FirstRand

ANALYSIS OF FINANCIAL RESULTS

for the six months ended 31 December 2024

FirstRand

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

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 most accurately reflects its economic performance. Normalised results have been derived from the financial results based on IFRS® Accounting Standards (IFRS Accounting Standards) for the six months ended 31 December 2024.

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 152 to 154. Detailed reconciliations of normalised to IFRS Accounting Standards results are provided on pages 163 to 172. Commentary is based on normalised results, unless indicated otherwise.

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

Simplified group structure

FirstRand

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

100% FirstRand Bank Limited (FRB)

SA banking

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

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

Broader Africa

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

100% FirstRand International Limited (Guernsey) (FRI)

UK banking and hard currency platform

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

100% FirstRand Insurance Holdings (Pty) Ltd

Insurance

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

100% FirstRand Investment Management Holdings Limited

Investment management

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

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

Other activities

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

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

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

Notes:

Structure shows effective consolidated shareholding.

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

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

R20.9bn

Dec 2023: R19.1bn ▲**10%**

Return on equity

20.8%

Dec 2023: 20.6% ▲**20 bps**

Net asset value

R207.3bn

Dec 2023: R190.0bn ▲**9%**

CET1 ratio

13.6%

Dec 2023: 13.3% ▲**30 bps**

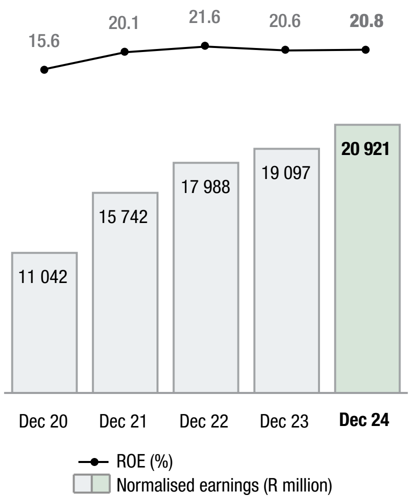
Ordinary dividend per share

219 cents

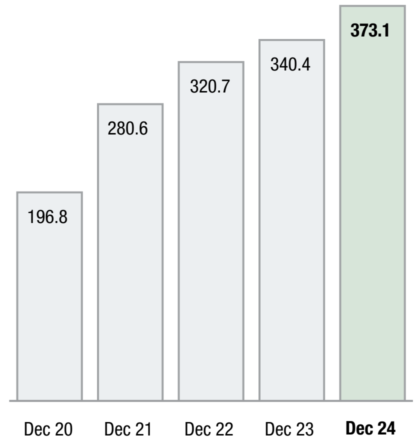
Dec 2023: 200 cents ▲**10%**

Track record

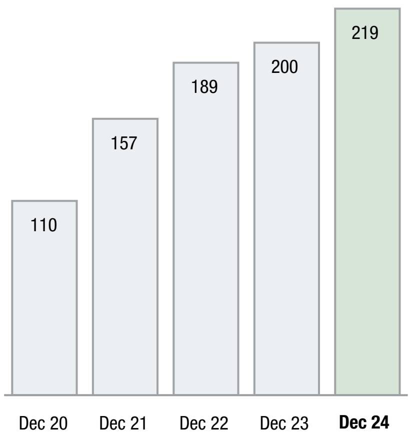
Normalised earnings (R million) and ROE (%)
CAGR 17%



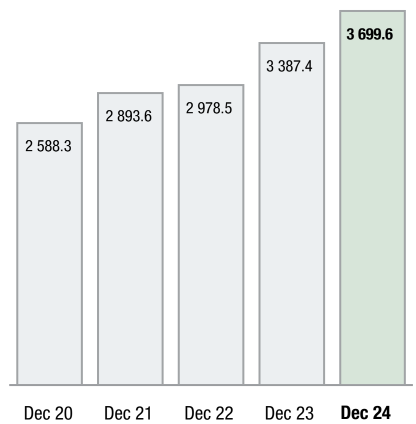
Diluted normalised earnings per share (cents)
CAGR 17%



Dividends per share (cents)



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



Note: 2020 and 2021 figures are based on IFRS 4, 2022 to 2024 figures are based on IFRS 17.

Key financial and operational results, ratios and statistics – normalised

This section is based on normalised results. The June 2024 results include the impact of the accounting provision related to the previously disclosed UK motor commission matter. A detailed reconciliation between IFRS and normalised results is set out on pages 163 to 172.

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Earnings performance				
Normalised earnings per share (cents)				
– Basic	**373.1**	340.4	10	677.2
– Diluted	**373.1**	340.4	10	677.2
Headline earnings per share (cents)				
– Basic	**374.4**	341.4	10	679.0
– Diluted	**374.4**	341.4	10	679.0
Earnings per share (cents) – IFRS				
– Basic	**376.4**	348.1	8	681.4
– Diluted	**376.4**	348.1	8	681.4
Attributable earnings – IFRS	**21 077**	19 509	8	38 191
Headline earnings	**20 964**	19 135	10	38 054
Normalised earnings	**20 921**	19 097	10	37 988
Normalised net asset value	**207 261**	190 017	9	195 664
Normalised net asset value per share (cents)	**3 699.6**	3 387.4	9	3 488.1
Average normalised net asset value	**201 463**	185 734	8	188 558
Net income after cost of capital	**6 164**	5 492	12	10 364
Market capitalisation	**426 097**	412 353	3	431 370
Ordinary dividend per share (cents)	**219**	200	10	415
Dividend cover (times)	**1.70**	1.70		1.63
Ratios and key statistics				
ROE (%)	**20.8**	20.6		20.1
ROA (%)	**1.71**	1.65		1.63
Cost of equity (%)	**14.65**	14.65		14.65
Price earnings ratio (times)	**10.2**	10.8		11.4
Price-to-book ratio (times)	**2.1**	2.2		2.2
Diversity ratio (%)	**39.1**	38.3		39.1
Credit impairment charge (R million)	**6 897**	6 404	8	12 555
Credit loss ratio (%)	**0.84**	0.83		0.81
Stage 3/NPLs as % of core lending advances	**4.33**	3.98		4.25
Performing book coverage ratio (%)	**1.51**	1.67		1.58
Specific coverage ratio (%)	**43.2**	45.4		44.1
Cost-to-income ratio (%)	**48.9**	49.9		52.6
Effective tax rate (%)	**23.9**	24.9		22.4
Share price (closing – rand)	**75.96**	73.51	3	76.90

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Balance sheet				
Normalised total assets (R million)	**2 540 679**	2 332 940	9	2 366 815
Advances (net of credit impairment) (R million)	**1 710 087**	1 601 558	7	1 611 541
Average gross loan-to-deposit ratio (%)	**82.4**	83.2		82.9
Deposits (R million)	**2 159 408**	1 978 278	9	2 003 151
Capital adequacy – IFRS*				
Capital adequacy ratio (%)	**16.3**	15.9		16.1
Tier 1 ratio (%)	**14.5**	14.1		14.4
Common Equity Tier 1 ratio (%)	**13.6**	13.3		13.5
Leverage – IFRS*				
Leverage ratio (%)	**8.0**	7.9		8.2
Liquidity – IFRS				
Liquidity coverage ratio (%)	**127**	119		118
Net stable funding ratio (%)	**122**	122		120
Operational statistics				
Number of ATMs (including ADTs)	**5 763**	5 764	–	5 716
– South Africa	**4 770**	4 790	–	4 750
– Broader Africa	**993**	974	2	966
Number of branches	**759**	750	1	757
– South Africa	**625**	616	1	623
– Broader Africa	**134**	134	–	134
Number of FNB CashPlus/Agency Plus agents**	**4 811**	3 902	23	4 350
– South Africa	**63**	5	>100	25
– Broader Africa	**4 748**	3 897	22	4 325
Number of employees	**49 751**	50 178	(1)	49 250
– South Africa	**39 496**	40 104	(2)	39 157
– Broader Africa	**6 648**	6 325	5	6 381
– UK operations	**1 960**	2 173	(10)	2 088
– Other	**700**	674	4	694
– FirstJob youth employment programme	**947**	902	5	930
FNB active customers (millions)	**12.15**	11.81	3	12.07
– South Africa	**9.86**	9.68	2	9.87
– Retail	**8.55**	8.45	1	8.60
– Commercial	**1.31**	1.23	7	1.27
– Broader Africa	**2.29**	2.13	8	2.20
FNB channel volumes (thousands of transactions)				
– ATM/ADT	**140 667**	142 892	(2)	292 324
– Digital	**449 464**	401 050	12	800 924
– Card acquiring	**566 326**	539 610	5	1 059 275
– Card issuing	**664 084**	618 529	7	1 221 794
Gross written premiums on group licences (R million)	**4 187**	3 653	15	7 548

* *Including unappropriated profits.*

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

Condensed consolidated income statement – normalised

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Net interest income before impairment of advances	**44 659**	42 771	4	86 105
Impairment charge	**(6 897)**	(6 404)	8	(12 555)
Net interest income after impairment of advances	**37 762**	36 367	4	73 550
Total non-interest revenue	**28 636**	26 577	8	55 295
– Operational non-interest revenue	**27 549**	25 824	7	52 873
– Fee and commission income	**20 718**	19 162	8	38 131
– Net insurance income	**2 146**	1 950	10	4 420
– Trading and other fair value income	**2 372**	2 723	(13)	5 806
– Investment income	**331**	283	17	476
– Other non-interest revenue	**1 982**	1 706	16	4 040
– Share of profit of associates and joint ventures after tax	**1 087**	753	44	2 422
Income from operations	**66 398**	62 944	5	128 845
Operating expenses*	**(35 839)**	(34 616)	4	(74 405)
Income before indirect tax	**30 559**	28 328	8	54 440
Indirect tax	**(951)**	(972)	(2)	(1 655)
Profit before tax	**29 608**	27 356	8	52 785
Income tax expense	**(7 078)**	(6 809)	4	(11 810)
Profit for the period	**22 530**	20 547	10	40 975
Other equity instrument holders	**(835)**	(750)	11	(1 518)
Non-controlling interests	**(774)**	(700)	11	(1 469)
Normalised earnings attributable to ordinary equityholders of the group	**20 921**	19 097	10	37 988

* *June 2024 includes R3 299 million relating to the UK motor commission matter.*

Condensed consolidated statement of other comprehensive income – normalised

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Profit for the period	**22 530**	20 547	10	40 975
Items that may subsequently be reclassified to profit or loss				
Cash flow hedges	**1 023**	2 281	(55)	2 370
Gains arising during the period	**1 211**	2 380	(49)	2 548
Reclassification adjustments for amounts included in profit or loss	**229**	792	(71)	688
Deferred income tax	**(417)**	(891)	(53)	(866)
FVOCI debt reserve	**269**	(146)	(>100)	(244)
Gains/(losses) arising during the period	**355**	(158)	(>100)	(241)
Reclassification adjustments for amounts included in profit or loss	**(12)**	(54)	(78)	(90)
Deferred income tax	**(74)**	66	(>100)	87
Exchange differences on translating foreign operations*	**1 554**	(2 251)	(>100)	(4 148)
Gains/(losses) arising during the period including the effect of hyperinflation	**1 533**	(2 240)	(>100)	(4 119)
Deferred income tax	**21**	(11)	(>100)	(29)
Insurance and reinsurance finance reserve	**177**	173	2	124
Gains arising during the period on insurance contracts issued	**235**	173	36	173
Gains/(losses) arising during the period on reinsurance contracts held	**7**	–	0	(5)
Deferred income tax	**(65)**	–	0	(44)
Share of other comprehensive income of associates and joint ventures after tax and non-controlling interests	**2**	6	(67)	16
Items that may not subsequently be reclassified to profit or loss				
FVOCI equity reserve	**1**	(1)	(>100)	(3)
Gains/(losses) arising during the period	**1**	(1)	(>100)	(4)
Deferred income tax	**–**	–	–	1
Remeasurements on defined benefit post-employment plans	**(12)**	23	(>100)	43
(Losses)/gains arising during the period	**(17)**	32	(>100)	63
Deferred income tax	**5**	(9)	(>100)	(20)
Other comprehensive income/(loss) for the period	**3 014**	85	>100	(1 842)
Total comprehensive income for the period	**25 544**	20 632	24	39 133
Attributable to				
Ordinary equityholders	**23 923**	19 198	25	36 209
Other equity instrument holders	**835**	750	11	1 518
Equityholders of the group	**24 758**	19 948	24	37 727
Non-controlling interests	**786**	684	15	1 406
Total comprehensive income for the period	**25 544**	20 632	24	39 133

* *Refer to page 220 for the exchange rates used.*

Condensed consolidated statement of financial position – normalised

R million	As at 31 December 2024	As at 31 December 2023	As at 30 June 2024
ASSETS			
Cash and cash equivalents*	**175 899**	136 315	158 477
Derivative financial instruments	**56 350**	57 168	55 284
Commodities	**14 924**	13 327	15 109
Investment securities	**488 868**	430 926	431 044
Advances	**1 710 087**	1 601 558	1 611 541
– Advances to customers**	**1 637 631**	1 519 329	1 532 589
– Marketable advances	**72 456**	82 229	78 952
Collateral, settlement balances and other assets*	**33 300**	38 924	36 052
Current tax asset	**958**	1 201	451
Non-current assets and disposal groups held for sale	**1 388**	150	1 498
Insurance contract assets	**1 075**	668	760
Reinsurance contract assets	**541**	723	509
Investments in associates	**11 040**	9 355	10 332
Investments in joint ventures	**3 897**	3 198	3 458
Property and equipment	**24 088**	22 036	23 326
Intangible assets	**10 119**	10 096	9 701
Investment properties	**719**	357	704
Defined benefit post-employment asset	**7**	24	7
Deferred income tax asset	**7 419**	6 914	8 562
Total assets	**2 540 679**	2 332 940	2 366 815
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	**16 343**	12 366	10 273
Derivative financial instruments	**50 965**	48 283	44 645
Creditors, accruals and provisions	**35 484**	40 202	42 447
Current tax liability	**640**	978	719
Liabilities directly associated with disposal groups held for sale	**1 027**	–	1 126
Deposits	**2 159 408**	1 978 278	2 003 151
Employee liabilities	**11 540**	11 840	16 572
Other liabilities	**5 662**	6 449	5 806
Insurance contract liabilities	**1 084**	1 521	968
Reinsurance contract liabilities	**88**	110	48
Policyholder liabilities under investment contracts	**8 397**	7 014	7 669
Tier 2 liabilities	**21 613**	17 657	17 268
Deferred income tax liability	**861**	990	843
Total liabilities	**2 313 112**	2 125 688	2 151 535
Equity			
Ordinary shares	**56**	56	56
Share premium	**7 460**	8 056	8 056
Reserves	**199 745**	181 905	187 552
Capital and reserves attributable to equityholders of the group	**207 261**	190 017	195 664
Other equity instruments and reserves	**15 204**	12 665	14 755
Non-controlling interests	**5 102**	4 570	4 861
Total equity	**227 567**	207 252	215 280
Total equities and liabilities	**2 540 679**	2 332 940	2 366 815

* *December 2023 has been restated. Refer to pages 154 to 155 for further details.*

** *Included in advances to customers are assets under agreements to resell of R97 609 million (December 2023: R92 060 million; June 2024: R67 808 million).*

Flow of funds analysis – normalised

R million	December 2024 vs June 2024 6-month movement	December 2023* vs June 2023 6-month movement	June 2024 vs June 2023 12-month movement
Sources of funds			
Capital account movement (including profit and reserves)	**12 287**	11 583	19 611
Working capital movement	**(7 917)**	(40 079)	(4 726)
Short trading positions and derivative financial instruments	**11 324**	6 330	2 483
Deposits and long-term liabilities	**160 602**	55 963	80 447
Total	**176 296**	33 797	97 815
Outflow in deployment of funds			
Advances	**(98 546)**	(62 183)	(72 166)
Investments	**(2 504)**	3 900	(222)
Cash and cash equivalents	**(17 422)**	38 989	(10 806)
Investment securities (e.g. liquid asset portfolio)	**(57 824)**	(14 503)	(14 621)
Total	**(176 296)**	(33 797)	(97 815)

* *Restated. Please refer to pages 154 to 155 for details.*

Condensed consolidated statement of changes in equity – normalised

for the six months ended 31 December

	Ordinary share capital and ordinary equityholders' funds				
R million	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 period	–	–	**–**	–	–
Preference shares redeemed during the period	–	–	**–**	–	–
Movement in other reserves	–	–	**–**	–	–
Ordinary dividends	–	–	**–**	–	–
Distributions on other equity instruments	–	–	**–**	–	–
Changes in ownership interest of subsidiaries	–	–	**–**	–	–
Movement in treasury shares	–	–	**–**	–	–
– Held for client trading	–	–	**–**	–	–
– Held for employee share scheme	–	–	**–**	–	–
Total comprehensive income for the period	–	–	**–**	23	2 281
– Profit for the period	–	–	**–**	–	–
– Other comprehensive income for the period	–	–	**–**	23	2 281
Vesting of share-based payments	–	–	**–**	–	–
Balance as at 31 December 2023	56	8 056	**8 112**	645	(814)
Balance as at 1 July 2024	56	8 056	**8 112**	665	(725)
Additional Tier 1 capital issued during the period	–	–	**–**	–	–
Additional Tier 1 capital redeemed during the period	–	–	**–**	–	–
Movement in other reserves	–	–	**–**	–	–
Ordinary dividends	–	–	**–**	–	–
Distributions on other equity instruments	–	–	**–**	–	–
Movement in treasury shares	–	(596)	**(596)**	–	–
– Held for client trading	–	–	**–**	–	–
– Held for employee share scheme	–	(596)	**(596)**	–	–
Total comprehensive income for the period	–	–	**–**	(12)	1 023
– Profit for the period	–	–	**–**	–	–
– Other comprehensive income for the period	–	–	**–**	(12)	1 023
Vesting of share-based payments	–	–	**–**	–	–
Balance as at 31 December 2024	56	7 460	**7 516**	653	298

* *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							
Share-based payment reserve	Foreign currency translation reserve	Other reserves*	Retained earnings	**Reserves attributable to ordinary equity-holders**	**Other equity instruments and reserves****	**Non-controlling interests**	**Total equity**
27	12 769	1 709	161 307	**173 339**	**9 930**	**4 288**	**195 669**
–	–	–	–	**–**	**5 000**	**–**	**5 000**
–	–	–	–	**–**	**(2 265)**	**–**	**(2 265)**
19	–	114	174 #	**307**	**–**	**2 #**	**309**
–	–	–	(10 939)	**(10 939)**	**–**	**(661)**	**(11 600)**
–	–	–	–	**–**	**(750)**	**–**	**(750)**
–	–	–	–	**–**	**–**	**257**	**257**
–	–	–	–	**–**	**–**	**–**	**–**
–		–	–	**–**	**–**	**–**	**–**
–		–	–	**–**	**–**	**–**	**–**
–	(2 236)	33	19 097	**19 198**	**750**	**684**	**20 632**
–	–	–	19 097	**19 097**	**750**	**700**	**20 547**
–	(2 236)	33	–	**101**	**–**	**(16)**	**85**
–	–	–	–	**–**	**–**	**–**	**–**
46	10 533	1 856	169 639	**181 905**	**12 665**	**4 570**	**207 252**
12	8 685	1 758	177 157	**187 552**	**14 755**	**4 861**	**215 280**
–	–	–	–	**–**	**3 910**	**–**	**3 910**
–	–	–	–	**–**	**(3 461)**	**–**	**(3 461)**
224	–	4	103 #	**331**	**–**	**–**	**331**
–	–	–	(12 061)	**(12 061)**	**–**	**(545)**	**(12 606)**
–	–	–	–	**–**	**(835)**	**–**	**(835)**
–	–	–	–	**–**	**–**	**–**	**(596)**
–		–	–	**–**	**–**	**–**	**–**
–		–	–	**–**	**–**	**–**	**(596)**
–	1 543	448	20 921	**23 923**	**835**	**786**	**25 544**
–	–	–	20 921	**20 921**	**835**	**774**	**22 530**
–	1 543	448	–	**3 002**	**–**	**12**	**3 014**
–	–	–	–	**–**	**–**	**–**	**–**
236	10 228	2 210	186 120	**199 745**	**15 204**	**5 102**	**227 567**

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

Normalised earnings increased 10%, to R20.9 billion, and the ROE of 20.8% remains well within the group's stated range of 18% to 22%. Economic profits increased 12% to R6.2 billion, net asset value grew 9% and the board has declared an interim dividend of 219 cents per share, increasing in line with earnings.

These are very pleasing shareholder outcomes given the challenging operating environment, and testament to the quality of the group's customer-facing franchises FNB, RMB, WesBank and Aldermore.

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

Mary Vilakazi – CEO

Introduction and group strategy

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

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

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 backdrop of subdued macroeconomic growth and given the group's size, any aspiration to outperform requires strategic distinction combined with sound execution. The key focus of the domestic businesses is to grow franchises profitably.

The relative size and quality of its transactional and insurance franchises in South Africa allows the group to achieve high levels of capital-light earnings growth, translating into superior returns for shareholders. 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 of high inflation and interest rates, combined with 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.

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

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.

Operating environment

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

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

In the UK, a reduction in inflation eased the cost-of-living crisis. However, inflation did not fall as quickly as the central bank predicted given persistent supply-side price pressures and increased policy uncertainty. This resulted in the Bank of England (BoE) adopting a more cautious stance, slowing its interest-rate cutting cycle relative to previous expectations. Demand for credit remained soft as the combination of sticky inflation and still elevated interest rates continued to weigh on consumers and businesses.

The group's broader Africa portfolio continued to experience differing inflation, interest rate and GDP growth cycles. Fiscal headwinds remained prevalent, and some countries suffered ongoing droughts and cost-of-living challenges. The current unrest in Mozambique has resulted in significant policy and economic uncertainty. Positive developments included strong foreign investment in Namibia due to the improved outlook for natural resources, and economic reform momentum in Nigeria. Ghana's and Zambia's International Monetary Fund (IMF) programmes continued to provide some stability to both economies, providing a foundation for an improvement in cyclical outlook.

Financial performance

Despite these challenging macroeconomic backdrops 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 for the six months to 31 December 2024.

Relative to FirstRand's expectations for this period under review, the group's portfolio has performed better than initially anticipated. This was mainly due to the stronger overall credit performance driven by retail credit in South Africa trending ahead of expectations and a much stronger credit outcome in the UK operations. As a result, the group's credit loss ratio (CLR) at 84 bps is ahead of FirstRand's initial through-the-cycle (TTC) expectations. Costs growing lower than inflation is also a more positive outcome than previously guided, and has resulted in positive jaws.

Normalised earnings increased 10%, to R20.9 billion, driven by healthy topline, and the group delivered a normalised ROE of 20.8% (which remains well within the group's stated range of 18% to 22%). Net income after cost of capital (NIACC) increased 12% to R6.2 billion, and net asset value (NAV) grew 9%. The group is pleased to deliver 10% growth in dividend per share.

Given its high return profile, the group remained capital generative, with the Common Equity Tier 1 (CET1) ratio at 13.6% (December 2023: 13.3%). Taking this strong capital position into account, the board is comfortable to increase the interim dividend 10% to 219 cents, which translates into a dividend cover of 1.7 times.

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

The broader Africa portfolio and UK operations both delivered solid performances, with FNB's broader Africa franchise increasing profit before tax (PBT) 9% and RMB's broader Africa PBT growing 3%. The UK operations produced 13% growth in PBT (in pound terms).

The Centre, comprising Group Treasury and support functions, produced normalised earnings of R1.7 billion.

Sources of normalised earnings are unpacked in the table below:

SOURCES OF NORMALISED EARNINGS

	Six months ended 31 December					Year ended 30 June	
R million	**2024**	**% composition**	2023	% composition	% change	2024	% composition
FNB	**12 136**	**58**	11 473	60	6	21 968	58
WesBank	**1 104**	**5**	988	5	12	1 981	5
RMB	**4 800**	**23**	4 475	23	7	9 744	26
UK operations*	**1 911**	**9**	1 648	9	16	4 170	11
Centre*,**	**1 697**	**8**	1 161	6	46	1 439	4
Other equity instrument holders	**(727)**	**(3)**	(648)	(3)	12	(1 314)	(4)
Normalised earnings	**20 921**	**100**	19 097	100	10	37 988	100

* *June 2024 includes R2 418 million relating to the UK motor commission matter, split between UK operations (R320 million) and the Centre (R2 098 million).*

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

Revenue and cost overview

Overall group NII increased 4%, driven by core lending advances growth (+7%), continued deposit gathering (+8%) and increased capital endowment balances (+14%). This healthy balance sheet growth was offset by increased interest in suspense due to higher inflows into NPLs and lower margins in the UK operations. The rate cutting cycle resulted in lower deposit endowment, partially offset by the asset-liability management (ALM) strategy, unpacked in more detail later.

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

Advances increased 4% in FNB retail, 6% in WesBank retail vehicle asset finance (VAF) and 6% in FNB broader Africa. The solid advances growth from FNB commercial (+12%) and RMB core lending (+9%) remains an outcome of focused origination in sectors showing above-cycle growth and which are expected to perform well, even in an inflationary and high interest rate environment.

The UK operations advances growth of 4% (in pound terms) reflects a targeted approach to origination against a backdrop of prevailing high interest rates and pressure on margins in the period under review. Nevertheless, property lending, particularly specialist buy-to-let, remained resilient. In rand terms, UK operations' advances increased 5% period on period, however, margins declined 6 bps.

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

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, despite some margin pressure from the mix moving to lower-yielding products. Period-on-period movements in advances and deposits are unpacked by operating business and segment in the following table.

	Growth in advances %	**Growth in deposits %**
FNB	**6**	**10**
– Retail	**4**	**8**
– Commercial	**12**	**12**
– Broader Africa	**6**	**11**
WesBank	**6**	**n/a**
RMB*	**9**	**9**
UK operations**	**4**	**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 7%, driven by healthy credit product volumes and good growth in RMB. Lower endowment on deposits was partially offset by improving outcomes from the ALM strategy.

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

Rather than take a passive position (i.e. overnight) regarding the impact of the rate cycle on its endowment profile, the 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.

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

ALM STRATEGY NII OUTCOMES

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

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

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

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

Group net interest margin (NIM) excluding UK operations decreased 2 bps. Lending and deposit margins in SA continued to come under pressure. Including UK operations, given its lower relative contribution, group NIM remained flat.

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

WesBank's NIR reduced period on period despite 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 decline is mainly due to the restructure of the MotoVantage shareholding structure and the classification of the business as an asset held for sale. This accounting treatment means there is no income statement contribution from the business, thus resulting in reduced NIR.

RMB's NIR increased 4% period on period off an already high base. Whilst healthy new deal origination resulted in significant structuring and advisory fee opportunities, translating into excellent knowledge-based fee income growth of 55%, overall NIR growth was negatively impacted by lower levels of period-on-period realisations and one-off income, and a weaker performance from the global markets (GM) business.

Total group operating expenses were tightly managed, resulting in 4% growth, including a 5% increase in direct staff costs.

At an operating business level, FNB delivered good cost management with expenses growing below inflation (+4%). FNB's cost-to-income ratio improved to 49.2%, highlighting operational leverage despite the credit strain. Improved operational leverage was also delivered at WesBank due to ongoing integration with FNB's platform, delivering an improved cost-to-income ratio of 48.7% (December 2023: 51.7%).

RMB's period-on-period cost growth of 8% reflects management focus on containing costs despite significant investment continuing across the portfolio. These include ongoing spend on platform modernisation and digital transformation to enhance client offerings and create a more efficient operating model.

In the UK operations, total operating expenses reduced 2% (in pound terms), as a result of careful cost management against a backdrop of continued inflationary pressure and despite continued investment in scaling its technology platform.

As a result of the above, the overall group's cost-to-income ratio decreased to 48.9% (December 2023: 49.9%).

Credit performance

SUMMARISED CREDIT HIGHLIGHTS AT A GLANCE

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Total gross advances	**1 765 330**	1 654 812	7	1 665 706
Total core lending advances	**1 667 721**	1 562 752	7	1 597 898
– Performing core lending advances	**1 595 483**	1 500 512	6	1 530 058
– Non-performing loans (NPLs)	**72 238**	62 240	16	67 840
Assets under agreements to resell	**97 609**	92 060	6	67 808
NPLs as a % of core lending advances	**4.33**	3.98		4.25
Core lending advances (net of impairment)	**1 612 478**	1 509 498	7	1 543 733
Total impairments	**55 243**	53 254	4	54 165
Portfolio impairments	**24 065**	25 021	(4)	24 228
NPL specific impairments	**31 178**	28 233	10	29 937
Coverage ratios				
Performing book coverage ratio (%) – core lending advances*	**1.51**	1.67		1.58
Specific coverage ratio (%)**	**43.2**	45.4		44.1
Income statement analysis				
Impairment charge	**6 897**	6 404	8	12 555
Credit loss ratio (%) – core lending advances	**0.84**	0.83		0.81
Impairment charge excluding UK operations	**6 637**	5 816	14	12 987
Credit loss ratio excluding UK operations (%) – core lending advances	**1.05**	0.99		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 CLR for the year under review concluded better than expected at 84 bps, which is at the bottom of the group's TTC range of 80 bps to 110 bps. This is a positive outcome and continues to reflect the benefit of the group's approach to retail origination in a very tough cycle for consumers.

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

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

The UK operations delivered a better-than-expected credit performance. Underlying arrears performance continues to track broadly in line with expectations. The 56% lower impairment charge was a result of the one-off benefit of model enhancements as well as reducing cost-of-living pressures as macros improved. The resolution of the previously disclosed MotoNovo notice of sums in arrears (NOSIA) remediation process has resulted in increased post write-off recoveries and generally better collections outcomes than originally modelled.

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

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

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

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

	Advances mix %	CLR %	NPLs %	Total coverage %	TTC range %
FNB and WesBank					
December 24	**47**	**1.61**	**6.96**	**5.28**	
December 23	46	1.46	6.42	5.09	**1.40 – 1.80**
June 24	48	1.70	6.82	5.23	
Retail					
December 24	**31**	**1.99**	**8.51**	**6.00**	
December 23	30	1.93	7.76	5.68	**1.70 – 2.10**
June 24	32	2.24	8.35	5.95	
Commercial					
December 24	**12**	**0.83**	**3.31**	**3.21**	
December 23	12	0.45	3.02	3.17	**0.80 – 1.20**
June 24	12	0.61	3.07	3.15	
FNB broader Africa					
December 24	**4**	**1.00**	**6.23**	**6.13**	
December 23	4	0.73	5.97	6.09	**0.80 – 1.10**
June 24	4	0.76	6.29	6.00	
RMB					
December 24	**30**	**0.21**	**1.27**	**1.60**	
December 23	29	0.28	1.09	1.61	**0.30 – 0.50**
June 24	29	0.31	1.00	1.59	
UK operations					
December 24	**23**	**0.14**	**3.44**	**1.81**	
December 23	23	0.33	2.94	2.22	**0.30 – 0.50**
June 24	23	(0.12)	3.35	1.99	
FirstRand group					
December 24	**100**	**0.84**	**4.33**	**3.31**	
December 23	100	0.83	3.98	3.41	**0.80 – 1.10**
June 24	100	0.81	4.25	3.39	

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

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

The UK operations impairment charge reduced 56% period on period. This reflects the one-off impact of a number of model updates and enhancements, as well as an easing in cost-of-living pressures. Underlying arrears performance continues to track broadly in line with expectation.

Financial resource management

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

Capital position

Capital ratios for the group and bank are summarised below.

CAPITAL ADEQUACY*

		Group		Bank**	
		As at 31 December			
%	Internal targets	**2024**	2023	**2024**	2023
CET1	11.0 – 12.0	**13.6**	13.3	**12.5**	12.9
Tier 1	>12.0	**14.5**	14.1	**13.7**	14.1
Total	>14.75#	**16.3**	15.9	**16.1**	16.1

* *Including unappropriated profits.*

** *Including the bank's foreign branches.*

\# *Bank's target remained at >14.25%.*

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

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:

- positive earnings generation partly offset by the payment of dividends;
- significant RWA optimisation strategies;
- an increase in RWA mainly from credit risk, mainly driven by higher volumes; and
- higher revenue generation increasing 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 *RA03 Prudential Standard on Flac Instrument Requirements* (Prudential Standard RA03). Following the release of the prudential standard, the SARB's PA issued Guidance Notice 1 of 2025: *Guidance on minimum Flac requirements* on 22 January 2025. These provided guidance on the implementation timelines, entity level for issuance and calibration. The estimated annual post-tax cost, ranging from R300 million to R400 million at the end state, will be incorporated into the group's funding strategies and considered as part of the 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.

Capital allocation and returns

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

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

AVERAGE CAPITAL ALLOCATED

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
FNB	**62 270**	56 890	9	59 583
WesBank*	**10 499**	9 438	11	9 491
RMB	**52 580**	47 039	12	47 968
UK operations**	**37 938**	34 389	10	35 432
Centre	**14 054**	12 959	8	13 924
Unallocated capital#	**24 122**	25 019	(4)	22 160
FirstRand group	**201 463**	185 734	8	188 558

* *During the prior year, the group reviewed its capital allocation approach to WesBank. The capital for December 2023 was restated to reflect current allocation approaches.*

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

\# *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 into its balance sheet. FirstRand's capital allocation considers both regulatory and economic capital views. The group continually reviews its allocation approach, including to non-banking entities.

ROE

	Six months ended 31 December		Year ended 30 June
%	**2024**	2023	2024
FNB	**39.0**	40.3	36.9
WesBank*	**21.0**	20.9	20.9
RMB	**18.3**	19.0	20.3
UK operations**	**10.0**	9.6	11.8
Centre (including Group Treasury)	**5.1**	2.7	0.3
FirstRand group	**20.8**	20.6	20.1

* *The ROE of WesBank for December 2023 was restated to reflect current capital allocation approaches.*

** *ROEs calculated in pound terms.*

Liquidity position

The liquidity risk metrics for the group and the bank are summarised below:

PRUDENTIAL LIQUIDITY RATIOS

	Group*		**Bank***	
	As at 31 December			
%	**2024**	2023	**2024**	2023
LCR				
Regulatory minimum	**100**	100	**100**	100
Actual	**127**	119	**132**	123
Average available HQLA (R billion)	**488**	432	**427**	372
NSFR				
Regulatory minimum	**100**	100	**100**	100
Actual	**122**	122	**119**	118

* *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.*

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

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

The regulatory environment has remained stable, with the group focused on optimising its buffer stock of high-quality liquid assets (HQLA). Thematic senior note and securitisation issuances have complemented healthy deposit funding growth to diversify funding. Successful securitisation programmes enabled a reduction in 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

	As at 31 December	
R billion	**2024**	2023
Cash and deposits with central banks	**126**	96
Short-term liquidity instruments	**160**	160
Including reverse repos*	**84**	80
Long-term investment securities	**166**	154
Other liquid assets	**36**	22
Total liquid assets	**488**	432

* *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 come with credit risk. The group utilises an IMF-based framework for the assessment and monitoring of sovereign risk by jurisdiction. This process informs the composition and duration of liquid assets held, which varies between central bank reserves, treasury bills and bonds.

Foreign currency balance sheet

The 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 continues to employ 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:

- 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 UK operations of Aldermore (including MotoNovo) are funded through a sustainable and efficient retail deposit funding base and capital markets, as appropriate.
- The broader Africa operations are primarily funded through strong in-country deposit franchises that span the retail, business 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.

UK legal and regulatory update

In June 2024, the group recognised a £127.4 million (R3.0 billion) provision for the potential impact of the Financial Conduct Authority (FCA) review into historical motor finance discretionary commission arrangements (DCAs), announced in January 2024. Approximately 90% of the agreements reviewed for the provision are DCAs.

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

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

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

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

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

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

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

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

Prospects

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

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

The macro outlook for the countries in the group's broader Africa portfolio is, on balance, also constructive. The near-term expectations for the UK economy is mixed. Economic growth is under pressure and inflation remains elevated, however, the Bank of England is expected to cut interest rates further, resulting in further easing of cost-of-living pressures.

Against this backdrop the group expects its operating franchises to continue to deliver good growth and strong operational performances.

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

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

Growth in fee and commission, insurance and fair value income will be broadly similar to the first half. However, investment income could benefit from a material private equity realisation in the second half, resulting in overall higher NIR growth.

The group's overall credit performance should trend better than the first half, resulting in a CLR at the lower end of the group's stated TTC range. This will be driven by a continued improvement in retail, with corporate and commercial showing a similar picture to the first half. The UK operations CLR is expected to normalise closer to the bottom of its TTC range as the one-off provision benefits in previous periods unwind.

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

The healthy balance sheet growth, combined with a better NIR growth trajectory, improving credit outcomes and good cost management means the group now expects to deliver full-year earnings growth above its long-term stated target range of nominal GDP + 0% to 3%, as second-half absolute earnings will be marginally higher than the first half. This guidance does not include any financial impact relating to the UK matter.

The full-year ROE will remain well within the group's target 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. Given FirstRand's high return profile and ongoing capital generation, the board is comfortable to pay a dividend at 1.7 times cover, representing a payout ratio of 59%.

Events after reporting date

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

Board changes

Changes to the directorate are outlined below.

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

Cash dividend declarations

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

The directors declared an interim gross cash ordinary dividend totalling 219.0 cents per ordinary share out of income reserves for the six months ended 31 December 2024.

Ordinary shares

	Six months ended 31 December	
Cents per share	**2024**	2023
Interim (declared 5 March 2025)	**219.0**	200.0

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

Last day to trade cum-dividend	Tuesday, 1 April 2025
Shares commence trading ex-dividend	Wednesday, 2 April 2025
Record date	Friday, 4 April 2025
Payment date	Monday, 7 April 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 2 April 2025 and Friday, 4 April 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 interim ordinary dividend net of 20% DWT at 43.8000 cents per share will be 175.2000 cents per share.

JP BURGER
CHAIRMAN

C LOW
COMPANY SECRETARY

M VILAKAZI
CEO

M DAVIAS
CFO

5 March 2025

REVIEW OF OPERATIONS

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

FNB

FNB's strategy is underpinned by:

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

FNB FINANCIAL HIGHLIGHTS

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Normalised earnings	**12 136**	11 473	6	21 968
Normalised profit before tax	**17 338**	16 468	5	31 581
– South Africa	**15 413**	14 699	5	28 091
– Broader Africa	**1 925**	1 769	9	3 490
Core lending advances	**577 677**	545 504	6	566 644
Core deposits	**997 722**	906 660	10	936 231
Performing advances	**533 198**	507 327	5	524 501
Stage 3/NPLs as a % of advances	**7.70**	7.00		7.44
Credit loss ratio (%) of average advances	**1.76**	1.55		1.85
ROE (%)	**39.0**	40.3		36.9
ROA (%)	**4.10**	4.12		3.88
Cost-to-income ratio (%)	**49.2**	50.0		50.0
Net advances margin (%)	**3.75**	3.78		3.75

Overview of results

FNB delivered normalised PBT growth of 5% and an ROE of 39.0% in the period under review.

FNB's NII growth of 5% period on period was mainly driven by the consistently strong performance from the deposit franchise, with deposits increasing 10% domestically and 11% in broader Africa. While customer affordability levels remained under pressure, FNB grew advances 6%. Retail advances required some risk cuts as arrears manifested across portfolios, resulting in 4% growth. In addition there was an origination tilt to commercial and SME customers, anchored to the bank's expectations for improving business confidence and capacity investment in these segments.

The current interest rate cycle resulted in a net endowment reduction period on period, somewhat offset by the the group's ALM strategy. The advances margin reduced slightly to 3.75% (December 2023: 3.78%) period on period, but remained flat since June, mainly reflecting the origination tilt to commercial and low-to-medium risk in retail. Growth in interest in suspense, driven by higher NPLs, further contributed to margin contraction.

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

FNB delivered 8% growth in NIR. Fee and commission income growth of 6% benefited from new customer acquisition, improved volumes and cross-sell. Insurance also performed strongly.

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

In support of the group's strategy to diversify sources of NIR, FNB's insurance activities continued to contribute strongly, with insurance income up 21% and insurance PBT up 17%, driven by growth in premiums, better claims experience and excellent cost management.

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

FNB delivered good cost management with expenses increasing below inflation (+4%) and overall headcount remaining flat, resulting in positive jaws. The cost-to-income ratio improved to 49.2% (December 2023: 50.0%), highlighting the solid operational performance of the FNB business despite the elevated credit strain.

CHANNEL VOLUMES

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

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

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

Segment performance

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

SEGMENT RESULTS

R million	Six months ended 31 December 2024	2023*	% change	Year ended 30 June 2024*
Normalised PBT				
Retail	**8 099**	7 649	6	14 325
Commercial	**7 314**	7 050	4	13 766
Broader Africa	**1 925**	1 769	9	3 490
Total FNB	**17 338**	16 468	5	31 581

* *Restated. Refer to pages 70 to 73.*

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

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

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

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

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

Commercial's transactional franchise produced 5% growth in NIR. Strong growth in insurance was somewhat offset by higher transaction processing costs resulting from growth in foreign card spend and card scheme fees. Acquiring card mix also placed pressure on NIR growth.

PBT in broader Africa increased 9%, driven by good NIR growth, underpinned by an 8% increase in the active customer base and higher transactional volumes.

The 7% increase in NII was supported by strong balance sheet growth somewhat offset by the negative endowment impact from the rate cutting cycle, which is largely not covered by the group's ALM strategy. Broader Africa advances increased 6%, driven by good growth across the portfolio.

The broader Africa origination strategy, combined with good credit risk management and collections efforts, continues to yield positive outcomes. Whilst impairments increased across most portfolios with strain evident in Namibia and Mozambique, the overall CLR is trending up towards the top end of the TTC range.

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

	Deposit growth		Advances growth	
Segments	%	R million	%	R million
Retail	**8**	**30 238**	**4**	**13 847**
– Personal* (≤R750k)	**1**	**1 194**	**(7)**	**(5 537)**
– Private* (>R750k)	**10**	**29 044**	**7**	**19 384**
Commercial	**12**	**53 093**	**12**	**14 819**
Broader Africa**	**11**	**7 731**	**6**	**3 507**
Total FNB	**10**	**91 062**	**6**	**32 173**

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

** *On a local currency basis, deposit growth in broader Africa was 14% and advances 7%.*

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

FNB grew both its active customer base (excluding eWallets) and total platform users by 3% period on period. Strong growth in customers continued in the retail private (+9%) and commercial (+7%) segments, and in broader Africa (+8%).

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

Pleasingly FNB South Africa's vertical sales index (VSI), tracking products per customer, has increased period on period, highlighting the focus on cross-sell activities and the growth in customers in higher-VSI segments.

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

ACTIVE CUSTOMERS AND PLATFORM USERS

	Six months ended 31 December			Year ended 30 June
Millions	**2024**	2023	% change	2024
Retail	**8.55**	8.45	1	8.60
– Personal* (≤R750k)	**6.92**	6.95	–	7.05
– Private* (>R750k)	**1.63**	1.50	9	1.55
Commercial	**1.31**	1.23	7	1.27
Total SA customer base	**9.86**	9.68	2	9.87
FNB broader Africa	**2.29**	2.13	8	2.20
FNB active customers	**12.15**	11.81	3	12.07
SA eWallets**	**6.76**	6.57	3	6.40
Total platform users	**18.91**	18.38	3	18.47
FNB SA VSI	**3.01**	2.99	1	3.00

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

** *Represent all eWallets without another FNB relationship/product that had at least one transaction in the past six months. In addition, there are 1.80 million eWallets belonging to FNB customers. FNB customer eWallets represent 21% of the total 8.6 million eWallets.*

Credit performance

FNB's credit impairment charge increased 21% to R5 034 million (December 2023: R4 177 million) and the credit loss ratio increased to 176 bps (December 2023: 155 bps). However, the credit loss ratio trended down from June 2024.

