer to accounting policy 3) is calculated by applying the original effective interest rate to the asset's modified GCA; and
- modified advances (derecognition is achieved) – the unamortised portion of origination fees and capitalised transaction costs on financial assets are included in non-interest revenue as part of the gain/(loss) arising from the disposal of financial assets measured at amortised cost. New fees or costs charged on the new balance which are integral to the new asset recognised are capitalised to the new loan.

Interest income includes:

- interest on financial instruments measured at amortised cost and debt instruments measured at FVOCI, including the effect of qualifying hedges for interest rate risk;
- interest on financial asset debt instruments measured at FVTPL that are held by and managed as part of the group's funding or insurance operations;
- fees and transaction costs that form an integral part of generating an involvement with the resulting financial instrument.

Interest expense includes:

- interest on financial liabilities measured at amortised cost;
- interest on financial liabilities measured at FVTPL that are held by and managed as part of the group's funding or insurance operations;
- interest on capitalised leases where the group is the lessee; and
- the difference between the purchase and resale price in repurchase and reverse repurchase agreements where the related advances or deposit is measured at amortised cost, because the amount is in substance interest.

The total interest expense is reduced by the amount of interest incurred in respect of liabilities used to fund the group's fair value activities. This amount is reported in fair value income within NIR.

Group also presents as part of net interest income, other interest income and other interest and charges similar in nature, which are not calculated on the effective interest rate method.

NON-INTEREST AND FINANCIAL INSTRUMENT REVENUE RECOGNISED IN PROFIT OR LOSS

Non-interest revenue from contracts with customers

Under IFRS 15, where a five-step analysis is required to determine the amount and timing of revenue recognition, the group assesses contracts and determines whether the fees identified in the contract relate to revenue as defined in IFRS 15. The revenue is recognised only if the group can identify the contract and the performance obligation (i.e. the different goods or services) and can determine the transaction price, which is required to be allocated to the identifiable performance obligations.

Unless specifically stated otherwise, the group is the principal in its revenue arrangements as the group controls the goods and services before transferring them to the customer.

Notes to the consolidated financial statements

2. Income, expenses and taxation continued

NON-INTEREST AND FINANCIAL INSTRUMENT REVENUE RECOGNISED IN PROFIT OR LOSS	
Non-interest revenue from contracts with customers	
Fee and commission income	Fees and commissions that form an integral part of the effective interest rate are excluded from fees and commissions from customers. Fee and commission income is earned by the group by providing customers with a range of services and products, and consists of the following main categories: • banking fee and commission income; • knowledge-based fee and commission income; • management, trust and fiduciary fees; • fee and commission income from service providers; and • other non-banking fee and commission income. The bulk of fee and commission income is earned on the execution of a single performance obligation and, as such, it is not necessary to make significant judgements when allocating the transaction price to the performance obligation. As such, fee and commission income, which typically includes transactional banking fees such as bank charges, interchange fees, point-of-sale fees, electronic transaction fees, card commissions, exchange commissions, brokerage income, cash deposit fees and knowledge-based fee and commission income, is recognised at a point in time. Where the distinct performance obligation is satisfied over a period of time, the fees are recognised as follows: • Fees for services rendered are recognised on an accrual basis as the service is rendered and the group's performance obligation is satisfied, e.g. annual card fees and management, trust and fiduciary fees. Commitment fees for unutilised funds made available to customers in the past are recognised as revenue at the end of the contract period. Commitment fees paid upfront for a future facility, where it is not probable that a specific lending arrangement will be entered into by the group, are recognised as revenue on a straight-line basis over the period for which the funds are promised to be kept available. Other non-banking fee and commission income relates to fees and commissions earned for rendering services to customers other than those related to the banking, insurance and asset management operations. This includes fee and commission income earned from providing services on behalf of third-party service providers, in effect acting as an agent. The revenue is recognised at a point in time and includes commission earned from the sale of prepaid airtime, data vouchers and electricity, and traffic fines paid through FNB channels, as well as insurance commission. The group operates a customer loyalty programme, known as eBucks, in terms of which it undertakes to provide reward credits to qualifying customers to buy goods and services, which results in the recognition of a performance obligation which the group needs to fulfil. The supplier of the goods or services to be acquired by customers can either be the group or an external third party. The group recognises a contract liability referred to as the customer loyalty programme liability, which represents the deferred amount of revenue resulting from providing these reward credits to customers. The amount deferred is equal to the maximum cash flow that could be required in order to settle the liability with the customer, as the supplier of goods and services could either be the bank itself or independent third parties. The deferred revenue in respect of which the eBucks liability is raised is recognised in the period in which the customer utilises their reward credits. When the group is acting as an agent, amounts collected and incurred on behalf of the principal are not recognised on a gross basis. Only the net commission retained by the group is recognised in fee and commission income.

Notes to the consolidated financial statements

2. Income, expenses and taxation continued

NON-INTEREST AND FINANCIAL INSTRUMENT REVENUE RECOGNISED IN PROFIT OR LOSS	
Non-interest revenue from contracts with customers	
Fee and commission expenses	Fee and commission expenses are those that are incremental and directly attributable to the generation of fee and commission income and are recognised as part of fee and commission income. These include transaction and service fees, which are expensed as the services are received. Expenses relating to the provision of the customer loyalty reward credits are recognised as fee and commission expenses as they are incurred.
Insurance income – non-risk-related	Commission is earned on the sale of insurance products to customers of the group on behalf of an insurer. Brokerage fees are received for services rendered in the group's capacity as an insurance broker. Participation agreements arise when the group provides a service to third-party insurance providers by facilitating additional sales of their products, for which the group then earns a commission in the form of a share in the profits of the insurance products sold by third-party insurers. Where the group is acting as an agent, commissions and brokerage earned on the sale of insurance products to customers of the group on behalf of an insurer are recognised at the point that the significant obligation has been fulfilled. Variable consideration income earned from participation agreements is dependent on the performance of insurance products sold by third-party insurers. To the extent that the group assesses that it is not highly probable that a significant reversal of revenue will not occur, the group constrains the recognition of revenue recognised from the participation agreements. In this instance, the group will only recognise the revenue once the uncertainty associated with the variable consideration is resolved, i.e. the point at which the amount of profits are earned are concluded upon and communicated to the group by the third parties.
Other non-interest revenue	The group, through its various operating businesses and subsidiaries, sells value-added products, services and goods to customers. Revenue is recognised from products sold by the eBucks online store at a point in time when control of the goods transfers to the customer. For telecommunication products and services which consist of smart devices, as well as data, airtime contracts and bundled products (network services), revenue is recognised at a point in time when the smart device has been delivered to the customer, whereas revenue from SIM services are recognised over time, as and when the service is consumed by the customer (i.e. over the contract term).
Fair value gains or losses and foreign exchange gains or losses	
Fair value gains or losses of the group recognised in NIR include the following: • fair value adjustments and interest on financial instruments at FVTPL, including derivative instruments that do not qualify for hedge accounting; • fair value adjustments that are not related to credit risk on advances designated at FVTPL; • a component of interest expense that relates to interest paid on liabilities which fund the group's fair value operations. Interest expense is reduced by the amount that is included in fair value income; • fair value adjustment on financial instruments designated at FVTPL in order to eliminate an accounting mismatch, except for such instruments relating to the group's insurance and funding operations, for which the interest component is recognised in NII. The change in the fair value of a financial liability designated at FVTPL attributable to changes in its credit risk is presented in OCI, unless this would cause or enlarge an accounting mismatch in profit or loss. The total fair value adjustment on policyholder liabilities and non-recourse liabilities (including movements due to changes in credit risk) is included in profit or loss, since the fair value movements on these liabilities are directly linked to fair value movements on the underlying assets; • ordinary and preference dividends on equity instruments at FVTPL; • any difference between the carrying amount of the liability and the consideration paid, when the group repurchases debt instruments that it has issued; • fair value gains or losses on policyholder liabilities under investment contracts; • fair value gains or losses on commodities acquired for short-term trading purposes, including commodities acquired with the intention of reselling in the short term, or if they form part of the trading operations of the group and certain commodities subject to option agreements whereby the counterparty may acquire the commodity at a future date where the risks and rewards of ownership are deemed to have transferred to the group in terms of IFRS 15; and • ineffectiveness gain or loss arising from fair value and cash flow hedges.	

Notes to the consolidated financial statements

2. Income, expenses and taxation continued

NON-INTEREST AND FINANCIAL INSTRUMENT REVENUE RECOGNISED IN PROFIT OR LOSS	
Gains less losses from investing activities	
The following items are included in gains less losses from investing activities: • any gains or losses on disposals of investments in subsidiaries, associates and joint ventures; • any gains or losses on the sale of financial assets measured at amortised cost; • impairments and reversal of impairments of investment securities measured at amortised cost, and debt instruments measured at FVOCI; • any amounts recycled from OCI in respect of debt instruments measured at FVOCI; • dividend income on any equity instruments that are considered long-term investments of the group, including non-trading equity instruments measured at FVOCI; and • fair value gains or losses on investment property held at FVTPL.	
Dividend income	
The group recognises dividend income when the group's right to receive payment is established. This falls on the last day to trade for listed shares and on the date of declaration for unlisted shares. Dividend income includes scrip dividends, irrespective of whether there is an option to receive cash instead of shares, except to the extent that the scrip dividend is viewed as a bonus issue with no cash alternative and the transaction lacks economic significance.	
EXPENSES	
Expenses of the group, apart from certain fee and commission expenses included in net fee and commission income, are recognised and measured in terms of the accrual principle and presented as operating expenses in profit or loss.	
Indirect tax expense	Indirect tax includes other taxes paid to central and local governments and also includes value-added tax and securities transfer tax. Indirect tax is disclosed separately from income tax and operating expenses in the income statement.
CURRENT INCOME TAX	
The current income tax expense is calculated by adjusting the net profit for the year for items that are non-taxable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the reporting date, in each particular jurisdiction within which the group operates. Current income tax arising from distributions made on other equity instruments is recognised in the income statement as the distributions are made from retained earnings arising from profits previously recognised in the income statement.	
DEFERRED INCOME TAX	
Recognition	On temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.
Typical temporary differences for which deferred tax is provided	• Provision for loan impairment. • Instalment credit assets. • Revaluation (including ECL movements) of certain financial assets and liabilities, including derivative contracts. • Provisions for pensions and other post-retirement benefits. • SBP liabilities. • Investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the difference will not reverse in the foreseeable future. • Cash flow hedges.
Measurement	The liability method under IAS 12 is used, which means applying tax rates and laws applicable at the reporting date, which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. For temporary differences arising from the fair value adjustments on investment properties and investment securities, deferred income tax is provided at the rate that would apply to the sale of the assets, i.e. the capital gains tax rate.

