Annual Financial Statements

for the year ended 30 June 2026

FirstRand

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FirstRand

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

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

Five-year review

A

A4 Five-year review

Five-year review

R million	2022*	2023*	2024*	2025**	**2026**
Statement of financial position					
Total assets	1 999 724	2 298 039	2 369 339	2 588 770	**2 742 813**
Average assets	1 934 869	2 148 882	2 333 689	2 479 055	**2 665 792**
Core lending advances	1 311 441	1 511 037	1 597 898	1 699 002	**1 373 680**
Average core lending advances	1 259 955	1 411 239	1 554 468	1 648 450	**1 536 341**
Impairment and fair value of credit of advances	47 734	51 072	54 165	55 188	**51 149**
Non-performing loans (NPLs)	50 886	57 432	67 840	74 484	**63 476**
Gross advances before impairments	1 382 058	1 590 447	1 665 706	1 803 827	**1 545 962**
Deposits and debt funding	1 655 972	1 923 103	2 003 151	2 181 874	**1 869 923**
Capital and reserves attributable to equityholders of the group	177 211	194 146	212 943	237 783	**240 104**
Treasury shares	70	145	416	1 990	**4 027**
Ordinary dividends	17 390	27 991	22 158	24 329	**28 294**
Total equity before dividends and treasury shares	194 671	222 282	235 517	264 102	**272 425**
Total ordinary equity	165 566	181 300	195 272	216 370	**216 236**
Assets under administration	2 408 608	2 766 190	2 876 866	3 171 685	**3 422 958**
Income statement					
Net interest income before impairment of advances	66 375	76 436	83 454	74 205	**78 191**
Impairment and fair value of credit of advances	(7 080)	(10 949)	(12 555)	(13 654)	**(13 980)**
Non-interest revenue	48 248	53 844	56 082	58 424	**68 700**
Share of profit of associates and joint ventures after tax	1 491	487	2 426	2 923	**2 132**
Operating expenses	(60 769)	(67 429)	(74 731)	(67 185)	**(79 942)**
Earnings attributable to ordinary equityholders	32 761	36 331	38 191	41 876	**35 749**
Headline earnings	32 817	36 700	38 054	41 881	**39 692**
Earnings per share (cents)					
– Basic	584.3	648.1	681.4	748.7	**642.1**
– Diluted	584.3	648.1	681.4	747.9	**640.1**
Headline earnings per share (cents)					
– Basic	585.3	654.7	679.0	748.8	**712.9**
– Diluted	585.3	654.7	679.0	748.0	**710.6**

* *Aldermore reflected as a continuing operation.*

** *Aldermore balance sheet reflected as a continuing operation while the income statement is reflected as discontinued operation.*

R million	2022*	2023*	2024*	2025**	**2026**
Dividend per share (cents)	342.0	384.0	415.0	466.0	**539.0**
Special dividend per share (cents)	125	—	—	—	**—**
Dividend cover based on headline earnings	1.7	1.7	1.6	1.6	**1.6**
NCNR preference dividends per share (cents)					
– February	270.7	52.2	—	—	**—**
– August	307.4	—	—	—	**—**
Net asset value per ordinary share (cents)	2 952.6	3 233.7	3 484.7	3 875.4	**3 888.1**
Shares in issue (millions)	5 609.5	5 609.5	5 609.5	5 609.5	**5 609.5**
Weighted average number of shares in issue (millions)	5 606.7	5 605.7	5 604.5	5 593.2	**5 567.3**
Diluted weighted average number of shares in issue (millions)	5 606.7	5 605.7	5 604.5	5 599.1	**5 585.3**

* *Aldermore reflected as a continuing operation.*

** *Aldermore balance sheet reflected as a continuing operation while the income statement is reflected as discontinued operation.*

Five-year review continued

R million	2022*	2023*	2024*	2025**	**2026**
Key ratios					
Return on ordinary equity based on headline earnings (%)	20.7	21.2	20.2	20.3	**18.4**
Price earnings ratio based on headline earnings (times)	10.7	10.5	11.3	10.1	**13.6**
Price-to-book ratio (times)	2.1	2.1	2.2	2.0	**2.5**
Market capitalisation (R million)	349 864	384 250	431 370	424 582	**545 579**
Closing share price (cents)	6 237	6 850	7 690	7 569	**9 726**
Cost-to-income ratio (%)	52.3	51.6	52.6	49.6	**53.6**
Credit loss ratio (%) – core lending advances	0.56	0.78	0.81	1.08	**1.05**
NPLs as a % of core lending advances	3.88	3.80	4.25	4.38	**4.62**
Non-interest income as a % of total income	42.8	41.5	41.2	45.3	**47.5**
Return on average total assets based on headline earnings (%)	1.6	1.7	1.6	1.7	**1.5**
Exchange rates					
Rand/$					
– Closing	16.41	18.84	18.22	17.78	**16.37**
– Average	15.19	17.73	18.71	18.15	**16.88**
Rand/£					
– Closing	19.95	23.95	22.99	24.36	**21.67**
– Average	20.21	21.31	23.55	23.49	**22.66**
Statement of financial position ($)#					
Total assets	121 860	121 977	130 041	145 600	**167 551**
Gross advances before impairments	84 220	84 419	91 422	101 453	**94 439**
Deposits and debt funding	100 912	102 076	109 942	122 715	**114 229**
Total equity	10 799	10 305	11 687	13 374	**14 667**
Assets under administration	146 777	146 825	157 896	178 385	**209 099**
Income statement ($)†					
Earnings attributable to ordinary equityholders	2 157	2 049	2 041	2 307	**2 118**
Headline earnings	2 160	2 070	2 034	2 307	**2 351**
Statement of financial position (£)#					
Total assets	100 237	95 952	103 060	106 271	**126 572**
Gross advances before impairments	69 276	66 407	72 454	74 049	**71 341**
Deposits and debt funding	83 006	80 297	87 131	89 568	**86 291**
Total equity	8 883	8 106	9 262	9 761	**11 080**
Assets under administration	120 732	115 499	125 136	130 201	**157 958**
Income statement (£)†					
Earnings attributable to ordinary equityholders	1 621	1 705	1 622	1 783	**1 578**
Headline earnings	1 624	1 722	1 616	1 783	**1 752**

* *Aldermore reflected as a continuing operation.*

** *Aldermore balance sheet reflected as a continuing operation.*

\# *The statement of financial position is converted using the closing rates as disclosed.*

† *The income statement is converted using the average rate as disclosed.*

FirstRand Group Audited Consolidated Annual Financial Statements

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Audit and compliance committee report

The group audit and compliance committee (the committee) herewith presents its report in respect of the group's financial year ended 30 June 2026. As a key component of the group's governance framework, the committee assists the board in fulfilling its oversight responsibilities over the internal and external audit functions, ensuring fairly presented financial statements and other financial reports (including the evaluation and efficiency of accounting policies), internal financial controls and legal and regulatory requirements related to financial reporting.

This report has been prepared based on the requirements of the South African Companies Act, 71 of 2008, as amended (Companies Act), the JSE Listings Requirements, the JSE Debt and Specialist Securities Listings Requirements, other applicable regulatory requirements and the King Code of Governance for South Africa (King IV). The group has commenced a phased transition to King V and is reviewing its governance framework, policies, and disclosures to identify any enhancements required for alignment. This transition is being undertaken in a measured and orderly manner to support continued governance effectiveness, transparent reporting and oversight across the group.

The committee is constituted as a statutory committee of the FirstRand board in respect of the group's duties in terms of section 94(7) of the Companies Act and section 64 of the Banks Act of 1990 (Banks Act). The objectives and functions of the committee are set out in its terms of reference, which was reviewed and updated during the financial year.

SUMMARY OF RESPONSIBILITIES

- Reviews the quality, independence and effectiveness of the statutory audit work performed by the group's external auditors.
- Recommends the appointment of external audit firms and lead audit partners to the board for endorsement and approval by the shareholders.
- Monitors the extent of non-audit engagements provided by the group's external audit firms in accordance with approved internal policies and limits.
- Assists the board in evaluating the adequacy and effectiveness of the group's internal control environment (including internal financial controls and IT risk-related controls), accounting practices, information systems and internal assurance processes.
- Ensures that a combined assurance model is applied to provide a coordinated approach to assurance activities by group internal audit, external audit, group compliance, group risk and other internal control functions.
- Provides independent oversight regarding financial reporting risks and internal financial controls, including risks relating to the validity, accuracy and completeness of financial information and financial statements and recommends these items to the board for approval. Assesses reports received on fraud and IT risks as these relate to financial reporting.
- Satisfies itself as to the expertise, resources and experience of the group CFO and finance function.
- Assesses and evaluates the effectiveness of the group's processes regarding compliance with applicable financial reporting related legal and regulatory requirements, as well as accounting policies.
- Monitors compliance with the regulations relating to banks and other entities within the group.
- Reviews the group compliance monitoring assurance findings and provides the approval of the annual monitoring plan.

The effectiveness of the committee and its individual members is assessed annually by the board.

The committee is satisfied that it has, during the past financial year, executed its duties in accordance with the terms of reference and relevant legislation, regulations and governance practices. Feedback was obtained from management and external and internal audit in making all assessments.

Composition and governance

Members of the committee satisfy the requirements for serving as members of an audit and compliance committee, as provided in section 94 of the Companies Act, King IV and the Banks Act. As a collective, the committee possesses the appropriate financial expertise, related qualifications and a balance of skills and experience to discharge its responsibilities. All members are independent non-executive directors.

Segment audit committees, established as management committees, support the committee in executing its tasks. They are chaired by the same competent, independent non-executive members of the committee.

The composition of the committee and the attendance of meetings by its members for the 2026 financial year are set out below.

COMPOSITION	MEETINGS
T Winterboer (Chair)	6/6
TC Isaacs	6/6
PJ Makosholo	6/6
Z Roscherr	6/6
LL von Zeuner	6/6

ATTENDEES

- Chief executive officer
- Chief financial officer
- Chief risk officer
- Chief audit executive
- Chief compliance officer
- External auditors
- Heads of finance, risk, compliance and internal audit

AREAS OF FOCUS

In addition to the items detailed in the specific sections that follow, the committee performed and reviewed the following during the year:

- Considered the effectiveness of the internal financial controls and the going concern aspect of FirstRand and its significant subsidiaries, in terms of Regulation 40(4) of the Banks Act regulations (including specific approval of the list of loss-making entities and/or those with a negative net asset value);
- Management's self-assessment of internal financial controls, enabling the directors' attestation in terms of the JSE Listings Requirements section 3.84(k);
- Quarterly financial analysis of the group's performance;
- The internal and external audit work plan (which was approved);
- The audit and compliance committee terms of reference (which was approved);
- Impact of emerging and current regulations on the group;
- To the outcome of the statutory and regulatory audits (and responded accordingly);
- Management's response to JSE proactive monitoring of the financial statements report relating to the 2025 calendar year and additional reports issued by the JSE applicable for the 2026 financial year.

EXTERNAL AUDIT

The committee has satisfied itself as to the performance and quality of the external audit function, as well as the independence of the external auditors and lead partners of the group, as set out in section 94(8) of the Companies Act. In reaching this conclusion, the following matters were considered:

- Representations made by the external auditors to the audit committee, including the ISQM1 and ISQM2 system of quality control representations.
- Independence criteria specified by the Independent Regulatory Board for Auditors (IRBA) and international regulatory bodies, as well as criteria for internal governance processes within audit firms.
- Auditor suitability assessment in terms of paragraph 5.7(h)(iii) of the JSE Listings Requirements and paragraph 7.3(e)(iii) of the JSE Debt and Specialist Securities Listings Requirements.
- Previous appointments of the auditors, tenure of the auditors and rotation of the lead partners.
- The extent of non-audit work undertaken by the auditors for the group (in accordance with approved internal policy limits to ensure external audit independence is not jeopardised).
- Any matters arising from the closed meeting between audit firm senior leadership and the committee regarding the firm's risk and quality processes, independently from what the audit team disclosed to the committee.
- The public conduct of audit firms, for example through media reports with follow-up sessions with the external auditors.
- The committee recommended EY for reappointment and recommended the appointment KPMG as the external audit firms responsible for performing the function of joint auditors for the 2026 financial year. Whilst mandatory audit firm rotation is no longer a requirement, the committee and board have elected to proceed with an audit firm rotation. The committee ensured that the appointment of the auditors complied with all required legislation.
- Approved the audit plan and budgeted audit fees for the financial year ended 30 June 2026 of R678 million. The budgeted fee compromised R295 million for EY, R304 million for KPMG and R79 million for other audit firms.

NON-AUDIT SERVICES

The committee annually reviews and approves the list of non-audit services which the auditors may perform. There is an approval process whereby all non-audit service engagements above a certain threshold must be approved by the CFO, and above a further threshold, be pre-approved by the chairman of the audit committee. If above the highest threshold, it needs to be approved by the entire committee. A maximum limit of 25% of the group's annual audit fee is in place for non-audit services, in aggregate and individually, per firm. The cumulative spend for the year to date is presented to the committee on a quarterly basis to keep track of the non-audit spend as well as the nature of services.

The 2026 non-audit fees were 3.82% of the external audit fees. This is comprised of R18 million (6.21%) for EY and R5 million (1.49%) for KPMG. The committee approved the non-audit fee spend.

INTERNAL AUDIT

The purpose of the FirstRand Group Internal Audit (GIA) function is to strengthen the group's ability to create, protect, and sustain value by leveraging its unique position in the group to provide the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

GIA assists senior management and the committee in accomplishing its objectives by applying a systematic and disciplined approach to evaluating and improving the effectiveness of the group's risk management, internal control and governance processes.

The committee reviewed and approved the internal audit charter and evaluated the independence, effectiveness and performance of GIA in compliance with its terms of reference after having done the following:

- Assessed the performance of the chief audit executive and the arrangements of internal audit, and is satisfied that the function is independent and appropriately resourced, and that the chief audit executive has fulfilled the obligations of that position.
- Reviewed and approved the prioritised internal audit plan, which was informed by integrated assurance role players and aligned to the group's strategic objectives, risks and opportunities identified by management, as well as topical issues facing the financial services industry. On a quarterly basis, the committee reviewed the status of the audit plan and approved changes made, to ensure it remained agile in its response to the changing risk landscape.
- Oversaw the mandatory external quality assessment review (EQAR) conducted during the year and acknowledged the overall result of 'generally conforms' presented to the committee, including planned actions to support continued conformance with the Global Internal Audit Standards.
- Reviewed quarterly activity reports from internal audit which covered audit plan progress, insights, opportunities for improvement, a summary of audit observations with a focus on significant matters for escalation and other matters for noting, a cumulative view on internal controls, and status updates on management's remediation efforts to address findings raised.
- The group's external auditors conducted an annual assessment of the internal audit function against International Standards on Auditing (ISA) 610 and confirmed that the work performed by internal audit was suitable for the purposes of external audit reliance.

FINANCIAL STATEMENTS AND FINANCE FUNCTION

FirstRand maintains a strong risk culture and the effective functioning of its internal financial controls is relied upon to confirm the integrity and reliability of the financial statements. A formal attestation process relating to the effective functioning of internal financial controls within the segments enables the positive attestation required from the CFO and CEO as stipulated in paragraph 3.84(k) of the JSE Listings Requirements.

Where deficiencies were identified and reported, the committee assessed the significance thereof, as well as the existence and effectiveness of mitigating controls, and reviewed the remediation actions implemented. The committee is satisfied that the group has appropriate financial reporting control frameworks and procedures in place, and that these procedures are operating effectively.

The committee reports that, based on a formal assessment process, it was satisfied as to the appropriateness of the expertise, effectiveness and experience of the group CFO during the financial year. In addition, the committee is satisfied with the expertise, effectiveness and adequacy of resources and arrangements in the finance function, as well as the experience and continued professional development of the finance leadership team.

The committee confirms that it was able to carry out its work to fulfil its statutory mandate under normal and unrestricted conditions. The committee is satisfied that the assurance obtained during the meetings, corroborated by the review of the documentation deemed necessary and by its own analyses, sustains its conclusions reached for the 2026 financial year.

The committee recommended the consolidated financial statements and company financial statements for the year ended 30 June 2026 for approval to the board. The financial statements will be open for discussion at the forthcoming annual general meeting.

Key audit matters identified by the external auditors are included in their report in the group's annual financial statements. These matters have been discussed and agreed upon with management and were presented to the committee. The committee has considered the appropriateness of the key audit matters reported on by the external auditors. It is satisfied with management's treatment thereof and the audit response thereto.

CONCERNS/COMPLAINTS PROCESS

A committee process exists to receive and deal appropriately with any concerns or complaints relating to:

- reporting practices and internal audit of the group;
- content or auditing of the financial statements;
- internal financial controls of the group; and
- any other related matter.

No complaints were received relating to accounting practices or internal audit, or to the content or audit of the group's annual financial statements.

GROUP COMPLIANCE

Group Compliance's mandate is to facilitate the management of compliance with statutes, regulations and relevant regulatory instruments and requirements. To achieve this, appropriate governance arrangements are implemented and maintained. These include structures, policies, processes and procedures to identify and facilitate the management of compliance obligations and the mitigation of related risks.

During the year, the committee performed, reviewed and monitored the following:

- the implementation and effectiveness of compliance and conduct risk management approaches;
- whether appropriate actions were being taken to manage compliance with applicable laws, rules, codes and standards;
- quarterly compliance reports highlighting key compliance risks across financial crime, market conduct, data privacy, prudential and general compliance sub-risk types, including remediation progress and emerging risk themes;
- the annual compliance monitoring plan, informed by key regulatory priorities, emerging risk themes, prior assurance outcomes, and inherently high-risk and material regulatory areas; and
- amendments to the annual compliance monitoring plan to ensure it remained responsive to the changing risk landscape.

COMBINED ASSURANCE MODEL AND RELATIONSHIP WITH OTHER GOVERNANCE COMMITTEES

The committee focused on the identification of key and emerging risks, and monitored alignment of all assurance providers to eliminate multiple approaches to assurance and reporting thereon. The combined assurance model incorporates and optimises all assurance services and functions so that, taken as a whole, these enable an effective control environment; support the integrity of information used for internal decision-making by management, the governing body and its committees; and support the integrity of the group's external reports.

The committee works closely with the group's risk and capital management committee and the social, ethics and sustainability committee to identify common risk and control themes and achieve synergy between combined assurance processes. Thereby it ensures that, where appropriate, relevant information is shared and that these functions can leverage off one another.

The committee is satisfied with the expertise, effectiveness and adequacy of arrangements in place for combined assurance.

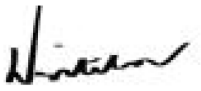
The committee encouraged the focus of integrated assurance activities on key risk areas and robust discussion on emerging risks and the implication thereof for assurance providers. It fostered effective communication between first-, second- and third-line assurance providers (i.e. business, risk, compliance, and internal audit function).

FUTURE AREAS OF FOCUS

- Monitor the implementation of the amended regulatory, prudential and IFRS® Accounting Standards requirements.
- Oversee technology, cyber, data and operational resilience matters insofar as they impact financial reporting, internal controls and assurance coverage.
- Review and monitor matters emanating from the broader Africa operations, and the orderly exist of the UK operations.

Oversee and monitor compliance and assurance activities, including:

- emerging risks and assess how these evolve and translate into compliance risks;
- enhancement of the risk-based approach to compliance; and
- the impact of the changes to the group's operating model on financial reporting, internal controls, governance arrangements and assurance coverage.



T Winterboer
Chairman, audit and compliance committee
Sandton

9 September 2026

Directors' responsibility statement and approval of the annual financial statements

To the shareholders of FirstRand Limited

The directors of FirstRand Limited (the company or the group) are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements comprising the statement of financial position, income statement, and statements of other comprehensive income, changes in equity and cash flows, and the notes to the annual financial statements as at, and for the year ended 30 June 2026.

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Limited Listings Requirements, and JSE Debt and Specialist Securities Listings Requirements and the requirements of the Companies Act, no. 71 of 2008.

Simonet Terblanche, CA(SA), supervised the preparation of the annual financial statements for the year.

The directors have reviewed the group and company's budgets and flow of funds forecasts and considered the group and company's ability to continue as a going concern in light of current and anticipated economic conditions. On the basis of this review, the directors are satisfied that it has adequate resources to continue in business for the foreseeable future and the going concern basis has been adopted in the preparation of the annual financial statements.

Chief executive and chief financial officers' responsibility statement relating to internal financial controls

The CEO and CFO, whose names appear below, hereby confirm that:

a) the consolidated annual financial statements of the group, which appear on pages B28 to B246, and the separate annual financial statements of the company, which appear on pages B247 to B261, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;

b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

e) where we are not satisfied, we have disclosed to the audit and compliance committee and auditors any deficiencies in the design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and

f) we are not aware of any fraud involving directors.

The group's system of controls includes controls over the security of the website and specifically establishing and controlling the process for electronically distributing annual financial statements and other financial information to shareholders.

Approval of the separate and consolidated annual financial statements

The separate and consolidated annual financial statements, as set out on the pages outlined above, were approved by the board of directors on 9 September 2026.

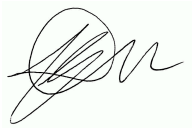
It is the responsibility of the group's independent external auditors, Ernst & Young Inc. (EY) and KPMG, to report on the fair presentation of the annual financial statements. These annual financial statements have been audited in terms of section 29(1) of the Companies Act, no. 71 of 2008. Their unmodified report appears on page B17.



JP Burger
Chairman



M Vilakazi
Chief Executive Officer



MG Davias
Chief Financial Officer

Sandton
9 September 2026

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

I declare that, to the best of my knowledge, the company has lodged with the Commissioner of the Companies and Intellectual Property Commission all such returns and notices as required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.



C Low
Company secretary

Sandton
9 September 2026

Directors' report

for the year ended 30 June 2026

Nature of business

FirstRand Limited is a public company and registered bank-controlling company with a primary listing on the JSE (under Financial – Banks, share code: FSR) and a secondary listing on the Namibian Stock Exchange (NSX) (share code: FST). FirstRand Limited is the holding company of the FirstRand group of companies.

FirstRand Limited consists of three market leading integrated financial services franchises, FNB, RMB and WesBank, that service the needs of retail, commercial, large corporate and institutional clients in South Africa and several jurisdictions in broader Africa and offers a universal set of transactional, lending, investment and insurance products and services. The Centre segment represents group-wide functions.

Since 2018, the group also operated two businesses in the UK through Aldermore Bank, a specialist lender and MotoNovo, a vehicle finance business. Following a regulatory investigation into commission practices in the UK motor finance sector, resulting in a redress scheme, the group communicated to shareholders that it has taken the decision to exit the UK. In the annual financial statements for the year ending 30 June 2026 the UK businesses are classified as a discontinued operation and a disposal group held for sale.

Whilst the group is predominantly South Africa-based, it has subsidiaries in Namibia, Botswana, Zambia, Mozambique, Nigeria, Eswatini, Lesotho and Ghana. The bank has branches in London and Guernsey, and representative offices in Kenya, Angola, New York and China. The group's business in the United Kingdom (being Aldermore Group plc) is classified as a discontinued operation,

The board acknowledges its responsibilities for the integrity of this report. Guidelines as provided by King IV have been adopted in preparation of this report. The board believes that this report fairly represents the performance of the group.

Group results

Profit after tax amounted to R39 258 million (2025: R45 131 million). The operating results and the state of affairs of the company and the group are fully disclosed in the annual financial statements.

Dividend declarations

Dividends

ORDINARY SHARES

	Year ended 30 June	
Cents per share	**2026**	2025
Interim (declared 4 March 2026)	**259.0**	219.0
Final (declared 9 September 2026)	**280.0**	247.0
Total dividends	**539.0**	466.0

Distributions on other equity instruments

Distributions of R1 719 million were made on other equity instruments (2025: R1 664 million). Current tax of R464 million (2025: R449 million) relating to the AT1 instruments was recognised in the income statement.

Share capital

Details of FirstRand's authorised share capital as at 30 June 2026 are shown in note 29 to the group's financial statements.

Ordinary share capital

There were no changes to authorised or issued ordinary share capital during the year.

Preference share capital

There were no changes to authorised preference share capital during the year.

Shareholder analysis

The following shareholders have a significant beneficial interest in FirstRand's issued ordinary shares.

	Year ended 30 June	
%	**2026**	2025
Public Investment Corporation	**16.7**	15.7
Black economic empowerment (BEE) partners	**4.9**	4.9
BlackRock investment management	**4.6**	3.0
The Vanguard Group Inc	**4.3**	4.0
Ninety One	**4.9**	2.2

A further analysis of shareholders is set out in section C.

Directors' report continued

Events after reporting period

The events after reporting period are detailed in note 40.

Directors' and prescribed officers' interests in FirstRand

Closed periods commence on 1 January and 1 July and are in force until the announcement of the interim and year end results. Closed periods also include any period where the company is trading under caution or where participants have knowledge of price sensitive information. A director or prescribed officer is prohibited from using their position or confidential and price sensitive information to benefit themselves or any related party.

Under the requirements of the Companies Act. 71 of 2008 (the Act), a director must use their power and perform their functions in good faith and for a proper purpose in the best interest of the company. This includes the duty to avoid a conflict of interest. Directors' and officers' are required to notify the board of any matter in which they have a personal financial interest or in which they know that a related party has a personal financial interest in relation to particular items of business or other directorships. At the request of the chair, declarations are tabled before commencement of each board meeting and all board members are required to declare their interests and potential conflicts in dealing with matters for consideration at the meeting. In terms of the JSE Limited Listings Requirements and JSE Debt and Specialist Securities Listings Requirements, directors and prescribed officers are prohibited from dealing in any securities of the company during prohibited periods.

All directors and prescribed officers' dealings require the prior approval of the chairman before trading in the company's securities, and the company secretary retains a record of all such dealings in securities and approvals. Trading in securities by employees who are exposed to price sensitive information is subject to the group's personal account trading rules. It is not a requirement of the company's memorandum of incorporation or the board charter that directors own shares in the company.

DIRECTORS' AND PRESCRIBED OFFICERS' INTEREST IN ORDINARY SHARES IN FIRSTRAND LIMITED

Name of Directors and Prescribed Officers	Direct beneficial (thousands)	Indirect beneficial (thousands)	Held by associates (thousands)	**Total 2026 (thousands)**	Total 2025 (thousands)	Percentage holding %
Executive directors and prescribed officers						
HS Kellan*# (stepped down 01/04/2026)	2 029	712	153	**2 894**	2 644	0.05
M Vilakazi#	876	–	–	**876**	547	0.01
MG Davias#	336	–	4	**340**	182	–
S Nxedlana #(appointed 01/04/2026)	315	–	–	**315**	–	–
M Ismail (appointed 01/04/2026)	29	–	–	**29**	–	–
L Johnson# (appointed 01/04/2026)	196	–	–	**196**	–	–
S Cooper**(resigned 2 September 2025)	35	89	–	**124**	124	–
EA Brown#	1 011	–	–	**1 011**	784	0.01
Non-executive directors						
JP Burger	–	5 012	124	**5 136**	5 136	0.09
GG Gelink** (retired 29 November 2024)	–	–	–	**–**	102	–
Z Roscherr	659	–	–	**659**	659	0.01
T Winterboer**	15	–	–	**15**	15	–
L von Zeuner**	5	3	–	**8**	8	–
TC Isaacs**	–	–	4	**4**	4	–
Total	5 506	5 816	285	**11 607**	10 205	0.17

* *FRB had redeemed the debt instruments on 2 December 2025, and this is nil.*

** *Percentage is insignificant in relation to total issued share capital.*

\# *Includes BSOP awards.*

Note: No changes between 30 June 2026 and date of AFS issue in Directors and Prescribed Officers interests.



JP Burger
Chairman



M Vilakazi
Chief executive officer



MG Davias
Chief financial officer

Sandton
9 September 2026

Independent auditors' report

for the year ended 30 June 2026

To the shareholders of FirstRand Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of FirstRand Limited (the Group and Company) set out on pages B28 to B261 which comprise:

- the consolidated and separate statements of financial position as at 30 June 2026;
- the consolidated income statement for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the separate statement of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the basis of preparation, critical accounting estimates, assumptions and judgments, notes to the consolidated and separate financial statements, disclosure of comparative information and material accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of FirstRand Limited as at 30 June 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act no. 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We are independent of the Group and Company, in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards*). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

The scope of our audit was influenced by our application of materiality. The amount we set as materiality represents a quantitative threshold after taking into account qualitative considerations. Materiality is used in evaluating the effect of misstatements on the consolidated and separate financial statements.

Misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements as a whole. Judgements about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.

Independent auditors' report continued

for the year ended 30 June 2026

Based on our professional judgement, we determined certain quantitative thresholds for materiality for the consolidated and separate financial statements as a whole as follows:

	Consolidated financial statements	Separate financial statements
Final materiality	R3 073 million	R962 million
How we determined it	5% of adjusted consolidated profit before income tax from continuing operations	1% of total assets
Rationale for the materiality benchmark applied	We selected adjusted consolidated profit before income tax from continuing operations as the most appropriate basis because, in our view, it is the measure against which the performance of the Group is most commonly measured by users of the consolidated financial statements, and is a generally accepted materiality benchmark for similar entities. The consolidated profit before income tax from continuing operations was adjusted for a non-recurring provision for the UK Motor Commission matter, as disclosed in note 3, recognised in the current year, which is not reflective of the Group's normal operations. We selected 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector and is further based on our professional judgement after consideration of qualitative factors that impact the Group.	We selected total assets as the most appropriate basis because, in our view, it is the measurement against which the financial position of the Company is most commonly measured by users of the separate financial statements and is a generally accepted materiality benchmark for similar entities. We selected 1% which is consistent with quantitative materiality thresholds used for holding companies in this sector and is further based on our professional judgement after consideration of qualitative factors that impact the Company.

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We considered the Group's organisational, legal, consolidation structures and its financial reporting processes when identifying components for purposes of planning and performing audit procedures. For purposes of our Group audit scope, we considered a component to be a single reporting unit within the Group being consolidated.

In establishing the Group audit scope, based on our Group risk assessment we determined the type of work that needed to be undertaken on the financial information of the components. In selecting components, we performed risk assessment procedures across the Group and its components to identify risks of material misstatement. We then identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response. We have identified 19 components where we assessed that further audit procedures would be required to address the risks of material misstatement at the Group level.

Based on our scoping procedures described above, we have determined that 15 components which were selected based on the pervasiveness of risk in those components and for which we performed procedures on the entire financial information of the component. We scoped in 4 components for an audit of one or more account balances within the components' financial information. For other components, analytical procedures to confirm our risk assessment were performed. As a result, based on the risk assessment and scoping procedures performed, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information that was not subject to further audit procedures.

Group auditor oversight

We determined the type of work that was needed to be performed by us, as the joint auditors of the Group, or component auditors from other network firms of the joint Group auditors or other firms operating under our instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Independent auditors' report continued

for the year ended 30 June 2026

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Impairment of Advances

The disclosure associated with Impairment of Advances is set out in the consolidated financial statements in the following material accounting policies and notes:

- Critical accounting estimates: Impairment of advances;
- Note 11 – Advances;
- Note 12 – Impairment of Advances;
- Note 38 – Financial and insurance risks;
- Accounting policies: Financial Instruments.

Key audit matter	How our audit addressed the key audit
Management has continued to exercise judgement to ensure that the final Expected Credit Loss (ECL) is aligned to the requirements of IFRS Accounting Standard 9 – Financial Instruments (IFRS 9) and industry developments. This judgement includes the setting of macroeconomic scenarios and associated probabilities, as well as the forecasting of macroeconomic variables under the set scenarios. Impairment of advances is a matter of most significance to our current year audit due to the following: • Advances are material to the consolidated financial statements. • The level of subjective judgement applied in determining the ECL on advances. • Event-driven uncertainty and its impact on the assessment of ECL. Disclosures relating to the impairment of advances are significant as they rely on material inputs, assumptions and management judgement.	Our audit of impairment of advances included the following procedures to address the key areas of significant judgement and estimation in determining the ECL, using our economic, credit, quantitative, and actuarial expertise: • Tested the design, implementation and operating effectiveness of the relevant financial reporting controls, the existence of key governance structures and the general and application computer controls related to the technology systems supporting ECL. • Assessed the impairment policies and practices applied by management, across all significant portfolios, against the requirements of IFRS 9. • Assessed the Group's probability-weighted macroeconomic scenario estimates and evaluated the methodology, scenario views and associated probabilities and whether they were reasonable in terms of the principles of IFRS 9. • Assessed whether the forecasts are sound in terms of macroeconomic forecasting principles. • Reviewed the approval of these macroeconomic variables through the appropriate governance structures. This was performed through discussions with management, inspection of documentation as well as attendance of the governance forums. • Assessed the macroeconomic variables for reasonableness through comparison to our own and benchmarked economic forecasts and independent market data. • Corroborated that the latest approved macroeconomic outlook has been appropriately incorporated into the forward-looking estimate of ECL. • Evaluated the impact of events and risks not included in the macroeconomic forecasts with reference to the macroeconomic environment. • Evaluated the appropriateness of the disclosures with reference to the requirements of IFRS 9 – Financial instruments.

Independent auditors' report continued

for the year ended 30 June 2026

Key audit matter	How our audit addressed the key audit
Wholesale Advances* The areas of significant judgement and estimation include: **Determination of PD, EAD and LGD** • Input assumptions and methodologies applied to estimate the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).	**Wholesale Advances*** • Through discussions with management and inspection of policy documents, obtained an understanding of the methodologies and assumptions used by management in the various ECL model components and how these were calibrated to use historical information to estimate future cash flows. • On a sample basis, identified and tested the controls over the credit risk management and governance processes when advancing new facilities, restructuring existing facilities or reviewing facilities on a periodic basis, and determining credit ratings. • Through discussions with management and inspection of policy documents, confirmed our understanding of the methodologies used to back-test PDs, EADs and LGDs to historical data or how these are linked to rating agencies inferred variables. • Assessed the quality of the data used in credit management, reporting and modelling for completeness and accuracy through data analytics and, for a sample of facilities, agreed model input data to underlying supporting documentation. • On a sample basis, assessed the appropriateness of assumptions made by management in determining the applicable macroeconomic inputs, credit ratings, EADs, PDs and LGDs in the current economic climate.
Evaluation of SICR • Assessing whether there has been a Significant Increase in Credit Risk (SICR) event since the origination date of the exposure to the reporting date (i.e. a trigger event that has caused a significant deterioration in credit risk and results in migration of the loan from Stage 1 to Stage 2).	• Selected a sample of performing advances and assessed if the application of the SICR trigger was reasonable by forming an independent view based on publicly available information and management's periodic credit reviews.
Incorporation of macro-economic inputs and forward-looking information into the ECL measurement • Assessing the impact of macroeconomic uncertainty on the forward-looking econometric information incorporated into the respective models. • Ensuring consistency between forward-looking information (FLI) and the SICR assessment and ECL calculations.	• Reperformed the ECL models based on management's methodologies and assessed the areas of judgement within the methodology. • Performed an independent FLI assessment to evaluate whether the recent experience and economic outlook were appropriately incorporated.
Assessment of post model adjustments • Management holds additional provisions as post-model adjustments for risks not specifically catered for in the models (e.g. concentration risk) and for specific clients where management believe there are elevated levels of risk which may lead to further deterioration and which are not fully reflected in the models.	• Performed industry analyses for a sample of industries and assessed a sample of individual counterparties based on publicly available information to evaluate the appropriateness of the assumptions applied in the post-model adjustments raised and released.
Assessment of ECL raised for Stage 3 exposures • Assumptions used to estimate the recoverable amounts and timing of future cash flows of individual exposures, which have been classified as non-performing. * *This applies to wholesale advances in RMB Corporate and Investment Banking (South Africa and Broader Africa), as well as Centre (including Group Treasury).*	• Evaluated a sample of performing advances against management's definition of default to assess completeness of Stage 3 advances. • In respect of Stage 3 advances, inspected a sample of legal agreements and underlying supporting documentation to assess the existence of a legal right to collateral and assessed the expected recoverable amount and timing of future cash flows.

Independent auditors' report continued

for the year ended 30 June 2026

Key audit matter	How our audit addressed the key audit
Retail and Commercial Advances**	**Retail and Commercial Advances****
Retail and Commercial advances are higher in volume and lower in value and, therefore, a significant portion of credit impairments are calculated on a portfolio basis. This requires the use of statistical models incorporating data and assumptions which are not always observable. The areas of significant judgement and estimation include:	
Determination of input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement Management applies professional judgement in developing the credit impairment models, analysing data and determining the most appropriate assumptions and estimates used. The inputs into the modelling process require significant management judgement, which include: • Input assumptions and methodologies applied to estimate the PD, EAD, and LGD within the ECL calculations. • Determining the expected value to be realised from collateral, as applicable, and the time it will take to realise.	• Through discussions with management and inspection of policy documents, obtained an understanding of the methodologies and assumptions used by management in the various ECL model components (PD, LGD, EAD) and how these were calibrated to use historical information to estimate future cash flows and also to estimate forward-looking ECL. • Through independent reperformance, assessed the appropriateness of assumptions made by management in applying the macroeconomic inputs, credit risk grades, EADs, PDs, LGDs and valuation of collateral in the current economic climate. • Assessed the appropriateness of the ECL methodology, including any refinements against actual experience and industry practice through benchmarking and evaluating alignment with the principles of IFRS 9. • Independently recalculated the ECL by applying our own independent assessment of the component inputs used by management. Our independent results were compared to management's results for reasonableness. • Through reperformance, as applicable, tested the accurate implementation of the documented methodologies and assessed the alignment between modelled outcomes and recent actual experience. • Assessed the potential impact of reduced collateral values, a delayed recovery process and reduced cure from default for secured exposures by separately considering individually significant collateral, historically stressed collateral values and by quantifying the impact of potentially extended collateral realisations.
Evaluation of SICR • The assessment of whether there has been a SICR event since the origination date of the exposure to the reporting date, considering the impact of the event driven uncertainty, as well as future default rates forecast by the forward-looking macroeconomic model.	• Through applying the assumptions and data included in management's modelled client risk ratings and performance of cured accounts, assessed the accurate implementation of SICR classifications. • Tested the SICR thresholds applied and the resultant transfer of non-arrears accounts into Stage 2 for SICR. This included comparing the volume of up-to-date accounts transferred to Stage 2 to the historical movements from performing into arrears and the impact of forward-looking expectation of default risk on these historical movements. • Tested the model ranking ability and model stability by testing the performance of client behavioural scores and other client behavioural data that drive PD estimates and SICR triggers.
Determining of the write-off point • The determination of the write-off point, being the point at which there is no reasonable expectation of further recovery to be made, and application of the cure rules.	• Evaluated the write-off point relative to historical post write-off recoveries to assess whether the write-off point applied by management is still the point at which there is no reasonable expectation of further recovery. • Through recalculation, tested the application of the write-off policy, including the exclusion of post write-off recoveries from the LGD.

Independent auditors' report continued

for the year ended 30 June 2026

Key audit matter	How our audit addressed the key audit
Incorporation of macro-economic inputs and forward-looking information (FLI) into the ECL measurement • The incorporation of FLI and macroeconomic inputs into the SICR assessment and ECL calculations. • Determining and weighting of assumptions used in the forward-looking economic model to account for the forward-looking uncertainty.	• Obtained an understanding of the assumptions used in the forward-looking economic model including the macroeconomic variables selected and the sensitivity of ECL components to each variable. • Tested the performance and sensitivity of the FLI model to evaluate whether the chosen macroeconomic variables, scenario weightings and model design provide a reasonable representation of the impact of the various macroeconomic scenarios on the ECL results. This included an assessment of the extent to which plausible downside risk scenarios are captured by the macroeconomic scenarios that are used to determine forward looking estimates. • Where applicable, developed an independent view to assess management's forward-looking model by using our own challenger model.
Assessment of post model adjustments • Constraints in respect of the respective models' ability to address specific trends or conditions due to inherent limitations of modelling based on past performance, the timing of model updates, specific events and changes in risk profile necessitate the raising of additional provisions as post-model adjustments and overlays. ** *This applies to retail and commercial advances in total retail secured and unsecured, FNB Commercial, WesBank Corporate and Commercial, and Broader Africa.*	• Assessed, recalculated and performed a sensitivity analysis on management's post-model adjustments relating to the impact on ECL of additional relevant information not catered for in the models. • Where applicable, we used an independent methodology to assess the appropriateness of post model adjustments and overlays to ensure that model and forward-looking risk is accurately accounted for and that adjustments are applied in a way that ensures consistency with the base models and estimates.
Aldermore The measurement of ECL on loans and advances to customers involves significant judgements and estimates. The risk of material misstatement of ECL remains heightened in the current year due to the judgement and estimation uncertainty as a result of the ongoing economic and geopolitical uncertainties. The key areas where we have identified greater levels of management judgement and therefore increased levels of audit focus in management's estimation of ECL are: **Economic Scenarios:** • IFRS 9 requires ECL to be measured on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied to determine the economic scenarios used, particularly in the current economic environment, and the probability weightings assigned to each economic scenario. **Model estimations:** • Inherently judgemental modelling is used to estimate ECLs, which involves determining PD, LGD and EAD. Certain IFRS 9 models and model assumptions such as the property finance LGD model, the motor finance PD model and the forward-looking information (FLI) model used across modelled ECL portfolios, are the key drivers of Aldermore's ECL and represent the areas involving the most significant judgement within the Aldermore Group's ECL modelling framework.	**Aldermore** We performed the following audit procedures rather than seeking to rely on management's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: **Our economic scenario expertise:** We involved our own economic specialists to assist us in: • assessing the reasonableness of the Aldermore Group's methodology for determining the economic scenarios used and the probability weightings applied to them; and • assessing the overall reasonableness of the economic forecasts by comparing management's forecasts to our own modelled forecasts. **Our credit risk modelling expertise:** • We involved our own credit risk modelling specialists to assist us in evaluating management's ECL models. We used our knowledge of the Aldermore Group and our experience of the industry that the Aldermore Group operates in to independently challenge the appropriateness of certain of the management's ECL models. **Tests of detail:** • We recalculated the ECL measured for each of the Aldermore Group's loan portfolios with a risk of material misstatement. We performed testing over key inputs, data and assumptions to assess the reasonableness of key aspects of the ECL calculations.