The period-on-period movement was driven by:

- the aforementioned strong growth in the SME subsegment and transactional lending products in commercial at higher coverage ratios, creating front book strain;
- accelerated NPL formation, especially in retail mortgages and in the retail unsecured lending books on the back of the higher interest rates and inflation;
- increase in arrears and a significant increase in credit risk (SICR);
- direct customer interventions in the period under review have resulted in slowing growth in debt counselling inflows, however they remain elevated compared to historical averages;
- responding to improvements in macroeconomic outlook, releases from forward-looking information (FLI) models benefited performing coverage;

- despite an improving trend, FNB's internal house price index growth remains subdued, impacting coverage ratios in the residential mortgage portfolio; and
- increase in write-offs and a marginal reduction in post write-off recoveries period on period.

ANALYSIS OF IMPAIRMENT CHARGE

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Movement in balance sheet provisions				
Performing book provisions	**(264)**	(209)	26	95
NPL provision	**1 644**	1 324	24	3 068
Credit provision increase	**1 380**	1 115	24	3 163
Gross write-off and other	**5 678**	4 861	17	10 456
– Bad debts written off*	**5 677**	4 753	19	10 284
– Exchange rate and other	**1**	108	(99)	172
Amounts recognised directly in income statement				
Modification loss	**383**	341	12	814
Interest suspended on stage 3 advances	**(1 653)**	(1 354)	22	(2 811)
Post write-off recoveries	**(754)**	(786)	(4)	(1 474)
Total impairment charge	**5 034**	4 177	21	10 148

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

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

Arrears and SICR buckets increased, whilst arrears rolling into NPLs accelerated. The current Covid-19 debt relief portfolio continued to perform better than expected, and outstanding specific debt relief advances amounted to R324 million (December 2023: R823 million). These factors resulted in overall performing coverage moderating downwards to 2.17% (December 2023: 2.27%).

The NPL ratio increased to 7.70% (December 2023: 7.00%). NPL formation was more prominent in residential mortgages and personal loans, but not out of line with expectations considering interest rate and inflation strain on SA consumers. The retail CLR of 213 bps is at the top end of the TTC range, but it is expected to continue trending down. Commercial's strong advances growth, especially in the SME portfolio, contributed to an increase in CLR. Despite this, the overall commercial credit performance remained resilient. Including the impact of a single large property counter default, the commercial CLR of 106 bps is at the mid point of its TTC range. Excluding this item, the commercial CLR of 91 bps is close to the lower end of the TTC range, in line with expectations. It is anticipated to continue to trend upwards as lending momentum increases. NPL coverage marginally increased to 48.0% (December 2023: 47.1%). The increase in coverage was due to new NPL inflows requiring higher coverage.

Insurance

PBT from FNB's insurance activities increased 17%, driven by good premium income growth of 15% in both Life and Short Term, along with declining cost-to-income and claims ratios. These benefits were partially offset by additional investment into the short-term insurance business, which continues to track ahead of expectations. Pleasing growth was achieved in the commercial segment, which presents significant opportunities for further penetration.

NEW BUSINESS APE

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Core life (including funeral)	**664**	626	6	1 281
Underwritten	**143**	139	3	277
Commercial	**273**	178	53	206
Standalone products	**1 080**	943	15	1 764
Credit life	**409**	470	(13)	893
FNB Life	**1 489**	1 413	5	2 657
FNB Short-term	**337**	306	10	662

FNB Life's new business annual premium equivalent (APE) increased 5%, with premiums up 13%.

The core life portfolio achieved 6% overall growth in new business APE, primarily driven by the funeral product, up 8%.

The underwritten life portfolio's new business APE grew by 3% with Life Customised up 19%, supported by the renewed advisory channel. Overall the in-force APE grew 11%, driven by a focus on quality of sales.

Life insurance sales in the commercial segment recorded a 53% increase in new business APE. Sales are tracking well ahead of expectations.

Credit life new business APE decreased 13%, mainly due to a reduction in personal loans origination. This also declined due to the run-off of the mortgage protection book as sales focus moved to products which offer better client protection.

In the short-term insurance business, policies increased to c. 312k (up 4%) and new business APE grew 10%. Insurance service revenue (premiums) increased 31% period on period, driven by sales of the personal lines motor and buildings products.

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 led to an increase in the number of private advisors and wealth managers and the 20% growth in assets under management (AUM) period on period. Overall investment accounts grew 7% to 702k, with penetration of the FNB customer base at 10%, predominantly in the private segment (14% penetration).

Share trading activity grew 32%, with the number of active share trading accounts increasing 9% to 402k. NIR was up 10% 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

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
AUM	**94 399**	78 876	20	84 813
FNB Horizon series	**7 727**	6 872	12	7 138
Assets under advice	**81 244**	77 267	5	79 143
Assets under administration	**89 408**	80 657	11	87 095
Assets under execution	**104 685**	92 474	13	96 188
Total WIM assets	**377 463**	336 146	12	354 377

Platform

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

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

- Since the launch on the FNB app, 5.3 million virtual cards have been activated and R100.1 billion in value transacted. The virtual card is key to facilitating more secure e-commerce transactions.
- Device payments (using Apple or Android) accounted for 120 million transactions worth R46 billion.
- Approximately 8.6 million eWallet users accounted for cash withdrawals of R28.7 billion.
- nav»Money provides customers with simple, easy-to-use money management tools which help them track their spend, view credit scores and more. It had over 5 million users at 31 December 2024, up 22% period on period.
- nav»Home has placed c. 53k families in homes and paid out R67 billion in loans since inception. FNB now originates 11% of home loans through this channel. Estate agent functionality was activated on the app in FY21 and 222 estate agents have been onboarded, with 2 549 current listings.
- At 31 December 2024, nav»Car had 1.1 million vehicles loaded in the garage, and WesBank has financed R1.3 billion in vehicle loans through this channel since inception. CarP2P had 115 active private listings at 31 December 2024.
- Commissionable e-commerce turnover and fulfilment on platform (i.e. electricity, mobile and digital vouchers sold) amounted to R10.8 billion (December 2023: R9.5 billion). Approximately three million customers use these services.
- eBucks travel sales increased by 16% to R679 million (December 2023: R583 million).
- Digitally active customers grew to 7.4 million (December 2023: 7.1 million). Digital includes mobile banking (USSD), online banking and the app.
- In December 2024 the banking app active transacting base achieved 6.03 million customers, with a new monthly record of 149 million logins. Monthly app logins in December 2024 were 15% higher than in December 2023.
- Digital logins totalled 1.1 billion, with online and mobile banking (USSD) logins of 90 million and 129 million, respectively. The app contributed 854 million logins.
- Total transactional volumes through digital interfaces included 77 million for online banking, 360 million (+16%) for the banking app and 12 million for mobile banking (USSD), highlighting the scalability of FNB’s platform.
- In broader Africa, card transactions increased 22% from 57.1 million to 69.5 million and digital penetration increased from 48.3% to 55.5%.

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.

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

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

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

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

WesBank's associates, VWFS and TFS, delivered good growth in advances as post-pandemic volumes normalised. Further benefits came from reduced write-offs, supported by strong collections.

The MotoVantage business is undergoing a restructure of its shareholding and is therefore classified as an asset held for sale. Given this accounting treatment there is no income statement contribution from the business, thus resulting in reduced NIR but a benefit for WesBank's costs.

WESBANK FINANCIAL HIGHLIGHTS

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Normalised earnings	**1 104**	988	12	1 981
Normalised profit before tax	**1 518**	1 379	10	2 743
Core lending advances	**181 528**	171 171	6	173 262
Performing advances	**173 162**	163 369	6	164 937
Stage 3/NPLs as a % of advances	**4.61**	4.56		4.80
Credit loss ratio (%) of average advances	**1.11**	1.15		1.22
ROE (%)*	**21.0**	20.9		20.9
ROA (%)	**1.23**	1.18		1.17
Cost-to-income ratio (%)	**48.7**	51.7		51.9
Net interest margin (%)	**2.58**	2.74		2.71

* *During the prior year, the group reviewed its capital allocation approach to WesBank. The ROE for December 2023 was restated to reflect current allocation approaches.*

WesBank delivered strong normalised PBT growth of 10% period on period, and an ROE of 21.0%. The business's performance benefited from the prior year's strong origination growth and sustained momentum in commercial. This solid advances growth contributed to NII growth of 5%, with some offset from an increase in suspended interest and a decline in margin.

The decline in total NIR of 5% reflects:

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

BREAKDOWN OF PRE-TAX PROFITS BY SEGMENT*

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Normalised PBT				
Retail VAF**	**1 093**	978	12	1 886
Corporate and commercial	**425**	401	6	857
Total WesBank	**1 518**	1 379	10	2 743

* *Refer to additional segmental disclosure on page 62.*

** *Includes MotoVantage.*

Both customer segments performed well, with retail VAF PBT up 12% period on period, benefiting from the prior year growth in advances. In addition there was 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 produced a solid result, with PBT up 6% period on period off the back of advances growth of 5%, offset by higher operating costs as platform and business integration continued.

WesBank's credit performance was in line with expectations and retail VAF is showing limited strain compared to other secured retail portfolios. The credit loss ratio declined to 1.11% (December 2023: 1.15%), driven by the deliberate focus on better-quality risk and FNB main-banked customers, together with focused collections initiatives.

ANALYSIS OF IMPAIRMENT CHARGE

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Movement in balance sheet provisions				
Performing book provisions	**44**	81	(46)	38
NPL provision	**(70)**	270	(>100)	542
Credit provision (decrease)/increase	**(26)**	351	(>100)	580
Bad debts written off*	**1 272**	831	53	1 898
Amounts recognised directly in income statement				
Modification loss	**32**	15	>100	47
Interest suspended on stage 3 advances	**(174)**	(114)	53	(288)
Post write-off recoveries	**(118)**	(122)	(3)	(186)
Total impairment charge	**986**	961	3	2 051

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

The 3% increase in WesBank's credit impairment charge to R986 million (December 2023: 961 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 8%, driven by the net outcome of cures to stage 1 and some migration to stage 3. Coverage increased to 12.96% (December 2023: 12.06%). Whilst there has been an increase in debt review advances, arrears and SICR declined period on period. Performing coverage decreased to 1.90% (December 2023: 2.02%), reflecting the impact of the improved macroeconomic environment and the benefit of the 50 bps interest rate cuts on customers' ability to service debt. Since June 2024, coverage decreased marginally as forward-looking macro assumptions improved, resulting in FLI releases.
- Stage 3 advances increased to 4.61% of total advances (December 2023: 4.56%).
- NPL coverage reduced to 46.1% (December 2023: 46.8%) as a function of the higher level of write-offs of operational NPL customers. This was further aided by reduced stage 3 coverage due to newer inflows, better overall collections and curing in the period.
- WesBank's write-off policy remains prudent and the proactive management of NPLs continued, with write-offs increasing 53% period on period. NPLs increased to R8.4 billion (December 2023: R7.8 billion).

Operating expenses decreased 5% period on period. As referenced above, there was a 7% 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 48.7% (December 2023: 51.7%).

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

RMB

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

RMB FINANCIAL HIGHLIGHTS

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Normalised earnings	**4 800**	4 475	7	9 744
Normalised profit before tax	**6 764**	6 228	9	13 677
– South Africa	**4 813**	4 342	11	9 119
– Broader Africa*	**1 951**	1 886	3	4 558
Core lending advances**	**498 718**	457 656	9	465 740
Core deposits#	**283 519**	259 772	9	272 500
Core performing advances coverage	**1.18**	1.17		1.23
Stage 3/NPLs as a % of core lending advances	**1.27**	1.09		1.00
– Lending	**1.17**	0.97		0.89
– Private equity†	**5.50**	6.31		6.42
Credit loss ratio (%) – core lending advances	**0.21**	0.28		0.31
ROE (%)	**18.3**	19.0		20.3
ROA (%)	**1.24**	1.21		1.35
Cost-to-income ratio (%)	**49.9**	49.5		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 deposits held as cash collateral.

† *The private equity portfolio has a few large NPLs which are fully provided.*

RMB produced normalised PBT growth of 9% period on period, a good performance given the base effect of the material realisation and one-off income in the comparative period. The SA business performed particularly well, with PBT up 11%. The broader Africa portfolio produced a resilient local currency performance, up 12% (up 3% up in rand due to local currency devaluation impacts).

RMB's ROE trended down to 18.3%, driven predominantly by the lower level of earnings generated by global markets on its RWA utilisation.

Investment banking (IBD) posted strong growth, continuing the momentum from the previous financial year. Solid performances were achieved by both the treasury and trade solutions (TTS) business and private equity (PE), the latter continues to deliver strong annuity income. These outcomes were offset by a weak performance from the GM business in this six-month period.

Overview of financial performance

NII increased 11%, underpinned by 9% growth in core advances, 8% growth in average operational deposits and robust average growth of 19% in SA investment deposits. The growth was further aided by higher endowment on deposits and allocated capital. Advances margins in the core IBD lending portfolios trended down 4 bps to 192 bps period on period (8 bps since June 2024). The decline reflects competitive pressures, portfolio mix changes and growth in lower-margin infrastructure and renewable energy exposures. Furthermore, period-on-period growth in interest in suspense on increased NPLs, as well as the roll-off and settlement of some higher-margin exposures, negatively impacted margins. In addition, the significant benefit of the elevated rate cycle on deposit margins experienced in the prior financial year, specifically in the broader Africa portfolio, moderated materially in the period under review, given the declining rate cycle.

NIR increased 4% period on period. New deal origination resulted in significant structuring and advisory fee opportunities, translating into excellent growth in knowledge-based fee income of 55%. Despite some realisations from both the principal investment (PI) and PE portfolios, overall NIR growth was negatively impacted by lower levels of period-on-period realisations and one-off income, down R228 million and R151 million respectively. However, NIR was negatively impacted by GM's operational performance, unpacked in more detail later.

Credit impairments reduced 17% period on period to R516 million, resulting in a credit impairment charge on the core lending advances of 21 bps (December 2023: 28 bps; June 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 the deliberate better-quality origination mix tilts.

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

ANALYSIS OF IMPAIRMENT CHARGE

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Movement in balance sheet provisions				
Performing book provisions	**128**	359	(64)	728
NPL provision	**441**	143	>100	(202)
Credit provision increase	**569**	502	13	526
Gross write-off and other	**29**	164	(82)	963
– Bad debts written off*	**7**	102	(93)	859
– Exchange rate and other	**22**	62	(65)	104
Amounts recognised directly in income statement				
Interest suspended on stage 3 advances	**(60)**	(41)	46	(98)
Post write-off recoveries	**(22)**	(5)	>100	(5)
Total impairment charge	**516**	620	(17)	1 386

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

Strong new business origination resulted in normal front-book impairment strain, with the total performing book impairments up 9% period on period. Core stage 1 advances increased 10%.

Watchlist counters decreased materially period on period (60%), mainly due to a number of SA watchlist clients migrating to NPLs over the last 12 months. This reflects strain in certain sectors of the domestic economy, particularly real estate, but was partially offset by positive migration of counters to either surveillance lists or fully performing where the underlying trading performance of specific counters improved during the course of the year. RMB also raised net new impairments of R142 million against a limited number of private equity counters during the period 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 118 bps (December 2023: 117 bps; June 2024: 123 bps).

RMB's period-on-period cost growth of 8% reflects cost 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-, US- and India-based offices to support its broader Africa international flows strategy.

BREAKDOWN OF NORMALISED PBT CONTRIBUTION BY DIVISION

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023*	% change	2024*
Investment banking	**3 912**	3 419	14	7 138
Treasury and trade solutions	**1 382**	1 278	8	2 621
Global markets	**724**	952	(24)	2 328
Private equity	**619**	604	2	1 873
Other**	**127**	(25)	(>100)	(283)
Total RMB	**6 764**	6 228	9	13 677

* *Comparatives 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 delivered strong PBT growth of 14%, especially pleasing given the high base created by one-off NIR of R508 million from the principal investing portfolio in the comparative period. NII increased 12%, underpinned by 12% growth in core advances, with notable growth driven by the resources, infrastructure and sustainable finance portfolios. 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 net one-off income of R282 million despite impairments taken to de-risk specific exposures. 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 8%.

Revenue growth of 7% benefited from an 8% increase in NII, primarily driven by a 10% increase in average deposits, with a 19% increase in average South African investment deposits. Average advances increased 4%. Strong demand in general banking facilities from clients was offset by lower levels of structured lending.

NIR increased 6%, benefiting from increased traditional trade activities, a 4% increase in cash values and a 19% increase in merchant services turnover, assisted by strong momentum across multiple jurisdictions. Overall margins and contribution remained under pressure due to competitive pricing and elevated association fees and interchange revisions.

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

GM

GM experienced a weak first-half trading performance, with PBT down 24% period on period. Revenue contracted 9%, primarily due to depressed broader Africa revenues resulting from proactive risk management and exposure reductions, reduced client activity and, in some cases, lower margins. This was further compounded by a much weaker performance from the fixed-income portfolio, specifically in inflation, given lower client demand and limited trading opportunities in SA, and currency translation impacts of c. R85 million. Given the topline pressures, cost growth reduced 2% as platform modernisation and regulatory project spend normalised following multiple years of investment.

GM's performance across asset classes is unpacked below:

- Credit trading had a strong performance, up 66%, benefiting from increased focus and the build-out of the traded debt insurance business.
- The equities portfolio had an excellent six-month period, with PBT up significantly. The cash equities business increased revenue >100%, supported by increased equity volumes (up 12%) and increased corporate actions. The RMB Morgan Stanley joint venture delivered an improved performance with an earnings recovery, benefiting from increased JSE volumes and levels of corporate activity.
- Fixed income, specifically the inflation desk, experienced significant headwinds during the period under review, primarily due to:
  - Lower levels of client-led structuring activities.
  - Constrained market-making opportunities given lower market liquidity due to lower client flows and hedging opportunities.
  - Adverse mark-to-market movements on the back of the reducing inflation and rate cycle.

  These negatives were partially offset by an improved performance in nominal bond business, which benefited from improved client facilitation and market-making opportunities.
- FX and commodities are down 38% and 55%, respectively. FX was negatively impacted by a reduction in sovereign risk exposures period on period, as well as reduced margins and lower levels of market-making and client facilitation in broader Africa. Commodities' performance was impacted by lower hedging opportunities for clients in the current year in comparison to the prior period, and reducing client margins.

PE

Despite the non-repeat of material one-off income of R268 million in the comparative period, private equity produced a resilient performance underpinned by gross annuity income growth of 17%, reflecting 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 period under review provided several new investment opportunities, with c. R1.8 billion of investment capital being deployed. The sustained quality and diversity of the portfolio is reflected in the 26% period-on-period increase in unrealised value of the portfolio to R7.5 billion (December 2023: R6.0 billion; June 2024: R6.6 billion).

Ashburton Investments (included in other)

Ashburton Investments's net fee income grew 6% period on period, underpinned by a 9% increase in AUM to R136 billion, which was primarily driven by South Africa (up 13%), with fixed income net inflows of R5.8 billion.

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.

Aldermore

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 is improving the 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.
- **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 broadened product suite to target adjacent markets and customer groups.
- **Savings**
  - Diversify funding sources and distribution mix across retail and SME segments.
  - Optimise cost of funds and liquidity profile.

Financial performance

UK OPERATIONS FINANCIAL HIGHLIGHTS

	Six months ended 31 December			Year ended 30 June
£ million	2024	2023	% change	2024
Normalised earnings	**82**	71	15	177
Normalised profit before tax	**119**	105	13	253
Core lending advances	**16 000**	15 323	4	15 648
Core deposits*	**18 075**	17 894	1	18 148
Stage 3/NPLs as a % of advances**	**3.44**	2.94		3.35
Credit loss ratio (%) of average advances**	**0.14**	0.33		(0.12)
ROE** (%)	**10.0**	9.6		11.8
Underlying ROE**,# (%)	**10.4**	11.2		12.0
ROA** (%)	**0.81**	0.70		0.88
Cost-to-income ratio** (%)	**53.3**	54.2		58.9

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

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

\# *Based on underlying performance, excluding fair value accounting adjustments, NOSIA impairment release/(losses) and the FCA UK motor commission matter. Refer to the table on page 45. Appropriate tax rates are applied to the various underlying movements based on the entity where the profits are incurred.*

The results of the UK operations were characterised by a robust trading performance in tough but improving macros, careful cost management and a lower impairment charge. A targeted approach to portfolio growth, prioritising subsegments of the market which offer attractive returns, has largely offset margin pressure from falling interest rates. These factors resulted in normalised earnings increasing 15%, delivering an ROE of 10.0%.

The CET1 ratio of 16.2% vs the target range of 13% to 14% provides future headroom to declare dividends to FirstRand, in line with the Aldermore board dividend policy and regulatory considerations. Total capital adequacy ratio remains healthy at 18.8%.

The UK operations' normalised PBT includes certain line items that are not reflective of the underlying operational performance, but which have had a net marginal impact on the results.

They are shown in the table below.

UK OPERATIONS UNDERLYING FINANCIAL PERFORMANCE

	Six months ended 31 December			Year ended 30 June
Financial performance (£ million)	**2024**	2023	% change	2024
Income statement				
Total income	**294**	297	(1)	594
Total operating expenses	**(157)**	(161)	(2)	(350)
Operating expenses	**(142)**	(146)	(3)	(300)
Strategic technology spend	**(15)**	(15)	–	(32)
UK motor commission matter	**–**	–	–	(18)
Impairment losses	**(11)**	(25)	(56)	18
Indirect tax	**(7)**	(6)	17	(9)
UK operations normalised PBT	**119**	105	13	253
Add back:				
NOSIA impairment (release)/raise	**–**	–	–	(40)
FCA UK motor commission provision	**–**	–	–	15
UK motor commission related costs incurred during the year	**–**	–	–	3
Fair value accounting adjustments	**1**	11	(91)	21
Underlying PBT	**120**	116	3	252
Underlying ROE (%)	**10.4**	11.2		12.0

The underlying financial performance table above summarises the impacts of the following:

- In the year ending June 2024 the Aldermore group raised a £14.9 million provision connected with this matter to account for potential legal, operational and redress costs. Given the current uncertainty over this matter, particularly in light of the UK Supreme Court hearing scheduled for early April, Aldermore group has made no change to its provision during the period.
- Accounting mismatches from various hedging instruments amounted to a loss of £1.4 million (December 2023: £10.8 million loss). This loss is largely driven by the unwind of profits recognised in previous periods in respect of instruments used by the UK operations to hedge interest rates. These prior period profits were driven by the magnitude and velocity of interest rate increases in 2022 and were expected to unwind across subsequent accounting periods.

Operational performance

UK operations pursued a targeted approach to lending growth against a backdrop of falling interest rates and pressure on margins, with NIM reducing 6 bps to 2.93%.

Overall advances increased 4% to £16.0 billion, unpacked below by product:

- Property finance advances increased 7% period on period, supported by continued growth in the buy-to-let portfolio and strong end-of-term retention performance.
- Business finance advances increased 5% to £3.8 billion, reflecting targeted growth in asset finance, which more than offset the subdued invoice finance and commercial real estate business lines.
- Motor finance advances were broadly flat period on period, with strong new business inflows (driven by market share gains against a backdrop of subdued markets) largely offset by increased redemptions from a maturing portfolio.

Customer deposits grew 5% to £16.6 billion, reflecting a focus on maintaining a stable funding base whilst optimising funding costs.

- Personal savings balances increased 8% period on period, driven by strong demand for individual savings accounts (ISAs) and supported by the introduction of a new "easy access" ISA product since February 2024.

- Business savings and corporate treasury balances decreased by 2% period on period, with growth in the corporate treasury deposits of 7%, led by a strong presence in the deposit aggregator market, more than offset by a contraction in the business savings market.
- Deposits represent 93% of total funding (December 2023: 89%), resulting in a loan-to-deposit ratio of 96% (December 2023: 96%). The UK operations maintain a stable base of funding and liquidity (supported by a number of contingent funding sources), with a robust liquidity coverage ratio of 204% (December 2023: 248%). In January 2025, the Aldermore group published its Baa2 long-term issuer rating with Moody's with a stable outlook, which recognises Aldermore's financial strength. The credit rating will support its future plans to diversify its wholesale funding and capital issuance.

ANALYSIS OF IMPAIRMENT CHARGE

£ million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Movement in balance sheet provisions				
Performing book provisions	**(6)**	(6)	–	(53)
NPL provision	**(16)**	20	(>100)	38
Credit provision (decrease)/increase	**(22)**	14	(>100)	(15)
Bad debts written off*	**43**	14	>100	28
Amounts recognised directly in income statement				
Interest suspended on stage 3 advances	**(5)**	(2)	>100	(3)
Post write-off recoveries	**(5)**	(1)	>100	(28)
Total impairment charge/(release)	**11**	25	(56)	(18)

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

The UK operations impairment charge reduced 56% to £11 million (December 2023: £25 million). This reflects the one-off impact of a number of model updates and enhancements as well as an easing of cost-of-living pressures. Underlying arrears performance continues to track broadly in line with expectation and the impairment coverage ratio remains robust at 1.81% (December 2023: 2.22%). The key credit metrics below unpack the factors referenced above:

- The credit loss ratio improved by 19 bps to 0.14% (December 2023: 0.33%), reflecting the impact of the model updates and easing of cost-of-living pressures noted above.
- Performing coverage decreased to 0.85% (December 2023: 1.24%), commensurate with a more stable macroeconomic outlook and a robust underlying credit performance.
- NPLs as a percentage of advances increased to 3.44% from 2.94% (December 2023) due to higher arrears balances, broadly in line with expectation given rising mortgage re-financing cost pressure (which had been provided for with cost-of-living overlays).
- NPL coverage decreased to 28.6% (December 2023: 34.4%), largely due to a reduction in coverage in the motor portfolio, owing to enhanced collections and recoveries activity as the NOSIA remediation draws to a close.

Total operating expenses reduced 2% to £157 million (December 2023: £161 million) as a result of careful cost management against a backdrop of continued inflationary pressure. Expenditure continues to reflect investment in customer propositions and continued investment in platform modernisation, with spend in the period under review totalling £14.5 million (December 2023: £15.2 million).

BREAKDOWN OF PROFIT CONTRIBUTION BY ACTIVITY

£ million	Six months ended 31 December 2024	Six months ended 31 December 2023*	% change	Year ended 30 June 2024*
Property finance	**31**	28	11	83
Business finance	**40**	28	43	62
Motor finance**	**26**	7	>100	19
Central functions#	**23**	53	(57)	88
Underlying PBT	**120**	116	3	252

* *Restated. Refer to pages 74 to 77.*

** *Excludes impacts relating to the NOSIA impairment release/(raise) and the UK motor commission.*

\# *Excludes fair value accounting losses totalling £1 million (December 2023: £11 million; June 2024: £21 million).*

Business unit performance highlights

The operational performances below exclude the impact of remediation activity and the fair value accounting adjustments.

Property finance

- Property finance traded well in a highly competitive market, leveraging Aldermore's strength in the specialist buy-to-let segment. Buy-to-let balances increased 12% period on period to £6.2 billion (December 2023: £5.5 billion). This more than offset a modest contraction in owner-occupied lending, given the focus on higher-returning subsegments of that market.
- PBT increased 11% period on period to £31 million (December 2023: £28 million), with income up £7 million. This was partially offset by lower net impairment releases in the period (December 2024: £2 million; December 2023: £4 million), reflecting the impact of a number of one-off model updates and enhancements. The prior period comparative further benefited from the release of overlays raised in FY23 (as UK inflation and interest rate expectations stabilised).

Business finance

- New business origination totalled £1.0 billion (December 2023: £0.8 billion), driven by growth in asset finance, notably in the agriculture and construction sectors, as well as a modest uptick in commercial real estate (CRE) disbursements as market sentiment begins to improve.
- PBT improved to £40 million (December 2023: £28 million) as a result of a lower impairment charge, reflecting the release of management overlays (as CRE markets begin to recover) and model updates.

Motor finance

- New business origination totalled £0.9 billion (December 2023: £0.7 billion) against a backdrop of subdued markets.
- Motor finance PBT improved to £26 million (December 2023: £7 million) largely driven by a lower impairment charge, commensurate with easing cost-of-living pressures and enhanced collections activity (as the NOSIA remediation draws to a close).

Central functions (including savings)

- Customer deposits grew 5% to £16.6 billion, reflecting a focus on maintaining a stable funding base whilst optimising funding costs.
- Central functions recorded a reduction in income, largely as a result of lower margins in the savings business, owing to falling interest rates and competitive pressures as the Term Funding Scheme with additional incentives for SMEs (BoE funding) portfolios mature. This resulted in profits reducing to £23 million (December 2023: £53 million).

SEGMENT ANALYSIS OF NORMALISED EARNINGS

R million	Six months ended 31 December 2024	% composition	2023	% composition	% change	Year ended 30 June 2024	% composition
Retail	**7 593**	**36**	7 035	37	8	13 279	35
– FNB*	**6 796**		6 327			11 919	
– WesBank	**797**		708			1 360	
Commercial	**5 647**	**27**	5 426	28	4	10 670	28
– FNB	**5 340**		5 146			10 049	
– WesBank	**307**		280			621	
Corporate and investment banking	**4 800**	**23**	4 475	23	7	9 744	26
– RMB	**4 800**		4 475			9 744	
UK operations**	**1 911**	**9**	1 648	9	16	4 170	11
– Aldermore**	**1 309**		1 484			3 204	
– MotoNovo	**602**		164			966	
Other	**970**	**5**	513	3	89	125	–
– Centre#	**1 697**		1 161			1 439	
– Other equity instrument holders	**(727)**		(648)			(1 314)	
Normalised earnings	**20 921**	**100**	19 097	100	10	37 988	100

* *Includes FNB broader Africa.*

** *After the coupons on internal AT1 instruments of R108 million (£5 million) (December 2023: R102 million and £4 million; June 2024: R204 million and £9 million).*

\# *Includes MotoNovo back book and Group Treasury.*

SEGMENTAL REPORTING

Segment report

for the six months ended 31 December 2024

	Retail and commercial				
	FNB				
	Retail				
R million	Residential mortgages	Card	Total personal loans	Retail other	**Retail**
Net interest income before impairment of advances	2 413	2 482	4 241	3 799	**12 935**
Impairment charge	(375)	(1 192)	(2 238)	(210)	**(4 015)**
Net interest income after impairment of advances	2 038	1 290	2 003	3 589	**8 920**
Non-interest revenue	36	2 526	385	9 200	**12 147**
Income from operations	2 074	3 816	2 388	12 789	**21 067**
Operating expenses	(904)	(1 712)	(1 234)	(8 706)	**(12 556)**
Net income from operations	1 170	2 104	1 154	4 083	**8 511**
Share of profit of associates and joint ventures after tax	–	–	–	–	**–**
Income before indirect tax	1 170	2 104	1 154	4 083	**8 511**
Indirect tax	(7)	(16)	(30)	(359)	**(412)**
Profit before tax	1 163	2 088	1 124	3 724	**8 099**
Income tax expense	(314)	(564)	(304)	(1 005)	**(2 187)**
Profit for the period	849	1 524	820	2 719	**5 912**
Attributable to					
Ordinary equityholders	849	1 524	820	2 719	**5 912**
Other equity instrument holders	–	–	–	–	**–**
Non-controlling interests	–	–	–	–	**–**
Profit for the period	849	1 524	820	2 719	**5 912**
Attributable earnings to ordinary equityholders	849	1 524	820	2 719	**5 912**
Headline earnings adjustments	–	–	–	–	**–**
Headline earnings	849	1 524	820	2 719	**5 912**
Treasury shares	–	–	–	–	**–**
IAS 19 adjustment	–	–	–	–	**–**
Private equity related	–	–	–	–	**–**
Normalised earnings	849	1 524	820	2 719	**5 912**

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

* *Refer to additional segmental disclosure on page 62.*

** *Refer to page 63 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**
8 432	3 043	**24 410**	**3 027**	**27 437**	**6 658**	**6 875**	3 689	**44 659**	(1 292)	**43 367**
(702)	(317)	**(5 034)**	**(986)**	**(6 020)**	**(516)**	**(260)**	(101)	**(6 897)**	–	**(6 897)**
7 730	2 726	**19 376**	**2 041**	**21 417**	**6 142**	**6 615**	3 588	**37 762**	(1 292)	**36 470**
5 685	2 876	**20 708**	**1 642**	**22 350**	**7 107**	**(58)**	(1 850)	**27 549**	1 432	**28 981**
13 415	5 602	**40 084**	**3 683**	**43 767**	**13 249**	**6 557**	1 738	**65 311**	140	**65 451**
(6 066)	(3 557)	**(22 179)**	**(2 411)**	**(24 590)**	**(7 389)**	**(3 638)**	(222)	**(35 839)**	70	**(35 769)**
7 349	2 045	**17 905**	**1 272**	**19 177**	**5 860**	**2 919**	1 516	**29 472**	210	**29 682**
–	–	**–**	**284**	**284**	**1 045**	**5**	(247)	**1 087**	(1)	**1 086**
7 349	2 045	**17 905**	**1 556**	**19 461**	**6 905**	**2 924**	1 269	**30 559**	209	**30 768**
(35)	(120)	**(567)**	**(38)**	**(605)**	**(141)**	**(161)**	(44)	**(951)**	–	**(951)**
7 314	1 925	**17 338**	**1 518**	**18 856**	**6 764**	**2 763**	1 225	**29 608**	209	**29 817**
(1 974)	(572)	**(4 733)**	**(413)**	**(5 146)**	**(1 815)**	**(744)**	627	**(7 078)**	(53)	**(7 131)**
5 340	1 353	**12 605**	**1 105**	**13 710**	**4 949**	**2 019**	1 852	**22 530**	156	**22 686**
5 340	884	**12 136**	**1 104**	**13 240**	**4 800**	**1 911**	970	**20 921**	156	**21 077**
–	–	**–**	**–**	**–**	**–**	**108**	727	**835**	–	**835**
–	469	**469**	**1**	**470**	**149**	**–**	155	**774**	–	**774**
5 340	1 353	**12 605**	**1 105**	**13 710**	**4 949**	**2 019**	1 852	**22 530**	156	**22 686**
5 340	884	**12 136**	**1 104**	**13 240**	**4 800**	**1 911**	970	**20 921**	156	**21 077**
–	–	**–**	**–**	**–**	**–**	**–**	–	**–**	(113)	**(113)**
5 340	884	**12 136**	**1 104**	**13 240**	**4 800**	**1 911**	970	**20 921**	43	**20 964**
–	–	**–**	**–**	**–**	**–**	**–**	–	**–**	(4)	**(4)**
–	–	**–**	**–**	**–**	**–**	**–**	–	**–**	(39)	**(39)**
–	–	**–**	**–**	**–**	**–**	**–**	–	**–**	–	**–**
5 340	884	**12 136**	**1 104**	**13 240**	**4 800**	**1 911**	970	**20 921**	–	**20 921**

Segment report

for the six months ended 31 December 2024

	Retail and commercial				
	FNB				
	Retail				
R million	Residential mortgages	Card	Total personal loans	Retail other	**Retail**
Cost-to-income ratio (%)	36.9	34.2	26.7	67.0	**50.1**
Diversity ratio (%)	1.5	50.4	8.3	70.8	**48.4**
Credit loss ratio (%) – core lending advances	0.27	5.69	8.42	5.82	**2.13**
Stage 3/NPLs as a % of core lending advances	6.93	13.79	17.55	13.62	**9.32**
Consolidated income statement includes					
Depreciation	(1)	(10)	(7)	(1 176)	**(1 194)**
Amortisation	–	–	–	(47)	**(47)**
Net impairment charges	–	–	–	(30)	**(30)**
Consolidated statement of financial position includes					
Advances (before impairments)	275 606	42 478	53 059	7 109	**378 252**
Core lending advances	275 606	42 478	53 059	7 109	**378 252**
– Other core lending advances (AC and FV)	273 819	42 478	53 059	7 109	**376 465**
– Securitised advances	1 787	–	–	–	**1 787**
Assets under agreements to resell	–	–	–	–	**–**
Stage 3/NPLs	19 102	5 858	9 314	968	**35 242**
Investments in associates	–	–	–	508	**508**
Investments in joint ventures	–	–	–	–	**–**
Total deposits (including non-recourse deposits)	599	12 403	37	406 286	**419 325**
Total assets	268 033	36 532	42 891	40 261	**387 717**
Total liabilities†	267 976	35 437	42 573	25 537	**371 523**
Capital expenditure	1	34	21	1 484	**1 540**

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

* *Refer to additional segmental disclosure on page 62.*

** *Refer to page 63 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
43.0	60.1	**49.2**	**48.7**	**49.1**	**49.9**	**53.3**	13.89	**48.9**		**48.7**
40.3	48.6	**45.9**	**38.9**	**45.2**	**55.0**	**(0.8)**	(>100)	**39.1**		**40.9**
1.06	1.00	**1.76**	**1.11**	**1.61**	**0.21**	**0.14**	0.62	**0.84**		**0.84**
3.87	6.23	**7.70**	**4.61**	**6.96**	**1.27**	**3.44**	0.24	**4.33**		**4.33**
(74)	(231)	**(1 499)**	**(358)**	**(1 857)**	**(106)**	**(117)**	(23)	**(2 103)**	–	**(2 103)**
1	(4)	**(50)**	**(5)**	**(55)**	**(22)**	**–**	(7)	**(84)**	–	**(84)**
17	(4)	**(17)**	**2**	**(15)**	**–**	**23**	71	**79**	15	**94**
135 218	64 207	**577 677**	**181 528**	**759 205**	**579 910**	**377 595**	48 620	**1 765 330**	–	**1 765 330**
135 218	64 207	**577 677**	**181 528**	**759 205**	**498 718**	**377 595**	32 203	**1 667 721**	–	**1 667 721**
135 218	64 207	**575 890**	**178 449**	**754 339**	**498 718**	**357 449**	32 203	**1 642 709**	–	**1 642 709**
–	–	**1 787**	**3 079**	**4 866**	**–**	**20 146**	–	**25 012**	–	**25 012**
–	–	**–**	**–**	**–**	**81 192**	**–**	16 417	**97 609**	–	**97 609**
5 236	4 001	**44 479**	**8 366**	**52 845**	**6 330**	**12 985**	78	**72 238**	–	**72 238**
4	–	**512**	**3 159**	**3 671**	**5 942**	**163**	1 264	**11 040**	–	**11 040**
–	–	**–**	**9**	**9**	**3 905**	**–**	(17)	**3 897**	51	**3 948**
503 149	75 248	**997 722**	**71**	**997 793**	**356 811**	**426 554**	378 250	**2 159 408**	–	**2 159 408**
142 089	68 074	**597 880**	**183 438**	**781 318**	**821 184**	**482 102**	456 075	**2 540 679**	2 365	**2 543 044**
137 362	65 746	**574 631**	**181 764**	**756 395**	**808 364**	**438 591**	309 762	**2 313 112**	–	**2 313 112**
291	472	**2 303**	**2 105**	**4 408**	**140**	**197**	(206)	**4 539**	–	**4 539**

Segment report

for the six months ended 31 December 2023

	Retail and commercial				
	FNB				
	Retail				
R million	Residential mortgages	Card	Total personal loans	Retail other*	**Retail***
Net interest income before impairment of advances	2 331	2 163	4 217	3 978	**12 689**
Impairment charge	(310)	(912)	(2 160)	(309)	**(3 691)**
Net interest income after impairment of advances	2 021	1 251	2 057	3 669	**8 998**
Non-interest revenue	30	2 222	512	8 338	**11 102**
Income from operations	2 051	3 473	2 569	12 007	**20 100**
Operating expenses	(906)	(1 604)	(1 290)	(8 178)	**(11 978)**
Net income from operations	1 145	1 869	1 279	3 829	**8 122**
Share of profit of associates and joint ventures after tax	–	–	–	12	**12**
Income before indirect tax	1 145	1 869	1 279	3 841	**8 134**
Indirect tax	(7)	(13)	(31)	(434)	**(485)**
Profit before tax	1 138	1 856	1 248	3 407	**7 649**
Income tax expense	(307)	(501)	(413)	(920)	**(2 141)**
Profit for the period	831	1 355	835	2 487	**5 508**
Attributable to					
Ordinary equityholders	831	1 355	835	2 487	**5 508**
Other equity instrument holders	–	–	–	–	**–**
Non-controlling interests	–	–	–	–	**–**
Profit for the period	831	1 355	835	2 487	**5 508**
Attributable earnings to ordinary equityholders	831	1 355	835	2 487	**5 508**
Headline earnings adjustments	–	–	–	–	**–**
Headline earnings	831	1 355	835	2 487	**5 508**
Treasury shares	–	–	–	–	**–**
IAS 19 adjustment	–	–	–	–	**–**
Private equity related	–	–	–	–	**–**
Normalised earnings	831	1 355	835	2 487	**5 508**

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

* *Restated. Refer to page 70.*

** *Refer to additional segmental disclosure on page 62.*

Refer to page 64 for additional analysis of UK operations.