Notes to the consolidated financial statements

2. Income, expenses and taxation continued

DEFERRED INCOME TAX	
Presentation	Deferred income tax is presented in profit or loss unless it relates to items recognised directly in equity or OCI. Items recognised directly in equity or OCI relate to: • the issuance or buy-back of share capital; • fair value remeasurement of financial assets measured at FVOCI; • remeasurements of defined benefit post-employment plans; and • derivatives designated as hedging instruments in effective cash flow hedge relationships. Tax in respect of share transactions is recognised directly in equity. Tax in respect of the other items is recognised directly in OCI and subsequently reclassified to profit or loss (where applicable) at the same time as the related gain or loss.
Deferred tax assets	The group recognises deferred income tax assets only if it is probable that future taxable income will be available, against which the unused tax losses can be utilised, based on management's review of the budget and forecast information. The group reviews the carrying amount of deferred income tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.
Substantively enacted tax rates	Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current and deferred tax assets and liabilities are usually measured using the tax rates (and tax laws) that have been enacted. However, in some jurisdictions, announcements of tax rates (and tax laws) by the government have the substantive effect of actual enactment, which may follow the announcement by a period of several months. In these circumstances, tax assets and liabilities are measured using the announced tax rate (and tax laws).

3 Financial instruments

CLASSIFICATION AND INITIAL MEASUREMENT OF FINANCIAL ASSETS

The group recognises purchases and sale of financial instruments that require delivery within the time frame established by regulation or market convention (regular way purchases and sales) at settlement date, which is the date the asset is delivered or received.

All financial instruments are initially measured at fair value including transaction costs, except for those classified as FVTPL, in which case the transaction costs are expensed upfront in profit or loss, usually as part of operating expenses. Any upfront income earned on financial instruments is recognised as detailed under accounting policy 2, depending on the underlying nature of the income.

Immediately after initial recognition, an ECL allowance is recognised for newly originated financial assets measured at amortised cost or FVOCI debt instruments.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

Management determines the classification of its financial assets at initial recognition, based on:

- the group's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Notes to the consolidated financial statements

3. Financial instruments continued

BUSINESS MODEL

The group distinguishes three main business models for managing financial assets:

- holding financial assets to collect contractual cash flows;
- managing financial assets and liabilities on a fair value basis or selling financial assets; and
- a mixed business model of collecting contractual cash flows and selling financial assets.

The business model assessment is not performed on an instrument-by-instrument basis, but at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment is done for each legal reporting entity at a franchise level at least, although franchises will perform the assessment on a portfolio or sub-portfolio level, depending on the manner in which groups of financial assets are managed in each franchise.

The main consideration in determining the different business models across the group is whether the objectives of the business model are met primarily through holding the financial assets to collect contractual cash flows, through the sale of these financial assets, by managing assets and liabilities on a fair value basis, or through a combination of these activities.

In considering whether the business objective of holding a group of financial assets is achieved primarily through collecting contractual cash flows, among other considerations, management monitors the frequency and significance of sales of financial assets out of these portfolios for purposes other than managing credit risk. For the purposes of performing the business model assessment, the group only considers a transaction a sale if the asset is derecognised for accounting purposes. For example, a repurchase transaction where a financial asset is sold with the commitment to buy back the asset at a fixed price at a future date is not considered a sale transaction, because substantially all the risks and rewards relating to the ownership of the asset have not been transferred and the asset is not derecognised from an accounting perspective.

If sales of financial assets are infrequent, the significance of these sales is considered by comparing the carrying amount of assets sold during the period and cumulatively to the total carrying amount of assets held in the business model. If sales are either infrequent or insignificant, these sales will not impact the conclusion that the business model for holding financial assets is to collect contractual cash flows. In addition, where the issuer initiates a repurchase of the financial assets which was not anticipated in the terms of the financial asset, the repurchase is not seen as a sale for the purposes of assessing the business model of that group of financial assets.

Determining whether sales are significant or frequent requires management to use its judgement. The significance and frequency of sales are assessed on a case-by-case basis at the business model level. The frequency is assessed on an annual basis and sales of assets that take place once or less per annum are considered to be infrequent. If sales take place more than once per annum it doesn't mean that the business models are not to collect contractual cash flows, but rather that the reasons for the sales need to be more carefully considered. Management will consider both the volume and number of sales relative to the total assets in the business model to determine whether they are significant.

A change in business model only occurs on the rare occasions that the group changes the way in which it manages financial assets. Any change in business models would result in a reclassification of the relevant financial assets from the start of the next reporting period.

Notes to the consolidated financial statements

3. Financial instruments continued

CASH FLOW CHARACTERISTICS

In order for a debt instrument to be measured at amortised cost or FVOCI, the cash flows on the asset have to be solely payments of principal and interest (SPPI), i.e. consistent with those of a basic lending agreement.

The SPPI test is applied on a portfolio basis for retail advances, as the cash flow characteristics of these assets are standardised. This includes the consideration of any prepayment penalties that are limited by consumer credit regulation. They can therefore be considered reasonable compensation, which would not cause these assets to fail the SPPI test.

For wholesale advances, the SPPI test is applied to individual advances at initial recognition, based on the cash flow characteristics of the asset. Wholesale advances that do not pass the SPPI test and that have to be measured at FVTPL include advances with equity participation features, convertible bonds and payments linked to commodity or other prices. If the contract contains prepayment penalties, the amount of the prepayment penalty is compared to the present value of the margin that will be earned if the loan is not prepaid. If the amount of the prepayment penalty is lower than or equal to the margin lost due to prepayment, this is considered reasonable compensation and the loan passes the SPPI test.

AMORTISED COST

Financial assets are measured at amortised cost using the effective interest rate method when they are held to collect contractual cash flows which are SPPI, and sales of such assets are not significant or frequent. These include the majority of the retail, corporate and commercial advances of the group, as well as certain investment securities utilised for liquidity risk management of the group. For purchased or originated credit-impaired financial assets, the group applies the credit-adjusted effective interest rate. This interest rate is determined based on the amortised cost and not the GCA of the financial asset, and incorporates the impact of ECL in the estimated future cash flows of the financial asset.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise coins and bank notes, money at call and short notice, and balances with central banks. All balances included in cash and cash equivalents have a maturity date of less than three months from the date of acquisition. Money at call and short notice constitutes amounts withdrawable in 32 days or less. Cash and cash equivalents are measured at amortised cost. Balances are tested annually to assess whether such balances continue to meet the definition of cash and cash equivalents.

RETAIL ADVANCES

Retail advances	Business model	Cash flow characteristics
	The FNB, WesBank and Aldermore businesses hold retail advances to collect contractual cash flows. Their business models focus on growing these advances within acceptable credit appetite limits and maintaining strong collection practices. The products under this business model include: • residential mortgages; • vehicle and asset finance; • personal loans; • credit cards; and • other retail products such as overdrafts.	The cash flows on retail advances are SPPI. Interest charged to customers compensates the group for the time value of money, credit risk and administrative costs (including a profit margin). Penalties on the prepayment of advances are limited to reasonable compensation for early termination of the contract.

Notes to the consolidated financial statements

3. Financial instruments continued

CORPORATE AND COMMERCIAL ADVANCES		
Corporate and commercial advances	Business model	Cash flow characteristics
	The business models of FNB, WesBank, RMB and Aldermore are also focused on collecting contractual cash flows on corporate and commercial advances and growing these advances within acceptable credit appetite limits. The products in this business model include: • trade and working capital finance; • specialised finance; • commercial property finance; and • asset-backed finance. These advances are held primarily to realise the related contractual cash flows over the life of the instruments and earn a lending margin in return. Although the intention is to collect cash flows, not all of the instruments are held to maturity as some financial assets are sold through syndication. These sales are, however, either insignificant in value in relation to the value of advances held to collect cash flows or infrequent, and therefore the held to collect business model is still appropriate. Within RMB, debt for large corporates and institutions is structured. These advances are held primarily to realise the related contractual cash flows over the life of the instruments and earn a lending margin in return. Although the intention is to collect cash flows, not all of the instruments are held to maturity as some financial assets are sold in the secondary market to facilitate funding. These sales are, however, insignificant in value in relation to the value of RMB advances held to collect cash flows, and therefore the held to collect business model is still appropriate. In other portfolios, RMB originates advances with the intention to distribute. These advances are included under a different business model and are measured at FVTPL (as set out further below).	The cash flows on corporate and commercial advances are SPPI. Interest charged to customers compensates the group for the time value of money, credit risk and administrative costs (including a profit margin). Penalties on the prepayment of advances are limited to reasonable compensation for early termination of the contract. The cash flows on these advances are considered to be SPPI if the loan contract does not contain equity upside features, conversion options, payments linked to equity or commodity prices or prepayment penalties that exceed reasonable compensation for early termination of the contract. Any advances that do contain such features are mandatorily measured at FVTPL.
Marketable advances	Advances also include marketable advances representing corporate bonds and certain debt investment securities qualifying as HQLA that are under the control of the group treasurer, held by RMB. These assets are primarily held to collect the contractual cash flows over the life of the asset.	The cash flows on these advances are SPPI.

Notes to the consolidated financial statements

3. Financial instruments continued

INVESTMENT SECURITIES		
Investment securities	Business model	Cash flow characteristics
	Group Treasury holds investment securities with lower credit risk (typically government bonds and treasury bills). These investment securities are held in a business model with the objective of collecting contractual cash flows.	The cash flows on these investment securities are SPPI.
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. These assets are held to collect contractual cash flows.	The cash flows on these assets are SPPI.
OTHER ASSETS		
Other assets	Other assets are short-term financial assets that are held to collect contractual cash flows.	The cash flows on these assets are SPPI.
MANDATORY AT FVTPL		
Corporate advances	In certain instances, RMB originates advances with the mandate of distributing an identified portion of the total advances in the secondary market within an approved timeframe. The reason for originating these advances is not to collect the contractual cash flows, but rather to realise the cash flows through the sale of the assets.	Any advances which are originated to be distributed or managed on a fair value basis, or are held to collect contractual cash flows but include cash flows related to equity upside features, conversion options, payments linked to equity or commodity prices, or prepayment penalties that exceed reasonable compensation for early termination of the contract, will be included in this category.
Marketable advances	RMB occasionally invests in notes issued by special purpose vehicles (SPVs), with the intention of selling these notes to external parties. These include notes issued by an SPV to which it sells a portion of corporate and commercial advances that it originates to distribute (detailed above). The collection of contractual cash flows on these notes is merely incidental.	Advances which are acquired to distribute are included in this category.
Investment securities	RMB Global Markets holds portfolios of investment securities (including corporate and government bonds) to hedge risks or for short-term profit realisation. These securities are managed on a fair value basis.	
	All equity investments of the group are managed on a fair value basis, either through FVTPL or designated at FVOCI.	
Derivative assets	Derivatives are either held for trading or to hedge risk. These instruments are managed on a fair value basis.	

Notes to the consolidated financial statements

3. Financial instruments continued

DESIGNATED AT FVTPL		
Advances	Certain advances with fixed interest rates in RMB have been designated at FVTPL in order to eliminate an accounting mismatch that would otherwise result from measuring these assets on a different basis. The cash flows on these advances are considered to be SPPI.	
Investment securities	Group Treasury holds investment securities (typically treasury bills) for liquidity purposes.	
DEBT INSTRUMENTS AT FVOCI		
Investment securities	Group Treasury holds certain investment securities for liquidity management purposes. Local regulators require that the bank/branch prove liquidity of its assets by way of periodic outright sales. Therefore, the business model for these investment securities is both collecting contractual cash flows and selling these financial assets.	The cash flows on these investment securities are SPPI.
EQUITY INVESTMENTS AT FVOCI		
Investment securities	The group has elected to designate certain equity investments not held for trading to be measured at FVOCI.	