Independent auditors' report continued

for the year ended 30 June 2026

Key audit matter	How our audit addressed the key audit
SICR: • The staging criteria selected to identify a significant increase in credit risk is a key area of judgement within Aldermore's ECL calculation as this criteria determine whether a 12-month or lifetime provision is recorded.	**SICR:** • We assessed the technical compliance and completeness of the Aldermore Group's SICR criteria and its ongoing effectiveness. In addition, we independently applied the Aldermore Group's staging methodology for a selection of loan portfolios to assess whether each loan has been assigned to the correct stage per the Aldermore Group's approved staging criteria.
Post-model adjustments (PMAs) and overlays: • PMAs and overlays are raised by the management to address known impairment model limitations or emerging trends as well as risks not captured by models. There is a high degree of estimation uncertainty and judgement is involved in assessing the completeness of PMAs and overlays.	**Post-model adjustments ('PMAs') and overlays:** • We assessed the completeness of PMAs and overlays recognised, including in response to model limitations, data limitations and the evolving macroeconomic outlook, by using our knowledge of the Aldermore Group and its industry to challenge the completeness of risks addressed. In evaluating completeness, we also performed benchmarking to comparable peer organisations.
Disclosure quality: • In addition, the disclosures regarding the management's application of IFRS 9 are important to explaining the key judgements and material inputs to the IFRS 9 results, as well as the sensitivity of ECL results.	**Assessing transparency:** • We evaluated whether the disclosures appropriately reflect and address the uncertainty which exists when determining the Aldermore Group's overall ECL. As part of this, we assessed the sensitivity analysis that is disclosed. In addition, we challenged whether the disclosure of the key judgements and assumptions made is sufficiently clear.
Due to the magnitude of advances, the complexity of the expected credit loss models and the significant judgements and assumptions applied by management in determining the expected credit loss allowance, this matter required significant auditor effort and was therefore considered to be a key audit matter in our audit of the consolidated financial statements.	**Observations – Impairment of Advances** Based on the procedures performed above in respect of the impairment on advances, we did not identify any significant matters requiring further consideration in concluding on the procedures performed.

Fair value measurement

The disclosure associated with Fair value measurement is set out in the consolidated financial statements in the following material accounting policies and notes:

- Note 35 – Fair value measurements;
- Accounting policies: Financial Instruments.

Key audit matter	How our audit addressed the key audit
The valuation of complex financial instruments involves areas of significant judgement and estimation, which include: • Unobservable inputs and developments in valuation methodologies including X-Valuation Adjustments (XVAs) related to derivative financial instruments due to the impact of funding costs and liquidity, as well as counterparty credit spreads, and the related fair value disclosures. • Valuation methodologies, which are constantly evolving in line with developing market practices and trends. • Factors such as inherent subjectivity due to unobservable inputs, funding costs, low levels of market liquidity, counterparty credit risk, market volatility, and economic and regulatory developments.	Our audit procedures over the valuation of complex financial instruments included the following procedures which were performed with the assistance of our valuation specialists: • Tested the design, implementation and operating effectiveness of the relevant financial reporting controls, the existence of key governance structures and the general and application computer controls related to the technology systems supporting valuations. • Performed risk assessment procedures on the key components of fair value, based on complexity, sensitivity and exposure. The risk assessment procedures were performed on curves, volatility surfaces, fair value models and valuation adjustments. • Evaluated the technical appropriateness and accuracy of valuation methodologies including XVAs which involved the assessment of key assumptions made, modelling approaches and contractual obligations applied by management with reference to market practice. Also assessed practical constraints on the ability to apply the methodologies to the instruments being valued and for consistency with prior periods.

Independent auditors' report continued

for the year ended 30 June 2026

Key audit matter	How our audit addressed the key audit
The financial instruments impacted by management judgement include: • Advances carried at fair value (level 3); • Complex derivative financial instruments (certain level 3); and • Investment securities valued with reference to unobservable inputs (level 3). Valuation disclosures are significant as they rely on material inputs, valuation techniques, assumptions and management judgement.	• Assessed the appropriateness of the significant judgemental and/or unobservable inputs used in valuations, related to funding costs, low levels of market liquidity, counterparty credit risk, and market volatility, against factors which impacted the reported exit values, with reference to the best available independent information. • Evaluated the completeness and accuracy of management's assessment of valuation adjustments required in terms of financial instrument valuation theory, market practice and the requirements of IFRS, as well as to respond to economic and regulatory developments impacting the portfolio. • Assessed the appropriateness of a sample of curves and volatility surfaces by reconstructing these using independently sourced market data where available. Where independent market data was not available, assessed, on a sample basis, the quality of the data used by management for completeness and accuracy. • For a sample of complex financial instruments, independently calculated the fair values. • Assessed the appropriateness and sensitivity of unobservable market rates, projected cash flows and valuation adjustments. • Obtained an understanding of and assessed the judgement applied in the recognition of revenue, specifically in relation to complex transactions such as private equity realisations or fund investments and assessed the judgement applied by management in determining the fair value of unlisted equity instruments carried at fair value. • Evaluated the appropriateness of the fair value hierarchy disclosures with reference to the requirements of IFRS 13 - Fair value measurements.
As the determination of the fair value of these complex financial instruments is a key source of estimation uncertainty resulting in significant judgements being applied, and requires specialist valuation expertise and significant auditor effort, this matter was considered to be a key audit matter in our audit of the consolidated financial statements.	**Observations – Fair value measurement** Based on the procedures performed above in respect of the fair value measurement, we did not identify any significant matters requiring further consideration in concluding on the procedures performed.

Independent auditors' report continued

for the year ended 30 June 2026

UK Motor Commission matter

The disclosure associated with UK Motor Commission matter is set out in the consolidated financial statements in the following material accounting policies and notes:

- Note 3 – Operating expenses;
- Note 25 – Creditors, accruals and provisions.

Key audit matter	How our audit addressed the key audit
Subjective estimate Under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, significant judgement is required in determining whether a present obligation exists or whether an outflow is probable, and in estimating the amount required to settle the obligation. Significant uncertainties can arise in measuring potential obligations due to the range of possible outcomes relating to operational, legal and regulatory matters. The most significant matter in this regard is the Group's customer redress provision in respect of motor finance commissions, recognised at 30 June 2026. The Directors' estimate is based on the information available following the FCA Policy Statement on motor finance consumer redress scheme issued on 30 March 2026. The key areas of estimation uncertainty in the provision estimate are the 'opt-in' rate on eligible agreements, along with management's approach to rebuttals for tied arrangements and no better deal. Due to the inherent estimation uncertainty, we have identified these areas to have a specific fraud risk. **Disclosure quality** The disclosures regarding the Group's approach to determining the customer redress provision in respect of motor finance commissions are important in explaining the key judgements and material inputs to the provision calculations, as well as the sensitivity of the provision to changes in management's assumptions, in light of the estimation uncertainty arising. The effect of these matters is that, as part of our risk assessment, we determined that the customer redress provision in respect of motor finance commissions has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as whole, and possibly many times that amount. This matter required significant auditor attention and was therefore considered to be a key audit matter in our audit of the consolidated financial statements.	We performed the following audit procedures rather than seeking to rely on the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: **Methodology implementation:** • We assessed the methodology applied by the Group to calculate the provision against the requirements of IAS 37 and in the context of the FCA Policy Statement. **Test of details:** • We performed an independent rebuild of the Group's provision calculation. We performed testing over the key inputs, including data and assumptions to assess the reasonableness of key aspects of the provision calculation. **Assumptions:** • We evaluated the appropriateness of key assumptions including the opt-in rate, rebuttal of tied arrangements and no better deal, assessing the information available to the Directors at the reporting date. Through sensitivity analysis, we assessed the impact on the provision of applying alternative assumption amounts. **Assessing transparency:** • We assessed whether the Group's disclosures appropriately reflect and address the uncertainty which exists in determining the customer redress provision in respect of motor finance commissions, and whether the key judgements and assumptions applied by management are clearly disclosed. **Observations – UK Motor commission matter** Based on the procedures performed above on the customer redress provision in respect of motor finance commissions we did not identify any significant matters requiring further consideration in concluding on the procedures performed.

Independent auditors' report continued

for the year ended 30 June 2026

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "FirstRand Annual Financial Statements for the year ended 30 June 2026", which includes the Directors' report, the Audit and compliance committee report and the Company secretary's certificate as required by the Companies Act, which we obtained prior to the date of this auditors' report, and the documents titled "FirstRand Corporate Governance Report for the year ended 30 June 2026", "FirstRand Remuneration Report for the year ended 30 June 2026", "Chairman's Statement" and "FirstRand Material Risk Factor Disclosure for the year ended 30 June 2026", which are expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act no. 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

Independent auditors' report continued

for the year ended 30 June 2026

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Incorporated and Ernst & Young Incorporated have been the joint auditors of FirstRand Limited for 1 year and 3 years, respectively.

KPMG Inc

KPMG Inc.
Director: Pierre Fourie
Chartered Accountant (SA)
Registered Auditor
Johannesburg, South Africa
9 September 2026

Ernst & Young Inc.

Ernst & Young Inc.
Director: Ernest van Rooyen
Chartered Accountant (SA)
Registered Auditor
Johannesburg, South Africa
9 September 2026

Consolidated income statement

for the year ended 30 June

R million	Notes	**2026**	2025
Interest income calculated using effective interest rate		**162 307**	164 637
Interest on other financial instruments and similar income		**1 026**	866
Interest and similar income	1.1	**163 333**	165 503
Interest expense and similar charges	1.2	**(85 142)**	(91 298)
Net interest income before impairment of advances		**78 191**	74 205
Impairment and fair value of credit on advances		**(13 980)**	(13 654)
– Impairment on amortised cost advances	12.2	**(13 527)**	(13 523)
– Fair value of credit on advances	12.2	**(453)**	(131)
Net interest income after impairment of advances		**64 211**	60 551
Non-interest revenue	2	**68 700**	58 424
– Net fee and commission income	2.1	**42 897**	40 416
– Fee and commission income		**52 083**	49 184
– Fee and commission expense		**(9 186)**	(8 768)
– Net insurance income		**4 802**	4 462
– Insurance service result	2.2	**3 919**	3 569
– Insurance revenue		**9 241**	8 176
– Insurance service expenses		**(5 078)**	(4 334)
– Net expenses from reinsurance contracts held		**(244)**	(273)
– Net finance expenses from insurance contracts issued	2.2	**(147)**	(103)
– Net finance income from reinsurance contracts held	2.2	**34**	28
– Commission, brokerage and participation agreements		**996**	968
– Fair value income and foreign exchange gains	2.3	**12 398**	7 763
– Fair value gains and foreign exchange gains		**25 756**	19 443
– Interest expense on fair value activities		**(13 358)**	(11 680)
– Gains less losses from investing activities	2.4	**3 762**	1 400
– Net other non-interest revenue	2.5	**4 841**	4 383
– Other non-interest revenue		**7 108**	6 205
– Other non-interest related expense		**(2 267)**	(1 822)
Income from operations		**132 911**	118 975
Operating expenses	3	**(79 942)**	(67 185)
Net income from operations		**52 969**	51 790
Share of profit of associates after tax	17	**919**	1 272
Share of profit of joint ventures after tax	18	**1 213**	1 651
Income before indirect tax		**55 101**	54 713
Indirect tax	4.1	**(1 461)**	(1 553)
Profit before income tax from continuing operations		**53 640**	53 160
Income tax expense	4.2	**(11 727)**	(11 473)
Profit for the year from continuing operations		**41 913**	41 687
Discontinued operations			
(Loss)/profit after tax for the year from discontinued operations	14	**(2 655)**	3 444
Profit for the year		**39 258**	45 131
Attributable to			
Ordinary equityholders		**35 749**	41 876
Other equity instrument holders		**1 719**	1 664
Equityholders of the group		**37 468**	43 540
Non-controlling interests		**1 790**	1 591
Profit for the year		**39 258**	45 131
Earnings per share (cents) for continuing operations and discontinued operations			
– Basic		**642.1**	748.7
– Diluted		**640.1**	747.9
Earnings per share (cents) for continuing operations			
– Basic	5	**689.8**	687.1
– Diluted	5	**687.6**	686.4

Consolidated statement of other comprehensive income

for the year ended 30 June

R million	**2026**	2025
Profit for the year	**39 258**	45 131
Profit after tax from continuing operations	**41 913**	41 687
(Loss)/profit after tax from discontinued operations	**(2 655)**	3 444
Items that may subsequently be reclassified to profit or loss from continuing operations		
Cash flow hedges	**(577)**	1 810
Gains arising during the year	**917**	2 183
Reclassification adjustments for amounts included in profit or loss	**(1 699)**	342
Deferred income tax	**205**	(715)
FVOCI debt reserve	**(164)**	400
Gains arising during the year	**518**	530
Reclassification adjustments for amounts included in profit or loss	**(740)**	(14)
Deferred income tax	**58**	(116)
Exchange differences on translating foreign operations	**(1 103)**	(466)
Losses arising during the year	**(950)**	(528)
Deferred income tax	**(153)**	62
Insurance and reinsurance finance reserve	**229**	296
Gains arising during the year on insurance contracts issued	**386**	405
Losses arising during the year on reinsurance contracts held	**(73)**	(2)
Deferred income tax	**(84)**	(107)
Share of other comprehensive income of associates and joint ventures after tax and non-controlling interest	**(121)**	(170)
Items that may not subsequently be reclassified to profit or loss		
FVOCI equity reserve	**(14)**	12
(Loss)/gain arising during the year	**(15)**	16
Deferred income tax	**1**	(4)
Remeasurements on defined benefit post-employment plans	**(287)**	(40)
Losses arising during the year	**(394)**	(55)
Deferred income tax	**107**	15
Revaluation of properties on transfer to investment properties	**–**	22
Other comprehensive (loss)/income for the year from continuing operations	**(2 037)**	1 864
Other comprehensive (loss)/income for the year from discontinued operations	**(5 336)**	2 611
Total comprehensive income for the year	**31 885**	49 606
Attributable to		
Ordinary equityholders	**28 571**	46 370
Other equity instrument holders	**1 719**	1 664
Equityholders of the group	**30 290**	48 034
Non-controlling interests	**1 595**	1 572
Total comprehensive income for the year	**31 885**	49 606

Consolidated statement of financial position

as at 30 June

R million	Notes	**2026**	2025
ASSETS			
Cash and cash equivalents	7	**137 346**	168 379
Derivative financial instruments	8	**53 934**	58 486
Commodities	9	**4 520**	7 364
Investment securities	10	**427 465**	494 826
Advances	11	**1 494 813**	1 748 639
– Advances to customers*		**1 434 399**	1 682 634
– Marketable advances		**60 414**	66 005
Collateral, settlement balances and other assets	13	**48 716**	49 003
Current tax asset		**916**	444
Non-current assets and disposal groups held for sale	14	**513 227**	1 978
Insurance contract assets	15	**2 135**	1 433
Reinsurance contract assets	15	**601**	569
Investments in associates	17	**16 700**	10 733
Investments in joint ventures	18	**5 337**	4 190
Property and equipment	19	**23 956**	23 650
Intangible assets	20	**2 150**	10 348
Investment properties	21	**376**	783
Defined benefit post-employment asset	22	**10**	8
Deferred income tax asset	23	**10 611**	7 937
Total assets		**2 742 813**	2 588 770
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	24	**4 052**	17 040
Derivative financial instruments	8	**49 530**	54 289
Creditors, accruals and provisions	25	**40 570**	36 736
Current tax liability		**646**	438
Liabilities directly associated with disposal groups held for sale	14	**469 925**	1 331
Deposits and debt funding	26	**1 869 923**	2 181 874
Employee liabilities	22	**15 957**	16 006
Other liabilities	27	**5 250**	5 251
Insurance contract liabilities	15	**1 386**	1 139
Reinsurance contract liabilities	15	**26**	31
Policyholder liabilities under investment contracts	16	**10 316**	9 095
Tier 2 and other loss-absorbing liabilities**	28	**28 159**	21 329
Deferred income tax liability	23	**1 056**	1 005
Total liabilities		**2 496 796**	2 345 564
Equity			
Ordinary shares	29	**56**	56
Share premium	29	**6 933**	7 006
Reserves#		**209 247**	209 308
Capital and reserves attributable to equityholders of the group		**216 236**	216 370
Other equity instruments and reserves	30	**23 868**	21 413
Non-controlling interests		**5 913**	5 423
Total equity		**246 017**	243 206
Total equity and liabilities		**2 742 813**	2 588 770

* *Included in advances to customers are assets under agreements to resell of R172 282 million (2025: R104 825 million).*

** *The description for this line was previously presented as "Tier 2 liabilities". The description has been changed to "Tier 2 and other loss-absorbing liabilities" to incorporate Flac instruments issued during the year. This change does not impact previously reported numbers.*

\# *Included within reserves are the foreign currency translation reserve of R5 920 million and other reserves of R196 million attributable to the discontinued operation.*

Consolidated statement of changes in equity

for the year ended 30 June

	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	Share-based payment reserve and treasury shares	Foreign currency translation reserve#	Other reserves*	Retained earnings	**Reserves attributable to ordinary equity-holders**	**Other equity instruments and reserves****	**Non-controlling interests**	**Total equity**
Balance as at 1 July 2024	56	7 640	7 696	(590)	(725)	12	8 685	1 758	178 436	187 576	17 671	4 861	217 804
Additional Tier 1 capital issued during the year	–	–	–	–	–	–	–	–	–	–	6 839	–	6 839
Additional Tier 1 capital redeemed during the year	–	–	–	–	–	–	–	–	–	–	(3 461)	–	(3 461)
Share-based payments expense	–	–	–	–	–	613	–	–	–	613	–	–	613
Deferred tax on share-based payment reserve	–	–	–	–	–	13	–	–	–	13	–	–	13
Movement in other reserves	–	–	–	–	–	–	–	137	(125)	12	364	–	376
Ordinary dividends	–	–	–	–	–	–	–	–	(24 329)	(24 329)	–	(1 010)	(25 339)
Distributions on other equity instruments	–	–	–	–	–	–	–	–	–	–	(1 664)	–	(1 664)
Transfer (from)/to reserves	–	–	–	–	–	(10)	–	5	5	–	–	–	–
Changes in ownership interest of subsidiaries	–	–	–	–	–	–	–	–	(2)	(2)	–	–	(2)
Movement in treasury shares	–	(634)	(634)	–	–	(942)	–	–	(3)	(945)	–	–	(1 579)
– Held for client trading	–	(634)	(634)	–	–	–	–	–	(3)	(3)	–	–	(637)
– Held for employee share scheme	–	–	–	–	–	(942)	–	–	–	(942)	–	–	(942)
Total comprehensive income for the year	–	–	–	(40)	1 810	–	2 255	469	41 876	46 370	1 664	1 572	49 606
– Profit for the year	–	–	–	–	–	–	–	–	41 876	41 876	1 664	1 591	45 131
– Other comprehensive income for the year	–	–	–	(40)	1 810	–	2 255	469	–	4 494	–	(19)	4 475
Balance as at 30 June 2025	**56**	**7 006**	**7 062**	**(630)**	**1 085**	**(314)**	**10 940**	**2 369**	**195 858**	**209 308**	**21 413**	**5 423**	**243 206**
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(29)	(29)
Additional Tier 1 capital issued during the year	–	–	–	–	–	–	–	–	–	–	3 009	–	3 009
Additional Tier 1 capital redeemed during the year	–	–	–	–	–	–	–	–	–	–	(1 400)	–	(1 400)
Share-based payments expense	–	–	–	–	–	1 482	–	–	–	1 482	–	–	1 482
Deferred tax on share-based payment reserve	–	–	–	–	–	50	–	–	–	50	–	–	50
Movement in other reserves	–	–	–	–	–	–	–	248	(135)	113	846	(5)	954
Ordinary dividends	–	–	–	–	–	–	–	–	(28 294)	(28 294)	–	(1 077)	(29 371)
Distributions on other equity instruments	–	–	–	–	–	–	–	–	–	–	(1 719)	–	(1 719)
Transfer (from)/to reserves	–	–	–	–	–	(79)	–	68	11	–	–	–	–
Changes in ownership interest of subsidiaries	–	–	–	–	–	–	–	(23)	(3)	(26)	–	6	(20)
Movement in treasury shares	–	(73)	(73)	–	–	(1 972)	–	–	15	(1 957)	–	–	(2 030)
– Held for client trading	–	(73)	(73)	–	–	–	–	–	11	11	–	–	(62)
– Held for employee share scheme	–	–	–	–	–	(1 972)	–	–	4	(1 968)	–	–	(1 968)
Total comprehensive income for the year	–	–	–	(287)	(577)	–	(6 583)	269	35 749	28 571	1 719	1 595	31 885
– Profit for the year	–	–	–	–	–	–	–	–	35 749	35 749	1 719	1 790	39 258
– Other comprehensive income for the year	–	–	–	(287)	(577)	–	(6 583)	269	–	(7 178)	–	(195)	(7 373)
Balance as at 30 June 2026	56	6 933	6 989	(917)	508	(833)	4 357	2 931	203 201	209 247	23 868	5 913	246 017

* *Refer to note 29.2 for a breakdown of other reserves.*

** *Other equity instruments and reserves at 30 June 2026 include R19 742 million (2025: R18 133 million) of AT1 instruments and R4 126 million (2025: R3 280 million) in empowerment fund reserve.*

\# *Included in the foreign currency translation reserve is an amount of R5 920 million attributable to the discontinued operation.*

Consolidated statement of cash flows

for the year ended 30 June

R million	Notes	**2026**	2025
Cash flows from operating activities			
Profit before income tax		**51 146**	57 877
Profit before income tax from continuing operations		**53 640**	53 160
(Loss)/profit before income tax from discontinued operations	14.1	**(2 494)**	4 717
Adjustments for non-cash items:		**(72 068)**	(72 602)
– Depreciation and amortisation		**5 124**	4 756
– Net impairment on assets excluding advances		**4 273**	169
– Impairment loss on advances excluding post write-off recoveries		**17 128**	15 778
– Interest and similar income		**(194 679)**	(198 729)
– Interest expenses and similar charges		**102 755**	110 295
– Non-interest revenue and other*		**(3 229)**	(510)
– Dividends accrued		**(4 578)**	(3 924)
– Indirect tax		**1 810**	1 874
– Share of profit of associates and joint ventures		**(2 154)**	(2 940)
– Equity-settled share-based payment expense		**1 482**	629
– Interest received		**190 275**	197 770
– Interest paid		**(101 712)**	(109 735)
– Dividends received		**6 844**	6 787
– Dividends paid		**(30 013)**	(25 993)
– Dividends paid to non-controlling interests		**(1 077)**	(1 010)
– Taxation paid		**(17 302)**	(14 891)
– Indirect tax paid		**(1 978)**	(1 849)
– Income tax paid		**(15 324)**	(13 042)
Cash flow from operating activities before operating assets and liabilities		**26 093**	38 203
Movement in operating assets and liabilities		**9 112**	(31 845)
– Investment securities		**18 370**	(56 883)
– Advances		**(211 436)**	(131 471)
– Deposits and debt funding		**199 841**	151 671
– Collateral, settlement balances and other assets		**(3 015)**	(12 884)
– Creditors, accruals and provisions		**14 504**	(6 423)
– Employee liabilities		**251**	(672)
– Defined benefit post-employment asset		**(3)**	(1)
– Insurance assets and liabilities		**(68)**	(94)
– Reinsurance assets and liabilities		**(109)**	(79)
– Policyholder liabilities under investment contracts		**490**	1 427
– Derivatives and short trading position liabilities		**(17 017)**	18 541
– Derivatives and commodity assets		**7 304**	5 023
Net cash generated from operating activities		**35 205**	6 358
Cash flows from investing activities			
Acquisition of investments in associates	17	**(6 444)**	(389)
Proceeds on disposal of investments in associates	17	**903**	328
Acquisition of investments in joint ventures	18	**(40)**	(744)
Proceeds on disposal of investments in joint ventures	18	**8**	10
Acquisition of property and equipment		**(5 287)**	(5 306)
Proceeds on disposal of property and equipment		**807**	1 388
Acquisition of investment properties		**–**	(42)
Acquisition of investments in subsidiaries	14.1	**(10 696)**	–
Acquisition of intangible assets	20	**(881)**	(552)
Net cash outflow from investing activities		**(21 630)**	(5 307)

Consolidated statement of cash flows continued

R million	Notes	**2026**	2025
Cash flows from financing activities			
Proceeds on the issue of other financial liabilities	27.1	**1 338**	694
Redemption of other financial liabilities	27.1	**(1 349)**	(1 120)
Principal payments towards lease liabilities	27.1	**(1 107)**	(1 085)
Proceeds from issue of Tier 2 and other loss-absorbing liabilities**		**17 403**	4 298
Capital repaid on Tier 2 and other loss-absorbing liabilities#	28.1	**(3 787)**	(263)
Redemption of AT1 equity instruments	30	**(1 400)**	(3 461)
Proceeds from issue of AT1 equity instruments	30	**3 009**	6 839
Proceeds on sale of treasury shares		**30**	–
Purchase of treasury shares for group share-based payments		**(2 002)**	(942)
Net cash inflow from financing activities		**12 135**	4 960
Net increase in cash and cash equivalents		**25 710**	6 011
Net cash flow from continuing operations		**2 275**	29 907
Net cash flow from discontinued operations	14.1	**23 435**	(23 896)
Cash and cash equivalents at the beginning of the year	7	**168 379**	158 477
Effect of exchange rate changes on cash and cash equivalents		**(5 603)**	3 891
Transfer to non-current assets held for sale	14	**(51 140)**	–
Cash and cash equivalents at the end of the year	7	**137 346**	168 379
Cash and cash equivalents comprise:			
Coins and bank notes		**11 763**	10 808
Money at call and short notice		**32 047**	62 621
Mandatory reserves with central banks		**46 263**	42 313
Other reserves with central banks		**47 273**	52 637
Cash and cash equivalents at the end of the year	7	**137 346**	168 379
Cash and cash equivalents attributable to discontinued operations	14	**51 140**	32 293

* *The description of this line was previously presented as "Non-interest revenue". The description has been changed to "Non-interest revenue and other" to better reflect the nature of the adjustment. This change does not impact previously reported numbers.*

** *The description of this line was previously presented as "Proceeds from issue of Tier 2 liabilities". The description has been changed to "Proceeds from issue of Tier 2 and other loss-absorbing liabilities" to incorporate Flac instruments issued during the year. This change does not impact previously reported numbers.*

The description of this line was previously presented as "Capital repaid on Tier 2 liabilities". The description has been changed to "Capital repaid on Tier 2 and other loss-absorbing liabilities" to incorporate Flac instruments issued during the year. This change does not impact previously reported numbers.

Basis of preparation

The group's consolidated and separate annual financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, JSE Limited Listings Requirements and JSE Debt and Specialist Securities Listings Requirements, and requirements of the Companies Act no. 71 of 2008.

These financial statements comprise the statements of financial position (also referred to as the balance sheet) as at 30 June 2026, the income statements and statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year ended, as well as the notes, which comprise a summary of material accounting policies and other explanatory notes. The accounting policies applied in preparation of the group's annual financial statements have been consistently applied to all years presented.

Application of the going concern principle

The directors reviewed the group's and company's budgets and flow of funds forecasts for the next three years and considered the group's and company's ability to continue as a going concern. On the basis of this review, and in light of the current financial position and profitable trading history, the directors are satisfied that the group and company have adequate resources to continue in business for the foreseeable future. The going concern basis, therefore, continues to apply and has been adopted in the preparation of the annual financial statements.

Presentation of financial statements and functional and foreign currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Presentation	The group presents its statement of financial position in order of liquidity. Where permitted or required under IFRS Accounting Standards, the group offsets assets and liabilities or income and expenses and presents the net amount in the statement of financial position, the income statement or the statement of other comprehensive income.
Materiality	IFRS Accounting Standards are only applicable to material items. Applying the concept of materiality requires judgement, in particular, in relation to matters of presentation and disclosure. Management assesses the relevance of the information to the user of the financial statement and considers both qualitative and quantitative factors in determining the materiality threshold for disclosure and presentation purposes.
Presentation currency	The annual financial statements are presented in South African rand (R), which is the presentation currency of the group and the company.
Level of rounding	All amounts are presented in millions of rands. The group has a policy of rounding off to the nearest million. Amounts less than R500 000 will therefore round down to Rnil and are presented as a dash.
Foreign operations with a different functional currency from the group presentation currency	The financial position and results of the group's foreign operations are translated at the closing and average exchange rate, respectively, as required per IAS 21. Upon consolidation, exchange differences arising on the translation of the net investment in foreign operations are recognised as a separate component of other comprehensive income (OCI) (the foreign currency translation reserve) and are reclassified to profit or loss upon loss of control of the foreign operation. The net investment in a foreign operation includes any monetary items for which settlement is neither planned nor likely in the foreseeable future. The results, cash flows and financial position of group entities, which are accounted for as entities operating in hyperinflationary economies that have functional currencies different from the presentation currency of the group, are translated into the presentation currency of its parent at the exchange rate at the reporting date. These foreign exchange gains and losses on a hyperinflationary foreign operation are presented in OCI.
Foreign currency transactions of the group	Translated into the functional currency using the exchange rates prevailing at the date of the transactions.
Translation and treatment of foreign denominated balances	Translated at the relevant exchange rates, depending on whether it is a monetary item (in which case the closing spot rate is applied) or non-monetary items. For non-monetary items measured at cost the rate applied is the rate on the transaction date. For non-monetary items measured at fair value the rate at the date the fair value is determined (reporting date) is applied. Foreign exchange gains or losses are recognised in profit or loss in fair value income and foreign exchange gains or losses. To the extent that foreign exchange gains or losses relate to financial assets held at fair value through other comprehensive income (FVOCI) the following applies: • equity instruments – recognised in OCI as part of the fair value movement; and • debt instruments – allocated between profit or loss (those that relate to changes in amortised cost) and OCI (those that relate to changes in the fair value).

Basis of preparation continued

Continuing and discontinued operations	The group presents the results of continuing and discontinued operations separately where the requirements of IFRS 5 are met. During the current year, the group classified its investment in the Aldermore group as a disposal group held for sale and concluded that the disposal group meets the definition of a discontinued operation in terms of IFRS 5. Cash flows attributable to discontinued operations are included within the statement of cash flows. The net cash flows attributable to the operating, investing and financing activities of discontinued operations are disclosed separately in note 14. The results of discontinued operations are presented separately from continuing operations and comprise the post-tax profit or loss of the discontinued operation together with any post-tax gain or loss recognised on classification as held for sale, subsequent measurement, or disposal. Upon disposal, any gain or loss on sale will be recognised within profit or loss from discontinued operations. In the current year, the assets and liabilities of the disposal group have been reclassified and presented separately in the statement of financial position as Non-current assets and disposal groups held for sale and Liabilities directly associated with disposal groups held for sale (note 14). Comparative statement of financial position information has not been restated to reflect the held-for-sale classification. Comparative information relating to the statement of profit or loss has, however, been re-presented to reflect the classification of the discontinued operation at the reporting date, thereby providing comparability between current and prior year information. This is in accordance with the requirements of IFRS 5. In determining the disclosures presented in respect of the discontinued operation, the group has applied the requirements of IFRS 5 together with the disclosure requirements of other applicable IFRS Accounting Standards. Consistent with IFRS 5.5B, the group assessed whether disclosures required by other standards relate to the measurement of assets and liabilities within the disposal group or otherwise remain relevant to users' understanding of the financial position, financial performance, cash flows and risks associated with the discontinued operation. Accordingly, disclosures have been retained in the current year notwithstanding the classification of Aldermore group as held for sale and as a discontinued operation. For these disclosures, information relating to continuing and discontinued operations has been presented separately in the current year to assist users in understanding the financial effects of the proposed disposal transaction. The retained disclosures relate to: • Critical accounting estimates, assumptions and judgements ◦ Credit risk* ◦ Goodwill • Analysis of assets and liabilities (note 6) • Derivatives (note 8) • Advances (note 11)* • Impairment of advances (note 12)* • Creditors, accruals and provisions (note 25) – (UK motor commissions provision) • Segment report (note 36.2)* • Credit risk (note 38.1)* • Liquidity risk (note 38.2.1) These disclosures should be read together with the discontinued operation and investment in subsidiary held for sale (note 14.1) as well as fair value measurements (note 35), which provide the specific disclosure required by IFRS 5. **Comparative information has distinguished UK operation, which is comparable to discontinued operations in the current year.*

Critical accounting estimates, assumptions and judgements

Introduction

In preparing the annual financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities. Included below are all the materially critical accounting estimates, assumptions and judgements made by the group, except those related to fair value measurement, which are included in note 35.

IMPAIRMENT OF ADVANCES

In determining whether an impairment loss should be recognised, the group makes judgements as to whether there is a measurable decrease in the estimated future cash flows from a portfolio of loans.

The objective of the measurement of an impairment loss is to produce a quantitative measure of the group's credit risk exposure.

The group adopts the probability of default/loss given default (PD/LGD) approach to calculate expected credit loss (ECL) for advances. ECL is based on a weighted average of the macroeconomic scenarios selected, weighted by the probability of occurrence.

Regression modelling techniques are used to predict borrowers' behaviour and transaction characteristics in accordance with and to align with IFRS 9, based on relationships observed in historical data related to the group of accounts to which the model will be applied. Models are used to estimate impairment parameters (PD, LGD and exposure at default (EAD)) based on the predictive characteristics identified through the regression process.

FORWARD-LOOKING INFORMATION

Forward-looking macroeconomic information has been incorporated into expected credit loss estimates through the application of quantitative modelling and expert judgement-based post-model adjustments. Both quantitative models and expert judgement-based adjustments consider a range of macroeconomic scenarios as inputs.

Macroeconomic scenarios are defined by taking global and domestic macroeconomic considerations into account, and forecasts are developed for various scenarios. Development of these scenarios is overseen by the FirstRand macroeconomic forum, which is responsible for oversight and is independent of credit and modelling functions.

Teams of economists, both locally and within the various subsidiaries, assess micro and macroeconomic developments to formulate the macroeconomic forecasts. Sustainability risks and the impact on macroeconomic forecasts are also considered. Various internal and external economists are then requested to assign a probability to each scenario. The rationale for probabilities assigned by each respondent is noted and explained at the FirstRand macroeconomic forum.

ECL results are calculated using 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.

Within the RMB corporate and investment banking portfolios, macroeconomic stress testing models are applied to estimate the impact of forward-looking information (FLI) on ECL. These stress testing models are industry-specific and make use of regression techniques, observed macroeconomic correlations and expert judgement, depending on the extent of data available in each industry. The outputs from these models are used to determine the level of stress that a particular industry is expected to experience, and through-the-cycle impairment parameters are scaled accordingly, with scaling factors based on historical Standard & Poors Global Ratings (S&P) default data.

Within retail and commercial portfolios, forward-looking ECL is modelled using regression-based techniques that determine the relationship between key macroeconomic factors and credit risk parameters (with industry considerations further applied in the case of commercial portfolios, where applicable) based on historically observed correlations. Modelled correlations and macroeconomic variable weightings are adjusted on the basis of expert judgement to ensure that the relationships between macroeconomic forecasts and risk parameters are intuitive, and that ECL is reflective of forward-looking expectations of credit performance.

The approach applied within the UK operations is aligned with the approach applied within domestic retail portfolios, with FLI-adjusted ECL estimates determined on the basis of a combination of regression-based modelling and expert judgement.

Where the impact of forward-looking macroeconomic information on ECL is determined based on historical relationships between macroeconomic movements and default rates, and it is not expected for these relationships to hold under current macroeconomic conditions, judgemental post-model adjustments have been applied to ensure that relationships between macroeconomic forecasts and ECL estimates are intuitive, with ECL increasing where macroeconomic conditions are expected to worsen, and reflecting additional relevant information not catered for in models. Other post-model overlays reflecting additional relevant information not catered for in models are also incorporated into the ECL allowance and staged appropriately per portfolio. This approach is followed across all portfolios and does not constitute a material portion of the ECL allowance.

Critical accounting estimates, assumptions and judgements continued

FORWARD-LOOKING INFORMATION continued

The table below sets out the most significant macroeconomic factors used to estimate the FLI relating to ECL provisions in South Africa and broader Africa. The information is forecast over a period of three years, per major economic region that the group operates in. The probability weightings assigned to the broader Africa portfolio for 30 June 2026 were as follows: baseline – 55% (2025: 57%), upside – 21% (2025: 18%) and downside – 24% (2025: 25%).

Scenario	Probability	Description
Baseline	55% (2025: 57%)	• The US and global economy avoid a hard landing. • Geopolitical and trade tensions are managed in such a way that financial and trade flows are not materially disrupted. • Global inflation and risk premia rise modestly and remain elevated in the near term, prompting central banks to hold policy rates through the Middle East war-induced shock, with scope for cautious easing emerging as conditions normalise. • Countries take a fragmented approach towards reducing carbon emissions but remain broadly on course with decarbonisation strategies, with some exceptions, such as the US. 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. • The baseline view caters for the loss of preferential access to the US export markets and targeted sanctions of individuals in line with existing conduct regulations, but some exports are able to be rerouted. • Inflation lifts in response to the war-related supply shock, temporarily breaching the South African Reserve Bank's (SARB's) tolerance band, before easing back toward 3% as global conditions normalise, allowing monetary policy to move closer to a neutral territory over the forecast horizon. • Real GDP growth lifts, supporting a recovery in credit demand above pre-pandemic levels, and a consolidation of sovereign indebtedness. • The sovereign rating is upgraded to BB+ and BBB- for foreign and local currency ratings, respectively. • South Africa realises some reductions in carbon emissions through adding renewables to its energy mix, but does not realise its Nationally Determined Contributions (NDCs) in terms of the Paris Agreement.
Upside	6% (2025: 5%)	• The global economy slows but avoids a recession. • Geopolitical and trade tensions are managed in such a way that financial and trade flows are not materially disrupted. • Global inflation and risk premia rise only briefly and unwind as geopolitical tensions ease, enabling central banks, including the US Fed, to look through the Middle East war-induced shock and shift monetary policy into accommodative territory. • Globally, countries adopt a loosely coordinated approach towards carbon emissions reduction strategies. Carbon tax regimes are broadly complied with and a path towards a Paris-aligned temperature increase of 1.5°C is realised. • Inflation rises briefly following the war-related supply shock and temporarily breaches the SARB's tolerance band, but rapidly reverts toward 3% as the disruption is short-lived and second-round effects do not materialise, allowing the SARB to look through the shock and shift monetary policy into accommodative territory sooner. • Real GDP growth lifts, supporting increases in credit demand and a reduction in sovereign indebtedness. • The sovereign rating is upgraded twice over the forecast period to BBB- and BBB on foreign and local currency ratings, respectively. • South Africa realises significant emissions reductions thanks to adding renewables to its energy mix and making well-coordinated investments in emissions reductions across industries, placing the country broadly on track to achieve its NDCs in terms of the Paris Agreement.

Critical accounting estimates, assumptions and judgements continued

FORWARD-LOOKING INFORMATION continued		
Scenario	**Probability**	**Description**
Mild upside	15% (2025: 13%)	• The global economy slows but avoids a recession. • Geopolitical and trade tensions are managed, albeit with increased frictions in financial and trade flows. • Global inflation and risk premia rise but unwind as geopolitical tensions ease, enabling central banks, including the US Fed, to look through the Middle East war-induced shock and shift monetary policy into accommodative territory. • Globally, countries continue to invest in reducing carbon emissions, carbon tax regimes are partially complied with and a path towards a Paris-aligned temperature increase remains credible over the medium term. • Inflation lifts in response to the war-related supply shock, temporarily breaching the SARB's tolerance band, but eases back toward 3% relatively quickly as the disruption proves short-lived and second-round effects remain contained, allowing the SARB to begin easing policy earlier and move into mildly accommodative territory. • Real GDP growth lifts modestly above baseline expectations, supporting increases in credit demand and a reduction in sovereign indebtedness. • The sovereign rating is upgraded over the forecast period to BBB- and BBB on foreign and local currency ratings, respectively. • South Africa realises some emissions reductions through adding renewables to its energy mix and implementing emissions reductions across industries.
Downside	9% (2025: 9%)	• The US and global economies fall into a recession. • Geopolitical and trade tensions are managed in such a way that financial and trade flows are considerably disrupted, leading to increased geopolitical strife and volatility. • Global inflation and risk premia remain elevated, leading to global interest rates lifting. • 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 approaching 3°C by 2030. • Exports are materially constrained through targeted US trade restrictions translating into global trade restrictions. Sanctions are imposed on certain individuals, political parties, non-governmental organisations, companies and other organisations as part of the global fracturing theme. • Inflation surges following a prolonged war-induced supply shock and material damage to energy infrastructure across Gulf states, breaching the SARB's tolerance band by a wide margin. Second-round effects become entrenched, inflation expectations de-anchor, and the disinflation process is materially delayed, forcing the SARB to maintain a restrictive stance and re-tighten monetary policy. • Real GDP growth falls, taking demand for and supply of credit into further contractions, while fiscal debt expands. • The sovereign rating sees progressive downgrades deeper into speculative grade territory over the forecast period to B+ and BB- on both foreign and local currency ratings, respectively. • South Africa adopts a "business as usual" approach to the climate transition and does not realise its NDCs in terms of the Paris Agreement.