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

Retail and commercial – FNB – Commercial*	Retail and commercial – FNB – FNB broader Africa	Retail and commercial – FNB – Total FNB	Retail and commercial – WesBank**	Retail and commercial – Retail and commercial	Corporate and institutional – RMB	Aldermore#	Centre (including Group Treasury) and other†	FirstRand group – normalised	Normalised adjustments	FirstRand group – IFRS
7 747	2 853	**23 289**	**2 891**	**26 180**	**5 985**	**7 057**	3 549	**42 771**	(1 261)	**41 510**
(270)	(216)	**(4 177)**	**(961)**	**(5 138)**	**(620)**	**(588)**	(58)	**(6 404)**	–	**(6 404)**
7 477	2 637	**19 112**	**1 930**	**21 042**	**5 365**	**6 469**	3 491	**36 367**	(1 261)	**35 106**
5 413	2 725	**19 240**	**1 827**	**21 067**	**7 125**	**(98)**	(2 270)	**25 824**	1 908	**27 732**
12 890	5 362	**38 352**	**3 757**	**42 109**	**12 490**	**6 371**	1 221	**62 191**	647	**62 838**
(5 810)	(3 477)	**(21 265)**	**(2 544)**	**(23 809)**	**(6 854)**	**(3 775)**	(178)	**(34 616)**	(205)	**(34 821)**
7 080	1 885	**17 087**	**1 213**	**18 300**	**5 636**	**2 596**	1 043	**27 575**	442	**28 017**
–	–	**12**	**201**	**213**	**744**	**–**	(204)	**753**	(2)	**751**
7 080	1 885	**17 099**	**1 414**	**18 513**	**6 380**	**2 596**	839	**28 328**	440	**28 768**
(30)	(116)	**(631)**	**(35)**	**(666)**	**(152)**	**(146)**	(8)	**(972)**	–	**(972)**
7 050	1 769	**16 468**	**1 379**	**17 847**	**6 228**	**2 450**	831	**27 356**	440	**27 796**
(1 904)	(526)	**(4 571)**	**(385)**	**(4 956)**	**(1 629)**	**(700)**	476	**(6 809)**	(28)	**(6 837)**
5 146	1 243	**11 897**	**994**	**12 891**	**4 599**	**1 750**	1 307	**20 547**	412	**20 959**
5 146	819	**11 473**	**988**	**12 461**	**4 475**	**1 648**	513	**19 097**	412	**19 509**
–	–	**–**	**–**	**–**	**–**	**102**	648	**750**	–	**750**
–	424	**424**	**6**	**430**	**124**	**–**	146	**700**	–	**700**
5 146	1 243	**11 897**	**994**	**12 891**	**4 599**	**1 750**	1 307	**20 547**	412	**20 959**
5 146	819	**11 473**	**988**	**12 461**	**4 475**	**1 648**	513	**19 097**	412	**19 509**
–	–	**–**	**–**	**–**	**–**	**–**	–	**–**	(374)	**(374)**
5 146	819	**11 473**	**988**	**12 461**	**4 475**	**1 648**	513	**19 097**	38	**19 135**
–	–	**–**	**–**	**–**	**–**	**–**	–	**–**	7	**7**
–	–	**–**	**–**	**–**	**–**	**–**	–	**–**	(45)	**(45)**
–	–	**–**	**–**	**–**	**–**	**–**	–	**–**	–	**–**
5 146	819	**11 473**	**988**	**12 461**	**4 475**	**1 648**	513	**19 097**	–	**19 097**

Segment report

for the six months ended 31 December 2023

	Retail and commercial				
	FNB				
	Retail				
R million	Residential mortgages	Card	Total personal loans	Retail other*	**Retail***
Cost-to-income ratio (%)	38.4	36.6	27.3	66.3	**50.2**
Diversity ratio (%)	1.3	50.7	10.8	67.7	**46.3**
Credit loss ratio (%) – core lending advances	0.24	4.80	8.47	8.27	**2.05**
Stage 3/NPLs as a % of core lending advances	6.04	11.59	16.44	12.93	**8.26**
Consolidated income statement includes					
Depreciation	(1)	(11)	(10)	(1 104)	**(1 126)**
Amortisation	–	–	–	(14)	**(14)**
Net impairment charges	–	–	–	(26)	**(26)**
Consolidated statement of financial position includes					
Advances (before impairments)	266 070	38 882	51 913	7 540	**364 405**
Core lending advances	266 070	38 882	51 913	7 540	**364 405**
– Other core lending advances (AC and FV)	266 070	38 882	51 913	7 540	**364 405**
– Securitised advances	–	–	–	–	**–**
Assets under agreements to resell	–	–	–	–	**–**
Stage 3/NPLs	16 068	4 507	8 535	975	**30 085**
Investment in associates	–	–	–	493	**493**
Investment in joint ventures	–	–	–	–	**–**
Total deposits (including non-recourse deposits)	584	11 107	40	377 356	**389 087**
Total assets	259 503	34 092	42 270	38 476	**374 341**
Total liabilities‡	259 411	33 141	41 993	24 776	**359 321**
Capital expenditure	–	32	4	1 391	**1 427**

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

* *Restated. Refer to page 71.*

** *Refer to additional segmental disclosure on page 62.*

\# *Refer to page 64 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**
44.1	62.3	**50.0**	**51.7**	**50.2**	**49.5**	**54.2**	(>100)	**49.9**		**49.7**
41.1	48.9	**45.3**	**41.2**	**44.8**	**56.8**	**(1.4)**	>100	**38.3**		**40.7**
0.46	0.73	**1.55**	**1.15**	**1.46**	**0.28**	**0.32**	0.42	**0.83**		**0.83**
3.71	5.97	**7.00**	**4.56**	**6.42**	**1.09**	**2.94**	2.47	**3.98**		**3.98**
(137)	(213)	**(1 476)**	**(357)**	**(1 833)**	**(85)**	**(122)**	(10)	**(2 050)**	–	**(2 050)**
1	(5)	**(18)**	**(6)**	**(24)**	**(24)**	**–**	(269)	**(317)**	–	**(317)**
–	2	**(24)**	**(16)**	**(40)**	**(1)**	**–**	12	**(29)**	50	**21**
120 399	60 700	**545 504**	**171 171**	**716 675**	**542 420**	**361 211**	34 506	**1 654 812**	–	**1 654 812**
120 399	60 700	**545 504**	**171 171**	**716 675**	**457 656**	**361 211**	27 210	**1 562 752**	–	**1 562 752**
120 399	60 700	**545 504**	**168 859**	**714 363**	**457 656**	**338 040**	27 210	**1 537 269**	–	**1 537 269**
–	–	**–**	**2 312**	**2 312**	**–**	**23 171**	–	**25 483**	–	**25 483**
–	–	**–**	**–**	**–**	**84 764**	**–**	7 296	**92 060**	–	**92 060**
4 467	3 625	**38 177**	**7 802**	**45 979**	**4 968**	**10 621**	672	**62 240**	–	**62 240**
–	–	**493**	**2 952**	**3 445**	**4 653**	**–**	1 257	**9 355**	–	**9 355**
–	–	**–**	**11**	**11**	**3 203**	**–**	(16)	**3 198**	46	**3 244**
450 056	67 517	**906 660**	**71**	**906 731**	**326 315**	**421 821**	323 411	**1 978 278**	–	**1 978 278**
126 971	64 892	**566 204**	**172 127**	**738 331**	**761 120**	**476 177**	357 312	**2 332 940**	2 568	**2 335 508**
122 827	62 947	**545 095**	**170 546**	**715 641**	**749 976**	**438 441**	221 630	**2 125 688**	–	**2 125 688**
385	365	**2 177**	**896**	**3 073**	**201**	**87**	57	**3 418**	–	**3 418**

Segment report

for the year ended 30 June 2024

	Retail and commercial				
	FNB				
	Retail				
R million	Residential mortgages	Card	Total personal loans	Retail other*	**Retail***
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 from 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 72.*

** *Refer to additional segmental disclosure on page 62.*

\# *Refer to page 65 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				
R million	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 (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 73.*

** *Refer to additional segmental disclosure on page 62.*

Refer to page 65 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	**564 742**	**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

R million	Six months ended 31 December 2024 Retail	Corporate and commercial	Total WesBank
NII before impairment of advances	**2 303**	**724**	**3 027**
Impairment of advances	**(887)**	**(99)**	**(986)**
Normalised profit before tax	**1 093**	**425**	**1 518**
Normalised earnings	**797**	**307**	**1 104**
Core advances	**118 506**	**63 022**	**181 528**
Stage 3/NPLs	**7 038**	**1 328**	**8 366**
Advances margin (%)	**2.86**	**2.04**	**2.58**
Stage 3/NPLs as a % of advances	**5.94**	**2.11**	**4.61**
Credit loss ratio (%) of average advances	**1.53**	**0.32**	**1.11**

R million	Six months ended 31 December 2023 Retail	Corporate and commercial	Total WesBank
NII before impairment of advances	2 219	672	2 891
Impairment of advances	(834)	(127)	(961)
Normalised profit before tax	978	401	1 379
Normalised earnings	708	280	988
Core advances	111 408	59 763	171 171
Stage 3/NPLs	6 820	982	7 802
Advances margin (%)	3.01	2.19	2.74
Stage 3/NPLs as a % of advances	6.12	1.64	4.56
Credit loss ratio (%) of average advances	1.52	0.45	1.15

R million	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

£ million	Business finance	Property finance	Motor finance	Central functions	Total UK operations
	Six months ended 31 December 2024				
Net interest income before impairment of advances	77	71	88	61	**297**
Impairment charge	–	2	(13)	–	**(11)**
Net interest income after impairment of advances	77	73	75	61	**286**
Non-interest revenue (including fair value hedges)	2	(2)	(1)	(2)	**(3)**
Income from operations	79	71	74	59	**283**
Operating expenses	(37)	(38)	(46)	(36)	**(157)**
Net income/(loss) from operations	42	33	28	23	**126**
Share of profit of associates and joint ventures after tax	–	–	–	–	**–**
Income/(loss) before indirect tax	42	33	28	23	**126**
Indirect tax	(2)	(2)	(2)	(1)	**(7)**
Profit/(loss) before tax	40	31	26	22	**119**
Income tax expense	–	–	–	(32)*	**(32)**
Profit/(loss) for the period	40	31	26	(10)	**87**
Attributable to					
Ordinary equityholders	40	31	26	(15)	**82**
Other equity instrument holders	–	–	–	5	**5**
Profit/(loss) for the period	40	31	26	(10)	**87**
Consolidated statement of financial position includes					
Cash and cash equivalents	–	–	2	1 354	**1 356**
Derivative financial instruments	–	–	–	284	**284**
Investment securities	–	–	–	2 934	**2 934**
Advances	3 754	8 040	3 917	–	**15 711**
– Gross core lending advances	3 822	8 101	4 077	–	**16 000**
– Impairment of advances	(68)	(61)	(160)	–	**(289)**
Other assets	2	–	107	34	**143**
Total assets	3 756	8 040	4 026	4 606	**20 428**
Derivative financial instruments	–	–	–	53	**53**
Total deposits	–	–	–	18 075	**18 075**
Other liabilities	3 714	8 010	3 322	(14 589)	**457**
Total liabilities	3 714	8 010	3 322	3 539	**18 585**
Stage 3/NPLs	89	314	147	–	**550**
Stage 3/NPLs as a % of advances	2.31	3.88	3.61	–	**3.44**
Credit loss ratio (%) of average advances	(0.04)	(0.02)	0.63	–	**0.14**
Advances margin (%)	4.03	1.79	4.26	–	**3.74**

* *Tax expense reflected in central functions.*

Additional segmental disclosure – UK operations continued

£ million	Business finance	Property finance	Motor finance	Central functions	Total UK operations
	Six months ended 31 December 2023*				
Net interest income before impairment of advances	74	65	79	83	**301**
Impairment charge	(7)	4	(22)	–	**(25)**
Net interest income after impairment of advances	67	69	57	83	**276**
Non-interest revenue (including fair value hedges)	3	(1)	4	(10)	**(4)**
Income from operations	70	68	61	73	**272**
Operating expenses	(36)	(37)	(59)	(29)	**(161)**
Net income/(loss) from operations	34	31	2	44	**111**
Share of profit of associates and joint ventures after tax	–	–	–	–	**–**
Income/(loss) before indirect tax	34	31	2	44	**111**
Indirect tax	(6)	(3)	5	(2)	**(6)**
Profit/(loss) before tax	28	28	7	42	**105**
Income tax expense	–	–	–	(30)**	**(30)**
Profit/(loss) for the period	28	28	7	12	**75**
Attributable to					
Ordinary equityholders	28	28	7	8	**71**
Other equity instrument holders	–	–	–	4	**4**
Profit/(loss) for the period	28	28	7	12	**75**
Consolidated statement of financial position includes					
Cash and cash equivalents	–	–	24	2 380	**2 404**
Derivative financial instruments	–	–	–	389	**389**
Investment securities	–	–	–	2 361	**2 361**
Advances	3 555	7 509	3 919	–	**14 983**
– Gross core lending advances	3 631	7 593	4 099	–	**15 323**
– Impairment of advances	(76)	(84)	(180)	–	**(340)**
Other assets	2	1	92	(33)	**62**
Total assets	3 557	7 510	4 035	5 097	**20 199**
Derivative financial instruments	–	–	–	114	**114**
Total deposits	–	–	–	17 894	**17 894**
Other liabilities	3 509	7 457	2 896	(13 270)	**592**
Total liabilities	3 509	7 457	2 896	4 738	**18 600**
Stage 3/NPLs	70	259	122	–	**451**
Stage 3/NPLs as a % of advances	1.91	3.42	2.97	–	**2.94**
Credit loss ratio (%) of average advances	0.39	(0.10)	1.04	–	**0.33**
Advances margin (%)	4.16	1.70	3.74	–	**3.92**

* *Restated. Refer to pages 74 to 75.*

** *Tax expense reflected in central functions.*

£ million	Business finance	Property finance	Motor finance	Central functions	Total UK operations
	Year ended 30 June 2024*				
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	–	–	–	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 76 to 77.*

** *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

	Strategy view			In-country			Cross-border		
	Six months ended 31 December		Year ended 30 June	Six months ended 31 December		Year ended 30 June	Six months ended 31 December		Year ended 30 June
R million	**2024**	2023	2024	**2024**	2023	2024	**2024**	2023	2024
Normalised earnings	**2 312**	2 464	5 157	**1 430**	1 687	3 048	**882**	777	2 109
Normalised profit before tax	**4 469**	4 258	9 200	**3 258**	3 194	6 311	**1 211**	1 064	2 889
Impairment of advances	**495**	544	575	**336**	237	478	**159**	307	97
Core lending advances*	**184 572**	172 829	168 037	**85 017**	78 794	80 711	**99 555**	94 035	87 326
Stage 3/NPLs as a % of core lending advances*	**2.76**	3.29	3.02	**4.74**	4.62	4.89	**1.08**	2.18	1.28
Credit loss ratio (%) of average core lending advances*	**0.56**	0.65	0.34	**0.81**	0.60	0.61	**0.34**	0.69	0.11
Cost-to income ratio (%)	**51.4**	51.1	51.6	**55.0**	55.5	56.1	**37.7**	34.4	35.8
ROE (%)	**20.3**	23.7	24.9	**19.8**	24.1	22.0	**21.3**	22.9	30.7

* *In-country advances include Group Treasury advances.*

FNB BROADER AFRICA FINANCIAL HIGHLIGHTS

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Profit before tax	**1 925**	1 769	9	3 490
Core lending advances*	**64 207**	60 700	6	62 463
Total deposits**	**75 248**	67 517	11	72 054
Credit loss ratio (%) – core lending advances	**1.00**	0.73		0.76
ROA (%)	**2.65**	2.58		2.37
Cost-to-income ratio (%)	**60.1**	62.3		62.8

* *Up 7% in constant currency terms.*

** *Up 14% in constant currency terms.*

RMB BROADER AFRICA STRATEGY FINANCIAL HIGHLIGHTS

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Profit before tax	**1 951**	1 886	3	4 558
Core lending advances*	**120 365**	112 129	7	105 574
Total deposits**	**29 802**	33 144	(10)	29 030
Credit loss ratio (%) – core lending advances	**0.32**	0.62		0.11
ROA (%)	**2.14**	2.28		2.75
Cost-to-income ratio (%)	**45.9**	42.8		43.4

* *Up 9% in constant currency terms.*

** *Down 3% in constant currency terms.*

Additional segmental disclosure – insurance activities

TOTAL INSURANCE PBT

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
FNB SA	**1 648**	1 377	20	3 171
Credit life	**770**	686	12	1 552
Core life (including funeral)	**616**	519	19	1 204
Underwritten	**(19)**	(57)	(67)	(82)
Commercial	**46**	19	>100	63
Short-term insurance	**(16)**	(50)	(68)	(121)
Other participation agreements*	**251**	260	(3)	555
WesBank	**61**	124	(51)	232
Value-added products and services (VAPS)** and retail VAF credit life	**61**	124	(51)	232
Broader Africa and other	**130**	139	(6)	311
Total	**1 839**	1 640	12	3 714

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

** *MotoVantage's insurance activities were excluded as the business is in the process of being sold.*

GROSS WRITTEN PREMIUMS ON GROUP LICENCES

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Total life premiums	**3 603**	3 202	13	6 578
Credit life	**1 235**	1 158	7	2 373
Core life (including funeral)	**1 765**	1 565	13	3 217
Underwritten	**382**	339	13	693
Commercial	**221**	140	58	295
Total short-term premiums	**496**	380	31	808
Personal lines	**442**	339	30	718
Commercial	**54**	41	32	90
Broader Africa	**88**	71	24	162
Total gross written premiums*	**4 187**	3 653	15	7 548

* *Gross written premium 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.*

Additional segmental disclosure – insurance activities continued

FNB insurance activities

NEW BUSINESS APE

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Core life (including funeral)	**664**	626	6	1 281
Underwritten	**143**	139	3	277
Commercial	**273**	178	53	206
Standalone products	**1 080**	943	15	1 764
Credit life	**409**	470	(13)	893
FNB Life	**1 489**	1 413	5	2 657

NUMBER OF LIFE POLICIES

Thousands	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Credit life	**2 392**	2 471	(3)	2 443
Core life (including funeral)	**1 870**	1 792	4	1 841
Underwritten	**189**	193	(2)	194
Commercial	**57**	48	19	55
Total	**4 508**	4 504	–	4 533

FNB SHORT-TERM INSURANCE

Key performance indicators	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
In-force APE (R million)	**1 059**	825	28	937
Number of in-force policies (thousands)	**312**	300	4	307
New business APE (R million)	**337**	306	10	662

FNB LIFE IN-FORCE APE

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Credit life	**2 503**	2 423	3	2 483
Core life (including funeral)	**4 090**	3 679	11	3 891
Underwritten	**865**	780	11	829
Commercial	**469**	304	54	333
Total	**7 927**	7 186	10	7 536

WesBank insurance activities

NUMBER OF POLICIES AND GROSS WRITTEN PREMIUM

	MotoVantage (VAPS)*				Retail (VAPS)			
	Six months ended 31 December			Year ended 30 June	Six months ended 31 December			Year ended 30 June
	2024	2023	% change	2024	**2024**	2023	% change	2024
Number of policies (thousands)	**–**	535	(100)	515	**19**	23	(17)	20
Gross written premium (R million)	**–**	627	(100)	1 164	**21**	31	(32)	49

* *MotoVantage's insurance activities were excluded as the business is in the process of being sold.*

Additional segmental disclosure – investment management activities

TOTAL ASSETS UNDER MANAGEMENT

R million	As at 31 December 2024	2023	% change	As at 30 June 2024
Multi-asset and equity	**29 848**	25 426	17	25 675
Structured products and indexation	**8 430**	8 743	(4)	8 970
Alternatives	**35 839**	38 078	(6)	36 009
Fixed income	**82 373**	70 042	18	74 020
Private client portfolios	**89 810**	74 506	21	80 374
Total group AUM	**246 300**	216 795	14	225 048

REVENUE BY TYPE

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Investment management fees	**378**	369	2	754
Advice fees	**144**	116	24	236
Trust and estate income	**154**	155	(1)	299
Brokerage income	**66**	51	29	110
Administration and other income	**79**	69	14	185
Net interest income	**93**	90	3	173
Total revenue	**914**	850	8	1 757

Additional information on internal restructures

for the six months ended 31 December 2023

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

R million	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	3 985	(7)	3 978	7 740	7	7 747	**23 289**	**–**	**23 289**
Impairment charge	(309)	–	(309)	(270)	–	(270)	**(4 177)**	**–**	**(4 177)**
Net interest income after impairment of advances	3 676	(7)	3 669	7 470	7	7 477	**19 112**	**–**	**19 112**
Non-interest revenue	8 167	171	8 338	5 584	(171)	5 413	**19 240**	**–**	**19 240**
Income from operations	11 843	164	12 007	13 054	(164)	12 890	**38 352**	**–**	**38 352**
Operating expenses	(8 055)	(123)	(8 178)	(5 933)	123	(5 810)	**(21 265)**	**–**	**(21 265)**
Net income from operations	3 788	41	3 829	7 121	(41)	7 080	**17 087**	**–**	**17 087**
Share of profit of associates and joint ventures after tax	12	–	12	–	–	–	**12**	**–**	**12**
Income before indirect tax	3 800	41	3 841	7 121	(41)	7 080	**17 099**	**–**	**17 099**
Indirect tax	(434)	–	(434)	(30)	–	(30)	**(631)**	**–**	**(631)**
Profit before tax	3 366	41	3 407	7 091	(41)	7 050	**16 468**	**–**	**16 468**
Income tax expense	(909)	(11)	(920)	(1 915)	11	(1 904)	**(4 571)**	**–**	**(4 571)**
Profit for the period	2 457	30	2 487	5 176	(30)	5 146	**11 897**	**–**	**11 897**
Attributable to								**–**	
Ordinary equityholders	2 457	30	2 487	5 176	(30)	5 146	**11 473**	**–**	**11 473**
Other equity instrument holders	–	–	–	–	–	–	**–**	**–**	**–**
Non-controlling interests	–	–	–	–	–	–	**424**	**–**	**424**
Profit for the period	2 457	30	2 487	5 176	(30)	5 146	**11 897**	**–**	**11 897**
Attributable earnings to ordinary equityholders	2 457	30	2 487	5 176	(30)	5 146	**11 473**	**–**	**11 473**
Headline earnings adjustments	–	–	–	–	–	–	**–**	**–**	**–**
Headline earnings	2 457	30	2 487	5 176	(30)	5 146	**11 473**	**–**	**11 473**
Treasury shares	–	–	–	–	–	–	**–**	**–**	**–**
IAS 19 adjustment	–	–	–	–	–	–	**–**	**–**	**–**
Private equity related	–	–	–	–	–	–	**–**	**–**	**–**
Normalised earnings	2 457	30	2 487	5 176	(30)	5 146	**11 473**	**–**	**11 473**

R million	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 (%)	66.2		66.3	44.5		44.1	**50.0**		**50.0**
Diversity ratio (%)	67.2		67.7	41.9		41.1	**45.3**		**45.3**
Credit loss ratio (%) – core lending advances	8.27		8.27	0.46		0.46	**1.55**		**1.55**
Stage 3/NPLs as a % of core lending advances	12.93		12.93	3.71		3.71	**7.00**		**7.00**
Consolidated income statement includes									
Depreciation	(1 114)	10	(1 104)	(127)	(10)	(137)	**(1 476)**	**–**	**(1 476)**
Amortisation	(14)	–	(14)	1	–	1	**(18)**	**–**	**(18)**
Net impairment charges	(26)	–	(26)	–	–	–	**(24)**	**–**	**(24)**
Consolidated statement of financial position includes								**–**	
Advances (before impairments)	7 540	–	7 540	120 399	–	120 399	**545 504**	**–**	**545 504**
Core lending advances	7 540	–	7 540	120 399	–	120 399	**545 504**	**–**	**545 504**
– Other core lending advances (AC and FV)	7 540	–	7 540	120 399	–	120 399	**545 504**	**–**	**545 504**
– Securitised advances	–	–	–	–	–	–	**–**	**–**	**–**
Assets under agreements to resell	–	–	–	–	–	–	**–**	**–**	**–**
Stage 3/NPLs	975	–	975	4 467	–	4 467	**38 177**	**–**	**38 177**
Investment in associates	493	–	493	–	–	–	**493**	**–**	**493**
Investment in joint ventures	–	–	–	–	–	–	**–**	**–**	**–**
Total deposits (including non-recourse deposits)	377 356	–	377 356	450 056	–	450 056	**906 660**	**–**	**906 660**
Total assets	42 390	(3 914)	38 476	123 057	3 914	126 971	**566 204**	**–**	**566 204**
Total liabilities	28 703	(3 927)	24 776	118 900	3 927	122 827	**545 095**	**–**	**545 095**
Capital expenditure	1 391	–	1 391	385	–	385	**2 177**	**–**	**2 177**

Additional information on internal restructures

for the year ended 30 June 2024

R million	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**

R million	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**
Investment in associates	516	–	516	4	–	4	**520**	**–**	**520**
Investment in joint ventures	–	–	–	–	–	–	**–**	**–**	**–**
Total deposits (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 six months ended 31 December 2023

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 securitisation 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.

£ million	Business finance previously published	Restatement	Business finance after restatement	Property finance previously published	Restatement
Net interest income before impairment of advances	66	8	74	58	7
Impairment charge	(7)	–	(7)	4	–
Net interest income after impairment of advances	59	8	67	62	7
Non-interest revenue (including fair value hedges)	3	–	3	(1)	–
Income from operations	62	8	70	61	7
Operating expenses	(13)	(23)	(36)	(8)	(29)
Net income/(loss) from operations	49	(15)	34	53	(22)
Share of profit of associates and joint ventures after tax	–	–	–	–	–
Income/(loss) before indirect tax	49	(15)	34	53	(22)
Indirect tax	(1)	(5)	(6)	–	(3)
Profit/(loss) before tax	48	(20)	28	53	(25)
Income tax expense	–	–	–	–	–
Profit/(loss) for the period	48	(20)	28	53	(25)
Attributable to					
Ordinary equityholders	48	(20)	28	53	(25)
Other equity instrument holders	–	–	–	–	–
Profit/(loss) for the period	48	(20)	28	53	(25)
Consolidated statement of financial position includes					
Cash and cash equivalents	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–
Investment securities	–	–	–	–	–
Advances	3 555	–	3 555	7 509	–
– Gross core lending advances	3 631	–	3 631	7 593	–
– Impairment of advances	(76)	–	(76)	(84)	–
Other assets	2	–	2	–	1
Total assets	3 557	–	3 557	7 509	1
Derivative financial instruments	–	–	–	–	–
Total deposits	–	–	–	–	–
Other liabilities	3 509	–	3 509	7 457	–
Total liabilities	3 509	–	3 509	7 457	–
Stage 3/NPLs	70	–	70	259	–
Stage 3/NPLs as a % of advances	1.91	–	1.91	3.42	–
Credit loss ratio (%) of average advances	0.39	–	0.39	(0.10)	–
Advances margin (%)	3.71	0.45	4.16	1.54	0.16

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**
65	81	(2)	79	96	(13)	83	**301**	–	**301**
4	(22)	–	(22)	–	–	–	**(25)**	–	**(25)**
69	59	(2)	57	96	(13)	83	**276**	–	**276**
(1)	–	4	4	(6)	(4)	(10)	**(4)**	–	**(4)**
68	59	2	61	90	(17)	73	**272**	–	**272**
(37)	(47)	(12)	(59)	(93)	64	(29)	**(161)**	–	**(161)**
31	12	(10)	2	(3)	47	44	**111**	–	**111**
–	–	–	–	–	–	–	**–**	–	**–**
31	12	(10)	2	(3)	47	44	**111**	–	**111**
(3)	3	2	5	(8)	6	(2)	**(6)**	–	**(6)**
28	15	(8)	7	(11)	53	42	**105**	–	**105**
–	(5)	5	–	(25)	(5)	(30)	**(30)**	–	**(30)**
28	10	(3)	7	(36)	48	12	**75**	–	**75**
28	8	(1)	7	(38)	46	8	**71**	–	**71**
–	2	(2)	–	2	2	4	**4**	–	**4**
28	10	(3)	7	(36)	48	12	**75**	–	**75**
–	76	(52)	24	2 328	52	2 380	**2 404**	–	**2 404**
–	6	(6)	–	383	6	389	**389**	–	**389**
–	–	–	–	2 361	–	2 361	**2 361**	–	**2 361**
7 509	3 919	–	3 919	–	–	–	**14 983**	–	**14 983**
7 593	4 099	–	4 099	–	–	–	**15 323**	–	**15 323**
(84)	(180)	–	(180)	–	–	–	**(340)**	–	**(340)**
1	300	(208)	92	(240)	207	(33)	**62**	–	**62**
7 510	4 301	(266)	4 035	4 832	265	5 097	**20 199**	–	**20 199**
–	–	–	–	114	–	114	**114**	–	**114**
–	407	(407)	–	17 487	407	17 894	**17 894**	–	**17 894**
7 457	3 721	(825)	2 896	(14 095)	825	(13 270)	**592**	–	**592**
7 457	4 128	(1 232)	2 896	3 506	1 232	4 738	**18 600**	–	**18 600**
259	122	–	122	–	–	–	**451**	–	**451**
3.42	2.97	–	2.97	–	–	–	**2.94**	–	**2.94**
(0.10)	1.04	–	1.04	–	–	–	**0.33**	–	**0.33**
1.70	3.83	(0.09)	3.74	–	–	–	**3.92**	–	**3.92**

Additional information on internal restructures – UK

for the year ended 30 June 2024

£ million	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	–	–	–	–	–
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 reflected in central functions.*

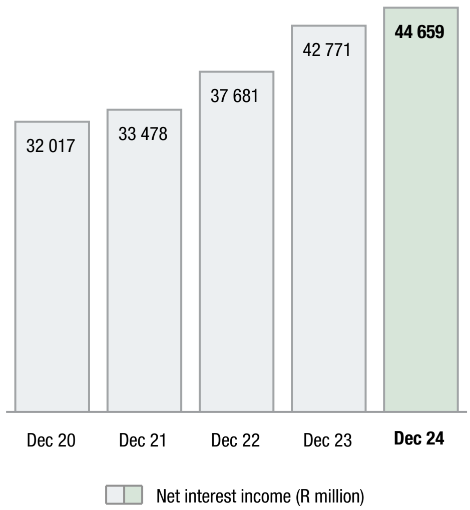
Property finance after restatement	Motor finance previously published	Restatement	Motor finance after restatement	Central functions previously published	Restatement	Central functions after the restatement	**Total UK operations previously published**	Restatement	**Total UK operations after restatement**
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

Net interest income (before impairment of advances)

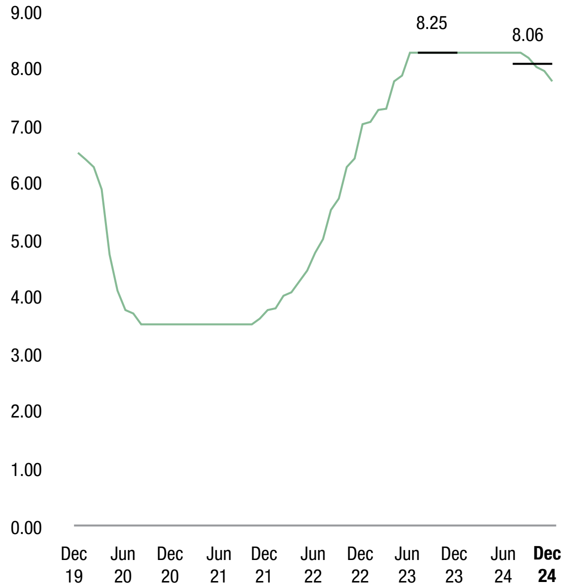
Net interest income (before impairment of advances) – up 4%

Net interest income
(R million)
NII CAGR 9%



Note: 2020 and 2021 figures are based on IFRS 4, 2022 to 2024 figures on IFRS 17.

Repo rate
(%)



Note 1: The average endowment book for FirstRand Bank was c. R319 billion (December 2023: R293 billion).

Note 2: The average endowment book for broader Africa was c. R43 billion (December 2023: R41 billion).

Note 3: Given the substantial UK rate hikes between 2022 and 2023, Aldermore developed an ALM investment strategy. The average net endowment book for the period was c. £680 million (December 2023: £455 million). The endowment methodology within Aldermore continues to be developed.

Note 4: 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/.

MARGIN CASCADE TABLE

Percentage of average interest-earning banking assets (%)	Six months ended 31 December 2024 Average interest-earning assets (R million)	NII (R million)	NIM (%)	Year ended 30 June 2023 NIM (%)	2024 NIM (%)
Opening normalised margin including UK operations	**1 896 690**	**42 771**	**4.47**	4.38	4.47
Impact of UK operations on margin	**(467 557)**	**(7 057)**	**0.49**	0.40	0.43
Opening normalised margin excluding UK operations	**1 429 133**	**35 714**	**4.96**	4.78	4.90
Asset growth	**86 643**	**2 166**			
Balances with central banks	**1 472**				
Cash and cash equivalents	**(5 779)**				
Liquid assets	**3 664**				
Loans and advances	**87 286**				
Lending interest-earning assets		**(212)**	**(0.03)**	(0.06)	(0.07)
Asset pricing		**(139)**	**(0.02)**	(0.08)	(0.07)
Change in advances mix and other		**(73)**	**(0.01)**	0.02	–
Liabilities		**(855)**	**(0.11)**	0.07	(0.05)
Deposit endowment		**(388)**	**(0.05)**	0.05	0.03
Deposit pricing		**(749)**	**(0.09)**	(0.10)	(0.10)
Change in deposit mix and volume		**282**	**0.03**	0.12	0.02
Capital endowment (including ALM strategies)		**825**	**0.11**	0.09	0.09
Group Treasury, Centre and other activities		**(44)**	**(0.01)**	0.02	0.03
FNB broader Africa		**190**	**0.02**	0.06	0.05
Closing normalised margin excluding UK operations	**1 515 776**	**37 784**	**4.94**	4.96	4.95
Impact of UK operations on margin	**464 694**	**6 875**	**(0.47)**	(0.49)	(0.48)
Closing normalised margin including UK operations	**1 980 470**	**44 659**	**4.47**	4.47	4.47

Net interest income (before impairment of advances) continued

ACTIVITY ANALYSIS OF NET INTEREST INCOME BEFORE IMPAIRMENT OF ADVANCES

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Lending	**14 274**	13 767	4	27 711
Transactional*	**10 924**	10 254	7	20 827
Investment deposits	**2 288**	2 121	8	4 255
Capital endowment (including ALM strategies)	**6 501**	5 685	14	11 170
Group Treasury, Centre and other**	**754**	1 034	(27)	2 078
FNB broader Africa	**3 043**	2 853	7	5 832
Total NII excluding UK operations	**37 784**	35 714	6	71 873
UK operations	**6 875**	7 057	(3)	14 232
Total NII including UK operations	**44 659**	42 771	4	86 105

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

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

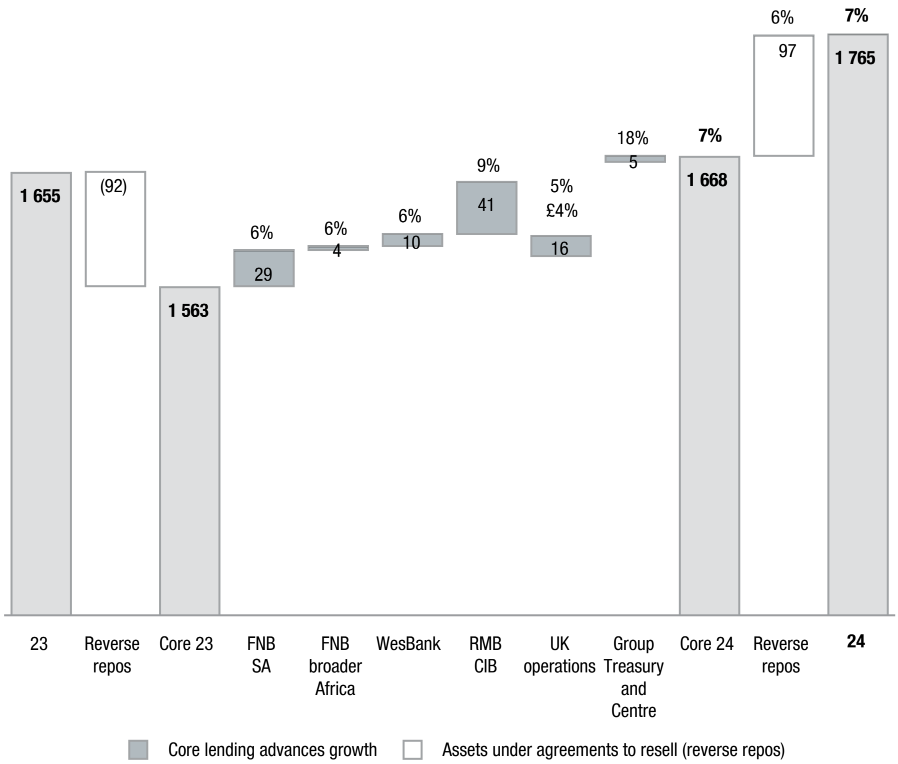
Key drivers – NII

- During the period average interest rates decreased 19 bps to 8.06% (December 2023: 8.25%).
- NII was driven by advances growth and continued deposit gathering, supported by the capital endowment and portfolio management activities. Overall growth was impacted by a decrease in NII from the UK operations.
- Lending NII increased 4%, underpinned by advances growth of 7%, which softened relative to December 2023 levels (+11%). SA retail and commercial average advances growth of 5% and margin outcomes still reflects the origination tilt to better-quality credit and change in mix towards lower-yielding products. RMB average advances (excluding marketable advances and preference shares) increased 15% period on period due to strong credit demand. Most portfolios were also impacted by higher levels of interest in suspense as non-performing loans increased. The impact of suspended interest on lending NII growth was 2%.
- The growth in NII on transactional balances reflects increased product volumes and new customer acquisition in FNB retail and commercial, and RMB. The current interest rate cycle resulted in a net endowment reduction, partially mitigated by the impact of the group's ALM strategy. Overall NII growth on transactional balances was further negatively impacted by the shift to investment deposits and the implementation of the deposit insurance scheme (R155 million) in April 2024.
- Increase in NII on investment deposits was underpinned by new product offerings and customers taking advantage of higher-yielding products.
- The NII on capital endowment benefited from a higher return on capital, due to larger invested capital balances supported by improved ALM portfolio management income and margins, together with additional investments in fixed-rate structural bonds.
- Group Treasury, Centre and other NII declined due to reduced earnings from funding and liquidity management activities. This decrease is attributed to lower relative gains from interest rate mismatches as rates have decreased.
- FNB broader Africa's NII benefited from good growth in both advances (+6%) and deposits (+11%). Overall growth was moderated by the negative endowment impact from the rate cutting cycle, which is largely not covered by the group's ALM strategy.
- The UK operations' NII contracted 1% in pound terms, with 4% advances growth (reflecting a targeted approach to lending) more than offset by margin pressures as a result of falling interest rates and the industry-wide refinancing of the BoE term funding scheme. Customer deposit growth of 5% reflected a focus on maintaining a stable funding base whilst optimising funding costs. The increase in NII in the MotoNovo portfolio is largely as a result of interest not previously recognised due the NOSIA event.

Net interest income (before impairment of advances) continued

Core lending advances – up 7%

Gross advances growth by business
(R billion)



Note: Percentages are calculated on R million numbers.

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

	As at 31 December			As at 30 June	December 2024 vs June 2024
R million	**2024**	2023	% change	2024	% change
Total advances	**1 765 330**	1 654 812	7	1 665 706	6
Assets under agreements to resell	**(97 609)**	(92 060)	6	(67 808)	44
Total core lending advances (before currency impact)	**1 667 721**	1 562 752	7	1 597 898	4
UK operations and dollar cross-border book currency impact*	**(1 928)**	–	–	10 537	(>100)
Core lending advances after currency impact	**1 665 793**	1 562 752	7	1 608 435	4

* *If the exchange rate (£1 = R23.60 and $1 = R18.81) had remained unchanged from 31 December 2023 (£1 = R23.57 and $1 = R18.53).*
For further information on the exchange rate, refer to page 220.

Key drivers – advances

- Core lending advances growth remained resilient at 7% period on period but softened relative to December 2023 (+11%) as economic conditions continue to impact retail customer affordability, demand and arrears, resulting in risk cuts implemented in the retail unsecured portfolios. Although inflation is starting to ease and the interest-rate cutting cycle has commenced, it will take time for households to recover.
- In the SA retail secured advances portfolio, growth slowed to 4% period on period due to the cautious origination approach and increased competition for quality customers, further impacted by affordability pressures. Residential mortgage advances growth continued to soften, as anticipated, resulting in 4% growth period on period. WesBank VAF advances reflect a relatively stronger momentum, increasing 6% period on period with good demand for both used and new vehicles.
- The unsecured lending portfolio increased 4% period on period. The growth in card (+9% period on period) reflects increased sales and utilisation as households remain constrained. Since June 2024 growth in the card portfolio (+3%) decelerated due to a slowdown in utilisation coupled with risk cuts implemented. The personal loans portfolio increased 2% period on period but remained flat since June 2024, impacted by declining volumes in the DirectAxis portfolio, further rundown of the Covid-19 relief book and risk cuts.
- FNB commercial and WesBank corporate delivered strong growth across the portfolios, increasing 10% period on period. This performance was driven by targeted sector-specific origination strategies and focused growth in the SME segment, with significant contributions from property finance (+17%), overdrafts and working capital facilities (+18%) and specialised finance (+19%).
- RMB CIB core advances continued to show robust growth of 9% period on period, benefiting from sustained new business origination tilted towards better-rated counters in lower-volatility industries. The cross-border book reflected a solid performance with growth of 4% in dollar terms period on period. In rand terms growth was 6% period on period, supported by the rand's depreciation against the dollar. Refer to page 108 for the portfolio overview.
- Broader Africa advances increased 8% in rand and 10% in local currency, reflecting focused growth strategies with banked customers in the commercial and retail portfolios. The largest contributors to the increase were Zambia (+45%), Botswana (+9%) and Namibia (+9%). Since June 2024 advances grew 5% in rand and 6% in local currency.
- UK operations advances increased 4% period on period in pound terms, reflecting a targeted approach to portfolio growth. This resulted in the following:
  - Growth of 7% in the property finance portfolio, supported by continued momentum in the buy-to-let portfolio and good loan refinancing execution, more than offset a modest contraction in owner-occupied, reflecting a conscious decision to focus on higher-returning subsegments of that market.
  - Growth of 5% in business finance advances was notable in the agriculture and construction sectors, whilst commercial real estate and invoice finance markets offset overall growth levels.
  - A contraction in the motor finance portfolio of 1% was due to subdued motor markets, a maturing portfolio and a focus on ensuring portfolio growth is delivered at appropriate returns.
- Centre (including Group Treasury) advances increased period on period following the extension of a R3.8 billion liquidity facility to the Corporation for Deposit Insurance in terms of the deposit insurance scheme.
- Assets under agreements to resell (reverse repos) increased in Group Treasury driven by liquidity deployment requirements.

Net interest income (before impairment of advances) continued

AVERAGE BALANCE SHEET

		December 2024			December 2023		
R million	Notes	**Average balance**	**Interest income/ (expense)**	**Average rate %**	Average balance	Interest income/ (expense)	Average rate %
INTEREST-EARNING ASSETS							
Average prime rate (RSA)				**11.56**			11.75
Balances with central banks		**42 028**	**–**	**–**	40 556	–	–
Cash and cash equivalents*		**30 543**	**747**	**4.85**	36 321	990	5.41
Liquid assets portfolio**		**321 845**	**11 413**	**7.03**	318 181	11 124	6.94
Loans and advances to customers	1	**1 121 360**	**65 837**	**11.65**	1 034 075	59 037	11.33
Interest-earning assets		**1 515 776**	**77 997**	**10.21**	1 429 133	71 151	9.88
INTEREST-BEARING LIABILITIES							
Average repo rate (RSA)				**8.06**			8.25
Deposits due to customers	2	**(1 202 670)**	**(40 523)**	**6.68**	(1 096 763)	(34 583)	6.25
Group Treasury funding		**(293 143)**	**(12 006)**	**8.12**	(304 532)	(13 156)	8.57
Interest-bearing liabilities		**(1 495 813)**	**(52 529)**	**6.97**	(1 401 295)	(47 739)	6.76
ENDOWMENT AND TRADING BOOK							
Other assets#		**316 149**	**–**	**–**	290 385	–	–
Other liabilities†		**(162 903)**	**–**	**–**	(157 896)	–	–
AT1 instruments and NCNR preference shares		**(13 742)**	**–**	**–**	(10 963)	–	–
Equity		**(159 467)**	**–**	**–**	(149 364)	–	–
Endowment and trading book		**(19 963)**	**12 316**	**(122.39)**	(27 838)	12 302	(87.65)
Total interest-bearing liabilities, endowment and trading book		**(1 515 776)**	**(40 213)**	**5.26**	(1 429 133)	(35 437)	4.92
Net interest margin on average interest-earning assets – excluding UK operations		**1 515 776**	**37 784**	**4.94**	1 429 133	35 714	4.96
Net interest margin on average interest-earning assets – UK operations		**464 694**	**6 875**	**2.93**	467 557	7 057	2.99
Net interest margin on average interest-earning assets – including UK operations		**1 980 470**	**44 659**	**4.47**	1 896 690	42 771	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.*

NOTE 1 – MARGIN ANALYSIS ON LOANS AND ADVANCES TO CUSTOMERS

	December 2024		December 2023	
R million	**Average balance**	**Average margin %**	Average balance	Average margin %
Average prime rate (RSA)		**11.56**		11.75
Advances				
Retail – secured	**392 473**	**1.79**	378 922	1.82
Residential mortgages	**276 935**	**1.31**	265 638	1.37
VAF	**115 538**	**2.94**	113 284	2.87
Retail – unsecured	**101 568**	**10.61**	95 979	10.74
Card	**43 157**	**7.54**	39 000	7.12
Personal loans	**53 151**	**13.48**	51 093	13.92
Retail other	**5 260**	**6.88**	5 886	7.08
Corporate and commercial	**564 233**	**2.16**	499 434	2.21
FNB commercial	**126 670**	**3.35**	115 404	3.32
– Mortgages	**39 299**	**2.08**	34 012	2.05
– Overdrafts	**51 576**	**4.60**	47 018	4.49
– Term loans	**35 795**	**2.93**	34 374	2.95
WesBank corporate and commercial	**60 107**	**2.04**	56 394	2.19
RMB CIB	**377 456**	**1.78**	327 636	1.81
FNB broader Africa	**63 086**	**4.25**	59 740	4.22
Total advances excluding UK operations	**1 121 360**	**2.91**	1 034 075	2.97
UK operations	**364 960**	**3.74**	359 111	3.90
– Motor finance	**95 006**	**4.26**	98 447	3.75
– Aldermore bank	**269 954**	**3.55**	260 664	3.96
Total advances including UK operations	**1 486 320**	**3.11**	1 393 186	3.21

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

The 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.

