unaudited interim results and cash dividend declaration

6 MONTHS ENDED
31 DECEMBER 2012

FIRSTRAND

Contents

FIRSTRAND

1966/010753/06 Share code: FSR ISIN: ZAE000066304

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

Introduction

This report covers the unaudited financial results of FirstRand Limited (FirstRand or the Group) based on International Financial Reporting Standards (IFRS) for the six months ended 31 December 2012.

The primary results and accompanying commentary are presented on a normalised basis as the Group believes this most accurately reflects its economic performance. The normalised earnings have been derived from the unaudited IFRS financial results.

A detailed description of the difference between normalised and IFRS results is provided on pages 14 and 15. Commentary is based on normalised results, unless indicated otherwise.

Alan Hedding, CA(SA), supervised the preparation of the consolidated financial results.

Financial highlights

	Six months ended 31 December			Year ended 30 June
	2012	2011	% change	2012
Normalised earnings (R million)	**7 218**	5 771	+25	12 730
Diluted normalised earnings per share (cents)	**128.0**	102.4	+25	225.8
Normalised net asset value per share (cents)	**1 200.6**	1 053.0	+14	1 142.4
Dividend per ordinary share (cents)	**55.0**	44.0	+25	102.0
Normalised return on equity (%)	**21.9**	19.5		20.7

The Group consists of a portfolio of leading financial services franchises; these are First National Bank (FNB), the retail and commercial bank, Rand Merchant Bank (RMB), the corporate and investment bank, and WesBank, the instalment finance business.

Key financial results, ratios and statistics

R million	Six months ended 31 December 2012	Six months ended 31 December 2011	% change	Year ended 30 June 2012
Attributable earnings to ordinary equityholders from continuing normalised operations	**7 019**	5 597	25	12 586
Attributable earnings to ordinary equityholders from continuing and discontinued operations	**7 019**	6 067	16	13 196
Headline earnings	**7 195**	5 639	28	12 642
Normalised earnings	**7 218**	5 771	25	12 730
Normalised net asset value	**67 689**	59 369	14	64 409
Normalised net asset value per share (cents)	**1 200.6**	1 053.0	14	1 142.4
Average normalised net asset value	**66 049**	59 114	12	61 634
Normalised earnings per share (cents)				
– Basic	**128.0**	102.4	25	225.8
– Diluted	**128.0**	102.4	25	225.8
Normalised return on equity (%)	**21.9**	19.5		20.7
Ordinary dividend per share (cents)	**55.0**	44.0	25	102.0
Dividend cover	**2.3**	2.3		2.2
Non-cumulative non-redeemable (NCNR) preference dividend per B class share* – declared (cents)	**333.1**	305.2	9	638.3
Capital adequacy – FirstRand				
Capital adequacy ratio	**14.9**	15.4		14.7
Tier 1 ratio	**13.4**	14.0		13.2
Core Tier 1 ratio	**12.5**	13.0		12.3
Market performance				
Market capitalisation	**174 776**	116 931	49	148 785
Price earnings ratio (times)	**12.1**	10.1		11.7
Price-to-book ratio (times)	**2.6**	2.0		2.3
Share price (closing – Rand)	**31.00**	20.74	49	26.39

* *75.56% of FNB prime lending rate – previously 68%.*

Statement of headline earnings – IFRS

R million	Six months ended 31 December 2012	Six months ended 31 December 2011	% change	Year ended 30 June 2012
Profit for the period (refer page 16)	**7 574**	6 590	15	14 369
Non-controlling interests	**(405)**	(386)	5	(898)
NCNR preference shares	**(150)**	(137)	9	(275)
Earnings attributable to ordinary equityholders	**7 019**	6 067	16	13 196
Adjusted for:	**176**	(428)	(>100)	(554)
(Gain)/loss on disposal of investment securities and other investments of a capital nature	**(1)**	2		20
Gain on disposal of available-for-sale assets	**(1)**	(36)		(154)
Gain on disposal of associates or joint ventures	**–**	(463)		(473)
Gain on disposal of subsidiaries	**(10)**	(17)		(266)
(Gain)/loss on the disposal of property and equipment	**(1)**	24		49
Fair value of investment properties	**–**	–		(12)
Impairment of goodwill	**2**	18		115
Impairment of assets in terms of IAS 36	**254**	15		7
Other	**–**	(1)		41
Tax effects of adjustments	**(69)**	23		43
Non-controlling interest adjustments	**2**	7		76
Headline earnings	**7 195**	5 639	28	12 642

Reconciliation from headline earnings to normalised earnings

R million	Six months ended 31 December 2012	Six months ended 31 December 2011	% change	Year ended 30 June 2012
Headline earnings	**7 195**	5 639	28	12 642
Adjusted for:	**23**	132	(83)	88
IFRS 2 Share-based payment expense	**22**	29	(24)	77
Treasury shares*	**47**	103	(54)	251
– Consolidation of share trust	**47**	94		242
– FirstRand shares held by policyholders	**–**	9		9
Total return swap adjustment	**(53)**	–		(240)
Private equity subsidiary realisations	**7**	–		–
Normalised earnings	**7 218**	5 771	25	12 730

* *Includes FirstRand shares held for client trading activities.*

Overview of results

INTRODUCTION

The South African macro and socio economic environment for the first six months of the financial year remained challenging. Initial concerns related to global issues such as the potential breakup of the euro zone, a hard landing in China and the possibility of significant fiscal contraction in the USA. As these global macroeconomic concerns subsided, local labour market action, sovereign rating downgrades and growing domestic economic imbalances introduced a new set of uncertainties.

The South African economy started to show signs of slowing in the early part of the period under review. This slowdown, coupled with the downside risks posed by the global environment, prompted the SARB to lower the repo rate by another 50 bps in July. Strike action in a number of industries also exacerbated the downward pressure on economic activity towards the end of 2012. The labour unrest and reports indicating that South Africa's current account deficit widened markedly during the course of last year resulted in a weaker rand, and inflation started to trend upwards. The combination of these developments resulted in a number of rating agencies downgrading South Africa's sovereign rating.

Despite weaker growth, higher inflation and a weaker rand, credit extension registered double digit growth for the first time in more than three years. Mortgage credit extension, however, continued to be weak and house prices remained under pressure.

The slowdown in South Africa did impact some parts of the Common Monetary Area (specifically Namibia) and Botswana. Elsewhere in the region, those economies exposed to resources performed better as international commodities prices remained buoyant.

OVERVIEW OF RESULTS

FirstRand produced excellent results for the six months to 31 December 2012, achieving normalised earnings of R7 218 million, an increase of 25% on the previous period, and producing a normalised return on equity (ROE) of 21.9% (2011: 19.5%).

All three franchises delivered strong operational performances, delivering good topline growth and profitability. In the case of FNB, this was once again driven by customer acquisition, loan and deposit growth and the continued focus on driving transactional volumes across all of its platforms, particularly electronic. WesBank grew new business volumes across all portfolios and the client franchises in RMB delivered both good growth in profits and higher returns.

Overview of results continued

The table below shows a breakdown of sources of normalised earnings:

Sources of normalised earnings

R million	Six months ended 31 December				% change	Year ended 30 June	
	2012	**% compo-sition**	2011	% compo-sition		2012	% compo-sition
FNB	**4 023**	**56**	3 360	58	20	6 666	53
RMB	**1 969**	**27**	1 455	25	35	3 654	29
WesBank	**1 390**	**19**	1 193	21	17	2 599	20
Corporate Centre and consolidation adjustments	**(344)**	**(5)**	(345)	(6)	–	(703)	(6)
FirstRand Limited (company)*	**330**	**5**	245	4	35	789	6
NCNR preference dividend	**(150)**	**(2)**	(137)	(2)	9	(275)	(2)
Normalised earnings	**7 218**	**100**	5 771	100	25	12 730	100

* *Included in this amount is the consolidation adjustment of R518 million (December 2011: R232 million, June 2012: R818 million) to bring the IFRS 2 costs from cash settled in the underlying subsidiaries to equity settled at the Group level. This adjustment arises from the increase in the FirstRand share price between periods.*

The Group's income statement benefited from an increase of 14% in net interest income (NII), driven by good growth in new business at FNB, WesBank and RMB. Asset margins continued to benefit from mix of advances, pricing in FNB and funding strategies. Total non-interest revenue (NIR) grew 24%, underpinned by increases in fee and commission income at FNB and WesBank. RMB's client activities, particularly financing, advisory and structuring also contributed.

The Group's core operating costs grew 11% for the period. However, the combination of the ongoing impact of depreciation on small value assets and software maintenance, investment in expansion initiatives, increases in IFRS 2 Share-based payments directly linked to the Group's increased share price, as well as higher variable costs linked to the Group's performance, resulted in a 16% total cost increase.

A reconciliation of operating expenses is provided in the table below.