Critical accounting estimates, assumptions and judgements continued

FORWARD-LOOKING INFORMATION continued		
Scenario	**Probability**	**Description**
Mild downside	15% (2025: 16%)	• The US experiences a recession, and the global economy slows. • Global inflation and risk premia remain elevated, leading to global interest rates lifting. • Geopolitical and trade tensions are managed in such a way that financial and trade flows are materially disrupted. • Globally, countries take a fragmented approach towards reducing carbon emissions and carbon tax regimes become more haphazard, putting the globe on course for an above Paris Agreement temperature increase above 2°C by 2050. • Preferential access to the US market is lost and a material share of exports to the US cannot be rerouted to other markets. Targeted sanctions of individuals are extended to include political parties and other organisations. • Inflation rises in response to the war-related supply shock, breaching the SARB's tolerance band for a more prolonged period as energy and logistics disruptions persist and some infrastructure damage reduces oil supply. While second-round effects begin to emerge, they remain only partially entrenched, delaying the disinflation process and monetary policy easing. • Real GDP growth remains low, constraining demand for and supply of credit, which poses risks to fiscal consolidation efforts. • The sovereign rating is downgraded over the forecast period to BB- and BB on foreign and local currency ratings, respectively. • South Africa adopts a "business as usual" approach to the climate transition and does not realise its NDCs in terms of the Paris Agreement.

Critical accounting estimates, assumptions and judgements continued

FORWARD-LOOKING INFORMATION continued

The following table sets out the scenarios and the probabilities assigned to each scenario for the group's UK operations at 30 June 2026:

Scenario	Probability	Description
Base	55% (2025: 55%)	• Escalation in the Middle East has significantly altered the outlook for the global economy. The outlook for inflation and interest rates is highly dependent on the duration of the disruption. • The UK faces another inflation squeeze which will weigh on growth and spending. GDP growth is forecast to average 1.3% over the next five calendar years. The outlook for fiscal policy is dependent on the decisions made by the future Prime Minister. • Inflation is forecast to accelerate towards 4% and remain above the 2% target until 2028, primarily driven by higher energy and food inflation, and its mild pass-through to services inflation. • Unemployment rises to 5.6% by the second quarter of the 2027 calendar year. Labour demand remains weak given the pace of economic growth, the acute economy-wide business focus on managing costs and still-elevated labour costs. Structural changes occur due to changes in participation rates, regulatory changes and increased focus on AI technology. These factors are expected to keep wage growth subdued. • The bank rate is held at 3.75% until the fourth quarter of 2027 before being reduced to 3.00% through quarterly 25 bps cuts. • Property price growth is projected to remain in the low single digits, reflecting weaker real disposable income growth, still-restrictive interest rates and a looser labour market.
Upside	18% (2025: 20%)	• A peace deal in the Middle East is imminently struck, trade disruption normalises and commodity market risk premia recede. • Continued demand and supply side disinflation alleviates the cost-of-living crisis and lowers forward inflation expectations. • Lower domestic inflation measures, mandated/indexed inflation and general persistence of inflation allow the Bank of England (BoE) to continue normalising interest rates, reflecting a lower neutral rate. • Excess household savings, a strong nominal wage and savings income, and positive real disposable income growth boost consumption and economic growth. • The UK services sector achieves an efficient and beneficial outcome for the trade relationship with the European Union. • Improvements in technology and high adoption rates (e.g. of AI) improve efficiency and raise output and trend growth. • Lower inflation and interest rates reduce government interest payments, and together with high nominal growth increase fiscal headroom. • The higher interest rate environment relative to pre-pandemic levels is largely offset by rising household and corporate income and the support of excess savings built up over the pandemic, resulting in a low level of redundancies and insolvencies. • A growing economy sees hiring intentions rise. Labour supply mismatches clear rapidly, and unemployment falls as the market successfully absorbs increasing labour supply. • Asset prices rise broadly as the economy recovers and interest rates fall. • Commercial property price momentum recovers. • Climate-related risks are assumed to be limited and contained.

Critical accounting estimates, assumptions and judgements continued

FORWARD-LOOKING INFORMATION continued

The following table sets out the scenarios and the probabilities assigned to each scenario for the group's UK operations at 30 June 2026:

Scenario	Probability	Description
Downside	20% (2025: 20%)	• Geopolitical disruptions reduce global growth prospects through supply shocks, elevated uncertainty and weaker demand. • Domestically, longer than previously experienced monetary policy lags, weaker consumer spending and corporate capital market refinancing needs all feed into corporate balance sheets, where excess savings have been 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 until market rates are lowered. • Higher redundancies and the return of inactive workers seeking to boost income result in unemployment rising to 6.5%. • The loss of income through a looser labour market offsets the previous income gains from elevated interest rates, and households reduce consumption. • Geopolitical uncertainty limits business investment despite lower interest rates, disrupts trade and leads to specific labour skills shortages. • A weaker currency and trade disruption and increased regulation/bureaucracy put upward pressure on imported inflation (e.g. fuel, food and goods). • Cratering domestic inflation sees the BoE rapidly reduce interest rates to 1.5% to support the economy, alleviating pressures on business and public balance sheets. • Rising unemployment introduces forced selling, causing an 8% fall in house prices with larger declines in regions where affordability metrics are most stretched, such as London and the South East. • Commercial real estate capital prices fall more than 12%, specifically poor-quality, energy-inefficient and retail and office sector properties. • The BoE raises interest rates as the economic recovery unfolds, ensuring that the labour market sufficiently recovers. • Climate-related risks are disruptive, particularly in energy-intensive and lower-quality assets.
Severe downside	7% (2025: 5%)	• Geopolitical escalation leads 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. • GDP growth falls considerably before only recovering gradually, following a shock comparable lo the levels experienced during the global financial crisis of 2008. • Natural gas and oil prices rise significantly, with Brent oil topping $150 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. • Weaker global trade activity and heightened trade disruptions result in significantly lower trade volumes. • Due to increased fiscal vulnerability, appetite for UK assets falls considerably. This causes a prolonged depreciation in 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 6.25%. Policy remains 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 8% 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%, focused on regions and property types where valuations are most stretched. • A severe 25% decline in commercial property prices occurs due to diminished demand and high business insolvencies. • Climate-related risks are assumed to materially amplify macroeconomic stress, increasing losses through both physical disruptions and accelerated transition impacts, particularly in energy-intensive and lower-quality assets.

Critical accounting estimates, assumptions and judgements continued

FORWARD-LOOKING INFORMATION continued

Overview of forward-looking information included in the 30 June 2026 impairment of advances

During the period, the global backdrop continued to be characterised by ongoing geopolitical fracturing and realignment. This included an oil-supply shock in the second half of the financial year due to the conflict in the Middle East. This drove renewed volatility in energy markets, placing upward pressure on inflation and keeping interest rates elevated relative to pre-pandemic norms across many advanced economies. Outside of the energy shock, inflationary pressures remained somewhat more contained, supported by relatively stable food prices and continued disinflation in China, which helped lower import prices for many of the countries in FirstRand's portfolio. Monetary policy paths became increasingly desynchronised, with some central banks maintaining restrictive stances, others pausing, and a few tightening policy in response to country-specific inflation dynamics. Supportive commodity prices nevertheless continued to provide support to the South African economy and risk assets more broadly. Overall, the global backdrop was characterised by renewed inflation pressures stemming from supply side shocks, upward pressure on policy interest rates and persistent geopolitical uncertainty. Volatility is likely to remain elevated as markets continue to adjust to shifting trade, policy and security dynamics.

South Africa

After enjoying the benefits of strong disinflation and policy rate easing during the first half of the financial year, inflation rose following the global oil-supply shock, prompting the SARB to increase interest rates by 25 bps in the second half of the year to limit second-round effects and anchor inflation expectations closer to the new 3% inflation target. While higher energy prices weighed on household purchasing power and business costs, real economic activity continued to recover from a low base.

Despite the renewed inflation pressure, the South African economy continued to benefit from supportive commodity prices, easier financial conditions and gradual progress in domestic governance and economic reform, including the adoption of a lower inflation target. Credit growth exceeded expectations, particularly among corporates, where demand was supported by asset finance and improved conditions in the commercial property market. Household credit growth remained modest but positive, reflecting the earlier interest rate easing cycle and housing market conditions that supported positive real house price growth.

Economic gains remained uneven, however. Formal sector employment growth stayed weak and investment continued to be constrained by poor municipal governance and service delivery challenges in parts of the country. At the same time, the community economy showed resilience, with informal-sector activity and self-employment helping to support household incomes and consumption. Continued institutional reform and improvements in network industries contributed to a more favourable operating environment and strengthened perceptions of South Africa's sovereign creditworthiness.

United Kingdom

Escalation of the conflict in the Middle East has significantly changed the outlook for the global economy. This has led to continued paralysis of maritime trade in the region, driving energy prices higher. The base case assumes that the conflict continues to de-escalate before a gradual but material partial recovery of re-aligned global trade flows. The outlook for inflation and interest rates is highly dependent on the duration of the disruption. Inflation is expected to accelerate towards 4% and remain above the 2% target until 2028. The BoE stands "ready to act" if necessary, but appears to be taking a more cautious approach while the outlook unfolds, given the high uncertainty regarding how much of this commodity price shock will be passed on to consumers. The outlook assumes the disruption begins to clear over the summer months, however, should that not be the case, or should the BoE become more concerned about second-order effects (for example, higher energy and input costs being passed on to consumers, or higher inflation expectations leading to higher wage growth), then it increases the likelihood that the next move from the BoE will be up rather than down.

Critical accounting estimates, assumptions and judgements continued

FORWARD-LOOKING INFORMATION continued

Broader Africa

General

Countries represented in the group's broader Africa portfolio continued to be exposed to the symptoms of global fracturing, the latest example being the renewed military conflict in the Middle East. While the recent surge in the oil price is another shock on a growing list of global tremors, including last year's protectionist shift in global trade policies, and the associated cut in US development aid, the impact of higher energy prices has already been felt in costlier imports, more expensive transportation, accelerating consumer price inflation and some countries tightening monetary policy. These headwinds will be better dealt with by resource-exporting economies and those further advanced with structural economic reforms.

Namibia

Economic growth remained subdued in the first quarter of 2026, reflecting uneven performances from the different sectors of the economy. Although the tertiary sector again performed comparatively well, supported by increased activity in financial services, retail and wholesale trade, and government agencies, mining output remained muted given depressed diamond and gold output. In contrast, and fuelled by ongoing global demand, uranium production remained firm. The group expects fiscal policy to tighten as rising debt-servicing costs and limited funding headroom constrain public sector investment and spending. Compounding the impact of fiscal consolidation are higher fuel, freight and food prices, as well as higher interest rates, which taken together should dampen credit-fuelled spending by households and firms. Over the long haul, critical mineral exploration and the value chain associated with hydrocarbons remain exciting growth focus areas.

Botswana

After sharp contractions in recent years, there are signs that activity in the diamond sector began stabilising in the first quarter of 2026, but at still depressed levels. Performing better were other mining sectors like copper and soda ash, which are smaller in comparison to diamonds. Simultaneously, improved rainfall has supported strong output growth from utility sectors. Headwinds, however, are building from sharply higher inflation as well as higher interest rates, which look set to squeeze household income and company profits. Growth in the real value add of finance and insurance, a sizeable sector of the economy, will likely remain moderate as a result. Some uplift in economic activity will come from the government, which seems to be reconsidering its recent commitment to fiscal consolidation. Although the group expects a return to positive GDP growth in 2026 and beyond, it will likely take the economy a few years for real GDP in level terms to surpass its 2023 peak.

Critical accounting estimates, assumptions and judgements continued

SIGNIFICANT MACROECONOMIC FACTORS

The table below sets out the most significant macroeconomic factors used to estimate the FLI relating to ECL provisions. The information is forecast over a period of three years, per major economic region that the group operates in. The information below reflects the group's forecasts for each period at 30 June.

30 June 2026

South Africa	Upside scenario			Mild upside scenario			Baseline expectation			Mild downside scenario			Downside scenario		
(%)	2027	2028	2029	2027	2028	2029	2027	2028	2029	2027	2028	2029	2027	2028	2029
Applicable across all portfolios															
Real GDP growth	3.80	3.80	3.20	2.50	2.90	2.60	1.00	1.60	2.00	(0.30)	1.00	1.70	(1.20)	0.20	1.30
CPI inflation	3.70	3.10	2.90	4.20	2.80	2.90	4.40	2.90	3.00	5.40	3.00	2.80	6.10	3.10	2.80
Repo rate	6.00	5.50	5.25	6.25	5.75	5.50	6.75	6.00	5.75	7.75	6.50	6.00	8.75	7.00	6.50
Retail-specific															
Retail real income growth	6.10	3.20	1.90	3.20	2.70	1.80	0.50	1.90	1.60	(2.10)	0.70	1.30	(4.30)	(0.40)	0.90
House price index growth*	8.40	6.80	4.10	6.40	5.10	3.80	4.50	3.30	3.30	3.30	1.40	2.40	2.20	(0.50)	1.40
Household debt to income	59.80	60.10	61.00	60.20	60.20	60.60	60.80	60.50	60.20	61.70	61.60	61.30	62.70	62.90	62.30
Household debt service cost to income	7.90	8.00	8.20	8.00	8.10	8.10	8.20	8.10	8.10	8.40	8.30	8.30	8.60	8.50	8.40
Employment growth	0.10	1.50	1.60	–	1.10	1.30	(0.10)	0.80	0.90	(0.10)	0.60	0.70	–	0.40	0.60
Wholesale-specific															
Fixed capital formation	6.40	5.90	4.00	3.90	4.30	2.90	1.30	2.80	2.00	(0.50)	1.70	1.90	(2.10)	0.60	1.70
Foreign exchange rate (USD/ZAR)	15.90	15.50	16.10	16.60	16.90	17.40	16.70	17.20	17.70	18.40	19.20	19.20	19.50	20.30	19.70

** Applicable to the secured portfolio.*

Critical accounting estimates, assumptions and judgements continued

SIGNIFICANT MACROECONOMIC FACTORS continued

UK	Upside scenario			Baseline expectation			Downside scenario			Severe scenario		
(%)	2027	2028	2029	2027	2028	2029	2027	2028	2029	2027	2028	2029
Real GDP growth	1.90	2.70	2.80	0.90	1.20	1.50	(2.30)	0.70	1.60	(3.50)	(1.20)	0.70
CPI inflation	2.80	1.90	2.10	3.50	2.40	2.10	1.70	1.60	2.10	6.10	4.10	1.80
BoE rate	3.00	2.50	2.50	3.75	3.00	3.00	1.50	2.25	3.00	6.25	5.25	5.00
Household disposable income growth	1.50	2.10	1.20	–	0.60	1.40	(0.20)	0.60	1.10	(4.50)	(2.00)	1.70
House price index growth*	4.00	5.00	3.80	2.10	2.90	3.10	(2.50)	(4.90)	2.10	(7.70)	(13.80)	(2.10)
Unemployment rate	4.60	4.00	3.90	5.40	5.40	4.90	6.20	6.00	5.20	7.60	8.30	7.70

** Applicable to the secured portfolio.*

Broader Africa

Namibia	Upside scenario			Baseline expectation			Downside scenario		
(%)	2027	2028	2029	2027	2028	2029	2027	2028	2029
Real GDP growth	6.60	4.70	4.50	3.30	3.20	3.70	(0.80)	1.60	3.60
CPI inflation	5.30	4.80	3.30	4.70	3.60	3.50	8.80	5.50	4.40
Repo rate	7.00	6.50	5.50	6.75	6.75	6.75	8.50	7.75	7.00

Botswana	Upside scenario			Baseline expectation			Downside scenario		
(%)	2027	2028	2029	2027	2028	2029	2027	2028	2029
Real GDP growth	7.80	6.70	5.00	1.70	2.20	2.40	(1.90)	1.70	2.40
CPI inflation	3.20	2.40	2.90	9.10	4.30	3.70	11.50	5.10	4.60
Repo rate	5.00	5.00	5.00	5.50	5.50	5.50	7.00	6.00	5.75

Critical accounting estimates, assumptions and judgements continued

SIGNIFICANT MACROECONOMIC FACTORS continued

30 June 2025

South Africa	Upside scenario			Mild upside scenario			Baseline expectation			Mild downside scenario			Downside scenario		
(%)	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
Applicable across all portfolios															
Real GDP growth	3.90	3.90	2.70	2.80	2.90	2.40	1.60	1.80	2.00	0.70	1.20	2.50	(0.60)	(0.20)	2.50
CPI inflation	2.90	3.00	3.00	3.70	3.80	3.90	4.20	4.20	4.30	4.90	5.60	4.30	5.60	6.90	5.90
Repo rate	5.50	5.50	5.50	6.25	6.25	6.25	7.00	7.00	7.00	8.00	7.25	7.25	9.00	8.00	7.50
Retail-specific															
Retail real income growth	7.90	3.80	2.10	4.80	2.90	1.80	1.90	2.00	1.90	(0.90)	–	2.00	(3.60)	(2.30)	1.10
House price index growth*	6.10	7.70	6.00	4.80	6.20	5.40	2.70	3.10	3.20	1.00	2.20	3.60	(0.50)	0.90	4.30
Household debt to income	59.60	60.60	63.80	60.70	61.50	63.70	61.80	62.70	63.90	62.20	63.00	63.70	62.70	63.60	63.50
Household debt service cost to income	8.50	8.80	9.20	8.60	8.90	9.20	8.80	9.00	9.10	9.00	9.10	9.20	9.20	9.30	9.20
Employment growth	0.80	1.50	1.90	0.80	1.30	1.50	0.70	1.00	1.10	0.50	0.90	1.10	0.20	0.60	0.90
Wholesale-specific															
Fixed capital formation	5.40	9.10	8.20	4.10	6.10	6.40	2.40	3.10	4.50	–	1.30	4.80	(2.60)	(1.00)	4.20
Foreign exchange rate	17.80	17.30	17.00	18.10	17.90	17.80	18.30	18.50	18.70	19.20	19.00	19.10	20.10	19.50	19.60

** Applicable to the secured portfolio.*

Critical accounting estimates, assumptions and judgements continued

UK	Upside scenario			Baseline expectation			Downside scenario			Severe scenario		
(%)	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
Real GDP growth	2.10	2.80	2.70	0.80	1.40	1.50	(2.00)	1.80	1.30	(3.80)	0.30	0.80
CPI inflation	1.70	1.70	2.00	2.20	2.00	2.10	0.60	2.00	2.10	6.00	2.10	2.00
BoE rate	2.50	2.50	2.50	3.50	3.50	3.50	1.50	2.25	3.00	6.25	5.00	5.00
Household disposable income growth	2.30	1.40	1.70	0.80	1.20	1.80	(0.40)	0.90	1.90	(5.00)	0.20	2.40
House price index growth*	5.50	3.80	3.60	3.00	3.40	3.00	(6.70)	0.20	3.80	(13.30)	(3.00)	0.90
Unemployment rate	3.80	3.80	3.80	4.80	4.70	4.40	6.50	5.90	5.00	8.30	8.20	7.90

** Applicable to the secured portfolio.*

Broader Africa

Namibia	Upside scenario			Baseline expectation			Downside scenario		
(%)	2026	2027	2028	2026	2027	2028	2026	2027	2028
Real GDP growth	5.80	6.30	6.00	2.80	3.00	3.50	(0.50)	–	0.50
CPI inflation	5.70	6.20	6.00	4.50	4.40	3.30	6.80	7.50	7.00
Policy rate	7.50	7.25	7.25	6.75	6.75	6.50	9.00	8.50	7.75

Botswana	Upside scenario			Baseline expectation			Downside scenario		
(%)	2026	2027	2028	2026	2027	2028	2026	2027	2028
Real GDP growth	5.10	5.80	5.30	0.60	2.30	2.54	(1.70)	(0.50)	0.40
CPI inflation	2.30	2.60	3.00	3.30	3.80	3.80	6.90	7.20	6.10
Policy rate	1.20	1.20	1.20	1.90	1.90	1.90	3.75	4.00	4.00

Critical accounting estimates, assumptions and judgements continued

SIGNIFICANT MACROECONOMIC FACTORS continued

The following table reflects the impact on the performing (stage 1 and stage 2) impairment provisions on advances, if the probability weighting assigned to the baseline, upside and downside scenarios were increased to 100%. The analysis only reflects the changing of the probability assigned to these scenarios to 100%. As the mild upside and mild downside scenarios have not been implemented across all portfolios, they have not been included in the analysis.

R million	**IFRS 9 impairment provision**	**Baseline**	**% change in total IFRS 9 provision**	**Upside**	**% change in total IFRS 9 provision**	**Downside**	**% change in total IFRS 9 provision**
Total at 30 June 2026	**23 159**	**22 725**	**(2)**	**20 450**	**(12)**	**26 183**	**13**
Retail	**12 013**	**11 859**	**(1)**	**10 555**	**(12)**	**13 582**	**13**
Commercial	**2 778**	**2 760**	**(1)**	**2 487**	**(10)**	**2 967**	**7**
RMB CIB	**3 660**	**3 640**	**(1)**	**3 498**	**(4)**	**3 854**	**5**
Broader Africa	**1 673**	**1 691**	**1**	**1 422**	**(15)**	**1 976**	**18**
Centre (including Group Treasury)	**501**	**499**	**–**	**495**	**(1)**	**507**	**1**
Total continuing operations	**20 625**	**20 449**	**(1)**	**18 457**	**(11)**	**22 886**	**11**
Discontinued operations – UK operations	**2 534**	**2 276**	**(10)**	**1 993**	**(21)**	**3 297**	**30**
Total at 30 June 2025	22 566	22 220	(2)	18 562	(18)	27 211	21
Retail	10 861	10 609	(2)	8 465	(22)	13 652	26
Commercial	2 690	2 761	3	2 145	(20)	3 058	14
RMB CIB	3 915	3 913	–	3 678	(6)	4 166	6
Broader Africa	1 898	2 040	7	1 710	(10)	2 227	17
Centre (including Group Treasury)	456	458	–	453	(1)	462	1
Total excluding UK operations	19 820	19 781	–	16 451	(17)	23 565	19
UK operations	2 746	2 439	(11)	2 111	(23)	3 646	33

Critical accounting estimates, assumptions and judgements continued

<table>
<tr><th>Judgement</th><th>Retail and retail SME</th><th>Wholesale and commercial SME</th></tr>
<tr><td rowspan="2">Measurement of the 12-month ECL and lifetime expected credit losses (LECL)</td><td>Parameters are determined on a basis whereby exposures are pooled at a portfolio level (at a minimum). Where appropriate, more granular pooling is applied. The inputs used to determine parameter values include historically observed behaviour, as well as behavioural and demographic information related to individual exposures currently on book.

PD parameters are determined through assessment of the influence that various risk drivers have had on historical default rates. EAD parameter estimates are based on product characteristics in addition to historical drawdown and payment behaviour. LGDs are determined by estimating expected future cash flows, adjusted for FLI such as the house price index, the prime lending rate and GDP. These cash flows include direct costs and proceeds from the sale of collateral. Collateral recovery rates are based on historically observed outcomes.

The statistical models applied implicitly assume that risk drivers that influence default risk, payment behaviour and recovery expectations within historical data will continue to be relevant in the future.</td><td>Parameters are determined based on the application of statistical models that produce estimates based on counterparty-specific financial information and transaction characteristics. These characteristics include the nature of available collateral. Due to the specialised nature of these exposures, parameters produced by models are taken through a robust review and challenge process before being applied to calculate ECL, and are required to be signed off by a committee of wholesale and commercial credit experts who can motivate adjustments to modelled parameters.</td></tr>
<tr><td colspan="2">Parameters are calibrated for the calculation of 12-month ECL and LECL using term structures that consider borrower risk, account age, historical behaviour, transaction characteristics and correlations between parameters.

Term structures have been developed over the remaining lifetime of an instrument. The remaining lifetime is limited to the contractual term of instruments in the portfolio, except for instruments with an undrawn commitment such as credit cards, where there is no contractual expiry date. In such instances the remaining lifetime is determined with reference to the change in client requirements that would trigger a review of the contractual terms, for example an increase in limit.

ECL on open accounts is discounted from the expected date of default to the reporting date, using the asset's original effective interest rate or a reasonable approximation thereof.</td></tr>
<tr><td>Determination of whether the credit risk of financial instruments have increased significantly since initial recognition (SICR)</td><td>SICR triggers continue to be based on client behaviour, client-based behaviour scores and judgemental factors.</td><td>SICR triggers continue to be determined based on client behaviour and the internal FirstRand client rating or risk score, as well as judgemental factors, which include triggers for industries in distress, potentially resulting in the client being added to the watchlist through the group's ongoing risk management process. These triggers are determined at a deal and client level and are calibrated over time to determine what level of deterioration is reflective of a SICR.</td></tr>
</table>

Critical accounting estimates, assumptions and judgements continued

Judgement	Retail and retail SME	Wholesale and commercial SME

Sensitivity staging

The move from 12-month ECL (stage 1) to LECL (stage 2) can result in a substantial increase in ECL. The sensitivity information provided in the table below details the estimated additional ECL charge to the income statement that the group would need to recognise if 5% of the stage 1 gross carrying amount (GCA) of advances suffered a SICR and were moved from stage 1 to stage 2 as at 30 June 2026. A movement of 5% of the stage 1 balance to stage 2 can be viewed as a reasonably possible alternative based on the current economic conditions.

	30 June 2026	
R million	**5% increase in gross carrying amount of exposure***	**Increase in the loss allowance**
Retail secured	**18 545**	**1 363**
Retail unsecured	**4 087**	**920**
Total retail secured and unsecured	**22 632**	**2 283**
FNB commercial	**6 917**	**772**
WesBank corporate and commercial	**3 467**	**151**
RMB corporate and investment banking	**26 768**	**3 661**
Total corporate and commercial	**37 152**	**4 584**
Broader Africa	**4 087**	**294**
Centre (including Group Treasury)	**5 699**	**951**
Total continuing operations	**69 570**	**8 112**
Total discontinued operations – UK operations	**18 698**	**634**
– Retail	**14 937**	**524**
– Commercial	**3 761**	**110**
Total increase in stage 2 advances and ECL	**88 268**	**8 746**
	30 June 2025	
Retail secured	17 122	1 354
Retail unsecured	3 815	797
Total retail secured and unsecured	20 937	2 151
FNB commercial	6 438	784
WesBank corporate and commercial	3 053	90
RMB corporate and investment banking	25 541	4 386
Total corporate and commercial	35 032	5 260
Broader Africa	3 781	454
Centre (including Group Treasury)	2 589	316
Total excluding UK operations	62 339	8 181
UK operations	18 424	561
– Retail	14 191	421
– Commercial	4 233	140
Total increase in stage 2 advances and ECL	80 763	8 742

** Includes exposures across the group's exposures in South Africa, broader Africa and UK operations.*

Critical accounting estimates, assumptions and judgements continued

SUBSIDIARIES

Only one party can have control over a subsidiary. In determining whether the group has control over an entity, consideration is given to any rights the group has that result in the ability to direct the relevant activities of the investee, and the group's exposure to variable returns.

In operating entities, shareholding is most often the clearest indication of control. However, for structured entities and investment management funds, judgement is often needed to determine which investors have control of the entity or fund. Generally, where the group's shareholding is greater than 50%, the investment is accounted for as a subsidiary.

Decision-making power	Some of the major factors considered by the group in making this determination include the following: • the purpose and design of the entity; • what the relevant activities of the entity are; • who controls the relevant activities and whether control is based on voting rights or contractual agreements. This includes considering: – what percentage of voting rights is held by the group, and the dispersion and behaviour of other investors; – potential voting rights and whether these increase/decrease the group's voting powers; – who makes the operating and capital decisions; – who appoints and determines the remuneration of the key management personnel (KMP) of the entity; – whether any investor has any veto rights on decisions; – whether there are any management contracts in place that confer decision-making rights; – whether the group provides significant funding or guarantees to the entity; and – whether the group's exposure is disproportionate to its voting rights; • whether the group is exposed to any downside risk or upside potential that the entity was designed to create; • to what extent the group is involved in the set-up of the entity; and • to what extent the group is responsible to ensure that the entity operates as intended.
Exposure to variable returns	Factors considered include: • the group's rights in respect of profit or residual distributions; • the group's rights in respect of repayments and return of debt funding; • whether the group receives any remuneration from servicing assets or liabilities of the entity; • whether the group provides any credit or liquidity support to the entity; • whether the group receives any management fees and whether these are market related; and • whether the group can obtain any synergies not available to other shareholders through the shareholding. Benefits could be non-financial in nature, such as employee services, etc.
Ability to use power to affect returns	Factors considered include: • whether the group is acting as an agent or principal; • whether the group has any *de facto* decision-making rights; • whether the decision-making rights the group has are protective or substantive; and • whether the group has the practical ability to direct the relevant activities.

Critical accounting estimates, assumptions and judgements continued

Associates	Joint arrangements
Determining whether the group has significant influence over an entity: • Significant influence may arise from rights other than voting rights, for example management agreements. • The group considers both the rights that it has as well as currently exercisable rights that other investors have when assessing whether it has the practical ability to significantly influence the relevant activities of the investee.	Determining whether the group has joint control over an entity: • The group considers all contractual arrangements to determine whether unanimous consent is required in all circumstances. • A joint arrangement is classified as a joint venture when it is a separate legal entity and the shareholders share in the net assets of the separate legal entity, which requires consideration of the practical decision-making ability and management control over the activities of the joint arrangement.

STRUCTURED ENTITIES

Structured entities are those where voting rights generally relate to administrative tasks only and the relevant activities are determined by means of a contractual arrangement only.

When assessing whether the group has control over a structured entity, specific consideration and judgement is given to the purpose and design of the structured entity, and whether the group has power over decisions that relate to activities that the entity was designed to conduct.

INVESTMENT FUNDS

The group acts as fund manager to a number of investment funds. In terms of a mandate the group is required to make active investment management decisions in respect of the fund.

Determining whether the group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the group in the fund (comprising any direct interests in the fund and expected management fees), as well as the investors' right to remove the group as fund manager.

If the other investors are able to easily remove the group as fund manager or the group's aggregate interest is not deemed to be significant, the group does not consolidate the funds as it is merely acting as an agent for other investors. Other investors are considered to be able to easily remove the fund manager if it is possible for a small number of investors acting together to appoint a new fund manager in the absence of misconduct. Where the group has a significant investment and an irrevocable fund management agreement, the fund is consolidated.

Where such funds are consolidated, judgement is applied in determining if the non-controlling interests in the funds are classified as equity or financial liabilities. Where the external investors have the right to put their investments back into the fund, these non-controlling interests do not meet the definition of equity and are classified as financial liabilities.

Where such funds are not consolidated or equity accounted, the group accounts for the investments in the funds as investment securities in terms of IFRS 9.

Where investments in funds managed by the group meet the criteria for consolidation, but are considered to be financially inconsequential both individually and in aggregate with other inconsequential investments in funds, they are not consolidated by the group and are recognised as marketable advances.

As decisions related to the relevant activities are based on a contractual agreement (mandate) as opposed to voting or similar rights, investment funds that are managed by the group are considered to be structured entities as defined in IFRS 12, except where other investors can easily remove the group as fund manager without cause, as this represents rights similar to voting rights.

The group receives investment management fees from the funds for investment management services rendered. These fees are typical of supplier-customer relationships in the investment management industry.

Where the group provides seed funding or has any other interests in investment funds it manages, and does not consolidate, the investment is considered to represent a typical customer-supplier relationship.

Critical accounting estimates, assumptions and judgements continued

IMPAIRMENT OF GOODWILL

The carrying amount of goodwill is tested annually for impairment in accordance with the group's policy. Goodwill is considered to be impaired when its recoverable amount is less than its carrying amount. The recoverable amount of the cash generating unit (CGU) is determined as the higher of the value in use or fair value less costs to sell. For impairment testing purposes, goodwill is allocated to CGUs at the lowest level of operating activity to which it relates and is therefore not combined at group level. The group's goodwill impairment test is performed on the balances as at 31 March annually, except balances for Aldermore, which were tested at 30 June 2026, immediately prior to it being reclassified to a non-current asset held for sale and discontinued operation.

The goodwill balance as at 30 June is allocated to the following significant CGUs:

R million	Segment the goodwill is allocated to	**2026**	2025
Aldermore – discontinued operations*	Aldermore	**4 043**	8 520
African operations	FNB broader Africa	**33**	36
Other	Various	**67**	65
Total – continuing operations		**100**	8 621

** Refer to Note 14 – Discontinued operations – Operating expenses for details of the impairment charge recognised in profit or loss.*

DETERMINATION OF RECOVERABLE AMOUNT - GOODWILL

Fair value less cost to sell

Management applied judgement in assessing the recoverable amount with reference to fair value less costs to sell, following the group's decision to dispose of its investment in Aldermore. The Aldermore CGU represents the lowest level at which goodwill is monitored internally and the level at which the associated economic benefits are expected to be realised through the disposal. The fair value less cost to sell is a non-recurring level 3 fair value measurement estimated using a price-to-book approach, probability weighted across possible disposal outcomes and net of estimated costs to sell. As the recoverable amount was below the CGU's carrying amount, an impairment loss of R3 741 million was recognised, allocated to goodwill, and presented within discontinued operations. Significant judgement was applied in determining fair value less costs to sell for Aldermore based on probability-weighted scenarios of potential price-to-book outcomes. Interest from credible potential buyers provides market-participant evidence of the price that may be achievable in an orderly transaction. In assessing the relevance of this evidence, management considered the number and credibility of interested parties, the stage of the sales process at year end and the extent to which any price indications were preliminary, conditional or non-binding. As non-binding agreements are expected to be progressed post reporting date after year end, with successful bidders then undertaking due diligence, management applied judgement in determining the weighting placed on buyer-process information relative to other observable market evidence. Accordingly, the final disposal proceeds could be different from the estimate used for impairment testing. The recoverable amount varies inversely with the price-to-book multiple applied to net asset value: the lower the multiple, the greater the resulting goodwill impairment. Given the commercial sensitivity of the ongoing disposal, further valuation inputs have not been disclosed.

Value-in-use

The cash flow projections for each CGU are based on budgets and forecasts approved by the board as part of the annual budget and forecast process undertaken in April and May each year, and in the prior period, in June each year for Aldermore. The budgets and forecasts are based on historical data adjusted for management's expectation of future performance. Expected future performance is determined using both internal and external sources of information. The board challenges and endorses planning assumptions in light of the internal capital allocation decisions necessary to support strategy, current market conditions and the macroeconomic outlook. Cash flow projections until 2030 were considered for other CGUs. The terminal cash flows are calculated from the final cash flow period, which is extrapolated into perpetuity using the estimated growth rates stated below. These growth rates are consistent with economic reports specific to the country in which each CGU operates. To determine net present value, the cash flows of the CGU are discounted using the weighted average cost of capital for the specific CGU.

The table below shows the discount rates and the growth rates used in calculating the value in use for the CGUs.

	Discount rates*		**Growth rates**	
R million	**2026**	2025	**2026**	2025
Aldermore	**–**	12.10	**–**	2.00
African operations	**13.10**	13.10	**3.10**	2.50
Other	**19.25**	20.07	**3.00**	3.00

* Post-tax discount rate

Critical accounting estimates, assumptions and judgements continued

TAXATION

The group is subject to direct tax in a number of jurisdictions. As such there may be transactions and calculations for which the ultimate tax determination has an element of uncertainty during the ordinary course of business.

The group recognises liabilities for uncertain tax positions in accordance with the criteria defined within IAS 12 and IFRIC 23, based on objective estimates of the amount of tax that may be due, and which is calculated, where relevant, with reference to expert advice received. Where payment is determined to be possible but not probable, the tax exposure is disclosed as a contingent liability. The group recognises probable liabilities based on objective estimates of the amount of tax that may be due. Where the final tax determination is different from the amounts that were initially recorded, the difference will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Furthermore, deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The most significant management assumption is the forecasts that are used to support the probability assessment that sufficient taxable profits will be generated by the entities in the group in order to utilise the deferred tax assets.

PROVISIONS FOR LITIGATION

The group has a policy and process in place to determine when to recognise provisions for potential litigation and claims. The recognition of such provisions is linked to the ranking of the legal risk of potential litigation on the group's litigation database which indicates if outflow is probable.

TRANSACTION WITH EMPLOYEE

EMPLOYEE BENEFITS – DEFINED BENEFIT PLANS

Determination of required funding levels	Funding levels are monitored on an annual basis and the current agreed employer contribution rate in respect of the defined benefit members in the pension fund is 21.1% (2025: 21.1%) of pensionable salaries, which is in excess of the minimum recommended contribution rate set by the fund actuary. The group considers the recommended contribution rate as advised by the fund actuary with each statutory actuarial valuation. In addition, the trustees of the fund target a funding position on pensioner liabilities that exceeds the value of the best estimate actuarial liability. The funding position is also considered in relation to a solvency reserve basis, which makes allowance for the discontinuance cost of outsourcing the pensions. As at the last interim actuarial valuation of the pension fund (30 June 2025), all categories of liabilities were at least 100% funded on a solvency reserve basis. If a defined contribution member chooses to retire and purchase a life annuity in the fund, the funding position of the pensioner liabilities increases as the life annuity purchase price is determined on the stronger solvency reserve basis.

EMPLOYEE BENEFITS – DEFINED BENEFIT PLANS

Determination of present value of defined benefit plan obligations	The cost of the benefits and the present value of the defined benefit pension funds and post-employment medical obligations depend on a number of factors that are determined annually on an actuarial basis, by independent actuaries, using the projected unit credit method which incorporates a number of assumptions. The key assumptions used in determining the charge to profit or loss arising from these obligations include the expected long-term rate of return on the relevant plan assets, discount rate, expected salary, medical scheme contribution and pension increase rates. Any changes in these assumptions will impact the charge to profit or loss and may affect planned funding of the pension plans.

CASH-SETTLED SHARE-BASED PAYMENT PLANS

Determination of fair value of the award	The award is determined using the volume-weighted average price (VWAP) of the underlying share price at grant date, adjusted for: • the time value between grant date and vesting date through discounting using the risk-free interest rate; • the expected future dividends over the vesting period, based on independently observable market expectations (including Bloomberg consensus data) and adjusted using the risk-free interest rate; and • expected staff turnover referenced to historical behaviour as indicators of future conditions and reviewed annually against actual experience.

EQUITY-SETTLED SHARE-BASED PAYMENT PLANS

Determination of fair value of the award	The total value of the services received is calculated with reference to the fair value of the award on grant date. The fair value of the award is determined excluding non-market vesting conditions. These vesting conditions are included in the assumptions of the number of awards expected to vest.

Critical accounting estimates, assumptions and judgements continued

INSURANCE CONTRACTS

Discount rate

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks to derive an expected present value.

A bottom-up approach is used to determine the discount rate for the cash flows that do not vary based on the returns on underlying items, and is derived as the sum of the risk-free yield and an illiquidity premium (where necessary).

Discount rates are based off the RMB government zero yield curve, which is derived from the RSA government bond curve with a flat extrapolation beyond 2053. Beyond 2053, the yield curve is unobservable and a flat extrapolation methodology for the non-observable part of the curve was chosen as it supports sound investment and risk management strategies. Using a flat rate from the last observable point is, in the group's view, more accessible and behaves in a way most consistent with near observable markets.

The table below sets out the yield curves used to discount the cash flows of insurance contracts:

Risk-free rates %	**2026**	2025
1 year	**7.59**	7.67
5 years	**8.10**	8.87
10 years	**8.87**	10.89
20 years	**9.49**	12.95
50 years	**9.15**	12.45

Risk adjustment for non-financial risk

The group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the entity to the reinsurer.

The risk adjustment was calculated at each insurance entity level and then allocated down to each group of contracts in accordance with their risk profiles.

The risk adjustment is determined using a scenario value-at-risk approach methodology at an 80% confidence level. The approach reflects the compensation the company requires for bearing the uncertainty associated with the non-financial risks arising from insurance contracts measured under the general measurement model (GMM). The group allows for diversification benefits across products at an overall insurance entity level.

With respect to the risk adjustment included in the fulfilment cash flows (FCF) attributable to the liability for incurred claims (LIC), the group has applied a bootstrapping approach applying an 80% confidence level. The bootstrapping approach makes use of the basic chain ladder as a source of input, which is a common actuarial reserving methodology. In addition, for some non-life products, the group has applied Solvency Assessment and Management (SAM) framework industry risk volatility factors which include a specified upfront confidence level of 80% over a one-year period.

Onerous contracts

An insurance contract is onerous if, at the date of initial recognition, the fulfilment cash flows allocated to the contract, plus any insurance acquisition cash flows, plus any cash flows arising from the contract at the date of initial recognition, are a net outflow in total. Onerous testing is performed at a policy level taking into account the best estimate of all cash flows within the boundary of the insurance contract that would be taken into account in the initial measurement of the insurance contract, as well as a risk adjustment for non-financial risk.

CONTRACTS MEASURED UNDER THE GENERAL MEASUREMENT MODEL

Estimates of future cash flows

The current estimate of future cash flows to be included in the measurement of insurance contracts incorporates the unbiased and probability-weighted mean of the full range of possible outcomes, which includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events, that is reasonable and supportable without undue cost or effort at the reporting date.

Consistent assumptions are used when measuring estimates of the present value of future cash flows for a group of reinsurance contracts held and estimates of the present value of future cash flows for the group(s) of underlying insurance contracts.

For contracts measured using the GMM, the measurement of the liability for remaining coverage (LRC) includes cash flows within the contract boundary of the insurance contracts. Cash flows that are within the contract boundary are those that relate directly to the fulfilment of the contract, including those over which the entity has discretion in terms of amount or timing.

Contractual service margin (CSM) amortisation – determination of coverage units

The group currently issues GMM insurance contracts without discretionary participation features. As such, the CSM is amortised to profit or loss using coverage units based on the discounted sum assured in force, which represents the proportion of actual service provided during the financial period. Amortisation of the CSM is determined by first calculating the present value of the coverage units over the remaining period. The amortisation percentage for the reporting period is then calculated as the current coverage units over the current coverage units plus the present value of future coverage units. In the formula, the current coverage unit is calculated as the expected coverage unit for the current period. Although actual coverage units for the current period should present the actual service of the actual coverage provided, as a practical expedient to alleviate operational complexity expected coverage units for the reporting period are used, as the expected coverage unit has been found to be a close proxy to actual coverage units.