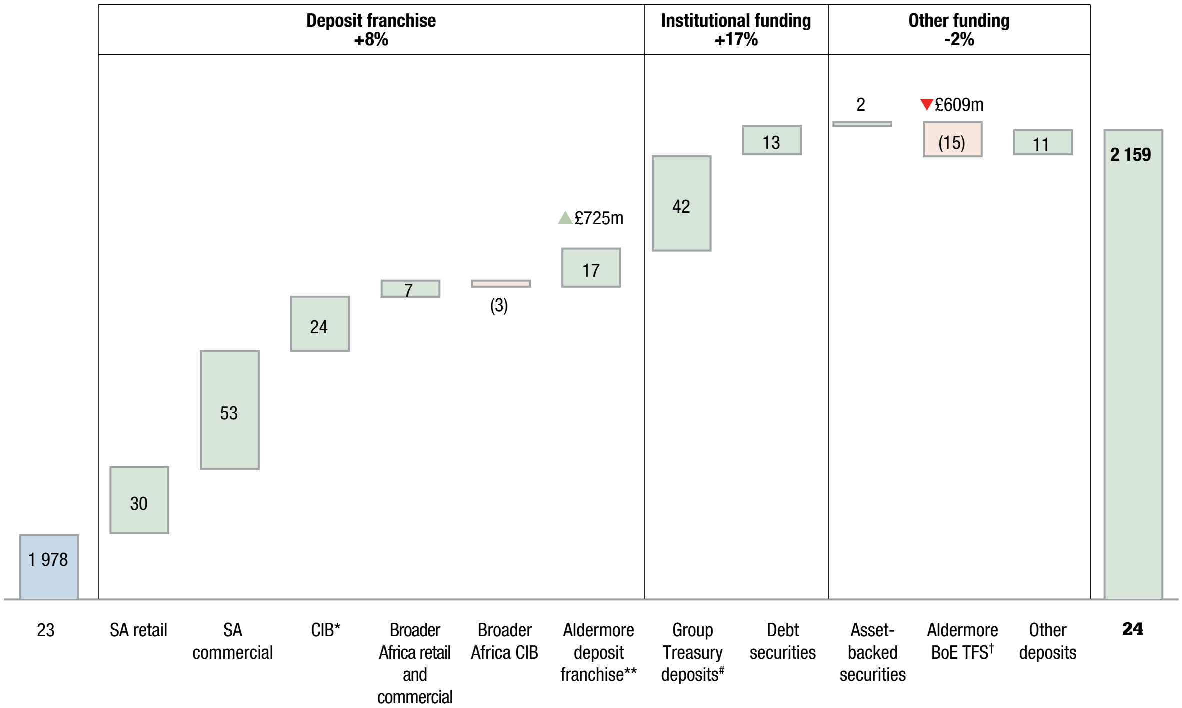
Net interest income (before impairment of advances) continued

Key drivers – advances margin

- Advances margins continue to reflect the group's origination approach in retail and stronger growth in lower-margin commercial and corporate portfolios. The market remained highly competitive in all customer segments.
- As a result of this origination tilt and the shift in asset mix, given stronger growth in secured origination relative to the higher margin unsecured books as they run off, SA retail margins decreased. The implementation of pricing changes on new business in the residential mortgages portfolio has yielded encouraging results, although it will take time to translate into a noticeable benefit to the overall margin. Margins also continue to be negatively impacted by increased interest in suspense on non-performing loans and the lower relative growth in the unsecured portfolios.
- FNB commercial margins improved as a result of a change in composition of the book, with lower-priced customers rolling off and strong growth in the higher-margin SME segment on the back of targeted growth strategies.
- WesBank corporate margins declined marginally due to a change in mix of new business towards better-quality customers.
- RMB margins decreased in the large corporate client sector due to portfolio mix changes to better-rated counters, with significant growth in infrastructure and renewable energy exposures. The margin was further impacted by interest in suspense on increased non-performing loans and the roll-off and settlement of some higher-margin exposures.
- FNB broader Africa advances margins increased, largely driven by margin expansion in Namibia as a result of positive mix changes in the underlying portfolios. Margins contracted in the remaining portfolios, with the key drivers broadly aligned to those in the SA retail and commercial portfolios.
- The impact of the UK operations on the group's margin is reflected on page 81. The decrease in the UK operations' net interest margin reflects lending growth against a backdrop of falling interest rates and competitive pricing pressures. FRM discipline was applied to achieve an appropriate balance between growth and returns. In line with expectations, the motor finance margins improved, largely as a result of interest not previously recognised due to the NOSIA event.

Funding – up 9%

Funding growth by segment
(R billion)



* South Africa and the London branch.

** The Aldermore deposit franchise increased 5% to £16.6 billion.

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

† Aldermore's BoE term funding scheme decreased 56% to £471 million.

Net interest income (before impairment of advances) continued

Key drivers – deposits and funding

Deposit franchise

- The ongoing strong performance in FNB retail (+8%) and commercial (+12%) deposits was supported by product updates across segments and healthy new customer acquisition. Growth was driven by lower-margin investment deposits (+9% in retail and +14% in commercial) and Islamic deposits (+18% in retail and +22% in commercial). Transactional deposit growth (+4% in retail and +5% in commercial) reflects customer behaviour seeking higher yields on savings and investment balances.
- RMB continues to focus on growing operational balances by pursuing a primary-banked client strategy. This resulted in average operational balances increasing 8% and robust growth in average investment deposits of 19%.
- FNB broader Africa (retail and commercial) deposits increased 11% in rand terms (+14% on a local currency basis), benefiting from new customer acquisition and innovative product offerings.
- RMB broader Africa deposits decreased 13% (-10% in local currency) as key clients in Namibia increased utilisation of funds and a liquidity shortage in Botswana emerged due to pressures in the mining sector.
- Aldermore delivered customer deposit growth of 5% (in pounds). Personal savings balances increased 8% period on period, driven by strong demand for individual savings accounts and the introduction of new products. Business savings and corporate treasury balances decreased 2% period on period, with growth in the corporate treasury franchise (+7%) more than offset by a contraction in the business savings portfolio, reflecting subdued business savings markets and a focus on optimising funding costs against a backdrop of intense, price-led competitive pressure.

Institutional funding

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

Other funding

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

NOTE 2 – MARGIN ANALYSIS ON DEPOSITS DUE TO CUSTOMERS

R million	December 2024 Average balance	December 2024 Average margin %	December 2023 Average balance	December 2023 Average margin %
Average repo rate (RSA)		**8.06**		8.25
Deposits				
Retail	**370 202**	**1.80**	339 718	2.04
Current and savings	**96 569**	**5.37**	93 223	5.82
Call	**149 445**	**0.70**	129 525	0.76
Term	**124 188**	**0.33**	116 970	0.44
Commercial	**473 348**	**2.42**	434 483	2.56
Current and savings	**157 155**	**5.84**	147 983	6.13
Call	**140 405**	**1.15**	134 947	1.13
Term	**175 788**	**0.36**	151 553	0.36
Corporate and investment banking	**286 821**	**1.12**	255 826	1.12
Current and savings	**131 099**	**1.89**	122 762	1.87
Call	**98 086**	**0.57**	83 899	0.51
Term	**57 636**	**0.31**	49 165	0.28
FNB broader Africa	**72 299**	**3.83**	66 736	3.84
Total deposits excluding UK operations	**1 202 670**	**2.00**	1 096 763	2.14
UK operations*	**413 615**	**–**	412 787	–
Total deposits including Aldermore	**1 616 285**	**1.49**	1 509 550	1.56

* *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 and WesBank, and monthly averages for RMB.

Key drivers – deposit margins

- FNB's retail and commercial deposit margins were impacted by changes in product mix between high-margin transact balances and lower-margin invest accounts. Margins were further impacted by the implementation of the deposit insurance scheme in April 2024 and the negative impact of rate cuts on endowment.
- RMB deposit margins remained flat as domestic deposit growth was tilted toward low-margin investment deposits and lower growth in higher-margin operational deposits. In the broader Africa portfolio margins expanded most notably in Botswana and Mozambique, due to a shift in portfolio mix and client repricing strategies. In addition, the significant benefit of the elevated rate cycle on deposit margins experienced in the prior financial year, specifically in the broader Africa portfolio, moderated materially in the period under review, given the declining rate cycle.
- FNB's broader Africa deposit margins contracted marginally as the benefit of strong deposit growth was offset by the impact of rate cuts on endowment.

Credit

CREDIT HIGHLIGHTS AT A GLANCE

R million	Notes	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Total gross advances		**1 765 330**	1 654 812	7	1 665 706
Total core lending advances	2 on p.106	**1 667 721**	1 562 752	7	1 597 898
– Performing core lending advances		**1 595 483**	1 500 512	6	1 530 058
– Stage 1		**1 484 484**	1 381 503	7	1 415 192
– Stage 2		**110 999**	119 009	(7)	114 866
– Stage 3/NPLs	4 on p.118	**72 238**	62 240	16	67 840
Assets under agreements to resell		**97 609**	92 060	6	67 808
Stage 3/NPLs as a % of core lending advances	4 on p.118	**4.33**	3.98		4.25
Core lending advances (net of impairment)		**1 612 478**	1 509 498	7	1 543 733
Total impairments		**55 243**	53 254	4	54 165
Portfolio impairments	3 on p.116	**24 065**	25 021	(4)	24 228
– Stage 1		**11 925**	12 335	(3)	11 644
– Stage 2		**12 140**	12 686	(4)	12 584
Stage 3 impairments	4 on p.118	**31 178**	28 233	10	29 937
Coverage ratios					
Performing book coverage ratio (%) – core lending advances*	3 on p.116	**1.51**	1.67		1.58
Specific coverage ratio (%)**	4 on p.118	**43.2**	45.4		44.1
Income statement analysis					
Impairment charge	1 on p.96	**6 897**	6 404	8	12 555
Credit loss ratio (%) – core lending advances	1 on p.96	**0.84**	0.83		0.81
Impairment charge excluding UK operations	1 on p.96	**6 637**	5 816	14	12 987
Credit loss ratio excluding UK operations (%) – core lending advances	1 on p.96	**1.05**	0.99		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.*

Impairment charge

ANALYSIS OF IMPAIRMENT CHARGE

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

R million	Six months ended				December 2024 vs December 2023	June 2024 vs December 2023	December 2023 vs June 2023
	31 December 2024	30 June 2024	31 December 2023	30 June 2023	% change	% change	% change
Movement in balance sheet provisions							
Performing book provisions	**(163)**	(793)	(13)	1 658	>100	>100	(>100)
– Stage 1	**281**	(691)	(444)	786	(>100)	56	(>100)
– Stage 2	**(444)**	(102)	431	872	(>100)	(>100)	(51)
NPL provision	**1 241**	1 704	2 195	1 198	(43)	(22)	83
Credit provision increase	**1 078**	911	2 182	2 856	(51)	(58)	(24)
Gross write-off and other	**8 416**	7 984	6 372	5 344	32	25	19
– Bad debts written off*	**8 610**	7 663	6 069	6 778	42	26	(10)
– Exchange rate and other	**(194)**	321	303	(1 434)	(>100)	6	(>100)
Amounts recognised directly in income statement							
Modification loss	**415**	505	356	317	17	42	12
Interest suspended on stage 3 advances	**(2 005)**	(1 724)	(1 548)	(1 251)	30	11	24
Post write-off recoveries	**(1 007)**	(1 525)	(958)	(1 325)	5	59	(28)
Total impairment charge	**6 897**	6 151	6 404	5 941	8	(4)	8
Credit loss ratio (%) – core lending advances	**0.84**	0.78	0.83	0.81			
Credit loss ratio excluding UK operations (%) – core lending advances	**1.05**	1.18	0.99	0.91			

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

Credit continued

Impairment charge

The impairment charge increased 8%, mainly due to the SA retail and commercial portfolios, in part driven by book growth, with economic strain still evident in the back book. The absolute increase in the impairment charge was moderated by softer advances growth in certain portfolios and releases in FLI modelled provisions as the economic outlook improves. Despite the decrease in interest rates and the lower inflation, it will take time for these to have a significant impact on customers and impairment outcomes. Commercial impairments have trended upward, in line with expectations, given the strong advances growth. Although retail impairments continued to increase, the pace has slowed compared to the six months ended 30 June 2024 as macroeconomic pressures show some signs of easing. The overall increase was mitigated by an improved credit performance from the corporate and UK operations portfolios. The CLR at 84 bps (December 2023: 83 bps) remains at the bottom end of the group's TTC range of 80 bps – 110 bps. Excluding the UK operations, the CLR is at 105 bps (December 2023: 99 bps), below the TTC mid point of the group (excluding UK operations) of 100 bps – 130 bps.

The impairment charge increased R493 million period on period, mainly due to the following movements in the balance sheet provisions (a further analysis is contained in note 1 on pages 96 to 101):

- Stage 1 provisions increased R281 million, driven by the continued growth in advances across all portfolios. This increase was partially offset by a decrease in 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.
- Stage 2 provisions decreased R444 million, as stage 2 advances across most portfolios declined since June 2024, except for residential mortgages, UK operations and broader Africa. The decrease was partly due to exposures moving to stage 1 on the back of lower SICR levels and migrations to stage 3. This was partially offset by an increase in stage 2 coverage, mainly from the corporate and commercial portfolios. These movements are detailed on page 114.
- Stage 3 provisions continued to increase, though at a slower pace than during previous periods. The overall increase across the portfolios was offset by stage 3 provision releases and write-offs in the UK operations following the resolution of the NOSIA remediation project.
- The group's stage 3 coverage declined, primarily due to the decrease in coverage in the UK operations' motor portfolio, as a result of enhanced collections and recoveries activity, and increased write-offs as the NOSIA remediation draws to a close. Stage 3 coverage in the other portfolios was largely maintained at June 2024 levels as changes in coverage levels in the underlying portfolios offset each other. The SA retail stage 3 coverage increased due to underlying portfolio composition shifts and additional provisions raised in the residential mortgages portfolio to reflect softer house price index growth. In the unsecured portfolios it was driven by an increase in operational NPLs with higher coverage as SA consumers continued to experience financial strain. The NPL coverage in the corporate and commercial portfolios declined due to new inflows with lower coverages. These changes are unpacked on page 115.
- Net write-offs increased, primarily due to higher bad debts written off in the SA retail and UK operations portfolios. NPL inflows increased over the past two reporting periods, with many of these exposures reaching their write-off point. The increase in the UK operations portfolio was as a result of the resolution of the NOSIA remediation project.

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

- SA retail's CLR increased to 199 bps (December 2023: 193 bps), as economic strain continued to play out in the portfolio, with the increase in stage 3 provisions being the largest driver of the charge. The CLR has however decreased from June 2024 levels and is within the TTC range for this portfolio. The overall increase was partially offset by cautious releases in modelled FLI provisions due to an improving macro outlook in the current period. In addition, the following portfolio-specific drivers were noted:
  - Residential mortgages' CLR increased to 27 bps (December 2023: 24 bps), primarily driven by continued house price pressure impacting losses given default (LGDs), reflected in a period-on-period increase in performing and stage 3 coverage. Since June 2024, there has been some improvement in this trend.
  - The WesBank VAF CLR increased marginally to 153 bps (December 2023: 152 bps), reflecting strong advances growth largely offset by moderate reductions in forward-looking impairments.

Impairment charge

- FNB commercial and WesBank corporate's CLR increased to 83 bps (December 2023: 45 bps), mainly due to strong advances growth. Origination strain played out in the portfolio, most notably in the SME segment, and the default of a large property exposure. This increase comes from a low base, as the prior period charge benefited from the curing of large exposures and the release of sector- and event-related provisions.
- The RMB (excluding HQLA) CLR decreased to 22 bps (December 2023: 29 bps). The current period impairment charge is the result of a combination of raises following strong book growth and increased risk in specific pockets of the portfolio, which resulted in additional stage 3 provisions being raised, partly offset by positive migrations from stage 2 as the underlying performance of the counters improved. The decrease in the impairment charge compared to December 2023 was primarily due to higher prior period raises in the private equity portfolio.
- The increase in broader Africa's CLR can be attributed to economic challenges in various jurisdictions, political uncertainty in Mozambique, regulatory-driven changes to write-off policies in Namibia and an increase in NPLs in commercial following strong book growth.
- The UK operations' CLR decreased to 14 bps (December 2023: 32 bps), reflecting the impact of one-off model enhancements and easing of cost-of-living pressures supported by real wage growth. Additional provisions were raised for underlying portfolio deterioration as inflows into stage 3 continued across the portfolio, with the impact of the current economic conditions still resulting in credit strain. The motor finance CLR also benefited from the resolution of the NOSIA remediation process and enhanced collections activity. The business finance portfolio impairments decreased on the back of an improved arrears performance and an improved macro outlook.

Credit continued

Note 1: Analysis of income statement credit impairments

IMPAIRMENT CHARGE PER PORTFOLIO

	Total impairment charge				As a % of average core lending advances			
	Six months ended 31 December			Year ended 30 June	Six months ended 31 December		Year ended 30 June	Six months ended 30 June
R million	2024	2023	% change	2024	2024	2023	2024	2024
SA retail	**4 902**	4 525	8	10 640	**1.99**	1.93	2.24	**2.54**
Retail – secured	**1 262**	1 144	10	2 986	**0.65**	0.61	0.79	**0.97**
Residential mortgages	**375**	310	21	1 188	**0.27**	0.24	0.45	**0.65**
WesBank VAF	**887**	834	6	1 798	**1.53**	1.52	1.62	**1.72**
Retail – unsecured	**3 640**	3 381	8	7 654	**7.12**	7.01	7.79	**8.53**
FNB card	**1 192**	912	31	2 256	**5.69**	4.80	5.75	**6.70**
Personal loans	**2 238**	2 160	4	4 814	**8.42**	8.47	9.32	**10.09**
Retail other	**210**	309	(32)	584	**5.82**	8.27	7.93	**7.41**
SA corporate and commercial	**1 299**	995	31	2 459	**0.40**	0.33	0.41	**0.47**
FNB commercial and WesBank corporate	**801**	397	>100	1 097	**0.83**	0.45	0.61	**0.76**
FNB commercial	**702**	270	>100	844	**1.06**	0.46	0.69	**0.92**
WesBank corporate and commercial	**99**	127	(22)	253	**0.32**	0.45	0.44	**0.42**
RMB CIB	**498**	598	(17)	1 362	**0.22**	0.29	0.33	**0.36**
– Lending	**356**	363	(2)	935	**0.16**	0.18	0.24	**0.28**
– Loans to private equity investee companies	**142**	235	(40)	427	**2.73**	5.13	4.59	**3.99**
Broader Africa*	**335**	238	41	486	**0.81**	0.61	0.62	**0.62**
FNB	**317**	216	47	462	**1.00**	0.73	0.76	**0.80**
RMB CIB	**18**	22	(18)	24	**0.18**	0.24	0.13	**0.02**
Centre (including Group Treasury)	**101**	58	74	(598)	**0.62**	0.43	(2.03)	**(4.40)**
Securitisation notes	**(10)**	(5)	100	4	**(0.07)**	(0.04)	0.02	**0.07**
Other	**111**	63	76	(602)	**4.11**	7.96	(18.03)	**(35.48)**
Total impairment charge excluding UK operations	**6 637**	5 816	14	12 987	**1.05**	0.99	1.09	**1.18**
UK operations (R million)	**260**	588	(56)	(432)	**0.14**	0.32	(0.12)	**(0.57)**
UK operations (£ million)**	**11**	25	(56)	(18)	**0.14**	0.33	(0.12)	**(0.56)**
Property finance	**(2)**	(4)	(50)	(29)	**(0.02)**	(0.10)	(0.37)	**(0.63)**
Business finance	**–**	7	(100)	10	**(0.04)**	0.39	0.25	**0.11**
Motor finance	**13**	22	(41)	1	**0.63**	1.04	0.02	**(1.04)**
Total impairment charge including UK operations	**6 897**	6 404	8	12 555	**0.84**	0.83	0.81	**0.78**
Of which:								
Portfolio impairments charge	**1 829**	1 886	(3)	2 139	**0.22**	0.25	0.14	**0.03**
Specific impairments charge	**5 068**	4 518	12	10 416	**0.62**	0.59	0.67	**0.75**

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

Credit continued

INCOME STATEMENT ANALYSIS PER PORTFOLIO

	Six months ended 31 December 2024						
	Movement in the balance sheet provisions						
R million	Volume change in stage 1	Change in stage 1 coverage	Volume change in stage 2	Change in stage 2 coverage	**Performing book provisions**	Change in stage 3 provisions	**Credit provision increase**
SA retail	**84**	**(115)**	**(196)**	**11**	**(216)**	**1 014**	**798**
– Secured	**68**	**(11)**	**(26)**	**3**	**34**	**285**	**319**
– Unsecured	**16**	**(104)**	**(170)**	**8**	**(250)**	**729**	**479**
– FNB centre	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Commercial	**51**	**(11)**	**(55)**	**59**	**44**	**322**	**366**
Corporate	**202**	**253**	**(522)**	**179**	**112**	**447**	**559**
Broader Africa	**35**	**(149)**	**138**	**(56)**	**(32)**	**232**	**200**
UK operations	**90**	**(202)**	**68**	**(16)**	**(60)**	**(264)**	**(324)**
Centre	**2**	**41**	**(26)**	**(28)**	**(11)**	**(510)**	**(521)**
Total	**464**	**(183)**	**(593)**	**149**	**(163)**	**1 241**	**1 078**

	Six months ended 31 December 2023						
	Movement in the balance sheet provisions						
R million	Volume change in stage 1	Change in stage 1 coverage	Volume change in stage 2	Change in stage 2 coverage	**Performing book provisions**	Change in stage 3 provisions	**Credit provision increase**
SA retail	121	(274)	51	(78)	**(180)**	1 699	**1 519**
– Secured	29	(55)	4	(6)	**(28)**	576	**548**
– Unsecured	92	(319)	47	(72)	**(252)**	1 123	**871**
– FNB centre	–	100	–	–	**100**	–	**100**
Commercial	59	70	12	(20)	**121**	(142)	**(21)**
Corporate	164	(20)	137	82	**363**	152	**515**
Broader Africa	72	(265)	(130)	250	**(73)**	28	**(45)**
UK operations**	(179)	(186)	232	(104)	**(237)**	413	**176**
Centre**	41	(47)	43	(44)	**(7)**	45	**38**
Total	278	(722)	345	86	**(13)**	2 195	**2 182**

* *Write-off of gross balances, excluding prior period provisions held, which have been recognised in the income statement 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 period ECL provisions raised at an overall group level.*

Six months ended 31 December 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 %
5 816	**6 614**	**419**	**(1 425)**	**(706)**	**4 902**	**1.99**
1 439	**1 758**	**34**	**(386)**	**(144)**	**1 262**	**0.65**
4 377	**4 856**	**385**	**(1 039)**	**(562)**	**3 640**	**7.12**
–	**–**	**–**	**–**	**–**	**–**	**–**
815	**1 181**	**(4)**	**(292)**	**(84)**	**801**	**0.83**
28	**587**	**–**	**(59)**	**(30)**	**498**	**0.22**
320	**520**	**–**	**(111)**	**(74)**	**335**	**0.81**
813	**489**	**–**	**(116)**	**(113)**	**260**	**0.14**
624	**103**	**–**	**(2)**	**–**	**101**	**0.62**
8 416	**9 494**	**415**	**(2 005)**	**(1 007)**	**6 897**	**0.84**

Six months ended 31 December 2023

		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 %
4 480	**5 999**	356	(1 108)	(722)	**4 525**	1.93
994	**1 542**	23	(273)	(148)	**1 144**	0.61
3 586	**4 457**	333	(835)	(574)	**3 381**	7.01
(100)	**–**	–	–	–	**–**	–
762	**741**	–	(260)	(84)	**397**	0.45
126	**641**	–	(38)	(5)	**598**	0.29
488	**443**	–	(103)	(102)	**238**	0.61
485	**661**	–	(39)	(34)	**588**	0.32
31	**69**	–	–	(11)	**58**	0.43
6 372	**8 554**	356	(1 548)	(958)	**6 404**	0.83

Credit continued

	Six months ended 30 June 2024						
	Movement in the balance sheet provisions						
R million	Volume change in stage 1	Change in stage 1 coverage	Volume change in stage 2	Change in stage 2 coverage	**Performing book provisions**	Change in stage 3 provisions	**Credit provision increase**
SA retail	51	(148)	348	120	**371**	1 573	**1 944**
– Secured	19	(24)	25	189	**209**	735	**944**
– Unsecured	32	(24)	323	(69)	**262**	838	**1 100**
– FNB centre	–	(100)	–	–	**(100)**	–	**(100)**
Commercial	75	50	35	(257)	**(97)**	375	**278**
Corporate	3	175	308	(99)	**387**	(338)	**49**
Broader Africa	14	29	173	(247)	**(31)**	61	**30**
UK operations	33	(838)	(482)	104	**(1 183)**	322	**(861)**
Centre	74	(209)	(118)	13	**(240)**	(289)	**(529)**
Total	250	(941)	264	(366)	**(793)**	1 704	**911**

	ne 2024						
	Movement in the balance sheet provisions						
R million	Volume change in stage 1	Change in stage 1 coverage	Volume change in stage 2	Change in stage 2 coverage	**Performing book provisions**	Change in stage 3 provisions	**Credit provision increase**
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**
– FNB centre	–	–	–	–	**–**	–	**–**
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**

* *Write-off of gross balances, excluding prior period provisions held, which have been recognised in the income statement 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 period ECL provisions raised at an overall group level.*

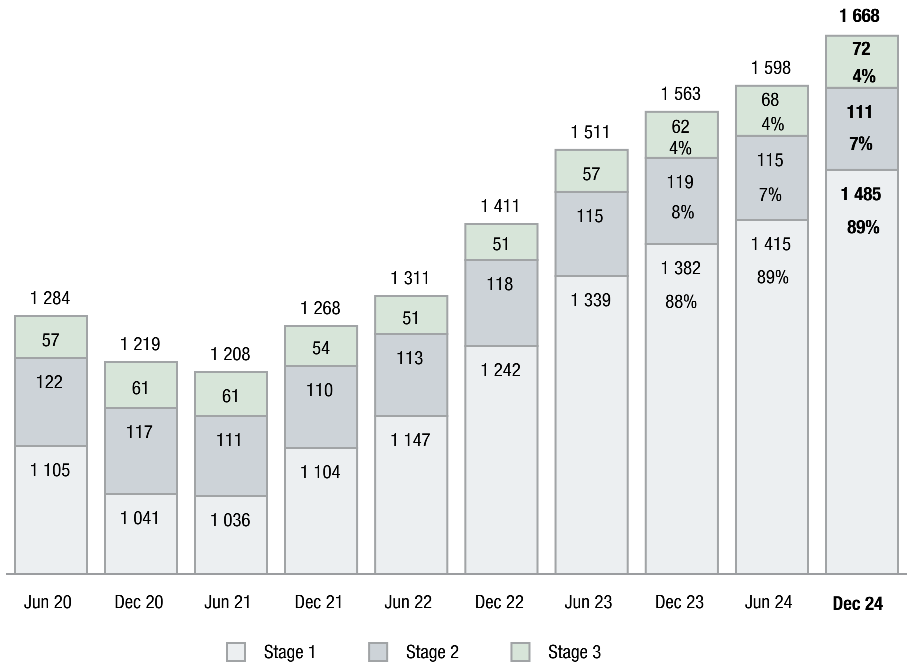
			Six months ended 30 June 2024			
			Recognised directly in the income statement			
Gross write-off and other*	**Current year ECL provided**	Modification loss	Interest suspended on stage 3 advances	Post write-off recoveries	**Total**	CLR %
5 527	**7 471**	505	(1 285)	(576)	**6 115**	2.54
1 302	**2 246**	61	(374)	(91)	**1 842**	0.97
4 125	**5 225**	444	(911)	(485)	**4 273**	8.53
100	**–**	–	–	–	**–**	–
769	**1 047**	–	(271)	(76)	**700**	0.76
770	**819**	–	(55)	–	**764**	0.36
395	**425**	–	(77)	(100)	**248**	0.62
493	**(368)**	–	(39)	(613)	**(1 020)**	(0.57)
30	**(499)**	–	3	(160)	**(656)**	(4.40)
7 984	**8 895**	505	(1 724)	(1 525)	**6 151**	0.78

			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**	0.33
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

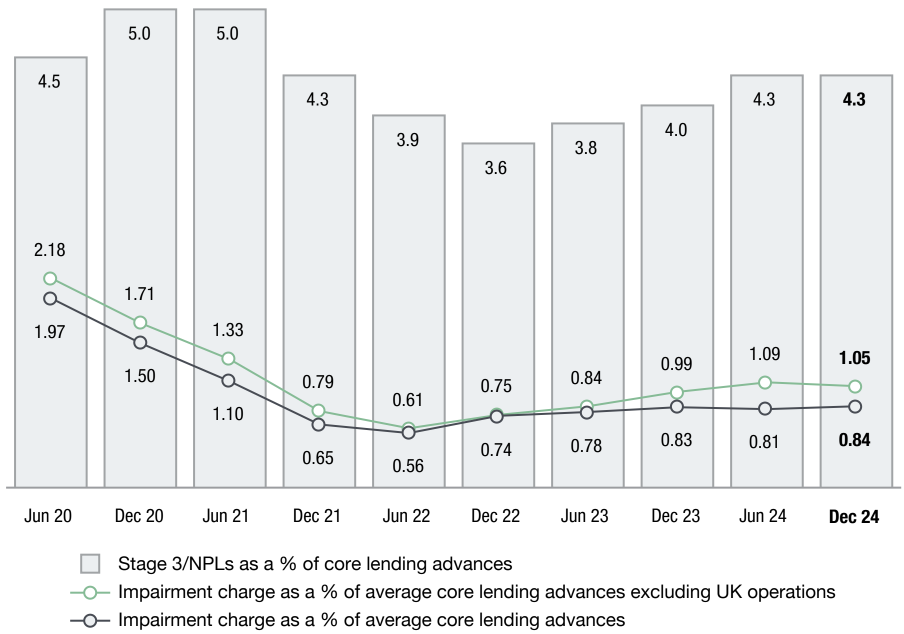
	31 December 2024 vs 31 December 2023			31 December 2024 vs 30 June 2024		
	R million	**% change**	**Percentage point contribution to overall NPL increase**	R million	% change	Percentage point contribution to overall NPL increase
Operational NPLs*	**5 546**	**34**	**9**	2 966	16	4
Other paying NPLs**	**2 088**	**18**	**3**	518	4	1
NPLs (excluding UK operations)	**7 634**	**15**	**12**	3 484	6	5
UK operations	**2 364**	**22**	**4**	914	8	1
Change in total group NPLs	**9 998**	**16**	**16**	4 398	6	6

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

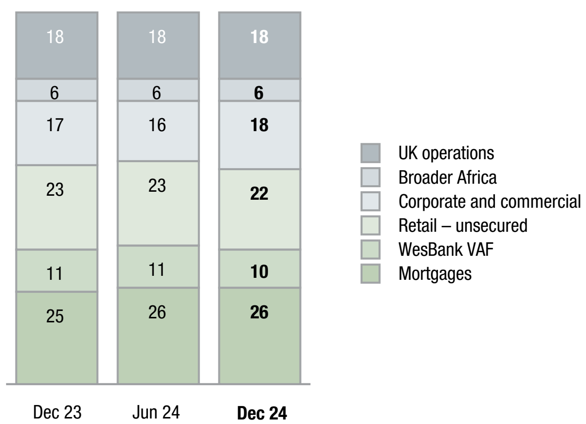
** *Include debt-review and other core lending advances <90 days in arrears and still subject to curing criteria.*

Stage 3 non-performing loans

NPL and impairment history
%



NPL DISTRIBUTION
(%)



Credit continued

Stage distribution of advances

Stage 1 advances

The increase in stage 1 core lending advances reflects the current period advances growth. A further analysis is contained in note 2 on page 106.

Stage 2 advances

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

- Retail SA stage 2 advances increased period on period driven by the residential mortgages and personal loans portfolios as underlying repayment pressure continued. Stage 2 advances reduced marginally after June 2024, with the increase in residential mortgages offset by decreases in the remaining portfolios due to a decline in SICR exposures as a result of an improvement in forward-looking macro assumptions.
- The decrease in FNB commercial and WesBank's corporate stage 2 advances was due to lower SICR levels, curing of large exposures, and the negative migration of a few significant exposures to stage 3.
- RMB stage 2 advances decreased period on period, and since June 2024 as a result of the migration of a few significant exposures to stage 3 and the curing of material counters. The decline in stage 2 as a percentage of total advances also reflects strong book growth to better-rated counters.
- Broader Africa stage 2 advances increased, driven in part by additional SICR inflows in Botswana, due to macro concerns.
- UK operations stage 2 advances contracted period on period driven by the property and motor portfolios due to a decrease in SICR inflows as the macroeconomic outlook improved. This was partially offset by an increase in the business finance portfolio as a number of business finance exposures were added to the watchlist, although these trends have now stabilised. Since June 2024 stage 2 advances have increased marginally, driven largely by the property portfolio. This is due to increased default rates in the buy-to-let portfolio that was refinanced at the peak of the interest rate cycle.

A further analysis is contained in note 2 on page 106.

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 4.33% (December 2023: 3.98%; June 2024: 4.25%).

- SA retail NPLs increased 15% period on period, driven by the residential mortgages and unsecured portfolios. The NPL ratio increased to 8.51% (December 2023: 7.76%; June 2024: 8.35%) driven by arrears emergence, reflecting the continued strain on customers. An increase in the proportion of paying stage 3 advances was noted period on period, with a noticeable increase in customers entering the debt counselling process. However, this has normalised since June 2024. Retail advances under debt review increased 14.8% period on period and 6.2% since June 2024. The debt review book amounts to 4.4% (December 2023: 4.0%; June 2024: 4.2%) of total retail advances. Although inflows have receded from the peak, the levels are still elevated and are expected to remain structurally higher.
- WesBank VAF NPLs as a percentage of advances decreased to 5.94% (December 2023: 6.12%; June 2024: 6.38%) driven by lower operational NPLs and the acceleration of write-offs.
- FNB commercial and WesBank corporate NPLs increased as a result of a few large exposures relegated to stage 3 and strain in the SME segment.
- The period-on-period increase of 27% in RMB NPLs is a result of the migration of a few significant secured exposures into stage 3. The RMB NPL ratio increased to 1.36% (December 2023: 1.17%; June 2024: 1.09%), with coverage decreasing to 34.6% (December 2023: 41.8%; June 2024: 37.3%) due to inflows of highly collateralised secured exposures.
- NPLs in broader Africa increased, both period on period and since June 2024, due to deteriorating economic conditions across certain jurisdictions, most notably in Namibia, reflecting strain in the commercial portfolios. The NPL ratio increased to 4.74% period on period (December 2023: 4.62%; June 2024: 4.89%).
- The UK operations' NPLs increased 22% period on period and 5% since June 2024 (in pound terms). The NPL ratio increased to 3.44% (December 2023: 2.94%; June 2024: 3.35%) on the back of muted advances growth and economic pressures, as well as strain experienced by customers in the property portfolio that was refinanced at the peak of the rate cycle. Motor finance NPLs increased period on period as new inflows outstripped the benefit of collection activities resuming following the remediation of the NOSIA-impacted portfolio. The forward-looking trend in NPLs is positive.

A further analysis is provided in note 4 on page 118.