FINANCIAL LIABILITIES AND COMPOUND FINANCIAL INSTRUMENTS

The group classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Tier 2 instruments which have write-down or conversion features are classified based on the nature of the instrument and the definitions. Tier 2 and other funding liabilities are presented in separate lines on the statement of financial position of the group. Compound instruments are those financial instruments that have components of both financial liabilities and equity, such as issued convertible bonds. At initial recognition the instrument and the related transaction costs are split into their separate components and accounted for as a financial liability or equity in terms of the definitions and criteria of IAS 32.

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

The following liabilities are measured at amortised cost using the effective interest rate method, unless they have been designated as measured at FVTPL:

- deposits;
- creditors;
- Tier 2 liabilities; and
- other funding liabilities.

Notes to the consolidated financial statements

3. Financial instruments continued

FINANCIAL LIABILITIES MEASURED MANDATORY AT FVTPL

The following held for trading liabilities are measured at FVTPL:

- derivative liabilities; and
- short trading positions.

These liabilities are measured at fair value at reporting date as determined under IFRS 13, with fair value gains or losses recognised in profit or loss.

FINANCIAL LIABILITIES DESIGNATED AT FVTPL

A financial liability other than one held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial liabilities which is managed and its performance evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated at FVTPL.

The financial liabilities that the group designated at FVTPL are the following:

- deposits; and
- other funding liabilities.

Both types of liabilities satisfied the above-mentioned conditions of IFRS 9 for such designation. These financial liabilities are measured at fair value at reporting date as determined under IFRS 13, with any gains or losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedge accounting relationship. However, for non-derivative financial liabilities that are designated at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability.

FINANCIAL GUARANTEE CONTRACTS AND LOAN COMMITMENTS

Financial guarantee contracts are initially recognised at fair value on the date that the guarantee is provided. The group's liabilities under such guarantees are subsequently measured at the higher of the initial measurement, less amortisation of any fee income earned over the reporting period, and the amount of the ECL calculated in terms of IFRS 9 at the reporting date.

Loan commitments are measured with reference to the quantum of ECL required to be recognised. In the case of undrawn loan commitments, the inherent credit risk is managed and monitored by the group together with the drawn component as a single exposure.

Notes to the consolidated financial statements

3. Financial instruments continued

IMPAIRMENT OF FINANCIAL ASSETS AND OFF-BALANCE SHEET EXPOSURES SUBJECT TO IMPAIRMENT

This policy applies to:

- financial assets measured at amortised cost, including other financial assets and cash;
- debt instruments measured at FVOCI;
- loan commitments comprising commitments that are irrevocable over the life of the facility, or are revocable only in response to a materially adverse change and are disclosed as part of exposure to maximum credit risk included in the risk management disclosures;
- financial guarantees;
- letters of credit and
- finance lease debtors where the group is the lessor.

Refer to the *Critical accounting estimates, assumptions and judgements* section of this document, where all risk parameters, scenarios and sources of estimation are detailed more extensively.

EXPECTED CREDIT LOSSES			
Loss allowance on financial assets			
Credit risk has not increased significantly since initial recognition (stage 1)	Credit risk has increased significantly since initial recognition, but asset is not credit impaired (stage 2)	Asset has become credit impaired since initial recognition (stage 3)	Purchased or originated credit impaired
12-month ECL	LECL	LECL	Movement in LECL since initial recognition

ADVANCES	
SICR since initial recognition	In order to determine whether an advance has experienced a SICR, the PD of the asset calculated at the origination date is compared to that calculated at the reporting date (incorporating FLI). The origination date is defined as the most recent date at which the group has repriced an advance/facility. Where a change in terms is significant and is deemed to be a substantial modification, it results in derecognition of the original advance/facility and recognition of a new advance/facility. SICR test thresholds are reassessed and, if necessary, updated, on at least an annual basis. Any facility that is more than 30 days past due, or in the case of instalment-based products one instalment past due, is automatically considered to have experienced a SICR. In addition to the quantitative assessment based on PDs, qualitative considerations are applied when determining whether individual exposures have experienced a SICR. One such qualitative consideration is the appearance of wholesale and commercial SME facilities on a credit watchlist. Any up-to-date facility that has undergone a distressed restructure (i.e. a modification of contractual cash flows to prevent a client from going into arrears) will be considered to have experienced a SICR, and will be disclosed within stage 2 at a minimum. The credit risk on an exposure is no longer considered to be significantly higher than at origination if no qualitative indicators of a SICR are triggered, and if comparison of the reporting date PD to the origination date PD no longer indicates that a SICR has occurred. No standard minimum period for transition from stage 2 back to stage 1 is applied across all advances, with the exception of cured distressed restructured exposures that are required to remain in stage 2 for a minimum period of six months before re-entering stage 1, as per the requirements of SARB Directive 7 of 2015.

Notes to the consolidated financial statements

3. Financial instruments continued

ADVANCES	
Credit-impaired financial assets	Advances are considered credit impaired if they meet the definition of default. The group's definition of default applied to calculating provisions under IFRS 9 has been aligned to the definition applied to regulatory capital calculations across all portfolios, as well as those applied in operational management of credit and for internal risk management purposes. Exposures are considered to be in default when they are more than 90 days past due or, in the case of amortising products, have more than three instalments in arrears. In addition, an exposure is considered to have defaulted when there are qualitative indicators that the borrower is unlikely to pay their credit obligations in full without any recourse by the group to actions such as the realisation of security. Indicators of unlikelihood to pay are determined based on the requirements of Regulation 67 of the Banks Act. Examples include application for bankruptcy or obligor insolvency. Any distressed restructures of accounts which have experienced a SICR since initial recognition are defined as default events. Retail accounts are considered to no longer be in default if they meet the stringent cure definition, which has been determined at portfolio level based on analysis of re-defaulted rates. Curing from default within wholesale is determined judgementally through a committee process.
Purchased or originated credit impaired	These are financial assets that meet the above-mentioned definition of credit-impaired at initial recognition and remain classified as such for the duration of the agreement.
Write-offs	Write-off must occur when it is not economical to pursue further recoveries, i.e. there is no reasonable expectation of recovering the carrying amount of the asset (gross amount less specific impairments raised): • By implication, in both retail and wholesale, for secured as well as unsecured exposures, write-offs cannot occur if there is evidence of recent payment behaviour. Each credit portfolio has articulated a write-off policy that aligns with the principles of IFRS 9 while taking the business context of that portfolio into account. • Within retail portfolios, write-off definitions have been determined with reference to analysis of the materiality of net post write-off recoveries (after deduction of external debt collection expenses). The result of this is that retail secured loans are written off on perfection of collateral. In the residential mortgage portfolio, an explicit reassessment of the economic viability of further collection efforts needs to be performed after an account has been in stage 3 for more than 60 months, and within the WesBank vehicle asset finance (VAF) portfolio after 36 months in stage 3. • Retail unsecured loans are written off when observation of post-default payment behaviour indicates that further material recoveries are unlikely. The group applies a quantitative threshold and exposures are written off where the expected recoveries (based on the present value of recoveries for a period of 36 months after the write-off point) is less than 10% of the gross balance before write-off. Write-off points within retail unsecured portfolios are defined on a per-portfolio basis with reference to cumulative delinquency and/or payment recency, with write-offs typically occurring when 12 to 15 cumulative payments have been missed. • Within wholesale portfolios, a judgemental approach to write-off is followed, based on case-by-case assessment by a credit committee. For corporate exposures an explicit reassessment of future cash flows must be performed after 60 months in stage 3. For the commercial portfolio, the write-off approach is broadly aligned to that of the retail secured and unsecured portfolios. • Partial write-offs are not performed within credit portfolios, except in limited circumstances within the wholesale portfolio, where they are assessed on a case-by-case basis. Where required, additional provisions against irrecoverable assets will be raised until such a time as final write-off can occur.
Collection and enforcement activities post write-off	For unsecured advances, post write-off collection strategies include outsourcing of the account to external debt collections (EDCs). In addition, settlement campaigns are run to encourage clients to settle their outstanding debt. For secured advances, any residual balance post the realisation of collateral and post write-off is outsourced to EDCs.

Notes to the consolidated financial statements

3. Financial instruments continued

OTHER FINANCIAL ASSETS	
Cash and cash equivalents	All physical cash is classified as stage 1. Other exposures are classified as stage 1 unless specific evidence of impairment exists, in which case, due to the nature of these assets, they are classified immediately as stage 3. ECL for physical cash is zero. ECL for cash equivalents is calculated using the loss rate approach.
Other assets	ECL for other assets, i.e. financial accounts receivable and where applicable, contract assets, is calculated using the simplified approach. This results in a LECL being recognised.
Investment securities	Impairment parameters for investment securities (PD, LGD and EAD) are determined using appropriate models, with the models to be applied determined with reference to the issuer of the security and the nature of the debt instrument. The tests for a SICR and default definitions are then applied and the ECL calculated in the same way as for advances. The SICR thresholds applied for investment securities are the same as those applied within the wholesale credit portfolio, to ensure consistency in the way that a SICR is identified for a particular counterparty and for similar exposures. The group does not use the low credit risk exemption for investment securities, including government bonds.

TRANSFERS, MODIFICATION AND DERECOGNITION

Financial instruments are derecognised when:

- the contractual rights or obligations expire or are extinguished, discharged or cancelled, for example an outright sale or settlement;
- they are transferred and the derecognition criteria of IFRS 9 are met; or
- the contractual terms of the instrument are substantially modified and the derecognition criteria of IFRS 9 are met.

Financial assets are derecognised when the group has either transferred the contractual right to receive cash flows from the asset or it has assumed an obligation to pay over all the cash flows from the asset to another entity (i.e. pass-through arrangement).

If the contractual cash flows of a financial asset measured at amortised cost are modified (changed or restructured, including distressed restructures), the group determines whether this is a substantial modification, which could result in the derecognition of the existing asset and the recognition of a new asset. If the change is simply a non-substantial modification of the existing terms it would not result in derecognition.

A modification of a financial asset is substantial and will thus result in derecognition of the original financial asset where the modified contractual terms are priced to reflect current conditions on the date of modification and are not merely an attempt to recover outstanding amounts. Where the modification does not result in an accounting derecognition the original asset continues to be recognised.

Derecognition of financial liabilities includes a situation of substantial modification of the terms and conditions of an existing financial liability. A substantial modification of the terms occurs where the discounted present value of the cash flows under the new terms, including fees paid net of fees received and discounted using the original effective interest rate, differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liability.