Critical accounting estimates, assumptions and judgements and new standards adopted in the current year

KEY ASSUMPTIONS TO WHICH THE ESTIMATION OF LIABILITIES IS PARTICULARLY SENSITIVE

Material judgement is required in determining liabilities and in the choice of assumptions. Assumptions in use are based on experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation. Assumptions are further evaluated on a continual basis in order to ensure realistic and reasonable valuations. The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

Mortality, retrenchment and morbidity rates	Group-specific tables, which are assessed on an annual basis, are based on standard industry tables, national tables, reinsurer tables or internal tables where sufficient data is available. These tables are modified to reflect the entity's specific recent historical experience, and differentiated by certain factors (for example gender, underwriting class and contract types, among others).
Expenses modelling	Expenses comprise all future cash flows that are directly related to the fulfilment of a group of contracts and are referred to as directly attributable expenses. For contracts measured under the GMM, the group projects the estimate of future expenses relating to the fulfilment of contracts (costs of maintaining and servicing in-force policies) using the current level of expenses taken as an appropriate expense base, adjusted for expected expense inflation. The expense inflation assumption is based on management's best estimate of future operational expense growth, informed by approved budgets, long-term business plans and internal cost growth expectations.
Lapse and cancellation rates	Lapses relate to the termination of policies due to non-payment of premiums. Cancellations relate to the voluntary termination of policies by policyholders or the settlement or termination of financing products, to which embedded and credit life policies are linked. Policy termination assumptions are determined using statistical measures based on the group's experience and vary by, among other factors, product type and sales channel.

FAIR VALUE MEASUREMENT

The details of the processes, procedures and assumptions used in the determination of fair value are disclosed in note 35. In particular, the areas that involve the greatest amount of judgement and complexity include the following:

- assessing whether instruments are trading with sufficient frequency and volume to be considered liquid;
- the inclusion of a measure of the risk of counterparty non-performance in the fair value measurement of loans and advances; and
- the inclusion of credit valuation adjustments and funding valuation adjustments in the fair value measurement of derivative instruments.

New standards adopted in the current year

Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates, Lack of exchangeability became effective in the current year. This amendment has not impacted the group's reported earnings, financial position or reserves, or the accounting policies.

Notes to the consolidated financial statements

for the year ended 30 June

1 Analysis of interest income and interest expense

1.1 Interest and similar income

R million	**2026**	2025
Analysis of interest and similar income		
Debt instruments at fair value through other comprehensive income	**2 048**	2 066
Instruments at fair value through profit or loss	**986**	848
Instruments at amortised cost	**160 259**	162 571
Non-financial instruments	**40**	18
Interest and similar income	**163 333**	165 503
Advances	**134 295**	136 355
– Overdrafts and cash management accounts	**11 223**	11 742
– Term loans*	**12 939**	13 346
– Card loans	**7 701**	7 500
– Instalment sales and hire purchase agreements	**19 740**	18 740
– Lease payments receivable	**477**	408
– Property finance	**34 991**	36 457
– Home loans	**29 241**	30 735
– Commercial property finance	**5 750**	5 722
– Personal loans	**14 094**	13 198
– Preference share agreements	**2 881**	3 012
– Assets under agreements to resell	**1 387**	1 134
– Investment bank term loans*	**18 400**	19 251
– Long-term loans to group associates and joint ventures	**83**	93
– Other customer advances*	**4 059**	3 554
– Invoice finance*	**836**	1 629
– Collateralised debt obligations	**367**	–
– Marketable advances	**5 117**	6 291
Cash and cash equivalents	**4 531**	4 306
Investment securities	**20 606**	23 997
Accrued on off-market advances	**77**	71
Interest on derivatives qualifying as hedging instruments	**1 604**	(1 251)
Collateral, settlement balances and other	**2 220**	2 025
Interest and similar income	**163 333**	165 503

* *Following the reassessment of the classification of certain advances to improve alignment with the underlying lending products, the prior year was restated for the following items, which represent line reallocations with a net zero impact:*

- *Term loans of R11 768 million has been restated to R13 346 million following the reclassification of R2 534 million from Investment bank term loans and R72 million from Other customer advances.*
- *Investment bank term loans has been restated from R21 785 million to R19 251 million following the reclassification of R2 534 million to Term loans.*
- *Other customer advances has been restated from R4 247 million to R3 554 million following the reclassification of R555 million, comprising R72 million to Term loans and R483 million to Invoice finance.*
- *Invoice finance has been restated from R1 940 million to R1 629 million following the reclassification of R483 million from Other customer advances.*

Notes to the consolidated financial statements continued

1 Analysis of interest income and interest expense continued

1.2 Interest expense and similar charges

R million	**2026**	2025
Analysis of interest expense and similar charges		
Instruments at fair value through profit or loss	**(147)**	(196)
Instruments at amortised cost	**(84 761)**	(90 909)
Non-financial instruments	**(234)**	(193)
Interest expense and similar charges	**(85 142)**	(91 298)
Deposits and debt funding	**(94 584)**	(100 568)
– Deposits from customers	**(80 115)**	(83 012)
– Current accounts	**(9 938)**	(10 952)
– Savings deposits	**(4 020)**	(3 988)
– Call deposits	**(26 818)**	(28 503)
– Fixed and notice deposits	**(37 497)**	(37 950)
– Other deposits	**(1 842)**	(1 619)
– Debt securities	**(11 901)**	(15 328)
– Negotiable certificates of deposit	**(2 550)**	(4 699)
– Fixed-rate and floating-rate notes	**(9 351)**	(10 629)
– Securitisation issuances	**(450)**	(261)
– Repurchase agreements	**(517)**	(453)
– Securities lending	**(418)**	(402)
– Cash collateral and credit-linked notes	**(1 183)**	(1 112)
Other funding liabilities	**(87)**	(111)
SARB funding facility due to Covid-19 SME government guarantee	**(51)**	(71)
Preference shares and other	**(120)**	(156)
Lease liabilities	**(231)**	(192)
Tier 2 and other loss-absorbing liabilities	**(1 935)**	(1 909)
– Tier 2 liabilities	**(1 844)**	(1 909)
– Flac instruments	**(91)**	–
Interest on derivatives qualifying as hedging instruments	**(972)**	461
Other	**(520)**	(432)
Gross interest expense and similar charges	**(98 500)**	(102 978)
Less: interest expense on fair value activities reallocated*	**13 358**	11 680
Interest expense and similar charges	**(85 142)**	(91 298)

* *Relates to interest expense accrued on amortised cost financial liabilities that fund fair value activities. This has been reallocated to non-interest revenue.*

Notes to the consolidated financial statements continued

2 Non-interest revenue

R million	Notes	**2026**	2025
Fee and commission income		**52 083**	49 184
– Instruments at amortised cost		**42 193**	39 748
– Instruments at fair value through profit or loss		**18**	57
– Non-financial instruments		**9 872**	9 379
Fee and commission expenses		**(9 186)**	(8 768)
Net fee and commission income	2.1	**42 897**	40 416
Net insurance income		**4 802**	4 462
– Instruments mandatory at fair value through profit or loss		**14 910**	7 121
– Instruments designated at fair value through profit or loss		**487**	(852)
– Translation gains or losses on instruments not held at fair value through profit or loss		**(2 999)**	1 494
Fair value income and foreign exchange gains/(losses)	2.3	**12 398**	7 763
– Instruments at fair value through profit or loss		**507**	270
– Mandatory fair value through profit or loss		**500**	265
– Designated fair value through profit or loss		**7**	5
– Instruments at amortised cost		**372**	76
– Instruments at fair value through other comprehensive income		**752**	29
– Non-financial instruments		**2 131**	1 025
Gains less losses from investing activities*	2.4	**3 762**	1 400
Other non-interest revenue	2.5	**4 841**	4 383
Total non-interest revenue		**68 700**	58 424

* *The term investing activities used in this note does not have the same meaning as investing activities in the cash flow statement.*

2.1 Net fee and commission income

R million	**2026**	2025
Banking fee and commission income	**44 620**	42 617
– Card commissions	**9 123**	8 304
– Cash deposit fees	**1 949**	1 921
– Commitment fees	**2 570**	2 465
– Electronic transaction fees	**1 282**	1 193
– Exchange commissions	**2 689**	2 640
– Brokerage income	**14**	7
– Bank charges	**26 993**	26 087
– Transaction and service fees	**9 813**	9 635
– Documentation and administration fees	**12 766**	12 117
– Cash handling fees	**3 244**	3 159
– Other	**1 170**	1 176
Knowledge-based fee and commission income	**2 796**	2 461
Management, trust and fiduciary fees	**3 131**	2 733
Other non-bank commissions	**1 536**	1 373
Fee and commission income*	**52 083**	49 184
Transaction processing fees	**(3 398)**	(3 094)
Transaction-based fees	**(113)**	(106)
Commission paid	**(373)**	(261)
Customer loyalty programmes	**(2 545)**	(2 583)
Cash sorting, handling and transportation charges	**(1 374)**	(1 344)
Card and cheque book related	**(498)**	(535)
ATM commissions paid	**(55)**	(57)
Other	**(830)**	(788)
Fee and commission expenses	**(9 186)**	(8 768)
Net fee and commission income	**42 897**	40 416

* *Revenue from contracts with customers that are within the scope of IFRS 15.*

Notes to the consolidated financial statements continued

2 Non-interest revenue continued

2.2 *Insurance income*

Total insurance service results

	2026					2025				
R million	**Life**	**Non-life**	**Life reinsurance held**	**Non-life reinsurance held**		Life	Non-life	Life reinsurance held	Non-life reinsurance held	
Notes	**15.3**	**15.4**	**15.5**	**15.6**	**Total**	15.3	15.4	15.5	15.6	Total
Insurance revenue										
Amounts relating to the changes in the LRC for insurance contracts measured under the GMM										
– Expected incurred claims and other directly attributable expenses	**3 325**	**12**	**–**	**–**	**3 337**	3 216	–	–	–	3 216
– Change in the risk adjustment for the risk expired	**450**	**–**	**–**	**–**	**450**	418	–	–	–	418
– CSM recognised for the services provided	**2 869**	**3**	**–**	**–**	**2 872**	2 530	–	–	–	2 530
– Experience adjustments – arising from premiums received in the period other than those that relate to future service	**181**	**–**	**–**	**–**	**181**	242	–	–	–	242
– Experience adjustments – arising from insurance acquisition cash flows paid in the period other than that relating to future service	**3**	**–**	**–**	**–**	**3**	(7)	–	–	–	(7)
Insurance acquisition cash flows recovery	**357**	**7**	**–**	**–**	**364**	299	–	–	–	299
Insurance revenue from contracts measured under the GMM	**7 185**	**22**	**–**	**–**	**7 207**	6 698	–	–	–	6 698
Insurance revenue from contracts measured under the PAA	**478**	**1 556**	**–**	**–**	**2 034**	295	1 183	–	–	1 478
Total insurance revenue	**7 663**	**1 578**	**–**	**–**	**9 241**	6 993	1 183	–	–	8 176
Insurance service expenses										
Incurred claims and other directly attributable expenses	**(3 743)**	**(1 132)**	**–**	**–**	**(4 875)**	(3 196)	(816)	–	–	(4 012)
Changes that relate to past service – changes in the FCF relating to the LIC	**273**	**(15)**	**–**	**–**	**258**	(106)	(6)	–	–	(112)
Losses on onerous contracts and reversals of those losses	**76**	**(1)**	**–**	**–**	**75**	226	(2)	–	–	224
Insurance acquisition cash flows amortisation	**(357)**	**(7)**	**–**	**–**	**(364)**	(299)	–	–	–	(299)
Insurance acquisition cash flows immediately expensed for contracts measured under the PAA	**(26)**	**(146)**	**–**	**–**	**(172)**	(23)	(112)	–	–	(135)
Total insurance service expenses	**(3 777)**	**(1 301)**	**–**	**–**	**(5 078)**	(3 398)	(936)	–	–	(4 334)

Notes to the consolidated financial statements continued

2 Non-interest revenue continued

2.2 *Insurance income* continued

Total insurance service results continued

	2026					2025				
R million	**Life**	**Non-life**	**Life reinsurance held**	**Non-life reinsurance held**		Life	Non-life	Life reinsurance held	Non-life reinsurance held	
Notes	**15.3**	**15.4**	**15.5**	**15.6**	**Total**	15.3	15.4	15.5	15.6	Total
Net income (expenses) from reinsurance contracts held										
Amounts relating to the changes in the remaining coverage for reinsurance contracts held measured under GMM										
– Expected incurred claims and other directly attributable expenses recovery	**–**	**–**	**(346)**	**(5)**	**(351)**	–	–	(329)	(259)	(588)
– Change in the risk adjustment for the risk expired	**–**	**–**	**(9)**	**–**	**(9)**	–	–	(13)	(16)	(29)
– CSM recognised for the services rendered	**–**	**–**	**(19)**	**4**	**(15)**	–	–	(28)	42	14
– Experience adjustments – arising from ceded premiums paid in the period other than those that relate to future service	**–**	**–**	**(23)**	**–**	**(23)**	–	–	(27)	211	184
Reinsurance expenses – contracts measured under the GMM	**–**	**–**	**(397)**	**(1)**	**(398)**	–	–	(397)	(22)	(419)
Reinsurance expenses – contracts measured under the PAA	**–**	**–**	**(345)**	**(359)**	**(704)**	–	–	(222)	(270)	(492)
Incurred claims recovery	**–**	**–**	**599**	**323**	**922**	–	–	466	241	707
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	**–**	**–**	**(45)**	**(24)**	**(69)**	–	–	(5)	(5)	(10)
Income on initial recognition of onerous underlying contracts	**–**	**–**	**34**	**7**	**41**	–	–	28	6	34
Subsequent changes in the loss recovery component	**–**	**–**	**(36)**	**–**	**(36)**			(93)	–	(93)
Total net income (expenses) from reinsurance contracts held	**–**	**–**	**(190)**	**(54)**	**(244)**	–	–	(223)	(50)	(273)
Total insurance service result	**3 886**	**277**	**(190)**	**(54)**	**3 919**	3 595	247	(223)	(50)	3 569

Notes to the consolidated financial statements continued

2 Non-interest revenue continued

2.2 *Insurance income* continued

Net finance income and expenses from insurance activities

	2026					2025				
R million	**Life**	**Non-life**	**Life reinsurance held**	**Non-life reinsurance held**		Life	Non-life	Life reinsurance held	Non-life reinsurance held	
Notes	**15.3**	**15.4**	**15.5**	**15.6**	**Net**	15.3	15.4	15.5	15.6	Net
Net finance income (expenses) from insurance contracts issued and reinsurance contracts held										
Interest accreted	**(136)**	**(11)**	**33**	**1**	**(113)**	(91)	(12)	31	(3)	(75)
Effect of changes in interest rates and other financial assumptions	**386**	**–**	**(73)**	**–**	**313**	408	–	(2)	–	406
Total net finance income (expenses) from insurance contracts issued and reinsurance contracts held	**250**	**(11)**	**(40)**	**1**	**200**	317	(12)	29	(3)	331
Recognised in profit or loss	**(136)**	**(11)**	**33**	**1**	**(113)**	(91)	(12)	31	(3)	(75)
Recognised in other comprehensive income	**386**	**–**	**(73)**	**–**	**313**	408	–	(2)	–	406
Total net finance income (expenses) from insurance contracts issued and reinsurance contracts held	**250**	**(11)**	**(40)**	**1**	**200**	317	(12)	29	(3)	331

Additional disclosure relating to the net income (expenses) from assets backing insurance contracts

Net income (expenses) from assets backing insurance contracts issued										
Interest revenue from financial assets not measured at fair value through profit or loss	**227**	**203**	**–**	**–**	**430**	163	99	–	–	262
Net gains or losses on financial assets measured at fair value through profit or loss	**60**	**6**	**–**	**–**	**66**	102	–	–	–	102
Net credit impairment losses	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net gains on investments in debt securities measured at fair value through other comprehensive income	**23**	**6**	**–**	**–**	**29**	26	22	–	–	48
Net income (expenses) from assets backing insurance contracts issued	**310**	**215**	**–**	**–**	**525**	291	121	–	–	412

Notes to the consolidated financial statements continued

2 Non-interest revenue continued

2.3 *Fair value income and foreign exchange gains*

R million	**2026**	2025
Dividend income on preference shares held	**2 725**	2 638
Fair value income	**9 673**	5 125
Fair value income and foreign exchange gains	**12 398**	7 763

2.4 *Gains less losses from investing activities*

R million	Notes	**2026**	2025
Gains on disposal of investment activities at amortised cost*		**497**	95
Impairment loss of debt investment securities at amortised cost		**(125)**	(28)
Impairment loss of debt investment securities at FVOCI		**(1)**	–
Gain on remeasuring the equity interest previously held in the acquiree to acquisition date fair value		**1**	–
Reclassification from other comprehensive income on the derecognition/sale of assets FVOCI**		**740**	13
Dividends received		**982**	644
Gain/(loss) on disposal of investments in subsidiaries		**–**	5
Gain on disposal of investments in associates		**988**	76
Gain on disposal of investments in joint ventures		**–**	140
Fair value remeasurements on investment properties	21	**11**	15
Rental income from investment properties	21	**191**	158
Other gains from investing activities		**478**	282
Gains less losses from investing activities		**3 762**	1 400

* *The gain on disposal of financial assets measured at amortised cost includes a gain of R242 million recognised on the conversion of a portion of a loan exposure to equity following credit deterioration, partially offset by a loss of R60 million on settlement of the remaining exposure, as well as gains arising from an infrequent portfolio sale during the reporting period.*

** *Included in this balance is a net gain of R606 million (2025: R13 million) on the disposal of financial assets measured at FVOCI, arising from the active management of the interest rate risk in the banking book.*

2.5 *Net other non-interest revenue*

R million	**2026**	2025
Revenue from contracts with customers*	**3 087**	2 965
– Sales**	**2 921**	2 635
– Other income#	**166**	330
Rental income†	**2 310**	2 212
Other non-IFRS 15 related income#	**1 354**	684
Other operating lease transactions	**357**	344
Other non-interest revenue	**7 108**	6 205
– Cost of sales	**(2 224)**	(1 962)
– (Loss)/gain on disposal of property and equipment	**(36)**	142
– Other	**(7)**	(2)
Other non-interest related expense	**(2 267)**	(1 822)
Net other non-interest revenue	**4 841**	4 383

* *Revenue from contracts with customers that are within the scope of IFRS 15.*

** *This balance includes revenue from the commission and sale of smart devices of R1 134 million (2025: R982 million) and network services of R1 358 million (2025: R1 224 million) which are recognised at a point in time and over time, respectively.*

\# *In the prior year, other income was presented as R1 186 million. Included in this balance was an amount of R684 million, which was not revenue from contracts with customers. In the current year, these balances were reclassified to this new disclosure line. Comparatives have been restated.*

† *Rental income mainly comprises operating lease income earned from vehicle leasing arrangements and speedpoint rentals.*

Notes to the consolidated financial statements continued

3 Operating expenses

R million	Notes	**2026**	2025
Auditors' remuneration		**(593)**	(633)
– Audit fees		**(581)**	(612)
– Fees for other services		**(11)**	(21)
– Prior year under accrual		**(1)**	–
Non-capitalised lease charges		**(477)**	(477)
– Short-term lease charge		**(363)**	(370)
– Low-value lease charge		**(104)**	(126)
– Variable lease charge		**(13)**	(16)
– Early termination gains on lease		**3**	35
Staff costs		**(46 021)**	(42 199)
– Salaries, wages and allowances		**(34 097)**	(31 810)
– Contributions to employee benefit funds		**(525)**	(436)
– Defined contribution schemes		**(455)**	(392)
– Defined benefit schemes	22.1	**(70)**	(44)
– Social security levies		**(593)**	(535)
– Share-based payments	33	**(2 697)**	(2 561)
– Movement in short-term employee benefit liabilities		**(6 999)**	(6 000)
– Other staff costs		**(1 110)**	(857)
Other operating costs		**(24 450)**	(22 343)
– Amortisation of intangible assets		**(416)**	(330)
– Depreciation of property and equipment		**(4 518)**	(4 199)
– Impairments incurred*		**(381)**	(217)
– Impairments reversed		**–**	49
– Insurance		**(212)**	(221)
– Advertising and marketing		**(2 405)**	(2 270)
– Maintenance		**(1 888)**	(1 751)
– Property		**(1 479)**	(1 489)
– Computer equipment		**(5 203)**	(4 713)
– Stationery, storage and delivery		**(313)**	(154)
– Telecommunications		**(616)**	(630)
– Professional fees		**(4 042)**	(3 537)
– Donations		**(488)**	(399)
– Assets costing less than R7 000		**(118)**	(87)
– Business travel		**(531)**	(501)
– Profit share expenses		**(69)**	(85)
– Bank charges		**(102)**	(88)
– Legal fee expenses		**(178)**	(170)
– Entertainment		**(431)**	(354)
– Subscriptions and memberships		**(446)**	(408)
– Training expenses		**(303)**	(385)
– Other operating expenditure		**(311)**	(404)
Total operating expenses excluding UK motor commission matter		**(71 541)**	(65 652)
UK motor commission matter**		**(8 401)**	(1 533)
UK motor commission provision		**(7 832)**	(1 328)
UK motor commission related costs incurred during the year		**(569)**	(205)
Total operating expenses		**(79 942)**	(67 185)

* *Impairments incurred in the current year included losses of R101 million recognised on software and development costs, R57 million on computer equipment and ECL of R136 million on non-advances included in the FNB segment (2025: Impairments incurred included R115 million on properties held by the group as well as ECL of R76 million on non-advances included in the FNB segment).*

** *Refer to Note 25 – Creditors, accruals and provisions.*

Notes to the consolidated financial statements continued

3 Operating expenses continued

Directors' and prescribed officers' emoluments

Information relating to directors' remuneration for the year under review and dealings in FirstRand shares are set out below.

Non-executive directors' remuneration

	2026			2025		
	Services as directors			Services as directors		
R thousand	**FirstRand**	**Group**	**Total**	FirstRand	Group	Total
Independent non-executive directors						
G Gelink (resigned 29 November 2024)	**–**	**–**	**–**	1 362	1 283	2 645
PD Naidoo	**1 582**	**364**	**1 946**	1 487	347	1 834
L Von Zeuner	**3 627**	**1 498**	**5 125**	3 615	1 428	5 043
T Winterboer	**2 633**	**2 339**	**4 972**	2 313	2 139	4 452
Z Roscherr	**2 994**	**1 600**	**4 594**	2 957	1 968	4 925
SP Sibisi	**1 982**	**1 873**	**3 855**	1 932	1 783	3 715
TC Isaacs	**2 350**	**624**	**2 974**	2 332	349	2 681
P Makosholo (Appointed 1 October 2024)	**1 794**	**554**	**2 348**	1 207	298	1 505
JP Burger (Chairman)	**8 712**	**851**	**9 563**	8 184	893	9 077
Total	**25 674**	**9 703**	**35 377**	25 389	10 488	35 877

Directors Emoluments reporting: Awarded Remuneration

Cash package, retirement contributions and other allowances reflect what was paid to the prescribed officers during the year ended 30 June 2026. The FirstRand annual remuneration cycle runs from 1 August to 31 July.

Short term incentives (STIs) reward both group and individual performance achieved during the year. STIs that exceed a certain threshold are deferred into cash and share price linked awards (eventual payments are linked to the share price).

Long-term incentive (LTI) awards are granted annually under the conditional incentive plan (CIP), with vesting subject to the achievement of cumulative performance conditions over a three year period. Previously, LTI's were reported for the year in which they were issued, which occurred in the September of the financial year with reference to the previous financial year. For the year ended 30 June 2026, the value in the remuneration table reflect the face value of the LTI awarded in respect of the reporting period i.e. the LTIs awarded for the year ended 30 June issued in September of the following financial year. Comparative information is presented on the same basis.

The explanation of the basis of preparation of the remuneration tables is disclosed in the FirstRand remuneration report.

Notes to the consolidated financial statements continued

3 Operating expenses continued

R thousand	**2026**	2025
M Vilakazi (group CEO)[1,6]		
Cash package paid during the year	**11 323**	10 703
Retirement contributions paid during the year	**248**	231
Other allowances	**368**	270
Guaranteed package	**11 939**	11 204
Performance-related STI:		
Cash[2]	**13 000**	12 500
– Within 6 months	**9 167**	8 667
– Within 1 year	**3 833**	3 833
Restricted share award 2 years (BSOP)[3]	**11 000**	10 500
Variable pay	**24 000**	23 000
Total guaranteed and variable pay	**35 939**	34 204
Value of LTI awards allocated during the financial year under the CIP[4]	**30 000**	26 000
Special LTI Award[6]	**–**	18 000
Total reward including LTIs	**65 939**	78 204
M Davias (group CFO)		
Cash package paid during the year	**8 793**	8 331
Retirement contributions paid during the year	**182**	171
Other allowances	**333**	311
Guaranteed package	**9 308**	8 813
Performance-related STI:		
Cash[2]	**10 486**	10 000
– Within 6 months	**7 491**	7 000
– Within 1 year	**2 995**	3 000
Restricted share award 2 years (BSOP)[3]	**8 486**	8 000
Variable pay	**18 972**	18 000
Total guaranteed and variable pay	**28 280**	26 813
Value of LTI awards allocated during the financial year under the CIP[4]	**21 930**	19 000
Total reward including LTIs	**50 210**	45 813
L Johnson (CEO FNB and RBB)[8,9]		
Cash package paid during the year	**7 425**	–
Retirement contributions paid during the year	**61**	–
Other allowances	**197**	–
Guaranteed package	**7 683**	–
Performance-related STI:		
Cash[2]	**8 000**	–
– Within 6 months	**5 833**	–
– Within 1 year	**2 167**	–
Restricted share award 2 years (BSOP)[3]	**6 000**	–
Variable pay	**14 000**	–
Total guaranteed and variable pay	**21 683**	–
Value of LTI awards allocated during the financial year under the CIP[4]	**16 500**	–
Total reward including LTIs	**38 183**	–

Notes to the consolidated financial statements continued

3 Operating expenses continued

R thousand	**2026**	2025
S Nxedlana (CEO FNB PB and WM)[8,9]		
Cash package paid during the year	**7 440**	–
Retirement contributions paid during the year	**60**	–
Other allowances	**107**	–
Guaranteed package	**7 607**	–
Performance-related STI:		
Cash[2]	**8 000**	–
– Within 6 months	**5 833**	–
– Within 1 year	**2 167**	–
Restricted share award 2 years (BSOP)[3]	**6 000**	–
Variable pay	**14 000**	–
Total guaranteed and variable pay	**21 607**	–
Value of LTI awards allocated during the financial year under the CIP[4]	**16 000**	–
Total reward including LTIs	**37 607**	–
M Ismail (CEO FNB CCB)[8]		
Cash package paid during the year	**8 171**	–
Retirement contributions paid during the year	**170**	–
Other allowances	**159**	–
Guaranteed package	**8 500**	–
Performance-related STI:		
Cash[2]	**7 500**	–
– Within 6 months	**5 500**	–
– Within 1 year	**2 000**	–
Restricted share award 2 years (BSOP)[3]	**5 500**	–
Variable pay	**13 000**	–
Total guaranteed and variable pay	**21 500**	–
Value of LTI awards allocated during the financial year under the CIP[4]	**16 000**	–
Total reward including LTIs	**37 500**	–
HS Kellan[7]		
Cash package paid during the year	**9 473**	9 137
Retirement contributions paid during the year	**78**	74
Other allowances	**267**	249
Guaranteed package	**9 818**	9 460
Performance-related STI:		
Cash[2]	**12 500**	11 000
– Within 6 months	**8 833**	7 667
– Within 1 year	**3 667**	3 333
Restricted share award 2 years (BSOP)[3]	**10 500**	9 000
Variable pay	**23 000**	20 000
Total guaranteed and variable pay	**32 818**	29 460
Value of LTI awards allocated during the financial year under the CIP[4]	**–**	17 500
Total reward including LTIs	**32 818**	46 960

Notes to the consolidated financial statements continued

3 Operating expenses continued

R thousand	**2026**	2025
E Brown (CEO RMB)		
Cash package paid during the year	**8 924**	8 529
Retirement contributions paid during the year	**163**	154
Other allowances	**80**	75
Guaranteed package	**9 167**	8 758
Performance-related STI:		
Cash[2]	**13 215**	11 210
– Within 6 months	**9 310**	7 807
– Within 1 year	**3 905**	3 403
Restricted share award 2 years (BSOP)[3]	**11 215**	9 210
Variable pay	**24 430**	20 420
Total guaranteed and variable pay	**33 597**	29 178
Value of LTI awards allocated during the financial year under the CIP[4]	**18 250**	17 500
Total reward including LTIs	**51 847**	46 678

1 *FirstRand defines its prescribed officers as the group's executive directors, and the CEOs of the group's Retail and Business Banking, Private Banking and Wealth Management, Corporate and Commercial Banking, and Corporate and Institutional segments. These officers are members of the group strategic executive committee and attend board meetings.*

2 *Variable compensation (STI), paid in cash in respect of the year ended June, is paid in three tranches during the following year ending on 30 June, i.e. August, December and June (with notional interest on the deferred payments).*

3 *A portion of variable compensation is deferred restricted share awards and vests after two years and earns dividends as and when they are declared.*

4 *Long-term incentive (LTI) awards are granted annually under the CIP, with vesting subject to the achievement of cumulative performance conditions over a three-year period. Previously, LTI's were reported for the year in which they were issued, which occurred in the September of the financial year with reference to the previous financial year. For the year ended 30 June 2026, the value disclosed in the remuneration table reflect the face value of the LTI awarded in respect of the reporting period i.e. LTI's awarded for 30 June issued in September of the following financial year. Comparative information is presented on the same basis.*

5 *Steven Cooper stepped down as CEO of Aldermore and is no longer a prescribed officer effective 30 June 2025.*

6 *A once-off award of R18 million was granted to Mary in 2025, to be settled in three equal tranches of R6 million into a restricted trading account. Settlement occurs as part of the bank's annual award process in September 2025, 2026, and 2027, and vesting is subject to the applicable performance conditions being met. Dividends earned on settled shares are reinvested in the restricted account.*

7 *Harry Kellan stepped down as CEO of FNB with effect from 31 March 2026.*

8 *Lytania Johnson, Sizwe Nxedlana and Muneer Ismail were appointed CEOs of their respective businesses and became prescribed officers with effect from 1 April 2026.*

9 *The guaranteed packages of Lytania Johnson and Sizwe Nxedlana are reflected for the full year and include the promotional increase effective 1 April 2026.*

All executive directors and prescribed officers in South Africa have a notice period of one month. Non-executive directors are appointed for a period of three years and are subject to the Companies Act, 71 of 2008 provision relating to removal.

Ownership of FirstRand Bank Limited

FRB is a wholly owned subsidiary of FSR.

Prescribed officers' outstanding incentives

The outstanding incentive disclosure has been prepared in the format required by King IV. King IV reporting requires disclosure of the number of units of outstanding incentive schemes, the value of outstanding incentive schemes and value on settlement. The explanation of the basis of preparation of the remuneration tables is disclosed in the FirstRand remuneration report.

Notes to the consolidated financial statements continued

3 Operating expenses continued

				Units					
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year[1,2]	Number of awards settled in year	Closing number of awards[3,4] 30 Jun 2026	Value on settlement in 2026[5] R thousand	Total value of dividends paid in respect of all plans[6] R thousand
M Vilakazi									
Deferred share price linked STI awards									
2023 (2-year deferral)	September 2023	4 912	September 2025	75 737	–	(75 737)	–	6 139	–
Balance deferred share price linked STIs		**4 912**		75 737	–	(75 737)	–	6 139	–
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	6 275	September 2026	84 835	–	–	84 835	–	186
2025 (2-year deferral)	September 2025	10 500	September 2027	117 297	–	–	117 297	–	733
2026 (2-year deferral)	September 2026	11 000	September 2028	–	–	–	–	–	–
Balance deferred share price linked STIs		**27 775**		202 132	–	–	202 132	–	919
LTI awards under the CIP									
2022	September 2022	15 120	September 2025	243 557	–	(243 557)	–	19 781	–
2023	September 2023	16 600	September 2026	255 936	–	–	255 936	–	–
2024	September 2024	24 000	September 2027	285 204 [7]	–	–	285 204	–	–
2025	September 2025	26 000	September 2028	320 769	–	–	320 769	–	–
2026	September 2026	30 000	September 2029	–	–	–	–	–	–
Balance LTIs		**111 720**		1 105 466	–	(243 557)	861 909	19 781	–
2025 (Restricted LTI Award)[8]									
1st Tranche	September 2025	6 000	September 2025	73 753	3 589	–	77 342	–	–
2nd Tranche	September 2026	6 000	September 2026	–	–	–	–	–	–
3rd Tranche	September 2027	6 000	September 2027	–	–	–	–	–	–
Balance restricted LTIs		**18 000**		73 753	3 589	–	77 342	–	–
MG Davias									
Deferred share price linked STI awards									
2023 (2-year deferral)	September 2023	**3 640**	September 2025	56 121	–	(56 121)	–	4 549	–
Balance deferred share price linked STIs		**3 640**		56 121	–	(56 121)	–	4 549	–
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	4 880	September 2026	65 975	–	–	65 975	–	144
2025 (2-year deferral)	September 2025	8 000	September 2027	89 369	–	–	89 369	–	565
2026 (2-year deferral)	September 2026	8 486	September 2028	–	–	–	–	–	–
Balance deferred share price linked STIs		**21 366**		155 344	–	–	155 344	–	709
LTI awards under the CIP									
2022	September 2022	6 890	September 2025	110 986	–	(110 986)	–	10 183	–
2023	September 2023	7 441	September 2026	114 727	–	–	114 727	–	–
2024	September 2024	16 600	September 2027	197 266	–	–	197 266	–	–
2025	September 2025	19 000	September 2028	234 408	–	–	234 408	–	–
2026	September 2026	21 930	September 2029	–	–	–	–	–	–
Balance LTIs		**71 861**		657 387	–	(110 986)	546 401	10 183	–
L Johnson									
Deferred share price linked STI awards									
2022 (3-year deferral)[9]	September 2022	2 500	September 2025	40 271	–	(40 271)	–	3 264	–
2023 (2-year deferral)	September 2023	1 370	September 2025	21 122	–	(21 122)	–	1 712	–
Balance deferred share price linked STIs		**3 870**		61 393	–	(61 393)	–	4 976	–
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	2 250	September 2026	30 421	–	–	30 421	–	67
2025 (2-year deferral)	September 2025	3 250	September 2027	36 306	–	–	36 306	–	248
2026 (2-year deferral)	September 2026	6 000	September 2028	–	–	–	–	–	–
Balance deferred share price linked STIs		**11 500**		66 727	–	–	66 727	–	315
LTI awards under the CIP									
2022	September 2022	2 500	September 2025	40 270	–	–	40 270	3 695	–
2023	September 2023	5 250	September 2026	80 944	–	–	80 944	–	–
2024	September 2024	5 500	September 2027	65 359	–	–	65 359	–	–
2025	September 2025	10 000	September 2028	123 372	–	–	123 372	–	–
2026	September 2026	16 500	September 2029	–	–	–	–	–	–
Balance LTIs		**39 750**		309 945	–	–	309 945	3 695	–

Notes to the consolidated financial statements continued

3 Operating expenses continued

				Units					
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year[1,2]	Number of awards settled in year	Closing number of awards[3,4] 30 Jun 2026	Value on settlement in 2026[5] R thousand	Total value of dividends paid in respect of all plans[6] R thousand
S Nxedlana									
Deferred share price linked STI awards									
2023 (2-year deferral)	September 2023	1 420	September 2025	21 893	–	(21 893)	–	1 775	–
Balance deferred share price linked STIs		**1 420**		21 893	–	(21 893)	–	1 775	–
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	2 250	September 2026	30 421	–	–	30 421	–	67
2025 (2-year deferral)	September 2025	3 250	September 2027	36 306	–	–	36 306	–	248
2026 (2-year deferral)	September 2026	6 000	September 2028	–	–	–	–	–	–
Balance deferred share price linked STIs		**11 500**		66 727	–	–	66 727	–	315
LTI awards under the CIP									
2022	September 2022	4 240	September 2025	77 314	–	(77 314)	–	6 267	–
2023	September 2023	4 800	September 2026	74 006	–	–	74 006	–	–
2024	September 2024	5 500	September 2027	65 359	–	–	65 359	–	–
2025	September 2025	10 000	September 2028	123 372	–	–	123 372	–	–
2026	September 2026	16 000	September 2029	–	–	–	–	–	–
Balance LTIs		**40 540**		340 051	–	(77 314)	262 737	6 267	–
M Ismail									
Deferred share price linked STI awards									
2023 (2-year deferral)	September 2023	–	September 2025	–	–	–	–	–	–
Balance deferred share price linked STIs		**–**		–	–	–	–	–	–
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	–	September 2026	–	–	–	–	–	–
2025 (2-year deferral)	September 2025	–	September 2027	–	–	–	–	–	–
2026 (2-year deferral)	September 2026	5 500	September 2028	–	–	–	–	–	–
Balance deferred share price linked STIs		**5 500**		–	–	–	–	–	–
LTI awards under the CIP									
2022	September 2022	–	September 2025	–	–	–	–	–	–
2023	September 2023	–	September 2026	–	–	–	–	–	–
2024	September 2024	–	September 2027	–	–	–	–	–	–
2025	September 2025	13 000	September 2028	160 384	–	–	160 384	–	–
2026	September 2026	16 000	September 2029	–	–	–	–	–	–
Balance LTIs		**29 000**		160 384	–	–	160 384	–	–
Buyout Awards (DIP and DSOP)[10]									
1st Tranche	September 2025	5 300	September 2026	66 541	–	–	66 541	–	–
2nd Tranche	September 2025	4 700	September 2027	28 884	–	–	28 884	–	–
3rd Tranche	September 2025	4 700	September 2028	–	–	–	–	–	–
Balance buyout LTIs		**14 700**		95 425	–	–	95 425	–	–
HS Kellan									
Deferred share price linked STI awards									
2023 (2-year deferral)	September 2023	5 362	September 2025	82 678	–	(82 678)	–	6 701	–
Balance deferred share price linked STIs		**5 362**		82 678	–	(82 678)	–	6 701	–
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	6 335	September 2026	85 646	–	–	85 646	–	188
2025 (2-year deferral)	September 2025	9 000	September 2027	100 540	–	–	100 540	–	694
2026 (2-year deferral)	September 2026	10 500	September 2028	–	–	–	–	–	–
Balance deferred share price linked STIs		**25 835**		186 186	–	–	186 186	–	882
LTI awards under the CIP									
2022	September 2022	16 960	September 2025	273 196	–	(273 196)	–	22 188	–
2023	September 2023	18 317	September 2026	282 405	–	–	282 405	–	–
2024	September 2024	19 200	September 2027	228 163	–	–	228 163	–	–
2025	September 2025	17 500	September 2028	215 902	–	–	215 902	–	–
2026	September 2026	–	September 2029	–	–	–	–	–	–
Balance LTIs		**71 977**		999 666	–	(273 196)	726 470	22 188	–

Notes to the consolidated financial statements continued

3 Operating expenses continued

	Issue date	Value at grant date R thousand	Settlement date	Units: Opening balance	Units: Awards made during year[1,2]	Units: Number of awards settled in year	Units: Closing number of awards[3,4] 30 Jun 2026	Value on settlement in 2026[5] R thousand	Total value of dividends paid in respect of all plans[6] R thousand
E Brown									
Deferred share price linked STI awards									
2023 (2-year deferral)	September 2023	8 550	September 2025	131 822	–	(131 822)	–	–	–
Balance deferred share price linked STIs		**8 550**		131 822	–	(131 822)	–	–	–
Restricted Share Awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	9 045	September 2026	122 286	–	–	122 286	–	268
2025 (2-year deferral)	September 2025	9 210	September 2027	102 887	–	–	102 887	–	885
2026 (2-year deferral)	September 2026	11 215	September 2028	–	–	–	–	–	–
Balance deferred share price linked STIs		**29 470**		225 173	–	–	225 173	–	1 153
LTI awards under the CIP									
2022	September 2022	12 500	September 2025	201 353	–	(201 353)	–	18 475	–
2023	September 2023	13 750	September 2026	211 995	–	–	211 995	–	–
2024	September 2024	15 000	September 2027	178 253	–	–	178 253	–	–
2025	September 2025	17 500	September 2028	215 902	–	–	215 902	–	–
2026	September 2026	18 250	September 2029	–	–	–	–	–	–
Balance LTIs		**77 000**		807 503	–	(201 353)	606 150	18 475	–

1 FirstRand share price linked schemes (BCIP/CIP) are determined on monetary value and not on the number of shares. The allocation of the share price linked awards is determined after year end, using the average three-day volume-weighted average price (VWAP) eight days after the results announcement. The final vesting of the BCIP was in 2025, thereafter the BSOP came into effect. The final vesting of the DIP will be the 2023 award which will vest in September 2026.

2 Restricted share awards (BSOP and DSOP) are allocated after the interim and year-end results announcements, based on the volume weighted average price (VWAP) over the ten trading days following the announcement. BSOP awards settle in full six months after the award date, while each DSOP award settles into a restricted share account in two equal tranches.

3 Deferred share price linked STI awards and restricted share awards vesting depends on continued employment over two years as well as individual and business unit performance.

4 For all, LTI schemes vesting depends on performance conditions and targets being met on a cumulative basis over three years. For the remuneration disclosures the group does not apply a probability of vesting to the unvested awards and the assumption is 100% vesting up until the final remuneration committee decision, given the current environment and uncertainty in quantifying the probability of vesting. For information purposes, the maximum possible value of the unvested awards as at June 2026 is the market value of the total number of shares at R97.26 per share on the last trading day of the financial year (30 June 2026).