Credit continued

Note 2: Analysis of advances

IMPAIRMENT STAGING AND PORTFOLIO ANALYSIS OF ADVANCES

	Advances		
	As at 31 December		
R million	**2024**	2023	% change
SA retail	**496 758**	475 813	4
Retail – secured	**394 112**	377 478	4
Residential mortgages	**275 606**	266 070	4
WesBank VAF	**118 506**	111 408	6
Retail – unsecured	**102 646**	98 335	4
FNB card	**42 478**	38 882	9
Personal loans	**53 059**	51 913	2
Retail other	**7 109**	7 540	(6)
SA corporate and commercial	**676 148**	619 724	9
FNB commercial and WesBank corporate	**198 240**	180 162	10
FNB commercial	**135 218**	120 399	12
WesBank corporate and commercial	**63 022**	59 763	5
RMB CIB*	**462 472**	424 221	9
– Lending	**451 427**	414 730	9
– Loans to private equity investee companies	**11 045**	9 491	16
HQLA corporate advances *,**	**15 436**	15 341	1
Broader Africa#	**85 017**	78 794	8
FNB	**64 207**	60 700	6
RMB CIB*	**20 810**	18 094	15
Centre (including Group Treasury)	**32 203**	27 210	18
Securitisation notes	**26 900**	25 216	7
Other	**5 303**	1 994	>100
Total core lending advances excluding UK operations	**1 290 126**	1 201 541	7
UK operations (R million)	**377 595**	361 211	5
UK operations (£ million)	**16 000**	15 323	4
Property finance	**8 101**	7 593	7
Business finance	**3 822**	3 631	5
Motor finance	**4 077**	4 099	(1)
Total core lending advances including UK operations	**1 667 721**	1 562 752	7
Assets under agreements to resell	**97 609**	92 060	6
Total advances	**1 765 330**	1 654 812	7
Total advances excluding currency impact of UK operations and RMB cross-border†	**1 763 402**	1 654 812	7
Of which:			
Amortised cost book	**1 620 323**	1 508 068	7
Fair value book	**145 007**	146 744	(1)

* *RMB CIB, HQLA and RMB broader Africa core lending advances of R498.7 billion (December 2023: R457.7 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 31 December 2023.*

Advances							
As at 31 December			As at 31 December			% com-position	As at 30 June
2024			2023				
Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	2024	2024
407 457	**47 021**	**42 280**	393 112	45 796	36 905	**26**	487 381
332 778	**35 194**	**26 140**	320 072	34 518	22 888	**21**	385 407
233 326	**23 178**	**19 102**	227 932	22 070	16 068	**14**	272 363
99 452	**12 016**	**7 038**	92 140	12 448	6 820	**7**	113 044
74 679	**11 827**	**16 140**	73 040	11 278	14 017	**5**	101 974
33 756	**2 864**	**5 858**	31 461	2 914	4 507	**2**	41 374
35 346	**8 399**	**9 314**	35 647	7 731	8 535	**3**	53 286
5 577	**564**	**968**	5 932	633	975	**–**	7 314
631 209	**32 078**	**12 861**	571 373	37 950	10 401	**40**	637 554
179 835	**11 841**	**6 564**	161 981	12 732	5 449	**12**	190 062
121 385	**8 597**	**5 236**	107 350	8 582	4 467	**8**	129 844
58 450	**3 244**	**1 328**	54 631	4 150	982	**4**	60 218
435 938	**20 237**	**6 297**	394 051	25 218	4 952	**27**	426 928
428 529	**17 208**	**5 690**	387 544	22 833	4 353	**26**	417 164
7 409	**3 029**	**607**	6 507	2 385	599	**1**	9 764
15 436	**–**	**–**	15 341	–	–	**1**	20 564
72 678	**8 305**	**4 034**	68 987	6 166	3 641	**5**	80 711
53 005	**7 201**	**4 001**	51 630	5 445	3 625	**4**	62 463
19 673	**1 104**	**33**	17 357	721	16	**1**	18 248
32 118	**7**	**78**	26 483	55	672	**2**	32 454
26 900	**–**	**–**	25 216	–	–	**2**	26 951
5 218	**7**	**78**	1 267	55	672	**–**	5 503
1 143 462	**87 411**	**59 253**	1 059 955	89 967	51 619	**73**	1 238 100
341 022	**23 588**	**12 985**	321 548	29 042	10 621	**21**	359 798
14 450	**1 000**	**550**	13 640	1 232	451		15 648
7 421	**366**	**314**	6 901	433	259		7 833
3 312	**421**	**89**	3 203	358	70		3 717
3 717	**213**	**147**	3 536	441	122		4 098
1 484 484	**110 999**	**72 238**	1 381 503	119 009	62 240	**94**	1 597 898
97 609	**–**	**–**	92 060	–	–	**6**	67 808
1 582 093	**110 999**	**72 238**	1 473 563	119 009	62 240	**100**	1 665 706
1 580 257	**110 943**	**72 202**	1 473 563	119 009	62 240		1 676 243
1 439 384	**109 615**	**71 324**	1 330 802	115 759	61 507	**92**	1 551 374
142 709	**1 384**	**914**	142 761	3 250	733	**8**	114 332

Credit continued

CIB ADVANCES BREAKDOWN

	Advances				
	As at 31 December				As at 30 June
R million	2024	2023	% change	% composition 2024	2024
RMB CIB core lending advances	**462 472**	424 221	9	**79**	426 928
– South Africa	**362 917**	330 186	10	**62**	339 602
– Cross-border (broader Africa)	**99 555**	94 035	6	**17**	87 326
– Cross-border (broader Africa) – $ million	**5 293**	5 076	4		4 793
HQLA corporate advances*	**15 436**	15 341	1	**3**	20 564
RMB broader Africa (in-country)	**20 810**	18 094	15	**4**	18 248
CIB total core lending advances	**498 718**	457 656	9	**86**	465 740
CIB total lending advances	**487 673**	448 165	9	**84**	455 976
CIB shareholder loans to private equity investing companies	**11 045**	9 491	16	**2**	9 764
CIB total core lending advances	**498 718**	457 656	9	**86**	465 740
CIB core advances – South Africa**	**378 353**	345 527	10	**65**	360 166
CIB core advances – broader Africa#	**120 365**	112 129	7	**21**	105 574
CIB total core lending advances	**498 718**	457 656	9	**86**	465 740
Assets under agreements to resell	**81 192**	84 764	(4)	**14**	60 352
CIB total advances	**579 910**	542 420	7	**100**	526 092
RMB cross-border total advances excluding currency impact†	**98 053**	94 035	4		88 790

* *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 31 December 2023.*

CENTRE (INCLUDING GROUP TREASURY) ADVANCES BREAKDOWN

	Advances				
	As at 31 December			**% composition**	As at 30 June
R million	**2024**	2023	% change	**2024**	2024
Core lending advances	**32 203**	27 210	18	**66**	32 454
Assets under agreements to resell	**16 417**	7 296	>100	**34**	7 456
Total advances	**48 620**	34 506	41	**100**	39 910

Credit continued

SECTOR AND GEOGRAPHICAL ANALYSIS OF ADVANCES AND NPLs

	Advances		
	As at 31 December		
R million	**2024**	2023	% change
Sector analysis			
Agriculture	**64 472**	59 488	8
Banks	**34 293**	45 593	(25)
Financial institutions*	**250 114**	213 134	17
Building and property development	**97 431**	92 513	5
Government, Land Bank and public authorities	**31 834**	34 638	(8)
Individuals	**734 819**	723 582	2
Manufacturing and commerce	**238 420**	210 649	13
Mining	**27 905**	24 132	16
Transport and communication	**69 215**	59 410	17
Other services	**216 827**	191 673	13
Total including UK operations	**1 765 330**	1 654 812	7
Geographical analysis			
South Africa	**1 144 243**	1 064 360	8
Broader Africa	**149 629**	157 007	(5)
UK	**412 216**	389 263	6
Other Europe	**31 668**	19 212	65
Asia, Americas and Australia	**27 574**	24 970	10
Total including UK operations	**1 765 330**	1 654 812	7

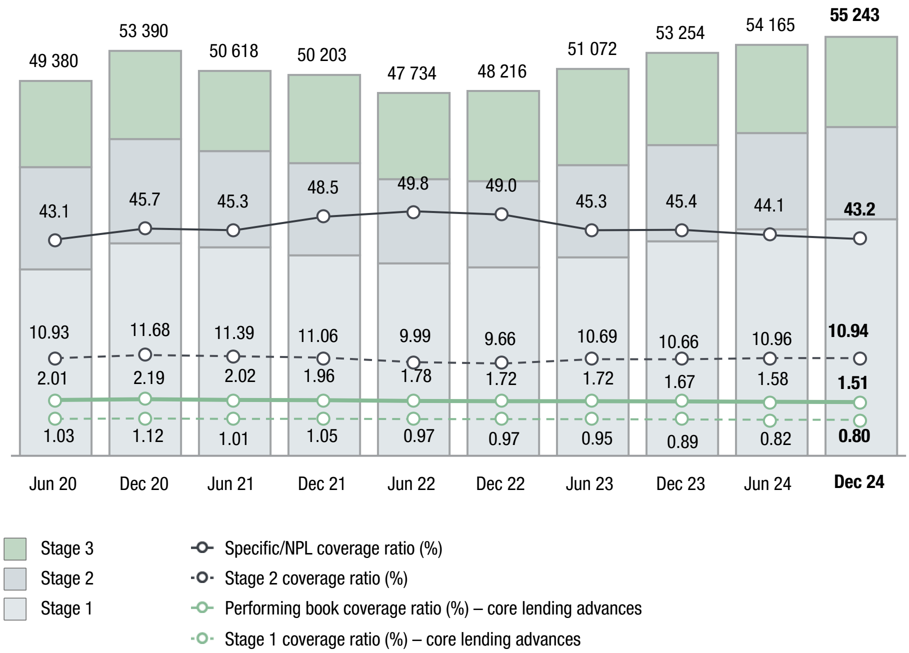
* *Investment holding companies are included in the financial institutions sector.*

Advances				Stage 3/NPLs		
% composition 2024	As at 30 June 2024	As at 31 December **2024**	2023	% change	**% composition 2024**	As at 30 June 2024
4	61 671	**2 026**	2 560	(21)	**3**	1 906
2	30 301	**–**	–	–	**–**	–
14	211 465	**414**	286	45	**1**	316
6	94 213	**4 522**	1 294	>100	**6**	2 990
2	33 286	**1 082**	2 065	(48)	**1**	1 162
40	721 132	**53 551**	47 067	14	**75**	51 601
14	235 392	**5 158**	4 531	14	**7**	4 856
2	23 462	**189**	137	38	**–**	178
4	64 197	**959**	732	31	**1**	897
12	190 587	**4 337**	3 568	22	**6**	3 934
100	1 665 706	**72 238**	62 240	16	**100**	67 840
65	1 102 898	**53 872**	45 023	20	**75**	49 869
8	144 569	**5 237**	5 820	(10)	**7**	5 206
23	384 368	**13 074**	11 290	16	**18**	12 713
2	17 696	**31**	11	>100	**–**	30
2	16 175	**24**	96	(75)	**–**	22
100	1 665 706	**72 238**	62 240	16	**100**	67 840

Credit continued

Balance sheet impairments and coverage ratios

(R million and %)



Movement in balance sheet impairments

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

	31 December 2024				31 December 2023				30 June 2024			
R million	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Opening balance	**54 165**	**11 644**	**12 584**	**29 937**	51 072	12 779	12 255	26 038	51 072	12 779	12 255	26 038
Total credit provision increase/ (release)	**1 078**	**281**	**(444)**	**1 241**	2 182	(444)	431	2 195	3 093	(1 135)	329	3 899
Transfers between stages	**–**	**1 350**	**(3 357)**	**2 007**	–	912	(2 601)	1 689	–	891	(3 418)	2 527
Current year impairment provided	**9 494**	**(1 085)**	**2 881**	**7 698**	8 554	(1 231)	3 098	6 687	17 449	(1 836)	3 868	15 417
ECL provided on new business*	**3 264**	**1 789**	**924**	**551**	2 912	1 733	804	375	7 410	2 922	2 196	2 292
ECL provided/ (released) on back book*	**6 230**	**(2 874)**	**1 957**	**7 147**	5 642	(2 964)	2 294	6 312	10 039	(4 758)	1 672	13 125
Gross write-off and other**	**(8 416)**	**16**	**32**	**(8 464)**	(6 372)	(125)	(66)	(6 181)	(14 356)	(190)	(121)	(14 045)
Closing balance	**55 243**	**11 925**	**12 140**	**31 178**	53 254	12 335	12 686	28 233	54 165	11 644	12 584	29 937

* *Interest suspended on stage 3 core lending advances of R2 005 million (December 2023: R1 548 million; June 2024: R3 272 million) is included in the expected credit losses provided/(released) amounts.*

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

Credit continued

Coverage

The performing book coverage decreased to 1.51% (December 2023: 1.67%; June 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 RMB and FNB commercial, which attracts lower coverage than the retail 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 43.2% (December 2023: 45.4%; June 2024: 44.1%) mainly due to the UK operations' resolution of the NOSIA remediation process and highly secured exposures in the corporate portfolio migrating to stage 3. Excluding the UK operations, NPL coverage remained similar to June 2024, with increased coverage in the unsecured retail, residential mortgages and broader Africa portfolios, offset by declines in other portfolios.

The group is currently working on including two additional macroeconomic scenarios, a mild upside and mild downside, in the IFRS 9 impairment models. The purpose of this change is to capture a greater share of the macroeconomic risk distribution and align with best practice. Refer to page 194 for an overview of the current macroeconomic scenarios and FLI incorporated into impairment provisions.

Performing coverage

- SA retail performing coverage decreased mainly due to an improved baseline outlook, particularly related to lower forward-looking inflation and interest rate outlook, leading to a release of FLI provisions.
- Residential mortgages performing coverage increased, primarily reflecting the ongoing negative growth trends in house prices (based on internal origination data) and the subsequent impact on modelled LGDs, particularly in Gauteng.
- The performing coverage for FNB commercial and WesBank corporate decreased due to the release of industry-specific and event risk provisions, certain exposures moving to stage 1 with lower coverage levels, and model recalibrations.
- RMB core advances performing coverage has remained relatively consistent since December 2023. Since June 2024 performing coverage decreased, reflecting stronger book growth in the better-rated counterparties, coupled with the migration of a few significant exposures to stage 3 and the curing of material counters.
- Broader Africa performing coverage declined, largely driven by book growth and an improved macro outlook in certain countries.
- Performing coverage in the UK operations decreased over both periods across all portfolios, mainly due to one-off model updates and the further release of cost-of-living provisions as the macroeconomic outlook stabilised.

A further analysis is provided in note 3 on page 116.

Coverage

Stage 3 coverage

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

A further analysis is provided in note 4 on page 118.

Credit continued

Note 3: Analysis of performing balance sheet impairments

	Total portfolio impairments						
				As at 31 December			
	As at 31 December			2024		2023	
R million	2024	2023	% change	Stage 1	Stage 2	Stage 1	Stage 2
SA retail	**10 724**	10 569	1	**4 690**	**6 034**	4 818	5 751
Retail – secured	**4 597**	4 354	6	**1 453**	**3 144**	1 401	2 953
Residential mortgages	**1 672**	1 487	12	**400**	**1 272**	410	1 077
WesBank VAF	**2 925**	2 867	2	**1 053**	**1 872**	991	1 876
Retail – unsecured	**6 127**	6 115	–	**3 237**	**2 890**	3 317	2 798
FNB card	**1 910**	1 860	3	**1 169**	**741**	1 142	718
Personal loans	**3 831**	3 823	–	**1 826**	**2 005**	1 912	1 911
Retail other	**386**	432	(11)	**242**	**144**	263	169
FNB centre	**–**	100	(100)	**–**	**–**	100	–
SA corporate and commercial	**7 988**	7 542	6	**3 886**	**4 102**	3 088	4 454
FNB commercial and WesBank corporate	**2 578**	2 631	(2)	**1 480**	**1 098**	1 315	1 316
FNB commercial	**2 208**	2 204	–	**1 215**	**993**	1 013	1 191
WesBank corporate and commercial	**370**	427	(13)	**265**	**105**	302	125
RMB CIB	**5 410**	4 911	10	**2 406**	**3 004**	1 773	3 138
– Lending	**3 982**	3 623	10	**2 298**	**1 684**	1 636	1 987
– Loans to private equity investee companies	**1 428**	1 288	11	**108**	**1 320**	137	1 151
Broader Africa*	**1 957**	2 020	(3)	**1 021**	**936**	1 092	928
FNB	**1 574**	1 635	(4)	**856**	**718**	911	724
RMB CIB	**383**	385	(1)	**165**	**218**	181	204
Centre (including Group Treasury)	**282**	533	(47)	**279**	**3**	371	162
Securitisation notes	**26**	27	(4)	**26**	**–**	27	–
Other	**256**	506	(49)	**253**	**3**	344	162
Total portfolio impairments excluding UK operations	**20 951**	20 664	1	**9 876**	**11 075**	9 369	11 295
UK operations (R million)	**3 114**	4 357	(29)	**2 049**	**1 065**	2 966	1 391
UK operations (£ million)**	**132**	185	(29)	**87**	**45**	126	59
Property finance	**27**	54	(50)	**18**	**9**	45	9
Business finance	**46**	52	(12)	**27**	**19**	38	14
Motor finance	**59**	79	(25)	**42**	**17**	43	36
Total portfolio impairments including UK operations	**24 065**	25 021	(4)	**11 925**	**12 140**	12 335	12 686

* *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											
			Performing book coverage ratios (% of performing core lending advances)								
As at 30 June			As at 31 December						As at 30 June		
2024	Stage 1	Stage 2	**2024**	**Stage 1**	**Stage 2**	2023	Stage 1	Stage 2	2024	Stage 1	Stage 2
10 940	4 721	6 219	**2.36**	**1.15**	**12.83**	2.41	1.23	12.56	2.45	1.18	13.13
4 563	1 396	3 167	**1.25**	**0.44**	**8.93**	1.23	0.44	8.55	1.27	0.43	9.10
1 704	414	1 290	**0.65**	**0.17**	**5.49**	0.59	0.18	4.88	0.67	0.18	5.80
2 859	982	1 877	**2.62**	**1.06**	**15.58**	2.74	1.08	15.07	2.70	1.05	14.95
6 377	3 325	3 052	**7.08**	**4.33**	**24.44**	7.25	4.54	24.81	7.35	4.48	24.32
1 930	1 157	773	**5.22**	**3.46**	**25.87**	5.41	3.63	24.64	5.34	3.49	25.51
3 996	1 884	2 112	**8.76**	**5.17**	**23.87**	8.81	5.36	24.72	9.02	5.33	23.64
451	284	167	**6.29**	**4.34**	**25.53**	6.58	4.43	26.70	7.16	4.97	28.60
–	–	–	**–**	**–**	**–**	–	–	–	–	–	–
7 832	3 391	4 441	**1.20**	**0.62**	**12.79**	1.24	0.54	11.74	1.25	0.58	11.33
2 534	1 440	1 094	**1.34**	**0.82**	**9.27**	1.51	0.81	10.34	1.38	0.84	8.59
2 142	1 195	947	**1.70**	**1.00**	**11.55**	1.90	0.94	13.88	1.71	1.03	10.64
392	245	147	**0.60**	**0.45**	**3.24**	0.73	0.55	3.01	0.66	0.44	3.83
5 298	1 951	3 347	**1.19**	**0.55**	**14.84**	1.17	0.45	12.44	1.25	0.49	12.66
4 014	1 863	2 151	**0.89**	**0.54**	**9.79**	0.88	0.42	8.70	0.97	0.48	9.13
1 284	88	1 196	**13.68**	**1.46**	**43.58**	14.48	2.11	48.26	14.05	1.41	41.36
1 989	1 135	854	**2.42**	**1.40**	**11.27**	2.69	1.58	15.05	2.59	1.63	12.08
1 622	960	662	**2.61**	**1.61**	**9.97**	2.86	1.76	13.30	2.77	1.83	11.04
367	175	192	**1.84**	**0.84**	**19.75**	2.13	1.04	28.29	2.01	1.02	17.88
293	236	57	**0.88**	**0.87**	**42.86**	2.01	1.40	294.55	0.92	0.74	438.46
36	36	–	**0.10**	**0.10**	**–**	0.11	0.11	–	0.13	0.13	–
257	200	57	**4.90**	**4.85**	**42.86**	38.28	27.15	294.55	5.28	4.12	438.46
21 054	9 483	11 571	**1.70**	**0.86**	**12.67**	1.80	0.88	12.55	1.78	0.87	12.36
3 174	2 161	1 013	**0.85**	**0.60**	**4.52**	1.24	0.92	4.79	0.91	0.66	4.77
138	94	44	**0.85**	**0.60**	**4.52**	1.24	0.92	4.79	0.91	0.66	4.77
26	19	7	**0.35**	**0.25**	**2.43**	0.74	0.64	2.26	0.35	0.27	2.53
50	31	19	**1.24**	**0.82**	**4.55**	1.46	1.20	3.75	1.36	0.96	4.19
62	44	18	**1.49**	**1.11**	**8.04**	1.98	1.22	8.11	1.58	1.17	8.90
24 228	11 644	12 584	**1.51**	**0.80**	**10.94**	1.67	0.89	10.66	1.58	0.82	10.96

Credit continued

Note 4: Analysis of stage 3/NPLs and impairments

	Stage 3/NPLs				
	As at 31 December			% composition	As at 30 June
R million	**2024**	2023	% change	**2024**	2024
SA retail	**42 280**	36 905	15	**58**	40 695
Retail – secured	**26 140**	22 888	14	**36**	25 439
Residential mortgages	**19 102**	16 068	19	**26**	18 223
WesBank VAF	**7 038**	6 820	3	**10**	7 216
Retail – unsecured	**16 140**	14 017	15	**22**	15 256
FNB card	**5 858**	4 507	30	**8**	5 233
Personal loans	**9 314**	8 535	9	**13**	9 008
Retail other	**968**	975	(1)	**1**	1 015
SA corporate and commercial	**12 861**	10 401	24	**18**	10 496
FNB commercial and WesBank corporate	**6 564**	5 449	20	**9**	5 842
FNB commercial	**5 236**	4 467	17	**7**	4 733
WesBank corporate and commercial	**1 328**	982	35	**2**	1 109
RMB CIB	**6 297**	4 952	27	**9**	4 654
– Lending	**5 690**	4 353	31	**8**	4 027
– Loans to private equity investee companies	**607**	599	1	**1**	627
Broader Africa*	**4 034**	3 641	11	**6**	3 945
FNB	**4 001**	3 625	10	**6**	3 931
RMB CIB	**33**	16	>100	**–**	14
Centre (including Group Treasury)	**78**	672	(88)	**–**	633
Securitisation notes	**–**	–	–	**–**	–
Other	**78**	672	(88)	**–**	633
Total stage 3/NPLs excluding UK operations	**59 253**	51 619	15	**82**	55 769
UK operations (R million)	**12 985**	10 621	22	**18**	12 071
UK operations (£ million)**	**550**	**451**	22		525
Property finance	**314**	**259**	21		284
Business finance	**89**	**70**	27		82
Motor finance	**147**	**122**	20		159
Total stage 3/NPLs including UK operations	**72 238**	62 240	16	**100**	67 840
Of which:					
Amortised cost book	**71 324**	61 507	16	**99**	66 916
Fair value book	**914**	733	25	**1**	924

* *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.*

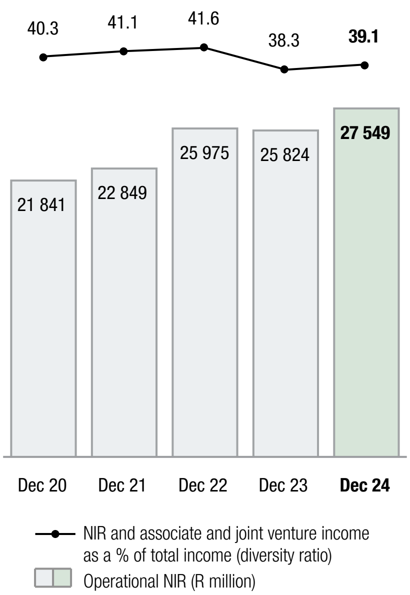
Stage 3/NPLs as a % of core lending advances			Stage 3 specific provisions				Coverage ratios (% of stage 3/NPLs)		
As at 31 December		As at 30 June	As at 31 December			As at 30 June	As at 31 December		As at 30 June
2024	2023	2024	**2024**	2023	% change	2024	**2024**	2023	2024
8.51	7.76	8.35	**19 059**	16 472	16	18 045	**45.1**	44.6	44.3
6.63	6.06	6.60	**7 432**	6 412	16	7 147	**28.4**	28.0	28.1
6.93	6.04	6.69	**4 173**	3 168	32	3 747	**21.8**	19.7	20.6
5.94	6.12	6.38	**3 259**	3 244	–	3 400	**46.3**	47.6	47.1
15.72	14.25	14.96	**11 627**	10 060	16	10 898	**72.0**	71.8	71.4
13.79	11.59	12.65	**4 264**	3 222	32	3 775	**72.8**	71.5	72.1
17.55	16.44	16.91	**6 540**	6 024	9	6 247	**70.2**	70.6	69.3
13.62	12.93	13.88	**823**	814	1	876	**85.0**	83.5	86.3
1.90	1.68	1.65	**5 962**	5 156	16	5 193	**46.4**	49.6	49.5
3.31	3.02	3.07	**3 781**	3 084	23	3 459	**57.6**	56.6	59.2
3.87	3.71	3.65	**3 186**	2 676	19	2 935	**60.8**	59.9	62.0
2.11	1.64	1.84	**595**	408	46	524	**44.8**	41.5	47.2
1.36	1.17	1.09	**2 181**	2 072	5	1 734	**34.6**	41.8	37.3
1.26	1.05	0.97	**1 574**	1 486	6	1 120	**27.7**	34.1	27.8
5.50	6.31	6.42	**607**	586	4	614	**100.0**	97.8	97.9
4.74	4.62	4.89	**2 368**	2 075	14	2 136	**58.7**	57.0	54.1
6.23	5.97	6.29	**2 365**	2 059	15	2 127	**59.1**	56.8	54.1
0.16	0.09	0.08	**3**	16	(81)	9	**9.1**	100.0	64.3
0.24	2.47	1.95	**81**	880	(91)	591	**103.8**	131.0	93.4
–	–	–	**–**	–	–	–	**–**	–	–
1.47	33.70	11.50	**81**	880	(91)	591	**103.8**	131.0	93.4
4.59	4.30	4.50	**27 470**	24 583	12	25 965	**46.4**	47.6	46.6
3.44	2.94	3.35	**3 708**	3 650	2	3 972	**28.6**	34.4	32.9
3.44	2.94	3.35	**157**	155	1	173	**28.6**	34.4	32.9
3.88	3.42	3.64	**34**	30	13	34	**10.6**	11.3	11.8
2.31	1.91	2.19	**22**	24	(8)	23	**25.5**	34.9	28.8
3.61	2.97	3.87	**101**	101	–	116	**68.9**	83.1	72.9
4.33	3.98	4.25	**31 178**	28 233	10	29 937	**43.2**	45.4	44.1
4.40	4.08	4.31							
0.63	0.50	0.81							

Non-interest revenue

Total non-interest revenue – up 8%

Operational non-interest revenue – up 7%

Operational non-interest revenue and diversity ratio*
(R million)
NIR CAGR 6%



* *Excluding share of profit of associates and joint ventures.*
Note: 2020 and 2021 figures are based on IFRS 4, 2022 to 2024 figures on IFRS 17.

ANALYSIS OF TOTAL NIR

		Six months ended 31 December			Year ended 30 June
R million	Notes	**2024**	2023	% change	2024
Net fee, commission and insurance income		**22 864**	21 112	8	42 551
– Fee and commission income	1	**20 718**	19 162	8	38 131
– Net insurance income	2	**2 146**	1 950	10	4 420
Trading and other fair value income	3	**2 372**	2 723	(13)	5 806
Investment income	4	**331**	283	17	476
Other non-interest revenue	5	**1 982**	1 706	16	4 040
Operational non-interest revenue		**27 549**	25 824	7	52 873
Share of profit of associates and joint ventures after tax		**1 087**	753	44	2 422
Total non-interest revenue		**28 636**	26 577	8	55 295

NOTE 1 – FEE AND COMMISSION INCOME – UP 8%

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Bank fee and commission income	**21 779**	20 407	7	40 519
– Card commissions	**4 246**	4 132	3	7 998
– Cash deposit fees	**1 000**	967	3	1 866
– Exchange and other commissions	**1 931**	1 767	9	3 603
– Bank charges	**14 602**	13 541	8	27 052
– Commitment fees	**1 239**	1 154	7	2 357
– Other bank charges*	**13 363**	12 387	8	24 695
Knowledge-based fees	**1 354**	876	55	2 088
Management and fiduciary fees	**1 353**	1 299	4	2 649
– Investment management fees	**886**	816	9	1 672
– Management fees from associates and joint ventures	**368**	416	(12)	805
– Other management and brokerage fee income	**99**	67	48	172
Other non-bank commissions	**700**	532	32	1 219
Gross fee and commission income	**25 186**	23 114	9	46 475
Fee and commission expenditure	**(4 468)**	(3 952)	13	(8 344)
– Transaction-related fees	**(1 613)**	(1 332)	21	(2 898)
– Commission paid	**(204)**	(182)	12	(412)
– Customer loyalty programmes	**(1 278)**	(1 118)	14	(2 362)
– Cash sorting, handling and transportation charges	**(666)**	(659)	1	(1 327)
– Card-related	**(248)**	(247)	–	(512)
– Other	**(459)**	(414)	11	(833)
Net fee and commission income	**20 718**	19 162	8	38 131

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

Key drivers – fee and commission income

- FNB NIR increased 8%, driven by customer acquisition (+3%) and growth in transactional volumes (+5%), as well as fee increases, offset by 13% growth in fee and commission expenditure.
- Electronic platform volumes grew 6% across all interfaces, whilst manual volumes decreased 2%. Branch and cash centre transaction volumes declined 13% and 15%, respectively.
- Card swipe volumes increased 7%, reflecting strong customer activity levels, contributing to the 3% growth in card commissions.
- RMB's knowledge-based fee income grew strongly (+55%), supported by new deal origination with resulting structuring opportunities, coupled with an uptick in advisory income.
- Investment management fees increased on the back of AUM growth.
- Overall group fee and commission income growth was moderated by costs growing more than income, linked to transactional activity and customer loyalty programmes, coupled with growth in foreign exchange turnover and significantly higher association fees.

Non-interest revenue continued

NOTE 2 – NET INSURANCE INCOME – UP 10%

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Insurance revenue	**3 960**	3 520	13	7 442
– Measured using general measurement model	**3 243**	2 983	9	6 309
– Measured using premium allocation approach	**717**	537	34	1 133
Insurance service expenses	**(2 167)**	(2 132)	2	(4 092)
Net expense from reinsurance contracts held	**(103)**	(6)	>100	(157)
Total insurance service results	**1 690**	1 382	22	3 193
Net insurance and reinsurance finance expense	**(20)**	(30)	(33)	(73)
Net insurance results	**1 670**	1 352	24	3 120
Commissions, brokerage and participation agreements	**476**	598	(20)	1 300
Net insurance income	**2 146**	1 950	10	4 420

Key drivers – net insurance income

- Net insurance income increased 21% excluding the effect of the MotoVantage reclassification (refer to page 36). MotoVantage is held for sale in the current period as the group's shareholding in the business is being restructured.
- Insurance revenue growth reflects:
  - The general measurement model (GMM) revenue (applicable to the life insurance business), which represents future profits released as per the modelled service release pattern. The contractual service margin (CSM) release increased across all portfolios, supported by improved sales, a 13% increase in premiums collected and good persistency, evidenced by 10% growth in the in-force APE.
  - The premium allocation approach revenue, which is primarily the short-term insurance portfolio, reflected significant growth in insurance revenue (+27%) as a result of the scaling of the personal lines business, specifically comprehensive building and motor insurance products. This was supported by growth in the commercial comprehensive suite of products with in-force APE reaching R25 million as at December 2024. In addition, the Life commercial book reflected an increase of 75%, driven by good growth in the group risk book.
- Insurance service expense was driven by higher net claims and servicing costs from 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 as a result of book growth within the Life commercial book and reserves releases within short-term.
- Commissions, brokerage and participation agreement income reflect 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.

NOTE 3 – TRADING AND OTHER FAIR VALUE INCOME – DOWN 13%

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Trading income	**2 058**	2 543	(19)	5 419
– Equities	**(58)**	(92)	(37)	(139)
– Commodities	**92**	189	(51)	327
– Fixed income	**953**	1 192	(20)	2 539
– Currencies	**1 071**	1 254	(15)	2 692
Other fair value income	**314**	180	74	387
– RMB investment banking and other activities	**233**	504	(54)	709
– UK operations fair value hedge	**(32)**	(254)	(87)	(488)
– Group Treasury economic hedges and other	**113**	(70)	(>100)	166
Total trading and other fair value income	**2 372**	2 723	(13)	5 806

Key drivers – trading and fair value income

- Trading income declined due to lower structuring and market-making opportunities as well as negative translation impacts, and reflects the following:
  - the commodities performance was impacted by reduced hedging activities on the precious metals business;
  - the fixed-income business was constrained by lower client flow and event-driven revenue, partially offset by stronger credit note facilitation; and
  - currencies' performance was impacted by currency devaluation, particularly the naira, coupled with reduced client volumes given election season across multiple jurisdictions.
- RMB investment banking and other activities included dividend income from the PI portfolio. The decline is due to the significant PI realisation (R508 million) in the prior period.
- The UK operations' fair value interest rate hedge portfolio reported a loss of £1.4 million (December 2023: loss of £10.8 million; June 2024: loss of £20.7 million). These losses relate to the unwind of prior period gains over the life of the hedged exposures.
- Group Treasury's performance improved, mainly due to share scheme valuation-related adjustments and foreign exchange gains as a result of a lower negative impact of the depreciation of certain currencies against the rand. These increases were somewhat offset by a loss on the close out of the derivative, which hedged the previous share scheme.

Non-interest revenue continued

NOTE 4 – INVESTMENT INCOME – UP 17%

	Six months ended 31 December			Year ended 30 June
R million	2024	2023	% change	2024
Private equity realisations and dividends received	**29**	283	(90)	308
– Profit on realisation of private equity investments	**5**	–	–	1
– Dividends received	**21**	281	(93)	302
– Other private equity income	**3**	2	50	5
Other investment income	**302**	–	0	168
– Profit on assets held against employee liabilities	**135**	17	>100	36
– Other investment income	**167**	(17)	(>100)	132
Total investment income	**331**	283	17	476

Key drivers – investment income

- New private equity investments totalled c. R1.8 billion for the six months ended 31 December 2024 (December 2023: R300 million; June 2024: R1.5 billion). The unrealised value in the portfolio is c. R7.5 billion (December 2023: R6.0 billion; June 2024: R6.6 billion), growing 26% period on period and reflecting the quality and diversity of the underlying portfolio.
- Dividends received in the prior period reflects a special dividend (c. R270 million) from a private equity investee company following a corporate action (partial realisation).
- The performance of the group's post-retirement employee liability asset portfolio benefited from improved sentiment in both the equity and bond markets.
- Other investment income includes profits from the sale of an associate on the back of a legacy debt restructure (c. R130 million).

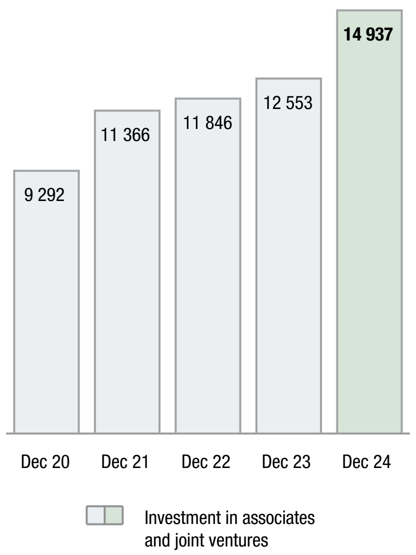
NOTE 5 – OTHER NON-INTEREST REVENUE – UP 16%

Key drivers – other NIR

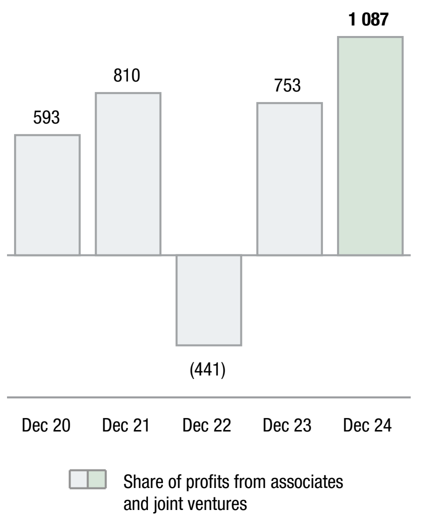
- Rental income represents 55% (December 2023: 57%; June 2024: 49%) of total other NIR and increased 12%, reflecting strong FML new business growth.
- Other income also includes revenue from FNB's mobile network operations, which increased 16%, benefiting from higher revenue on the back of increased data usage and larger supplier rebates.
- Other NIR continues to include the loss resulting from Ghana's classification as a hyperinflationary environment.

Share of profits of associates and joint ventures – up 44%

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

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Private equity associates and joint ventures	**881**	712	24	2 175
– Equity-accounted income	**895**	734	22	2 279
– Impairments	**(14)**	(22)	(36)	(104)
Other operational associates and joint ventures	**456**	252	81	752
– TFS	**141**	127	11	303
– VWFS	**136**	66	>100	210
– RMB Morgan Stanley	**131**	22	>100	114
– Other	**48**	37	30	125
Share of profit of associates and joint ventures before tax	**1 337**	964	39	2 927
Tax on profit of associates and joint ventures	**(250)**	(211)	18	(505)
Share of profit of associates and joint ventures after tax	**1 087**	753	44	2 422

Key drivers – profit from associates and JVs

- The private equity share of profit from associates and joint ventures increased, driven by new investments and an improved performance from the underlying investee entities.
- TFS's equity-accounted income increased as a result of book growth and improved forward-looking macro factors.
- VWFS's performance improvement reflects lower costs and improved forward-looking macro factors.
- RMB Morgan Stanley's performance improved on the back of an increase in JSE trading volumes, coupled with higher levels of equity capital markets activity.
- The increase in other operational associates and joint ventures is a result of lower impairments than in the prior period.

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.

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

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
RMB private equity division	**910**	995	(9)	2 483
Income from associates and joint ventures	**881**	712	24	2 175
– Equity-accounted income*	**895**	734	22	2 279
– Impairments*	**(14)**	(22)	(36)	(104)
Realisations and dividends**	**26**	281	(91)	303
Other private equity income**	**3**	2	50	5
Other business units	**162**	18	>100	104
Income from associates and joint ventures and other investments	**160**	14	>100	82
– Equity-accounted income*	**135**	78	73	105
– Impairments*, #	**(101)**	(64)	58	(34)
– Other investment income**	**126**	–	0	11
Consolidated other income#	**2**	4	(50)	22
Private equity activities before tax	**1 072**	1 013	6	2 587
Tax on equity-accounted private equity investments	**(127)**	(144)	(12)	(327)
Private equity activities after tax	**945**	869	9	2 260

* *Refer to note on share of profit from associates and joint ventures on page 126.*

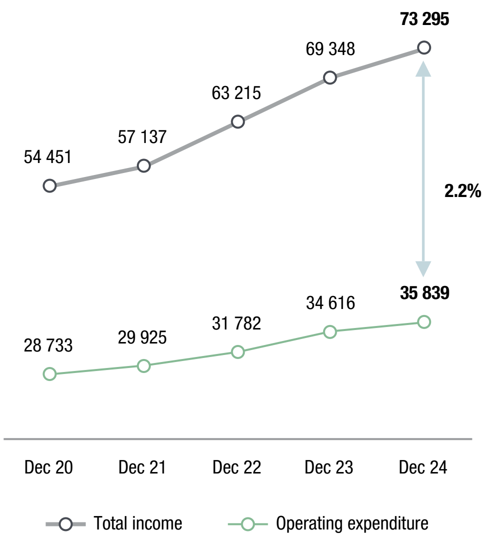
** *Refer to note 4 on investment income.*

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

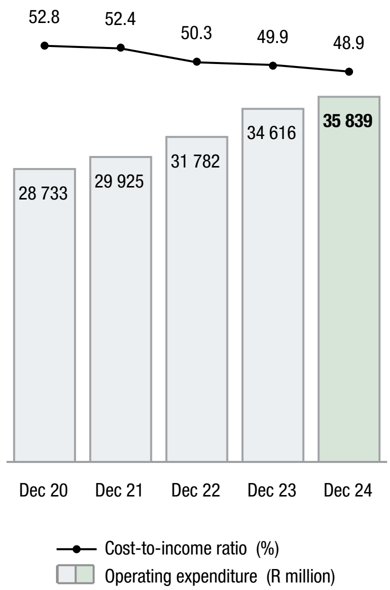
Operating expenses

Operating expenses – up 4%

Operating jaws
(R million)



Operating efficiency
(R million)



Note: 2020 to 2021 figures are based on IFRS 4, 2022 to 2024 figures on IFRS 17.

OPERATING EXPENSES – UP 4%

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Staff expenditure	**22 621**	21 958	3	44 300
– Direct staff expenditure	**17 242**	16 453	5	32 515
– Variable staff expenditure	**3 924**	3 903	1	8 711
– Short-term incentive payments	**2 734**	2 670	2	6 161
– Share price linked incentive payments	**1 190**	1 233	(3)	2 550
– Other staff-related expenditure	**1 455**	1 602	(9)	3 074
Depreciation of property and equipment	**2 103**	2 050	3	4 324
Amortisation of intangible assets	**84**	317	(74)	759
Advertising and marketing	**1 108**	936	18	1 904
Insurance*	**121**	101	20	209
Lease charges	**231**	323	(28)	551
Professional fees	**1 930**	1 829	6	3 976
Audit fees	**324**	320	1	669
Computer expenses	**2 809**	2 553	10	5 397
Repairs and maintenance	**847**	834	2	1 727
Telecommunications	**324**	285	14	559
Property	**828**	768	8	1 538
Business travel	**282**	233	21	491
Assets costing less than R7 000	**63**	38	66	86
Stationery and printing	**73**	64	14	132
Donations	**205**	192	7	378
Legal fees	**112**	118	(5)	353
Other expenditure*	**1 774**	1 697	5	3 753
Total operating expenses excluding UK motor commission matter	**35 839**	34 616	4	71 106
UK motor commission matter	**–**	–	–	3 299
FCA UK motor commission provision	**–**	–	–	3 001
UK motor commission related costs incurred during the period	**–**	–	–	298
Total operating expenses	**35 839**	34 616	4	74 405

* *Certain December 2023 expenses (R57 million) have been reallocated out of other expenditure into insurance expenses as the nature of these expenses is more closely aligned to insurance.*

Key drivers – staff expenditure

Staff costs represent 63% (December 2023: 63%) of the group's operating expenses and increased 3%.

	% change	Reasons
Direct staff costs	**5**	• Annual salary increases in South Africa averaged 6% (unionised staff at 6.2%). • Headcount (excluding FirstJob employees) decreased 1% period on period, but increased 1% since June 2024.
Variable staff expenditures		
Short-term incentive payments	**2**	The increase in short-term incentive payments reflect lower headcount in some businesses and timing differences.
Share price linked incentive payments	**(3)**	The decline is due to a comparatively higher share award charge in the prior period, related to vesting outcomes and additional forfeitures in the current period.
Other staff-related costs	**(9)**	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

- Lower amortisation of intangible assets due to the Aldermore acquisition intangible assets being fully amortised.
- Advertising and marketing expenses increased, driven by new marketing campaigns and inflation increases.
- The rise in insurance costs is due to higher-than-inflation increases and new and additional cover taken, particularly related to cyber risk.
- Operating lease charges decreased due to a portion of leases ending and not being renewed, as well as some being converted to finance leases.
- Computer expenses increased due to currency devaluation and higher software licensing costs, as well as inflationary increases.
- Property costs reflect higher municipal rates following property revaluations by councils as well as above-inflation increases in service fees.
- The increase in business travel is due to increased travel related to the group's broader African and UK operations' strategies, as well as those of the satellite offices.
- Other expenditure includes various items such as other provisions, entertainment, bank charges, profit share payments, subscriptions and membership fees.

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

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
IT-related staff costs	**4 394**	4 189	5	8 410
Non-staff IT-related costs	**5 202**	5 145	1	10 961
– Computer expenses	**2 890**	2 651	9	5 553
– Professional fees	**975**	1 202	(19)	2 647
– Repairs and maintenance	**301**	302	–	620
– Depreciation of equipment	**722**	667	8	1 350
– Amortisation of software	**78**	56	39	224
– Other expenditure	**236**	267	(12)	567
Total IT spend	**9 596**	9 334	3	19 371

FINANCIAL RESOURCE MANAGEMENT

Economic view of the balance sheet

The objective of the group's FRM framework is to protect and enhance FirstRand's financial performance through the holistic 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.

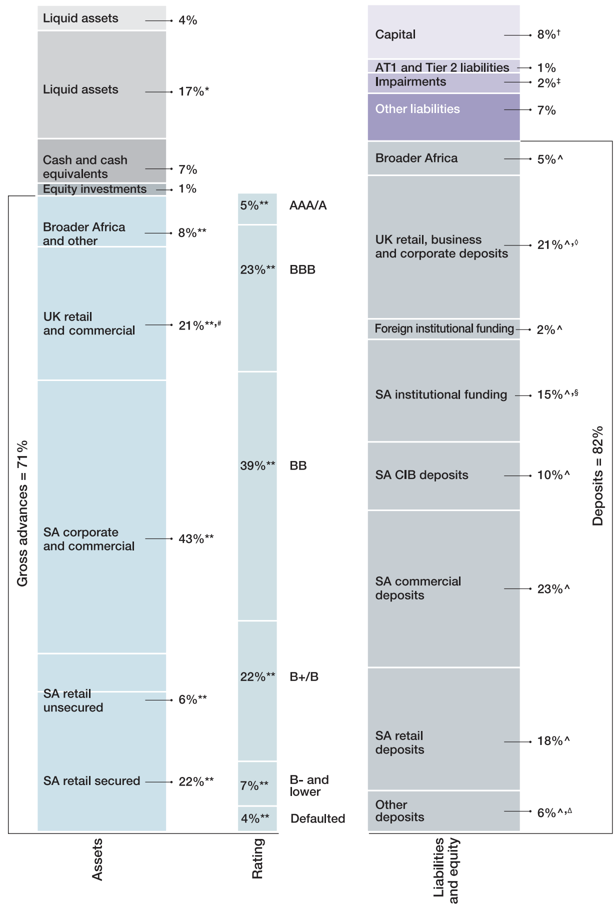
The structure of the balance sheet reflects the group's long-term strategy to increase resilience, diversify credit exposures across sectors and segments, increase asset marketability, and optimise the use of institutional funding.

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 (6%), SA corporate and commercial (43%), UK retail and commercial (21%), and broader Africa and other (8%). At 31 December 2024, the group reported total NPLs of R72 238 million (4.33% of core lending advances) and a credit loss ratio of 84 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 optimised use of the institutional funding channel. The calculation for the weighted average remaining term of domestic institutional funding has been further refined, resulting in a move from 31 months to 34 months for December 2023. The weighted average remaining term as at 31 December 2024 increased to 37 months. The increase reflects an increase in money market issuance together with additional longer-dated thematic senior debt, Tier 2 and AT1 issuances.

The group remained strongly capitalised with a CET1 ratio of 13.6%, a Tier 1 ratio of 14.5% and a total capital adequacy ratio of 16.3%. Gearing multiple decreased to 12.2 times from 12.5 times at December 2023 (June 2024: 12.4 times) with average assets increasing 6% and average equity increasing 8%.



* 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.

Δ 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 2024, which is available at www.firstrand.co.za/investors/integrated-reporting-hub/risk-disclosures/.