Reconciliation of operating expenses

R million	Six months ended 31 December		% change	Year ended 30 June
	2012	2011		2012
Operating expenses	**15 120**	12 995	16	27 212
Adjusted for:				
Share-based payments	**(179)**	(45)	>100	(469)
New subsidiaries	**–**	–	–	(82)
Expansion costs	**(442)**	(212)	>100	(497)
RMB Corporate Banking software impairments	**(248)**	–		–
Cooperation agreements and joint ventures	**(345)**	(253)	36	(564)
Accelerated depreciation and Full Maintenance Rental (FMR)	**(166)**	(75)	>100	(409)
Core costs	**13 740**	12 410	11	25 191

The increase in bad debts from 80 bps to 91 bps, is in line with expectations given the absolute book growth and the shift in asset class mix. It also includes R575 million of credit impairment overlays at FNB and RMB, the creation of which reflects the Group's view that the benign credit cycle has bottomed.

Non-performing loans (NPLs) decreased 3%, which is again in line with expectations and reflects the ongoing improvement in the large retail books such as HomeLoans and Card. NPLs in the unsecured books picked up in line with expectations.

The Group's overall balance sheet continued to show good growth in advances compared to December 2011, driven by strong new business volumes (indicated below), particularly in those portfolios where the Group was historically underweight, such as unsecured and corporate (structured) lending.

- Unsecured lending in FNB (excluding Card) R4.6 billion
- Unsecured lending in WesBank R2.6 billion
- Vehicle and asset finance at WesBank R31.5 billion
- RMB's structured lending book R13.3 billion

On a rolling six months basis, growth in these portfolios has started to moderate.

OVERVIEW OF OPERATING FRANCHISES

FirstRand's vision is to be the African financial services group of choice, creating long-term franchise value and delivering superior and sustainable economic returns to shareholders within acceptable levels of volatility. The Group seeks to achieve this through two parallel growth strategies:

- become a predominant player in all of the financial services profit pools in South Africa, growing in existing markets and those where it is under-represented; and
- grow its franchise in the broader African continent, targeting those countries expected to show above average domestic growth and which are well positioned to benefit from the trade and investment flows between Africa, China and India.

These strategies are executed through its portfolio of operating franchises, within a framework set by the Group and good progress continues to be made. Below is a brief overview of progress on these strategic objectives and the financial and operational performance of each franchise.

FNB

FNB represents FirstRand's activities in the retail and commercial segments in both South Africa and the broader African continent. It is growing its franchise strongly in both existing and new markets on the back of innovative products and delivery channels, particularly focusing on electronic and digital platforms.

During the period under review, FNB completed an internal realignment of its successful segment focus. The original FNB segment strategy, incorporating Mass, Consumer, Wealth, Commercial and Corporate, has been refined to focus on two larger segments – Retail and Commercial. The African subsidiaries have been aligned under Retail and are now reported under total FNB. The Corporate segment, previously FNB GTS, has been rebranded RMB Corporate Banking and aligned under RMB, the corporate and investment bank, to provide an integrated and holistic offering to its large corporate customers.

FNB financial highlights

	Six months ended 31 December		%	Year ended 30 June
R million	**2012**	2011	change	2012
Normalised earnings	**4 023**	3 360	20	6 666
Profit before tax	**5 777**	4 895	18	9 668
Total assets	**283 860**	267 999	6	268 533
Total liabilities	**272 923**	258 868	5	255 277
Credit loss ratio (%)	**1.19**	0.94		1.20
ROE (%)	**36.2**	34.7		35.0

FNB produced an excellent performance for the period, increasing pre-tax profits 18% and producing an ROE of 36.2%.

The business continued to benefit from its primary strategy to grow and retain core transactional accounts. This is underpinned by a compelling value proposition (innovative products and channels at an acceptable cost to the customer) and supported by rewards programmes, such as eBucks, SLOW lounges and fuel, data and airtime rewards. Innovations such as the Banking App, cellphone banking and eWallet continue to attract new customers.

Overview of results continued

FNB's NII grew 22% driven by balance sheet growth and margin expansion due to the mix change to unsecured lending and the repricing of newly-originated residential mortgages. Overall, lower growth in advances was partially offset by good deposit acquisition (15% up). In addition, the R1.5 billion decrease in NPLs in HomeLoans positively impacted NII.

Advances increased 9%, in the main emanating from across the Retail segments in South Africa (up R10.6 billion) and Africa (up R3.7 billion). Card advances grew 14% on the back of proactive customer acquisition. Total residential mortgages increased 2% with HomeLoans growing only 1%, reflecting FNB's strategy to write new business in the low-risk categories. Margins, however, remained healthy. Affordable housing continued to show good growth at 17%.

FNB's focus on customer acquisition and retention underpinned the very good growth in deposits, driven by the core retail business, the commercial segment and the African franchise.

FNB's strategy to grow core transactional banking accounts and drive activity across its electronic platforms resulted in strong transactional volumes. NIR increased 13% mainly driven by activity in the Retail business (up 16%), with Commercial and Africa contributing increases of 6% and 11%, respectively.

Bad debts increased 18%, which is below expectations given the growth in unsecured lending, with an exceptionally low R2 million at Card. FNB has, however, taken the prudent decision to increase portfolio provisions, resulting in a total increase of 37%. Overall credit quality across all portfolios is well within risk appetite and coverage ratios have increased.

FNB maintained core cost growth at 10%, reflecting its focus on ongoing efficiencies and streamlining platforms particularly in Retail. When including investment costs, particularly in Africa (costs up 17%), total operating expenditure growth was 13%.

RMB

RMB represents the Group's activities in the corporate and investment banking segments in South Africa, the broader African continent and India. Over the past three years, RMB has become a more client-centric business with a clear strategy anchored around a risk appetite designed to effectively manage the trade-offs between earnings volatility, profit growth and returns.

The business continues to benefit from its focus on generating income from client-driven activities. This, coupled with steady investment returns and a growing focus on asset management, has resulted in a higher quality and more sustainable earnings profile.

RMB made good progress with regard to its corporate banking franchise during the period under review. As mentioned in the FNB section, FNB GTS has been rebranded RMB Corporate Banking and the alignment of this business fully under RMB better enables the strategy to offer corporate and investment banking (CIB) solutions to the corporate and institutional client base.

RMB financial highlights

	Six months ended 31 December			Year ended 30 June
R million	**2012**	2011	% change	2012
Normalised earnings	**1 969**	1 455	35	3 654
Profit before tax	**2 460**	1 979	24	4 937
Total assets	**356 390**	307 762	16	331 977
Total liabilities	**349 629**	301 566	16	324 230
ROE (%)	**22.2**	18.1		23.2

RMB produced an excellent result in the six months to December 2012. Pre-tax profits increased 24% to R2 460 million, which is a record first-half performance, and the ROE also increased to 22.2% (2011: 18.1%).

The Investment Banking Division (IBD) continued to show good growth, increasing pre-tax profits 18% to R1 506 million. Much of this growth was balance sheet-led, with the core loan book increasing 19%, which is well above market and driven by a number of large deals coupled with the arranging and structuring of renewable energy funding facilities.

The Global Markets division also delivered a strong performance for the period, growing profits 40% to R894 million, mainly underpinned by client activities. Low volatility in local foreign exchange and interest rate markets softened profitability, however, African activities continued to deliver, driven by strong performances from the subsidiaries.

Private Equity profits were up 8% to R229 million, driven mainly by equity-accounted earnings and income from investment subsidiaries. The RMB Resources portfolio continued to experience pressure on profitability due to persistent weakness in the junior mining sector, although losses were curtailed compared to the previous six months.

The Corporate Banking division produced a solid operational performance on the back of increased volumes.

WesBank

WesBank represents the Group's activities in instalment finance in the retail, commercial and corporate segments. WesBank's performance for the six months to December 2012 reflects its leading market position in instalment finance. In particular, long-standing alliances with leading motor manufacturers and large dealer groups have generated increased market share within the required risk profile.

WesBank financial highlights

R million	Six months ended 31 December		% change	Year ended 30 June
	2012	2011		2012
Normalised earnings	**1 390**	1 193	17	2 599
Profit before tax	**1 961**	1 688	16	3 650
Total assets	**132 972**	112 396	18	121 610
Total liabilities	**129 323**	109 682	18	117 110
Credit loss ratio (%)	**1.12**	1.07		0.99
ROE (%)	**31.8**	29.8		33.9

On all key metrics WesBank delivered an excellent performance growing pre-tax profits 16% to R1 961 million, and producing an ROE of 31.8%.

Total advances grew 17% to R129.9 billion on the back of new business growth of 19% to R39.2 billion. This was driven by the motor and unsecured credit books, which delivered growth of 18% and 27%, respectively. Corporate new business volumes were also robust (up 14%) and the positive turnaround at MotoNovo continued on the back of excellent volume growth.

Interest margins were maintained despite strong competition across all portfolios. The underlying retail vehicle finance advances are also well balanced between fixed- and variable-rate. Origination is well within agreed risk thresholds and vintage performance is very closely monitored. The credit quality in all portfolios continues to track within expectations.