5 The values at settlement date include share price growth, performance adjustment (linked to CIP outcomes) and interest earned (deferred share price linked STI awards) from grant date.

6 Dividends are payable on restricted share awards as and when they are declared.

7 The 2024 opening balance of M Vilakazi's share award units has been restated from 285,205 to 285,204 units to correct an immaterial error in the prior period disclosure, in line with IAS 8. There is no impact on profit or loss, equity, EPS or the share-based payment charge. It is disclosed for completeness and to ensure comparability of the directors' share award disclosures.

8 A once-off award of R18 million was granted to Mary in 2025, to be settled in three equal tranches of R6 million into a restricted trading account. Settlement occurs as part of the bank's annual award process in September 2025, 2026 and 2027, and vesting is subject to the applicable performance conditions being met. Dividends earned on settled shares are reinvested in the restricted account.

9 Lytania received a DIP award in 2022 when she was the head of FNB Risk and Compliance.

10 On joining the group, Muneer was granted a buyout award totalling R14,7 million in respect of awards forfeited at his previous employer (HSBC). The awards were made under the DIP and DSOP and vest over the same period as the forfeited awards, subject to continued employment and to individual and business unit performance over the respective vesting periods.

For prior year disclosure refer to Note 39 Disclosure of comparative information.

Notes to the consolidated financial statements continued

4 Indirect and income tax expense

	R million	**2026**	2025
4.1	***Indirect tax***		
	Value-added tax (net)	**(1 454)**	(1 513)
	Securities transfer tax	**(7)**	(8)
	Other	**–**	(32)
	Total indirect tax	**(1 461)**	(1 553)
4.2	***Income tax expense***		
	South African income tax		
	Current	**(11 128)**	(8 909)
	– Current year	**(11 396)**	(9 428)
	– Current taxation related to Pillar II	**127**	(86)
	– Prior year adjustment	**141**	605
	Deferred income tax	**2 424**	487
	– Current year	**2 704**	531
	– Prior year adjustment	**(280)**	(44)
	Total South African income tax	**(8 704)**	(8 422)
	Foreign company and withholding tax		
	Current	**(3 117)**	(2 656)
	– Current year	**(2 954)**	(2 592)
	– Current taxation related to Pillar II	**(222)**	–
	– Prior year adjustment	**59**	(64)
	Deferred income tax	**93**	(402)
	– Current year	**94**	(402)
	– Prior year adjustment	**(1)**	–
	Total foreign company and withholding tax	**(3 024)**	(3 058)
	South African capital gains tax	**–**	–
	– Deferred capital gains tax	**–**	–
	Total capital gains tax	**–**	–
	Customer tax adjustment account	**1**	1
	Deferred tax rate adjustment	**–**	6
	Total income tax expense	**(11 727)**	(11 473)

Tax rate reconciliation

%	**2026**	2025
Standard rate of income tax	**27.0**	27.0
Total tax has been affected by:		
Dividend and other exempt income	**(3.1)**	(2.8)
Other non-taxable income*	**(0.7)**	(0.2)
Rate difference	**(0.5)**	(0.2)
Prior year adjustments	**–**	(0.9)
Tax difference on associates	**(0.4)**	(0.6)
Tax difference on joint ventures	**(0.6)**	(0.8)
Disallowed expenditure**	**1.4**	1.4
Effect of capital gains tax rate	**(0.2)**	(0.1)
Other	**(1.2)**	(1.2)
Effective rate of tax	**21.7**	21.6

* *The majority of other non-taxable income relates to non-taxable translation (gains)/losses on preference shares and AT1 instruments.*
** *The majority of the disallowed expense relates to non-recoverable expenses from foreign operations that are non-deductible.*

Notes to the consolidated financial statements continued

5 Headline earnings, earnings and dividends per share

		Earnings attributable R million		Cents per share	
	Notes	**2026**	2025	**2026**	2025
Headline earnings					
From continuing operations:					
– Basic	5.2	**38 587**	38 437	**693.1**	687.2
– Diluted	5.2	**38 587**	38 437	**690.9**	686.5
From discontinued operations:					
– Basic	5.2	**1 105**	3 444	**19.8**	61.6
– Diluted	5.2	**1 105**	3 444	**19.7**	61.5
Earnings attributable to ordinary equityholders					
From continuing operations:					
– Basic	5.2	**38 404**	38 432	**689.8**	687.1
– Diluted	5.2	**38 404**	38 432	**687.6**	686.4
From discontinued operations:					
– Basic	5.2	**(2 655)**	3 444	**(47.7)**	61.6
– Diluted	5.2	**(2 655)**	3 444	**(47.5)**	61.5
Dividends – ordinary					
– Interim paid				**259.0**	219.0
– Final declared/paid				**280.0**	247.0

5.1 Weighted average number of shares

	2026	2025
Weighted average number of shares before treasury shares	**5 609 488 001**	5 609 488 001
Less: treasury shares	**(42 182 086)**	(16 329 309)
– Shares for client trading	**(13 571 399)**	(10 026 683)
– IFRS 2 share awards held	**(28 610 687)**	(6 302 626)
Weighted average number of shares in issue	**5 567 305 915**	5 593 158 692
Dilution impact:	**18 033 663**	5 958 865
– IFRS 2 share awards	**18 033 663**	5 958 865
Diluted weighted average number of shares in issue	**5 585 339 578**	5 599 117 557

Notes to the consolidated financial statements continued

5 Headline earnings, earnings and dividends per share continued

5.2 Headline earnings reconciliation

	2026		2025	
R million	**Gross**	**Net**	Gross	Net
Continuing operations:				
Earnings attributable to ordinary equityholders		**38 404**		38 432
Adjusted for:				
Loss on disposal of non-private equity associates	**19**	**19**	–	–
(Gain) on disposal of investments in subsidiaries	**–**	**–**	(5)	(5)
Loss/(gain) on disposal of property and equipment	**36**	**29**	(142)	(126)
Disposal groups held for sale which are not sold	**29**	**29**	82	66
Fair value movement on investment properties	**(11)**	**(8)**	(15)	(2)
Net impairment of assets in terms of IAS 36	**158**	**115**	65	70
Gain on bargain purchase	**(1)**	**(1)**	–	–
Other	–	–	2	2
Headline earnings attributable to ordinary equityholders		**38 587**		38 437
Discontinued operations:				
Earnings attributable to ordinary equityholders		**(2 655)**		3 444
Adjusted for:				
Impairment of goodwill	**3 741**	**3 741**	–	–
Net impairment of assets in terms of IAS 36	**25**	**19**	–	–
Headline earnings attributable to ordinary equityholders		**1 105**		3 444
Headline earnings from continuing and discontinuing operations		**39 692**		41 881

Notes to the consolidated financial statements continued

6 Analysis of assets and liabilities

6.1 Analysis of assets

The following table analyses the assets in the statement of financial position per category of financial instrument, according to the measurement basis.

		2026										
		Continuing operations										
			At fair value through profit or loss		At fair value through other comprehensive income							
R million	Notes	Amortised cost	Mandatory	Designated	Debt	Equity	Derivatives designated as hedging instruments	Non-financial instruments	Total carrying value	Current	Non-current and non-contractual
ASSETS											
Cash and cash equivalents	7	137 346	–	–	–	–	–	–	137 346	137 346	–
Derivative financial instruments	8	–	52 219	–	–	–	1 715	–	53 934	52 476	1 458
Investment securities*	10	186 650	207 333	11 439	21 681	362	–	–	427 465	247 676	179 789
Advances	11	1 311 447	162 720	20 646	–	–	–	–	1 494 813	526 149	968 664
Collateral, settlement balances and other assets	13	38 787	–	–	–	–	–	9 929	48 716	36 626	12 090
Non-current assets and disposal groups held for sale	14	462 613	312	–	41 626	–	2 627	6 049	513 227	513 227	–
Insurance contract assets		–	–	–	–	–	–	2 135	2 135	310	1 825
Reinsurance contract assets		–	–	–	–	–	–	601	601	187	414
Non-financial assets		–	–	–	–	–	–	64 576	64 576	5 435	59 141
Total assets		2 136 843	422 584	32 085	63 307	362	4 342	83 290	2 742 813	1 519 432	1 223 381

	2026									
	Discontinued operations									
R million										
ASSETS										
Cash and cash equivalents	**51 140**	**–**	**–**	**–**	**–**	**–**	**–**	**51 140**	**51 140**	**–**
Derivative financial instruments	**–**	**312**	**–**	**–**	**–**	**2 627**	**–**	**2 939**	**1 042**	**1 897**
Investment securities	**995**	**–**	**–**	**41 626**	**–**	**–**	**–**	**42 621**	**18 730**	**23 891**
Advances	**407 424**	**–**	**–**	**–**	**–**	**–**	**–**	**407 424**	**62 999**	**344 425**
Collateral, settlement balances and other assets	**2 663**	**–**	**–**	**–**	**–**	**–**	**391**	**3 054**	**2 822**	**232**
Non-financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**5 452**	**5 452**	**791**	**4 661**
Total assets	**462 222**	**312**	**–**	**41 626**	**–**	**2 627**	**5 843**	**512 630**	**137 524**	**375 106**

R million		2025									
Cash and cash equivalents	7	168 379	–	–	–	–	–	–	168 379	168 379	–
Derivative financial instruments	8	–	52 890	–	–	–	5 596	–	58 486	54 231	4 255
Investment securities*	10	260 875	140 968	10 528	82 077	378	–	–	494 826	255 517	239 309
Advances	11	1 601 907	124 556	22 176	–	–	–	–	1 748 639	498 869	1 249 770
Collateral, settlement balances and other assets	13	41 786	–	–	–	–	–	7 217	49 003	36 907	12 096
Non-current assets and disposal groups held for sale	14	806	–	–	–	–	–	1 172	1 978	1 978	–
Insurance contract assets		–	–	–	–	–	–	1 433	1 433	580	853
Reinsurance contract assets		–	–	–	–	–	–	569	569	288	281
Non-financial assets		–	–	–	–	–	–	65 457	65 457	7 802	57 655
Total assets		2 073 753	318 414	32 704	82 077	378	5 596	75 848	2 588 770	1 024 551	1 564 219

* *All non-recourse investments are included in the investment securities balance held at mandatory fair value through profit or loss (FVTPL).*

Notes to the consolidated financial statements continued

6 Analysis of assets and liabilities continued

6.2 Analysis of liabilities

The following table analyses the liabilities in the statement of financial position per category of financial instrument, according to measurement basis and in order of when the liabilities are expected to be settled.

		2026							
		Continuing operations							
R million	Notes	Amortised cost	At fair value through profit or loss: Mandatory	At fair value through profit or loss: Designated	Derivatives designated as hedging instruments	Non-financial instruments	Total carrying value	Current	Non-current and non-contractual
LIABILITIES									
Short trading positions	24	–	4 052	–	–	–	4 052	4 052	–
Derivative financial instruments	8	–	49 142	–	388	–	49 530	49 131	399
Creditors, accruals and provisions	25	15 854	–	–	–	24 716	40 570	22 200	18 370
Liabilities directly associated with disposal groups held for sale	14	462 552	264	–	1 132	5 977	469 925	469 925	–
Deposits and debt funding	26	1 780 386	79 793	9 743	–	–	1 869 923	1 634 435	235 488
Other liabilities	27	2 381	–	98	–	2 771	5 250	1 654	3 596
Insurance contract liabilities	15	–	–	–	–	1 386	1 386	588	798
Reinsurance contract liabilities	15	–	–	–	–	26	26	2	24
Policyholder liabilities under investment contracts	16	2 073	–	8 243	–	–	10 316	1 581	8 735
Tier 2 and other loss-absorbing liabilities	28	28 159	–	–	–	–	28 159	3 199	24 960
Non-financial liabilities		–	–	–	–	17 659	17 659	11 531	6 128
Total liabilities		2 291 405	133 251	18 084	1 520	52 535	2 496 796	2 198 298	298 498

	2026							
R million	Discontinued operations							
LIABILITIES								
Derivative financial instruments	–	264	–	1 132	–	1 396	775	621
Creditors, accruals and provisions	1 747	–	–	–	7 898	9 645	4 380	5 265
Deposits and debt funding	451 497	–	–	–	–	451 497	398 795	52 702
Other liabilities	–	–	–	–	270	270	68	202
Tier 2 and other loss-absorbing liabilities	6 510	–	–	–	–	6 510	97	6 413
Non-financial liabilities	–	–	–	–	588	588	540	48
Total liabilities	459 754	264	–	1 132	8 756	469 906	404 655	65 251

R million		2025							
LIABILITIES									
Short trading positions	24	–	17 040	–	–	–	17 040	17 040	–
Derivative financial instruments	8	–	51 283	–	3 006	–	54 289	51 879	2 410
Creditors, accruals and provisions	25	16 666	–	–	–	20 070	36 736	24 755	11 981
Liabilities directly associated with disposal groups held for sale	14	584	–	–	–	747	1 331	1 331	–
Deposits and debt funding	26	2 088 293	80 217	13 364	–	–	2 181 874	1 883 574	298 300
Other liabilities	27	2 403	–	25	–	2 823	5 251	2 081	3 170
Insurance contract liabilities	15	–	–	–	–	1 139	1 139	616	523
Reinsurance contract liabilities	15	–	–	–	–	31	31	31	–
Policyholder liabilities under investment contracts	16	1 711	–	7 384	–	–	9 095	3 091	6 004
Tier 2 and other loss-absorbing liabilities*	28	21 329	–	–	–	–	21 329	3 890	17 439
Non-financial liabilities		–	–	–	–	17 449	17 449	10 514	6 935
Total liabilities		2 130 986	148 540	20 773	3 006	42 259	2 345 564	1 998 802	346 762

* *The description for this line was renamed from "Tier 2 liabilities" to "Tier 2 and other loss-absorbing liabilities" to incorporate the Flac instruments that were issued during the current year.*

Notes to the consolidated financial statements continued

7 Cash and cash equivalents

R million	**2026**	2025
Coins and bank notes	**11 763**	10 808
Money at call and short notice	**32 047**	62 621
Balances with central banks	**93 536**	94 950
– Mandatory reserve balances with central banks	**46 263**	42 313
– Other balances with central banks	**47 273**	52 637
Total cash and cash equivalents*	**137 346**	168 379

** ECL for physical cash is zero. ECL for cash equivalents is calculated using the loss rate approach and is immaterial.*

Mandatory reserve balances with central banks

Banks across the group are required to deposit a minimum average balance, calculated monthly, with their respective central bank, which is available for use subject to certain restrictions and limitations levelled by the central banks within the countries of operation. These deposits bear little or no interest. Amounts that do not meet the definition of cash and cash equivalents are included in collateral, settlement balances and other assets.

8 Derivative financial instruments

Use of derivatives

The group transacts in derivatives for two purposes: to create risk management solutions for clients and to manage and hedge the group's own risk. The group's derivative activities give rise to open positions in portfolios of derivatives. These positions are managed constantly to ensure that they remain within acceptable risk levels, with offsetting deals being utilised to achieve this where necessary.

Derivative instruments are classified either as held for trading or formally designated as hedging instruments. The group applies IFRS 9 for cash flow and fair value micro hedges in its continuing operations.

Aldermore, which is reflected as a discontinued operation, manages its interest rate risk through its own treasury department and the FirstRand asset, liability and capital committee (ALCCO). It applies IAS 39 to portfolio hedges, which the group refers to as macro hedges, to which fair value hedge accounting has been applied, as well as IFRS 9 to fair value micro hedges. Disclosure relating to Aldermore reflected in the tables below has been separately disclosed and labelled as "Discontinued operations", as these balances are now reflected within Non-current assets and liabilities and disposal groups held for sale.

For further details on the valuation of derivatives refer to note 35.

Qualifying for hedge accounting

Where all required criteria are met, derivatives may be classified as qualifying for hedge accounting. Hedge accounting is applied to remove the accounting mismatch between the derivative (hedging instrument) and the underlying hedged item. Qualifying hedging relationships are designated as either fair value or cash flow hedges. The group applies hedge accounting in respect of specified interest rate risk and equity price risk detailed in this note.

Certain hedge relationships reference interest rate benchmarks that are subject to the Interbank Offered Rates (IBOR) reform in South Africa. This reform will result in the transition from JIBAR to ZARONIA. The group has applied the interest rate benchmark reform amendments in IFRS 9 which allow hedge accounting to continue during the transition period. As at 30 June 2026, no hedging relationships were modified and thus the relief provided by the IBOR reform phase 2 was not applied to both the fair value and cash flow hedges. Amendments to hedging instruments and hedged items arising directly from the migration to ZARONIA will be treated as modifications of the hedging relationship rather than discontinuations where the qualifying criteria will be met.

The group defines interest rate risk in the banking book (IRRBB) as the sensitivity of the statement of financial position and income statement to unexpected adverse movements in interest rates. IRRBB and equity price risks are managed by Group Treasury and ALCCO under approved policies. For further details on the group's approach to managing interest rate risk, market risk and the impact of the transition from JIBAR to ZARONIA, refer to note 38.

IRRBB is expected within a banking operation and can be an important source of profitability and shareholder value. It is therefore managed from an earnings approach, with the aim to protect and enhance net interest income (NII). Therefore, both fair value and cash flow hedge accounting are applied to provide a better reflection of how IRRBB is managed in profit or loss.

Notes to the consolidated financial statements continued

8 Derivative financial instruments continued

Qualifying for hedge accounting continued

The group is exposed to equity price risk through its obligation under its employee share incentive schemes, the future cash outflows of which are directly impacted by changes in FirstRand's share price. This equity price risk is managed by purchasing equity derivatives which mitigate the exposure to variability in cash outflows as a result of FirstRand's share price movements. Cash flow hedge accounting is employed to provide a better reflection of how equity price risk is managed in profit or loss.

IFRS 9 does not specify a method for assessing hedge effectiveness. The group uses the regression analysis approach to quantitatively assess hedge effectiveness for all the cash flow and fair value hedges. It considers this approach to accurately capture the characteristics of the hedging relationships and sources of ineffectiveness. The hedge effectiveness results are assessed against the effectiveness range of 80% and 125%. Even though this quantitative measure is not required under IFRS 9, the group believes that this is a benchmark which has been extensively used in the past and is a prudent approach to determining the effectiveness of the hedge relationship in line with the group's risk management strategy.

Held for trading activities

Most of the group's derivative transactions relate to sales activities. Sales activities include the structuring and marketing of derivative products to customers to enable them to take on, transfer, modify or reduce current or expected risks.

Notional amounts represent the gross notional amount of all outstanding contracts at year end. The gross notional amount is the sum of the absolute purchase and sales of derivative instruments. The notional amounts do not represent amounts exchanged by the parties and therefore represent only the measure of involvement by the group in the derivative contracts and not its exposures to risk. Notional amounts that are denominated in foreign currency are translated to the group's functional currency at the spot rate of exchange. Exchange rate fluctuations impact the value of the notional.

The following tables reflect the notional and fair values of the derivative instruments that qualify for hedge accounting or are held for trading from continuing operations. The notional amounts for derivative instruments qualifying for fair value hedge accounting include macro and micro hedging portfolios relating to the discontinued operation of Aldermore and are reflected separately.

Notes to the consolidated financial statements continued

8 Derivative financial instruments continued

Derivative financial instruments

	2026					2025				
R million	**Notional asset**	**Notional liability**	**Total notional**	**Fair value assets**	**Fair value liabilities**	Notional asset	Notional liability	Total notional	Fair value assets	Fair value liabilities
Derivatives from continuing operations										
Qualifying for hedge accounting	**193 446**	**125 326**	**318 772**	**1 715**	**388**	398 674	381 981	780 655	5 596	3 006
Fair value hedge accounting	**12 050**	**3 569**	**15 619**	**577**	**228**	228 585	202 989	431 574	4 923	2 286
– Interest rate derivatives*	**12 050**	**3 569**	**15 619**	**577**	**228**	228 585	202 989	431 574	4 923	2 286
Cash flow hedge accounting	**181 396**	**121 757**	**303 153**	**1 138**	**160**	170 089	178 992	349 081	673	720
– Interest rate derivatives*	**178 633**	**121 757**	**300 390**	**588**	**160**	168 774	174 616	343 390	450	318
– Equity derivatives	**2 763**	**–**	**2 763**	**550**	**–**	1 315	4 376	5 691	223	402
Not qualifying for hedge accounting										
Held for trading	**20 632 830**	**21 131 083**	**41 763 913**	**52 219**	**49 142**	11 665 123	17 461 588	29 126 711	52 890	51 283
– Currency derivatives	**435 891**	**432 156**	**868 047**	**9 318**	**10 084**	382 455	352 837	735 292	10 599	9 290
– Interest rate derivatives*	**20 052 689**	**20 615 407**	**40 668 096**	**31 059**	**33 003**	11 194 821	16 997 036	28 191 857	34 785	35 957
– Equity derivatives	**40 504**	**41 454**	**81 958**	**6 731**	**1 860**	51 032	64 168	115 200	4 786	2 604
– Commodity derivatives	**93 406**	**36 330**	**129 736**	**4 674**	**3 737**	29 205	43 236	72 441	2 359	3 203
– Energy derivatives	**3 323**	**2 440**	**5 763**	**253**	**346**	3 083	3 149	6 232	163	149
– Credit derivatives	**7 017**	**3 296**	**10 313**	**184**	**112**	4 527	1 162	5 689	198	80
Total derivatives from continuing operations	**20 826 276**	**21 256 409**	**42 082 685**	**53 934**	**49 530**	12 063 797	17 843 569	29 907 366	58 486	54 289
Derivatives from discontinued operations										
Qualifying for hedge accounting	**205 780**	**187 484**	**393 264**	**2 627**	**1 132**	–	–	–	–	–
Fair value hedge accounting	**205 780**	**187 484**	**393 264**	**2 627**	**1 132**	–	–	–	–	–
– Interest rate derivatives	**205 780**	**187 484**	**393 264**	**2 627**	**1 132**	–	–	–	–	–
Not qualifying for hedge accounting										
Held for trading	**31 834**	**28 130**	**59 964**	**312**	**264**	–	–	–	–	–
– Currency derivatives	**77**	**48**	**125**	**–**	**1**	–	–	–	–	–
– Interest rate derivatives	**31 757**	**28 082**	**59 839**	**312**	**263**	–	–	–	–	–
Total derivatives from discontinued operations	**237 614**	**215 614**	**453 228**	**2 939**	**1 396**	–	–	–	–	–
Total derivative assets/liabilities	**21 063 890**	**21 472 023**	**42 535 913**	**56 873**	**50 926**	12 063 797	17 843 569	29 907 366	58 486	54 289
Exchange traded	**277 341**	**254 748**	**532 089**	**2 939**	**1 435**	37 805	51 639	89 444	–	–
Over the counter	**20 786 549**	**21 217 275**	**42 003 824**	**53 934**	**49 491**	12 025 992	17 791 930	29 817 922	58 486	54 289
Total derivative assets/liabilities	**21 063 890**	**21 472 023**	**42 535 913**	**56 873**	**50 926**	12 063 797	17 843 569	29 907 366	58 486	54 289

* *Include derivatives cleared by a central clearing counterparty and whose fair value is reflected on a net basis, although the notional continues to be reflected on a gross basis.*

Notes to the consolidated financial statements continued

8 Derivative financial instruments continued

Derivative financial instruments

Fair value hedges

Interest rate risk

The group defines interest rate risk, to which fair value hedge accounting is applied, as the potential variations in NII due to the group issuing portfolios of fixed-rate long-dated term financial liabilities and holding investment securities, as well as fixed-rate advances, which may result from:

- mismatches in the repricing of assets and liabilities;
- increases or decreases in the absolute levels of interest rates and/or changes in the shape of the term structure of interest rates when applied to the group's balance sheet; and
- behavioural uncertainties of the underlying hedged item, for example increased defaults, prepayments or early deposit withdrawals.

Where a hedging relationship involves government bonds classified at amortised cost and FVOCI as the designated hedged item, the hedged risk is the change in the fair value due to changes in the benchmark interest rate. However, only the benchmark interest rate component of the coupon cash flows plus the principal are designated as the hedged item. The interest rate swap curve is regarded as the best indicator of the interest rate risk, and as such the benchmark interest rate is obtained from the interest rate swap curve denominated in the exposure's currency. The swap curve enables the measurement of the benchmark interest rate component on designation. The difference between the benchmark rate and the base rate is therefore excluded from the hedge risk designated.

The benchmark interest rate risk is the component being hedged, while other risks such as credit risk are managed but not hedged by the group. This benchmark interest rate risk comprises the majority of the hedged items' fair value risk.

For all other hedged items, the complete cash flow of the underlying financial asset or financial liability is designated as the hedged item, where the credit risk is proven not to dominate the fair value movements as a result of this risk.

Identified hedged items subject to fair value interest rate risk hedge accounting and the related hedging instrument are specified long-term fixed-rate investment securities, advances and other funding liabilities measured at amortised cost, as well as investment securities measured at FVOCI. To manage the interest rate risk associated with such risk exposures, the group uses a variety of cash collateralised vanilla fixed-for-floating interest rate swap derivatives

With respect to the discontinued operation, Aldermore hedges its interest rate exposure on a portfolio of fixed-rate high-quality liquid assets (HQLA) measured at amortised cost and FVOCI, and advances and deposits measured at amortised cost. Aldermore enters into interest rate swaps on a monthly basis. The exposure from these portfolios frequently changes due to contractual repayments, prepayments, early withdrawals and new transactions being entered into. As a result, Aldermore has adopted a dynamic hedging strategy (macro hedging) to hedge the exposure profile by de-designating and re-designating interest rate swap agreements at each month end to reach offsetting positions. The designated hedged items attract fixed interest rate cash flows, which expose Aldermore to the risk of changes in the hedged item's fair value, attributable to changes in the benchmark interest rate embedded in the hedge item. In the prior year, the group presented the change in value (fair value of the interest rate component of the hedged portfolio) of the hedged item in an asset position within collateral, settlement balances and other assets, and for a hedged item in a liability position within creditors and accruals. In the current year, this is analysed in the same category noted above in the "Non-current asset held for sale" note. During the current year, Aldermore expanded its interest rate risk management activities to include fair value hedges of specific fixed-rate debt issuances. Interest rate swaps are designated as hedging instruments for certain euro medium-term note issuances to convert the fixed-rate exposures to floating-rate exposures.

The group enters into a variety of collateralised fixed-for-floating vanilla interest rate swaps. As such there is an expectation that the changes in fair value of the hedged item would move in the opposite direction to changes in the interest rate swaps as a result of movements in the benchmark interest rate swap curve. The swap prices off the swap curve denominated in the exposure's currency, which is regarded as the best indicator of the interest rate risk present in the hedged item.

Notes to the consolidated financial statements continued

8 Derivative financial instruments continued

In certain circumstances, the economic relationship is evident due to critical terms such as the denominated currency, nominal amount, duration and either the fixed rate on the hedged item or the benchmark rate component of the hedged item and the interest rate swap matching. In other instances, the hedge accounting relationship is designated based on matching the PV01 of the hedging instrument to the hedged item. In both instances, the group uses regression analyses to quantitatively prove the economic relationship.

The outcome of this is that for most hedge accounting relationships a 1:1 hedge ratio is maintained throughout the duration of the relationship. Some hedge accounting relationships do not have 1:1 hedge ratios as the designations are not based on matching notional amounts, but rather on matching the PV01 associated with the hedged item to that of the hedging instrument.

In the fair value hedge relationships for interest rate risk, the following may lead to ineffectiveness:

- the designated fixed interest rate on the hedged item differs from the offsetting rate of the interest rate swap;
- the unwinding of the time value of money element contained within the fair value of the hedging instrument on designation date;
- prepayment risk on macro hedging portfolios on the date of designating the hedge relationship (discontinued operations);
- day 1 gains or losses on the hedging instrument at the inception of the hedge;
- differences in maturities of the interest rate swap and the hedged item;
- the effects of the interest rates reforms, as the amendments to the terms of the hedging instrument and the related hedged item could take effect at different times. This is not applicable to the group as no amendments have been made to the terms of the hedging instruments and related hedged item at 30 June 2026;
- different reset and/or settlement dates for the hedging instrument and the hedged items; and
- difference in the notional amounts of the hedging instrument and the hedged items.

The following table discloses the maturity of the hedging instruments and the average interest rate included in fair value hedging relationships, excluding the maturity of the macro hedging portfolios.

	2026		2025
	Continuing operations	**Discontinued operations**	
	Interest rate risk	**Interest rate risk**	Interest rate risk
R million	**Notional amount**	**Notional amount**	Notional amount
1 – 3 months	**–**	**–**	2 356
4 – 12 months	**–**	**390**	800
1 – 5 years	**10 565**	**1 561**	17 138
>5 years	**5 054**	**8 257**	7 536
Total	**15 619**	**10 208**	27 830

	2026		2025
	Continuing operations	**Discontinued operations**	
	Average interest rate	**Average interest rate**	Average interest rate
R million	**risk (%)**	**risk (%)**	risk (%)
Derivative assets			
1 – 3 months	**–**	**–**	2
4 – 12 months	**–**	**–**	1
1 – 5 years	**4**	**–**	5
>5 years	**3**	**–**	5
Derivative liabilities			
1 – 3 months	**–**	**–**	–
4 – 12 months	**–**	**6**	–
1 – 5 years	**9**	**6**	8
> 5 years	**9**	**6**	9

Notes to the consolidated financial statements continued

8 Derivative financial instruments continued

The following table sets out information about hedged items in fair value hedging relationships.

	2026 Continuing operations			2025		
R million	**Advances**	**Investment securities**	**Funding liabilities***	Advances	Investment securities	Funding liabilities*
Interest rate risk — hedged items						
Carrying amount excluding fair value hedge adjustments	**–**	**15 523**	**–**	216 831	63 095	145 109
Accumulated fair value hedge adjustments for instruments that are actively hedged**	**–**	**(209)**	**–**	518	(246)	(399)
Total carrying amount of hedged items	**–**	**15 314**	**–**	217 349	62 849	144 710
Accumulated fair value hedge adjustments for items that have ceased to be adjusted for fair value hedge gains and losses	**–**	**396**	**–**	–	(227)	–

* *Deposits and Tier 2 and other loss-absorbing liabilities presented on the statement of financial position are aggregated and reflected as funding liabilities.*

** *Accumulated fair value hedge adjustments for instruments that are actively hedged reflected under advances for the prior year includes the macro hedges employed by Aldermore. The hedged items that form part of the macro hedges include advances, investment securities and funding liabilities. The accumulated fair value hedge balance attributable to these macro hedges is presented in collateral, settlement balances and other assets, and in creditors, accruals and provisions for the prior year and in the current year the balance has been reclassified to non-current assets and disposal groups held for sale.*

	2026 Discontinued operations		
R million	**Advances**	**Investment securities**	**Funding liabilities***
Interest rate risk — hedged items			
Carrying amount excluding fair value hedge adjustments	**221 003**	**17 964**	**127 566**
Accumulated fair value hedge adjustments for instruments that are actively hedged	**(495)**	**(505)**	**(12)**
Total carrying amount of hedged items	**220 508**	**17 459**	**127 554**
Accumulated fair value hedge adjustments for items that have ceased to be adjusted for fair value hedge gains and losses	**–**	**–**	**–**

Notes to the consolidated financial statements continued

8 Derivative financial instruments continued

The following amounts were recognised in NII and NIR for the year in respect of both single and macro fair value hedging relationships. Negative values reflect a credit and positive values reflect a debit against the carrying amount of the hedging instrument and the hedged item, respectively.

R million	**2026**		2025
	Continuing operations	**Discontinued operations**	
Interest rate risk			
Changes in fair value for the year arising on hedging instruments	**(181)**	**780**	(5 362)
– Interest rate derivatives	**(181)**	**780**	(5 362)
Changes in fair value on the hedged items attributable to the hedged risk	**180**	**(755)**	5 363
– Advances	**–**	**(956)**	3 695
– Investment securities – amortised cost	**(32)**	**–**	684
– Investment securities – FVOCI	**212**	**(166)**	1 223
– Funding liabilities*	**–**	**367**	(239)
Ineffectiveness recognised in NIR**	**(1)**	**25**	1

* *Deposits and Tier 2 and other loss-absorbing liabilities presented on the statement of financial position are aggregated and reflected as funding liabilities.*

** *Included in the fair value income and foreign exchange gains/losses.*

Cash flow hedges

The group employs cash flow hedge accounting to mitigate changes in future cash flows on variable rate financial instruments with the objective of mitigating variability in future cash flows resulting from changes in market rates. The following are the identified hedged items subject to cash flow hedge accounting:

- prime-linked advances (cash flow interest rate risk);
- variable JIBAR-linked advances (cash flow interest rate risk);
- variable ZARONIA-linked advances (cash flow interest rate risk);
- variable overnight financial liabilities (cash flow interest rate risk); and
- the group's share incentive scheme (cash flow equity price risk).

Interest rate risk

Cash flow hedges of interest rate risk relate to exposures to the variability in future interest cash flows due to the movement of benchmark interest rates on recognised financial assets and financial liabilities. The change in the interest cash flows attributable to the change in benchmark rate is designated as the hedged risk for hedge accounting purposes. This variability in cash flows is hedged by cash collateralised vanilla interest rate swaps, fixing the hedged cash flows.

The variable interest rate on JIBAR-linked and ZARONIA-linked assets and overnight financial liabilities exposes the group to volatility in interest cash flows as the variable benchmark interest rate varies over time. To manage the cash flow risk, the group enters into interest rate swaps that have similar critical terms as the hedged items, such as reference rates, reset dates, payment dates, maturities and notional amounts. Variable rate assets are hedged with receive fixed pay float interest rate swaps, and variable rate liabilities are hedged with receive float pay fixed interest rate swaps. The changes in the cash flows on the hedging instruments are therefore expected to offset the changes in the cash flows on hedged items, resulting in an economic relationship.

A 1:1 hedge ratio is applied as the nominal amount of the hedging instruments and the designated hedged item is the same.

In the cash flow hedge of interest rate risk, the main sources of ineffectiveness are:

- day 1 gains or losses on the hedging instrument at the inception of the hedge;
- benchmark rate differences (basis risk) arising from the use of prime-linked, JIBAR-linked and ZARONIA-linked swaps to hedge overnight financial liabilities;
- designation of JIBAR-linked advances between JIBAR fixing dates;
- designation of ZARONIA-linked advances between ZARONIA fixing dates; and
- the effects of the interest rate reforms, as the amendments to the terms of the hedging instrument and the related hedged item could take effect at different times. The group applied the IFRS 9 phase 1 IBOR reform reliefs only to the extent that uncertainty existed regarding the timing and amount of benchmark reform-related cash flows. To the extent that hedge instruments and hedged items transition at different points in time, hedge ineffectiveness may arise and will be recognised in profit or loss in accordance with the hedge accounting requirements.

Notes to the consolidated financial statements continued

8 Derivative financial instruments continued

Equity price risk

Equity price risk exists within the group's employee share incentive schemes that enable key management personnel (KMP) and employees to benefit from the performance of FirstRand's share price. Refer to note 33 for further details. Share incentive schemes, which are accounted for as cash-settled share-based payment (SBP) in terms of IFRS 2, expose the group to cash equity price risk due to volatility in FirstRand's share price.

The fair value of the IFRS 2 liability, which is predominantly driven by movements in the FirstRand share price, is economically hedged with total return swaps (TRS). When the share price increases/decreases, the SBP expense increases/decreases in line with the share price movement. Similarly, the fair value of the TRS will increase/decrease for the share price component of the derivative in line with the increase/decrease in share price. Changes in the cash flows of the hedged item and the hedging instrument are expected to offset each other, resulting in an economic relationship being present between the SBP expense and the TRS. The number of FirstRand shares covered by the TRS is R34.8 million (2025: R75.2 million).

In cash flow hedging for equity price risk hedge relationships, the main sources of ineffectiveness are:

- mismatches in the critical terms (including differences between the notional amount of the hedging instrument and the actual number of grants vested or expected to vest) of the hedged item and the hedging instrument;
- actual number of shares that vest versus the vesting probabilities used in the calculation of the cash-settled SBP;
- funding costs associated with the hedging instrument; and
- the complete fair value of the hedging instrument at inception as well as the unwinding of the time value of money element contained within the fair value of the hedging instrument on designation date.

The following table discloses the maturity of the hedging instruments according to their respective maturity buckets and the average rate included in cash flow hedging relationships.

	2026		2025	
	Notional amount		Notional amount	
R million	**Interest rate risk**	**Equity price risk**	Interest rate risk	Equity price risk
1 – 3 months	**2 702**	**–**	9 098	–
4 – 12 months	**44 618**	**2 763**	50 632	5 691
1 – 5 years	**226 515**	**–**	248 170	–
>5 years	**26 555**	**–**	35 490	–
Total	**300 390**	**2 763**	343 390	5 691

	2026		2025	
	Average rate/share price		Average rate/share price	
R million	**Interest rate risk (%)**	**Equity price risk (ZAR)**	Interest rate risk (%)	Equity price risk (ZAR)
Derivative assets				
1 – 3 months	**6**	**–**	5	–
4 – 12 months	**7**	**79**	7	63
1 – 5 years	**8**	**–**	8	–
>5 years	**8**	**–**	8	–
Derivative liabilities				
1 – 3 months	**8**	**–**	6	–
4 – 12 months	**8**	**–**	6	81
1 – 5 years	**8**	**–**	8	–
>5 years	**8**	**–**	8	–

Notes to the consolidated financial statements continued

8 Derivative financial instruments continued

The following amounts were recorded in NIR for the year in respect of cash flow hedging relationships. Negative values reflect a credit and a positive value reflects a debit against the carrying amount of the hedging instrument.

	2026			2025		
R million	**Interest rate risk**	**Equity price risk**	**Total**	Interest rate risk	Equity price risk	Total
Changes in fair value for the year						
On the hedging instruments	**(592)**	**1 017**	**425**	2 794	497	3 291
– Interest rate derivatives	**(592)**	**–**	**(592)**	2 794	–	2 794
– Equity derivatives	**–**	**1 017**	**1 017**	–	497	497
On the hedged item subject to the hedged risk	**686**	**(1 128)**	**(442)**	(2 748)	(728)	(3 476)
– Advances	**1 437**	**–**	**1 437**	(5 649)	–	(5 649)
– Other funding liabilities	**(751)**	**–**	**(751)**	2 901	–	2 901
– Share-based payment	**–**	**(1 128)**	**(1 128)**	–	(728)	(728)
Ineffectiveness recognised in NIR*	**–**	**–**	**–**	46	–	46

* *Included in fair value income and foreign exchange gains/losses.*

The following amounts relate to the fair value and cash flow movements in the cash flow hedge reserve, reflected through other comprehensive income on hedging instruments included in cash flow hedging relationships.

	2026			2025		
R million	**Interest rate risk**	**Equity price risk**	**Total**	**Interest rate risk**	**Equity price risk**	**Total**
Cash flow hedge reserve – opening balance ((debit)/credit)	**885**	**200**	**1 085**	(1 271)	546	(725)
Movement in the reserve attributable to changes in the fair value of the hedging instruments	**(107)**	**1 024**	**917**	1 780	403	2 183
Analysis of transfers out of cash flow hedging reserve:						
NII and operating expenses (staff costs)	**(518)**	**(1 181)**	**(1 699)**	1 173	(831)	342
– Hedged item affects profit or loss	**(484)**	**(1 181)**	**(1 665)**	1 142	(831)	311
– Hedged future cash flows no longer expected to occur	**(34)**	**—**	**(34)**	31	—	31
Deferred tax on reserve movement	**168**	**37**	**205**	(797)	82	(715)
Cash flow hedge reserve – closing balance	**428**	**80**	**508**	885	200	1 085
Cash flow hedge reserve relating to continuing hedges	**205**	**80**	**285**	583	200	783
Cash flow hedge reserve relating to discontinued hedges	**223**	**—**	**223**	302	—	302
Cash flow hedge reserve - closing credit balance	**428**	**80**	**508**	885	200	1 085

Notes to the consolidated financial statements continued

9 Commodities

R million	**2026**	2025
Agricultural commodities	**642**	1 256
Gold	**3 715**	6 006
Platinum group metals	**163**	102
Total commodities	**4 520**	7 364

10 Investment securities

R million	**2026**	2025
Negotiable certificates of deposit	**320**	375
Treasury bills*	**102 755**	114 965
Other government and government-guaranteed stock*	**273 226**	307 014
Other dated securities	**3 444**	25 182
Other undated securities	**1 836**	1 504
Non-recourse investments (note 10.2)	**6 853**	8 898
Equities	**31 541**	30 136
Other**	**8 471**	7 594
Total gross carrying amount of investment securities	**428 446**	495 668
Loss allowance on investment securities	**(981)**	(842)
Total investment securities	**427 465**	494 826

* *Included in the balances are investment securities which form part of securities lending transactions or repurchase agreements in note 10.3.*

** *Included in Other are investment securities held in support of linked investment products distributed through the linked investment platform, including living annuity and endowment products issued under the FNB Life licence.*

10.1 Analysis of impairment stages of investment securities

	Amortised cost			**FVOCI (debt)**		
R million	**Gross carrying amount**	**ECL allowance**	**Carrying amount**	**Gross carrying amount**	**ECL allowance***	**Carrying amount**
As at 30 June 2026						
Stage 1	**182 018**	**(770)**	**181 248**	**21 683**	**(2)**	**21 681**
Stage 2	**3 992**	**(64)**	**3 928**	**–**	**–**	**–**
Stage 3	**1 027**	**(165)**	**862**	**–**	**–**	**–**
Purchased or originated credit impaired	**594**	**18**	**612**	**–**	**–**	**–**
Total investment securities	**187 631**	**(981)**	**186 650**	**21 683**	**(2)**	**21 681**
As at 30 June 2025						
Stage 1	259 940	(805)	259 135	82 077	–	82 077
Stage 2	1 070	(37)	1 033	–	–	–
Stage 3	–	(22)	(22)	–	–	–
Purchased or originated credit impaired	707	22	729	–	–	–
Total investment securities	261 717	(842)	260 875	82 077	–	82 077

** ECL for FVOCI debt instruments are calculated using the loss rate approach and is immaterial.*

Notes to the consolidated financial statements continued

10 Investment securities continued

10.2 Non-recourse investments at fair value through profit or loss

The group entered into the following transactions with its consolidated structured entities over the course of many years.