The following transactions are entered into by the group in the normal course of business, in terms of which it transfers financial assets directly to third parties or structured entities, or modifies the contractual terms of the asset and either achieves derecognition or continues to recognise the asset:

Notes to the consolidated financial statements

3. Financial instruments continued

Transaction type	Description	Accounting treatment
TRANSFERS WITHOUT DERECOGNITION		
Traditional securitisations and other structured transactions	Specific advances or investment securities are transferred to a structured entity, which then issues liabilities to third-party investors, for example variable-rate notes or investment-grade commercial paper. The group's obligations towards the third-party note holders is limited to the cash flows received on the underlying securitised advances or non-recourse investment securities, i.e. the note holders only have a claim to the ring-fenced assets in the structured entity, and not to other assets of the group. The group consolidates these securitisations and SPVs as structured entities in terms of IFRS 10.	Specific advances or investment securities are transferred to a structured entity, which then issues liabilities to third-party investors, for example variable-rate notes or investment-grade commercial paper. The group's obligations towards the third-party note holders are limited to the cash flows received on the underlying securitised advances or non-recourse investment securities, i.e. the note holders only have a claim to the ring-fenced assets in the structured entity, and not to other assets of the group. The group consolidates these securitisations and SPVs as structured entities in terms of IFRS 10.
Reverse repurchase agreements	Investment securities and advances are sold to an external counterparty in exchange for cash and the group agrees to repurchase the assets at a specified price at a specific future date. The counterparty's only recourse is to the transferred investment securities and advances that are subject to the agreement. The group remains exposed to all the underlying risks on the assets, including counterparty, interest rate, currency, prepayment and other price risks.	The transferred assets continue to be recognised by the group in full. Such advances and investment securities are disclosed separately in the relevant notes. The group recognises an associated liability for the obligation for the cash received as a separate category of deposits.
Securities lending	Investment securities are lent to external counterparties in exchange for cash collateral as security for the return of the securities. The group's only recourse in respect of the return of the securities it has lent is to the cash collateral held and as such, the group generally requires cash collateral in excess of the fair value of the securities lent.	
TRANSFERS WITH DERECOGNITION		
Where the group purchases its own debt	The debt is derecognised from the statement of financial position and any difference between the carrying amount of the liability and the consideration paid is included in fair value gains or losses within NIR.	
MODIFICATION WITHOUT DERECOGNITION		
Modification of contractual cash flows	Debt restructuring is a process that is applied to accounts whereby the new terms of the contract (such as a lower interest rate) are mandated by law and do not have the same commercial terms as a new product that the group would be willing to offer a customer with a similar risk profile.	The existing asset is not derecognised. The GCA of the financial asset is recalculated as the present value of the estimated future cash receipts through the expected life of the renegotiated or modified financial asset, discounted at the financial asset's original effective interest rate. Distressed modifications are included in ECL.

Notes to the consolidated financial statements

3. Financial instruments continued

MODIFICATIONS WITH DERECOGNITION (I.E. SUBSTANTIAL MODIFICATIONS)		
Retail advances	The process for modifying an advance (which is not part of a debt restructuring) is substantially the same as the process for raising a new advance, including reassessing the customer's credit risk, repricing the asset and entering into a new legal agreement.	The existing asset is derecognised and a new asset is recognised at fair value based on the modified contractual terms.
NEITHER TRANSFERRED NOR DERECOGNISED		
Synthetic securitisation transactions	Credit risk related to specific advances is transferred to a structured entity through credit derivatives. The group consolidates these securitisation vehicles as structured entities, in terms of IFRS 10.	The group continues to recognise the advances and recognises associated credit derivatives which are measured at FVTPL.

Offsetting of financial instruments and collateral

Where the requirements of IFRS Accounting Standards are met, the group offsets financial assets and financial liabilities and presents the net amount. Financial assets and financial liabilities subject to MNAs or similar agreements are not offset, if the right of set-off under these agreements is only enforceable in the event of default, insolvency and bankruptcy.

Details of the offsetting and collateral arrangements of the group are set out in the table below.

Derivative financial instruments	The group's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) MNAs. Generally, under such agreements the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount payable by one party to the other. In certain circumstances, e.g. when a credit event such as default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions (close-out netting). Financial collateral (mostly cash) is also obtained, often daily, for the net exposure between counterparties to mitigate credit risk.
Repurchase and reverse repurchase agreements, and securities lending and borrowing transactions	These transactions by the group are covered by master agreements with netting terms similar to those of the ISDA MNAs. Where the group has entered into a repurchase and reverse repurchase or securities borrowing and lending transaction, with the same counterparty, the advance and liability balances are offset in the statement of financial position only if they are due on a single day, denominated in the same currency and the group has the intention to settle these amounts on a net basis. The group receives and accepts collateral for these transactions in the form of cash and other investment securities.
Other advances and deposits	The advances and deposits that are offset relate to transactions where the group has a legally enforceable right to offset the amounts and the group has the intention to settle the net amount.

It is the group's policy that all items of collateral are valued at the inception of a transaction and at various points throughout the life of a transaction, either through physical inspection or indexation methods, as appropriate. For wholesale and commercial portfolios, the value of collateral is reviewed as part of the annual facility review. For mortgage portfolios, collateral valuations are updated on an ongoing basis through statistical indexation models. However, in the event of default, more detailed reviews and valuations of collateral are performed, which yield a more accurate financial effect. For asset finance, the total security reflected represents only the realisation value estimates of the vehicles repossessed at the date of repossession. Where the repossession has not yet occurred, the realisation value of the vehicle is estimated using internal models and is included as part of total recoveries.

Derivative financial instruments and hedge accounting

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, interest rates or other indices. Derivatives are recognised initially and are subsequently measured at FVTPL, with movements in fair value recognised in fair value gains or losses within NIR in the consolidated income statement. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

Derivative instruments are classified either as held for trading or formally designated as hedging instruments. The group elected to adopt IFRS 9 for cash flow and fair value hedges. IAS 39 will continue to be applied to portfolio hedges (which the group refers to as macro hedges) to which fair value hedge accounting has been applied.

Notes to the consolidated financial statements

3. Financial instruments continued

Derivative financial instruments and hedge accounting continued

Hedge accounting

Derivatives held for risk management purposes are classified either as fair value hedges or cash flow hedges depending on the nature of the risk being hedged, where the hedges meet the required documentation criteria under IFRS 9/IAS 39 and are calculated to be effective.

The group extensively hedges with interest rate swaps, which will be impacted by the Financial Stability Board's undertaking to fundamentally review and reform major interest rate benchmarks used globally and locally by financial market participants. This review seeks to replace existing global and local interbank offered rates with alternative reference rates to improve market efficiency and mitigate systemic risk across financial markets. The group is monitoring and evaluating developments in the market and the impact thereof on accounting.

Fair value hedge accounting

Fair value hedge accounting does not change the recording of gains or losses on derivatives, but it does result in recognising changes in the fair value of the hedged item attributable to the hedged risk that would otherwise not be recognised in the income statement. The change in the fair value of the hedged item is taken to non-interest revenue under fair value gains or losses. If a hedge relationship no longer meets the criteria for hedge accounting, hedge accounting is discontinued. The cumulative adjustment to the carrying amount of the hedged item is amortised to the income statement based on a recalculated effective interest rate, unless the hedged item has been derecognised, in which case it is recognised in the income statement immediately.

Cash flow hedge accounting

For derivatives used in cash flow hedges, the effective portion of changes in the fair value of the hedging derivatives is recognised in the cash flow hedge reserve in OCI, and reclassified to profit or loss in the periods in which the hedged item affects profit or loss. The ineffective portion is recognised immediately in profit or loss as part of fair value gains or losses within NIR.

The accumulated gains and losses recognised in OCI are reclassified to the income statement in the same periods in which the hedged item affects profit or loss. When a hedge relationship is discontinued, or partially discontinued, any cumulative gain or loss recognised in OCI remains in equity until the hedged item affects the income statement.

4 Other assets and liabilities

a. Classification and measurement

Classification	Measurement												
PROPERTY AND EQUIPMENT (OWNED AND RIGHT OF USE)													
Property and equipment of the group include: - assets utilised by the group in the normal course of operations to provide services, including freehold property and leasehold premises and leasehold improvements (owner-occupied properties); - assets which are owned by the group and leased to third parties under operating leases as part of the group's revenue-generating operations; - capitalised leased assets; and - other assets utilised by the group in the normal course of operations, including computer and office equipment, motor vehicles and furniture and fittings.	Historical cost less accumulated depreciation and impairment losses, except for land, which is not depreciated. Depreciation is recognised on the straight-line basis over the useful life of the asset, except for assets capitalised under leases where the group is the lessee, in which case it is depreciated per the leases accounting policy 4c. Freehold property and property held under leasing agreements: <table> <tr> <td>– Buildings and structures</td><td>40 – 50 years</td></tr> <tr> <td>– Mechanical and electrical</td><td>14 – 20 years</td></tr> <tr> <td>– Components</td><td>14 – 20 years</td></tr> <tr> <td>– Sundries</td><td>3 – 5 years</td></tr> <tr> <td>– Computer equipment</td><td>3 – 5 years</td></tr> <tr> <td>– Other equipment</td><td>3 – 10 years</td></tr> </table>	– Buildings and structures	40 – 50 years	– Mechanical and electrical	14 – 20 years	– Components	14 – 20 years	– Sundries	3 – 5 years	– Computer equipment	3 – 5 years	– Other equipment	3 – 10 years
– Buildings and structures	40 – 50 years												
– Mechanical and electrical	14 – 20 years												
– Components	14 – 20 years												
– Sundries	3 – 5 years												
– Computer equipment	3 – 5 years												
– Other equipment	3 – 10 years												
INVESTMENT PROPERTIES													
Investment properties are those held to earn rental income and/or for capital appreciation that are not occupied by the companies in the group. When investment properties become owner-occupied, the group reclassifies them to property and equipment, using the fair value at the date of reclassification as the cost.	The fair value gains or losses are adjusted for any potential double counting arising from the recognition of lease income on the straight-line basis, compared to the accrual basis normally assumed in the fair value determination.												

Notes to the consolidated financial statements

4 Other assets and liabilities continued

a. Classification and measurement continued

INTANGIBLE ASSETS	
Intangible assets of the group include: - Internally generated intangible assets (including computer software and other assets such as trademarks or patents) are capitalised when the requirements of IAS 38 relating to the recognition of internally generated assets have been met. - External computer software development costs are capitalised when they can be clearly associated with a strategic and unique system which will result in a benefit to the group exceeding the costs incurred for more than one financial period. - Material acquired trademarks, patents and similar rights are capitalised when the group will receive a benefit from these intangible assets for more than one financial period. All other costs related to intangible assets are expensed in the financial period incurred.	Cost less accumulated amortisation and any impairment losses. Amortisation is on a straight-line basis over the useful life of the asset. The useful life of each asset is assessed individually. The benchmarks used when assessing the useful life of the individual assets are: - Software development costs 3 years - Trademarks 10 – 20 years - Other 3 – 10 years
Goodwill arising from business combinations is recognised as an intangible asset.	Refer to accounting policy 1.
COMMODITIES	
Commodities acquired for short-term trading purposes include the following: - commodities acquired with the intention to resell in the short term or those forming part of the trading operations of the group; and - certain commodities subject to option agreements whereby the counterparty may acquire the commodity at a future date where the risks and rewards of ownership are deemed to have transferred to the group in terms of IFRS 15.	Fair value less costs to sell with changes in fair value being recognised as fair value gains or losses within NIR.
Forward contracts to purchase or sell commodities where net settlement occurs, or where physical delivery occurs and the commodities are held to settle a further derivative contract, are recognised as derivative instruments.	FVTPL.
PROVISIONS	
The group will only recognise a provision measured in terms of IAS 37 when there is uncertainty around the amount or timing of payment. Where there is no uncertainty the group will recognise the amount as an accrual. The most significant provisions are related to litigation and claims, as well as provisions for intellectual property fees that arise because of the use of dealer platforms, databases, systems, brands and trademarks when marketing and promoting motor warranty products as part of the motor VAPS business. The group recognises a provision when a reliable estimate of the outflow required can be made and the outflow is probable (i.e. more likely than not).	