Arrear levels have levelled off and further improvement is unlikely. NPLs decreased since June 2012, however, given that the credit cycle has bottomed, this trend is likely to reverse going forward.

NIR reflected moderate growth with increased pricing pressures in the Auto card business.

Total cost growth of 5% reflects static headcount year-on-year, and includes increases in profit share payments to alliance partners and increasing depreciation on FMR assets. Excluding these two items, year-on-year operating costs were slightly down.

Overview of results continued

The relative contribution to the Groups normalised earnings mix and growth rates from types of income and business units is shown in the table below.

	Six months ended 31 December					Year ended 30 June	
R million	**2012**	**% contri-bution**	2011	% contri-bution	% change	2012	% contri-bution
Retail banking	**3 923**	**54**	3 033	52	29	6 426	50
FNB	**2 679**		2 075			4 047	
WesBank	**1 244**		958			2 379	
Corporate banking	**1 704**	**24**	1 664	29	2	3 011	24
RMB	**214**		144			172	
FNB Commercial	**1 344**		1 285			2 619	
WesBank	**146**		235			220	
Investment banking	**1 755**	**24**	1 311	23	34	3 482	27
RMB	**1 755**		1 311			3 482	
Other	**(164)**	**(2)**	(237)	(4)	(31)	(189)	(1)
FirstRand and dividends paid on NCNR preference shares	**180**		108			514	
Corporate Centre and consolidation adjustments	**(344)**		(345)			(703)	
Normalised earnings	**7 218**	**100**	5 771	100	25	12 730	100

STRATEGIC ISSUES

Progress on growth strategies outside South Africa

The Group seeks to generate incremental growth outside of its domestic market. It executes on the ground through its operating franchises and enters each market depending on the specific growth opportunities presented. On the broader African continent the priority countries for further investment remain Mozambique, Tanzania, Zambia, Nigeria, Ghana and Kenya.

FNB continues to invest in growing its infrastructure in the new territories of Mozambique, Zambia and Tanzania and is leveraging its South African developed products and solutions into these countries.

RMB is generating strong deal flow from its recently-established Kenya representative office, and in February 2013 officially opened RMB Nigeria. This followed the granting of an investment banking licence by the Central Bank of Nigeria, which required an initial capital investment by FirstRand of $100 million.

RMB has been operating in Nigeria from a representative office since January 2010 and is already a meaningful player in the Nigerian investment banking sector. The establishment of a fully-fledged investment banking operation will now allow RMB to rapidly build its franchise, provide products and services to corporate and institutional clients, as well as attract in-country skills.

RMB Nigeria is providing the full spectrum of investment banking services to all industries, including corporate advisory, equity capital markets, infrastructure and project finance, resource finance, structured trade and commodity finance, and fixed income, currency and commodity services. These services are offered to large local, regional and international corporates already operating in, or entering Nigeria and the broader west African economies.

The Group is awaiting final regulatory approvals relating to its offer for Merchant Bank Ghana (MBG) and expects to conclude this transaction in the second half of the financial year. This will provide an excellent platform for FNB and RMB to roll out products and services in Ghana. RMB is already generating a strong deal pipeline in-country, particularly in the property, and oil and gas sectors.

FirstRand's Indian platform continues to gain traction. RMB's operations grew strongly albeit off a low base, mainly driven by the in-country Global Markets and Investment Banking divisions. The FNB start up is also gaining momentum with the current focus on building this platform into a profitable and scaleable operation.

Progress on investment management strategy

Following the unbundling of its insurance subsidiary, Momentum, which included the asset management business, RMBAM, FirstRand identified that investment management activities represented a significant gap in its portfolio. This gap, combined with opportunities presented by regulatory changes and the Group's strategic objective to increase fee-generating activities, resulted in the creation of Ashburton Investments.

The business will offer focused traditional and alternative investment solutions to individual and institutional investors and will combine established active fund management expertise with alternative investment solutions from product providers Ashburton and RMB.

With an incremental and organic growth strategy, Ashburton's proposition is possible because it will be fully supported by the skills, platforms and product origination capabilities of FirstRand. The Group believes it has a competitive advantage in this space given its strong franchise in financial services, its balance sheet and a proven track record in incubating and growing greenfields businesses.

Balance sheet strength

The Group believes a strong balance sheet is key to growth, particularly in periods of uncertainty.

Capital

FirstRand's capital management strategy is aligned to this view and to the Group's overall objective to deliver sustainable returns to shareholders within appropriate levels of volatility. The Group's current philosophy, given the uncertain macro environment, is to operate at the higher end of its targeted capital levels to ensure balance sheet resilience. Current targeted ranges and ratios are summarised in the table below.

	FirstRand		Regulatory
%	Actual	Target	minimum
Capital adequacy ratio	14.9	12.0 – 13.5	9.5*
Tier 1 ratio	13.4	11.0	7.0
Core Tier 1 ratio	12.5	9.5 – 11.0	5.25

* *The regulatory minimum excludes the bank-specific (Pillar 2b) add-on and capital floor.*

	FirstRand Bank (FRB)*		Regulatory
%	Actual	Target	minimum
Capital adequacy ratio	14.6	11.5 – 13.0	9.5**
Tier 1 ratio	12.7	10.5	7.0
Core Tier 1 ratio	11.9	9.0 – 10.5	5.25

* *Reflects solo supervision, i.e. FirstRand Bank excluding foreign branches.*
** *The regulatory minimum excludes the bank-specific (Pillar 2b) add-on and capital floor.*

With regard to the impact of Basel III, the final capital framework for banks operating in South Africa was released in October 2012 and the impact on the Group's Core Tier 1 capital is expected to be minimal.

As part of the Group's strategy to utilise regulatory limits to optimise its capital structure, during the period under review FirstRand replaced the FRB06 and FRB07 subordinated debt instruments with the FRB11 bond. This instrument meets the Basel III entry criteria and will be included for grandfathering from 1 January 2013 with full recognition envisaged once the resolution regime is implemented in South Africa.

Overview of results continued

Asset quality

When assessing the underlying risk in the balance sheet, the Group's asset profile is dominated by a balanced advances portfolio, which constitutes 73% of total assets. In terms of credit quality, 87% of advances are rated B upper or better. Cash and liquid assets represent 17% of total assets, with only a small portion related to the investment and trading businesses.

PROSPECTS

The difficult macroeconomic environment is expected to continue for the rest of the financial year. Despite this, the Group expects to continue to produce good organic growth. FNB's focus on customer acquisition and driving transactional revenues across its platforms will drive NIR growth, as will RMB's client activities. With respect to advances growth, new business volumes in the retail lending books are expected to moderate in the second half, a trend that is already manifesting on a rolling six-month basis. Corporate advances are expected to remain robust at RMB.

Ongoing investment in stated growth opportunities will continue, which will result in cost pressure although strong revenue growth should result in positive operating jaws.

DIVIDEND STRATEGY

The Group targets growth in dividend in line with sustainable earnings taking into account expansion plans. Therefore dividend cover can vary from year to year.

BASIS OF PRESENTATION

FirstRand prepares its consolidated financial results in accordance with:

- IFRS, including IAS 34 Interim Financial Reporting;
- the Financial Reporting Guide as issued by the Accounting Practices Committee;
- JSE Listing Requirements; and
- the information as required by the Companies Act of South Africa.

The accounting policies applied are consistent with those applied in preparation of previous financial statements. A table reflecting the restatement of prior year numbers and reasons therefore can be found on page 111.

The Group believes normalised earnings more accurately reflect operational performance. Headline earnings are adjusted to take into account non-operational and accounting anomalies. Details of the nature of these adjustments and reasons therefore can be found on pages 14 and 15.

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material events, as defined in IAS 10, occurring between 31 December 2012 and the date of authorisation of the interim results announcement.

BOARD CHANGES

Mr Jan Jonathan (Jannie) Durand was appointed to the Board as a non-executive director with effect from 23 October 2012. Mr Durand joined the Board as a shareholder representative of Financial Securities Limited (Remgro).

Mr Grant Glenn Gelink was appointed to the Board as an independent non-executive director with effect from 1 January 2013.

CASH DIVIDEND DECLARATION

Ordinary shares

The directors have declared a gross cash dividend totalling 55.0 cents per ordinary share out of income reserves for the six months ended 31 December 2012.

	Six months ended 31 December	
Cents per share	**2012**	2011
Interim (declared 5 March 2013)	**55.0**	44.0

The salient dates for the interim dividend are as follows:

Last day to trade cum-dividend	Wednesday 20 March 2013
Shares commence trading ex-dividend	Friday 22 March 2013
Record date	Thursday 28 March 2013
Payment date	Tuesday 2 April 2013

Share certificates may not be dematerialised or rematerialised between Friday 22 March 2013 and Thursday 28 March 2013, both days inclusive.

The interim dividend of 55.0 cents per share carries an STC credit of 4.27982 cents per share. Shareholders who are exempt from Dividend Withholding Tax (DWT) will receive the full 55.0 cents per share. For shareholders who are subject to DWT, tax will be calculated at 15% (or such lower rate if a double taxation agreement applies for foreign shareholders), after taking into account the STC credit.