SPV	Type of SPV	Instruments
iNkotha Investments Limited	Call bond programme	Overnight high credit quality
iNguza Investments Limited	Repack programme	Debentures or notes linked to underlying credit exposure

The performance on the commercial paper is directly linked to the performance and risk of the underlying portfolio of the special purpose vehicle (SPV). The group has no obligations towards other investors beyond the amount already invested. Information regarding other investments is kept at the group's registered offices.

The aggregated fair value of the non-recourse investments and associated liabilities of R6 853 million (2025: R8 898 million) and R6 853 million (2025: R8 898 million), respectively, decreased in the current year from slowed trade activity of iNguza.

10.3 Repurchase agreements and securities lending transactions

The table below sets out the details of investment securities that have been transferred in terms of repurchase agreements, but not derecognised.

	Investment securities (carrying amount)		Associated liabilities recognised in deposits (carrying amount)	
R million	**2026**	2025	**2026**	2025
Repurchase agreements	**18 650**	32 867	**13 895**	32 061

Transferred investments and related deposits under repurchase agreements are either measured at amortised cost or at FVTPL.

The fair value of the investment securities transferred under repurchase agreements is R17 792 million (2025: R32 867 million) and that of the associated liabilities R14 861 million (2025: R32 061 million).

10.4 Equity investments designated at fair value through other comprehensive income

Strategic equity investments which the group does not plan on selling are designated as non-trading equity instruments classified on initial recognition as measured at FVOCI. The total fair value of these investments is R362 million (2025: R378 million).

Notes to the consolidated financial statements continued

11 Advances

11.1 Category analysis of advances

R million	Notes	2026 Continuing operations	2026 Discontinued operations	2026 Total	2025 Total
Overdrafts and cash management accounts		**106 979**	**–**	**106 979**	100 619
Term loans*		**134 528**	**8 888**	**143 416**	149 047
Card loans		**51 863**	**–**	**51 863**	49 309
Instalment sales, hire purchase agreements and lease payments receivable	11.2	**199 322**	**133 436**	**332 758**	317 979
Property finance		**371 662**	**257 838**	**629 500**	598 518
Personal loans		**70 188**	**1 576**	**71 764**	63 077
Preference share agreements		**51 971**	**–**	**51 971**	44 091
Investment bank term loans*		**243 354**	**–**	**243 354**	232 606
Long-term loans to group associates and joint ventures		**4 900**	**–**	**4 900**	3 948
Other*,**		**78 499**	**11 074**	**89 573**	73 803
Total customer advances		**1 313 266**	**412 812**	**1 726 078**	1 632 997
Marketable advances		**60 414**	**–**	**60 414**	66 005
Assets under agreements to resell		**172 282**	**–**	**172 282**	104 825
Gross value of advances		**1 545 962**	**412 812**	**1 958 774**	1 803 827
Impairment and credit of fair value advances	12.1	**(51 149)**	**(5 388)**	**(56 537)**	(55 188)
Net advances		**1 494 813**	**407 424**	**1 902 237**	1 748 639
Gross advances – amortised cost		**1 361 275**	**412 812**	**1 774 087**	1 656 021
Impairment of advances – amortised cost		**(49 828)**	**(5 388)**	**(55 216)**	(54 114)
Net advances – amortised cost		**1 311 447**	**407 424**	**1 718 871**	1 601 907
Gross advances – fair value		**184 687**	**–**	**184 687**	147 806
Impairment of advances – fair value		**(1 321)**	**–**	**(1 321)**	(1 074)
Net advances – fair value		**183 366**	**–**	**183 366**	146 732
Net advances		**1 494 813**	**407 424**	**1 902 237**	1 748 639

* *Prior year amounts have been restated following a system migration that improved the classification of advances and certain revolving facilities. The previously reported balances at 30 June 2025 for investment bank term loans and other advances have been reduced by R30 490 million and R651 million respectively, with a corresponding increase in term loans of R31 141 million.*

** *"Other" in continuing operations includes R4 billion (2025: R4 billion) liquidity facility placed with the Corporation of Deposit Insurance, R17 billion (2025: R16 billion) relating to floor plan deals, R24 billion (2025: R28 billion) relating to invoice finance and R5 billion (2025: nil) relating to collateralised debt obligation. "Other" in discontinued operations includes R1 billion relating to floor plan deals and R10 billion relating to invoice finance.*

11.2 Analysis of instalment sales, hire purchase agreements and lease payments receivable

R million	2026 Continuing operations	2026 Discontinued operations	2026 Total	2025 Total
Within 1 year	**2 363**	**43 870**	**46 233**	50 065
Between 1 and 2 years	**1 545**	**39 470**	**41 015**	45 691
Between 2 and 3 years	**1 210**	**35 643**	**36 853**	36 218
Between 3 and 4 years	**709**	**29 119**	**29 828**	26 997
Between 4 and 5 years	**404**	**7 003**	**7 407**	7 601
More than 5 years	**299**	**3 936**	**4 235**	5 017
Total gross amount*	**6 530**	**159 041**	**165 571**	171 589
Unearned finance charges	**(1 150)**	**(25 605)**	**(26 755)**	(26 271)
Net amount of hire purchase and lease payments receivable	**5 380**	**133 436**	**138 816**	145 318
Instalment sales	**193 942**	**–**	**193 942**	172 661
Total instalment sales, hire purchase agreements and lease payments receivable	**199 322**	**133 436**	**332 758**	317 979

* *Hire purchase agreements and lease payments receivable relate to leases for motor vehicles and equipment. The agreements do not include contingent rentals.*

Notes to the consolidated financial statements continued

11 Advances continued

11.3 Securitisation transactions

The following bankruptcy remote structured entities were created over the course of many years to facilitate traditional securitisation transactions for WesBank retail instalment sale advances (FAST, Nitro Programme – Nitro 8, Nitro 9 and Accelerate Finance Programme), FNB residential mortgages (Lehae Programme), MotoNovo retail hire purchase advances (MotoMore) and for Aldermore residential mortgage advances (Oak 4 and Oak 5). These structured entities are consolidated by FirstRand. During the financial year, new issuances were completed under the Nitro Programme (Nitro 9) and Accelerate Finance Programme. The notes issued under the FAST securitisation programme were redeemed, with the residual advances sold back to WesBank. In addition, the MotoMore warehouse facility was renewed ahead of maturity to increase the total commitment and drawing capacity, while extending the revolving period to September 2027. The table below discloses the carrying amount of advances and related assets held by the structured entities at 30 June, as well as the financial liabilities incurred to fund the initial acquisitions and other related liabilities.

			Carrying value of assets		Carrying value of liabilities	
			R million		R million	
Name of securitisation	Established	Initial transaction value	**2026**	2025	**2026**	2025
Continuing operations						
FAST	July 2016	R6.80 billion	**55**	1 343	**–**	3
Lehae Programme*	November 2023	R2.04 billion	**1 551**	1 758	**1 532**	1 742
Nitro Programme (Nitro 8)	December 2024	R2.06 billion	**1 145**	1 731	**1 101**	1 716
Nitro Programme (Nitro 9)	September 2025	R2.05 billion	**1 581**	–	**1 550**	–
Accelerate Finance Programme	December 2025	R2.00 billion	**1 830**	–	**1 829**	–
Discontinued operations						
MotoMore	September 2019	£250 million	**17 618**	10 181	**17 376**	10 002
Oak 4*	May 2023	£447 million	**4 118**	5 296	**3 820**	5 654
Oak 5*	March 2025	£456 million	**4 848**	7 403	**4 840**	7 448

* *These advances form part of property finance.*

11.4 Analysis of advances per class

Basis of preparation of the analysis of advances per class

In determining classes of advances, the type of client is used as a primary indicator, where after the type of loans provided to that type of client is reflected as subclasses.

The UK operations retail portfolio consists of property finance and motor finance. Commercial represents the structured and specialised finance business.

Notes to the consolidated financial statements continued

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class

Basis of preparation of the reconciliation

The reconciliation of the GCA and ECL has been prepared using a year-to-date view. This means that the group reports exposures based on the impairment stage at the end of the reporting period. The reconciliation distinguishes between the back book and new business, as this provides meaningful information to the user in gaining an understanding of the performance of advances overall.

The group transfers opening balances (back book) at the value as at 1 July, based on the impairment stage at the end of the reporting period. Any change in exposure and additional ECL raised or released is included in the impairment stage as at the end of the reporting period. Exposures that are in the back book can move directly from stage 3 to stage 1 if the curing requirements have been met in a reporting period. The opening balances as at 1 July are transferred to the impairment stage at 30 June in the transfers section. The current-year movements of the back book are included in changes in exposure. Net movement GCA and ECL provided/(released) are reflected separately in the reconciliation. The current-year movement in the ECL for stage 2 advances is split between exposure where there has been a change in the measurement basis from 12 months to LECLs and other changes.

The movement on GCA is split between:

- additional amounts advanced on the back book and any settlements, with transfers on the back book reflected separately; and
- new business originated during the financial year, the transfers between stages of the new origination and any settlements.

Current year ECL provided/(released):

- relates to an increase/(decrease) in the carrying amount of the back book during the current financial year, as well as the increase/(decrease) in the risk associated with the opening balance of the back book; and
- includes interest on stage 3 advances for stage 3 exposures in the back book and new business.

New business is broadly defined as any new product issued to a new or existing customer during the current financial year. All new business is reflected based on the impairment stage at the end of the reporting period. Therefore, exposures in the new business lines can be reported in stage 3 at the end of the reporting date.

The majority of the fair value advances is originated within the RMB corporate and investment banking portfolio.

The decrease in the advance as a result of a write-off is equal to the decrease in the ECL (bad debts written off), as exposures are 100% provided for before being written off. There is, however, an exception in the RMB corporate and investment banking portfolio, where partial write-offs are permitted on a case-by-case basis.

Additional information relating to advances

The total contractual amount outstanding on amortised cost advances that were written off during the period and are still subject to enforcement activity is R13 627 million for continuing operations and R331 million for discontinued operations (2025: R14 415 million).

Included in the core lending advances are advances of R2 227 million (2025: R1 937 million) for which no ECL is raised due to over-collateralisation. These advances are originated in FNB commercial and RMB corporate and investment banking. Advances under agreements to resell are also fully collateralised and therefore no ECL is raised for these advances either. All advances under agreements to resell are classified in stage 1.

Notes to the consolidated financial statements continued

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.1 Reconciliation of the gross carrying amount of total advances per class

Amortised cost – 30 June 2026

	Continuing operations											Discontinued operations		
	Retail secured		Retail unsecured			Corporate and commercial						UK operations		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total excluding UK operations	Retail	Commercial	Total
GCA reported as at 1 July 2025	281 669	124 728	44 236	54 088	6 823	143 075	65 877	388 931	87 051	48 836	1 245 314	315 596	95 111	1 656 021
– Stage 1	237 410	105 028	34 812	36 126	5 369	127 935	61 060	369 833	75 561	48 741	1 101 875	283 808	84 663	1 470 346
– Stage 2	24 193	12 410	3 156	8 880	537	9 486	3 479	13 526	7 912	12	83 591	19 857	8 497	111 945
– Stage 3	20 066	7 290	6 268	9 082	917	5 654	1 338	4 680	3 578	83	58 956	11 931	1 951	72 838
– Purchased or originated credit impaired	–	–	–	–	–	–	–	892	–	–	892	–	–	892
Transfers between stages	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	(1 952)	(5 191)	(2 060)	(3 905)	(112)	(2 932)	(1 112)	(5 483)	(897)	(48)	(23 692)	(1 776)	(5 588)	(31 056)
– Transfers into stage 1	8 042	2 491	1 026	1 755	170	3 141	1 458	5 060	3 056	1	26 200	9 209	3 237	38 646
– Transfers out of stage 1	(9 994)	(7 682)	(3 086)	(5 660)	(282)	(6 073)	(2 570)	(10 543)	(3 953)	(49)	(49 892)	(10 985)	(8 825)	(69 702)
Transfers to/(from) stage 2	(120)	1 552	(425)	(226)	126	520	410	3 930	(3)	(7)	5 757	(1 348)	4 313	8 722
– Transfers into stage 2	11 125	6 376	1 391	4 250	423	4 789	2 140	10 317	3 402	–	44 213	9 247	7 593	61 053
– Transfers out of stage 2	(11 245)	(4 824)	(1 816)	(4 476)	(297)	(4 269)	(1 730)	(6 387)	(3 405)	(7)	(38 456)	(10 595)	(3 280)	(52 331)
Transfers to/(from) stage 3	2 072	3 639	2 485	4 131	(14)	2 412	702	1 553	900	55	17 935	3 124	1 275	22 334
– Transfers into stage 3	5 767	4 776	2 696	5 630	245	2 528	835	2 567	1 007	55	26 106	4 050	1 463	31 619
– Transfers out of stage 3	(3 695)	(1 137)	(211)	(1 499)	(259)	(116)	(133)	(1 014)	(107)	–	(8 171)	(926)	(188)	(9 285)
Current-year movement	14 670	20 477	4 992	11 800	481	12 007	8 070	8 051	8 885	57 695	147 128	38 925	1 831	187 884
New business – changes in exposure	46 481	56 689	3 554	23 050	1 379	27 239	23 932	137 120	22 925	13 228	355 597	101 022	35 885	492 504
Back book – current-year movement	(31 811)	(36 212)	1 438	(11 250)	(898)	(15 232)	(15 862)	(128 804)	(14 040)	44 467	(208 204)	(62 097)	(34 054)	(304 355)
– Exposures with a change in measurement basis from 12 months to LECL	(1 393)	(1 825)	157	(1 292)	(14)	(1 126)	(1 158)	(624)	32	(5)	(7 248)	(3 352)	(3 745)	(14 345)
– Other current-year change in exposure/ net movement on GCA	(30 418)	(34 387)	1 281	(9 958)	(884)	(14 106)	(14 704)	(128 180)	(14 072)	44 472	(200 956)	(58 745)	(30 309)	(290 010)
Purchased or originated credit impaired	–	–	–	–	–	–	–	(265)	–	–	(265)	–	–	(265)
Acquisition/(disposal) of advances*	–	–	–	–	–	–	–	(9 856)	(17)	–	(9 873)	10 561	–	688
Transfers from/(to) other divisions	2	–	–	–	(2)	–	–	–	–	–	–	–	–	–
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–	–	–	–	–	–	–	(326 704)	(86 108)	(412 812)
Exchange rate differences	–	–	–	–	–	–	–	(3 247)	(1 406)	(24)	(4 677)	(36 918)	(10 586)	(52 181)
Bad debts written off	(613)	(1 933)	(2 946)	(5 823)	(837)	(1 890)	(222)	(446)	(1 107)	(111)	(15 928)	(1 460)	(248)	(17 636)
Modifications that did not give rise to derecognition	(11)	(53)	(130)	(483)	(12)	–	–	–	–	–	(689)	–	–	(689)
GCA as at 30 June 2026	295 717	143 219	46 152	59 582	6 453	153 192	73 725	383 433	93 406	106 396	1 361 275	–	–	1 361 275
– Stage 1	251 145	119 755	36 330	40 025	5 394	137 428	69 332	362 675	81 506	106 396	1 209 986	–	–	1 209 986
– Stage 2	24 395	14 616	3 506	10 120	472	9 675	2 898	14 718	8 519	–	88 919	–	–	88 919
– Stage 3	20 177	8 848	6 316	9 437	587	6 089	1 495	5 649	3 381	–	61 979	–	–	61 979
– Purchased or originated credit impaired	–	–	–	–	–	–	–	391	–	–	391	–	–	391
Core lending advances	295 717	143 219	46 152	59 582	6 453	153 192	73 725	383 433	93 406	49 263	1 304 142	–	–	1 304 142
Assets under agreements to resell**	–	–	–	–	–	–	–	–	–	57 133	57 133	–	–	57 133
Total GCA of advances as at 30 June 2026	295 717	143 219	46 152	59 582	6 453	153 192	73 725	383 433	93 406	106 396	1 361 275	–	–	1 361 275

* *This balance includes advances of R7 billion acquired from HSBC as part of an asset acquisition effective 1 March 2026.*

** *All balances are included in stage 1.*

Notes to the consolidated financial statements continued

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.2 Reconciliation of the loss allowance on total advances per class

Amortised cost – 30 June 2026

	Continuing operations											Discontinued operations		
	Retail secured		Retail unsecured			Corporate and commercial						UK operations		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total excluding UK operations	Retail	Commercial	Total
ECL reported as at 1 July 2025	6 128	6 291	6 670	9 919	1 143	6 046	1 017	6 133	3 945	537	47 829	4 880	1 405	54 114
– Stage 1	405	1 041	1 258	1 762	201	1 082	247	1 814	960	450	9 220	1 110	552	10 882
– Stage 2	1 268	1 901	857	2 019	149	1 244	117	2 101	938	6	10 600	747	337	11 684
– Stage 3	4 455	3 349	4 555	6 138	793	3 720	653	1 524	2 047	81	27 315	3 023	516	30 854
– Purchased or originated credit impaired	–	–	–	–	–	–	–	694	–	–	694	–	–	694
Transfers between stages	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	303	162	108	(72)	18	198	32	138	173	–	1 060	152	37	1 249
– Transfers into stage 1	331	252	265	367	26	336	49	174	237	1	2 038	197	77	2 312
– Transfers out of stage 1	(28)	(90)	(157)	(439)	(8)	(138)	(17)	(36)	(64)	(1)	(978)	(45)	(40)	(1 063)
Transfers to/(from) stage 2	(146)	(614)	(454)	(936)	57	(521)	(50)	(54)	(202)	(2)	(2 922)	(238)	(28)	(3 188)
– Transfers into stage 2	383	153	89	758	116	111	25	237	72	–	1 944	63	45	2 052
– Transfers out of stage 2	(529)	(767)	(543)	(1 694)	(59)	(632)	(75)	(291)	(274)	(2)	(4 866)	(301)	(73)	(5 240)
Transfers to/(from) stage 3	(157)	452	346	1 008	(75)	323	18	(84)	29	2	1 862	86	(9)	1 939
– Transfers into stage 3	250	567	459	1 624	44	382	45	124	82	2	3 579	137	26	3 742
– Transfers out of stage 3	(407)	(115)	(113)	(616)	(119)	(59)	(27)	(208)	(53)	–	(1 717)	(51)	(35)	(1 803)
Current-year provision created/(released)	408	2 823	3 088	6 858	457	2 590	344	905	986	95	18 554	1 386	187	20 127
New business – impairment charge/(release)	291	1 900	303	3 195	57	363	214	1 260	458	(35)	8 006	641	224	8 871
Back book – impairment charge/(release)	117	923	2 785	3 663	400	2 227	130	(154)	528	130	10 749	745	(37)	11 457
– Exposures with a change in measurement basis from 12 months to LECL	(94)	(154)	277	82	9	277	10	(130)	41	(4)	314	(54)	(15)	245
– Other current-year impairment charge/(release)	211	1 077	2 508	3 581	391	1 950	120	(24)	487	134	10 435	799	(22)	11 212
Purchased or originated credit impaired	–	–	–	–	–	–	–	(201)	–	–	(201)	–	–	(201)
Acquisition/(disposal) of advances	–	–	–	–	–	–	–	(492)	(17)	–	(509)	–	–	(509)
Transfers from/(to) other divisions	–	–	(45)	–	45	–	–	–	–	–	–	–	–	–
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–	–	–	–	–	–	–	(4 206)	(1 182)	(5 388)
Exchange rate differences	–	–	–	–	–	–	–	(25)	(73)	(20)	(118)	(600)	(162)	(880)
Bad debts written off	(613)	(1 933)	(2 946)	(5 823)	(837)	(1 890)	(222)	(446)	(1 107)	(111)	(15 928)	(1 460)	(248)	(17 636)
ECL as at 30 June 2026	5 923	7 181	6 767	10 954	808	6 746	1 139	6 075	3 734	501	49 828	–	–	49 828
– Stage 1	294	1 136	1 489	2 148	141	1 230	237	1 506	979	501	9 661	–	–	9 661
– Stage 2	1 131	2 080	1 043	2 382	169	1 175	136	2 154	694	–	10 964	–	–	10 964
– Stage 3	4 498	3 965	4 235	6 424	498	4 341	766	2 275	2 061	–	29 063	–	–	29 063
– Purchased or originated credit impaired	–	–	–	–	–	–	–	140	–	–	140	–	–	140
Current-year provision created/(released) per impairment stage	408	2 823	3 088	6 858	457	2 590	344	905	986	95	18 554	1 386	187	20 127
– Stage 1	(414)	(67)	123	457	(75)	(51)	(42)	(397)	(168)	59	(575)	(8)	(110)	(693)
– Stage 2	10	793	640	1 300	(38)	451	69	107	(20)	(3)	3 309	245	39	3 593
– Stage 3	812	2 097	2 325	5 101	570	2 190	317	1 256	1 174	39	15 881	1 149	258	17 288
– Purchased or originated credit impaired	–	–	–	–	–	–	–	(61)	–	–	(61)	–	–	(61)

Notes to the consolidated financial statements continued

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.3 Reconciliation of the gross carrying amount of total advances per class

Fair value – 30 June 2026

	Continuing operations				
R million	FNB commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total
GCA reported as at 1 July 2025	815	143 825	58	3 108	147 806
– Stage 1	815	140 984	58	3 065	144 922
– Stage 2	–	2 087	–	43	2 130
– Stage 3	–	754	–	–	754
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	–	(447)	–	43	(404)
– Transfers into stage 1	–	140	–	43	183
– Transfers out of stage 1	–	(587)	–	–	(587)
Transfers to/(from) stage 2	–	(579)	–	(43)	(622)
– Transfers into stage 2	–	459	–	–	459
– Transfers out of stage 2	–	(1 038)	–	(43)	(1 081)
Transfers to/(from) stage 3	–	1 026	–	–	1 026
– Transfers into stage 3	–	1 026	–	–	1 026
– Transfers out of stage 3	–	–	–	–	–
Current-year movement	108	33 473	197	4 471	38 249
New business – changes in exposure	20	27 043	197	858	28 118
Back book – current-year movement	88	6 381	–	3 613	10 082
– Exposures with a change in measurement basis from 12 months to LECL	2	(129)	–	–	(127)
– Other current-year change in exposure/ net movement on GCA	86	6 510	–	3 613	10 209
Purchased or originated credit impaired	–	49	–	–	49
Acquisition/(disposal) of advances	–	(234)	–	–	(234)
Transfers from/(to) other divisions	–	–	–	–	–
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
Exchange rate differences	–	(1 026)	(19)	–	(1 045)
Bad debts written off	–	(89)	–	–	(89)
Modifications that did not give rise to derecognition	–	–	–	–	–
GCA as at 30 June 2026	923	175 949	236	7 579	184 687
– Stage 1	919	172 683	236	7 579	181 417
– Stage 2	2	2 162	–	–	2 164
– Stage 3	2	1 090	–	–	1 092
– Purchased or originated credit impaired	–	14	–	–	14
Core lending advances	923	67 263	–	1 352	69 538
Assets under agreements to resell*	–	108 686	236	6 227	115 149
Total GCA of advances as at 30 June 2026	923	175 949	236	7 579	184 687

* *All balances are included in stage 1.*

Notes to the consolidated financial statements continued

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.4 Reconciliation of the loss allowance on total advances per class

Fair value – 30 June 2026

	Continuing operations				
R million	FNB commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total
ECL reported as at 1 July 2025	16	1 051	–	7	1 074
– Stage 1	16	333	–	7	356
– Stage 2	–	480	–	–	480
– Stage 3	–	238	–	–	238
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	–	(2)	–	(2)	(4)
– Transfers into stage 1	–	8	–	(2)	6
– Transfers out of stage 1	–	(10)	–	–	(10)
Transfers to/(from) stage 2	–	(150)	–	1	(149)
– Transfers into stage 2	–	9	–	–	9
– Transfers out of stage 2	–	(159)	–	1	(158)
Transfers to/(from) stage 3	–	152	–	1	153
– Transfers into stage 3	–	152	–	–	152
– Transfers out of stage 3	–	–	–	1	1
Current-year provision created/(released)	(2)	446	–	12	456
New business – impairment charge/(release)	–	302	–	–	302
Back book – impairment charge/(release)	(2)	95	–	12	105
– Exposures with a change in measurement basis from 12 months to LECL	–	4	–	–	4
– Other current-year impairment charge/(release)	(2)	91	–	12	101
Purchased or originated credit impaired	–	49	–	–	49
Acquisition/(disposal) of advances	–	(99)	–	–	(99)
Transfers from/(to) other divisions	–	–	–	–	–
Transfers from/(to) non-current assets or disposal groups held for sale	–	–	–	–	–
Exchange rate differences	–	(21)	–	–	(21)
Bad debts written off	–	(89)	–	–	(89)
ECL as at 30 June 2026	14	1 288	–	19	1 321
– Stage 1	14	496	–	19	529
– Stage 2	–	277	–	–	277
– Stage 3	–	511	–	–	511
– Purchased or originated credit impaired	–	4	–	–	4
Current-year provision created/(released) per impairment stage	(2)	446	–	12	456
– Stage 1	(2)	178	–	12	188
– Stage 2	–	(45)	–	–	(45)
– Stage 3	–	260	–	–	260
– Purchased or originated credit impaired	–	53	–	–	53

Notes to the consolidated financial statements continued

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.5 Reconciliation of the gross carrying amount of total advances per class

Amortised cost – 30 June 2025

	Retail secured		Retail unsecured			Corporate and commercial						UK operations		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total excluding UK operations	Retail	Commercial	Total
GCA reported as at 1 July 2024	272 363	113 044	41 374	53 286	7 314	129 028	60 218	394 788	80 409	39 752	1 191 576	274 339	85 459	1 551 374
– Stage 1	231 891	93 276	33 111	35 345	5 715	115 394	55 268	366 607	69 393	39 106	1 045 106	253 218	73 262	1 371 586
– Stage 2	22 249	12 552	3 030	8 933	584	8 901	3 841	24 451	7 071	13	91 625	10 923	10 324	112 872
– Stage 3	18 223	7 216	5 233	9 008	1 015	4 733	1 109	2 890	3 945	633	54 005	10 198	1 873	66 076
– Purchased or originated credit impaired	–	–	–	–	–	–	–	840	–	–	840	–	–	840
Transfers between stages	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	(4 867)	(3 395)	(2 168)	(4 225)	(207)	(3 195)	(1 192)	6 273	(521)	3	(13 494)	(8 160)	(2 249)	(23 903)
– Transfers into stage 1	6 554	2 772	944	1 759	145	1 672	1 781	12 069	2 878	3	30 577	3 961	4 100	38 638
– Transfers out of stage 1	(11 421)	(6 167)	(3 112)	(5 984)	(352)	(4 867)	(2 973)	(5 796)	(3 399)	–	(44 071)	(12 121)	(6 349)	(62 541)
Transfers to/(from) stage 2	1 344	501	(394)	(539)	82	534	512	(9 348)	30	(3)	(7 281)	4 848	1 616	(817)
– Transfers into stage 2	11 532	5 442	1 355	4 179	347	3 153	2 528	5 796	3 107	1	37 440	10 095	6 000	53 535
– Transfers out of stage 2	(10 188)	(4 941)	(1 749)	(4 718)	(265)	(2 619)	(2 016)	(15 144)	(3 077)	(4)	(44 721)	(5 247)	(4 384)	(54 352)
Transfers to/(from) stage 3	3 523	2 894	2 562	4 764	125	2 661	680	3 075	491	–	20 775	3 312	633	24 720
– Transfers into stage 3	6 359	3 999	2 678	6 119	275	2 761	800	3 075	655	2	26 723	4 226	1 003	31 952
– Transfers out of stage 3	(2 836)	(1 105)	(116)	(1 355)	(150)	(100)	(120)	–	(164)	(2)	(5 948)	(914)	(370)	(7 232)
Current-year movement	9 844	13 977	5 165	7 719	294	15 638	5 854	24 970	7 225	9 567	100 253	25 594	4 770	130 617
New business – changes in exposure	40 400	47 874	3 730	19 976	1 251	30 204	18 699	127 167	15 491	497	305 289	87 747	32 967	426 003
Back book – current-year movement	(30 556)	(33 897)	1 435	(12 257)	(957)	(14 566)	(12 845)	(102 316)	(8 266)	9 070	(205 155)	(62 153)	(28 197)	(295 505)
– Exposures with a change in measurement basis from 12 months to LECL	(1 323)	(1 965)	144	(1 368)	(8)	(1 145)	(1 268)	(1 010)	58	1	(7 884)	(2 906)	(4 457)	(15 247)
– Other current-year change in exposure/ net movement on GCA	(29 233)	(31 932)	1 291	(10 889)	(949)	(13 421)	(11 577)	(101 306)	(8 324)	9 069	(197 271)	(59 247)	(23 740)	(280 258)
Purchased or originated credit impaired	–	–	–	–	–	–	–	119	–	–	119	–	–	119
Acquisition/(disposal) of advances	–	–	–	–	–	–	–	(28 939)	302	–	(28 637)	–	–	(28 637)
Transfers from/(to) other divisions	1	–	–	2	(1)	(2)	–	–	–	–	–	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	(1 072)	370	35	(667)	17 297	5 268	21 898
Bad debts written off	(521)	(2 242)	(2 151)	(6 177)	(755)	(1 598)	(195)	(816)	(1 255)	(518)	(16 228)	(1 634)	(386)	(18 248)
Modifications that did not give rise to derecognition	(18)	(51)	(152)	(742)	(29)	9	–	–	–	–	(983)	–	–	(983)
GCA as at 30 June 2025	281 669	124 728	44 236	54 088	6 823	143 075	65 877	388 931	87 051	48 836	1 245 314	315 596	95 111	1 656 021
– Stage 1	237 410	105 028	34 812	36 126	5 369	127 935	61 060	369 833	75 561	48 741	1 101 875	283 808	84 663	1 470 346
– Stage 2	24 193	12 410	3 156	8 880	537	9 486	3 479	13 526	7 912	12	83 591	19 857	8 497	111 945
– Stage 3	20 066	7 290	6 268	9 082	917	5 654	1 338	4 680	3 578	83	58 956	11 931	1 951	72 838
– Purchased or originated credit impaired	–	–	–	–	–	–	–	892	–	–	892	–	–	892
Core lending advances	281 669	124 728	44 236	54 088	6 823	143 075	65 877	388 865	87 051	32 441	1 228 853	315 596	95 111	1 639 560
Assets under agreements to resell*	–	–	–	–	–	–	–	66	–	16 395	16 461	–	–	16 461
Total GCA of advances as at 30 June 2025	281 669	124 728	44 236	54 088	6 823	143 075	65 877	388 931	87 051	48 836	1 245 314	315 596	95 111	1 656 021

* *All balances are included in stage 1.*

Notes to the consolidated financial statements continued

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.6 Reconciliation of the loss allowance on total advances per class

Amortised cost – 30 June 2025

	Retail secured		Retail unsecured			Corporate and commercial						UK operations		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total excluding UK operations	Retail	Commercial	Total
ECL reported as at 1 July 2024	5 451	6 259	5 705	10 243	1 327	5 071	916	6 058	4 124	877	46 031	5 473	1 673	53 177
– Stage 1	414	982	1 157	1 884	284	1 189	245	1 347	1 134	229	8 865	1 460	701	11 026
– Stage 2	1 290	1 877	773	2 112	167	947	147	3 238	854	57	11 462	580	433	12 475
– Stage 3	3 747	3 400	3 775	6 247	876	2 935	524	891	2 136	591	25 122	3 433	539	29 094
– Purchased or originated credit impaired	–	–	–	–	–	–	–	582	–	–	582	–	–	582
Transfers between stages	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers to/(from) stage 1	207	234	56	(124)	10	149	49	620	48	–	1 249	72	147	1 468
– Transfers into stage 1	254	314	215	376	24	268	76	648	161	–	2 336	127	184	2 647
– Transfers out of stage 1	(47)	(80)	(159)	(500)	(14)	(119)	(27)	(28)	(113)	–	(1 087)	(55)	(37)	(1 179)
Transfers to/(from) stage 2	(246)	(642)	(414)	(1 192)	3	(384)	(59)	(1 161)	(35)	1	(4 129)	(154)	(144)	(4 427)
– Transfers into stage 2	282	150	81	672	67	97	29	28	132	1	1 539	77	53	1 669
– Transfers out of stage 2	(528)	(792)	(495)	(1 864)	(64)	(481)	(88)	(1 189)	(167)	–	(5 668)	(231)	(197)	(6 096)
Transfers to/(from) stage 3	39	408	358	1 316	(13)	235	10	541	(13)	(1)	2 880	82	(3)	2 959
– Transfers into stage 3	319	526	422	1 845	53	289	32	541	54	1	4 082	155	40	4 277
– Transfers out of stage 3	(280)	(118)	(64)	(529)	(66)	(54)	(22)	–	(67)	(2)	(1 202)	(73)	(43)	(1 318)
Current-year provision created/(released)	1 198	2 274	3 116	5 851	571	2 575	296	1 017	1 029	142	18 069	689	18	18 776
New business – impairment charge/(release)	312	1 398	291	2 431	182	520	193	580	302	(4)	6 205	446	194	6 845
Back book – impairment charge/(release)	886	876	2 825	3 420	389	2 055	103	258	727	146	11 685	243	(176)	11 752
– Exposures with a change in measurement basis from 12 months to LECL	68	(239)	166	46	9	359	(3)	(97)	52	(1)	360	(9)	(45)	306
– Other current-year impairment charge/(release)	818	1 115	2 659	3 374	380	1 696	106	355	675	147	11 325	252	(131)	11 446
Purchased or originated credit impaired	–	–	–	–	–	–	–	179	–	–	179	–	–	179
Acquisition/(disposal) of advances	–	–	–	–	–	–	–	(119)	1	–	(118)	–	–	(118)
Transfers from/(to) other divisions	–	–	–	2	–	(2)	–	–	–	–	–	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	(7)	46	36	75	352	100	527
Bad debts written off	(521)	(2 242)	(2 151)	(6 177)	(755)	(1 598)	(195)	(816)	(1 255)	(518)	(16 228)	(1 634)	(386)	(18 248)
ECL as at 30 June 2025	6 128	6 291	6 670	9 919	1 143	6 046	1 017	6 133	3 945	537	47 829	4 880	1 405	54 114
– Stage 1	405	1 041	1 258	1 762	201	1 082	247	1 814	960	450	9 220	1 110	552	10 882
– Stage 2	1 268	1 901	857	2 019	149	1 244	117	2 101	938	6	10 600	747	337	11 684
– Stage 3	4 455	3 349	4 555	6 138	793	3 720	653	1 524	2 047	81	27 315	3 023	516	30 854
– Purchased or originated credit impaired	–	–	–	–	–	–	–	694	–	–	694	–	–	694
Current-year provision created/(released) per impairment stage	1 198	2 274	3 116	5 851	571	2 575	296	1 017	1 029	142	18 069	689	18	18 776
– Stage 1	(215)	(174)	45	4	(95)	(255)	(48)	(89)	(206)	216	(817)	(494)	(334)	(1 645)
– Stage 2	224	666	498	1 098	(20)	680	29	86	112	(50)	3 323	284	30	3 637
– Stage 3	1 189	1 782	2 573	4 749	686	2 150	315	841	1 123	(24)	15 384	899	322	16 605
– Purchased or originated credit impaired	–	–	–	–	–	–	–	179	–	–	179	–	–	179

Notes to the consolidated financial statements continued

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.7 Reconciliation of the gross carrying amount of total advances per class

Fair value – 30 June 2025

R million	FNB commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total
GCA reported as at 1 July 2024	816	113 005	353	158	114 332
– Stage 1	816	110 087	353	158	111 414
– Stage 2	–	1 994	–	–	1 994
– Stage 3	–	924	–	–	924
– Purchased or originated credit impaired	–	–	–	–	–
Transfers between stages	–	–	–	–	–
Transfers to/(from) stage 1	–	(455)	–	(42)	(497)
– Transfers into stage 1	–	282	–	–	282
– Transfers out of stage 1	–	(737)	–	(42)	(779)
Transfers to/(from) stage 2	–	425	–	42	467
– Transfers into stage 2	–	703	–	42	745
– Transfers out of stage 2	–	(278)	–	–	(278)
Transfers to/(from) stage 3	–	30	–	–	30
– Transfers into stage 3	–	30	–	–	30
– Transfers out of stage 3	–	–	–	–	–
Current-year movement	(1)	30 902	–	2 952	33 853
New business – changes in exposure	–	19 660	–	–	19 660
Back book – current-year movement	(1)	11 242	–	2 952	14 193
– Exposures with a change in measurement basis from 12 months to LECL	–	16	–	1	17
– Other current-year change in exposure/ net movement on GCA	(1)	11 226	–	2 951	14 176
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	209	(312)	–	(103)
Transfers from/(to) other divisions	–	–	–	–	–
Exchange rate differences	–	(257)	17	–	(240)
Bad debts written off	–	(34)	–	(2)	(36)
GCA as at 30 June 2025	815	143 825	58	3 108	147 806
– Stage 1	815	140 984	58	3 065	144 922
– Stage 2	–	2 087	–	43	2 130
– Stage 3	–	754	–	–	754
– Purchased or originated credit impaired	–	–	–	–	–
Core lending advances	815	58 188	–	439	59 442
Assets under agreements to resell*	–	85 637	58	2 669	88 364
Total GCA of advances as at 30 June 2025	815	143 825	58	3 108	147 806

* *All balances are included in stage 1.*

Notes to the consolidated financial statements continued

11 Advances continued

11.5 Reconciliation of the gross advances and loss allowance on total advances per class continued

11.5.8 Reconciliation of the loss allowance on total advances per class

Fair value – 30 June 2025

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	–	3	–	2	5
– Transfers into stage 1	–	18	–	2	20
– Transfers out of stage 1	–	(15)	–	–	(15)
Transfers to/(from) stage 2	–	(4)	–	(2)	(6)
– Transfers into stage 2	–	14	–	–	14
– Transfers out of stage 2	–	(18)	–	(2)	(20)
Transfers to/(from) stage 3	–	1	–	–	1
– Transfers into stage 3	–	1	–	–	1
– Transfers out of stage 3	–	–	–	–	–
Current-year provision created/(released)	10	119	–	2	131
New business – impairment charge/(release)	–	106	–	1	107
Back book – impairment charge/(release)	10	13	–	1	24
– Exposures with a change in measurement basis from 12 months to LECL	–	194	–	1	195
– Other current-year impairment charge/(release)	10	(181)	–	–	(171)
Purchased or originated credit impaired	–	–	–	–	–
Acquisition/(disposal) of advances	–	–	(1)	–	(1)
Transfers from/(to) other divisions	–	–	–	–	–
Exchange rate differences	–	(8)	–	–	(8)
Bad debts written off	–	(34)	–	(2)	(36)
ECL as at 30 June 2025	16	1 051	–	7	1 074
– Stage 1	16	333	–	7	356
– Stage 2	–	480	–	–	480
– Stage 3	–	238	–	–	238
– Purchased or originated credit impaired	–	–	–	–	–
Current-year provision created/(released) per impairment stage	10	119	–	2	131
– Stage 1	10	(270)	–	–	(260)
– Stage 2	–	378	–	1	379
– Stage 3	–	11	–	1	12
– Purchased or originated credit impaired	–	–	–	–	–

Notes to the consolidated financial statements continued

11 Advances continued

11.6 Modified advances measured at amortised cost

The following table provides information on advances that were modified while they had a loss allowance measured at an amount equal to LECL, and the modification resulted in a modification gain or loss being recognised.

	2026			
	Stage 2 and stage 3			
R million	**Gross carrying amount before modification**	**Loss allowance before modification**	**Amortised cost before modification**	**Modification gain/(loss)**
Residential mortgages	**650**	**(49)**	**601**	**(11)**
WesBank VAF	**1 641**	**(381)**	**1 260**	**(53)**
Total retail secured	**2 291**	**(430)**	**1 861**	**(64)**
FNB card	**896**	**(343)**	**553**	**(130)**
Personal loans	**2 030**	**(785)**	**1 245**	**(483)**
Retail other	**45**	**(9)**	**36**	**(12)**
Total retail unsecured	**2 971**	**(1 137)**	**1 834**	**(625)**
FNB commercial	**–**	**–**	**–**	**–**
Total	**5 262**	**(1 567)**	**3 695**	**(689)**
	2025			
Residential mortgages	806	(72)	734	(18)
WesBank VAF	1 685	(454)	1 231	(51)
Total retail secured	2 491	(526)	1 965	(69)
FNB card	1 059	(584)	475	(152)
Personal loans	2 773	(1 047)	1 726	(742)
Retail other	91	(44)	47	(29)
Total retail unsecured	3 923	(1 675)	2 248	(923)
FNB commercial	259	(42)	217	9
Total	6 673	(2 243)	4 430	(983)

The GCA in stage 2 or stage 3 of advances that previously had been modified but not derecognised, and whose improvement in credit risk in the current year has moved into stage 1, amounted to R619 million for continuing operations and R1 million for discontinued operations (2025: R559 million of which R13 million related to UK operations).