Other assets that are subject to depreciation, and intangible assets other than goodwill acquired as part of a business combination (refer to accounting policy 2.1), are reviewed for impairment whenever objective evidence of impairment exists. Impairment losses are recognised in profit or loss as part of operating expenses.

Other assets are derecognised when they are disposed of or, in the case of intangible assets, when no future economic benefits are expected from their use. Gains or losses arising on derecognition are determined as the difference between the carrying amount of the asset and the net proceeds received, and are recorded in profit or loss as part of NIR.

b. Non-current assets and disposal groups held for sale

If a disposal group contains assets that are outside of the measurement scope of IFRS 5, those assets are remeasured in terms of the relevant IFRS Accounting Standards and any impairment loss on the disposal group is allocated only to those non-current assets in the disposal group that are within the measurement scope of IFRS 5, until the assets are reduced to zero. The group has elected to recognise any excess impairment on the disposal group that remains after impairing the assets within the measurement scope of IFRS 5 as excess impairment within operating expenses, with a corresponding adjustment to the assets whose measurement is outside of the scope of IFRS 5, until those assets are reduced to zero. Any subsequent increases in fair value less costs to sell are recognised in NIR when realised.

Notes to the consolidated financial statements

4 Other assets and liabilities continued

c. Leases

The group leases a variety of properties and equipment. Rental agreements typically include fixed periods over which the item is leased, which are individually negotiated and contain a wide range of different terms and conditions. The group assesses whether a contract is or contains a lease at inception of the contract.

Qualifying leases are recognised as a right of use asset (ROUA) and a corresponding liability at the date at which the leased asset is made available for use by the group.

	GROUP COMPANY IS THE LESSEE	GROUP COMPANY IS THE LESSOR
At inception	The group recognises a ROUA and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (defined as lease assets with a replacement value of R100 000 or less at the inception of the lease).	The group recognises assets sold under a finance lease as finance lease receivables included in advances and impair the advances, as required, in line with the impairment of financial assets accounting policy in section 3. No practical expedients are applied, and the general model under IFRS 9 is used for impairment calculations on lease receivables.
Over the life of the lease	Each lease payment is allocated between the lease liability and interest expense. The interest expense is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROUA is subsequently measured at cost less accumulated depreciation and impairment losses. The asset is depreciated over the lease term on a straight-line basis, where ownership is not transferred at the end of the lease term. If ownership is transferred at the end of the lease term, the asset is depreciated over the shorter of the lease term or useful life. The group applies IAS 36 to determine whether a ROUA is impaired and accounts for any identified impairment loss.	Unearned finance income is recognised as interest income over the term of the lease using the effective interest rate method. Finance lease receivables are assessed for impairment in terms of IFRS 9, as set out in the impairment of financial assets accounting policy. Interest on finance lease receivables that are credit impaired (stage 3) is recognised and calculated by applying the original effective interest rate to the net carrying amount.
Presentation	The lease liability is presented in other liabilities in the consolidated statement of financial position. The ROUAs are not presented as a separate line in the consolidated statement of financial position, but rather disclosed as ROUA in the property and equipment note.	Finance lease receivables are presented as part of advances in the consolidated statement of financial position.
Operating leases	For short-term and low-value leases, which the group has defined as all other leases except for property and vehicle leases, the lease payments are recognised as an operating expense, spread on a straight-line basis over the term of the lease.	Assets held under operating leases are included in property and equipment and depreciated. Refer to accounting policy 4a. Rental income is recognised as other NIR on a straight-line basis over the lease term.
Finance lease agreements (including hire purchases) where the group is the lessor	The group regards finance lease agreements (including hire purchases) as financing transactions and includes the total rentals and instalments receivable, less unearned finance charges, in advances. The group calculates finance charges using the effective interest rates as detailed in the contracts, and credit finance charges to interest revenue in proportion to capital balances outstanding.	

Notes to the consolidated financial statements

5 Capital and reserves

TRANSACTION	LIABILITY	EQUITY
Shares issued and issue costs	Preference shares, where the group does not have the unilateral ability to avoid repayments, are classified as other liabilities. Preference shares which qualify as Tier 2 capital have been included in Tier 2 liabilities. Other preference share liabilities have been included in other liabilities as appropriate.	The group's equity includes ordinary shares, contingently convertible securities, Additional Tier 1 notes and NCNR preference shares. Contingently convertible securities, Additional Tier 1 notes and NCNR preference shares are classified as other equity instruments in the financial statements. Any incremental costs directly related to the issue of new shares or options, net of any related tax benefit, are deducted from the issue price.
Dividends paid/declared	Recognised as interest expense on the underlying liability.	Dividends on equity instruments are recognised against equity. A corresponding liability is recognised when the dividends have been approved by the company's shareholders and distribution is no longer at the discretion of the entity.
Distribution of non-cash assets to owners	The liability to distribute non-cash assets is recognised as a dividend to owners at the fair value of the asset to be distributed. The difference between the carrying amount of the assets distributed and the fair value of the assets on the date of distribution is recognised as NIR in profit or loss for the period.	The carrying amount of the dividend payable is remeasured at the end of each reporting period and on settlement date. The initial carrying amount and any subsequent changes are recognised in equity.
Treasury shares, i.e. the group has purchased its own equity share capital	If the group reacquires its own equity instruments, those instruments are deducted from the group's equity.	The consideration paid, including any directly attributable incremental costs, is deducted from total shareholders' equity as treasury shares until they are reissued or sold. Where the shares are subsequently sold or reissued, any consideration received net of any directly attributable incremental costs is included in shareholders' equity.
Other reserves	Not applicable	Other reserves recognised by the group include general risk reserves, required to be held by some of the group's broader Africa operations capital redemption reserve funds and insurance contingency reserves. These reserves are required by in-country legislation governing these subsidiaries and are calculated based on the requirements outlined in the relevant legislation applicable in the specific jurisdiction.

6 Transactions with employees

a. Employee benefits

The group operates defined benefit and defined contribution schemes, the assets of which are held in separate trustee administered funds. These funds are registered in terms of the Pension Funds Act, 1956, and membership of the pension fund is compulsory for all group employees. The defined benefit plans are funded by contributions from employees and the relevant group companies, taking into account the recommendations of independent qualified actuaries.

DEFINED CONTRIBUTION PLANS	
Determination of purchased pension on retirement from defined contribution plan	Recognition Contributions are recognised as an expense, included in staff costs, when the employees have rendered the service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.
	Measurement On the date of the purchase, the defined benefit liability and the plan assets will increase for the purchase amount and thereafter the accounting treatment applicable to defined benefit plans will be applied to the purchased pension. It should be noted that the purchase price for a new retiree would be slightly higher than the liability determined on the accounting valuation, as the purchase price allows for a more conservative mortality assumption based on the solvency reserves of the fund.

Notes to the consolidated financial statements

6 Transactions with employees continued

a. Employee benefits continued

DEFINED BENEFIT PLANS	
Defined benefit obligation liability	Recognition The liabilities and assets of these funds are reflected as a net asset or liability in the statement of financial position, i.e. the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. Where the value is a net asset, the amount recognised is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.
	Measurement The present value of the defined benefit obligation is calculated annually by independent actuaries using the projected credit unit method. The discount rate used is the rate of nominal and inflation-linked government-issued bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related pension liability.
LIABILITY FOR SHORT-TERM EMPLOYEE BENEFITS	
Leave pay	The group recognises a liability for employees' rights to annual leave in respect of past service. The amount recognised by the group is based on the current salary of employees and the contractual terms between employees and the group. The expense is included in staff costs.
Bonuses	The group recognises a liability and an expense for management and staff bonuses when it is probable that the economic benefits will be paid, and the amount can be reliably measured. The expense is included in staff costs.

b. Share-based payment transactions

The group operates cash-settled and equity-settled share-based incentive plans for employees.

Awards granted under cash-settled plans result in a liability being recognised and measured at fair value until settlement. An expense is recognised in profit or loss for employee services received over the vesting period of the plans.

Awards granted under equity-settled plans result in an expense to be recognised in profit or loss at the fair value of the employee services received in exchange for the grant of the awards over the vesting period of the awards. A corresponding credit to an SBP reserve in the statement of changes in equity is when the expense is recognised.

7 Non-banking activities

7.1 Insurance activities

Insurance activities include contracts issued by the group, which transfer significant insurance risk or financial risk. Furthermore, the group has entered into reinsurance contracts.

Insurance contracts are contracts under which the group, as the insurer, accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The group defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are significantly more (at least 10%) than the benefits payable if the insured event did not occur. The group issues insurance contracts in terms of the Insurance Act 18 of 2017 (Insurance Act) as well as the Short-term Insurance Act 18 of 2017.

Investment contracts which are linked-fund policies falling within the scope of the Insurance Act are viewed as a form of long-term insurance from a legal perspective. However, as investment contracts do not convey insurance risk upon the group, they are scoped out of IFRS 17 and are accounted for in terms of IFRS 9. Investment contracts are classified as financial liabilities, measured at FVTPL.

The group obtains reinsurance in the ordinary course of business for the purpose of limiting its net loss potential through the diversification of its risks on certain long-term and short-term insurance contracts. Reinsurance arrangements do not relieve the group from its direct obligations to policyholders.

Notes to the consolidated financial statements

7 Non-banking activities continued

7.1 Insurance activities continued

INSURANCE AND REINSURANCE CONTRACTS	
Introduction	The group issues insurance contracts and holds reinsurance contracts, both without direct participation features. Where the contract boundary is less than one year, the premium allocation approach (PAA) is applied. In all other circumstances, the GMM is applied. Reference to insurance contracts applies to both insurance and reinsurance contracts, unless specified.
Level of aggregation	Insurance contracts that are managed together and have similar characteristics, such as being subject to a similar pricing framework or similar product management and are issued by the same legal entity, are grouped into portfolios (measurement portfolios). These measurement portfolios are further separated into time cohorts (whose issue date cannot be more than one year apart) and then allocated to three groups of insurance contracts based on profitability, namely contracts that are onerous at initial recognition (onerous), contracts that at initial recognition have no significant possibility of subsequently becoming onerous (profitable) and the remaining contracts (profit at risk).
Cash flows included in the measurement	Cash flows are considered to be within the contract boundary if they arise from substantive rights and obligations that exist during the period in which the group can compel the policyholder to pay premiums, or where the group has a substantive obligation to provide the policyholder with insurance contract services, either by contract or by regulations and law. A substantive obligation ends when the group has the practical ability to reprice the risk of the particular policyholder or the overall portfolio, or change the level of benefits so that the price fully reflects the risk.
General measurement model (including reinsurance contracts held)	The insurance asset or liability comprises the sum of the LRC and the LIC. Under the GMM, the LRC represents the group's rights and obligations relating to future services not yet provided and consists of the following components: FCF, comprising: - the present value of future cash flows, which represents all current estimates of future cash flows within the contract boundary that relate to future services, discounted using a current discount rate; - the risk adjustment, which represents the current estimate of the adjustment to the present value of future cash flows to reflect the uncertainty inherent in the estimated future cash flows due to non-financial risk; and - the CSM, which represents the unearned profit the group will recognise as revenue as it provides services over the coverage period. The LRC is subsequently adjusted for changes in the estimates of the FCF expected in the future, as well as the unwinding of the discount, with the release of the LRC being recognised as insurance revenue (or reinsurance expenses for reinsurance contracts held). Cash flows included in the LRC, determined to be directly attributable to the acquisition and fulfilment of insurance contracts, include cash flows arising from fixed and variable overhead costs and include staff costs related to the acquisition and servicing of insurance contracts, as well as maintenance cost cash flows such as claims handling, policy administration and associated overheads.