Funding conditions

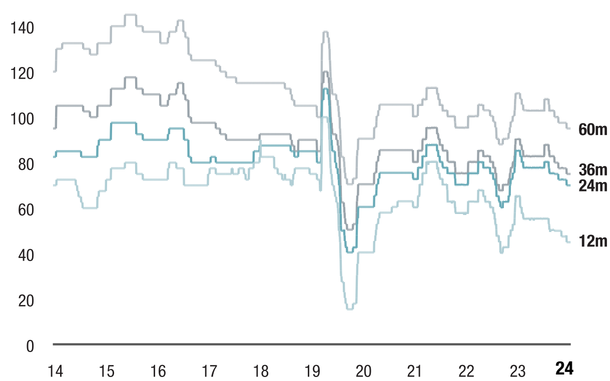
During the period under review, the global economy saw moderate growth, with central banks beginning to ease monetary policy given lower inflation outlooks. In South Africa, inflation fell to below the mid point of the target range, prompting the Reserve Bank to ease its monetary policy stance. Balanced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

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

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

12-month mid-market funding spread
(bps)

Long-term funding spreads
(bps)



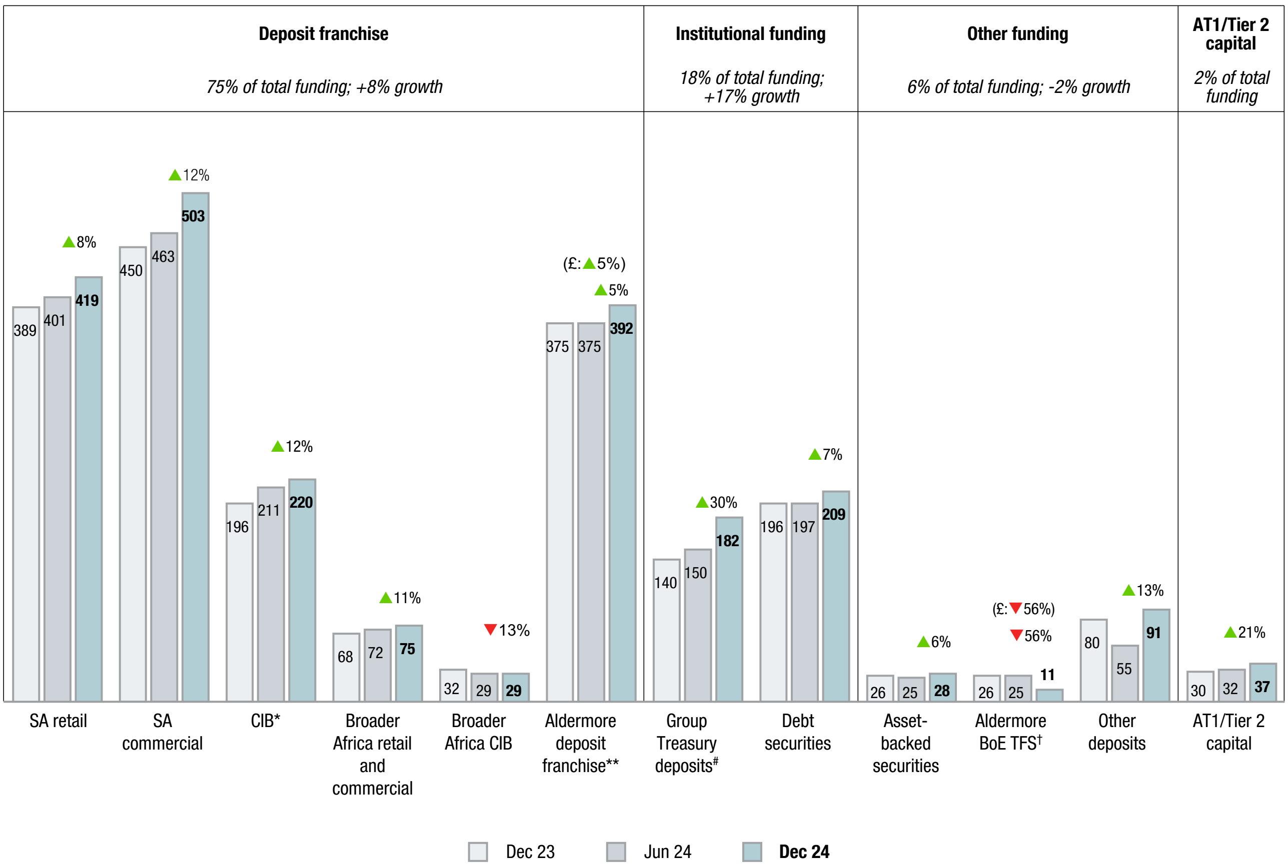
Sources: Bloomberg (RMBP screen) and Reuters.

Funding and liquidity continued

Funding measurement and activity

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

Funding portfolio growth
(R billion)



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

Note 2: Asset-backed securities include Aldermore's securitisation transactions.

* *South Africa and the London branch.*

** *The Aldermore deposit franchise increased 5% to £16.6 billion.*

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

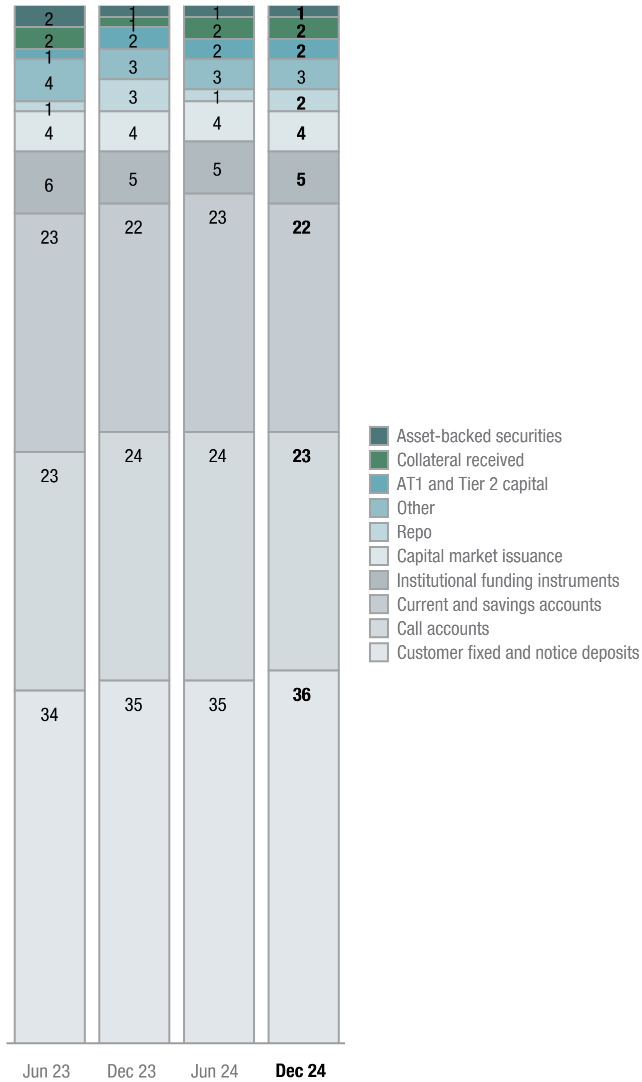
† *Aldermore's BoE term funding scheme decreased 56% to £471 million.*

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*
(%)

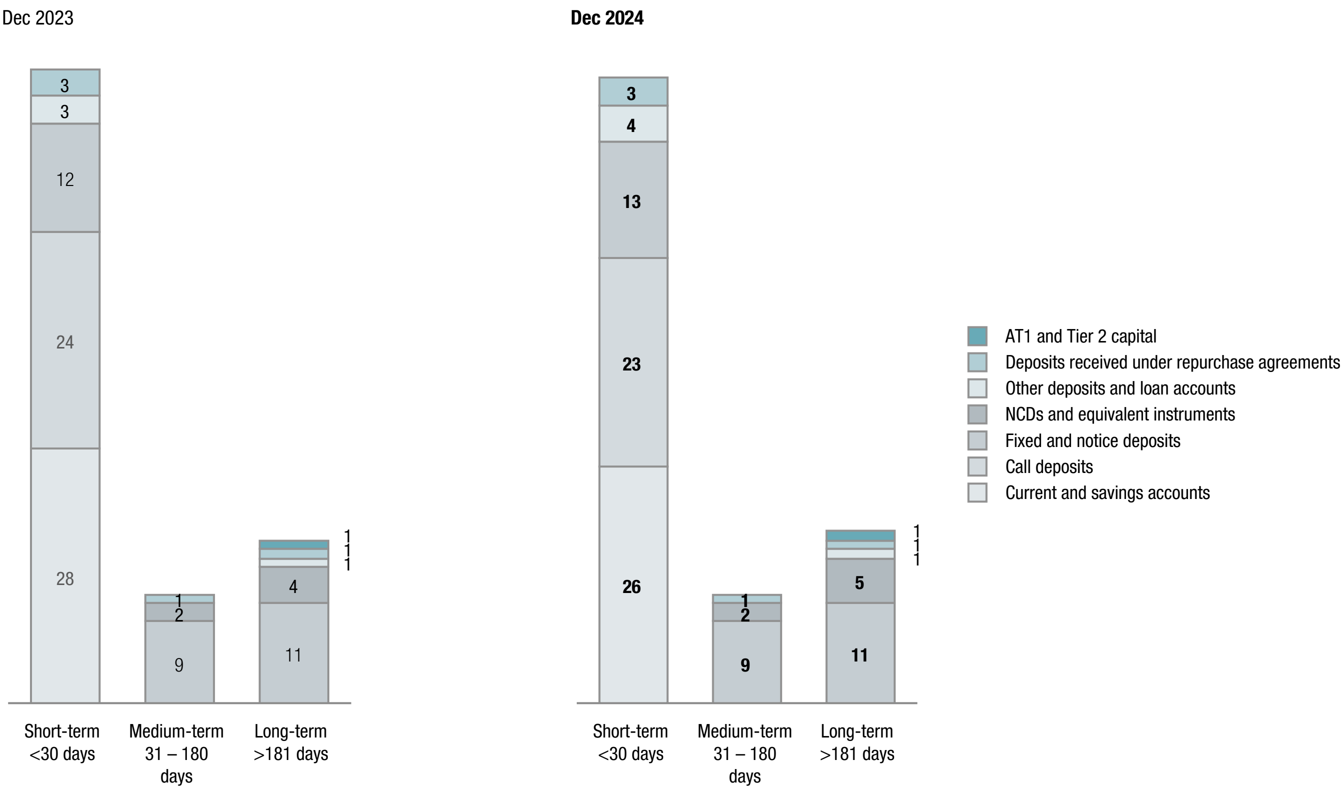
* *Excluding foreign branches.*

Funding analysis by product
(%)



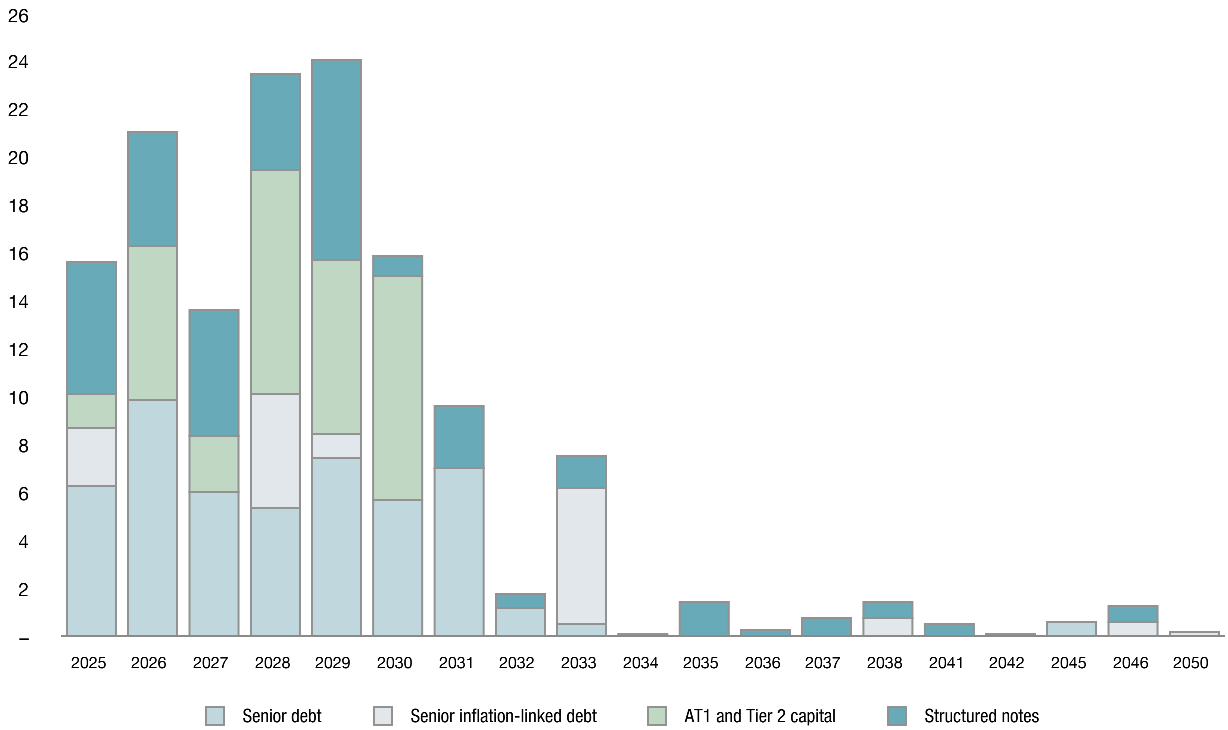
Funding and liquidity continued

Funding liabilities by instrument type and term
(%)



The maturity profile of the bank's capital market instruments is depicted in the following chart. The bank 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. Finalisation of the regulations regarding Flac is imminent and will influence the bank's future issuance strategies.

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



* *Including foreign branches.*

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 £16.6 billion at December 2024 (December 2023: £16 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.

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 84% 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. The institutional market is however beginning to show appetite for non-vanilla themed issuances such as sustainability bonds as a means to diversify away from sovereign paper.

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 and liquidity risk appetite, and regulatory requirements. The composition and quantum of available HQLA is determined by considering both the funding liquidity risk and market liquidity depth of the underlying assets. The portfolio is actively managed to ensure optimal composition, return and size.

The 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 and capital market issuances where benchmark tenors are targeted 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 cyclicality arising from the funding mix. The buffer is based on stress and scenario analysis of the cash inflows and outflows that result from the group's balance sheet profile.

The liquidity ratios for the group and bank at December 2024 are summarised below.

LIQUIDITY RATIOS

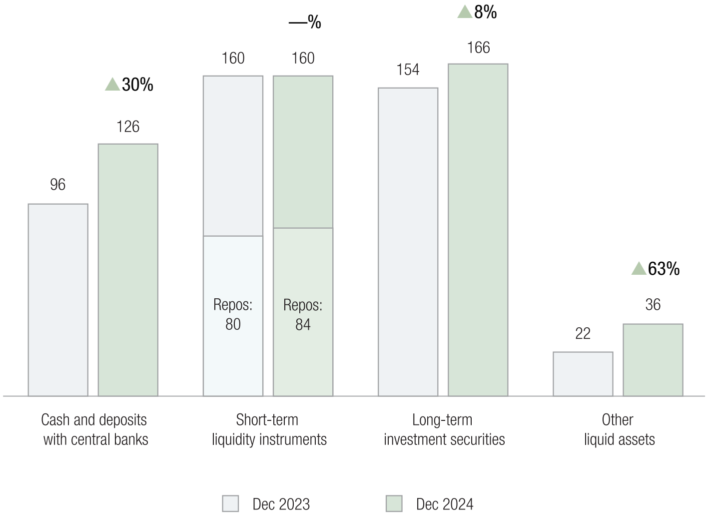
	Group*		Bank*	
%	**LCR****	**NSFR**	**LCR****	**NSFR**
Regulatory minimum	**100**	**100**	**100**	**100**
Actual	**127**	**122**	**132**	**119**

* *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 92-day average of daily observations over the six months ended 31 December 2024 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.*

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)

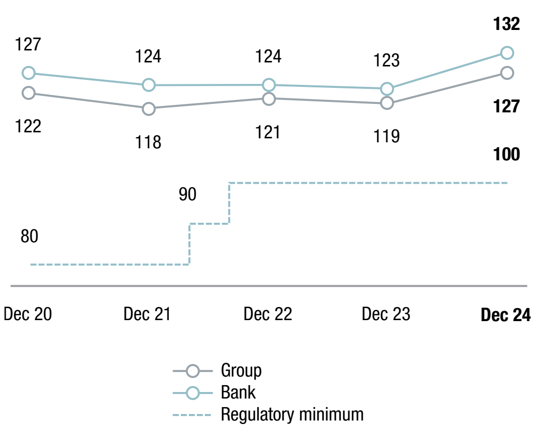


Note 1: Percentage change is based on actual underlying numbers rather than the rounded figures shown in the bar graphs above.

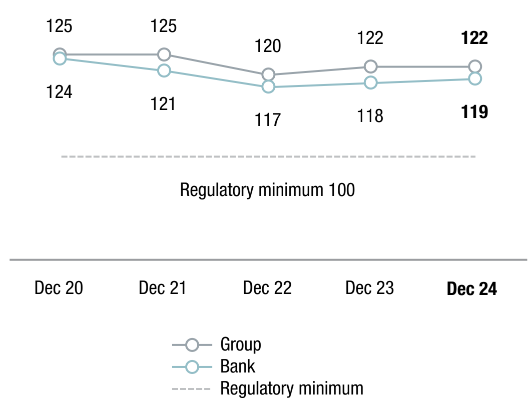
* *Chart is based on rand liquid assets in FRB (including foreign branches) and all other banking subsidiaries held by Group Treasury only.*

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 2024, which is available at www.firstrand.co.za/investors/integrated-reporting-hub/risk-disclosures/.

Period under review

During the period under review the group maintained strong capital and leverage ratios in excess of regulatory minimums and internal targets. 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 31 DECEMBER

	Capital			Leverage
%	**CET1**	**Tier 1**	**Total**	**Total**
Regulatory minimum*	9.0	11.2	13.5	4.0
Internal target	11.0 – 12.0	>12.0	>14.75	> 5.5
Actual (including unappropriated profits)**				
2024	**13.6**	**14.5**	**16.3**	**8.0**
2023	13.3	14.1	15.9	7.9

* *Includes the group's domestic systemically important bank requirement of 1.5% and a CCyB add-on of 47 bps based on the 2% UK CCyB requirement. The individual capital requirement (Pillar 2B) is confidential and therefore excluded.*

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

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

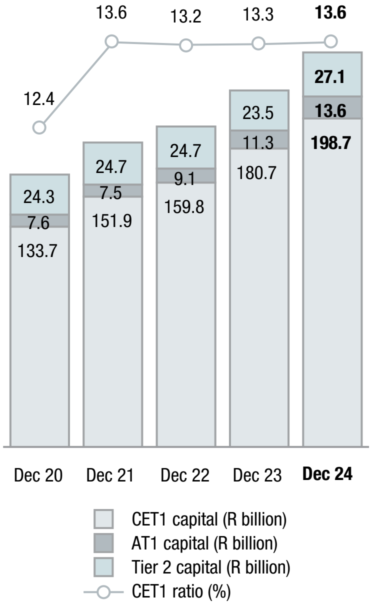
There is ongoing focus on optimising the overall level and mix of capital across the group and its regulated subsidiaries. During the period under review the group issued a combination of AT1 and Tier 2 instruments to ensure sustainable support for ongoing growth initiatives and redemption of existing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

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 period under review, the group continued to meet its economic capital requirements and reported an economic capital multiple (loss-absorbing capital/economic capital requirement) of 1.6 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.

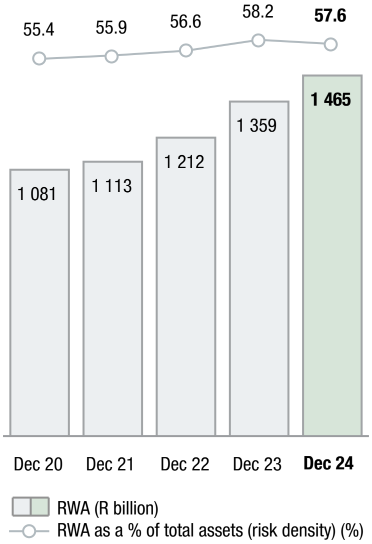
The graphs below provide a five-year view of the group's capital adequacy, RWA and leverage positions.The decrease in the group's risk density reflects changes in the balance sheet mix and RWA optimisation.

Capital adequacy*

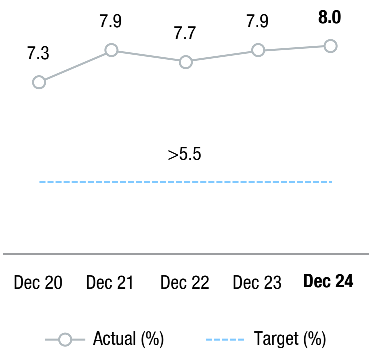


* *Including unappropriated profits.*

RWA history



Leverage*



* *Including unappropriated profits.*

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

Capital continued

Supply of capital

COMPOSITION OF CAPITAL*

	As at		
	31 December		30 June
R million	**2024**	2023	2024
CET1 capital excluding unappropriated profits	**189 749**	170 365	183 747
Unappropriated profits	**8 946**	10 359	5 411
CET1 capital including unappropriated profits	**198 695**	180 724	189 158
Additional Tier 1 capital	**13 563**	11 252	12 986
Tier 1 capital	**212 258**	191 976	202 144
Tier 2 capital	**27 153**	23 468	23 901
Total qualifying capital	**239 411**	215 444	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

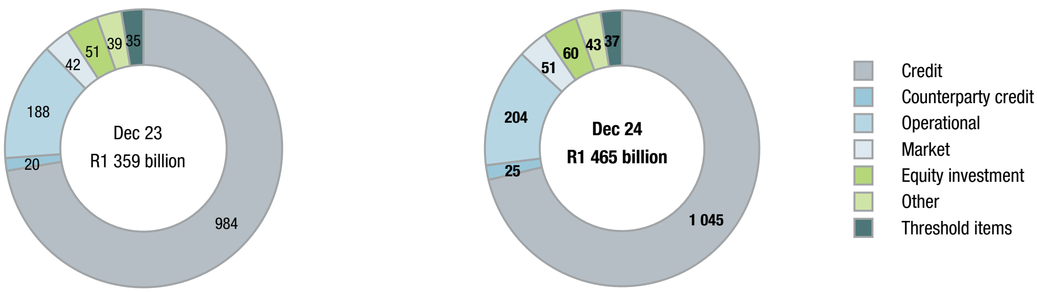
December 2024 vs December 2023

CET 1 capital	▲	Positive earnings generation partly offset by the payment of dividends, as well as movement in other reserves.
AT1 capital	▲	AT1 and Tier 2 issuances net of redemptions to manage rollover of existing profile, support balance sheet growth and optimise overall capital stack.
Tier 2 capital	▲	

Additional detail on the group's capital instruments is included on page 224.

Demand for capital

RWA analysis
(R billion)



Key drivers

December 2024 vs December 2023

Credit	▲	Volume growth partly offset by model refinements and optimisation.
Counterparty credit	▲	Increased exposure to corporate and project finance related to hedging activities in South Africa, partly offset by a decrease in post-credit risk mitigation sovereign exposure in Nigeria.
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	▲	Increased exposure from trading book positions together with client flow across interest rate and foreign exchange asset classes, given global and local market conditions.
Equity	▲	New investments and fair value movements.
Threshold items	▲	Increase in investments in financial entities and deferred tax assets.

Capital continued

Capital adequacy position for the group and its regulated entities

	As at 31 December					As at 30 June
	2024				2023	2024
	Total minimum requirement*	**RWA* R million**	**Tier 1**	**Total capital adequacy**	Total capital adequacy	Total capital adequacy
Banking (%)						
Basel III (PA regulations)						
FirstRand**	**13.5**	**1 464 708**	**14.5**	**16.3**	15.9	16.1
FirstRand Bank**,#	**13.0**	**954 015**	**13.7**	**16.1**	16.1	15.6
FirstRand Bank South Africa**	**13.0**	**924 336**	**13.4**	**15.7**	15.7	15.4
FirstRand Bank London	**13.5**	**28 892**	**18.9**	**19.3**	19.4	17.8
FirstRand Bank Guernsey	**13.0**	**1 405**	**85.2**	**85.2**	74.1	98.1
FirstRand Bank India†	**13.0**	**526**	**>100**	**>100**	>100	>100
Basel III (local regulations)						
Aldermore Bank‡	**14.6**	**165 811**	**20.5**	**21.9**	20.9	21.6
FNB Namibia^	**12.5**	**39 318**	**15.7**	**18.0**	15.6	16.6
Basel II (local regulations)						
FNB Botswana	**12.5**	**31 684**	**14.8**	**20.8**	21.1	18.8
RMB Nigeria	**10.0**	**3 384**	**30.6**	**30.6**	22.4	25.1
FNB Eswatini	**8.0**	**6 616**	**20.4**	**21.3**	22.3	21.8
FNB Lesotho^	**10.0**	**2 221**	**12.0**	**13.0**	15.4	13.5
First National Bank Ghana	**10.0**	**2 665**	**24.0**	**24.7**	19.2	16.4
FNB Mozambique	**12.0**	**3 676**	**21.5**	**21.5**	21.9	24.2
Basel I (local regulations)						
FNB Zambia	**10.0**	**9 039**	**25.7**	**25.7**	27.2	26.9
Insurance (times)◊						
FirstRand Life Assurance (FNB Life)§	**1.0**		**1.5**		1.8	1.5
FirstRand Short Term Insurance	**1.0**		**3.7**		4.1	4.2
FRISCOL	**1.0**		**1.7**		1.9	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 31 December 2024.*

** *Including unappropriated profits.*

\# *Including foreign branches.*

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

‡ *Ratios on a markets basis. Aldermore group's total capital adequacy and CET1 ratios (on a markets basis) at 31 December 2024 was 18.8% and 16.2% respectively.*

^ *Bank of Namibia increased the minimum requirement to 12.5% from 10% effective from September 2024 reporting period. FNB Lesotho transitioned from Basel I to Basel 2.5 in March 2024.*

◊ *Solvency capital requirements as per quarterly returns as at 31 December 2024.*

§ *Post allowance of future dividends.*

Performance measurement

The group aims to deliver sustainable returns to its shareholders. Each business unit and entities within broader Africa and the UK are evaluated on shareholder value created. Targeted hurdle rates are set for business units and capital is allocated to each business unit 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% period on period, driven by 10% growth in normalised earnings and an 8% increase in average shareholders' equity and reserves. ROE improved from 20.6% to 20.8%, 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%.

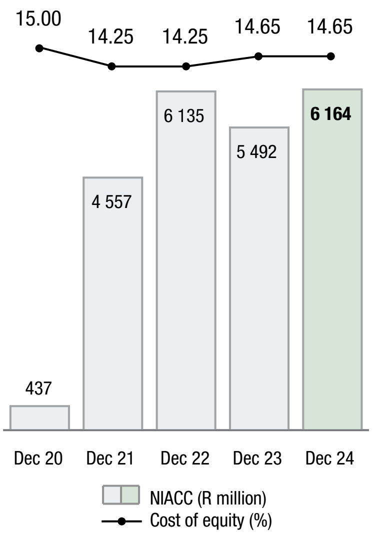
NIACC AND ROE

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Normalised earnings attributable to ordinary shareholders	**20 921**	19 097	10	37 988
Capital charge*	**(14 757)**	(13 605)	8	(27 624)
NIACC	**6 164**	5 492	12	10 364
Average ordinary shareholders' equity and reserves	**201 463**	185 734	8	188 558
ROE (%)	**20.8**	20.6		20.1
Cost of equity (%)**	**14.65**	14.65		14.65
ROA (%)	**1.71**	1.65		1.63
Return on average RWA (%)	**2.92**	2.85		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% (December 2023: 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% (December 2023: 4.95%) is determined using the FirstRand beta and equity risk premium.*

NIACC and cost of equity



Note: 2020 and 2021 figures are based on IFRS 4, 2022 to 2024 figures on IFRS 17.

Performance measurement continued

Shareholder value creation

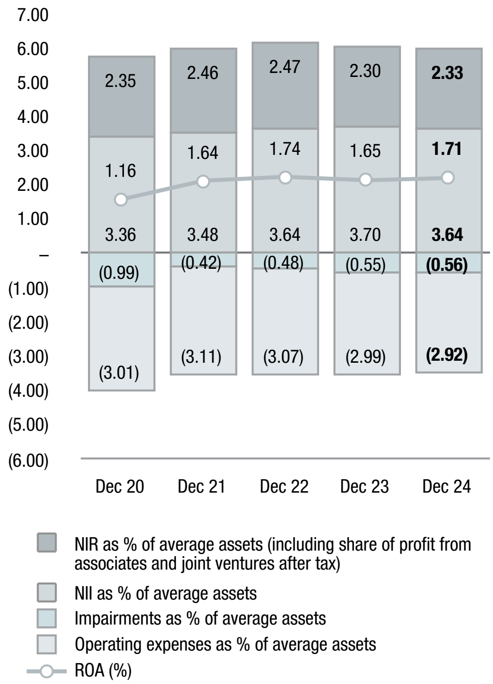
The table presented below illustrates that the increase in ROE can be attributed to an enhancement in ROA coupled with a marginal reduction in gearing.

	Six months ended 31 December					Year ended 30 June
	2024	2023	2022	2021	2020	2024
ROA (%)	**1.71**	1.65	1.74	1.64	1.16	1.63
Gearing*	**12.2**	12.5	12.4	12.3	13.5	12.4
ROE (%)	**20.8**	20.6	21.6	20.1	15.6	20.1

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

Note: 2020 and 2021 figures are based on IFRS 4, 2022 to 2024 figures on IFRS 17.

ROA analysis



Note 1: 2020 and 2021 figures are based on IFRS 4, 2022 to 2024 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.

Operating business performance

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

ROE AND NORMALISED EARNINGS PER BUSINESS

	Six months ended 31 December				Year ended 30 June	
	2024		2023		2024	
R million	**Normalised earnings**	**ROE %**	Normalised earnings	ROE %	Normalised earnings	ROE %
Retail and commercial	**13 240**	**36.4**	12 461	37.6	23 949	34.7
– FNB	**12 136**	**39.0**	11 473	40.3	21 968	36.9
– WesBank*	**1 104**	**21.0**	988	20.9	1 981	20.9
Corporate and institutional – RMB	**4 800**	**18.3**	4 475	19.0	9 744	20.3
UK operations**	**1 911**	**10.0**	1 648	9.6	4 170	11.8
Centre (including Group Treasury)#	**970**	**5.1**	513	2.7	125	0.3
FirstRand group	**20 921**	**20.8**	19 097	20.6	37 988	20.1
Broader Africa†	**2 312**	**20.3**	2 464	23.7	5 157	24.9

* *During the prior year, the group reviewed its capital allocation approach to WesBank. The ROE for December 2023 was restated to reflect current allocation approaches.*

** *ROEs are calculated in pound terms.*

\# *Includes unallocated capital and the MotoNovo back book.*

† *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

	Six months ended 31 December		Year ended 30 June
%	**2024**	2023	2024
Retail and commercial	**3.44**	3.44	3.25
– FNB	**4.10**	4.12	3.88
– WesBank	**1.23**	1.18	1.17
Corporate and institutional – RMB	**1.24**	1.21	1.35
UK operations*	**0.81**	0.70	0.88
Centre (including Group Treasury)	**0.45**	0.28	0.03
FirstRand group	**1.71**	1.65	1.63

* *ROAs are calculated in pound terms.*

Performance measurement continued

The table below provides a geographical analysis of capital allocated.

GEOGRAPHICAL ANALYSIS OF AVERAGE CAPITAL ALLOCATED

	Six months ended 31 December					Year ended 30 June	
R million	**2024**	**% composition**	2023	% composition	% change	2024	% composition
South Africa and other*	**140 789**	**70**	130 562	70	8	132 405	70
Broader Africa**	**22 736**	**11**	20 783	11	9	20 721	11
UK operations#	**37 938**	**19**	34 389	19	10	35 432	19
FirstRand group	**201 463**	**100**	185 734	100	8	188 558	100

* *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

	Six months ended 31 December		Year ended 30 June
%	**2024**	2023	2024
South Africa and other*	**23.7**	23.0	21.6
Broader Africa**	**20.3**	23.7	24.9
UK operations#	**10.0**	9.6	11.8
FirstRand group	**20.8**	20.6	20.1

* *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

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

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

Capital

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

FirstRand continues to actively engage with the industry and regulator, as well as undertake impact assessments to better understand the effects of the proposed reforms on the group, and this is incorporated into the group's forward-looking capital plan. 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. Areas of national discretion, however, have not been finalised and may still shift the final impact of the reforms.

Liquidity

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

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

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

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

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

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

The group currently holds several contracts, including derivatives, that reference JIBAR. To oversee the transition, 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 to the South African Rand Overnight Index Average (ZARONIA).

IFRS INFORMATION

Presentation

Basis of presentation

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

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

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

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

Accounting policies

The accounting policies and other methods of computation applied in the preparation of the consolidated interim financial statements are consistent with those applied for the year ended 30 June 2024 as none of the new or amended IFRS Accounting Standards impacted the group.

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

Normalised results

The group believes normalised earnings more accurately reflect operational performance. Consequently, headline earnings have been adjusted to take into account non-operational and accounting anomalies, which, in terms of the JSE 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 2024, remain unchanged in nature.

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

Forecast information

Any forecast financial information contained herein, which is the responsibility of the 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, 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.

In terms of IAS 32, 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 the 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 on the statement of financial position.

Margin-related items included in fair value income

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

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

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

IAS 19 remeasurement of plan assets

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

Presentation continued

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 schemes.

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

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

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

Consolidation of fully vested empowerment vehicles

In terms of IFRS 10, 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, because FirstRand was instrumental in the initial design and obtains non-financial benefits, namely BEE ownership points, in terms of IFRS 10 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 the amount of these adjustments are provided in the reconciliation between headline earnings and IFRS profit on page 162.

Restatement of prior year numbers

A restatement of comparative information relating to derivative-related margin balances has been made.

Description of restatement

Margin balances related to derivative transactions have increased significantly because of growth in the group's local and international client base and increased trading through the London Clearing House. The group therefore has reconsidered the classification and presentation of margin balances associated with the derivative market in the statement of financial position and statement of cash flows during the current financial year. The revised classification and presentation results in an adjustment of R24 659 million associated with margin balances in the derivative market from cash and cash equivalents into collateral, settlement balances and other assets to reflect the underlying nature of the balances.

This restatement had no impact on the profit or loss or net asset value of the group.

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

Restated condensed statement of financial position

as at 31 December 2023

R million	IFRS As reported at 31 December 2023	Reclassification	IFRS Restated as at 31 December 2023
ASSETS			
Cash and cash equivalents	160 974	(24 659)	136 315
Collateral, settlement balances and other assets	14 265	24 659	38 924
Total assets	2 335 508	–	2 335 508
Total equities and liabilities	2 335 508	–	2 335 508

Restated condensed statement of cash flows

for the period ended 31 December 2023

R million	IFRS As reported at 31 December 2023	Reclassification	IFRS Restated as at 31 December 2023
Net increase in cash and cash equivalents	(16 793)	2 974	(13 819)
Cash and cash equivalents at the beginning of the period	175 304	(27 633)	147 671
Effect of exchange rate changes on cash and cash equivalents	2 463	–	2 463
Cash and cash equivalents at the end of the period	160 974	(24 659)	136 315

Condensed consolidated income statement – IFRS

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Interest income calculated using effective interest rate	**99 105**	91 434	8	188 258
Interest on other financial instruments and similar income	**527**	1 492	(65)	1 266
Interest and similar income	**99 632**	92 926	7	189 524
Interest expense and similar charges	**(56 265)**	(51 416)	9	(106 070)
Net interest income before impairment of advances	**43 367**	41 510	4	83 454
Impairment and fair value of credit of advances	**(6 897)**	(6 404)	8	(12 555)
– Impairment on amortised cost advances	**(6 897)**	(6 540)	5	(12 510)
– Fair value of credit on advances	**–**	136	(100)	(45)
Net interest income after impairment of advances	**36 470**	35 106	4	70 899
Non-interest revenue	**28 981**	27 732	5	56 082
– Net fee and commission income	**20 718**	19 162	8	38 131
– Fee and commission income	**25 186**	23 114	9	46 475
– Fee and commission expense	**(4 468)**	(3 952)	13	(8 344)
– Net insurance income	**2 146**	1 950	10	4 420
– Fair value income and foreign exchange gains*	**3 660**	4 296	(15)	8 824
– Fair value gains and foreign exchange gains*	**9 563**	10 620	(10)	20 423
– Interest expense on fair value activities	**(5 903)**	(6 324)	(7)	(11 599)
– Gains less losses from investing activities	**331**	627	(47)	703
– Net other non-interest revenue	**2 126**	1 697	25	4 004
Income from operations	**65 451**	62 838	4	126 981
Operating expenses	**(35 769)**	(34 821)	3	(74 731)
Net income from operations	**29 682**	28 017	6	52 250
Share of profit of associates after tax	**461**	374	23	1 466
Share of profit of joint ventures after tax	**625**	377	66	960
Income before indirect tax	**30 768**	28 768	7	54 676
Indirect tax	**(951)**	(972)	(2)	(1 655)
Profit before income tax	**29 817**	27 796	7	53 021
Income tax expense	**(7 131)**	(6 837)	4	(11 841)
Profit for the period	**22 686**	20 959	8	41 180
Attributable to				
Ordinary equityholders	**21 077**	19 509	8	38 191
Other equity instrument holders	**835**	750	11	1 518
Equityholders of the group	**21 912**	20 259	8	39 709
Non-controlling interests	**774**	700	11	1 471
Profit for the period	**22 686**	20 959	8	41 180
Earnings per share (cents)				
– Basic	**376.4**	348.1	8	681.4
– Diluted	**376.4**	348.1	8	681.4
Headline earnings per share (cents)				
– Basic	**374.4**	341.4	10	679.0
– Diluted	**374.4**	341.4	10	679.0

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

Condensed consolidated statement of other comprehensive income – IFRS

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Profit for the period	**22 686**	20 959	8	41 180
Items that may subsequently be reclassified to profit or loss				
Cash flow hedges	**1 023**	2 281	(55)	2 370
Gains arising during the period	**1 211**	2 380	(49)	2 548
Reclassification adjustments for amounts included in profit or loss	**229**	792	(71)	688
Deferred income tax	**(417)**	(891)	(53)	(866)
FVOCI debt reserve	**269**	(146)	(>100)	(244)
Gains/(losses) arising during the period	**355**	(158)	(>100)	(241)
Reclassification adjustments for amounts included in profit or loss	**(12)**	(54)	(78)	(90)
Deferred income tax	**(74)**	66	(>100)	87
Exchange differences on translating foreign operations	**1 554**	(2 251)	(>100)	(4 148)
Gains/(losses) arising during the period	**1 533**	(2 240)	(>100)	(4 119)
Deferred income tax	**21**	(11)	(>100)	(29)
Insurance and reinsurance finance reserve	**177**	173	2	124
Gains arising during the period on insurance contracts issued	**235**	173	36	173
Gains/(losses) arising during the period on reinsurance contracts held	**7**	–	0	(5)
Deferred income tax	**(65)**	–	–	(44)
Share of other comprehensive income of associates and joint ventures after tax and non-controlling interest	**2**	6	(67)	16
Items that may not subsequently be reclassified to profit or loss				
FVOCI equity reserve	**1**	(1)	(>100)	(3)
Gains/(losses) arising during the period	**1**	(1)	(>100)	(4)
Deferred income tax	**–**	–	–	1
Remeasurements on defined benefit post-employment plans	**(51)**	(22)	>100	(44)
Losses arising during the period	**(70)**	(30)	>100	(56)
Deferred income tax	**19**	8	>100	12
Other comprehensive income/(loss) for the period	**2 975**	40	>100	(1 929)
Total comprehensive income for the period	**25 661**	20 999	22	39 251
Attributable to				
Ordinary equityholders	**24 040**	19 565	23	36 325
Other equity instrument holders	**835**	750	11	1 518
Equityholders of the group	**24 875**	20 315	22	37 843
Non-controlling interests	**786**	684	15	1 408
Total comprehensive income for the period	**25 661**	20 999	22	39 251

Condensed consolidated statement of financial position – IFRS

R million	As at 31 December 2024	As at 31 December 2023	As at 30 June 2024
ASSETS			
Cash and cash equivalents*	**175 899**	136 315	158 477
Derivative financial instruments	**56 350**	57 168	55 284
Commodities	**14 924**	13 327	15 109
Investment securities	**491 182**	433 448	433 516
Advances	**1 710 087**	1 601 558	1 611 541
– Advances to customers**	**1 637 631**	1 519 329	1 532 589
– Marketable advances	**72 456**	82 229	78 952
Collateral, settlement balances and other assets*	**33 300**	38 924	36 052
Current tax asset	**958**	1 201	451
Non-current assets and disposal groups held for sale	**1 388**	150	1 498
Insurance contract assets	**1 075**	668	760
Reinsurance contract assets	**541**	723	509
Investments in associates	**11 040**	9 355	10 332
Investments in joint ventures	**3 948**	3 244	3 510
Property and equipment	**24 088**	22 036	23 326
Intangible assets#	**10 119**	10 096	9 701
Investment properties	**719**	357	704
Defined benefit post-employment asset	**7**	24	7
Deferred income tax asset	**7 419**	6 914	8 562
Total assets	**2 543 044**	2 335 508	2 369 339
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	**16 343**	12 366	10 273
Derivative financial instruments	**50 965**	48 283	44 645
Creditors, accruals and provisions	**35 484**	40 202	42 447
Current tax liability	**640**	978	719
Liabilities directly associated with disposal groups held for sale	**1 027**	–	1 126
Deposits	**2 159 408**	1 978 278	2 003 151
Employee liabilities	**11 540**	11 840	16 572
Other liabilities	**5 662**	6 449	5 806
Insurance contract liabilities	**1 084**	1 521	968
Reinsurance contract liabilities	**88**	110	48
Policyholder liabilities under investment contracts	**8 397**	7 014	7 669
Tier 2 liabilities	**21 613**	17 657	17 268
Deferred income tax liability	**861**	990	843
Total liabilities	**2 313 112**	2 125 688	2 151 535
Equity			
Ordinary shares	**56**	56	56
Share premium	**6 852**	7 668	7 640
Reserves	**199 802**	181 945	187 576
Capital and reserves attributable to equityholders of the group	**206 710**	189 669	195 272
Other equity instruments and reserves	**18 120**	15 581	17 671
Non-controlling interests	**5 102**	4 570	4 861
Total equity	**229 932**	209 820	217 804
Total equities and liabilities	**2 543 044**	2 335 508	2 369 339

* *December 2023 has been restated. Refer to pages 154 to 155 for further details.*

** *Included in advances to customers are assets under agreements to resell of R97 609 million (December 2023: R92 060 million; June 2024: R67 808 million).*

\# *Include net goodwill of R8 377 million (December 2023: R8 522 million; June 2024: R8 181 million).*

Condensed consolidated statement of cash flows – IFRS

R million	Six months ended 31 December 2024	Six months ended 31 December 2023*	Year ended 30 June 2024
Cash flows from operating activities			
Other operating activities	**41 273**	3 824	57 442
Dividends paid	**(12 896)**	(11 689)	(23 676)
Dividends paid to non-controlling interests	**(545)**	(661)	(1 093)
Taxation paid	**(7 952)**	(6 519)	(13 986)
Net cash generated from operating activities	**19 880**	(15 045)	18 687
Cash flows from investing activities			
Capital expenditure	**(4 638)**	(2 898)	(8 110)
Proceeds on disposals from investment activities	**1 502**	1 466	2 119
Net cash outflow from investing activities	**(3 136)**	(1 432)	(5 991)
Cash flows from financing activities			
Other financing activities	**(746)**	(849)	(1 657)
Proceeds from issue of Tier 2 liabilities	**4 298**	772	1 548
Capital repaid on Tier 2 liabilities	**–**	–	(1 910)
Redemption of Additional Tier 1 equity instruments	**(3 461)**	(2 265)	(2 265)
Proceeds from issue of Additional Tier 1 equity instruments	**3 910**	5 000	7 090
Net cash inflow from financing activities	**4 001**	2 658	2 806
Net increase/(decrease) in cash and cash equivalents	**20 745**	(13 819)	15 502
Cash and cash equivalents at the beginning of the period	**158 477**	147 671	147 671
Effect of exchange rate changes on cash and cash equivalents	**(3 323)**	2 463	(4 692)
Transfer to non-current assets held for sale	**–**	–	(4)
Cash and cash equivalents at the end of the period	**175 899**	136 315	158 477
Mandatory reserve balances included above**	**41 691**	43 556	40 503

