

abridged financials

6 MONTHS ENDED
31 DECEMBER 2012

FIRSTRAND BANK LIMITED GROUP



FIRSTRAND BANK

Consolidated income statement

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

Consolidated statement of comprehensive income

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

Consolidated statement of financial position

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

* Refer to reclassification of prior year numbers on page 6

Consolidated statement of changes in equity

for the six months ended 31 December

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

Consolidated statement of cash flows

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

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

Reclassification of prior year numbers

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

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

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