Notes to the consolidated financial statements continued

12 Impairment of advances

12.1 Analysis of the loss allowance closing balance

	2026				
	Loss allowance				
R million	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**
Continuing operations					
Amount as at 30 June 2026	**51 149**	**10 190**	**11 241**	**29 574**	**144**
Amortised cost	**49 828**	**9 661**	**10 964**	**29 063**	**140**
Fair value	**1 321**	**529**	**277**	**511**	**4**
Included in the total loss allowance					
– On- and off-balance sheet exposure*	**50 967**	**10 053**	**11 202**	**29 568**	**144**
– Letters of credit and guarantees**	**182**	**137**	**39**	**6**	**–**
Components of total loss allowance as at 30 June 2026					
– Forward-looking information#	**253**	**139**	**95**	**19**	**–**
– Model updates†	**845**	**795**	**229**	**(179)**	**–**
Discontinued operations					
Amount as at 30 June 2026	**5 388**	**1 533**	**1 001**	**2 854**	**–**
Amortised cost	**5 388**	**1 533**	**1 001**	**2 854**	**–**
Included in the total loss allowance					
– On- and off-balance sheet exposure*	**5 388**	**1 533**	**1 001**	**2 854**	**–**
Components of total loss allowance as at 30 June 2026					
– Forward-looking information#	**542**	**258**	**164**	**120**	**–**
– Model updates†	**(426)**	**(182)**	**(140)**	**(104)**	**–**
	2025				
Amount as at 30 June 2025	55 188	11 238	12 164	31 092	694
Amortised cost	54 114	10 882	11 684	30 854	694
Fair value	1 074	356	480	238	–
Included in the total loss allowance					
– On- and off-balance sheet exposure*	55 022	11 131	12 114	31 083	694
– Letters of credit and guarantees**	166	107	50	9	–
Components of total loss allowance as at 30 June 2025					
– Forward-looking information#	1 536	682	574	280	–
– Model updates†	429	(104)	305	228	–

* *Includes loan commitments as the credit risks are managed and monitored with the drawn component as a single EAD. The EAD on the entire facility is used to calculate the ECL and is therefore included in the ECL allowance.*

** *These represent the total ECL closing balance related to letters of credit and guarantees granted to customers but undrawn at 30 June.*

\# *This represents the total ECL closing balance as at 30 June that is attributable to incorporating modelled FLI macroeconomic information into the ECL calculations. For more detail on the process of incorporating FLI into the ECL calculation, please refer to the critical accounting estimates and judgements on page B36.*

† *These represent the total ECL closing balance as at 30 June that is attributable to model recalibrations or refinements in the impairment methodology used that has been approved by a governance body. The amount reflected is the additional ECL recognised at the point/date that the model update was implemented.*

Notes to the consolidated financial statements continued

12 Impairment of advances continued

12.2 Breakdown of ECL created in the reporting period

12.2.1 Breakdown of ECL created in the reporting period per impairment charge

	2026				
R million	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**
Current-year ECL provided	20 583	(505)	3 548	17 548	(8)
Continuing operations	19 010	(387)	3 264	16 141	(8)
Discontinued operations	1 573	(118)	284	1 407	–
Interest suspended on stage 3 advances	(4 144)	–	–	(4 135)	(9)
Continuing operations	(3 873)	–	–	(3 864)	(9)
Discontinued operations	(271)	–	–	(271)	–
Current-year change in ECL provided after interest suspended on stage 3 advances	16 439	(505)	3 548	13 413	(17)
Continuing operations	15 137	(387)	3 264	12 277	(17)
Discontinued operations	1 302	(118)	284	1 136	–
Post write-off recoveries	(2 123)	–	–	(2 123)	–
Continuing operations	(1 846)	–	–	(1 846)	–
Discontinued operations	(277)	–	–	(277)	–
Modification losses	689	–	29	660	–
Continuing operations	689	–	29	660	–
Discontinued operations	–	–	–	–	–
Impairment recognised in the income statement for the year ended 30 June 2026	15 005	(505)	3 577	11 950	(17)
Continuing operations	13 980	(387)	3 293	11 091	(17)
Discontinued operations	1 025	(118)	284	859	–
Amortised cost	14 552	(695)	3 622	11 695	(70)
Continuing operations	13 527	(577)	3 338	10 836	(70)
Discontinued operations	1 025	(118)	284	859	–
Fair value*	453	190	(45)	255	53
Continuing operations	453	190	(45)	255	53
Discontinued operations	–	–	–	–	–

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

Notes to the consolidated financial statements continued

12 Impairment of advances continued

12.2 Breakdown of ECL created in the reporting period continued

12.2.1 Breakdown of ECL created in the reporting period per impairment charge continued

	2025				
R million	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired
Current-year ECL provided	18 907	(1 905)	4 016	16 617	179
Excluding UK operations	18 201	(1 076)	3 702	15 396	179
UK operations	706	(829)	314	1 221	–
Interest suspended on stage 3 advances	(4 112)	–	–	(4 025)	(87)
Excluding UK operations	(3 888)	–	–	(3 801)	(87)
UK operations	(224)	–	–	(224)	–
Current-year change in ECL provided after interest suspended on stage 3 advances	14 795	(1 905)	4 016	12 592	92
Excluding UK operations	14 313	(1 076)	3 702	11 595	92
UK operations	482	(829)	314	997	–
Post write-off recoveries	(1 734)	–	–	(1 734)	–
Excluding UK operations	(1 642)	–	–	(1 642)	–
UK operations	(92)	–	–	(92)	–
Modification losses	983	–	72	911	–
Excluding UK operations	983	–	72	911	–
UK operations	–	–	–	–	–
Impairment recognised in the income statement for the year ended 30 June 2025	14 044	(1 905)	4 088	11 769	92
Excluding UK operations	13 654	(1 076)	3 774	10 864	92
UK operations	390	(829)	314	905	–
Amortised cost	13 913	(1 645)	3 709	11 757	92
Excluding UK operations	13 523	(816)	3 395	10 852	92
UK operations	390	(829)	314	905	–
Fair value*	131	(260)	379	12	–
Excluding UK operations	131	(260)	379	12	–
UK operations	–	–	–	–	–

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

Notes to the consolidated financial statements continued

12 Impairment of advances continued

12.2 Breakdown of ECL created in the reporting period continued

12.2.2 Breakdown of ECL created in the reporting period per key driver

The table below provides a breakdown of the change in the ECL impairment recognised in the current period based on the key drivers. The key components of the ECL impairment recognised in the current period are as follows:

Income statement component	Definition and key drivers
Volume change in stage 1	This represents the change in the impairment on stage 1 core lending advances, assuming that the coverage ratio has remained unchanged from the prior year. It is calculated as the movement in the GCA of stage 1 advances (current year less prior year) multiplied by the prior year stage 1 coverage ratio. The key drivers relate to the change in volume of stage 1 advances due to new business, stage migrations and loans commencing in the period in stage 1 subsequently written off or curing.
Change in stage 1 coverage	This represents the change in the impairment on stage 1 core lending advances due to a change in the coverage ratio for stage 1 advances. This is calculated as the GCA of stage 1 advances at the current year end, multiplied by the difference in the current year and prior year stage 1 coverage ratio.
Volume change in stage 2	This represents the change in the impairment on stage 2 core lending advances, assuming that the coverage ratio remained unchanged from the prior year. This is calculated as the movement in the GCA of stage 2 advances (current year less prior year) multiplied by the prior year stage 2 coverage ratio. This column therefore represents the change in volume of stage 2 advances due to stage migration, or loans commencing the period in stage 2 subsequently migrating to stage 3 or curing.
Change in stage 2 coverage	This represents the change in the impairment on stage 2 core lending advances due to a change in the coverage ratio for stage 2 advances. This is calculated as the gross carrying amount of stage 2 advances at the current year end, multiplied by the difference in the current year and prior year stage 2 coverage ratio.
Change in stage 3 provisions (non-performing loans (NPLs))	This represents the change in the impairment on stage 3 core lending advances due to a change in the coverage ratio and volume changes due to loans commencing in the period in stage 3 subsequently written off or curing.
Modification gains or losses	Gains or losses recognised on modified exposures that are not derecognised.
Write-offs and other charges	Gross advances written off and other movements (foreign exchange movements, acquisition and disposal of advances, and transfers to non-current assets held for sale).

Notes to the consolidated financial statements continued

12 Impairment of advances continued

12.2 Breakdown of ECL created in the reporting period continued

12.2.2 Breakdown of ECL created in the reporting period per key driver continued

	2026												
	Movement in the balance sheet provisions					Movement in the balance sheet provisions				Recognised directly in the income statement			
R million	Volume change in stage 1	Change in stage 1 coverage	Volume change in stage 2	Change in stage 2 coverage	Performing book provisions	Change in stage 3 provisions	Credit provision increase/ (decrease)	Gross write-off and other	Current year ECL provided	Modification loss	Interest suspended on stage 3 advances	Post write-off recoveries*	Total
Total retail secured	169	(185)	349	(307)	26	659	685	2 546	3 231	64	(682)	(309)	2 304
Total retail unsecured	245	312	366	203	1 126	(329)	797	9 606	10 403	625	(2 091)	(1 059)	7 878
Total retail secured and unsecured	414	127	715	(104)	1 152	330	1 482	12 152	13 634	689	(2 773)	(1 368)	10 182
FNB commercial	70	76	25	(94)	77	621	698	1 890	2 588	–	(696)	(153)	1 739
WesBank corporate and commercial	33	(43)	(20)	39	9	113	122	222	344	–	(49)	(16)	279
RMB corporate and investment banking	27	(172)	270	(420)	(295)	474	179	1 172	1 351	–	(163)	(12)	1 176
Total corporate and commercial	130	(139)	275	(475)	(209)	1 208	999	3 284	4 283	–	(908)	(181)	3 194
Broader Africa	57	(38)	148	(392)	(225)	14	(211)	1 197	986	–	(192)	(255)	539
Centre (including Group Treasury)	957	(894)	(6)	–	57	(81)	(24)	131	107	–	–	(42)	65
Total continuing operations	1 558	(944)	1 132	(971)	775	1 471	2 246	16 764	19 010	689	(3 873)	(1 846)	13 980
Discontinued operations – UK operations	(45)	(84)	(87)	4	(212)	(685)	(897)	2 470	1 573	–	(271)	(277)	1 025
– Retail	17	(13)	(107)	48	(55)	(619)	(674)	2 060	1 386	–	(250)	(209)	927
– Commercial	(62)	(71)	20	(44)	(157)	(66)	(223)	410	187	–	(21)	(68)	98
Total	1 513	(1 028)	1 045	(967)	563	786	1 349	19 234	20 583	689	(4 144)	(2 123)	15 005

	2025												
Total retail secured	134	(84)	92	(90)	52	657	709	2 763	3 472	69	(706)	(291)	2 544
Total retail unsecured	86	(190)	21	(48)	(131)	588	457	9 082	9 539	923	(2 205)	(904)	7 353
Total retail secured and unsecured	220	(274)	113	(138)	(79)	1 245	1 166	11 845	13 011	992	(2 911)	(1 195)	9 897
FNB commercial	99	(196)	62	235	200	785	985	1 599	2 584	(9)	(567)	(170)	1 838
WesBank corporate and commercial	26	(24)	(14)	(16)	(28)	129	101	194	295	–	(46)	(14)	235
RMB corporate and investment banking	93	103	(890)	124	(570)	722	152	985	1 137	–	(168)	(33)	936
Total corporate and commercial	218	(117)	(842)	343	(398)	1 636	1 238	2 778	4 016	(9)	(781)	(217)	3 009
Broader Africa	80	(255)	94	(10)	(91)	(89)	(180)	1 209	1 029	–	(196)	(217)	616
Centre (including Group Treasury)	(8)	229	184	(235)	170	(510)	(340)	485	145	–	–	(13)	132
Total excluding UK operations	510	(417)	(451)	(40)	(398)	2 282	1 884	16 317	18 201	983	(3 888)	(1 642)	13 654
UK operations	237	(736)	386	(315)	(428)	(433)	(861)	1 567	706	–	(224)	(92)	390
– Retail	128	(478)	463	(296)	(183)	(410)	(593)	1 281	688	–	(194)	(19)	475
– Commercial	109	(258)	(77)	(19)	(245)	(23)	(268)	286	18	–	(30)	(73)	(85)
Total	747	(1 153)	(65)	(355)	(826)	1 849	1 023	17 884	18 907	983	(4 112)	(1 734)	14 044

* *Post write-off recoveries collected in the financial year consist of exposures written off over multiple previous reporting periods, including amounts written off under IAS 39. Under IAS 39, the group followed a conservative approach to writing off exposures and reflected high levels of post write-off recoveries. The absolute level of recoveries post the implementation of IFRS 9 (1 July 2018) continues to be impacted by amounts written off under the previous conservative write-off policy.*

Notes to the consolidated financial statements continued

13 Collateral, settlement balances and other assets

R million	**2026**	2025
Items in transit	**7 457**	6 507
Interest and commission accrued	**7**	4
Prepayments	**3 906**	3 896
Properties in possession	**18**	45
Sundry debtors	**1 045**	1 603
Fair value hedge asset*	**–**	518
Dividends receivable	**317**	370
– Profit share receivable on insurance cells	**131**	255
– Other dividends receivable	**186**	115
Mandatory reserve balance with other central banks	**4 901**	3 073
Accounts receivable and other	**6 869**	5 306
Collateral and settlement balances	**24 628**	28 093
– Variation margin – unsettled balances	**302**	824
– Variation margin	**6 642**	6 559
– Initial margin	**17 684**	20 710
Total gross carrying amount of other assets	**49 148**	49 415
– Financial	**39 219**	42 198
– Non-financial	**9 929**	7 217
– Loss allowance on other financial assets**	**(432)**	(412)
Total collateral, settlement balances and other assets	**48 716**	49 003

* *The balance reflected relates to the fair value of the interest rate risk component of the hedged items designated in the group's fair value macro hedge accounting relationship held by Aldermore. The current year balance has been reclassified to non-current assets and disposal groups held for sale.*

** *No further information is provided on the loss allowance on other assets, as the amounts are immaterial.*

14 Non-current assets and disposal groups held for sale

	2026			2025
R million	**Total**	**Discontinued Operations**	**Other disposal groups**	Total
ASSETS				
Cash and cash equivalents*	**51 140**	**51 140**	**–**	–
Derivative financial instruments	**2 939**	**2 939**	**–**	–
Investment securities	**42 621**	**42 621**	**–**	806
Advances	**412 812**	**412 812**	**–**	–
Impairment of advances	**(5 388)**	**(5 388)**	**–**	–
Collateral, settlement balances and other assets*	**3 054**	**3 054**	**–**	–
Current tax assets	**791**	**791**	**–**	35
Property and equipment	**460**	**460**	**–**	81
Investment properties	**338**	**–**	**338**	55
Intangible assets	**4 043**	**4 043**	**–**	29
Investment in associates	**395**	**136**	**259**	715
Deferred income tax asset	**22**	**22**	**–**	257
Total assets and disposal groups classified as held for sale	**513 227**	**512 630**	**597**	1 978
LIABILITIES				
Derivative financial instruments	**1 396**	**1 396**	**–**	–
Creditors, accruals and provisions**	**9 646**	**9 645**	**1**	107
Current tax liability	**–**	**–**	**–**	15
Deposits and debt funding	**451 497**	**451 497**	**–**	–
Other liabilities*	**270**	**270**	**–**	584
Deferred tax liability	**19**	**1**	**18**	121
Employee benefit liabilities	**587**	**587**	**–**	34
Insurance contract liabilities	**–**	**–**	**–**	470
Tier 2 liabilities and other loss-absorbing liabilities	**6 510**	**6 510**	**–**	–
Total liabilities and disposal groups classified as held for sale	**469 925**	**469 906**	**19**	1 331
Net assets and disposal groups classified as held for sale	**43 302**	**42 724**	**578**	647

* *Carrying amount approximates fair value.*

** *Includes the UK Motor Commission provision of R5 023 million. Refer to note 25.2.*

Notes to the consolidated financial statements continued

14 Non-current assets and disposal groups held for sale continued

The fair value less cost to sell for the discontinued operation and investment in subsidiary held for sale, R42 724 million, was calculated using a price-to-book approach, probability weighted across possible disposal outcomes and net of estimated costs to sell. Refer to Critical accounting estimates, assumptions and judgements section for information on the judgement and estimates applied in determining the fair value less cost to sell balance.

The fair value of the investment property within the RMB segment that was classified as held for sale, is determined based on desktop valuations using expected rentals and market capitalisation rates. This asset forms part of other disposal groups that are held for sale. This balance is classified as level 3 in the fair value hierarchy.

The underlying assets and liabilities of the discontinued operation includes financial instruments that are measured at fair value. Investment securities of R36 748 million are classified as level 1 and R4 878 million as level 2 in the fair value hierarchy. Derivative financial instruments are classified as level 2. Advances and deposits and debt funding are measured at amortised cost. The fair value of advances is R406 859 million and is classified as level 3 in the fair value hierarchy. The fair value of deposits and debt funding is R450 852 million of which R9 462 million is classified as level 2 and R440 996 million as level 3.

14.1 Discontinued operation and investment in subsidiary held for sale

During the year, the board approved a plan to dispose of the Aldermore group, which represents the group's UK operations, and management commenced an active programme to locate a buyer. The disposal is expected to be completed within 12 months of the reporting date and the criteria for classification as held for sale in terms of IFRS 5 were met at 30 June 2026. The Aldermore group represents a separate geographical area of operations and, accordingly, meets the definition of a discontinued operation in terms of IFRS 5. As a result, at 30 June 2026, the investment in subsidiary, together with the assets and liabilities of the Aldermore group, was classified as a disposal group held for sale and as a discontinued operation. (Refer to the Basis of preparation section of this report). The results of the discontinued operation for the year are presented below:

R million	**2026**	2025
Net interest income before impairment of advances	**13 733**	14 229
Impairment and fair value of credit on advances	**(1 025)**	(390)
Net interest income after impairment of advances	**12 708**	13 839
Non-interest revenue	**71**	8
Net fee and commission expense	**(159)**	(158)
Fair value income and foreign exchange gains	**167**	(45)
Gains less losses from investing activities	**38**	27
Net other non-interest revenue	**25**	184
Operating expenses*	**(14 946)**	(8 826)
Net income from operations	**(2 167)**	5 021
Share of profit of associates after tax	**22**	17
Income before indirect tax	**(2 145)**	5 038
Indirect tax	**(349)**	(321)
Profit before income tax	**(2 494)**	4 717
Income tax expense	**(161)**	(1 273)
Profit/(loss) for the year from discontinued operations	**(2 655)**	3 444
Gain/(loss) on FVOCI debt reserves	**329**	(101)
Exchange differences on translating foreign operations	**(5 665)**	2 712
Other comprehensive income for the year from discontinued operations	**(5 336)**	2 611

* *Includes impairment of goodwill of R3 741 million and UK motor commission provision of R3 476 million.*

Notes to the consolidated financial statements continued

14 Non-current assets and disposal groups held for sale continued

R million	**2026**	2025
Indirect tax		
Value-added tax (net)	**(348)**	(317)
Other	**(1)**	(4)
Total indirect tax	**(349)**	(321)
Income tax expense		
Foreign company and withholding tax		
Current	**(146)**	(1 230)
– Current year	**(141)**	(1 222)
– Prior year adjustment	**(5)**	(8)
Deferred income tax	**(15)**	(43)
– Current year	**(14)**	(52)
– Prior year adjustment	**(1)**	9
Total foreign company and withholding tax	**(161)**	(1 273)
Total income tax expense	**(161)**	(1 273)

Tax rate reconciliation

%	**2026**	2025
Standard rate of income tax	**27.0**	27.0
Total tax has been affected by:		
Rate difference	**(2.0)**	(2.0)
Prior year adjustments	**(0.3)**	–
Tax difference on associates	**0.2**	(0.2)
Tax under UK securitisation regime	**7.8**	1.8
Disallowed expenditure*	**(41.4)**	0.2
Tax credit relief for contingent convertible securities coupon	**2.7**	(1.4)
Effect of UK banking tax surcharge	**(1.9)**	1.7
Other	**1.4**	(0.1)
Effective rate of tax	**(6.5)**	27.0

* *The majority of the disallowed expenditure in the current year relates to the goodwill impairment, which is non-deductible.*

Included in statement of changes in equity is R5 920 million relating to the foreign currency translation reserve, as well as the FVOCI debt securities reserves of R196 million, which would be recycled to profit or loss on disposal of the discontinued operation.

The net cash flows incurred by the UK operations are as follows:

R million	**2026**	2025
Operating cash flows	**27 474**	(23 633)
Investing cash flows	**(10 700)**	(166)
Financing cash flows	**6 661**	(97)
Net cash inflow/(outflow)	**23 435**	(23 896)

Notes to the consolidated financial statements continued

14 Non-current assets and disposal groups held for sale continued

Business combination undertaken by discontinued operation in the current year

On 16 March 2026, Aldermore Bank PLC acquired certain assets and liabilities of Octane Capital Limited as part of its strategy to diversify its lending activities through entry into the UK bridging finance market. Although the transaction was structured as a transfer of assets and liabilities rather than the acquisition of a legal entity, it was assessed to fall within the scope of IFRS 3 and was accounted for using the acquisition method. The acquired assets and liabilities have been recognised at their fair values at the acquisition date. The goodwill arising on the transaction principally reflects the value expected to be generated from bringing Octane Capital's specialist market expertise, operational capabilities and experienced workforce into the UK operations.

The purchase consideration for the transaction was £476.5 million (R10 693 million) paid entirely in cash on completion, in return for the acquisition of £470.6 million (R10 561 million) of loans and advances and R7 million of other liabilities. The difference between the consideration paid and the total identifiable net assets acquired of R153 million is recognised as goodwill. Transaction costs of R56 million were incurred in connection to the acquisition and have been recognised as an operating expense in loss for the year for discontinued operations.

14.2 Investment in associate held for sale

An associate of R259 million within the RMB segment was classified as held for sale as it is expected to be sold within the next 12 months. The associate of R715 million which had been classified as held for sale within the RMB segment in the prior year was sold in exchange for shares in a joint venture of the group.

15 Insurance and reinsurance contract assets and liabilities

R million	**Life**	**Non-life**	**Life reinsurance held**	**Non-life reinsurance held**	**Total**
Notes	**15.3**	**15.4**	**15.5**	**15.6**	
As at 30 June 2026					
Insurance contract assets	**2 135**	**–**	**–**	**–**	**2 135**
Insurance contract liabilities	**(953)**	**(433)**	**–**	**–**	**(1 386)**
Net insurance contract assets	**1 182**	**(433)**	**–**	**–**	**749**
Reinsurance contract assets	**–**	**–**	**509**	**92**	**601**
Reinsurance contract liabilities	**–**	**–**	**(26)**	**–**	**(26)**
Net reinsurance contract assets	**–**	**–**	**483**	**92**	**575**
As at 30 June 2025					
Insurance contract assets	1 433	–	–	–	1 433
Insurance contract liabilities	(814)	(325)	–	–	(1 139)
Net insurance contract liabilities	619	(325)	–	–	294
Reinsurance contract assets	–	–	520	49	569
Reinsurance contract liabilities	–	–	(28)	(3)	(31)
Net reinsurance contract assets	–	–	492	46	538

15.1 Expected timing of the release of the CSM for insurance contracts issued

R million	**2026**	2025
Life insurance contracts issued		
Within 1 year	**(1 607)**	(1 468)
Between 1 and 5 years	**(2 958)**	(2 616)
Between 5 and 10 years	**(1 599)**	(1 348)
More than 10 years	**(3 969)**	(3 128)
Total	**(10 133)**	(8 560)
Non-life insurance contracts issued		
Within 1 year	**(1)**	–
Between 1 and 5 years	**–**	–
Between 5 and 10 years	**–**	–
More than 10 years	**–**	–
Total	**(1)**	–
Total CSM for insurance contracts issued		
Within 1 year	**(1 608)**	(1 468)
Between 1 and 5 years	**(2 958)**	(2 616)
Between 5 and 10 years	**(1 599)**	(1 348)
More than 10 years	**(3 969)**	(3 128)
Total	**(10 134)**	(8 560)

Notes to the consolidated financial statements continued

15 Insurance and reinsurance contract assets and liabilities continued

15.2 Expected timing of the release of the CSM for reinsurance contracts held

R million	**2026**	2025
Life reinsurance		
Within 1 year	**13**	26
Between 1 and 5 years	**32**	37
Between 5 and 10 years	**16**	9
More than 10 years	**111**	35
Total	**172**	107
Non-life reinsurance		
Within 1 year	**–**	(3)
Between 1 and 5 years	**–**	–
Between 5 and 10 years	**–**	–
More than 10 years	**–**	–
Total	**–**	(3)
Total reinsurance contracts held		
Within 1 year	**13**	23
Between 1 and 5 years	**32**	37
Between 5 and 10 years	**16**	9
More than 10 years	**111**	35
Total	**172**	104

Notes to the consolidated financial statements continued

15 Insurance and reinsurance contract assets and liabilities continued

15.3 Life – insurance contracts issued

15.3.1 Life insurance contracts – reconciliation of the liability for remaining coverage and the liability for incurred claims

	2026						2025					
	LRC			LIC for contracts under PAA			LRC			LIC for contracts under PAA		
R million	Excluding loss component	Loss component	LIC for contracts under GMM	Present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	LIC for contracts under GMM	Present value of future cash flows	Risk adjustment	Total
Net insurance contract assets (liabilities) as at 1 July	**2 201**	**(398)**	**(801)**	**(380)**	**(3)**	**619**	1 654	(553)	(762)	(251)	(14)	74
– Insurance contract assets as at 1 July	**2 223**	**(298)**	**(492)**	**–**	**–**	**1 433**	1 437	(298)	(379)	–	–	760
– Insurance contract liabilities as at 1 July	**(22)**	**(100)**	**(309)**	**(380)**	**(3)**	**(814)**	217	(255)	(383)	(251)	(14)	(686)
Insurance revenue	**7 663**	**–**	**–**	**–**	**–**	**7 663**	6 993	–	–	–	–	6 993
Insurance service expenses	**(357)**	**76**	**(3 068)**	**(402)**	**–**	**(3 751)**	(299)	226	(3 027)	(287)	12	(3 375)
Incurred claims and other directly attributable expenses	**–**	**120**	**(3 317)**	**(424)**	**(2)**	**(3 623)**	–	202	(2 879)	(314)	(3)	(2 994)
Changes that relate to past service – changes in the FCF relating to the LIC	**–**	**–**	**249**	**22**	**2**	**273**	–	–	(148)	27	15	(106)
Losses on onerous contracts and reversals of those losses	**–**	**(44)**	**–**	**–**	**–**	**(44)**	–	24	–	–	–	24
Insurance acquisition cash flows amortisation	**(357)**	**–**	**–**	**–**	**–**	**(357)**	(299)	–	–	–	–	(299)
Insurance service result	**7 306**	**76**	**(3 068)**	**(402)**	**–**	**3 912**	6 694	226	(3 027)	(287)	12	3 618
Net finance expenses from insurance contracts issued	**367**	**(80)**	**(17)**	**(20)**	**–**	**250**	424	(71)	(20)	(15)	(1)	317
Total amounts recognised in comprehensive income	**7 673**	**(4)**	**(3 085)**	**(422)**	**–**	**4 162**	7 118	155	(3 047)	(302)	11	3 935
Transfer to working capital/other balance sheet accounts	**–**	**–**	**758**	**54**	**–**	**812**	–	–	702	41	–	743
Cash flows	**(7 126)**	**–**	**2 471**	**244**	**–**	**(4 411)**	(6 571)	–	2 306	132	–	(4 133)
Premiums received	**(7 946)**	**–**	**–**	**–**	**–**	**(7 946)**	(7 228)	–	–	–	–	(7 228)
Claims paid	**–**	**–**	**2 471**	**244**	**–**	**2 715**	–	–	2 306	132	–	2 438
Insurance acquisition cash flows	**820**	**–**	**–**	**–**	**–**	**820**	657	–	–	–	–	657
Net insurance contract assets/(liabilities) as at 30 June	**2 748**	**(402)**	**(657)**	**(504)**	**(3)**	**1 182**	2 201	(398)	(801)	(380)	(3)	619
– Insurance contract assets as at 30 June	**2 809**	**(233)**	**(441)**	**–**	**–**	**2 135**	2 223	(298)	(492)	–	–	1 433
– Insurance contract liabilities as at 30 June	**(61)**	**(169)**	**(216)**	**(504)**	**(3)**	**(953)**	(22)	(100)	(309)	(380)	(3)	(814)

All contracts that existed at transition were accounted for using the fully retrospective approach at transition.

Notes to the consolidated financial statements continued

15 Insurance and reinsurance contract assets and liabilities continued

15.3 Life – insurance contracts issued continued

15.3.2 Life insurance contracts – reconciliation of the measurement components of insurance contract balances measured under the GMM

	2026				2025			
R million	**Present value of future cash flows**	**Risk adjustment**	**CSM**	**Total**	Present value of future cash flows	Risk adjustment	CSM	Total
Net insurance contract assets/ (liabilities) as at 1 July	**10 760**	**(1 214)**	**(8 560)**	**986**	9 345	(1 029)	(7 975)	341
– Insurance contract assets as at 1 July	**10 531**	**(1 139)**	**(7 974)**	**1 418**	8 089	(870)	(6 457)	762
– Insurance contract liabilities as at 1 July	**229**	**(75)**	**(586)**	**(432)**	1 256	(159)	(1 518)	(421)
Changes that relate to current service	**330**	**432**	**2 869**	**3 631**	778	412	2 530	3 720
CSM recognised for the services provided	**–**	**–**	**2 869**	**2 869**	–	–	2 530	2 530
Change in the risk adjustment for the risk expired	**–**	**432**	**–**	**432**	–	412	–	412
Experience adjustments								
– Relating to premiums received in the period that relate to current service	**181**	**–**	**–**	**181**	242	–	–	242
– Relating to insurance acquisition cash flows incurred in the year	**3**	**–**	**–**	**3**	(7)	–	–	(7)
– Relating to insurance service expenses	**146**	**–**	**–**	**146**	543	–	–	543
Changes that relate to future service	**4 012**	**(594)**	**(3 463)**	**(45)**	2 684	(448)	(2 212)	24
Changes in estimates that adjust the CSM	**1 724**	**(186)**	**(1 539)**	**(1)**	648	(107)	(541)	–
Changes in estimates that result in onerous contract losses or reversal of losses	**151**	**(18)**	**–**	**133**	180	(16)	–	164
Contracts initially recognised in the period	**2 137**	**(390)**	**(1 924)**	**(177)**	1 856	(325)	(1 671)	(140)
Changes that relate to past service	**234**	**15**	**–**	**249**	(150)	2	–	(148)
Changes that relate to past service – changes in the FCF relating to the LIC	**234**	**15**	**–**	**249**	(150)	2	–	(148)
Insurance service result	**4 576**	**(147)**	**(594)**	**3 835**	3 312	(34)	318	3 596
Net finance expenses from insurance contracts issued	**1 442**	**(191)**	**(979)**	**272**	1 387	(151)	(903)	333
Total amounts recognised in comprehensive income	**6 018**	**(338)**	**(1 573)**	**4 107**	4 699	(185)	(585)	3 929
Transfer to working capital/other balance sheet accounts	**758**	**–**	**–**	**758**	702	–	–	702
Cash flows	**(4 161)**	**–**	**–**	**(4 161)**	(3 986)	–	–	(3 986)
Premiums received	**(7 452)**	**–**	**–**	**(7 452)**	(6 949)	–	–	(6 949)
Claims paid	**2 471**	**–**	**–**	**2 471**	2 306	–	–	2 306
Insurance acquisition cash flows	**820**	**–**	**–**	**820**	657	–	–	657
Net insurance contract assets as at 30 June	**13 375**	**(1 552)**	**(10 133)**	**1 690**	10 760	(1 214)	(8 560)	986
– Insurance contract assets as at 30 June	**12 982**	**(1 449)**	**(9 398)**	**2 135**	10 531	(1 139)	(7 974)	1 418
– Insurance contract liabilities as at 30 June	**393**	**(103)**	**(735)**	**(445)**	229	(75)	(586)	(432)

All contracts that existed at transition were accounted for using the fully retrospective approach at transition.

Notes to the consolidated financial statements continued

15 Insurance and reinsurance contract assets and liabilities continued

15.3 Life – insurance contracts issued continued

15.3.3 Life insurance contracts – impact of GMM contracts issued during the year

	2026			2025		
R million	**Non-onerous contracts**	**Onerous contracts**	**Total**	Non-onerous contracts	Onerous contracts	Total
Estimates of the present value of future cash outflows	**(2 981)**	**(815)**	**(3 796)**	(2 525)	(539)	(3 064)
– Insurance acquisition cash flows	**(662)**	**(158)**	**(820)**	(556)	(87)	(643)
– Claims and other directly attributable expenses	**(2 319)**	**(657)**	**(2 976)**	(1 969)	(452)	(2 421)
Estimates of the present value of future cash inflows	**5 278**	**655**	**5 933**	4 511	409	4 920
Risk adjustment	**(373)**	**(17)**	**(390)**	(315)	(10)	(325)
CSM	**(1 924)**	**–**	**(1 924)**	(1 671)	–	(1 671)
Increase in insurance contract liabilities from contracts recognised in the year	**–**	**(177)**	**(177)**	–	(140)	(140)

Notes to the consolidated financial statements continued

15 Insurance and reinsurance contract assets and liabilities continued

15.4 Non-life – insurance contracts issued

15.4.1 Non-life insurance contracts – reconciliation of the liability for remaining coverage and the liability for incurred claims

	2026						2025					
	LRC		LIC for contracts under PAA				LRC		LIC for contracts under PAA			
R million	Excluding loss component	Loss component	LIC for contracts under GMM	Present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	LIC for contracts under GMM	Present value of future cash flows	Risk adjustment	Total
Net insurance contract liabilities as at 1 July	**(79)**	**(3)**	**–**	**(221)**	**(22)**	**(325)**	(49)	(1)	–	(211)	(21)	(282)
– Insurance contract liabilities as at 1 July	**(79)**	**(3)**	**–**	**(221)**	**(22)**	**(325)**	(49)	(1)	–	(211)	(21)	(282)
Insurance revenue	**1 578**	**–**	**–**	**–**	**–**	**1 578**	1 183	–	–	–	–	1 183
Insurance service expenses	**(7)**	**(1)**	**(11)**	**(1 132)**	**(4)**	**(1 155)**	–	(2)	–	(822)	–	(824)
Incurred claims and other directly attributable expenses	**–**	**–**	**(11)**	**(1 100)**	**(21)**	**(1 132)**	–	–	–	(798)	(18)	(816)
Changes that relate to past service – changes in the FCF relating to the LIC	**–**	**–**	**–**	**(32)**	**17**	**(15)**	–	–	–	(24)	18	(6)
Losses on onerous contracts and reversals of those losses	**–**	**(1)**	**–**	**–**	**–**	**(1)**	–	(2)	–	–	–	(2)
Insurance acquisition cash flows amortisation	**(7)**	**–**	**–**	**–**	**–**	**(7)**	–	–	–	–	–	–
Insurance service result	**1 571**	**(1)**	**(11)**	**(1 132)**	**(4)**	**423**	1 183	(2)	–	(822)	–	359
Net finance expenses from insurance contracts issued	**–**	**–**	**–**	**(10)**	**(1)**	**(11)**	–	–	–	(11)	(1)	(12)
Total amounts recognised in comprehensive income	**1 571**	**(1)**	**(11)**	**(1 142)**	**(5)**	**412**	1 183	(2)	–	(833)	(1)	347
Investment components and transfers between the LRC and LIC	**5**	**–**	**–**	**(5)**	**–**	**–**	–	–	–	–	–	–
Transfer to working capital/other balance sheet accounts	**–**	**–**	**7**	**233**	**–**	**240**	–	–	–	143	–	143
Cash flows	**(1 592)**	**–**	**2**	**830**	**–**	**(760)**	(1 213)	–	–	680	–	(533)
Premiums received	**(1 602)**	**–**	**–**	**–**	**–**	**(1 602)**	(1 213)	–	–	–	–	(1 213)
Claims paid	**–**	**–**	**2**	**830**	**–**	**832**	–	–	–	680	–	680
Insurance acquisition cash flows	**10**	**–**	**–**	**–**	**–**	**10**	–	–	–	–	–	–
Acquisition/disposal of subsidiary balances	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Transfer to/from non-current assets and disposal groups held for sale	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Net insurance contract liabilities as at 30 June	**(96)**	**(3)**	**(2)**	**(305)**	**(27)**	**(433)**	(79)	(3)	–	(221)	(22)	(325)
– Insurance contract liabilities as at 30 June	**(96)**	**(3)**	**(2)**	**(305)**	**(27)**	**(433)**	(79)	(3)	–	(221)	(22)	(325)

All GMM contracts that existed at transition were accounted for using the modified retrospective approach at transition.

Notes to the consolidated financial statements continued

15 Insurance and reinsurance contract assets and liabilities continued

15.4 Non-life – insurance contracts issued continued

15.4.2 Non-life insurance contracts – reconciliation of the measurement components of insurance contract balances measured under the GMM

	2026				2025			
R million	**Present value of future cash flows**	**Risk adjustment**	**CSM**	**Total**	Present value of future cash flows	Risk adjustment	CSM	Total
Net insurance contract liabilities as at 1 July	**–**	**–**	**–**	**–**	–	–	–	–
– Insurance contract liabilities as at 1 July	–	–	–	–	–	–	–	–
Changes that relate to current service	**3**	**–**	**3**	**6**	–	–	–	–
CSM recognised for the services provided	–	–	3	3	–	–	–	–
Experience adjustments	–	–	–	–	–	–	–	–
– Relating to insurance service expenses	3	–	–	3	–	–	–	–
Changes that relate to future service	**3**	**–**	**(4)**	**(1)**	–	–	–	–
Contracts initially recognised in the period	3	–	(4)	(1)	–	–	–	–
Changes that relate to past service	**–**	**–**	**–**	**–**	–	–	–	–
Changes that relate to past service – changes in the FCF relating to the LIC	–	–	–	–	–	–	–	–
Insurance service result	**6**	**–**	**(1)**	**5**	–	–	–	–
Total amounts recognised in comprehensive income	**6**	**–**	**(1)**	**5**	–	–	–	–
Transfer to working capital/other balance sheet accounts	7	–	–	7	–	–	–	–
Cash flows	**(23)**	**–**	**–**	**(23)**	–	–	–	–
Premiums received	(35)	–	–	(35)	–	–	–	–
Claims paid	2	–	–	2	–	–	–	–
Insurance acquisition cash flows	10	–	–	10	–	–	–	–
Transfer to/from non-current assets and disposal groups held for sale	–	–	–	–	–	–	–	–
Net insurance contract assets/ (liabilities) as at 30 June	**(10)**	**–**	**(1)**	**(11)**	–	–	–	–
– Insurance contract liabilities as at 30 June	(10)	–	(1)	(11)	–	–	–	–

15.4.3 Non-life insurance contracts – impact of GMM contracts issued during the year

	2026			2025		
R million	**Non-onerous contracts**	**Onerous contracts**	**Total**	Non-onerous contracts	Onerous contracts	Total
Estimates of the present value of future cash outflows						
– Insurance acquisition cash flows	(10)	(1)	(11)	–	–	–
– Claims and other directly attributable expenses	(19)	(1)	(20)	–	–	–
Estimates of the present value of future cash inflows	33	1	34	–	–	–
Risk adjustment	–	–	–	–	–	–
CSM	(4)	–	(4)	–	–	–
Increase in insurance contract liabilities from contracts recognised in the period	**–**	**(1)**	**(1)**	–	–	–

Notes to the consolidated financial statements continued

15 Insurance and reinsurance contract assets and liabilities continued

15.5 Life reinsurance held

15.5.1 Life reinsurance contracts – reconciliation of the remaining coverage and the incurred claims components

	2026						2025					
	Remaining coverage			Incurred claims for contracts under PAA			Remaining coverage			Incurred claims for contracts under PAA		
R million	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts under GMM	Present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts under GMM	Present value of future cash flows	Risk adjustment	Total
Net reinsurance contract assets as at 1 July	**(247)**	**147**	**194**	**382**	**16**	**492**	(244)	201	233	252	13	455
– Reinsurance contract assets as at 1 July	**(218)**	**147**	**193**	**382**	**16**	**520**	(204)	201	225	249	13	484
– Reinsurance contract liabilities as at 1 July	**(29)**	**–**	**1**	**–**	**–**	**(28)**	(40)	–	8	3	–	(29)
Net income (expense) from reinsurance contracts held	**(742)**	**(18)**	**298**	**285**	**(13)**	**(190)**	(619)	(88)	296	186	2	(223)
Reinsurance expenses	**(742)**	**–**	**–**	**–**	**–**	**(742)**	(619)	–	–	–	–	(619)
Incurred claims recovery and other directly attributable expenses	**–**	**(16)**	**325**	**287**	**3**	**599**	–	(23)	302	184	3	466
Changes that relate to past service – changes in the FCF relating to the incurred claims recovery	**–**	**–**	**(27)**	**(2)**	**(16)**	**(45)**	–	–	(6)	2	(1)	(5)
Income on initial recognition of onerous underlying contracts	**–**	**34**	**–**	**–**	**–**	**34**	–	28	–	–	–	28
Subsequent changes in the loss recovery component	**–**	**(36)**	**–**	**–**	**–**	**(36)**	–	(93)	–	–	–	(93)
Insurance service result	**(742)**	**(18)**	**298**	**285**	**(13)**	**(190)**	(619)	(88)	296	186	2	(223)
Net finance income from reinsurance contracts held	**(117)**	**37**	**22**	**18**	**–**	**(40)**	(31)	34	12	13	1	29
Total amounts recognised in comprehensive income	**(859)**	**19**	**320**	**303**	**(13)**	**(230)**	(650)	(54)	308	199	3	(194)
Cash flows	**643**	**–**	**(271)**	**(151)**	**–**	**221**	647	–	(347)	(69)	–	231
Premiums paid net of ceding commissions	**643**	**–**	**–**	**–**	**–**	**643**	647	–	–	–	–	647
Recoveries from reinsurance	**–**	**–**	**(271)**	**(151)**	**–**	**(422)**	–	–	(347)	(69)	–	(416)
Net reinsurance contract assets as at 30 June	**(463)**	**166**	**243**	**534**	**3**	**483**	(247)	147	194	382	16	492
– Reinsurance contract assets as at 30 June	**(356)**	**146**	**182**	**534**	**3**	**509**	(218)	147	193	382	16	520
– Reinsurance contract liabilities as at 30 June	**(107)**	**20**	**61**	**–**	**–**	**(26)**	(29)	–	1	–	–	(28)

All GMM contracts that existed at transition were accounted for using the fully retrospective approach at transition.