Notes to the consolidated financial statements

7 Non-banking activities continued

7.1 Insurance activities continued

INSURANCE AND REINSURANCE CONTRACTS	
General measurement model (including reinsurance contracts held)	The group applied the bottom-up approach to determine the discount rate, derived as the sum of the risk-free yield curve based on the SA Government bond curve and, where applicable, an illiquidity premium. The risk adjustment for non-financial risks applied to insurance contracts is calculated with reference to the group's specific risk appetite. An 80% confidence level has been applied in determining the risk adjustment. The CSM is adjusted at each subsequent reporting period for changes in FCF relating to future services, which include changes in expense assumptions including mortality and morbidity rates, as well as accrual of interest, using the locked-in rate. The CSM is systematically recognised in insurance revenue to reflect the insurance contract services provided, based on the coverage units of the group of contracts. Coverage units are defined as the discounted sum assured in-force for all contracts except for maintenance contracts, where the passage of time is applied. For groups of insurance contracts that are onerous, a day-one loss is recognised instead of the CSM. For reinsurance contracts held, the CSM encapsulated in the LRC may represent either expected future profits or expected future losses, meaning that the loss is not recognised upon initial recognition for reinsurance contracts that are determined to be onerous. The group is required to adjust the reinsurance CSM and recognise income when it recognises a loss on initial recognition of an onerous group of underlying insurance contracts to which the reinsurance contract is attached, if the reinsurance contract is entered into on or before the date of initial recognition of the underlying group of onerous insurance contracts. The group establishes a loss-recovery component within the LRC of the reinsurance contract held for this amount of income initially recognised. Subsequently the loss recovery component is released to the income statement through the reduction of reinsurance expenses and reinsurance income included within net income/expense from reinsurance contracts held. The LIC represents the entity's rights and obligations relating to services that have already been provided and includes unsettled claims and other expenses for insured events which have already occurred, whether reported or not reported. The LIC consists of the FCF, which comprise: • the present value of future cash flows, which represents all current estimates of future cash flows relating to insured events that have already occurred as well as past coverage, including claims and other directly attributable expenses, discounted using a current discount rate; and • the risk adjustment, which represents an adjustment to the present value of estimated future cash flows, to reflect the uncertainty inherent in the estimate of the future cash flows due to non-financial risk. Subsequently, the LIC is adjusted with any changes in estimated future cash flows arising from past claims, the release of the risk adjustment and the unwinding of the discount with a corresponding amount in insurance service expenses and net income/expense from reinsurance contracts held.
Premium allocation approach (including reinsurance contracts held)	The group elected as its accounting policy to apply discounting to the LIC for contracts measured under the PAA. Unlike the LRC under the GMM, the LRC for contracts measured using the PAA is based on actual premiums and insurance acquisition cash flows paid, adjusted for revenue recognised (or expenses recognised for reinsurance contracts issued) as coverage is provided. The group's accounting policy choice is to immediately expense insurance acquisition cash flows as well as not to discount the LRC for insurance contracts issued measured using PAA. The LRC under the PAA does not include a separate risk adjustment and CSM.

Notes to the consolidated financial statements

7 Non-banking activities continued

7.1 Insurance activities continued

INSURANCE AND REINSURANCE CONTRACTS	
Revenue recognition (excluding reinsurance contracts held)	For contracts measured using GMM, the group recognises insurance revenue over the coverage period, comprising the sum of: - the present value of the estimated future cash outflows that were included in the LRC for services provided during the period; - the release from the LRC of the risk adjustment based on the group's release from risk; - the release from the LRC of the CSM based on coverage units for the current period relative to the coverage units for the current and future periods; - the amortisation of the insurance acquisition cash flows previously included in the measurement of the LRC at initial recognition; and - any experience variances for premiums and related cash flows. Insurance revenue under the PAA is recognised by allocating the premiums based on the passage of time, unless the expected pattern of release of risk during the coverage period differs significantly from the passage of time, in which case the group allocates premiums based on the expected timing of incurred insurance service expenses.
Other income statement amounts (excluding reinsurance contracts held)	Insurance service expenses comprise incurred claims and other directly attributable expenses and changes thereto, the amortisation of insurance acquisition cash flows under GMM or the actual insurance acquisition cash flows actually incurred on PAA contracts, as well as losses and reversals of losses on onerous contracts. Although the group elected to recognise immediately as an expense insurance acquisition cash flows on contracts measured using the PAA, no such option is available under the GMM, resulting in insurance acquisition cash flows on the group's GMM contracts being amortised on a systematic basis over the coverage period and included within insurance service expenses. Due to the discounting of the estimated future cash flows to their present value, an entity recognises insurance finance income or expense on the FCF using a current yield curve and on the CSM using a locked-in yield curve determined at initial recognition. The group elected as its accounting policy to present the portion of the insurance finance income or expense that relates to changes in financial assumptions in other comprehensive income, with the income statement reflecting insurance finance income or expense at a constant or locked-in rate. The change in other comprehensive income is included in the insurance contract finance reserve. The unwinding of the discount on the risk adjustment is included in insurance finance income or expense.
Reinsurance income and expenses	The group presents income and expenses from reinsurance contracts held on a net basis in the income statement. Insurance income from reinsurance contracts comprises claims recoveries from the reinsurer, including changes in estimates of those claims, whereas reinsurance expenses comprise the amounts released from the reinsurance LRC to the income statement, similar to insurance revenue recognised for insurance contracts issued. As FCF and the CSM are discounted, using the current and locked-in yield curves respectively, reinsurance finance income and expenses on the components of the LRC are measured and presented in a manner similar to those applied to insurance finance income and expenses.
Presentation	As the group prepares interim financial information for the purposes of applying IAS 34, the group elected as its accounting policy choice to not lock in changes in estimates made at the interim reporting stage when performing the full year's reporting.

7.2 Investment management activities

Certain divisions within the group engage in investment management activities that result in managing assets on behalf of clients. The group excludes assets related to these activities from the statement of financial position as these are not assets of the group, but of the client and are held in a fiduciary capacity. However, the group discloses the value of the assets in its notes.

The fee income earned and fee expenses incurred by the group relating to these activities are recognised in fee and commission income and expenses within NIR in the period to which the service relates.

Notes to the consolidated financial statements

Standards and interpretations issued but not yet effective

The following new and revised standards and interpretations are applicable to the business of the group. The group will comply with these from the stated effective date.

STANDARD	IMPACT ASSESSMENT	EFFECTIVE DATE
IAS 21	Lack of exchangeability – Amendments to IAS 21 The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The group does not expect this amendment to have a significant impact on the annual financial statements.	Annual periods commencing on or after 1 January 2025
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments The amendments clarify: - that a financial liability is derecognised on the settlement date. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met; - how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance linked features and other similar contingent features; - the treatment of non-recourse assets and contractually linked instruments; and - additional disclosure requirements for financial assets and liabilities with contractual terms that reference a contingent event. The impact on the annual financial statements is currently being assessed and not expected to have a material impact on the group's results.	Annual periods commencing on or after 1 January 2026
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 The amendments include: - clarifying the application of the own-use requirements; - permitting hedge accounting if these contracts are used as hedging instruments; and - adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The group does not expect this amendment to have a significant impact on the annual financial statements.	Annual periods commencing on or after 1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 aims to improve financial reporting by: - requiring additional defined subtotals in the statement of profit or loss; - requiring disclosures about management-defined performance measures; and - adding new principles for grouping (aggregation and disaggregation) of information. The new standard is expected to impact group presentation of its statement of profit or loss.	Annual periods commencing on or after 1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures IFRS 19 enables eligible entities to provide reduced disclosures compared to the requirements in other IFRS accounting standards. Entities that elect IFRS 19 are still required to apply recognition, measurement and presentation requirements of other IFRS accounting standards. IFRS 19 would not be applicable to the group annual financial statements, however IFRS 19 application will be evaluated for the company annual financial statements.	Annual periods commencing on or after 1 January 2027

Notes to the consolidated financial statements

Standards and interpretations issued but not yet effective continued

STANDARD	IMPACT ASSESSMENT	EFFECTIVE DATE
IFRS for SMEs	IFRS for SMEs third edition The IASB has issued the third edition of the IFRS for SMEs Accounting Standard. The new IFRS for SMEs Accounting Standard reflects updates that now largely align it with IFRS Accounting Standards. Some areas of divergence remain – the International Accounting Standards Board (IASB) has notably opted to defer alignment with IFRS 16 Leases – but the updated SMEs Accounting Standard now broadly reflects: • IFRS 3 Business Combinations; • IFRS 10 Consolidated Financial Statements; • IFRS 15 Revenue from Contracts with Customers; and • other relevant changes made to IFRS Accounting Standards since 2015. IFRS for SMEs is not applicable to the group annual financial statements.	Annual periods commencing on or after 1 January 2027

FINANCIAL STATEMENTS

for the year ended 30 June 2025

FirstRand Limited

Statement of comprehensive income

for the year ended 30 June

R million	Notes	2025	2024
Dividends from subsidiary companies		24 682	22 703
Interest income		47	47
Other losses		(61)	(29)
Income from operations		24 668	22 721
Operating expenses	2	(138)	(289)
Income before indirect tax		24 530	22 432
Indirect tax	3.1	(23)	–
Profit before income tax		24 507	22 432
Income tax expense	3.2	292	(39)
Profit for the year		24 799	22 393
Other comprehensive income		–	–
Total comprehensive income for the year		24 799	22 393
Attributable to			
Ordinary equityholders		24 799	22 393
Total comprehensive income for the year		24 799	22 393

Statement of financial position

as at 30 June

R million	Notes	2025	2024
ASSETS			
Cash and cash equivalents	5	970	706
Other assets	6	129	2
Investments in subsidiaries	7	81 104	80 825
Total assets		82 203	81 533
EQUITY AND LIABILITIES			
Liabilities			
Creditors and accruals	8	220	214
Current tax liability		92	80
Amounts owing to subsidiaries	7	27	1
Employee liabilities	9	179	278
Total liabilities		518	573
Equity			
Ordinary shares	10	56	56
Share premium	10	8 056	8 056
Reserves		73 573	72 848
Capital and reserves attributable to ordinary equityholders		81 685	80 960
Total equity		81 685	80 960
Total equity and liabilities		82 203	81 533

Statement of changes in equity
for the year ended 30 June

R million	Notes	Ordinary share capital and ordinary equityholders' funds							
		Share capital	Share premium	Share capital and share premium	Share-based payment and treasury share reserve	Capital redemption reserve	Retained earnings	Reserves attributable to ordinary equityholders	Total equity
Balance as at 1 July 2023		56	8 056	8 112	–	1	72 612	72 613	80 725
Ordinary dividends	11	–	–	–	–	–	(22 158)	(22 158)	(22 158)
Share based payment (equity)		–	–	–	–	–	–	–	–
Total comprehensive income for the year		–	–	–	–	–	22 393	22 393	22 393
Balance as at 30 June 2024		56	8 056	8 112	–	1	72 847	72 848	80 960
Ordinary dividends	11	–	–	–	–	–	(24 345)	(24 345)	(24 345)
Share based payment (equity)*		–	–	–	271	–	–	271	271
— Share based expense		–	–	–	637	–	–	637	637
— Deemed contribution		–	–	–	(366)	–	–	(366)	(366)
Total comprehensive income for the year		–	–	–	–	–	24 799	24 799	24 799
Balance as at 30 June 2025		56	8 056	8 112	271	1	73 301	73 573	81 685

* The deemed contribution represents 4 676 848 FirstRand shares acquired in the current year as part of the group's share ownership plan.