For South African shareholders who are subject to DWT the net final dividend after deducting 15% tax will be 47.39197 cents per share.

The issued share capital on the declaration date was 5 637 941 689 ordinary shares and 45 000 000 variable rate, NCNR B preference shares.

FirstRand's income tax reference number is 9150/201/71/4.

B preference shares

Dividends on the B preference shares were calculated at a rate of 75.56% of the prime lending rate of FNB, a division of FirstRand Bank Limited.

The following dividends were declared and paid:

	B preference shares	
Cents per share	**2013**	2012
Period		
28 August 2012 – 25 February 2013	**320.3**	
30 August 2011 – 27 February 2012		305.2

LL Dippenaar Chairman

SE Nxasana CEO

BW Unser Company secretary

5 March 2013

Description of difference between normalised and IFRS results – continuing operations

The Group believes normalised results more accurately reflect the economic substance of the Group's performance. The Group's results are adjusted to take into account non-operational items and accounting anomalies.

SHARE-BASED PAYMENTS, EMPLOYEE BENEFITS AND TREASURY SHARES: CONSOLIDATION OF STAFF SHARE TRUST

IFRS 2 Share-based Payments requires that all share-based payment transactions for goods or services received must be expensed with effect from financial periods commencing on or after 1 January 2005. IAS 19 Employee Benefits requires that an expense be raised if benefits are expected to be paid to employees in return for services rendered in the current period.

In 2005 the Group concluded a BEE transaction. As part of this transaction, rights were granted to the Group's black South African employees and black non-executive directors. These rights are accounted for as expenses in accordance with IFRS 2. FirstRand hedged itself against the price risk of the FirstRand share price inherent in these schemes by buying in the open market the FirstRand shares required to settle these schemes. These shares are held in various share trusts. SIC 12 Consolidation – Special Purpose Entities requires that these share trusts be consolidated by the Group. FirstRand shares held by the staff share trusts are, therefore, treated as treasury shares.

Due to the unbundling of Momentum Group Limited these share trusts received MMI Holdings Limited shares as a dividend *in specie*. On vesting date the participants will receive FirstRand as well as MMI shares. The inclusion of the MMI shares in the overall benefit that the participants will receive led to the recognition of an employee benefit liability in terms of IAS 19 Employee Benefits. FirstRand hedged itself against the price risk of MMI shares by retaining the MMI shares received as a dividend *in specie* in the share trusts. MMI shares held by the staff share trusts are treated as trading and investment securities in the Group financial statements.

The economic cost to the Group for both the IFRS 2 expense and the employee benefit is the net funding cost paid by the Group on the funding required to buy these shares.

For purposes of calculating normalised earnings, the share trusts are deconsolidated, FirstRand shares held by staff share schemes are treated as issued to parties external to the Group and loans to share trusts are recognised as external loans.

ECONOMIC HEDGE AGAINST SHARE-BASED PAYMENT OBLIGATIONS

The Group entered into a Total Return Swap (TRS) with external parties in order to economically hedge itself against the cost associated with the Group's share option schemes.

In terms of IAS 39 Financial Instruments: Recognition and Measurement, the TRS is accounted for as a derivative instrument at fair value with the full fair value change recognised in profit and loss.

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.

For purposes of calculating normalised earnings, 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.

FIRSTRAND SHARES HELD FOR CLIENT TRADING ACTIVITIES

FirstRand shares may be acquired by the Group in specific instances. 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 Financial Instruments: Presentation, 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, in terms of IAS 28 Investments in Associates, upstream and downstream profits are eliminated when equity accounting is applied, and, in terms of IAS 32 Financial Instruments: Presentation, profits or losses cannot be recognised on an entity's own equity instruments. For the income statement, the Group's portion of the fair value movements on FirstRand shares are therefore deducted from equity-accounted earnings and the investment recognised using the equity accounted method.

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, the corresponding fair value changes (or the Group's portion of the fair value changes) in the FirstRand shares held to match client trading positions, are reversed or eliminated. This results in a mismatch in the overall equity and profit or loss of the Group.

For purposes of calculating normalised earnings, 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, then neither gains or losses on client trading positions nor FirstRand shares held to hedge these are reflected in profit or loss or on the statement of financial position. For purposes of calculating normalised earnings, adjustments are made to reflect client trading positions and FirstRand shares to hedge these positions as if the positions and hedges were in respect of shares other than treasury shares.

ECONOMIC HEDGES

From time to time the Group enters into economic interest rate hedging transactions, which do not qualify for hedge accounting in terms of the requirements of IFRS. The Group reclassifies fair value changes on these hedging instruments from NIR to NII to reflect the economic substance of these hedges.

FAIR VALUE ANNUITY INCOME – LENDING

The Group accounts for the majority of its wholesale advances book within RMB on a fair value basis in terms of IFRS. As a result, the margin on these advances is reflected as part of NIR.

The Group reclassifies the margin relating to the annuity fair value income earned on the RMB wholesale advances book from NIR to NII to reflect the economic substance of the income earned on these assets. The corresponding impairment charge is reallocated from NIR to impairment of advances. Fair value advances are adjusted to reflect the cumulative adjustment.

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. 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.

PRIVATE EQUITY SUBSIDIARIES REALISATIONS

In terms of Circular 03/2012, gains or losses from the sale of subsidiaries are excluded from headline earnings.

The Circular includes specific industry rules. Rule 1 allows entities to include in headline earnings gains or losses associated with private equity investments that are associates or joint ventures, which form part of trading or operating activities. This exclusion, 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 headline earnings to reflect the nature of these investments.

TRACKER AND RONALD SEWELLS

The Group previously owned 36.11% of Tracker (Pty) Ltd (Tracker). On 3 October 2011, the Group disposed of an effective 15.76% of its shareholding to a consortium of investors. The Group equity accounted for Tracker at its effective shareholding of 36.11% to 1 October 2011 and at 20.35% from 1 October 2011 to 30 June 2012.

In addition, WesBank disposed of its subsidiary, Ronald Sewells, effective August 2011.

For the continuing results the profits resulting from the disposal of Ronald Sewells and the 15.76% shareholding in Tracker were excluded from both headline earnings (in terms of Circular 03/2009) and normalised earnings in the comparative periods.

MMI NAMIBIA

The Group concluded the disposal of its 51% shareholding in Momentum Life Assurance Namibia Limited (MMI Namibia) on 30 June 2012, for effective economic value on 1 July 2011. The profit on disposal of MMI Namibia was excluded from both headline earnings (in terms of Circular 03/2009) and normalised earnings in the comparative periods.

Consolidated income statement – IFRS

R million	Six months ended 31 December 2012	Six months ended 31 December 2011*	% change	Year ended 30 June 2012
Net interest income before impairment of advances	**12 376**	10 530	18	21 882
Impairment of advances	**(2 259)**	(1 824)	24	(5 065)
Net interest income after impairment of advances	**10 117**	8 706	16	16 817
Non-interest income	**15 735**	13 431	17	29 494
Income from operations	**25 852**	22 137	17	46 311
Operating expenses	**(15 652)**	(13 371)	17	(28 422)
Net income from operations	**10 200**	8 766	16	17 889
Share of profit of associates and joint ventures after tax*	**298**	283	5	1 120
Income before tax	**10 498**	9 049	16	19 009
Indirect tax	**(462)**	(385)	20	(551)
Profit before direct tax	**10 036**	8 664	16	18 458
Direct tax*	**(2 462)**	(2 074)	19	(4 089)
Profit for the period	**7 574**	6 590	15	14 369
Attributable to:				
Ordinary equityholders	**7 019**	6 067	16	13 196
NCNR preference shareholders	**150**	137	9	275
Equityholders of the Group	**7 169**	6 204	16	13 471
Non-controlling interests	**405**	386	5	898
Profit for the period	**7 574**	6 590	15	14 369
Earnings per share (cents)				
– Basic	**128.5**	111.1	16	241.7
– Diluted	**127.9**	109.2	17	236.8
Headline earnings per share (cents)				
– Basic	**131.7**	103.3	27	231.5
– Diluted	**131.1**	101.5	29	226.9

* *Refer to reclassification of prior year numbers on page 111.*

Consolidated statement of comprehensive income – IFRS

	Six months ended 31 December			Year ended 30 June
R million	**2012**	2011	% change	2012
Profit for the period	**7 574**	6 590	15	14 369
OTHER COMPREHENSIVE INCOME				
Items that may subsequently be classified to profit or loss				
Cash flow hedges	**(124)**	(275)	(55)	(420)
Available-for-sale financial assets	**578**	274	>100	560
Exchange differences on translating foreign operations	**323**	634	(49)	599
Share of other comprehensive income of associates after tax and non-controlling interests	**24**	(15)	(>100)	(167)
Other comprehensive income for the period before tax	**801**	618	30	572
Income tax relating to components of other comprehensive income	**(98)**	(10)	>100	(41)
Other comprehensive income for the period	**703**	608	16	531
Total comprehensive income for the period	**8 277**	7 198	15	14 900
Total comprehensive income attributable to:				
Ordinary equityholders	**7 703**	6 648	16	13 706
NCNR preference shareholders	**150**	137	9	275
Equityholders of the Group	**7 853**	6 785	16	13 981
Non-controlling interests	**424**	413	3	919
Total comprehensive income for the period	**8 277**	7 198	15	14 900