* *Restated. Refer to pages 154 to 155.*

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

Condensed consolidated statement of changes in equity – IFRS

for the six months ended 31 December

	Ordinary share capital and ordinary equityholders' funds				
R million	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	7 860	**7 916**	(546)	(3 095)
Additional Tier 1 capital issued during the period	–	–	**–**	–	–
Preference shares redeemed during the period	–	–	**–**	–	–
Movement in other reserves	–	–	**–**	–	–
Ordinary dividends	–	–	**–**	–	–
Distributions on other equity instruments	–	–	**–**	–	–
Changes in ownership interest of subsidiaries	–	–	**–**	–	–
Movement in treasury shares	–	(192)	**(192)**	–	–
– Held for client trading	–	(192)	**(192)**	–	–
– Held for employee share scheme	–	–	**–**	–	–
Total comprehensive income for the period	–	–	**–**	(22)	2 281
– Profit for the period	–	–	**–**	–	–
– Other comprehensive income for the period	–	–	**–**	(22)	2 281
Balance as at 31 December 2023	56	7 668	**7 724**	(568)	(814)
Balance as at 1 July 2024	56	7 640	**7 696**	(590)	(725)
Additional Tier 1 capital issued during the period	–	–	**–**	–	–
Additional Tier 1 capital redeemed during the period	–	–	**–**	–	–
Movement in other reserves	–	–	**–**	–	–
Ordinary dividends	–	–	**–**	–	–
Distributions on other equity instruments	–	–	**–**	–	–
Movement in treasury shares	–	(788)	**(788)**	–	–
– Held for client trading	–	(192)	**(192)**	–	–
– Held for employee share scheme	–	(596)	**(596)**	–	–
Total comprehensive income for the period	–	–	**–**	(51)	1 023
– Profit for the period	–	–	**–**	–	–
– Other comprehensive income for the period	–	–	**–**	(51)	1 023
Balance as at 31 December 2024	56	6 852	**6 908**	(641)	298

* *Other reserves include FVOCI and insurance contract finance reserve.*

** *Other equity instruments and reserves at 31 December 2024 include R15 204 million (December 2023: R12 665 million; June 2024: R14 755 million) of AT1 instruments and R2 916 million (December 2023: R2 916 million; June 2024: R2 916 million) in the Empowerment Fund reserve.*

Ordinary share capital and ordinary equityholders' funds							
Share-based payment reserve	Foreign currency translation reserve	Other reserves*	Retained earnings	**Reserves attributable to ordinary equity-holders**	**Other equity instruments and reserves****	**Non-controlling interests**	**Total equity**
27	12 769	1 709	162 520	**173 384**	**12 846**	**4 288**	**198 434**
–	–	–	–	**–**	**5 000**	**–**	**5 000**
–	–	–	–	**–**	**(2 265)**	**–**	**(2 265)**
19	–	114	(200)	**(67)**	**–**	**2**	**(65)**
–	–	–	(10 939)	**(10 939)**	**–**	**(661)**	**(11 600)**
–	–	–	–	**–**	**(750)**	**–**	**(750)**
–	–	–	–	**–**	**–**	**257**	**257**
–	–	–	2	**2**	**–**	**–**	**(190)**
–	–	–	2	**2**	**–**	**–**	**(190)**
–	–	–	–	**–**	**–**	**–**	**–**
–	(2 236)	33	19 509	**19 565**	**750**	**684**	**20 999**
–	–	–	19 509	**19 509**	**750**	**700**	**20 959**
–	(2 236)	33	–	**56**	**–**	**(16)**	**40**
46	10 533	1 856	170 892	**181 945**	**15 581**	**4 570**	**209 820**
12	8 685	1 758	178 436	**187 576**	**17 671**	**4 861**	**217 804**
–	–	–	–	**–**	**3 910**	**–**	**3 910**
–	–	–	–	**–**	**(3 461)**	**–**	**(3 461)**
224	–	4	(10)	**218**	**–**	**–**	**218**
–	–	–	(12 061)	**(12 061)**	**–**	**(545)**	**(12 606)**
–	–	–	–	**–**	**(835)**	**–**	**(835)**
–	–	–	29	**29**	**–**	**–**	**(759)**
–	–	–	29	**29**	**–**	**–**	**(163)**
–	–	–	–	**–**	**–**	**–**	**(596)**
–	1 543	448	21 077	**24 040**	**835**	**786**	**25 661**
–	–	–	21 077	**21 077**	**835**	**774**	**22 686**
–	1 543	448	–	**2 963**	**–**	**12**	**2 975**
236	10 228	2 210	187 471	**199 802**	**18 120**	**5 102**	**229 932**

Statement of headline earnings – IFRS

R million	Six months ended 31 December 2024	Six months ended 31 December 2023	% change	Year ended 30 June 2024
Profit for the period	**22 686**	20 959	8	41 180
Other equity instrument holders	**(835)**	(750)	11	(1 518)
Non-controlling interests	**(774)**	(700)	11	(1 471)
Earnings attributable to ordinary equityholders	**21 077**	19 509	8	38 191
Adjusted for	**(113)**	(374)	(70)	(137)
Gain on disposal of non-private equity associates	**–**	(207)	(100)	(208)
(Gain)/loss on partial disposal of subsidiaries	**–**	(137)	(100)	3
(Gain)/loss on disposal of property and equipment	**(138)**	9	(>100)	23
Fair value movement on investment properties	**–**	–	–	(28)
Impairment of goodwill	**–**	–	–	61
(Reversal of impairment)/impairment of assets in terms of IAS 36	**(14)**	(50)	(72)	11
Tax effects of adjustments	**39**	11	>100	(1)
Non-controlling interest adjustments	**–**	–	–	2
Headline earnings	**20 964**	19 135	10	38 054

Reconciliation from headline to normalised earnings

R million	Six months ended 31 December 2024	2023	% change	Year ended 30 June 2024
Headline earnings	**20 964**	19 135	10	38 054
Adjusted for	**(43)**	(38)	13	(66)
Treasury shares*	**(4)**	7	(>100)	16
IAS 19 adjustment	**(39)**	(45)	(13)	(87)
Private equity related**	**–**	–	–	5
Normalised earnings	**20 921**	19 097	10	37 988

* *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 condensed consolidated income statement

for the six months ended 31 December 2024

R million	Normalised	Private equity related	Treasury shares*	Margin-related items included in fair value income
Net interest income before impairment of advances	**44 659**	–	–	(1 452)
Impairment charge	**(6 897)**	–	–	–
Net interest income after impairment of advances	**37 762**	–	–	(1 452)
Total non-interest revenue	**28 636**	4	4	1 452
– Operational non-interest revenue	**27 549**	4	5	1 452
– Share of profit of associates and joint ventures after tax	**1 087**	–	(1)	–
Income from operations	**66 398**	4	4	–
Operating expenses	**(35 839)**	(4)	–	–
Income before indirect tax	**30 559**	–	4	–
Indirect tax	**(951)**	–	–	–
Profit before tax	**29 608**	–	4	–
Income tax expense	**(7 078)**	–	–	–
Profit for the period	**22 530**	–	4	–
Attributable to				
Other equity instrument holders	**(835)**	–	–	–
Non-controlling interests	**(774)**	–	–	–
Ordinary equityholders	**20 921**	–	4	–
Headline and normalised earnings adjustments	**–**	–	(4)	–
Normalised earnings attributable to ordinary equityholders of the group	**20 921**	–	–	–

* *FirstRand shares held for client trading activities.*

IAS 19 adjustment	Headline earnings adjustments	TRS and IFRS 2 liability remeasurement	**IFRS**
–	–	160	**43 367**
–	–	–	**(6 897)**
–	–	160	**36 470**
–	138	(167)	**30 067**
–	138	(167)	**28 981**
–	–	–	**1 086**
–	138	(7)	**66 537**
53	14	7	**(35 769)**
53	152	–	**30 768**
–	–	–	**(951)**
53	152	–	**29 817**
(14)	(39)	–	**(7 131)**
39	113	–	**22 686**
–	–	–	**(835)**
–	–	–	**(774)**
39	113	–	**21 077**
(39)	(113)	–	**(156)**
–	–	–	**20 921**

Reconciliation of normalised to IFRS condensed consolidated income statement

for the six months ended 31 December 2023

R million	Normalised	Private equity related	Treasury shares*	Margin-related items included in fair value income
Net interest income before impairment of advances	42 771	–	–	(1 369)
Impairment charge	(6 404)	–	–	–
Net interest income after impairment of advances	36 367	–	–	(1 369)
Total non-interest revenue	26 577	–	(7)	1 369
– Operational non-interest revenue	25 824	–	(5)	1 369
– Share of profit of associates and joint ventures after tax	753	–	(2)	–
Income from operations	62 944	–	(7)	–
Operating expenses	(34 616)	–	–	–
Income before indirect tax	28 328	–	(7)	–
Indirect tax	(972)	–	–	–
Profit before tax	27 356	–	(7)	–
Income tax expense	(6 809)	–	–	–
Profit for the period	20 547	–	(7)	–
Attributable to				
Other equity instrument holders	(750)	–	–	–
Non-controlling interests	(700)	–	–	–
Ordinary equityholders	19 097	–	(7)	–
Headline and normalised earnings adjustments	–	–	7	–
Normalised earnings attributable to ordinary equityholders of the group	19 097	–	–	–

* *FirstRand shares held for client trading activities.*

IAS 19 adjustment	Headline earnings adjustments	TRS and IFRS 2 liability remeasurement	IFRS
–	–	108	41 510
–	–	–	(6 404)
–	–	108	35 106
–	335	209	28 483
–	335	209	27 732
–	–	–	751
–	335	317	63 589
62	50	(317)	(34 821)
62	385	–	28 768
–	–	–	(972)
62	385	–	27 796
(17)	(11)	–	(6 837)
45	374	–	20 959
–	–	–	(750)
–	–	–	(700)
45	374	–	19 509
(45)	(374)	–	(412)
–	–	–	19 097

Reconciliation of normalised to IFRS condensed consolidated income statement

for the year ended 30 June 2024

R million	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 condensed consolidated statement of financial position

as at 31 December 2024

R million	Normalised	Treasury shares*	Empowerment Fund reserve	IFRS
ASSETS				
Cash and cash equivalents	175 899	–	–	175 899
Derivative financial instruments	56 350	–	–	56 350
Commodities	14 924	–	–	14 924
Investment securities	488 868	(602)	2 916	491 182
Advances	1 710 087	–	–	1 710 087
– Advances to customers	1 637 631	–	–	1 637 631
– Marketable advances	72 456	–	–	72 456
Collateral, settlement balances and other assets	33 300	–	–	33 300
Current tax asset	958	–	–	958
Non-current assets and disposal groups held for sale	1 388	–	–	1 388
Insurance contract assets	1 075	–	–	1 075
Reinsurance contract assets	541	–	–	541
Investments in associates	11 040	–	–	11 040
Investments in joint ventures	3 897	51	–	3 948
Property and equipment	24 088	–	–	24 088
Intangible assets	10 119	–	–	10 119
Investment properties	719	–	–	719
Defined benefit post-employment asset	7	–	–	7
Deferred income tax asset	7 419	–	–	7 419
Total assets	**2 540 679**	**(551)**	**2 916**	**2 543 044**
EQUITY AND LIABILITIES				
Liabilities				
Short trading positions	16 343	–	–	16 343
Derivative financial instruments	50 965	–	–	50 965
Creditors, accruals and provisions	35 484	–	–	35 484
Current tax liability	640	–	–	640
Liabilities directly associated with disposal groups held for sale	1 027	–	–	1 027
Deposits	2 159 408	–	–	2 159 408
Employee liabilities	11 540	–	–	11 540
Other liabilities	5 662	–	–	5 662
Insurance contract liabilities	1 084	–	–	1 084
Reinsurance contract liabilities	88	–	–	88
Policyholder liabilities under investment contracts	8 397	–	–	8 397
Tier 2 liabilities	21 613	–	–	21 613
Deferred income tax liability	861	–	–	861
Total liabilities	**2 313 112**	**–**	**–**	**2 313 112**
Equity				
Ordinary shares	56	–	–	56
Share premium	7 460	(608)	–	6 852
Reserves	199 745	57	–	199 802
Capital and reserves attributable to equityholders of the group	**207 261**	**(551)**	**–**	**206 710**
Other equity instruments and reserves	15 204	–	2 916	18 120
Non-controlling interests	5 102	–	–	5 102
Total equity	**227 567**	**(551)**	**2 916**	**229 932**
Total equities and liabilities	**2 540 679**	**(551)**	**2 916**	**2 543 044**

* *FirstRand shares held for client trading activities.*

Reconciliation of normalised to IFRS condensed consolidated statement of financial position

as at 31 December 2023

R million	Normalised	Treasury shares*	Empowerment Fund reserve	IFRS
ASSETS				
Cash and cash equivalents	136 315	–	–	136 315
Derivative financial instruments	57 168	–	–	57 168
Commodities	13 327	–	–	13 327
Investment securities	430 926	(394)	2 916	433 448
Advances	1 601 558	–	–	1 601 558
– Advances to customers	1 519 329	–	–	1 519 329
– Marketable advances	82 229	–	–	82 229
Collateral, settlement balances and other assets	38 924	–	–	38 924
Current tax asset	1 201	–	–	1 201
Non-current assets and disposal groups held for sale	150	–	–	150
Insurance contract assets	668	–	–	668
Reinsurance contract assets	723	–	–	723
Investments in associates	9 355	–	–	9 355
Investments in joint ventures	3 198	46	–	3 244
Property and equipment	22 036	–	–	22 036
Intangible assets	10 096	–	–	10 096
Investment properties	357	–	–	357
Defined benefit post-employment asset	24	–	–	24
Deferred income tax asset	6 914	–	–	6 914
Total assets	2 332 940	(348)	2 916	2 335 508
EQUITY AND LIABILITIES				
Liabilities				
Short trading positions	12 366	–	–	12 366
Derivative financial instruments	48 283	–	–	48 283
Creditors, accruals and provisions	40 202	–	–	40 202
Current tax liability	978	–	–	978
Deposits	1 978 278	–	–	1 978 278
Employee liabilities	11 840	–	–	11 840
Other liabilities	6 449	–	–	6 449
Insurance contract liabilities	1 521	–	–	1 521
Reinsurance contract liabilities	110	–	–	110
Policyholder liabilities under investment contracts	7 014	–	–	7 014
Tier 2 liabilities	17 657	–	–	17 657
Deferred income tax liability	990	–	–	990
Total liabilities	2 125 688	–	–	2 125 688
Equity				
Ordinary shares	56	–	–	56
Share premium	8 056	(388)	–	7 668
Reserves	181 905	40	–	181 945
Capital and reserves attributable to equityholders of the group	190 017	(348)	–	189 669
Other equity instruments and reserves	12 665	–	2 916	15 581
Non-controlling interests	4 570	–	–	4 570
Total equity	207 252	(348)	2 916	209 820
Total equities and liabilities	2 332 940	(348)	2 916	2 335 508

* *FirstRand shares held for client trading activities.*

Reconciliation of normalised to IFRS condensed consolidated statement of financial position

as at 30 June 2024

R million	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	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.*

Advances

Note 1 – Category analysis of advances

R million	Advances As at 31 December 2024	2023	% change	As at 30 June 2024
Overdrafts and cash management accounts	**95 926**	96 497	(1)	97 614
Term loans	**122 730**	104 548	17	112 983
Card loans	**47 187**	43 450	9	46 357
Instalment sales, hire purchase agreements and lease payments receivable	**301 529**	290 553	4	290 871
Property finance	**568 410**	540 294	5	550 693
Personal loans	**61 447**	59 507	3	61 235
Preference share agreements	**42 563**	41 598	2	41 453
Investment bank term loans	**267 769**	224 563	19	243 900
Long-term loans to group associates and joint ventures	**3 429**	3 116	10	2 919
Other	**84 275**	76 397	10	70 921
Total customer advances	**1 595 265**	1 480 523	8	1 518 946
Marketable advances	**72 456**	82 229	(12)	78 952
Assets under agreements to resell	**97 609**	92 060	6	67 808
Gross value of advances	**1 765 330**	1 654 812	7	1 665 706
Impairment and credit of fair value advances	**(55 243)**	(53 254)	4	(54 165)
Net advances	**1 710 087**	1 601 558	7	1 611 541
Gross advances – amortised cost	**1 620 323**	1 508 068	7	1 551 374
Impairment of advances – amortised cost	**(54 249)**	(52 110)	4	(53 177)
Net advances – amortised cost	**1 566 074**	1 455 958	8	1 498 197
Gross advances – fair value	**145 007**	146 744	(1)	114 332
Impairment of advances – fair value	**(994)**	(1 144)	(13)	(988)
Net advances – fair value	**144 013**	145 600	(1)	113 344
Net advances	**1 710 087**	1 601 558	7	1 611 541

Advances continued

Note 2 – Breakdown of ECL created in the reporting period

R million	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired
			31 December 2024		
Current period ECL provided	**9 494**	**(1 085)**	**2 881**	**7 642**	**56**
Interest suspended on stage 3 advances	**(2 005)**	**–**	**–**	**(1 962)**	**(43)**
Current period change in ECL provided after interest suspended on stage 3 advances	**7 489**	**(1 085)**	**2 881**	**5 680**	**13**
Post write-off recoveries	**(1 007)**	**–**	**–**	**(1 007)**	**–**
Modification losses	**415**	**–**	**33**	**382**	**–**
Impairment recognised in the income statement for the period ended 31 December 2024	**6 897**	**(1 085)**	**2 914**	**5 055**	**13**
Amortised cost	**6 897**	**(1 137)**	**2 963**	**5 058**	**13**
Fair value*	**–**	**52**	**(49)**	**(3)**	**–**
			31 December 2023		
Current period ECL provided	8 554	(1 231)	3 098	6 544	143
Interest suspended on stage 3 advances	(1 548)	–	–	(1 521)	(27)
Current period change in ECL provided after interest suspended on stage 3 advances	7 006	(1 231)	3 098	5 023	116
Post write-off recoveries	(958)	–	–	(958)	–
Modification losses	356	–	19	337	–
Impairment recognised in the income statement for the period ended 31 December 2023	6 404	(1 231)	3 117	4 402	116
Amortised cost	6 539	(1 213)	3 234	4 402	116
Fair value*	(135)	(18)	(117)	–	–
			30 June 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 recoveries of bad debts written off or modification losses are attributable to advances measured at fair value.*

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

The basis of presentation of the reconciliation of the gross carrying amount (GCA) and loss allowance on advances can be found in *Note 11 – Advances* in the annual financial statements available on the group's website at www.firstrand.co.za/investors/integrated-reporting-hub/financial-reporting/.

Basis for determination of classes

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

Advances continued

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

AMORTISED COST – 31 DECEMBER 2024

	Retail secured		Retail unsecured		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other
GCA reported as at 1 July 2024	**272 363**	**113 044**	**41 374**	**53 286**	**7 314**
– Stage 1	**231 891**	**93 276**	**33 111**	**35 345**	**5 715**
– Stage 2	**22 249**	**12 552**	**3 030**	**8 933**	**584**
– Stage 3	**18 223**	**7 216**	**5 233**	**9 008**	**1 015**
– Purchased or originated credit impaired	**–**	**–**	**–**	**–**	**–**
Transfers between stages	**–**	**–**	**–**	**–**	**–**
Transfers to/(from) stage 1	**(3 332)**	**(1 399)**	**(1 166)**	**(2 436)**	**(142)**
– Transfers into stage 1	**4 973**	**2 889**	**875**	**1 962**	**149**
– Transfers out of stage 1	**(8 305)**	**(4 288)**	**(2 041)**	**(4 398)**	**(291)**
Transfers to/(from) stage 2	**1 319**	**(305)**	**(272)**	**(381)**	**8**
– Transfers into stage 2	**8 833**	**4 157**	**1 229**	**3 685**	**270**
– Transfers out of stage 2	**(7 514)**	**(4 462)**	**(1 501)**	**(4 066)**	**(262)**
Transfers to/(from) stage 3	**2 013**	**1 704**	**1 438**	**2 817**	**134**
– Transfers into stage 3	**3 540**	**2 243**	**1 484**	**3 517**	**196**
– Transfers out of stage 3	**(1 527)**	**(539)**	**(46)**	**(700)**	**(62)**
Current period movement	**3 494**	**6 683**	**2 260**	**2 971**	**205**
New business – changes in exposure	**20 928**	**24 787**	**1 808**	**10 749**	**724**
Back book – current period movement	**(17 434)**	**(18 104)**	**452**	**(7 778)**	**(519)**
– Exposures with a change in measurement basis from 12 months to LECL	**(737)**	**(971)**	**14**	**(881)**	**(6)**
– Other current period change in exposure/net movement on GCA	**(16 697)**	**(17 133)**	**438**	**(6 897)**	**(513)**
Purchased or originated credit impaired	**–**	**–**	**–**	**–**	**–**
Acquisition/(disposal) of advances	**–**	**–**	**–**	**–**	**–**
Transfers from/(to) other divisions	**1**	**–**	**–**	**–**	**(1)**
Transfers from/(to) non-current assets or disposal groups held for sale	**–**	**–**	**–**	**–**	**–**
Exchange rate differences	**–**	**–**	**–**	**–**	**–**
Bad debts written off	**(250)**	**(1 189)**	**(1 091)**	**(2 894)**	**(393)**
Modifications that did not give rise to derecognition	**(2)**	**(32)**	**(65)**	**(304)**	**(16)**
GCA as at 31 December 2024	**275 606**	**118 506**	**42 478**	**53 059**	**7 109**
– Stage 1	**233 326**	**99 452**	**33 756**	**35 346**	**5 577**
– Stage 2	**23 178**	**12 016**	**2 864**	**8 399**	**564**
– Stage 3	**19 102**	**7 038**	**5 858**	**9 314**	**968**
– Purchased or originated credit impaired	**–**	**–**	**–**	**–**	**–**
Core lending advances	**275 606**	**118 506**	**42 478**	**53 059**	**7 109**
Assets under agreements to resell	**–**	**–**	**–**	**–**	**–**
Total GCA of advances as at 31 December 2024	**275 606**	**118 506**	**42 478**	**53 059**	**7 109**

Corporate and commercial					UK operations		
FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Retail	Commercial	Total
129 028	60 218	394 788	80 409	39 752	274 339	85 459	1 551 374
115 394	55 268	366 607	69 393	39 106	253 218	73 262	1 371 586
8 901	3 841	24 451	7 071	13	10 923	10 324	112 872
4 733	1 109	2 890	3 945	633	10 198	1 873	66 076
–	–	840	–	–	–	–	840
–	–	–	–	–	–	–	–
(1 768)	(517)	423	(995)	(21)	(4 731)	(2 442)	(18 526)
2 002	1 501	3 604	2 133	4	3 643	2 517	26 252
(3 770)	(2 018)	(3 181)	(3 128)	(25)	(8 374)	(4 959)	(44 778)
189	56	(2 621)	707	(3)	2 912	1 917	3 526
2 968	1 739	3 169	3 077	1	7 604	4 708	41 440
(2 779)	(1 683)	(5 790)	(2 370)	(4)	(4 692)	(2 791)	(37 914)
1 579	461	2 198	288	24	1 819	525	15 000
1 634	514	2 198	610	26	2 250	646	18 858
(55)	(53)	–	(322)	(2)	(431)	(121)	(3 858)
6 118	2 887	31 185	4 810	9 287	6 595	2 553	79 048
15 856	10 386	93 436	10 241	217	39 366	19 217	247 715
(9 738)	(7 499)	(62 310)	(5 431)	9 070	(32 771)	(16 664)	(168 726)
(807)	(723)	(20)	193	(2)	(1 277)	(3 368)	(8 585)
(8 931)	(6 776)	(62 290)	(5 624)	9 072	(31 494)	(13 296)	(160 141)
–	–	59	–	–	–	–	59
–	–	(12 218)	–	–	–	–	(12 218)
–	–	–	–	–	–	–	–
–	–	11	–	–	–	–	11
–	–	1 628	(190)	27	7 359	2 302	11 126
(731)	(83)	–	(318)	(642)	(883)	(129)	(8 603)
4	–	–	–	–	–	–	(415)
134 419	63 022	415 394	84 711	48 424	287 410	90 185	1 620 323
120 586	58 450	391 158	72 372	48 339	262 861	78 161	1 439 384
8 597	3 244	18 853	8 305	7	13 650	9 938	109 615
5 236	1 328	4 484	4 034	78	10 899	2 086	70 425
–	–	899	–	–	–	–	899
134 419	63 022	415 017	84 711	32 007	287 410	90 185	1 603 529
–	–	377	–	16 417	–	–	16 794
134 419	63 022	415 394	84 711	48 424	287 410	90 185	1 620 323

Advances continued

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

AMORTISED COST – 31 DECEMBER 2024

	Retail secured		Retail unsecured		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other
ECL reported as at 1 July 2024	**5 451**	**6 259**	**5 705**	**10 243**	**1 327**
– Stage 1	414	982	1 157	1 884	284
– Stage 2	1 290	1 877	773	2 112	167
– Stage 3	3 747	3 400	3 775	6 247	876
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	153	266	71	98	13
– Transfers into stage 1	192	322	186	424	25
– Transfers out of stage 1	(39)	(56)	(115)	(326)	(12)
Transfers to/(from) stage 2	(245)	(637)	(368)	(836)	(38)
– Transfers into stage 2	160	76	72	467	29
– Transfers out of stage 2	(405)	(713)	(440)	(1 303)	(67)
Transfers to/(from) stage 3	92	371	297	738	25
– Transfers into stage 3	228	404	323	980	53
– Transfers out of stage 3	(136)	(33)	(26)	(242)	(28)
Current period provision created/(released)	644	1 114	1 560	3 022	275
New business – impairment charge/(release)	102	656	121	959	88
Back book – impairment charge/(release)	542	458	1 439	2 063	187
– Exposures with a change in measurement basis from 12 months to LECL	(5)	(124)	131	(13)	7
– Other current period impairment charge/(release)	547	582	1 308	2 076	180
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–	–
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
Exchange rate differences	–	–	–	–	–
Bad debts written off	(250)	(1 189)	(1 091)	(2 894)	(393)
ECL as at 31 December 2024	**5 845**	**6 184**	**6 174**	**10 371**	**1 209**
– Stage 1	400	1 053	1 169	1 826	242
– Stage 2	1 272	1 872	741	2 005	144
– Stage 3	4 173	3 259	4 264	6 540	823
– Purchased or originated credit impaired	–	–	–	–	–
Current period provision created/(released) per impairment stage	644	1 114	1 560	3 022	275
– Stage 1	(168)	(194)	(59)	(156)	(53)
– Stage 2	228	630	336	730	13
– Stage 3	584	678	1 283	2 448	315
– Purchased or originated credit impaired	–	–	–	–	–

Corporate and commercial					UK operations		
FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Retail	Commercial	Total
5 071	916	6 058	4 124	877	5 473	1 673	53 177
1 189	245	1 347	1 134	229	1 460	701	11 026
947	147	3 238	854	57	580	433	12 475
2 935	524	891	2 136	591	3 433	539	29 094
–	–	582	–	–	–	–	582
–	–	–	–	–	–	–	–
115	40	361	103	1	81	30	1 332
210	57	367	151	1	120	66	2 121
(95)	(17)	(6)	(48)	–	(39)	(36)	(789)
(275)	(58)	(587)	(85)	(1)	(167)	(42)	(3 339)
85	16	14	80	–	48	50	1 097
(360)	(74)	(601)	(165)	(1)	(215)	(92)	(4 436)
160	18	226	(18)	–	86	12	2 007
195	27	226	54	1	121	42	2 654
(35)	(9)	–	(72)	(1)	(35)	(30)	(647)
1 038	132	594	520	106	458	32	9 495
216	95	385	187	–	200	157	3 166
822	37	153	333	106	258	(125)	6 273
218	3	64	53	(2)	32	(9)	355
604	34	89	280	108	226	(116)	5 918
–	–	56	–	–	–	–	56
–	–	(46)	–	–	–	–	(46)
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	12	(2)	18	153	45	226
(731)	(83)	–	(318)	(642)	(883)	(129)	(8 603)
5 378	965	6 618	4 324	359	5 201	1 621	54 249
1 199	265	1 732	1 020	275	1 411	638	11 230
993	105	2 956	936	3	613	452	12 092
3 186	595	1 292	2 368	81	3 177	531	30 289
–	–	638	–	–	–	–	638
1 038	132	594	520	106	458	32	9 495
(106)	(21)	60	(204)	42	(166)	(110)	(1 135)
321	17	304	167	(51)	186	49	2 930
823	136	174	557	115	438	93	7 644
–	–	56	–	–	–	–	56

Advances continued

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

FAIR VALUE – 31 DECEMBER 2024

R million	FNB commercial	RMB corporate and investment banking	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	–	282	–	–	282
– Transfers into stage 1	–	282	–	–	282
– Transfers out of stage 1	–	–	–	–	–
Transfers to/(from) stage 2	–	(278)	–	–	(278)
– Transfers into stage 2	–	–	–	–	–
– Transfers out of stage 2	–	(278)	–	–	(278)
Transfers to/(from) stage 3	–	(4)	–	–	(4)
– Transfers into stage 3	–	(4)	–	–	(4)
– Transfers out of stage 3	–	–	–	–	–
Current period movement	(17)	29 510	142	38	29 673
New business – changes in exposure	(16)	15 581	139	–	15 704
Back book – current period movement	(1)	13 929	3	38	13 969
– Exposures with a change in measurement basis from 12 months to LECL	–	–	–	–	–
– Other current period change in exposure/net movement on GCA	(1)	13 929	3	38	13 969
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	207	–	–	207
Transfers from/(to) other divisions	–	–	–	–	–
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
Exchange rate differences	–	784	18	–	802
Bad debts written off	–	(7)	–	–	(7)
GCA as at 31 December 2024	799	143 499	513	196	145 007
– Stage 1	799	141 201	513	196	142 709
– Stage 2	–	1 384	–	–	1 384
– Stage 3	–	914	–	–	914
– Purchased or originated credit impaired	–	–	–	–	–
Core lending advances	799	62 891	306	196	64 192
Assets under agreements to resell	–	80 608	207	–	80 815
Total GCA of advances as at 31 December 2024	799	143 499	513	196	145 007

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

FAIR VALUE – 31 DECEMBER 2024

R million	FNB commercial	RMB corporate and investment banking	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	**–**	**18**	**–**	**–**	**18**
– Transfers into stage 1	**–**	**18**	**–**	**–**	**18**
– Transfers out of stage 1	**–**	**–**	**–**	**–**	**–**
Transfers to/(from) stage 2	**–**	**(18)**	**–**	**–**	**(18)**
– Transfers into stage 2	**–**	**–**	**–**	**–**	**–**
– Transfers out of stage 2	**–**	**(18)**	**–**	**–**	**(18)**
Transfers to/(from) stage 3	**–**	**–**	**–**	**–**	**–**
– Transfers into stage 3	**–**	**–**	**–**	**–**	**–**
– Transfers out of stage 3	**–**	**–**	**–**	**–**	**–**
Current period provision created/(released)	**10**	**(8)**	**–**	**(3)**	**(1)**
New business – impairment charge/(release)	**2**	**96**	**–**	**–**	**98**
Back book – impairment charge/(release)	**8**	**(104)**	**–**	**(3)**	**(99)**
– Exposures with a change in measurement basis from 12 months to LECL	**–**	**–**	**–**	**–**	**–**
– Other current period impairment charge/(release)	**8**	**(104)**	**–**	**(3)**	**(99)**
Purchased or originated credit impaired	**–**	**–**	**–**	**–**	**–**
Acquisition/(disposal) of advances	**–**	**–**	**–**	**–**	**–**
Transfers from/(to) other divisions	**–**	**–**	**–**	**–**	**–**
Transfers from/(to) non-current assets or disposal groups held for sale	**–**	**–**	**–**	**–**	**–**
Exchange rate differences	**–**	**14**	**–**	**–**	**14**
Bad debts written off	**–**	**(7)**	**–**	**–**	**(7)**
ECL as at 31 December 2024	**16**	**973**	**1**	**4**	**994**
– Stage 1	**16**	**674**	**1**	**4**	**695**
– Stage 2	**–**	**48**	**–**	**–**	**48**
– Stage 3	**–**	**251**	**–**	**–**	**251**
– Purchased or originated credit impaired	**–**	**–**	**–**	**–**	**–**
Current period provision created/(released) per impairment stage	**10**	**(8)**	**–**	**(3)**	**(1)**
– Stage 1	**10**	**43**	**–**	**(3)**	**50**
– Stage 2	**–**	**(49)**	**–**	**–**	**(49)**
– Stage 3	**–**	**(2)**	**–**	**–**	**(2)**
– Purchased or originated credit impaired	**–**	**–**	**–**	**–**	**–**

Advances continued

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

AMORTISED COST – 31 DECEMBER 2023

	Retail secured		Retail unsecured		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other
GCA reported as at 1 July 2023	259 635	108 779	37 149	50 072	7 406
– Stage 1	223 096	90 310	30 073	35 024	5 843
– Stage 2	22 466	12 300	3 019	7 501	639
– Stage 3	14 073	6 169	4 057	7 547	924
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	(2 431)	(2 492)	(825)	(2 928)	(166)
– Transfers into stage 1	5 162	2 466	987	1 585	168
– Transfers out of stage 1	(7 593)	(4 958)	(1 812)	(4 513)	(334)
Transfers to/(from) stage 2	(430)	473	(386)	23	(44)
– Transfers into stage 2	7 601	4 582	1 168	3 372	264
– Transfers out of stage 2	(8 031)	(4 109)	(1 554)	(3 349)	(308)
Transfers to/(from) stage 3	2 861	2 019	1 211	2 905	210
– Transfers into stage 3	3 698	2 346	1 269	3 295	256
– Transfers out of stage 3	(837)	(327)	(58)	(390)	(46)
Current period movement	6 664	3 427	2 687	4 360	470
New business – changes in exposure	22 005	14 569	1 543	11 663	737
Back book – current period movement	(15 341)	(11 142)	1 144	(7 303)	(267)
– Exposures with a change in measurement basis from 12 months to LECL	(646)	(400)	81	(792)	5
– Other current period change in exposure/net movement on GCA	(14 695)	(10 742)	1 063	(6 511)	(272)
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–	–
Transfers from/(to) other divisions	(10)	–	–	–	10
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
Exchange rate differences	–	–	–	–	–
Bad debts written off	(211)	(783)	(938)	(2 220)	(328)
Modifications that did not give rise to derecognition	(8)	(15)	(16)	(299)	(18)
GCA as at 31 December 2023	266 070	111 408	38 882	51 913	7 540
– Stage 1	227 932	92 140	31 461	35 647	5 932
– Stage 2	22 070	12 448	2 914	7 731	633
– Stage 3	16 068	6 820	4 507	8 535	975
– Purchased or originated credit impaired	–	–	–	–	–
Core lending advances	266 070	111 408	38 882	51 913	7 540
Assets under agreements to resell	–	–	–	–	–
Total GCA of advances as at 31 December 2023	266 070	111 408	38 882	51 913	7 540

* *The MotoNovo back book is included in the Centre and is no longer reported in the UK operations, effective 1 July 2023. Comparatives have not been restated.*

Corporate and commercial					UK operations		
FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)*	Retail*	Commercial	Total
115 928	54 212	335 608	76 804	40 861	286 908	85 834	1 459 196
102 500	49 682	311 754	65 913	40 861	259 928	77 780	1 292 764
8 655	3 464	19 495	7 346	–	18 256	6 636	109 777
4 773	1 066	3 577	3 545	–	8 724	1 418	55 873
–	–	782	–	–	–	–	782
–	–	–	–	–	–	–	–
(992)	(2 128)	(5 498)	(608)	49	(6 901)	(3 797)	(28 717)
1 994	2 793	2 732	1 050	64	5 564	1 923	26 488
(2 986)	(4 921)	(8 230)	(1 658)	(15)	(12 465)	(5 720)	(55 205)
340	2 099	5 498	233	(5)	4 768	2 995	15 564
2 763	4 896	8 230	1 520	11	11 531	5 390	51 328
(2 423)	(2 797)	(2 732)	(1 287)	(16)	(6 763)	(2 395)	(35 764)
652	29	–	375	(44)	2 133	802	13 153
964	311	–	445	16	2 511	916	16 027
(312)	(282)	–	(70)	(60)	(378)	(114)	(2 874)
4 457	5 599	46 536	4 884	(7 970)	(4 946)	1 300	67 468
14 753	12 034	61 576	11 213	(1 128)	26 795	16 251	192 011
(10 296)	(6 435)	(15 096)	(6 329)	(6 842)	(31 741)	(14 951)	(124 599)
(648)	(1 440)	(642)	(188)	–	(2 254)	(1 551)	(8 475)
(9 648)	(4 995)	(14 454)	(6 141)	(6 842)	(29 487)	(13 400)	(116 124)
–	–	56	–	–	–	–	56
–	–	(2 871)	–	–	–	–	(2 871)
–	–	–	–	1 592	(1 592)	–	–
–	–	–	–	–	–	–	–
–	–	(829)	(2 552)	(30)	(4 572)	(1 357)	(9 340)
(714)	(48)	(62)	(342)	(19)	(179)	(185)	(6 029)
–	–	–	–	–	–	–	(356)
119 671	59 763	378 382	78 794	34 434	275 619	85 592	1 508 068
106 622	54 631	352 141	68 987	33 761	246 038	75 510	1 330 802
8 582	4 150	22 011	6 166	12	20 596	8 446	115 759
4 467	982	3 392	3 641	661	8 985	1 636	60 669
–	–	838	–	–	–	–	838
119 671	59 763	378 091	78 794	27 139	275 619	85 592	1 500 482
–	–	291	–	7 295	–	–	7 586
119 671	59 763	378 382	78 794	34 434	275 619	85 592	1 508 068

Advances continued

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

AMORTISED COST – 31 DECEMBER 2023

	Retail secured		Retail unsecured		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other
ECL reported as at 1 July 2023	4 356	5 862	4 767	9 289	1 248
– Stage 1	432	995	1 165	2 069	310
– Stage 2	1 076	1 879	754	1 901	168
– Stage 3	2 848	2 988	2 848	5 319	770
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	150	216	101	20	12
– Transfers into stage 1	178	281	209	362	31
– Transfers out of stage 1	(28)	(65)	(108)	(342)	(19)
Transfers to/(from) stage 2	(296)	(597)	(358)	(756)	(57)
– Transfers into stage 2	88	71	75	331	27
– Transfers out of stage 2	(384)	(668)	(433)	(1 087)	(84)
Transfers to/(from) stage 3	146	381	257	736	45
– Transfers into stage 3	218	397	288	861	67
– Transfers out of stage 3	(72)	(16)	(31)	(125)	(22)
Current period provision created/(released)	510	1 032	1 253	2 813	391
New business – impairment charge/(release)	138	279	108	1 095	15
Back book – impairment charge/(release)	372	753	1 145	1 718	376
– Exposures with a change in measurement basis from 12 months to LECL	46	22	125	(40)	14
– Other current period impairment charge/(release)	326	731	1 020	1 758	362
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–	–
Transfers from/(to) other divisions	–	–	–	(35)	35
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
Exchange rate differences	–	–	–	–	–
Bad debts written off	(211)	(783)	(938)	(2 220)	(328)
ECL as at 31 December 2023	4 655	6 111	5 082	9 847	1 346
– Stage 1	410	991	1 142	1 912	363
– Stage 2	1 077	1 876	718	1 911	169
– Stage 3	3 168	3 244	3 222	6 024	814
– Purchased or originated credit impaired	–	–	–	–	–
Current period provision created/(released) per impairment stage	510	1 032	1 253	2 813	391
– Stage 1	(172)	(221)	(127)	(142)	9
– Stage 2	297	596	324	766	58
– Stage 3	385	657	1 056	2 189	324
– Purchased or originated credit impaired	–	–	–	–	–

* *The MotoNovo back book is included in the Centre and is no longer reported in the UK operations, effective 1 July 2023. Comparatives have not been restated.*

Corporate and commercial					UK operations		
FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)*	Retail*	Commercial	Total
4 952	733	5 210	4 140	531	6 866	1 792	49 746
907	228	1 334	1 285	370	2 372	962	12 429
1 213	111	2 436	808	151	889	382	11 768
2 832	394	1 195	2 047	10	3 605	448	25 304
–	–	245	–	–	–	–	245
–	–	–	–	–	–	–	–
180	32	86	49	8	38	17	909
238	56	125	95	8	112	67	1 762
(58)	(24)	(39)	(46)	–	(74)	(50)	(853)
(225)	2	(86)	(63)	(1)	(112)	(49)	(2 598)
93	44	39	53	1	89	58	969
(318)	(42)	(125)	(116)	(2)	(201)	(107)	(3 567)
45	(34)	–	14	(7)	74	32	1 689
153	12	–	38	1	113	58	2 206
(108)	(46)	–	(24)	(8)	(39)	(26)	(517)
587	150	781	443	70	447	213	8 690
186	110	261	199	–	275	191	2 857
401	40	377	244	70	172	22	5 690
177	10	181	71	–	131	(16)	721
224	30	196	173	70	41	38	4 969
–	–	143	–	–	–	–	143
–	–	(8)	–	–	–	–	(8)
–	–	–	–	827	(827)	–	–
–	–	–	–	–	–	–	–
–	–	(10)	(146)	(13)	(93)	(27)	(289)
(714)	(48)	(62)	(342)	(19)	(179)	(185)	(6 029)
4 825	835	5 911	4 095	1 396	6 214	1 793	52 110
958	302	1 497	1 092	368	2 061	905	12 001
1 191	125	2 783	928	155	1 074	317	12 324
2 676	408	1 244	2 075	870	3 079	571	27 395
–	–	387	–	3	–	–	390
587	150	781	443	70	447	213	8 690
(129)	42	91	(189)	(10)	(307)	(57)	(1 212)
202	12	435	224	(3)	316	(12)	3 215
514	96	112	408	83	438	282	6 544
–	–	143	–	–	–	–	143

Advances continued

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

FAIR VALUE – 31 DECEMBER 2023

R million	FNB commercial	RMB corporate and investment banking	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	–	(43)	–	–	(43)
– Transfers into stage 1	–	–	–	–	–
– Transfers out of stage 1	–	(43)	–	–	(43)
Transfers to/(from) stage 2	–	43	–	–	43
– Transfers into stage 2	–	43	–	–	43
– Transfers out of stage 2	–	–	–	–	–
Transfers to/(from) stage 3	–	–	–	–	–
– Transfers into stage 3	–	–	–	–	–
– Transfers out of stage 3	–	–	–	–	–
Current period movement	208	14 844	976	(4)	16 024
New business – changes in exposure	–	8 148	17	–	8 165
Back book – current period movement	208	6 696	959	(4)	7 859
– Exposures with a change in measurement basis from 12 months to LECL	–	20	–	–	20
– Other current period change in exposure/net movement on GCA	208	6 676	959	(4)	7 839
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–	–
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
Exchange rate differences	–	(282)	(209)	–	(491)
Bad debts written off	–	(40)	–	–	(40)
GCA as at 31 December 2023	728	144 922	1 022	72	146 744
– Stage 1	728	140 993	1 022	18	142 761
– Stage 2	–	3 207	–	43	3 250
– Stage 3	–	722	–	11	733
– Purchased or originated credit impaired	–	–	–	–	–
Core lending advances	728	61 471	–	71	62 270
Assets under agreements to resell	–	83 451	1 022	1	84 474
Total GCA of advances as at 31 December 2023	728	144 922	1 022	72	146 744