Statement of cash flows

for the year ended 30 June

R million	Notes	2025	2024
Cash flows from operating activities			
Profit before income tax for the year		24 507	22 432
Adjustments for non-cash items:		(24 691)	(22 599)
– Interest and similar income		(47)	(47)
– Dividends received		(24 682)	(22 703)
– Staff provisions and other expenses		15	151
– Indirect tax		23	–
– Interest received		47	47
– Dividends received		24 682	22 703
– Dividends paid		(24 357)	(22 156)
– Taxation refunded/(paid)		274	(36)
– Indirect tax paid		(30)	(5)
– Direct tax refunded/(paid)		304	(31)
Cash flow from operating activities before operating assets and liabilities		462	391
Movement in operating assets and liabilities			
– Other assets		(126)	11
– Amounts due to subsidiaries		26	–
– Creditors and accruals		28	(7)
– Employee liabilities		(126)	(168)
Net cash generated from operating activities		264	227
Cash flows from investing activities			
Additional investments in subsidiaries		–	(350)
Contributions from subsidiaries		366	–
Net cash inflow/(outflow) from investing activities		366	(350)
Cash flows from financing activities			
Deemed purchase of treasury shares		(366)	–
Net cash outflow from financing activities		(366)	–
Net increase/(decrease) in cash and cash equivalents		264	(123)
Cash and cash equivalents at the beginning of the year		706	829
Cash and cash equivalents at the end of the year	5	970	706

Notes to the annual financial statements
for the year ended 30 June

1 Summary of significant accounting policies

1.1 Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Revenue within the company comprises fees from subsidiaries and dividend income from investments in subsidiaries.

The company recognises revenue from fees when the amount can be reliably measured and it is probable that future economic benefits will flow to the company from it.

Dividends are recognised when the company’s right to receive payment is established.

1.2 Other accounting policies

The financial statements of FirstRand Limited Company are prepared according to the same accounting policies used in preparing the consolidated financial statements of the group, other than the accounting policies on consolidation, equity accounting and translation of foreign operations that are specific to group financial statements. For detailed accounting policies, please refer to page [B231](#) and onwards in the 2025 annual financial statements. The financial statements are prepared on the going concern basis in accordance with IFRS Accounting Standards.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Functional and presentation currency of the company	South African rand (R)
Level of rounding	All amounts are presented in millions of rands. The company has a policy of rounding up in increments of R500 000. Therefore, amounts less than R500 000 will round down to Rnil and are presented as a dash.

Notes to the annual financial statements

for the year ended 30 June

2 Operating expenses

R million	Notes	2025	2024
Directors' fees		(26)	(34)
Direct staff costs		(60)	(227)
– Salaries, wages and allowances*		(20)	(29)
– Share-based payment expense (cash)	9	(46)	(159)
– Share-based payment expense (equity)		(12)	–
Provision for staff and managerial bonuses*		19	(39)
Provision for leave pay*		–	2
– Social security levies		(1)	(2)
Professional fees		(4)	(15)
Corporate memberships		(7)	(4)
Insurance expenditure		(42)	–
Other operating expenditure**		1	(9)
Total operating expenses		(138)	(289)

* In the prior year, the provisions for staff and managerial bonuses and leave pay were included in Salaries, wages and allowances. These provisions have been separately disclosed in the current year to better reflect the nature of the balances. Comparatives have been restated.

** The balance includes a R3 million gain which relates to the release of the financial guarantee liability. Refer to note 8.

3 Indirect and income tax expense

R million	2025	2024
3.1 Indirect tax		
Value-added tax (net)	(5)	–
Other	(18)	–
Total indirect tax	(23)	–
3.2 Income tax expense		
South African income tax		
Normal tax – current year	292	(39)
– Current tax	(27)	(18)
– Current taxation related to Pillar II	(86)	–
– Prior year adjustment	405	(21)
Total income tax expense	292	(39)

The company has not recognised a deferred tax asset amounting to Rnil million (2024: R88 million) relating to tax losses because there was insufficient taxable income. None of these losses have an expiry date.

Tax rate reconciliation – South African normal tax

%	2025	2024
Standard rate of income tax	27.0	27.0
Total tax has been affected by:		
Dividends received	(27.2)	(27.3)
Current taxation related to Pillar II	0.3	–
Prior year adjustment	(1.7)	–
Other	0.4	0.5
Effective rate of tax	(1.2)	0.2

Notes to the annual financial statements

for the year ended 30 June

4 Analysis of assets and liabilities by category

The principal accounting policies from page [B231](#) onwards describe how the classes of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statement of financial position per category of financial instrument to which they are assigned, and therefore by measurement basis and according to when the assets are expected to be realised and liabilities settled.

		2025					
		Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total carrying value	Current	Non-current
R million	Notes						
ASSETS							
Cash and cash equivalents	5	970	–	–	970	970	–
Other assets	6	129	–	–	129	129	–
Investment in subsidiaries	7	–	–	81 104	81 104	–	81 104
Total assets		1 099	–	81 104	82 203	1 099	81 104
LIABILITIES							
Creditors and accruals	8	–	204	16	220	88	132
Current tax liability		–	–	92	92	92	–
Amounts owing to subsidiaries	7	–	27	–	27	27	–
Employee liabilities	9	–	–	179	179	–	179
Total liabilities		–	231	287	518	207	311
2024							
ASSETS							
Cash and cash equivalents	5	706	–	–	706	706	–
Other assets	6	2	–	–	2	2	–
Investment in subsidiaries	7	–	–	80 825	80 825	–	80 825
Total assets		708	–	80 825	81 533	708	80 825
LIABILITIES							
Creditors and accruals	8	–	151	63	214	31	183
Current tax liability		–	–	80	80	80	–
Amounts owing to subsidiaries	7	–	1	–	1	1	–
Employee liabilities	9	–	–	278	278	94	184
Total liabilities		–	152	421	573	206	367

At the reporting date all other assets are considered to be neither past due nor impaired.

The carrying value of cash and cash equivalents, other assets, creditors and accruals approximates the fair value.

Notes to the annual financial statements

for the year ended 30 June

5 Cash and cash equivalents

R million	2025	2024
Money at call and short notice	970	706
Cash and cash equivalents*	970	706

* ECL for physical cash is zero. ECL for cash equivalents is calculated using the loss rate approach and is immaterial. The fair value of cash and cash equivalents approximates the carrying amount.

6 Other assets

R million	2025	2024
Prepayments*	129	2
Total other assets	129	2

* Included within this line for the current year is an amount of R128 million that relates to insurance premiums paid in advance.

7 Investment in subsidiaries

	% owner- ship	% voting rights	Nature of business	Shares at cost	
				2025 R million	2024 R million
FirstRand EMA Holdings Limited			Financial services		
Ordinary shares	100	100		8 025	8 025
FirstRand Bank Limited			Banking		
Ordinary shares	100	100		40 194	40 194
FirstRand Investment Holdings Proprietary Limited			Other activities		
Ordinary shares	100	100		4 038	4 038
FirstRand Investment Management Holdings Limited			Investment management		
Ordinary shares	100	100		599	599
FirstRand Insurance Holdings Proprietary Limited			Insurance services		
Ordinary shares	100	100		853	853
FirstRand International Limited			Banking		
Ordinary shares	100	100		26 699	26 699
Total				80 408	80 408
Investment through equity-settled share ownership plan*			Equity-settled share scheme	279	—
Investment through equity-settled share incentive scheme**			Equity-settled share scheme	417	417
Total investments in subsidiaries				81 104	80 825
Amounts owing to subsidiaries				27	1

* FirstRand Limited is the obligating entity for the Share Ownership Plan introduced from September 2024, issued to the employees of its subsidiaries. As the scheme is settled in FirstRand Limited's own shares, the share based payment expense is viewed as a capital contribution made by FirstRand Limited as the holding company to its subsidiaries. The recharge costs received from the subsidiaries are viewed as a capital contribution received by FirstRand Limited. The net of these transactions is reflected above.

** In the prior year, the amount presented relates to the share awards granted to employees who were employed by companies that remained in the FirstRand group after the unbundling of a wholly owned subsidiary transaction.

With the exception of FREMA and FRI, which offer financial services across Africa and the UK, the principal place of business for all of the company's subsidiaries is South Africa.

Increases in investments in subsidiaries

In the prior financial year, the company acquired additional shares amounting to R350 million in its wholly owned subsidiary FirstRand EMA Holdings Limited.

Notes to the annual financial statements

for the year ended 30 June

8 Creditors and accruals

R million	2025	2024
Unclaimed dividends	126	138
Accounts payable and accrued liabilities	41	29
Sundry creditors	9	–
Audit fee accrual	7	7
Financial guarantee liability*	37	40
Total creditors and accruals	220	214

* The drawn exposure covered by the guarantee issued to the BoE amounts to R17 067 million (2024: R24 811 million). The guarantee is for an unspecified and uncapped amount. In the prior year the exposure relating to the BoE was reported as R34 490 million and has been updated to correctly reflect the exposure. In addition, the maximum exposure of financial guarantee issued to FirstRand Short Term Insurance Limited amounted to R250 million (2024: R250 million). The full exposures of both guarantees are included in stage 1 ECL. Both guarantees are open-ended until such time as the company cancels the contract. The probability of the BoE guarantee being called upon is considered low, as the entity being guaranteed has an external credit rating of Baa2 (2024: Baa2). In the prior year the credit rating of the entity being guaranteed was incorrectly disclosed as AA. For liquidity disclosure purposes, the guarantees are payable on call.

9 Employee liabilities

R million	2025	2024
Liability for short-term employee benefits		
Opening balance	97	83
Additional provisions created	21	36
Unused amounts reversed	(40)	–
Utilised during the year	(27)	(22)
Total liability for short-term employee benefits	51	97
Share-based payment liability		
Opening balance	181	186
Other movements	–	(18)
Share-based payment settlement (cash)	(99)	(146)
Charge to profit or loss	46	159
Total share-based payment liability	128	181
Total employee liabilities	179	278
The charge to profit or loss for share-based payments is as follows:		
FirstRand share appreciation rights scheme	46	159
Amount included in operating expenses	46	159

For a detailed description of share option schemes and trusts in which FirstRand Limited Company participates, refer to note 33 of the consolidated annual financial statements.