Consolidated statement of financial position – IFRS

	As at 31 December			As at 30 June
R million	**2012**	2011*	2010*	2012
ASSETS				
Cash and cash equivalents	**52 695**	38 545	31 511	38 363
Derivative financial instruments	**56 502**	57 721	51 052	52 913
Commodities	**8 003**	5 880	4 164	5 108
Accounts receivable	**6 400**	7 894	5 598	6 007
Policy loans	**–**	–	26	–
Tax asset	**606**	163	798	331
Advances	**563 038**	498 258	453 290	524 507
Investment securities and other investments	**113 944**	126 237	127 884	119 708
Investments in associates and joint ventures	**7 040**	6 663	5 819	6 869
Property and equipment	**13 207**	11 949	10 409	12 026
Intangible assets	**1 557**	1 647	1 510	1 743
Reinsurance assets	**846**	855	527	898
Post-employment benefit asset	**8**	3	–	7
Investment properties	**452**	203	161	215
Deferred income tax asset	**524**	470	451	471
Non-current assets and disposal groups held for sale	**505**	5 173	2 609	599
Total assets	**825 327**	761 661	695 809	769 765
EQUITY AND LIABILITIES				
Liabilities				
Short trading positions	**9 219**	11 944	15 801	5 343
Derivative financial instruments	**58 284**	58 329	50 027	53 760
Creditors and accruals	**8 788**	9 764	6 077	9 086
Tax liability	**289**	409	319	386
Deposits	**651 349**	589 597	535 429	606 281
Provisions	**584**	523	861	592
Employee liabilities	**6 671**	5 936	4 993	6 933
Other liabilities	**5 401**	5 615	9 435	6 383
Policyholder liabilities under insurance contracts	**1 543**	1 373	2 007	1 517
Deferred income tax liability	**1 498**	2 226	2 474	1 679
Tier 2 liabilities	**8 120**	6 366	10 219	7 885
Liabilities directly associated with disposal groups held for sale	**83**	4 480	419	113
Total liabilities	**751 829**	696 562	638 061	699 958
Equity				
Ordinary shares	**55**	55	54	55
Share premium	**5 387**	5 167	5 194	5 216
Reserves	**60 832**	52 284	45 112	57 250
Capital and reserves attributable to ordinary equityholders	**66 274**	57 506	50 360	62 521
NCNR preference shares	**4 519**	4 519	4 519	4 519
Capital and reserves attributable to equityholders of the Group	**70 793**	62 025	54 879	67 040
Non-controlling interests	**2 705**	3 074	2 869	2 767
Total equity	**73 498**	65 099	57 748	69 807
Total equity and liabilities	**825 327**	761 661	695 809	769 765

* *Refer to reclassifications of prior year numbers on page 111.*

Consolidated statement of cash flows – IFRS

R million	Six months ended 31 December 2012	Six months ended 31 December 2011#	Year ended 30 June 2012
Net cash flows from operating activities	**11 140**	6 124	16 635
Net cash generated/(utilised) from operations	**9 439**	1 298	(7 064)
Tax paid	**(3 412)**	(2 307)	(5 331)
Net cash inflow from operating activities	**17 167**	5 115	4 240
Net cash outflow from investing activities	**(2 374)**	(2 364)	(3 763)
Net cash (outflow)/inflow from financing activities	**(495)**	1 335	3 464
Net increase in cash and cash equivalents from operations	**14 298**	4 086	3 941
Cash and cash equivalents at the beginning of the year	**38 363**	34 240	34 240
Cash and cash equivalents at the end of the year	**52 661**	38 326	38 181
Cash and cash equivalents acquired*	**–**	–	1
Cash and cash equivalents disposed of*	**(2)**	–	(31)
Effect of exchange rate changes on cash and cash equivalents	**36**	219	212
Cash and cash equivalents at the end of the year	**52 695**	38 545	38 363
Mandatory reserve balances included above**	**14 991**	13 443	13 677

* *Cash and cash equivalents acquired and disposed of relate to cash balances held by subsidiaries acquired and disposed of during the year.*
** *Banks are required to deposit a minimum average balance calculated monthly with the central bank, which is not available for use in the Group's day-to-day operations. The deposit bears no or low interest. Money at short notice constitutes amounts withdrawable in 32 days or less.*
# *Prior year restatements due to reclassifications.*

Consolidated statement of changes in equity – IFRS

for the six months ended 31 December

R million	Ordinary share capital and ordinary equityholders' funds					
	Share capital	Share premium	**Share capital and share premium**	General risk reserve	Cash flow hedge reserve	Share-based payment reserve
Balance as at 1 July 2011	53	4 945	**4 998**	13	(451)	2 739
Movement in other reserves	–	–	**–**	–	–	315
Ordinary dividends	–	–	**–**	–	–	–
Preference dividends	–	–	**–**	–	–	–
Transfer from/(to) reserves	–	–	**–**	14	–	–
Changes in ownership interest in subsidiaries	–	–	**–**	–	–	–
Consolidation of treasury shares	2	222	**224**	–	–	–
Total comprehensive income for the period	–	–	**–**	–	(198)	–
Balance as at 31 December 2011	55	5 167	**5 222**	27	(649)	3 054
Balance as at 1 July 2012	55	5 216	**5 271**	57	(753)	3 247
Issue of share capital	–	–	**–**	–	–	–
Movement in other reserves	–	–	**–**	–	–	(262)
Ordinary dividends	–	–	**–**	–	–	–
Preference dividends	–	–	**–**	–	–	–
Transfer from/(to) reserves	–	–	**–**	15	–	–
Changes in ownership interest in subsidiaries	–	–	**–**	–	–	–
Consolidation of treasury shares	–	171	**171**	–	–	–
Total comprehensive income for the period	–	–	**–**	–	(89)	–
Vesting of share-based payment reserve	–	–	**–**	–	–	(26)
Balance as at 31 December 2012	55	5 387	**5 442**	72	(842)	2 959

Ordinary share capital and ordinary equityholders' funds							
Available-for-sale reserve	Foreign currency translation reserve	Other reserves	Retained earnings	**Reserves attributable to ordinary equity-holders**	**Non-cumulative non-redeemable preference shares**	**Non-controlling interests**	**Total equity**
225	474	13	48 620	**51 633**	**4 519**	**3 069**	**64 219**
–	–	(142)	166	**339**	**–**	**(31)**	**308**
–	–	–	(6 341)	**(6 341)**	**–**	**(369)**	**(6 710)**
–	–	–	–	**–**	**(137)**	**–**	**(137)**
–	–	–	(14)	**–**	**–**	**–**	**–**
–	–	–	(35)	**(35)**	**–**	**(8)**	**(43)**
–	–	–	40	**40**	**–**	**–**	**264**
187	606	(14)	6 067	**6 648**	**137**	**413**	**7 198**
412	1 080	(143)	48 503	**52 284**	**4 519**	**3 074**	**65 099**
626	1 052	(118)	53 139	**57 250**	**4 519**	**2 767**	**69 807**
–	–	–	–	**–**	**–**	**(4)**	**(4)**
–	–	(36)	–	**(298)**	**–**	**(9)**	**(307)**
–	–	–	(3 183)	**(3 183)**	**–**	**(412)**	**(3 595)**
–	–	–	–	**–**	**(150)**	**–**	**(150)**
–	–	–	(15)	**–**	**–**	**–**	**–**
–	–	–	13	**13**	**–**	**(61)**	**(48)**
–	–	–	49	**49**	**–**	**–**	**220**
442	311	20	7 019	**7 703**	**150**	**424**	**8 277**
–	–	–	(676)	**(702)**	**–**	**–**	**(702)**
1 068	1 363	(134)	56 346	**60 832**	**4 519**	**2 705**	**73 498**

Notes

SUPPLEMENTARY INFORMATION

Headline earnings additional disclosure

Set out below is additional information pertaining to Section 1 of Circular 03/2009 – sector specific rules in calculating headline earnings.