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

FAIR VALUE – 31 DECEMBER 2023

R million	FNB commercial	RMB corporate and investment banking	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	–	3	–	–	3
– Transfers into stage 1	–	3	–	–	3
– Transfers out of stage 1	–	–	–	–	–
Transfers to/(from) stage 2	–	(3)	–	–	(3)
– Transfers into stage 2	–	–	–	–	–
– Transfers out of stage 2	–	(3)	–	–	(3)
Transfers to/(from) stage 3	–	–	–	–	–
– Transfers into stage 3	–	–	–	–	–
– Transfers out of stage 3	–	–	–	–	–
Current period provision created/(released)	4	(140)	–	–	(136)
New business – impairment charge/(release)	–	55	–	–	55
Back book – impairment charge/(release)	4	(195)	–	–	(191)
– Exposures with a change in measurement basis from 12 months to LECL	–	13	–	–	13
– Other current period impairment charge/(release)	4	(208)	–	–	(204)
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–	–
Transfers from/(to) other divisions	–	–	–	–	–
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
Exchange rate differences	–	(6)	–	–	(6)
Bad debts written off	–	(40)	–	–	(40)
ECL as at 31 December 2023	55	1 072	–	17	1 144
– Stage 1	55	276	–	3	334
– Stage 2	–	355	–	7	362
– Stage 3	–	441	–	7	448
– Purchased or originated credit impaired	–	–	–	–	–
Current period provision created/(released) per impairment stage	4	(140)	–	–	(136)
– Stage 1	4	(20)	–	(3)	(19)
– Stage 2	–	(120)	–	3	(117)
– Stage 3	–	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–	–

Advances continued

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

AMORTISED COST – 30 JUNE 2024

	Retail secured		Retail unsecured		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other
GCA reported as at 1 July 2023	259 635	108 779	37 149	50 072	7 406
– Stage 1	223 096	90 310	30 073	35 024	5 843
– Stage 2	22 466	12 300	3 019	7 501	639
– Stage 3	14 073	6 169	4 057	7 547	924
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	(4 661)	(4 132)	(1 733)	(5 211)	(261)
– Transfers into stage 1	6 758	2 606	1 066	1 443	177
– Transfers out of stage 1	(11 419)	(6 738)	(2 799)	(6 654)	(438)
Transfers to/(from) stage 2	(572)	890	(634)	130	19
– Transfers into stage 2	10 455	5 770	1 221	3 920	342
– Transfers out of stage 2	(11 027)	(4 880)	(1 855)	(3 790)	(323)
Transfers to/(from) stage 3	5 233	3 242	2 367	5 081	242
– Transfers into stage 3	6 913	4 129	2 464	5 821	358
– Transfers out of stage 3	(1 680)	(887)	(97)	(740)	(116)
Current year movement	13 240	6 091	6 190	9 127	559
New business – changes in exposure	40 258	38 672	3 735	20 785	1 207
Back book – current year movement	(27 018)	(32 581)	2 455	(11 658)	(648)
– Exposures with a change in measurement basis from 12 months to LECL	(1 229)	(2 092)	198	(1 251)	1
– Other current year change in exposure/net movement on GCA	(25 789)	(30 489)	2 257	(10 407)	(649)
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–	–
Transfers from/(to) other divisions	(28)	–	–	–	28
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
Exchange rate differences	–	–	–	–	–
Bad debts written off	(447)	(1 779)	(1 869)	(5 263)	(648)
Modifications that did not give rise to derecognition	(37)	(47)	(96)	(650)	(31)
GCA as at 30 June 2024	272 363	113 044	41 374	53 286	7 314
– Stage 1	231 891	93 276	33 111	35 345	5 715
– Stage 2	22 249	12 552	3 030	8 933	584
– Stage 3	18 223	7 216	5 233	9 008	1 015
– Purchased or originated credit impaired	–	–	–	–	–
Core lending advances	272 363	113 044	41 374	53 286	7 314
Assets under agreements to resell	–	–	–	–	–
Total GCA of advances as at 30 June 2024	272 363	113 044	41 374	53 286	7 314

* *The MotoNovo back book is included in the Centre and is no longer reported in the UK operations, effective 1 July 2023. Comparatives have not been restated.*

Corporate and commercial					UK operations		
FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)*	Retail*	Commercial	Total
115 928	54 212	335 608	76 804	40 861	286 908	85 834	1 459 196
102 500	49 682	311 754	65 913	40 861	259 928	77 780	1 292 764
8 655	3 464	19 495	7 346	–	18 256	6 636	109 777
4 773	1 066	3 577	3 545	–	8 724	1 418	55 873
–	–	782	–	–	–	–	782
–	–	–	–	–	–	–	–
(1 761)	(827)	(8 134)	(1 519)	9	708	(5 585)	(33 107)
3 297	2 745	1 312	5 010	21	10 117	2 437	36 989
(5 058)	(3 572)	(9 446)	(6 529)	(12)	(9 409)	(8 022)	(70 096)
240	484	7 689	240	12	(4 671)	4 404	8 231
4 293	3 238	9 081	5 814	8	7 101	7 322	58 565
(4 053)	(2 754)	(1 392)	(5 574)	4	(11 772)	(2 918)	(50 334)
1 521	343	445	1 279	(21)	3 963	1 181	24 876
1 822	607	445	1 529	22	4 628	1 285	30 023
(301)	(264)	–	(250)	(43)	(665)	(104)	(5 147)
14 512	6 125	65 057	8 702	(2 623)	800	3 489	131 269
28 911	20 517	131 950	18 839	3 013	62 091	28 465	398 443
(14 399)	(14 392)	(66 951)	(10 137)	(5 636)	(61 291)	(24 976)	(267 232)
(567)	(590)	(2 019)	(109)	(24)	(3 241)	(2 520)	(13 443)
(13 832)	(13 802)	(64 932)	(10 028)	(5 612)	(58 050)	(22 456)	(253 789)
–	–	58	–	–	–	–	58
–	–	(3 737)	–	–	–	–	(3 737)
–	–	–	–	1 592	(1 592)	–	–
–	–	–	–	–	–	–	–
–	–	(1 653)	(4 452)	(44)	(11 460)	(3 524)	(21 133)
(1 412)	(119)	(487)	(645)	(34)	(317)	(340)	(13 360)
–	–	–	–	–	–	–	(861)
129 028	60 218	394 788	80 409	39 752	274 339	85 459	1 551 374
115 394	55 268	366 607	69 393	39 106	253 218	73 262	1 371 586
8 901	3 841	24 451	7 071	13	10 923	10 324	112 872
4 733	1 109	2 890	3 945	633	10 198	1 873	66 076
–	–	840	–	–	–	–	840
129 028	60 218	394 712	80 409	32 296	274 339	85 459	1 543 842
–	–	76	–	7 456	–	–	7 532
129 028	60 218	394 788	80 409	39 752	274 339	85 459	1 551 374

Advances continued

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

AMORTISED COST – 30 JUNE 2024

	Retail secured		Retail unsecured		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other
ECL reported as at 1 July 2023	4 356	5 862	4 767	9 289	1 248
– Stage 1	432	995	1 165	2 069	310
– Stage 2	1 076	1 879	754	1 901	168
– Stage 3	2 848	2 988	2 848	5 319	770
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	187	200	81	(327)	8
– Transfers into stage 1	226	290	234	326	30
– Transfers out of stage 1	(39)	(90)	(153)	(653)	(22)
Transfers to/(from) stage 2	(337)	(609)	(422)	(1 024)	(21)
– Transfers into stage 2	157	144	79	486	58
– Transfers out of stage 2	(494)	(753)	(501)	(1 510)	(79)
Transfers to/(from) stage 3	150	409	341	1 351	13
– Transfers into stage 3	304	501	395	1 633	67
– Transfers out of stage 3	(154)	(92)	(54)	(282)	(54)
Current year provision created/(released)	1 612	2 176	2 807	6 122	752
New business – impairment charge/(release)	362	1 280	328	2 779	161
Back book – impairment charge/(release)	1 250	896	2 479	3 343	591
– Exposures with a change in measurement basis from 12 months to LECL	119	(187)	171	52	15
– Other current year impairment charge/(release)	1 131	1 083	2 308	3 291	576
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	–	–	–
Transfers from/(to) other divisions	(70)	–	–	95	(25)
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
Exchange rate differences	–	–	–	–	–
Bad debts written off	(447)	(1 779)	(1 869)	(5 263)	(648)
ECL as at 30 June 2024	5 451	6 259	5 705	10 243	1 327
– Stage 1	414	982	1 157	1 884	284
– Stage 2	1 290	1 877	773	2 112	167
– Stage 3	3 747	3 400	3 775	6 247	876
– Purchased or originated credit impaired	–	–	–	–	–
Current year provision created/(released) per impairment stage	1 612	2 176	2 807	6 122	752
– Stage 1	(133)	(215)	(90)	46	(9)
– Stage 2	550	607	442	1 235	20
– Stage 3	1 195	1 784	2 455	4 841	741
– Purchased or originated credit impaired	–	–	–	–	–

* *The MotoNovo back book is included in the Centre and is no longer reported in the UK operations, effective 1 July 2023. Comparatives have not been restated.*

Corporate and commercial					UK operations		
FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)*	Retail*	Commercial	Total
4 952	733	5 210	4 140	531	6 866	1 792	49 746
907	228	1 334	1 285	370	2 372	962	12 429
1 213	111	2 436	808	151	889	382	11 768
2 832	394	1 195	2 047	10	3 605	448	25 304
–	–	245	–	–	–	–	245
–	–	–	–	–	–	–	–
206	62	67	188	9	190	9	880
282	81	112	255	9	244	93	2 182
(76)	(19)	(45)	(67)	–	(54)	(84)	(1 302)
(324)	(34)	(82)	(239)	–	(265)	(58)	(3 415)
96	29	43	79	3	76	79	1 329
(420)	(63)	(125)	(318)	(3)	(341)	(137)	(4 744)
118	(28)	15	51	(9)	75	49	2 535
225	17	15	102	2	159	76	3 496
(107)	(45)	–	(51)	(11)	(84)	(27)	(961)
1 531	302	1 360	868	(420)	(7)	300	17 403
511	225	497	469	–	428	273	7 313
1 020	77	526	399	(420)	(435)	27	9 753
189	31	296	49	(2)	(7)	1	727
831	46	230	350	(418)	(428)	26	9 026
–	–	337	–	–	–	–	337
–	–	(9)	–	–	–	–	(9)
–	–	–	–	827	(827)	–	–
–	–	–	–	–	–	–	–
–	–	(16)	(239)	(27)	(242)	(79)	(603)
(1 412)	(119)	(487)	(645)	(34)	(317)	(340)	(13 360)
5 071	916	6 058	4 124	877	5 473	1 673	53 177
1 189	245	1 347	1 134	229	1 460	701	11 026
947	147	3 238	854	57	580	433	12 475
2 935	524	891	2 136	591	3 433	539	29 094
–	–	582	–	–	–	–	582
1 531	302	1 360	868	(420)	(7)	300	17 403
76	(44)	(31)	(287)	(152)	(1 019)	(237)	(2 095)
58	70	884	356	(102)	(12)	125	4 233
1 397	276	170	799	(166)	1 024	412	14 928
–	–	337	–	–	–	–	337

Advances continued

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

FAIR VALUE – 30 JUNE 2024

R million	FNB commercial	RMB corporate and investment banking	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	–	–	–	–	–
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
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

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

FAIR VALUE – 30 JUNE 2024

R million	FNB commercial	RMB corporate and investment banking	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	–	–	–	–	–
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
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	(10)	46
– Stage 1	(45)	313	1	(10)	259
– Stage 2	–	(365)	–	–	(365)
– Stage 3	–	152	–	–	152
– Purchased or originated credit impaired	–	–	–	–	–

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

Forward-looking information incorporated in the impairment of advances

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

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

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

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

South Africa

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

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

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 (MPC) 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.

Broader Africa

General

The macroeconomic environment of the group's broader Africa footprint continued to be characterised by differing inflation, interest rate and GDP growth cycles. Fiscal headwinds remained prevalent, if not strengthening, while various countries battled with ongoing droughts and cost-of-living challenges. Political tensions were rife given several key elections held towards the end of the 2024 calender year.

Namibia

Real GDP growth remained firm but not as strong as initially anticipated. Government underspending on economic development goals, uranium output being slow to rebound, subdued diamond mining output and increased water shortages in the central region of the country are key reasons for this. Downward revisions to historical GDP data also played a role. Despite near-term pressure on the economy, longer-term growth prospects remain favourable. Expansive renewable energy investments, growing tourism, and increased oil and gas exploration activity should ensure economic growth averages around 4% per annum. Although inflation is bottoming out, the uptrend is unlikely to be pronounced. Inflation rising to around 4% over 2025 ought to give the central bank enough leeway to further ease monetary policy. The uptrend in household and business demand for credit is therefore expected to remain intact.

Botswana

The economy has taken an unexpected turn for the worse. Battered by markedly lower diamond prices, declining mining output and the impact of the drought, real GDP contracted in the first three quarters of the 2024 calender year. Recessionary conditions have taken hold, and pressure on the public fiscus is mounting. To prevent the budget deficit from blowing out, the government may need to cut back on planned infrastructure spending, creating an additional drag on the economy. Subdued inflation and interest rate cuts will offer only partial cushioning to the blow of growth-sapping factors. These should continue to support pockets of consumer spending and business fixed investment. Aided by the low base in 2024, some recovery in real economic activity is likely in 2025. However, this will require a rebound in global demand for raw diamonds, more favourable weather conditions, the government successfully completing outstanding infrastructure projects under the transitional National Development Plan, and inflation and interest rates remaining low, as expected.

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

The table below sets out the most significant macroeconomic factors used to estimate the forward-looking information relating to ECL provisions. The information is forecast over a period of three years per major economic region that the group operates in. The information below reflects the scenarios and probabilities assigned to each scenario at 31 December 2024, 30 June 2024 and 31 December 2023 for the South African and broader Africa regions.

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

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

The following table sets out the scenarios and probabilities assigned to each scenario at 31 December 2024 for the UK operations:

Scenario	Probability	Description
Base	60% (June 2024: 50%; December 2023: 60%)	• The autumn budget lifts day-to-day spending and long term-investment, with a positive impact on GDP and activity. • The unemployment rate will peak at 4.6% in 2026. • Inflation is expected to average above 2.5% in 2025 as a result of goods inflation base effects and the impact of the autumn budget. • The BoE will reduce the bank rate by 100 bps over the forecast period. • The MPC risks facing a challenging scenario where the labour market loosens, however, idiosyncratic factors (e.g. rises in duty and the national living wage) add to inflation persistence.
Upside	20% (June 2024: 20%; December 2023: 20%)	• Continued demand and supply side disinflation alleviates the cost-of-living crisis and significantly lowers inflation expectations. • Global geopolitical tensions dissipate rapidly and financial and commodity market risk premiums recede. • Lower domestic inflation and persistence of inflation allows the BoE to continue normalising interest rates. • Excess household savings, strong savings income and positive real wage growth boost consumption and economic growth, which sees hiring intentions rise and unemployment fall. • Lower inflation and interest rates boost private investments and productivity and reduce government interest payments. Large increases in public investment raise trend growth. • The UK services sector achieves an efficient and beneficial outcome for the trade relationship with the EU. • Improvements in technology and high adoption rates (e.g. in AI) improve efficiency and raise outputs and trend growth. • Asset prices rise broadly as the economy grows and interest rates fall.

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

Scenario	Probability	Description
Downside	15% (June 2024: 20%; December 2023: 15%)	• 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 results in the unemployment rate rising to 7%. • The loss of income through a looser labour market offsets the previous income gains from elevated interest rates, and households reduce consumption. • Brexit uncertainty limits business investment despite lower interest rates, disrupting trade and exacerbating specific skilled labour shortages. • Rising unemployment introduces forced selling, causing a 12% fall in house prices with larger declines in regions where affordability metrics are most stretched, such as London and the South East. • 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. • Commercial real estate capital prices fall over 33%, focused on poor-quality, energy-inefficient and retail and office sector properties.
Severe downside	5% (June 2024: 10%; December 2023: 5%)	• Geopolitical escalations lead to a significant supply-side inflation shock and the risk of a wage price spiral, prompting aggressive action from central banks, all leading to a deep six-quarter recession. • Natural gas and oil prices rise significantly, with Brent crude 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, but at a higher level of £3 500, with the policy's cost limiting what other support the government can provide. • The UK fails to secure any significant post-Brexit trade deals, resulting in much lower trade volumes. • Due to increased fiscal vulnerability, falling appetite for UK assets causes a prolonged depreciation in the sterling, which pushes up imported and producer inflation. • Inflation surges towards 8%, prompting a second flurry of tightening from the BoE, taking the bank rate to 7%. Policy stays tighter for longer. • 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. • Unemployment rises considerably to over 9% as business insolvencies surge and productivity and earnings growth fall sharply. • Rising mortgage rates and unemployment drive increased forced selling in a residential property market where affordability metrics are already stretched, causing a substantial correction in house prices of -23%. • A permanent decline in commercial property prices due to diminished demand and high business insolvencies.

Significant macroeconomic factors as at 31 December 2024

The table below sets out the most significant macroeconomic factors used to estimate the forward-looking information relating to ECL provisions. The information is forecast over a period of three years per major economic region that the group operates in. The information below reflects the group's forecasts for each period at 31 December.

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

* *Applicable to the secured portfolio.*

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

UK	Upside scenario			Baseline expectation			Downside scenario			Severe scenario		
(%)	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
Real GDP growth	1.70	2.70	2.80	1.30	1.10	1.40	(2.10)	0.40	1.60	(3.80)	(0.60)	0.70
CPI inflation	1.70	1.90	2.10	2.50	2.30	1.90	0.70	2.40	2.00	8.00	1.10	2.00
BoE rate	2.50	2.50	2.50	3.75	3.75	3.75	1.50	2.00	3.00	7.00	5.50	5.00
Household disposable income growth	2.90	1.40	1.10	1.00	1.40	1.50	(0.80)	0.10	1.90	(6.90)	1.00	2.60
House price index growth*	5.60	4.10	3.60	3.30	3.00	3.00	(9.70)	(0.30)	3.90	(15.30)	(7.10)	0.70
Unemployment rate	3.50	3.50	3.50	4.50	4.10	4.10	6.80	6.50	5.40	9.00	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
Real GDP growth	5.50	6.00	6.00	3.90	4.10	3.90	(0.50)	(0.50)	0.50
CPI inflation	6.00	6.50	6.00	4.00	4.70	4.90	7.25	8.00	7.50
Repo rate	7.25	7.50	7.25	6.75	6.75	6.75	8.00	9.25	8.00

Botswana	Upside scenario			Baseline expectation			Downside scenario		
(%)	2025	2026	2027	2025	2026	2027	2025	2026	2027
Real GDP growth	4.00	6.00	5.50	3.20	3.60	3.40	(2.50)	(1.00)	0.50
CPI inflation	2.50	2.00	3.00	3.60	3.60	3.80	6.50	8.00	6.00
Repo rate	1.20	1.20	1.20	1.90	1.90	1.90	3.50	4.00	3.75

Significant macroeconomic factors as at 31 December 2023

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

* *Applicable to the secured portfolio.*

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

UK	Upside scenario			Baseline expectation			Downside scenario			Severe scenario		
(%)	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
Real GDP growth	2.30	3.20	2.80	–	1.10	1.30	(2.30)	0.40	1.70	(3.10)	(2.10)	0.40
CPI inflation	2.80	2.60	2.50	2.80	1.80	2.20	3.80	2.50	2.00	6.40	3.50	2.10
BoE rate	3.80	3.00	3.00	4.75	4.00	4.00	6.00	4.00	4.00	7.00	5.50	5.00
Household disposable income growth	1.40	1.20	1.20	0.50	2.10	1.20	(2.40)	0.20	2.50	(5.30)	(1.50)	2.50
House price index growth*	2.90	4.40	3.60	(4.10)	3.90	3.00	(8.20)	(2.10)	3.50	(12.00)	(10.20)	(0.70)
Unemployment rate	3.60	3.50	3.50	4.70	4.10	3.90	7.00	6.20	5.40	9.20	8.70	8.10

* *Applicable to the secured portfolio.*

Broader Africa

Namibia	Upside scenario			Baseline expectation			Downside scenario		
(%)	2024	2025	2026	2024	2025	2026	2024	2025	2026
Real GDP growth	6.20	6.40	6.90	2.90	3.20	2.90	(0.10)	(0.20)	0.30
CPI inflation	6.20	6.40	6.60	5.70	5.60	5.40	7.50	7.70	7.80
Policy rate	7.00	6.00	5.75	7.50	7.00	7.00	9.50	12.00	7.75

Botswana	Upside scenario			Baseline expectation			Downside scenario		
(%)	2024	2025	2026	2024	2025	2026	2024	2025	2026
Real GDP growth	7.70	8.00	8.00	4.50	4.50	4.10	1.10	1.20	1.20
CPI inflation	3.90	3.30	2.70	4.30	3.90	3.20	8.60	8.00	7.40
Policy rate	2.15	2.15	2.15	2.65	2.65	2.65	3.65	3.65	3.65

Significant macroeconomic factors as at 30 June 2024

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

* *Applicable to the secured portfolio.*

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

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
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
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

Fair value measurements

Fair value hierarchy

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

	As at 31 December 2024			
R million	Level 1	Level 2	Level 3	Total fair value
Assets				
Recurring fair value measurements				
Derivative financial instruments	–	55 068	1 282	56 350
Advances	–	76 978	67 035	144 013
Investment securities	178 061	42 564	4 789	225 414
Non-recourse investments	1 890	6 210	–	8 100
Commodities	14 924	–	–	14 924
Investment properties	–	–	719	719
Total fair value assets	194 875	180 820	73 825	449 520
Liabilities				
Recurring fair value measurements				
Short trading positions	15 307	1 036	–	16 343
Derivative financial instruments	–	48 863	2 102	50 965
Deposits	–	72 862	13 042	85 904
Non-recourse deposits	–	8 100	–	8 100
Other liabilities	–	26	–	26
Policyholder liabilities under investment contracts	–	6 920	–	6 920
Non-recurring fair value measurements				
Disposal groups held for sale – financial liabilities	–	–	–	–
Total fair value liabilities	15 307	137 807	15 144	168 258

Fair value measurements continued

	As at 31 December 2023			
R million	Level 1	Level 2	Level 3	Total fair value
Assets				
Recurring fair value measurements				
Derivative financial instruments	25	55 709	1 434	57 168
Advances	–	76 220	69 380	145 600
Investment securities*	149 316	31 086	4 506	184 908
Non-recourse investments	1 260	3 832	–	5 092
Commodities	13 327	–	–	13 327
Investment properties	–	–	357	357
Total fair value assets	163 928	166 847	75 677	406 452
Liabilities				
Recurring fair value measurements				
Short trading positions	11 055	1 311	–	12 366
Derivative financial instruments	3	46 608	1 672	48 283
Deposits	1 667	67 002	10 266	78 935
Non-recourse deposits	–	5 092	–	5 092
Other liabilities	–	32	–	32
Policyholder liabilities under investment contracts	–	7 014	–	7 014
Non-recurring fair value measurements				
Disposal groups held for sale – financial liabilities	–	–	–	–
Total fair value liabilities	12 725	127 059	11 938	151 722

* *Listed bonds and treasury bills of R13 732 million were incorrectly classified as level 2. The balances have been restated to reflect these securities as level 1.*

R million	As at 30 June 2024			
	Level 1	Level 2	Level 3	Total fair value
Assets				
Recurring fair value measurements				
Derivative financial instruments	18	54 637	629	55 284
Advances	–	58 672	54 672	113 344
Investment securities	156 249	26 383	4 494	187 126
Non-recourse investments	1 281	3 550	–	4 831
Commodities	15 109	–	–	15 109
Investment properties	–	–	704	704
Non-recurring fair value measurements				
Disposal groups held for sale – financial assets	–	14	35	49
Total fair value assets	172 657	143 256	60 534	376 447
Liabilities				
Recurring fair value measurements				
Short trading positions	9 443	830	–	10 273
Derivative financial instruments	6	42 786	1 853	44 645
Deposits	1 546	49 140	10 601	61 287
Non-recourse deposits	–	4 831	–	4 831
Other liabilities	–	49	–	49
Policyholder liabilities under investment contracts	–	7 669	–	7 669
Non-recurring fair value measurements				
Disposal groups held for sale – financial liabilities	–	–	–	–
Total fair value liabilities	10 995	105 305	12 454	128 754

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.

	As at 31 December 2024		
R million	**Transfers in**	**Transfers out**	**Reasons for significant transfers in**
Level 1	**754**	**(371)**	The valuation inputs of certain level 3 investment securities became observable during the period due to increased liquidity in the market, resulting in transfers into level 1.
Level 2	**1 603**	**(156)**	The inputs used to value certain equity derivatives have become observable during the current period, resulting in transfers from level 3 to level 2.
Level 3	**527**	**(2 357)**	The market for certain investment securities and derivatives has become illiquid during the period, which resulted in transfers from level 1 and level 2 into level 3.
Total transfers	**2 884**	**(2 884)**	

	As at 31 December 2023		
R million	Transfers in	Transfers out	Reasons for significant transfers in
Level 1	876	(370)	The valuation inputs of certain level 3 investment securities became observable during the period due to increased liquidity in the market, resulting in transfers into level 1.
Level 2	44	(683)	Increased liquidity in the market for certain investment securities resulted in transfers from level 3 to level 2.
Level 3	1 053	(920)	The fair value of certain investment securities and derivatives was determined using significant unobservable inputs, as the market for these instruments has became inactive during the period. This resulted in transfers from level 1 and level 2 into level 3.
Total transfers	1 973	(1 973)	

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

Changes in level 3 instruments with recurring fair value measurements

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

R million	Derivative financial assets	Advances	Investment securities	Investment properties	Derivative financial liabilities	Other liabilities	Deposits
Balance as at 1 July 2023	952	66 726	4 624	353	2 477	6	6 840
Gains or losses recognised in profit or loss	341	5 193	597	–	283	–	1 136
Gains or losses recognised in other comprehensive income	–	–	(1)	–	–	–	–
Purchases, sales, issue and settlements	(509)	(2 357)	(186)	4	(1 117)	(6)	2 331
Acquisitions/(disposals) of subsidiaries	–	4	(15)	–	–	–	–
Net transfer from/(to) level 3	650	–	(506)	–	29	–	(39)
Exchange rate differences	–	(186)	(7)	–	–	–	(2)
Balance as at 31 December 2023	1 434	69 380	4 506	357	1 672	–	10 266
Balance as at 1 July 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
Gains or 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
Balance as at 1 July 2024	**629**	**54 672**	**4 494**	**704**	**1 853**	**–**	**10 601**
Gains or losses recognised in profit or loss	**850**	**3 025**	**360**	**–**	**464**	**–**	**478**
Gains or losses recognised in other comprehensive income	**–**	**–**	**(1)**	**–**	**–**	**–**	**–**
Purchases, sales, issue and settlements	**(237)**	**9 009**	**232**	**15**	**(97)**	**–**	**3 404**
Acquisitions/disposals of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net transfer from/(to) level 3	**40**	**–**	**(321)**	**–**	**(118)**	**–**	**(1 441)**
Exchange rate differences	**–**	**329**	**25**	**–**	**–**	**–**	**–**
Balance as at 31 December 2024	**1 282**	**67 035**	**4 789**	**719**	**2 102**	**–**	**13 042**

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 values of liabilities are the result of gains, settlements or the disposal of subsidiaries.

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

Fair value measurements continued

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

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

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

	Six months ended 31 December 2024		Six months ended 31 December 2023		Year ended 30 June 2024	
R million	**Gains/(losses) recognised in the income statement**	**Gains/(losses) recognised in other comprehensive income**	Gains/(losses) recognised in the income statement	Gains/(losses) recognised in other comprehensive income	Gains/(losses) recognised in the income statement	Gains/(losses) recognised in other comprehensive income
Assets						
Derivative financial instruments	**807**	**–**	991	–	483	–
Advances*	**3 118**	**–**	5 125	–	4 773	–
Investment securities	**416**	**–**	627	(1)	657	–
Investment properties	**–**	**–**	(1)	–	22	–
Total	**4 341**	**–**	6 742	(1)	5 935	–
Liabilities						
Derivative financial instruments	**(347)**	**–**	(311)	–	(786)	–
Deposits	**(987)**	**–**	1 424	–	(1 137)	–
Other liabilities	**–**	**–**	5	–	–	–
Total	**(1 334)**	**–**	1 118	–	(1 923)	–

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

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

	Reasonably possible alternative fair value								
	As at 31 December 2024			As at 31 December 2023			As at 30 June 2024		
R million	**Fair value**	**Using more positive assumptions**	**Using more negative assumptions**	Fair value	Using more positive assumptions	Using more negative assumptions	Fair value	Using more positive assumptions	Using more negative assumptions
Assets									
Derivative financial instruments	**1 282**	**1 359**	**1 196**	1 434	1 534	1 333	629	676	579
Advances	**67 035**	**67 246**	**66 653**	69 380	69 413	69 318	54 672	54 857	54 445
Investment securities	**4 789**	**5 081**	**4 519**	4 506	4 734	4 292	4 494	4 796	4 287
Investment properties	**719**	**792**	**653**	357	394	327	704	775	639
Total financial assets measured at fair value in level 3	**73 825**	**74 478**	**73 021**	75 677	76 075	75 270	60 499	61 104	59 950
Liabilities									
Derivative financial instruments	**2 102**	**2 022**	**2 181**	1 672	1 639	1 705	1 853	1 800	1 905
Deposits	**13 042**	**12 751**	**13 317**	10 266	10 036	10 497	10 601	10 205	10 734
Other liabilities	**–**	**–**	**–**	–	–	–	–	–	–
Total financial assets measured at fair value in level 3	**15 144**	**14 773**	**15 498**	11 938	11 675	12 202	12 454	12 005	12 639

Fair value measurements continued

Financial instruments not measured at fair value

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

	As at 31 December 2024	
R million	Carrying value	Total fair value
Assets		
Advances	**1 566 074**	**1 571 004**
Investment securities	**257 669**	**255 904**
Total financial assets at amortised cost	**1 823 743**	**1 826 908**
Liabilities		
Deposits	**2 065 404**	**2 071 494**
Other liabilities	**2 696**	**2 696**
Tier 2 liabilities	**21 613**	**21 781**
Total financial liabilities at amortised cost	**2 089 713**	**2 095 971**

	As at 31 December 2023	
R million	Carrying value	Total fair value
Assets		
Advances	1 455 958	1 453 481
Investment securities	243 448	238 783
Total financial assets at amortised cost	1 699 406	1 692 264
Liabilities		
Deposits	1 894 251	1 894 020
Other liabilities	3 394	3 417
Tier 2 liabilities	17 657	17 762
Total financial liabilities at amortised cost	1 915 302	1 915 199

	As at 30 June 2024	
R million	Carrying value	Total fair value
Assets		
Advances	1 498 197	1 501 967
Investment securities	241 559	237 400
Total financial assets at amortised cost	1 739 756	1 739 367
Liabilities		
Deposits	1 937 166	1 939 957
Other liabilities	2 695	2 706
Tier 2 liabilities	17 268	17 379
Total financial liabilities at amortised cost	1 957 129	1 960 042

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	As at 31 December 2024	As at 31 December 2023	As at 30 June 2024
Opening balance	**187**	211	211
Day 1 profits or losses not initially recognised on financial instruments recognised in the current period	**12**	34	308
Amount recognised in profit or loss as a result of changes which would be observable by market participants	**(122)**	(61)	(332)
Closing balance	**77**	184	187

Contingencies and commitments

R million	As at 31 December 2024	As at 31 December 2023	% change	As at 30 June 2024
Contingencies and commitments				
Committed capital expenditure*	**4 194**	3 721	13	4 892
Legal proceedings**	**199**	155	28	168
Contingencies and commitments	**4 393**	3 876	13	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.*

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

UK motor commission matter

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

The group has a contingent liability following the judgment by the UK CoA in October 2024 related to the Wrench, Johnson and Hopcraft appeals. The judgment goes beyond the scope of the original FCA motor finance commission review, for which the group recognised a £127.4 million (R3.0 billion) provision at 30 June 2024.

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

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

Condensed segment report

REPORTABLE SEGMENTS

Six months ended 31 December 2024

R million	Retail and commercial										
	FNB										
	FNB SA	**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**
Profit before tax	**15 413**	**1 925**	**17 338**	**1 518**	**18 856**	**6 764**	**2 763**	**1 225**	**29 608**	**209**	**29 817**
Total assets	**529 806**	**68 074**	**597 880**	**183 438**	**781 318**	**821 184**	**482 102**	**456 075**	**2 540 679**	**2 365**	**2 543 044**
Total liabilities*	**508 885**	**65 746**	**574 631**	**181 764**	**756 395**	**808 364**	**438 591**	**309 762**	**2 313 112**	**–**	**2 313 112**

* *Total liabilities are net of interdivisional balances.*

Six months ended 31 December 2023

R million	Retail and commercial										
	FNB										
	FNB SA	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
Profit before tax	14 699	1 769	16 468	1 379	17 847	6 228	2 450	831	27 356	440	27 796
Total assets	501 312	64 892	566 204	172 127	738 331	761 120	476 177	357 312	2 332 940	2 568	2 335 508
Total liabilities*	482 148	62 947	545 095	170 546	715 641	749 976	438 441	221 630	2 125 688	–	2 125 688

* *Total liabilities are net of interdivisional balances.*

Year ended 30 June 2024

R million	Retail and commercial										
	FNB										
	FNB SA	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
Profit before tax	28 091	3 490	31 581	2 743	34 324	13 677	5 962	(1 178)	52 785	236	53 021
Total assets	519 625	65 973	585 598	174 791	760 389	726 475	472 299	407 652	2 366 815	2 524	2 369 339
Total liabilities*	489 166	62 374	551 540	172 072	723 612	709 546	431 728	286 649	2 151 535	–	2 151 535

* *Total liabilities are net of interdivisional balances.*

GEOGRAPHICAL SEGMENTS

R million	Six months ended 31 December 2024 South Africa	Broader Africa*	United Kingdom	Other	Total
Non-interest revenue	**25 082**	**4 296**	**644**	**45**	**30 067**
– Operational non-interest revenue	**24 001**	**4 296**	**639**	**45**	**28 981**
– Share of profits of associated and joint ventures after tax	**1 081**	**–**	**5**	**–**	**1 086**

* *Includes the holding company and RMB Mauritius International.*

R million	Six months ended 31 December 2023 South Africa	Broader Africa*	United Kingdom	Other	Total
Non-interest revenue	23 999	4 085	368	31	28 483
– Operational non-interest revenue	23 248	4 085	368	31	27 732
– Share of profits of associated and joint ventures after tax	751	–	–	–	751

* *Includes the holding company and RMB Mauritius International.*

R million	Year ended 30 June 2024 South Africa	Broader Africa*	United Kingdom	Other	Total
Non-interest revenue	49 627	8 314	554	13	58 508
– Operational non-interest revenue	47 201	8 314	554	13	56 082
– Share of profits of associated and joint ventures after tax	2 426	–	–	–	2 426

* *Includes the holding company and RMB Mauritius International.*

SUPPLEMENTARY INFORMATION

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

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Aggregate cost of portfolio	**4 636**	3 186	46	4 126
Aggregate carrying value	**8 988**	7 073	27	8 365
Aggregate fair value*	**16 796**	13 140	28	15 259
Equity-accounted income**	**784**	582	35	1 919
Profit on realisation#	**133**	–	–	1

* *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

	Six months ended 31 December			Year ended 30 June
R million	**2024**	2023	% change	2024
Carrying value of investment properties	**719**	357	>100	704
Fair value of investment properties	**719**	357	>100	704

Number of ordinary shares in issue

	As at 31 December				As at 30 June	
	2024		2023		2024	
	IFRS	**Normalised**	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	5 609 488 001	5 609 488 001
Less: treasury shares	**(15 130 150)**	**(7 205 683)**	(5 351 122)	–	(5 764 883)	–
– Shares held for client trading*	**(7 924 467)**	**–**	(5 351 122)	–	(5 764 883)	–
– Shares for IFRS 2	**(7 205 683)**	**(7 205 683)**	–	–	–	–
Number of shares in issue (after treasury shares)	**5 594 357 851**	**5 602 282 318**	5 604 136 879	5 609 488 001	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	5 609 488 001	5 609 488 001
Less: treasury shares	**(10 499 900)**	**(2 722 359)**	(4 485 495)	–	(4 954 913)	–
– Shares held for client trading*	**(7 777 541)**	**–**	(4 485 495)	–	(4 954 913)	–
– Shares for IFRS 2	**(2 722 359)**	**(2 722 359)**	–	–	–	–
Basic and diluted weighted average number of shares in issue	**5 598 988 101**	**5 606 765 642**	5 605 002 506	5 609 488 001	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

	Six months ended 31 December			Year ended 30 June
	2024	2023	% change	2024
Market indicators				
$/R exchange rate				
– Closing	**18.81**	18.53	2	18.22
– Average	**17.92**	18.68	(4)	18.71
£/R exchange rate				
– Closing	**23.60**	23.57	–	22.99
– Average	**23.14**	23.42	(1)	23.55
SA prime overdraft (%)	**11.25**	11.75		11.75
SA average prime overdraft (%)	**11.56**	11.75		11.75
SA average CPI (%)	**3.58**	5.23		5.26
JSE All Share Index	**84 095**	76 893	9	79 707
JSE Banks Index	**12 664**	10 948	16	11 833
Share statistics/performance on the JSE				
Number of shares in issue (thousands)	**5 609 488**	5 609 488	–	5 609 488
Share price				
– High for the year (cents)	**8 922**	7 475	19	7 868
– Low for the year (cents)	**7 578**	5 932	28	5 890
– Closing (cents)	**7 596**	7 351	3	7 690
Closing price/net asset value per share	**2.05**	2.17		2.20
Closing price/earnings (headline)	**20.29**	21.53		11.33
Shares traded				
– Number of shares (millions)	**1 762**	1 551	14	3 404
– Value of shares (R million)	**141 947**	104 458	36	228 308
– Turnover in shares traded (%)	**25.33**	18.63		40.73
Market capitalisation (R million)	**426 097**	412 353	3	431 370
Share price performance				
FirstRand average share price (cents)	**8 052**	6 777	19	6 694
JSE Bank Index (average)	**12 848**	10 200	26	10 332
JSE All Share Index (average)	**83 952**	74 284	13	74 775

Company information

Directors

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

Company secretary and registered office

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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.firstrand.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

Namibian Stock 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 – the JSE-listed programmes and debt instruments are available online at:

- www.firstrand.co.za/investors/debt-investor-centre/prospectuses-and-programme-memoranda/
- www.firstrand.co.za/investors/debt-investor-centre/jse-listed-instruments/
- www.rmb.co.za/page/krugerrand-custodial-certificate
- www.rmb.co.za/page/dollar-custodial-certificate
- www.rmb.co.za/page/retail-structured-solutions

Various group subsidiaries also issue debt instruments in other jurisdictions. These are outlined below.

Broader Africa

Issuer: First National Bank of Namibia Limited

NSX

Domestic medium-term note programme

ISIN code	
Senior unsecured	Subordinated debt
NA000A3K3LR6	NA000A3L6P87
NA000A3K3LQ8	

Credit ratings

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

Listed financial instruments of the group continued

Capital instruments

BASEL III COMPLIANT AT1 AND TIER 2 INSTRUMENTS

R million	Maturity date	Call date	As at 31 December 2024	As at 31 December 2023	As at 30 June 2024
AT1					
FirstRand Bank					
FRB25	Perpetual	2024/09/19	**–**	3 461	3 461
FRB28	Perpetual	2025/12/02	**1 400**	1 400	1 400
FRB34	Perpetual	2028/06/02	**2 804**	2 804	2 804
FRB37	Perpetual	2029/02/26	**1 387**	1 387	1 387
FRB38	Perpetual	2029/05/06	**2 039**	2 039	2 039
FRB39	Perpetual	2028/11/13	**1 574**	1 574	1 574
FRB41	Perpetual	2029/06/12	**2 090**	–	2 090
FRB42	Perpetual	2030/09/26	**3 910**	–	–
Total AT1			**15 204**	12 665	14 755
Tier 2					
FirstRand Bank					
FRB26	2029/06/03	2024/06/03	**–**	1 910	–
FRB27	2031/06/03	2026/06/03	**715**	715	715
FRB29	2031/04/19	2026/04/19	**2 374**	2 374	2 374
FRB30	2031/04/19	2026/04/19	**698**	698	698
FRB31	2031/11/24	2026/11/24	**2 500**	2 500	2 500
FRB32	2032/09/28	2027/09/28	**2 296**	2 296	2 296
FRB33	2034/09/28	2029/09/28	**1 662**	1 662	1 662
FRB35	2033/02/06	2028/02/06	**2 300**	2 300	2 300
FRB36	2033/09/14	2028/09/14	**2 500**	2 500	2 500
FRB40	2035/03/11	2030/03/11	**2 846**	–	1 548
FRB43	2035/11/13	2030/11/13	**2 500**	–	–
FNB Namibia					
FNB34*	2034/12/03	2029/12/03	**500**	–	–
Total Tier 2			**20 891**	16 955	16 593

* *NAD500 million issued.*

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

Definitions

Additional Tier 1 (AT1) capital	AT1 capital instruments 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 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 more accurately 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 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 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
CCyB	Countercyclical buffer
CET1	Common Equity Tier 1
CIB	Corporate and investment banking
CLR	Credit loss ratio
CoA	UK Court of Appeal
COE	Cost of equity
Covid-19	Coronavirus disease
CPI	Consumer price index
CSM	Contractual service margin
DWT	Dividend withholding tax
ECL	Expected credit loss
FCA	Financial Conduct Authority
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
FVTPL	Fair value through profit or loss
FX	Foreign exchange
GCA	Gross carrying amount
GM	Global markets
HQLA	High-quality liquid assets
IBD	Investment banking division
IMF	International Monetary Fund
ISA	Individual savings account
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
JV	Joint venture
LCR	Liquidity coverage ratio
LECL	Lifetime expected credit loss
LGD	Loss given default
MPC	Monetary Policy Commission
NAV	Net asset value
NCNR	Non-cumulative non-redeemable
NDCs	Nationally Determined Contributions
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
NPLs	Non-performing loans
NSFR	Net stable funding ratio
NSX	Namibian Stock Exchange
OCI	Other comprehensive income
PA	Prudential Authority
PBT	Profit before tax
PE	Private equity
PI	Principal investment
RA	Resolution Authority
ROA	Return on assets
ROE	Return on equity
RTC	Real-time clearing
RWA	Risk-weighted assets
SA	South Africa
SARB	South African Reserve Bank
SC	UK Supreme Court
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

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

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