Notes to the annual financial statements

for the year ended 30 June

10 Share capital and share premium

10.1 Share capital and share premium classified as equity

Authorised shares

	2025	2024
Ordinary shares	6 001 688 450	6 001 688 450
A preference shares – unlisted variable rate cumulative convertible redeemable	198 311 550	198 311 550
B preference shares – listed variable rate non-cumulative non-redeemable	100 000 000	100 000 000
C preference shares – unlisted variable rate convertible non-cumulative redeemable	100 000 000	100 000 000
D preference shares – unlisted variable rate cumulative redeemable	100 000 000	100 000 000

Issued shares

	2025			2024		
	Number of shares	Ordinary share capital R million	Share premium R million	Number of shares	Ordinary share capital R million	Share premium R million
Opening balance	5 609 488 001	56	8 056	5 609 488 001	56	8 056
Shares issued	–	–	–	–	–	–
Total issued ordinary share capital and share premium	5 609 488 001	56	8 056	5 609 488 001	56	8 056
Total issued share capital attributable to ordinary equityholders		56	8 056		56	8 056

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

11 Dividends

R million	2025	2024
Ordinary dividends		
A final dividend of 247.00 cents* (September 2024: 215.00 cents**) per share was declared on 10 September 2025 in respect of the six months ended 30 June 2025.	12 060	10 939
An interim dividend of 219.00 cents** (March 2024: 200.00 cents) per share was declared on 5 March 2025 in respect of the six months ended 31 December 2024.	12 285	11 219
Total ordinary dividends paid for the year	24 345	22 158

* The final dividend is not reflected in the statement of changes in equity as this relates to a dividend declared post year end.

** These dividends are reflected in the statement of changes in equity for the current year.

Notes to the annual financial statements

for the year ended 30 June

12 Related parties

12.1 Balances and transactions with related parties

R million	Notes	2025 Subsidiaries
Net interest income		46
Non-interest revenue		44
Dividends received		24 682
Amounts owing to subsidiaries	7	27
Cash and cash equivalents	5	970
Other assets	6	129
Deemed contribution - share award scheme		366
		2024
		Subsidiaries
Net interest income		47
Non-interest revenue		77
Dividends received		22 703
Amounts owing to subsidiaries	7	1
Cash and cash equivalents	5	706
Other assets	6	2
Deemed contribution - share award scheme		—

Refer to the remuneration disclosures on page [B189](#) for details of the compensation paid to KMP.

During the 2022 year a financial guarantee was provided by the company to FirstRand Short Term Insurance, as a subsidiary within the FirstRand group, to provide immediate financial support in the event that FirstRand Short Term Insurance solvency capital requirements were to fall below its prudential thresholds. Refer to note 8.

13 Events after reporting period

Refer to note 40 of the consolidated annual financial statements of the group for further details.

14 Risk management

FirstRand Limited Company is not exposed to significant risks. For details on how financial risk is managed in the group, please refer to the summary risk and capital management report. For quantitative information about financial risk refer to note 38 of the consolidated financial statements of the group.



C

**SHAREHOLDERS'
AND
SUPPLEMENTARY
INFORMATION**

SHAREHOLDERS' AND SUPPLEMENTARY INFORMATION

C

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Analysis of ordinary shareholders

as at 30 June 2025

	Number of shareholders	Shares held (thousands)	%
Major shareholders			
Public Investment Corporation		883 786	15.7
BEE partners*		274 346	4.9
BlackRock investment management		167 585	3.0
Old Mutual		150 221	2.7
Total		1 475 938	26.3
Public and non-public shareholders			
Public	93 566	5 094 068	90.8
Non-public			
– Corporates (Royal Bafokeng Holdings and Remgro)**	3	236 970	4.2
– Directors and prescribed officers#	11	4 104	0.1
– BEE partners*	7	274 346	4.9
Total	93 587	5 609 488	100.0
Geographic ownership			
South Africa		2 994 887	53.4
International		1 865 413	33.2
Unknown/unanalysed		749 188	13.4
Total		5 609 488	100.0

* BEE partners include FirstRand Empowerment Trust, FirstRand Staff Assistance Trust, MIC Investment Holdings, Mineworkers Investment Trust, Kagiso Charitable Trust and WDB Investment Holdings and WDV Trust No2.

** The group has two corporate shareholders (Royal Bafokeng Holdings and Remgro), which hold their FirstRand shares in multiple accounts (three in total).

Reflect direct beneficial ownership.

Performance on the JSE

	2025	2024
Number of shares in issue (thousands)	5 609 488	5 609 488
Market price (cents per share)		
Closing	7 569	7 690
High	8 922	7 868
Low	5 908	5 890
Average share price	7 707	6 406
Closing price/net asset value per share	2	2
Closing price/earnings (headline)	10	11
Volume of shares traded (millions)	3 420	3 404
Value of shares traded (millions)	262 912	228 308
Market capitalisation (R billion)	424 582	431 370

Company information

DIRECTORS

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

COMPANY SECRETARY AND REGISTERED OFFICE

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4 Merchant Place
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Fax: +27 11 282 8088
Website: www.firststrand.co.za

JSE SPONSOR

Rand Merchant Bank (a division of FirstRand Bank Limited)
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Tel: +27 11 282 8000

NAMIBIAN SPONSOR

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

TRANSFER SECRETARIES – SOUTH AFRICA

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1st Floor, Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196
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Tel: +27 11 370 5000
Fax: +27 11 688 5248

TRANSFER SECRETARIES – NAMIBIA

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PO Box 2401, Windhoek
Namibia
Tel: +264 612 27647
Fax: +264 612 48531

AUDITORS

PricewaterhouseCoopers Inc.
4 Lisbon Lane
Waterfall City
Jukskei View
2090

Ernst & Young Inc.

102 Rivonia Road
Sandton
Johannesburg
Gauteng
South Africa
2146

Credit ratings

Refer to www.firststrand.co.za/investors/debt-investor-centre/credit-ratings for detail on the group's credit ratings.

Definitions

Additional Tier 1 capital (AT1)	AT1 capital instruments and qualifying capital instruments issued out of fully consolidated subsidiaries to third parties 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, qualifying reserves and third-party capital, less specified regulatory deductions
Contingent convertible securities	Fixed-rate perpetual subordinated contingent convertible securities issued by Aldermore. These instruments qualify as AT1 capital
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
Dividend cover	Normalised earnings per share divided by dividend per share
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
Loss given default (LGD)	Economic loss that will be suffered on an exposure following default of the counterparty, expressed as a percentage of the amount outstanding at the time of default
Net income after capital charge (NIACC)	Normalised earnings less the cost of equity multiplied by the average ordinary shareholders' equity and reserves
Normalised earnings	Normalised earnings are the measurement basis used by the chief operating decision maker to manage the group. Headline earnings are adjusted to take into account non-operational and accounting anomalies.
Normalised earnings per share	Normalised earnings attributable to ordinary equityholders divided by the weighted average number of shares including treasury shares
Normalised net asset value	Normalised equity attributable to ordinary equityholders
Normalised net asset value per share	Normalised equity attributable to ordinary equityholders divided by the number of issued ordinary shares
Price earnings ratio (times)	Closing price at end of period divided by basic normalised earnings per share
Price-to-book (times)	Closing share price at end of period divided by normalised net asset value per share
Return on assets (ROA)	Normalised earnings divided by average assets
Return on equity (ROE)	Normalised earnings divided by average normalised ordinary shareholders' equity
Risk-weighted assets (RWA)	Prescribed risk weightings relative to 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
Shares in issue	Number of ordinary shares listed on the JSE
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, capital instruments issued out of fully consolidated subsidiaries to third parties and qualifying provisions less specified regulatory deductions
Total qualifying capital and reserves	Tier 1 capital plus Tier 2 capital
Weighted average number of ordinary shares	Weighted average number of ordinary shares in issue during the year as listed on the JSE

Abbreviations

ALCCO	Asset, liability and capital committee	GBP	British pound
ALM	Asset-liability management	GCA	Gross carrying amount
AT1	Additional Tier 1 capital	GDP	Gross domestic product
BEE	Black economic empowerment	GMM	General measurement model
BoE	Bank of England	HQLA	High-quality liquid assets
BSE	Botswana Stock Exchange	IASB	International Accounting Standards Board
CAGR	Compound annual growth rate	IRBA	Independent Regulatory Board for Auditors
Centre	FirstRand Corporate Centre	IRRBB	Interest rate risk in the banking book
CET1	Common Equity Tier 1 capital	ISA	International Standards on Auditing
CGU	Cash generating unit	ISDA	International Swaps and Derivatives Association
CIP	Conditional incentive plan	JETP	Just Energy Transition Partnerships
CMA	Common Monetary Area	JIBAR	Johannesburg Interbank Average Rate
CODM	Chief operating decision maker	FCF	Fulfilment cash flows
Covid-19	Coronavirus disease	JSE	Johannesburg Stock Exchange
CPI	Consumer price index	KMP	Key management personnel
CPT	Corporate performance target	LECL	Lifetime expected credit losses
CSM	Contractual service margin	LGD	Loss given default
DIP	Deferred incentive plan	LIC	Liability for incurred claims
EDC	External debt collection	LRC	Liability for remaining coverage
ECL	Expected credit loss	MNA	Master netting arrangement
EAD	Exposure at default	NAV	Net asset value
EPS	Earnings per share		
ETL	Expected tail loss		
EVE	Economic value of equity		
EY	Ernst & Young		
FCA (UK)	Financial Conduct Authority (UK)		
FLI	Forward-looking information		
FNB	First National Bank		
FR	FirstRand		
FRB	FirstRand Bank Limited		
FREMA	FirstRand EMA Holdings (Pty) Ltd		
FRI	FirstRand International Limited		
FRIHL	FirstRand Investment Holdings (Pty) Ltd		
FSR	FirstRand Limited		
FVOCI	Fair value through other comprehensive income		
FVTPL	Fair value through profit or loss		

Abbreviations continued

NCD	Negotiable certificate of deposit
NCNR	Non-cumulative non-redeemable
NIACC	Net income after capital charge
NII	Net interest income
NIR	Non-interest revenue
NPL	Non-performing loan
NSX	Namibian Stock Exchange
OCI	Other comprehensive income
ORSA	Own risk and solvency assessment
PA	Prudential Authority
PAA	Premium allocation approach
PD	Probability of default
P/E	Price/earnings
PwC	PricewaterhouseCoopers Inc.
RCCC	Risk, capital management and compliance committee
Remco	Remuneration committee
RMB	Rand Merchant Bank
RMBIA	RMB Investments and Advisory
ROE	Return on equity
ROUA	Right of use asset
RWA	Risk-weighted assets

S&P	Standard & Poors Global Ratings
SAICA	South African Institute of Chartered Accountants
SAM	Solvency Assessment Management
SAPs	Standards of Actuarial Practice
SARB	South African Reserve Bank
SBP	Share-based payment
SCR	Solvency Capital Requirement
SICR	Significant increase in credit risk
SME	Small and medium-sized enterprise
SONIA	Sterling Overnight Index Average
SPPI	Solely payments of principal and interest
SPV	Special purpose vehicles
sVaR	Stressed VaR
TRS	Total return swap
UK	United Kingdom
VAF	Vehicle asset finance
VAPS	Value-added products and services
VaR	Value-at-risk
ZARONIA	South African Overnight Index Rate

Abbreviations continued

International Financial Reporting Standards Accounting Standards

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 2	Share-based Payments
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 17	Insurance Contracts
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

International 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 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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