Issue 1 – Re-measurement relating to private equity activities (associates and joint ventures, excluding any private equity investments carried at fair value in terms of IAS 39) regarded as operating or trading activities

	Six months ended 31 December			Year ended 30 June
R million	**2012**	2011	% change	2012
Aggregate cost of portfolio	**4 465**	4 335	3	4 248
Aggregate carrying value	**6 023**	5 566	8	5 959
Aggregate fair value*	**7 658**	6 618	16	7 489
Equity-accounted income**	**170**	143	19	866
Profit on realisation#	**323**	3	>100	82
Aggregate other income earned†	**75**	83	(10)	122

* *Aggregate fair value is disclosed including non-controlling interests.*
** *Income from associates is disclosed post-tax.*
# *Profit on realisation is disclosed post-tax and non-controlling interests.*
† *Aggregate other income earned is disclosed pre-tax.*

Issue 2 – Capital appreciation on investment products

	Six months ended 31 December			Year ended 30 June
R million	**2012**	2011	% change	2012
Carrying value of investment properties	**452**	203	>100	215
Fair value of investment properties	**452**	203	>100	215
Capital appreciation after tax	**–**	–		12

Reclassification of prior year numbers

During the reporting period the following reclassifications were made to the income statement and 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
Income statement Share of profit from associates and joint ventures	401	283	118	The Group's share of profits from associates and joint ventures was stated net of the related tax expense. The comparative information was restated in order to be comparable with the updated presentation.
Direct tax	(2 192)	(2 074)	(118)	As per above.
Profit for the year	6 590	6 590	–	No effect on profit for the year.
Statement of financial position Creditors and accruals*	12 152	9 764	2 388	During the June 2012 financial year a comprehensive review of liabilities disclosure was undertaken by the 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.
Deposits	595 200	589 597	5 603	
Provisions	2 965	523	2 442	
Post-retirement liabilities	2 346	–	2 346	
Employee liabilities	–	5 936	(5 936)	
Other liabilities	–	5 615	(5 615)	
Tier 2 liabilities	–	6 366	(6 366)	
Long-term liabilities	5 048	–	5 048	
Policyholder liabilities under investment contracts	90	–	90	

Note: Non-performing loans at 31 December 2011 have been restated from R18 366 million to R18 388 million.

31 December 2010 R million	Amount as previously reported	Amount as restated	Difference	Explanation
Statement of financial position Creditors and accruals*	10 193	6 077	4 116	During the June 2012 financial year a comprehensive review of liabilities disclosure was undertaken by the 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.
Deposits	543 713	535 429	8 284	
Provisions	3 254	861	2 393	
Post-retirement liabilities	2 202	–	2 202	
Employee liabilities	–	4 993	(4 993)	
Other liabilities	–	9 435	(9 435)	
Tier 2 liabilities	–	10 219	(10 219)	
Long-term liabilities	7 489	–	7 489	
Policyholder liabilities under investment contracts	163	–	163	

* *December 2011 creditors and accruals on a normalised basis were R12 144 million (December 2010: R10 187 million). These have been restated to R9 756 million (December 2010: R6 071 million).*

Contingencies and commitments

R million	As at 31 December 2012	As at 31 December 2011	% change	As at 30 June 2012
Contingencies				
Guarantees	**22 363**	21 747	3	22 741
Acceptances	**285**	267	7	293
Letters of credit	**8 688**	7 020	24	7 886
Total contingencies	**31 336**	29 034	8	30 920
Capital commitments				
Contracted capital commitments	**1 496**	1 914	(22)	1 474
Capital expenditure authorised not yet contracted	**1 390**	1 105	26	2 237
Total capital commitments	**2 886**	3 019	(4)	3 711
Other commitments				
Irrevocable commitments	**73 059**	65 180	12	69 348
Operating lease and other commitments	**3 225**	14 277	(77)	3 666
Total other commitments	**76 284**	79 457	(4)	73 014
Total contingencies and commitments	**110 506**	111 510	(1)	107 645

Number of ordinary shares in issue

	Six months ended 31 December		Year ended 30 June
	2012	2011	2012
Shares in issue			
Opening balance as at 1 July	**5 637 941 689**	5 637 941 689	5 637 941 689
Less: treasury shares	**(173 268 337)**	(175 301 401)	(175 283 030)
– Staff schemes	**–**	(2 590 187)	(2 590 187)
– BEE staff trusts	**(171 401 072)**	(171 401 072)	(171 401 072)
– Shares held by policyholders*	**(1 867 265)**	(1 310 142)	(1 291 771)
Number of shares in issue (after treasury shares)	**5 464 673 352**	5 462 640 288	5 462 658 659
Weighted average number of shares			
Weighted average number of shares before treasury shares	**5 637 941 689**	5 637 941 689	5 637 941 689
Less: treasury shares	**(176 473 314)**	(179 548 083)	(177 575 407)
– Staff schemes	**(446 141)**	(7 143 879)	(4 867 033)
– BEE staff trusts	**(171 401 072)**	(171 401 072)	(171 401 072)
– Policyholder and mutual funds "deemed treasury shares"	**(4 626 101)**	(1 003 132)	(1 307 302)
Weighted average number of shares in issue	**5 461 468 375**	5 458 393 606	5 460 366 282
Dilution impact:			
Staff schemes	**17 771 898**	76 714 211	84 347 709
BEE staff trusts	**8 256 264**	21 461 470	27 757 143
Diluted weighted average number of shares in issue	**5 487 496 537**	5 556 569 287	5 572 471 134
Number of shares for normalised earnings per share calculation			
Actual weighted average and diluted weighted average number of shares for calculation of normalised earnings and diluted earnings per share	**5 637 941 689**	5 637 941 689	5 637 941 689

* *Policyholders only include FirstRand shares held in the FNB ELI cell.*

Key market indicators and share statistics

	Six months ended 31 December		% change	Year ended 30 June
	2012	2011		2012
Market indicators				
USD/ZAR exchange rate				
– Closing	**8.51**	8.11	5	8.19
– Average	**8.48**	7.62	11	7.78
SA prime overdraft (%)	**8.50**	9.00		9.00
SA average prime overdraft (%)	**8.55**	9.00		9.00
SA average CPI (%)	**5.37**	5.75		5.85
JSE All Share Index	**39 250**	31 986	23	33 708
JSE Banks Index	**53 362**	41 178	30	47 824
Share statistics				
Share price				
– High for the period (cents)	**3 133**	2 110	48	2 819
– Low for the period (cents)	**2 515**	1 770	42	2 074
– Closing (cents)	**3 100**	2 074	49	2 639
Shares traded				
– Number of shares (millions)	**1 542**	1 581	(2)	1 723
– Value of shares (R million)	**43 323**	31 186	39	42 242
– Turnover in shares traded (%)	**27.00**	28.96		31.56

Share price performance

	Six months ended 31 December		% change	Year ended 30 June
	2012	2011		2012
FirstRand average share price (cents)	**2 830**	1 973	43	2 203
JSE Bank Index (average)	**49 106**	39 640	24	43 137
JSE All Share Index (average)	**36 336**	31 217	16	32 474

Company information

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TRANSFER SECRETARIES – NAMIBIA

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Company information continued

STOCK EXCHANGES

JSE Limited (JSE)

Ordinary shares	Share code	ISIN code
FirstRand Limited	FSR	ZAE000066304

Non-cumulative non-redeemable preference shares	Share code	ISIN code
B	FSRP	ZAE000060141

Namibian Stock Exchange (NSX)

Ordinary shares	Share code	ISIN code
FirstRand Limited	FST	ZAE000066304
FNB Namibia Holdings Limited	FNB	NA0003475176
Subordinated debt		
FNB of Namibia Limited	FNBJ22	NA000A1G3AF2
FNB of Namibia Limited	FNBX22	NA000A1G3AG0

Botswana Stock Exchange (BSE)

Ordinary shares	Share code	ISIN code
FNB Botswana Holdings Limited	FNBB	BW0000000066

JSE – listed debt instruments

	Issuer	Bond code	ISIN code
Subordinated debt	FirstRand Bank Limited	FRB03	ZAG000026774
	FirstRand Bank Limited	FRB05	ZAG000031337
	FirstRand Bank Limited	FRB08	ZAG000047796
	FirstRand Bank Limited	FRB09	ZAG000047804
	FirstRand Bank Limited	FRB10	ZAG000092487
	FirstRand Bank Limited	FRB11	ZAG000102054
Upper Tier 2	FirstRand Bank Limited	FRBC21	ZAG000052283
	FirstRand Bank Limited	FRBC22	ZAG000052390
Senior unsecured	FirstRand Bank Limited	FRBI07	ZAG000055849
	FirstRand Bank Limited	FRBN04	ZAG000041005
	FirstRand Bank Limited	FRBN05	ZAG000042169
	FirstRand Bank Limited	FRBZ01	ZAG000049255
	FirstRand Bank Limited	FRBZ02	ZAG000072711
	FirstRand Bank Limited	FRBZ03	ZAG000080029
	FirstRand Bank Limited	FRJ13	ZAG000079823
	FirstRand Bank Limited	FRJ14	ZAG000069683
	FirstRand Bank Limited	FRJ15	ZAG000094368
Senior unsecured	FirstRand Bank Limited	FRJ16	ZAG000073826
	FirstRand Bank Limited	FRJ17	ZAG000094343
	FirstRand Bank Limited	FRJ18	ZAG000084187
	FirstRand Bank Limited	FRS36	ZAG000077397
	FirstRand Bank Limited	FRS37	ZAG000077793
	FirstRand Bank Limited	FRS43	ZAG000078643
	FirstRand Bank Limited	FRS46	ZAG000079807
	FirstRand Bank Limited	FRS49	ZAG000081787
	FirstRand Bank Limited	FRS51	ZAG000086117
	FirstRand Bank Limited	FRS56	ZAG000087271
	FirstRand Bank Limited	FRS59	ZAG000089855
	FirstRand Bank Limited	FRS61	ZAG000090523
	FirstRand Bank Limited	FRS62	ZAG000090614
	FirstRand Bank Limited	FRS63	ZAG000091513
	FirstRand Bank Limited	FRS64	ZAG000092529
	FirstRand Bank Limited	FRS65	ZAG000094277
	FirstRand Bank Limited	FRS67	ZAG000095720
	FirstRand Bank Limited	FRS69	ZAG000095829
	FirstRand Bank Limited	FRS70	ZAG000095910
	FirstRand Bank Limited	FRS71	ZAG000096009
	FirstRand Bank Limited	FRS72	ZAG000096033
	FirstRand Bank Limited	FRS75	ZAG000096363
	FirstRand Bank Limited	FRS77	ZAG000097361
	FirstRand Bank Limited	FRS78	ZAG000097916
	FirstRand Bank Limited	FRS79	ZAG000100397
	FirstRand Bank Limited	FRS80	ZAG000100801
	FirstRand Bank Limited	FRS81	ZAG000100892
	FirstRand Bank Limited	FRS82	ZAG000101601
	FirstRand Bank Limited	FRS83	ZAG000102112
	FirstRand Bank Limited	FRX14	ZAG000079815
	FirstRand Bank Limited	FRX15	ZAG000051103
	FirstRand Bank Limited	FRX16	ZAG000084203
	FirstRand Bank Limited	FRX17	ZAG000094376
	FirstRand Bank Limited	FRX18	ZAG000076472
	FirstRand Bank Limited	FRX19	ZAG000073685
	FirstRand Bank Limited	FRX24	ZAG000073693
	FirstRand Bank Limited	FRX31	ZAG000084195
	FirstRand Bank Limited	FRX45	ZAG000076480

	Issuer	Bond code	ISIN code
Inflation-linked bonds	FirstRand Bank Limited	FRBI04	ZAG000044306
	FirstRand Bank Limited	FRBI22	ZAG000079666
	FirstRand Bank Limited	FRBI23	ZAG000076498
	FirstRand Bank Limited	FRBI28	ZAG000079237
	FirstRand Bank Limited	FRBI33	ZAG000079245
	FirstRand Bank Limited	FRI15	ZAG000051137
Credit-linked notes	FirstRand Bank Limited	FRC08	ZAG000051749
	FirstRand Bank Limited	FRC11	ZAG000054131
	FirstRand Bank Limited	FRC29	ZAG000069857
	FirstRand Bank Limited	FRC37	ZAG000076712
	FirstRand Bank Limited	FRC40	ZAG000081027
	FirstRand Bank Limited	FRC41	ZAG000081670
	FirstRand Bank Limited	FRC46	ZAG000082959
	FirstRand Bank Limited	FRC47	ZAG000084310
	FirstRand Bank Limited	FRC55	ZAG000085507
	FirstRand Bank Limited	FRC57	ZAG000086414
	FirstRand Bank Limited	FRC61	ZAG000087347
	FirstRand Bank Limited	FRC66	ZAG000088485
	FirstRand Bank Limited	FRC67	ZAG000088741
	FirstRand Bank Limited	FRC68	ZAG000088758
	FirstRand Bank Limited	FRC69	ZAG000088766
	FirstRand Bank Limited	FRC70	ZAG000088840
	FirstRand Bank Limited	FRC71	ZAG000088923
	FirstRand Bank Limited	FRC72	ZAG000088956
	FirstRand Bank Limited	FRC74	ZAG000089178
	FirstRand Bank Limited	FRC76	ZAG000089574
	FirstRand Bank Limited	FRC78	ZAG000089806
	FirstRand Bank Limited	FRC79	ZAG000089947
	FirstRand Bank Limited	FRC82	ZAG000090796
	FirstRand Bank Limited	FRC83	ZAG000090952
	FirstRand Bank Limited	FRC84	ZAG000090986
	FirstRand Bank Limited	FRC85	ZAG000091109
	FirstRand Bank Limited	FRC86	ZAG000091182
	FirstRand Bank Limited	FRC87	ZAG000091570
	FirstRand Bank Limited	FRC90	ZAG000092388
	FirstRand Bank Limited	FRC91	ZAG000092370
	FirstRand Bank Limited	FRC92	ZAG000092511
	FirstRand Bank Limited	FRC93	ZAG000092545
	FirstRand Bank Limited	FRC94	ZAG000092677
	FirstRand Bank Limited	FRC95	ZAG000092792
	FirstRand Bank Limited	FRC96	ZAG000093204
	FirstRand Bank Limited	FRC97	ZAG000093212
	FirstRand Bank Limited	FRC98	ZAG000093220
	FirstRand Bank Limited	FRC99	ZAG000093501

	Issuer	Bond code	ISIN code
Credit-linked notes	FirstRand Bank Limited	FRC101	ZAG000093576
	FirstRand Bank Limited	FRC103	ZAG000093840
	FirstRand Bank Limited	FRC104	ZAG000093857
	FirstRand Bank Limited	FRC105	ZAG000093998
	FirstRand Bank Limited	FRC106	ZAG000093956
	FirstRand Bank Limited	FRC107	ZAG000094574
	FirstRand Bank Limited	FRC108	ZAG000094871
	FirstRand Bank Limited	FRC109	ZAG000094889
	FirstRand Bank Limited	FRC110	ZAG000094954
	FirstRand Bank Limited	FRC112	ZAG000095621
	FirstRand Bank Limited	FRC113	ZAG000095761
	FirstRand Bank Limited	FRC114	ZAG000095837
	FirstRand Bank Limited	FRC115	ZAG000095852
	FirstRand Bank Limited	FRC116	ZAG000095860
	FirstRand Bank Limited	FRC117	ZAG000095928
	FirstRand Bank Limited	FRC118	ZAG000096280
	FirstRand Bank Limited	FRC119	ZAG000096298
	FirstRand Bank Limited	FRC120	ZAG000096306
	FirstRand Bank Limited	FRC121	ZAG000096314
	FirstRand Bank Limited	FRC122	ZAG000096322
	FirstRand Bank Limited	FRC123	ZAG000096272
	FirstRand Bank Limited	FRC124	ZAG000096579
	FirstRand Bank Limited	FRC125	ZAG000096678
	FirstRand Bank Limited	FRC126	ZAG000096934
	FirstRand Bank Limited	FRC127	ZAG000096942
	FirstRand Bank Limited	FRC128	ZAG000096959
	FirstRand Bank Limited	FRC129	ZAG000096967
	FirstRand Bank Limited	FRC130	ZAG000096975
	FirstRand Bank Limited	FRC131	ZAG000096983
	FirstRand Bank Limited	FRC132	ZAG000096991
	FirstRand Bank Limited	FRC133	ZAG000097007
	FirstRand Bank Limited	FRC134	ZAG000097056
	FirstRand Bank Limited	FRC135	ZAG000097122
	FirstRand Bank Limited	FRC136	ZAG000097106
	FirstRand Bank Limited	FRC137	ZAG000097114
	FirstRand Bank Limited	FRC138	ZAG000097130
	FirstRand Bank Limited	FRC139	ZAG000097148
	FirstRand Bank Limited	FRC140	ZAG000097155
	FirstRand Bank Limited	FRC141	ZAG000097189
	FirstRand Bank Limited	FRC142	ZAG000097445
	FirstRand Bank Limited	FRC143	ZAG000097551
	FirstRand Bank Limited	FRC144	ZAG000097569
	FirstRand Bank Limited	FRC145	ZAG000097627
	FirstRand Bank Limited	FRC146	ZAG000099425
	FirstRand Bank Limited	FRC147	ZAG000099433
	FirstRand Bank Limited	FRC148	ZAG000099466

Company information continued

	Issuer	Bond code	ISIN code
Credit-linked notes	FirstRand Bank Limited	FRC149	ZAG000099607
	FirstRand Bank Limited	FRC150	ZAG000099821
	FirstRand Bank Limited	FRC151	ZAG000099904
	FirstRand Bank Limited	FRC152	ZAG000100330
	FirstRand Bank Limited	FRC153	ZAG000100348
	FirstRand Bank Limited	FRC154	ZAG000100694
	FirstRand Bank Limited	FRC155	ZAG000101643
	FirstRand Bank Limited	FRC157	ZAG000101973
	FirstRand Bank Limited	FRC158	ZAG000101981
	FirstRand Bank Limited	FRC159	ZAG000101999
	FirstRand Bank Limited	FRC160	ZAG000102013
	FirstRand Bank Limited	FRC161	ZAG000102260
	FirstRand Bank Limited	FRC162	ZAG000102286
Senior unsecured callable bonds	FirstRand Bank Limited	FR002U	ZAG000042748
	FirstRand Bank Limited	FR003U	ZAG000042755
Investment security index contracts	Rand Merchant Bank	RMBI01	ZAG000050865
	Rand Merchant Bank	RMBI02	ZAG000052986
	Rand Merchant Bank	RMBI03	ZAG000054032
	Rand Merchant Bank	RMBI04	ZAG000055013
	Rand Merchant Bank	RMBI05	ZAG000055864
	Rand Merchant Bank	RMBI06	ZAG000056722
	Rand Merchant Bank	RMBI07	ZAG000057910
	Rand Merchant Bank	RMBI08	ZAG000072265
Structured notes	FirstRand Bank Limited	OILRMB	ZAG000152732
	FirstRand Bank Limited	COLRMB	ZAE000155222

London Stock Exchange (LSE)

European medium term note (EMTN) programme

	Issuer	ISIN code
Senior unsecured	FirstRand Bank Limited	XS0610341967
	FirstRand Bank Limited	XS0595260141
	FirstRand Bank Limited	XS0635404477

Simplified group structure

FIRSTRAND

Listed holding company (FirstRand Limited, JSE: FSR)

100% — FirstRand Bank Limited

Banking

100%	First National Bank[1]
100%	Rand Merchant Bank[1]
100%	WesBank[1]
100%	FirstRand Bank India[2]
100%	FirstRand Bank London[2]
100%	FirstRand Bank Dubai[3]
100%	FirstRand Bank Shanghai[3]
100%	FirstRand Bank Nigeria[3]
100%	FirstRand Bank Angola[3]
100%	FirstRand Bank Kenya[3]

100% — FirstRand EMA Holdings Limited

Africa and emerging markets

59%	FNB Namibia
70%	FNB Botswana
100%	FNB Swaziland
90%	FNB Mozambique
100%	FNB Zambia
100%	FNB Lesotho
100%	FNB Tanzania
100%	RMB Nigeria
100%	FirstRand International – Mauritius

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

Other activities[4, 5]

96%	RMB Private Equity Holdings
93%	RMB Private Equity
100%	RMB Securities
50%	RMB Morgan Stanley
100%	FNB International Wealth
100%	BJM Private Clients
100%	Rentworks
65%	Direct Axis
100%	First Auto (Pty) Ltd
100%	FirstRand International – Guernsey (includes RMB Australia Holdings)
100%	Ashburton Fund Managers (Pty) Ltd

Structure shows effective consolidated shareholding.

1. Division
2. Branch
3. Representative office
4. For segmental analysis purposes entities included in FRIHL are reported as part of the results of the managing franchise
5. The Group's securitisations and conduits are in FRIHL

Credit ratings

FIRSTRAND BANK LIMITED (FRB)

The credit ratings reflect FRB's strong market position as one of the Big Four banks in South Africa as well as its focused strategy, good core profitability, financial flexibility, robust risk management and sound capitalisation.

Credit ratings assigned by Standard & Poor's Ratings Services (S&P) as at 4 March 2013

	FirstRand Bank Limited	Sovereign rating South Africa
Foreign currency counterparty credit rating		
Long-term	**BBB**	BBB
Outlook	**Negative**	Negative
Short-term	**A-2**	A-2
Local currency counterparty credit rating		
Long-term	**BBB**	A-
Outlook	**Negative**	Negative
Short-term	**A-2**	A-2
National scale		
Long-term	**zaAA**	
Short-term	**zaA-1**	

Summary of rating actions:

- On 12 October 2012, S&P lowered the long-term foreign currency sovereign rating on South Africa to BBB from BBB+ and the long-term local currency rating to A- from A. The agency also lowered the short-term local currency rating to A-2 from A-1 and affirmed the short-term foreign currency rating at A-2. The outlook remained negative.
- Consequently, FRB's long-term foreign and local currency ratings were lowered to BBB from BBB+ with the short-term foreign and local currency ratings affirmed at A-2. The South Africa national scale ratings on FRB were affirmed at zaAA/zaA-1.

Credit ratings assigned by Moody's Investors Service (Moody's) as at 4 March 2013

	FirstRand Bank Limited (FRB)	Sovereign rating South Africa
Foreign currency deposit rating (FRB) and foreign currency bond rating (sovereign)		
Long-term	**Baa1**	Baa1
Outlook	**Negative**	Negative
Short-term	**P-2**	
Local currency deposit ratings (FRB) and local currency bond rating (sovereign)		
Long-term	**A3**	Baa1
Outlook	**Negative**	Negative
Short-term	**P-2**	
National scale		
Long-term	**Aa2.za**	
Short-term	**P-1.za**	
Bank financial strength rating		
C-		
Outlook	**Stable**	

Summary of rating actions:

- On 27 September 2012, Moody's lowered the government bond rating by one notch to Baa1 from A3. The outlook remained negative.
- Consequently, on 4 October 2012, FRB's foreign currency deposit rating was lowered to Baa1 from A3. Local currency deposit and debt ratings were assigned a negative outlook in line with the sovereign rating outlook. The national scale deposit ratings of Aa2.za/P-1.za remained unaffected.

Credit ratings assigned by Fitch Ratings (Fitch) as at 4 March 2013

	FirstRand Bank Limited	Sovereign rating South Africa
Foreign currency issuer default rating (IDR)		
Long-term	**BBB**	BBB
Outlook	**Stable**	Stable
Short-term	**F3**	F3
Local currency IDR		
Long-term	**BBB**	BBB+
Outlook	**Stable**	Stable
National rating		
Long-term	**AA(zaf)**	
Outlook	**Stable**	
Short-term	**F1+(zaf)**	
Viability rating	**bbb**	
Support rating	**3**	
Support rating floor	**BB+**	

Summary of rating actions:

- On 10 January 2013, Fitch downgraded South Africa's long-term foreign currency issuer default rating (IDR) to BBB from BBB+ and long-term local currency IDR to BBB+ from A. The agency also downgraded the short-term IDR to F3 from F2. The outlooks are stable.
- Consequently, on 15 January 2013, FRB's long-term foreign currency IDR was downgraded to BBB from BBB+, short-term foreign currency IDR downgraded to F3 from F2, long-term local currency IDR downgraded to BBB from BBB+, viability rating downgraded to bbb from bbb+, support rating downgraded to 3 from 2 and the support rating floor downgraded to BB+ from BBB-. The national ratings remained unaffected.

FIRSTRAND LIMITED

FirstRand Limited's ratings reflect its status as the non-operational holding company of the FirstRand Group, and the entity's consequent structural subordination and reliance on dividends from operating companies to meet its obligations, which exposes it to potential regulatory impositions.

Credit ratings assigned by Standard & Poor's as at 4 March 2013

	FirstRand Limited
Foreign currency credit rating	
Long-term	**BBB-**
Outlook	**Negative**
Short-term	**A-3**
Local currency credit rating	
Long-term	**BBB-**
Outlook	**Negative**
Short-term	**A-3**
National scale	
Long-term	**zaAA-**
Short-term	**zaA-1**

Summary of rating actions:

- The Group's long- and short-term ratings were lowered to BBB-/A-3 from BBB/A-2 following the downgrading of the sovereign rating as discussed on the previous page. The South Africa national scale ratings were affirmed at zaAA-/zaA-1.

Definitions

Capital adequacy ratio (CAR)	Capital divided by risk weighted assets.
Common Equity Tier 1	Tier 1 less NCNR preference share capital
Core Tier 1 ratio	Tier 1 less NCNR preference share capital divided by RWA.
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 advances (average between the opening and closing balance for the period).
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 income before direct tax per the income statement.
Exposure at default (EAD)	Gross exposure of a facility upon default of a counterparty.
Loan-to-deposit ratio	Average advances expressed as a percentage of average deposits.
Loss given default (LGD)	Economic loss that will be suffered on an exposure following default of the counterparty, expressed as a percentage of the amount outstanding at the time of default.
Net income after capital charge (NIACC)	Normalised earnings less the cost of equity multiplied by the average ordinary shareholders' equity and reserves.
Normalised earnings	The Group believes normalised earnings more accurately reflect its economic performance. Headline earnings are adjusted to take into account non-operational and accounting anomalies. Refer to pages 14 and 15 for a detailed description of the difference between normalised and IFRS results.
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 on 31 December divided by basic normalised earnings per share.
Price-to-book (times)	Closing share price on 31 December divided by normalised net asset value per share.
Probability of default (PD)	Probability that a counterparty will default within the next year (considering the ability and willingness of the counterparty to repay).
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 risks multiplied by on- and off-balance sheet assets.
Shares in issue	Number of ordinary shares listed on the JSE.
Tier 1 ratio	Tier 1 capital divided by RWA.
Weighted average number of ordinary shares	Weighted average number of ordinary shares in issue during the period as listed on the JSE.

FIRSTRAND

www.firstrand.co.za