Notes to the consolidated financial statements continued

15 Insurance and reinsurance contract assets and liabilities continued

15.5 Life reinsurance held continued

15.5.2 Life reinsurance contracts – reconciliation of the measurement components of reinsurance contract balances measured under the GMM

	2026				2025			
R million	**Present value of future cash flows**	**Risk adjustment**	**CSM**	**Total**	Present value of future cash flows	Risk adjustment	CSM	Total
Net reinsurance contract assets as at 1 July	**2**	**64**	**107**	**173**	78	67	120	265
– Reinsurance contract assets as at 1 July	**78**	**57**	**57**	**192**	150	61	73	284
– Reinsurance contract liabilities as at 1 July	**(76)**	**7**	**50**	**(19)**	(72)	6	47	(19)
Changes that relate to current service	**(63)**	**(7)**	**(20)**	**(90)**	(79)	(11)	(28)	(118)
CSM recognised for the services received	**–**	**–**	**(19)**	**(19)**	–	–	(28)	(28)
Change in the risk adjustment for the risk expired	**–**	**(7)**	**(1)**	**(8)**	–	(11)	–	(11)
Experience adjustments								
– Relating to premiums paid in the year that relate to current service	**(23)**	**–**	**–**	**(23)**	(27)	–	–	(27)
– Relating to incurred claims and other directly attributable expenses recovery	**(40)**	**–**	**–**	**(40)**	(52)	–	–	(52)
Changes that relate to future service	**(128)**	**54**	**72**	**(2)**	(60)	(1)	(4)	(65)
Changes in estimates that adjust the CSM	**(65)**	**42**	**23**	**–**	92	(13)	(79)	–
Subsequent changes in the loss recovery component	**(36)**	**–**	**–**	**(36)**	(93)	–	–	(93)
Contracts initially recognised in the year	**(27)**	**12**	**49**	**34**	(59)	12	75	28
Changes that relate to past service	**(28)**	**1**	**–**	**(27)**	(4)	(2)	–	(6)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	**(28)**	**1**	**–**	**(27)**	(4)	(2)	–	(6)
Insurance service result	**(219)**	**48**	**52**	**(119)**	(143)	(14)	(32)	(189)
Net finance income from reinsurance contracts held	**(118)**	**48**	**13**	**(57)**	(15)	11	19	15
Total amounts recognised in comprehensive income	**(337)**	**96**	**65**	**(176)**	(158)	(3)	(13)	(174)
Cash flows	**94**	**–**	**–**	**94**	82	–	–	82
Premiums paid net of ceding commissions	**365**	**–**	**–**	**365**	429	–	–	429
Recoveries from reinsurance	**(271)**	**–**	**–**	**(271)**	(347)	–	–	(347)
Net reinsurance contract assets as at 30 June	**(241)**	**160**	**172**	**91**	2	64	107	173
– Reinsurance contract assets as at 30 June	**(149)**	**121**	**146**	**118**	78	57	57	192
– Reinsurance contract liabilities as at 30 June	**(92)**	**39**	**26**	**(27)**	(76)	7	50	(19)

All GMM contracts that existed at transition were accounted for using the fully retrospective approach at transition.

15.5.3 Life reinsurance contracts – impact of GMM contracts issued during the period

	2026			2025		
R million	**Contracts originated not in a net gain**	**Contracts originated in a net gain**	**Total**	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Estimates of the present value of future cash outflows	**(380)**	**(41)**	**(421)**	(319)	–	(319)
Estimates of the present value of future cash inflows	**348**	**46**	**394**	260	–	260
Risk adjustment	**13**	**(1)**	**12**	12	–	12
CSM	**19**	**(4)**	**15**	47	–	47
Increase in reinsurance contract assets from contracts recognised in the year	**–**	**–**	**–**	–	–	–

Notes to the consolidated financial statements continued

15 Insurance and reinsurance contract assets and liabilities continued

15.6 Non-life – reinsurance contracts held

15.6.1 Non-life reinsurance contracts – reconciliation of the remaining coverage and the incurred claims components

	2026						2025					
	Remaining coverage		Incurred claims for contracts under PAA				Remaining coverage		Incurred claims for contracts under PAA			
R million	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts under GMM	Present value of future cash flows	Risk adjustment	Total	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts under GMM	Present value of future cash flows	Risk adjustment	Total
Net reinsurance contract assets/(liabilities) as at 1 July	**(97)**	**1**	**9**	**125**	**8**	**46**	(93)	–	60	35	4	6
– Reinsurance contract assets as at 1 July	**(94)**	**1**	**9**	**125**	**8**	**49**	(15)	–	1	35	4	25
– Reinsurance contract liabilities as at 1 July	**(3)**	**–**	**–**	**–**	**–**	**(3)**	(78)	–	59	–	–	(19)
Net income (expense) from reinsurance contracts held	**(360)**	**–**	**(1)**	**308**	**(1)**	**(54)**	(292)	1	60	177	4	(50)
Reinsurance expenses	**(360)**	**–**	**–**	**–**	**–**	**(360)**	(292)	–	–	–	–	(292)
Incurred claims recovery and other directly attributable expenses	**–**	**(7)**	**3**	**320**	**7**	**323**	–	(5)	47	191	8	241
Changes that relate to past service – changes in the FCF relating to the incurred claims recovery	**–**	**–**	**(4)**	**(12)**	**(8)**	**(24)**	–	–	13	(14)	(4)	(5)
Income on initial recognition of onerous underlying contracts	**–**	**7**	**–**	**–**	**–**	**7**	–	6	–	–	–	6
Subsequent changes in the loss recovery component	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Insurance service result	**(360)**	**–**	**(1)**	**308**	**(1)**	**(54)**	(292)	1	60	177	4	(50)
Net finance income from reinsurance contracts held	**–**	**–**	**–**	**1**	**–**	**1**	(5)	–	1	1	–	(3)
Total amounts recognised in comprehensive income	**(360)**	**–**	**(1)**	**309**	**(1)**	**(53)**	(297)	1	61	178	4	(53)
Cash flows	**372**	**–**	**(7)**	**(267)**	**–**	**98**	293	–	(112)	(88)	–	93
Premiums paid net of ceding commissions	**372**	**–**	**–**	**–**	**–**	**372**	293	–	–	–	–	293
Recoveries from reinsurance	**–**	**–**	**(7)**	**(267)**	**–**	**(274)**	–	–	(112)	(88)	–	(200)
Net reinsurance contract assets/(liabilities) as at 30 June	**(85)**	**1**	**1**	**167**	**8**	**92**	(97)	1	9	125	8	46
– Reinsurance contract assets as at 30 June	**(85)**	**1**	**1**	**167**	**8**	**92**	(94)	1	9	125	8	49
– Reinsurance contract liabilities as at 30 June	**–**	**–**	**–**	**–**	**–**	**–**	(3)	–	–	–	–	(3)

All GMM contracts that existed at transition were accounted for using the fully retrospective approach at transition.

Notes to the consolidated financial statements continued

15 Insurance and reinsurance contract assets and liabilities continued

15.6 Non-life – reinsurance contracts held continued

15.6.2 Non-life reinsurance contracts – reconciliation of the measurement components of reinsurance contract balances measured under the GMM

	2026				2025			
R million	**Present value of future cash flows**	**Risk adjustment**	**CSM**	**Total**	Present value of future cash flows	Risk adjustment	CSM	Total
Net reinsurance contract (liabilities)/assets as at 1 July	**6**	**1**	**(3)**	**4**	(3)	25	(34)	(12)
– Reinsurance contract assets as at 1 July	**6**	**1**	**(3)**	**4**	8	2	(9)	1
– Reinsurance contract liabilities as at 1 July	**–**	**–**	**–**	**–**	(11)	23	(25)	(13)
Changes that relate to current service	**(1)**	**(1)**	**4**	**2**	(2)	(16)	42	24
CSM recognised for the services received	**–**	**–**	**4**	**4**	–	–	42	42
Change in the risk adjustment for the risk expired	**–**	**(1)**	**–**	**(1)**	–	(16)	–	(16)
Experience adjustments								
– Relating to incurred claims and other directly attributable expenses recovery	**(1)**	**–**	**–**	**(1)**	(213)	–	–	(213)
– Relating to premiums paid in the period that relate to current service	**–**	**–**	**–**	**–**	211	–	–	211
Changes that relate to future service	**–**	**–**	**–**	**–**	13	(4)	(9)	–
Changes in estimates that adjust the CSM	**–**	**–**	**–**	**–**	13	(4)	(9)	–
Subsequent changes in the loss recovery component	**–**	**–**	**–**	**–**	–	–	–	–
Contracts initially recognised in the year	**–**	**–**	**–**	**–**	–	–	–	–
Experience adjustments – arising from ceded premiums paid in the year that relate to future service	**–**	**–**	**–**	**–**	–	–	–	–
Changes that relate to past service	**(4)**	**–**	**–**	**(4)**	18	(5)	–	13
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	**(4)**	**–**	**–**	**(4)**	18	(5)	–	13
Insurance service result	**(5)**	**(1)**	**4**	**(2)**	29	(25)	33	37
Net finance income from reinsurance contracts held	**–**	**–**	**–**	**–**	(2)	1	(3)	(4)
Total amounts recognised in comprehensive income	**(5)**	**(1)**	**4**	**(2)**	27	(24)	30	33
Cash flows	**–**	**–**	**–**	**–**	(18)	–	–	(18)
Premiums paid net of ceding commissions	**7**	**–**	**–**	**7**	94	–	–	94
Recoveries from reinsurance	**(7)**	**–**	**–**	**(7)**	(112)	–	–	(112)
Net reinsurance contract liabilities as at 30 June	**1**	**–**	**–**	**1**	6	1	(3)	4
– Reinsurance contract assets as at 30 June	**1**	**–**	**–**	**1**	6	1	(3)	4
– Reinsurance contract liabilities as at 30 June	**–**	**–**	**–**	**–**	–	–	–	–

All GMM contracts that existed at transition were accounted for using the fully retrospective approach at transition.

16 Policyholder liabilities under investment contracts

R million	**2026**	2025
Opening balance	**9 095**	7 669
Premiums received	**1 471**	1 160
Fees deducted from account balances	**(71)**	(61)
Interest expense from financial liabilities measured at amortised cost	**169**	138
Policyholder benefits on investment contracts	**(1 079)**	(699)
Fair value adjustments recognised in fair value gains or losses	**731**	888
Closing balance	**10 316**	9 095

Notes to the consolidated financial statements continued

17 Investments in associates

R million	**2026**	2025
Analysis of the carrying value of associates		
Shares at cost less impairment	**13 058**	6 956
Share of post-acquisition reserves	**3 642**	3 777
Total investments in associates	**16 700**	10 733
Movement in the carrying value of associates		
Opening balance	**10 733**	10 332
Share of profit of associates after tax	**941**	1 289
– Income before tax for the year	**1 491**	1 759
– Net impairments of associates incurred	**(103)**	(67)
– Tax for the year	**(447)**	(403)
Net movement resulting from acquisitions, disposals and transfers	**6 699**	51
– Acquisition of associates	**7 784**	542
– Cash consideration	**6 444**	389
– Non-cash consideration	**1 340**	153
– Transfer to marketable advances	**(255)**	(42)
– Disposal of associates	**(1 955)**	(623)
– Transfer from investment in joint ventures (note 18)	**730**	–
– Transfer to/from non-current assets and disposal groups held for sale	**395**	174
Movement in other reserves	**(115)**	(167)
Exchange rate differences	**(33)**	10
Dividends received for the year	**(1 525)**	(782)
Closing balance	**16 700**	10 733

During the current year, the group recognised R63 million (2025: R138 million) of previously unrecognised losses relating to associates that had a nil carrying amount. The cumulative share of losses from associates not recognised is R946 million (2025: R1 281 million).

The group transferred a portion of its interest in a fund that has been classified as an associate to marketable advances of R255 million (2025: R42 million). No gain or loss was recognised on the transfer.

The group has no exposure to contingent liabilities as a result of its relationships with associates.

Notes to the consolidated financial statements continued

17 Investments in associates continued

Financial information of significant associates

	Toyota Financial Services Proprietary Limited		Primedia Holdings Proprietary Limited		Volkswagen Financial Services SA Proprietary Limited		Channel VAS Investments Limited (Optasia)	
Nature of business	**Vehicle finance**		**Broadcasting**		**Vehicle finance**		**Digital financial**	
Financial period	**31 March**		**30 June**		**31 December**		**31 December**	
Place of business	**South Africa**		**South Africa**		**South Africa**		**South Africa**	
% ownership	**33**		**22**		**49**		**26**	
% voting rights	**33**		**22**		**49**		**26**	
R million	**2026**	2025	**2026**	2025	**2026**	2025	**2026***	2025
Amounts recognised in profit or loss and other comprehensive income of the investee								
Dividends received	**139**	106	**–**	–	**147**	–	**–**	–
Revenue	**2 313**	2 246	**2 308**	2 617	**2 189**	1 761	**4 825**	–
Profit after tax	**707**	636	**213**	535	**601**	326	**701**	–
Total comprehensive income	**707**	636	**213**	535	**601**	326	**747**	–
Amounts recognised on the statement of financial position of the investee								
Total assets	**67 753**	58 264	**4 868**	4 759	**46 320**	41 115	**5 013**	–
– Current assets	**19 320**	16 607	**776**	648	**22 581**	19 287	**4 223**	–
– Non-current assets	**48 433**	41 657	**4 092**	4 111	**23 739**	21 828	**790**	–
Total liabilities	**(61 955)**	(52 853)	**(2 647)**	(2 755)	**(43 067)**	(38 162)	**(2 945)**	–
– Current liabilities	**(21 899)**	(21 638)	**(551)**	(786)	**(16 677)**	(14 348)	**(1 401)**	–
– Non-current liabilities	**(40 056)**	(31 215)	**(2 096)**	(1 969)	**(26 390)**	(23 814)	**(1 544)**	–
Net asset value	**5 798**	5 411	**2 221**	2 004	**3 253**	2 953	**2 068**	–
Group's share of net asset value	**1 913**	1 786	**489**	441	**1 594**	1 447	**538**	–
Goodwill	**–**	–	**–**	–	**–**	–	**5 664**	–
Other adjustments to net asset value	**(54)**	(39)	**(225)**	(196)	**30**	47	**175** **	–
Carrying value of investments	**1 859**	1 747	**264**	245	**1 624**	1 494	**6 377**	–
Acquisitions of associates								
Total consideration transferred	**–**	–	**–**	–	**–**	–	**(6 204)**	–
– Discharged by cash	**–**	–	**–**	–	**–**	–	**(6 204)**	–

* *The summarised financial information is based on the published consolidated financial statements of Optasia for the year ended 31 December 2025, being the most recent financial information publicly available at the reporting date.*

** *This balance includes the group's share of Optasia's results for the six-month period ended 30 June 2026, based on Optasia's trading update released on 2 July 2026.*

Notes to the consolidated financial statements continued

17 Investments in associates continued

Financial information of individually immaterial associates

	RMB private equity associates		Other individually immaterial associates	
R million	**2026**	2025	**2026**	2025
Carrying amount	**4 753**	4 805	**1 822**	2 442
Group's share of profit or loss after tax from continuing operations	**587**	788	**(371)**	4
Group's share of other comprehensive income/(loss)	**70**	(159)	**(185)**	–
Group's share of total comprehensive income/(loss)	**657**	629	**(556)**	4
Acquisitions and transfers of associates				
Acquisition date	**Various**	Various	**Various**	Various
Interest acquired (%)	**Various**	Various	**Various**	Various
Total consideration transferred	**1 058**	162	**522**	380
– Discharged by cash	**122**	11	**118**	378
– Non-cash consideration and other purchases	**936**	151	**404**	2
Disposal of associates*				
Disposal date	**Various**	Various	**Various**	Various
Interest disposed (%)	**Various**	Various	**Various**	Various
Total consideration received	**2 647**	509	**441**	232
– Discharged by cash	**648**	118	**255**	210
– Non-cash consideration and other purchases	**1 999**	391	**186**	22
Carrying value of the associate on disposal	**(1 659)**	(467)	**(551)**	(198)
Gains on disposal of associates	**988**	42	**(110)**	34

* *Disposal of other individually immaterial associates relate to the discontinued operation.*

Significant acquisitions, disposals and impairment of associates

The group acquired various associates for R7 784 million (2025: R542 million), including the acquisition of 26.1% equity interest in Optasia. Optasia is listed on the JSE and the market value of the group's investment is R4 704 million at 30 June 2026.

The disposal of various associate investments within the RMB segment, with a total carrying amount of R1 659 million (2025: R623 million) resulted in a net gain on disposal of R988 million. Refer to note 2.4.

The net impairment of R103 million (2025: R67 million) relates to various other individual immaterial associates, resulting from these associates suffering losses that necessitated an impairment. The recoverable amounts of these investments was based on their fair value less cost to sell and was determined using an earnings multiple approach, with the key assumptions being the earnings multiples and sustainable earnings. The fair values less cost to sell is level 3 of the fair value hierarchy.

Notes to the consolidated financial statements continued

18 Investments in joint ventures

R million	**2026**	2025
Analysis of carrying value of joint ventures		
Shares at cost less impairment	**2 395**	1 370
Share of post-acquisition reserves	**2 942**	2 820
Carrying value of investments in joint ventures	**5 337**	4 190
Movement in the carrying value of joint ventures		
Opening balance	**4 190**	3 510
Share of profit of joint ventures after tax	**1 213**	1 651
– Income before tax for the year	**1 580**	1 965
– Net impairments of joint ventures incurred	**(111)**	(2)
– Tax for the year	**(256)**	(312)
Net movement resulting from acquisitions, disposals and transfers	**629**	1 192
– Acquisition of joint ventures	**1 374**	1 268
– Disposal of joint ventures	**(15)**	(76)
– Transfer to investment in associates (note 17)	**(730)**	–
Movement in other reserves	**(6)**	(3)
Dividends received for the year	**(689)**	(2 160)
Closing balance	**5 337**	4 190

Financial information of significant joint ventures

	RMB Morgan Stanley
Nature of business	**Equity sales, trading and research**
Place of business	**South Africa**
% ownership	**50**
% voting rights	**50**

R million	**2026**	2025
Amounts recognised in profit or loss and other comprehensive income of the investee		
Dividends received	**200**	150
Revenue	**1 033**	1 091
Profit or loss from continuing operations after tax	**317**	291
Total comprehensive income	**317**	291
Amounts recognised in the statement of financial position of the investee		
Total assets	**27 144**	28 217
– Current assets	**26 543**	27 682
– Non-current assets	**601**	535
Total liabilities	**(25 691)**	(26 682)
– Current financial liabilities	**(23 705)**	(23 694)
– Current non-financial liabilities	**(1 417)**	(2 466)
– Non-current financial liabilities	**(530)**	(483)
– Non-current non-financial liabilities	**(39)**	(39)
Net asset value	**1 453**	1 535
Group's share of net asset value	**727**	768
Other adjustments to net asset value	**34**	34
Carrying value of investment	**761**	802
Included in total assets, liabilities and comprehensive income		
Cash and cash equivalents	**647**	587
Depreciation and amortisation	**(2)**	(4)
Interest income	**14**	23
Interest expense	**(508)**	(311)
Income tax	**(100)**	(126)

Notes to the consolidated financial statements continued

18 Investments in joint ventures continued

Financial information of individually immaterial joint ventures

	RMB private equity joint ventures		Other	
R million	**2026**	2025	**2026**	2025
Carrying amount	**4 064**	2 960	**512**	428
Group's share of profit or loss after tax	**912**	1 395	**142**	112
Group's share of other comprehensive loss	**(6)**	(2)	**–**	–
Group's share of total comprehensive income	**906**	1 393	**142**	112
Acquisition of joint ventures				
Acquisition date	**Various**	Various	**Various**	Various
Interest acquired (%)	**Various**	Various	**Various**	Various
Total consideration transferred	**1 362**	1 248	**13**	20
– Discharged by cash	**27**	744	**13**	–
– Non-cash consideration	**1 335**	504	**–**	20
Disposal and transfers of joint ventures				
Disposal date	**Various**	Various	**Various**	Various
Interest disposed of (%)	**Various**	Various	**Various**	Various
Total consideration received	**15**	86	**–**	131
– Discharged by cash	**8**	10	**–**	–
– Non-cash consideration and other purchases	**7**	76	**–**	131
Carrying value of the joint venture on disposal date	**(15)**	(77)	**–**	–
Carrying value of joint venture transferred	**730**	–	**–**	–
Gain on disposal of joint ventures	**–**	9	**–**	131

Significant acquisitions, disposal and impairment of joint ventures

During the current year losses of R579 million (2025: R64 million) were not recognised as the balance of the investment in the joint venture was Rnil. The cumulative share of losses from joint ventures not recognised is R945 million (2025: R982 million). The group's share of profit or losses after tax was R912 million (2025: R1 395 million). The prior year includes the impact of a one-off distribution from a joint venture in the RMB segment.

In the current year, R1 362 million (2025: R1 248 million) of acquisitions in the RMB segment relates to increases in existing joint venture investments and acquisitions of various new investments. A joint venture in the RMB segment was partially sold, resulting in a loss of joint control and the transfer of R47 million from investments in joint ventures to investments in associates. In addition, an investment in the RMB private equity joint ventures of R702 million was transferred to investment in associates due to a restructure within the entity that resulted in loss of joint control.

The group has exposure to contingent liabilities of R150 million (2025: R150 million) as a result of its relationships with its joint ventures.

Notes to the consolidated financial statements continued

19 Property and equipment

R million	Freehold property	Right of use property	Right of use equip-ment	Assets held under leasing agree-ments	Computer equip-ment	Other equip-ment	Total
Net book value at 1 July 2024	6 767	5 733	383	105	4 355	5 983	23 326
Cost	10 672	10 597	744	290	9 184	10 114	41 601
Accumulated depreciation	(3 905)	(4 864)	(361)	(185)	(4 829)	(4 131)	(18 275)
Movement for the year	(402)	(217)	(62)	41	398	566	324
Acquisitions*	145	1 298	144	69	1 953	2 612	6 221
Disposals	(86)	(24)	–	(8)	(24)	(1 098)	(1 240)
Exchange rate difference	(4)	42	3	2	6	20	69
Depreciation charge for the year	(342)	(1 298)	(186)	(32)	(1 538)	(1 008)	(4 404)
Impairments recognised	(115)	–	–	–	–	–	(115)
Early terminations/modification of leases	–	(290)	(23)	–	–	–	(313)
Impairments reversed	–	–	–	10	–	40	50
Transfer from non-current assets and disposal groups held for sale	–	55	–	–	1	–	56
Net book value at 30 June 2025	**6 365**	**5 516**	**321**	**146**	**4 753**	**6 549**	**23 650**
Cost	**10 572**	**10 766**	**700**	**304**	**9 804**	**10 639**	**42 785**
Accumulated depreciation	**(4 207)**	**(5 250)**	**(379)**	**(158)**	**(5 051)**	**(4 090)**	**(19 135)**
Movement for the year	**382**	**(448)**	**(87)**	**(27)**	**190**	**296**	**306**
IFRS 16 adjustment							
Acquisitions*	**753**	**1 181**	**324**	**31**	**1 922**	**2 477**	**6 688**
Disposals	**(64)**	**(27)**	**–**	**(16)**	**(10)**	**(732)**	**(849)**
Acquisitions of subsidiaries	**–**	**40**	**–**	**–**	**–**	**17**	**57**
Exchange rate difference	**(66)**	**(52)**	**(2)**	**(3)**	**9**	**(28)**	**(142)**
Depreciation charge for the year	**(323)**	**(1 371)**	**(62)**	**(25)**	**(1 665)**	**(1 232)**	**(4 678)**
Impairments recognised	**2**	**(30)**	**–**	**–**	**(58)**	**–**	**(86)**
Early terminations/modification of leases	**–**	**23**	**(3)**	**–**	**–**	**–**	**20**
Impairments reversed	**–**	**–**	**–**	**4**	**–**	**–**	**4**
Transfer (to)/from non-current assets and disposal groups held for sale**	**–**	**(212)**	**(16)**	**(18)**	**(8)**	**(206)**	**(460)**
Transfer from investment property	**80**	**–**	**–**	**–**	**–**	**–**	**80**
Derecognition due to subleasing	**–**	**–**	**(328)**	**–**	**–**	**–**	**(328)**
Net book value at 30 June 2026	**6 747**	**5 068**	**234**	**119**	**4 943**	**6 845**	**23 956**
Cost	**10 423**	**9 934**	**325**	**201**	**10 724**	**10 834**	**42 441**
Accumulated depreciation	**(3 676)**	**(4 866)**	**(91)**	**(82)**	**(5 781)**	**(3 989)**	**(18 485)**

* *Include capitalised improvements of R239 million (2025: R394 million) to property leases and a transfer of Rnil (2025: R133 million) to investment property.*

** *This balance is the net movement of the transfer to/from non-current assets and disposal groups held for sale.*

Notes to the consolidated financial statements continued

20 Intangible assets

R million	Goodwill	Broker relation-ship	Software and develop-ment costs	Trade-marks	Other	Total
Net book value at 1 July 2024	8 181	–	1 369	27	124	9 701
Cost	9 113	3 034	2 973	340	460	15 920
Accumulated amortisation and impairment	(932)	(3 034)	(1 604)	(313)	(336)	(6 219)
Movement for the year	440	–	216	(9)	–	647
Acquisitions and capitalisations	–	–	551	1	–	552
Exchange rate differences	440	–	(2)	–	10	448
Amortisation for the year	–	–	(333)	(10)	(10)	(353)
Net book value at 30 June 2025	**8 621**	**–**	**1 585**	**18**	**124**	**10 348**
Cost	**9 519**	**3 215***	**3 075**	**345**	**485**	**16 639**
Accumulated amortisation and impairment	**(898)**	**(3 215)***	**(1 490)**	**(327)**	**(361)**	**(6 291)**
Movement for the year	**(8 521)**	**–**	**339**	**(10)**	**(6)**	**(8 198)**
Acquisitions and capitalisations	**–**	**–**	**869**	**–**	**12**	**881**
Acquisitions of subsidiaries	**2**	**–**	**–**	**–**	**–**	**2**
Transfer to non-current asset and disposal groups held for sale**	**(4 043)**	**–**	**–**	**–**	**–**	**(4 043)**
Exchange rate differences	**(739)**	**–**	**(5)**	**–**	**(5)**	**(749)**
Amortisation for the year	**–**	**–**	**(424)**	**(10)**	**(13)**	**(447)**
Impairments recognised#	**(3 741)**	**–**	**(101)**	**–**	**–**	**(3 842)**
Net book value at 30 June 2026	**100**	**–**	**1 924**	**8**	**118**	**2 150**
Cost	**956**	**–**	**3 566**	**337**	**470**	**5 329**
Accumulated amortisation and impairment	**(856)**	**–**	**(1 642)**	**(329)**	**(352)**	**(3 179)**

* *The cost and accumulated amortisation and impairment increased by R181 million due to the translation of balances to the presentation currency.*

** *Transfer to non-current assets and disposal groups held for sale includes the net nil balance attributable to Broker relationship.*

\# *The goodwill impairment relates to Aldermore, refer to Critical accounting estimates, assumptions and judgements section for information on the judgment and estimates applied in determining the recoverable amount.*

During the current year, management reassessed the recoverable amount of a strategic software platform used to support digital billing and transaction processing activities and concluded that the asset will not deliver the benefits expected. This resulted in an impairment of R101 million.

21 Investment properties

R million	Notes	2026	2025
Opening balance		**783**	704
Fair value remeasurements	2.4	**11**	15
Additions*		**–**	175
Acquisition/(disposal) of subsidiaries		**–**	(56)
Transfer to non-current assets and disposal groups held for sale		**(338)**	(55)
Transfer to freehold property		**(80)**	–
Closing balance		**376**	783

* *This balance includes a transfer from property and equipment of R133 million in the prior year.*

The following amounts have been disclosed in profit or loss with respect to investment property:

R million	Notes	2026	2025
Rental income from investment property	2.4	**191**	158
Direct operating expenses on investment property that generated rental income		**82**	75
Direct operating expenses on investment property that did not generate rental income		**–**	47

In the current and prior year the group had no contractual obligations to purchase, construct or develop investment property, nor were there material costs incurred for repairs, maintenance and enhancements of investment property.

Notes to the consolidated financial statements continued

21 Investment properties continued

External valuations are performed every two years, with the last external valuation conducted in December 2025. A desktop valuation is undertaken in the years when an external valuation is not performed, so as to ensure that significant changes in the fair value of investment properties are reported.

Refer to note 35 for the significant inputs used to determine the fair value of investment properties.

22 Employee liabilities and related costs

R million	Notes	**2026**	2025
Liability for short-term employee benefits		**10 407**	9 860
Share-based payment liability (detailed in note 33)		**3 594**	4 572
Defined benefit post-employment liability	22.1	**1 875**	1 490
Other long-term employee benefit liability		**81**	84
Defined contribution post-employment liability	22.2	**–**	–
Total employee liabilities		**15 957**	16 006
Defined benefit post-employment asset	22.1	**(10)**	(8)
Net amount due to employees		**15 947**	15 998

22.1 Defined benefit post-employment liability

The group has financial liabilities in respect of two defined benefit arrangements in South Africa – a plan that provides defined post-employment medical benefits to a closed group of employees payable during retirement, and a defined benefit pension plan. In terms of the defined post-employment medical plan, the group is liable to the retirees for specific payments in their retirement and for the defined benefit pension plan the group is liable for any deficit in the provision of these benefits from the plan assets. The liabilities and assets of these plans are reflected as an asset or liability on the statement of financial position.

NATURE OF BENEFITS	
Pension	**Medical**
The pension plan (FirstRand Retirement Fund) provides retired employees with a pension benefit after service. A separate trust account (the fund) has been established. The account holds assets that are used solely to pay pension benefits. For current pensioners the fund pays a pension to the members and a dependant's pension to the spouse and eligible children on death of the pensioner. There is also a small number of active members whose benefit entitlement will be determined on a defined benefit basis as prescribed by the rules of the fund. For this small number of defined benefit contributing members in the pension plan (nine members), the group is liable for any deficit in the value of accrued benefits exceeding the assets in the fund earmarked for these liabilities. The liability of the plan in respect of defined contribution members is equal to the member's fund credit, which is determined as the accumulation of the member's contributions (net of deduction for fund expenses and cost of death benefits) as well as any amounts transferred into the fund by the member, increased with the net investment returns earned (positive or negative) on the member's assets. The fund provides a pension that can be purchased with the member's fund credit (equal to the value of member contributions and investment returns at retirement) should the member so choose.	The medical plan scheme provides retired employees with medical benefits. The employer's post-employment healthcare liability consists of a commitment to pay a portion of the members' post-employment medical plan scheme contributions. This liability is also generated in respect of dependants who are offered continued membership of the medical scheme on the death of the primary member. Members employed on or after 1 December 1998 do not qualify for a post-employment medical subsidy.

Notes to the consolidated financial statements continued

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

NATURE OF BENEFITS	
Pension	**Medical**
In terms of the existing pensioners in the pension plan, the trustees are responsible for setting the pension increase policy and for granting pension increases, subject to the ring-fenced pensioner assets of the fund supporting such increases. Should the pension account in the fund be in deficit to the extent that current pensions in payment cannot be maintained, the group is liable to maintain the nominal value of pensions in payment. The fund also provides benefits on death, retrenchment and withdrawal.	

GOVERNANCE	
Pension	**Medical**
The pension plan is regulated by the Financial Sector Conduct Authority in South Africa. Responsibility for governance of the plans, including investment decisions, lies with the board of trustees. Contribution categories available to members are jointly determined by the group and board of trustees. The board of trustees must be composed of representatives of the group and plan participants in accordance with the plans' regulations. The board consists of four representatives of the group and four representatives of the plan participants, in accordance with the plans' rules and regulations. The trustees serve on the board for four years and may be re-elected a number of times. An external auditor performs an audit of the fund on an annual basis and such annual financial statements are submitted to the Financial Sector Conduct Authority. A full actuarial valuation of the pension fund is submitted to the Financial Sector Conduct Authority every three years. The 30 June 2023 valuation is the last valuation that has been submitted to and accepted by the Financial Sector Conduct Authority. Annual interim actuarial valuations are performed for the trustees and for IAS 19 purposes. At the last valuation date the fund was financially sound.	The medical plan is regulated by the registrar of the Council for Medical Schemes in South Africa. Governance of the post-employment medical aid subsidy policy lies with the group. The group has established a committee that meets regularly to discuss and review the management of the medical plan scheme and the subsidy. This committee is managed and governed by the FirstRand group financial resource management executive committee and the FirstRand group ALCCO. The committee also considers administration and data management issues and analyses demographic and economic risks inherent in the subsidy policy.

Notes to the consolidated financial statements continued

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

ASSET-LIABILITY MATCHING STRATEGIES

The pension plan board of trustees ensures that the investment positions are managed within an asset and liability matching framework that has been developed to achieve long-term investment returns that are in line with the obligations under the scheme. Within this framework the plan's asset-liability matching objective is to match assets to the pension obligations by investing in long-term fixed-interest securities with maturities that match the benefit payments as they fall due. The plan trustees actively monitor how the duration and expected yield of the investments match the expected cash outflows arising from the pension obligations. Investments are well diversified to ensure that the failure of any single investment would not have a material impact on the overall level of assets.

The trustees of the fund have adopted an investment strategy in respect of the pensioner liabilities that largely follows an 80% exposure in fixed-interest instruments to immunise against interest rate and inflation risk, and 20% exposure to local and foreign growth assets. An overlay comprising 20% exposure of high-quality corporate credit fixed-income instruments is funded through a repo transaction of a portion of South African government-issued inflation-linked bonds to improve the probability of achieving the performance objective.

The fixed-interest instruments consist mainly of long-dated South African government-issued inflation-linked bonds, while the growth assets are allocated to selected local and foreign asset managers. The trustees receive quarterly reports on the funding level of the pensioner liabilities and an in-depth attribution analysis in respect of changes in the pensioner funding level.

The trustees of the fund aim to apportion an appropriate level of balanced portfolio, conservative portfolio, and inflation-linked and money market assets to match the maturing defined benefit active member liabilities. It should be noted that this is an approximate matching strategy, as elements such as salary inflation and decrement rates cannot be matched. This is, however, an insignificant liability compared to the total liability of the pension plan.

RISK ASSOCIATED WITH THE PLANS

The group is exposed to a number of risks through its defined benefit pension plans and post-employment medical plans. The most significant of risks are detailed as follows:

Asset volatility – Assets are held in order to provide a return to back the plans' obligations, therefore any volatility in the value of these assets relative to the value of the liabilities would create a mismatch profit or deficit.

Inflation risk – The plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. Consumer price inflation and healthcare cost inflation form part of the financial assumptions used in the valuation.

Life expectancy – The plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

Demographic movements – The plans' liabilities are determined based on a number of best-estimate assumptions based on the demographic movements of participants, including withdrawal and early retirement rates. This is especially relevant to the post-employment medical aid subsidy liabilities. Should fewer eligible employees withdraw and/or should more eligible employees retire earlier than assumed, the post-employment healthcare liabilities could be understated.

Notes to the consolidated financial statements continued

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

Details of the gross defined benefit plan assets and fund liability and net fund asset/liability are shown below.

		2026			2025		
R million	Notes	**Pension**	**Medical***	**Total**	Pension	Medical*	Total
Post-employment benefit fund liability							
Present value of funded obligation		**8 324**	**3 805**	**12 129**	7 635	3 285	10 920
Fair value of plan assets		**(9 450)**	**(1 944)**	**(11 394)**	(8 734)	(1 805)	(10 539)
– Listed equity instruments		**(2 627)**	**–**	**(2 627)**	(2 506)	–	(2 506)
– Cash and cash equivalents		**(225)**	**–**	**(225)**	(182)	–	(182)
– Debt instruments		**(2 543)**	**–**	**(2 543)**	(2 347)	–	(2 347)
– Derivatives		**(8)**	**–**	**(8)**	(18)	–	(18)
– Qualifying insurance policy		**–**	**(1 944)**	**(1 944)**	–	(1 805)	(1 805)
– Other		**(4 047)**	**–**	**(4 047)**	(3 681)	–	(3 681)
Total employee (asset)/liability		**(1 126)**	**1 861**	**735**	(1 099)	1 480	381
Limitation imposed by IAS 19 asset ceiling		**1 130**	**–**	**1 130**	1 101	–	1 101
Total net post-employment liabilities/(asset)		**4**	**1 861**	**1 865**	2	1 480	1 482
Total amount recognised on the income statement (included in staff costs)	3	**(96)**	**166**	**70**	(138)	182	44
Movement in post-employment benefit fund liability							
Present value at the beginning of the year		**7 635**	**3 285**	**10 920**	7 522	3 234	10 756
Exchange differences		**(33)**	**–**	**(33)**	12	–	12
Current service cost		**11**	**28**	**39**	10	29	39
Interest expense		**807**	**337**	**1 144**	875	369	1 244
Past service cost		**13**	**–**	**13**	(17)	–	(17)
Remeasurements: recognised in OCI		**731**	**404**	**1 135**	48	(108)	(60)
– Actuarial gains/(losses) from changes in demographic		**3**	**4**	**7**	(2)	–	(2)
– Actuarial (losses)/gains from financial assumptions		**752**	**409**	**1 161**	52	(79)	(27)
– Other remeasurements		**(24)**	**(9)**	**(33)**	(2)	(29)	(31)
Benefits paid		**(840)**	**(249)**	**(1 089)**	(815)	(239)	(1 054)
Employer contribution		**–**	**–**	**–**	–	–	–
Employee contribution		**–**	**–**	**–**	–	–	–
Closing balance		**8 324**	**3 805**	**12 129**	7 635	3 285	10 920

* *The medical plan asset is an insurance policy with a limit of indemnity. The insurance policy is backed by assets held through an insurance cell captive. The excess assets of the cell captive belong to a subsidiary of the group and are recognised in accounts receivable and other. The group's liability is therefore sufficiently funded.*

Notes to the consolidated financial statements continued

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

	2026			2025		
R million	**Pension**	**Medical***	**Total**	Pension	Medical*	Total
Movement in the fair value of plan assets:						
Opening balance	**8 734**	**1 805**	**10 539**	8 555	1 823	10 378
Interest income	**927**	**199**	**1 126**	1 006	216	1 222
Remeasurements: recognised in OCI	**639**	**131**	**770**	(22)	(27)	(49)
Exchange differences	**(22)**	**–**	**(22)**	3	–	3
Employer contributions	**14**	**58**	**72**	15	29	44
Employee contributions	**7**	**–**	**7**	6	–	6
Benefits paid and settlements	**(840)**	**(249)**	**(1 089)**	(815)	(236)	(1 051)
Limitation on net asset	**(9)**	**–**	**(9)**	(14)	–	(14)
Closing balance	**9 450**	**1 944**	**11 394**	8 734	1 805	10 539
Reconciliation of limitation imposed by IAS 19 asset ceiling						
Opening balance	**1 101**	**–**	**1 101**	1 035	–	1 035
Interest income	**122**	**–**	**122**	129	–	129
Change in the asset ceiling, excluding amounts included in interest	**(93)**	**–**	**(93)**	(63)	–	(63)
Closing balance	**1 130**	**–**	**1 130**	1 101	–	1 101
Actual return on plan assets				11%		
Included in plan assets were the following:						
FirstRand Limited ordinary shares with a fair value of	**28**	**–**	**28**	555	–	555
Total	**28**	**–**	**28**	555	–	555

* *The medical plan asset is an insurance policy with a limit of indemnity. The insurance policy is backed by assets held through an insurance cell captive. The excess assets of the cell captive belong to a fellow subsidiary of the group and are recognised as an account receivable and other. FirstRand group's liability is therefore sufficiently funded.*

Net defined benefit fund asset/liability reconciliation

The table below provides the reconciliation of the net opening balance to the net closing balance for the post-employment benefit fund liability, taking into consideration the effect of the plan asset ceiling.

	2026			2025		
R'million	**Pension**	**Medical**	**Total**	Pension	Medical	Total
Movement in post-employment benefit fund liability						
Present value at the beginning of the year	**2**	**1 480**	**1 482**	2	1 411	1 413
Exchange differences	**(11)**	–	**(11)**	9	–	9
Current service cost	**11**	**28**	**39**	10	29	39
Net interest	**(120)**	**138**	**18**	(131)	153	22
Past service cost	**13**	**–**	**13**	(17)	–	(17)
Remeasurements: recognised in OCI	**121**	**273**	**394**	136	(81)	55
– Actuarial losses from changes in demographic	**3**	4	**7**	(2)	–	(2)
– Actuarial (losses)/gains from financial assumptions	**752**	**409**	**1 161**	52	(79)	(27)
– Other remeasurements	**(634)**	**(140)**	**(774)**	86	(2)	84
Benefits paid	–	**–**	**–**	–	(3)	(3)
Employer contribution	**(14)**	**(58)**	**(72)**	(15)	(29)	(44)
Employee contribution	**(7)**	–	**(7)**	(6)	–	(6)
Limitation on net assets	**9**	–	**9**	14	–	14
Closing balance	**4**	**1 861**	**1 865**	2	1 480	1 482

Notes to the consolidated financial statements continued

22 Employee liabilities and related costs continued

22.1 Defined benefit post-employment liability continued

Each sensitivity analysis is based on changing one assumption while keeping all other remaining assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity analysis has been calculated in terms of the projected unit credit method and illustrates how the value of the liability would change in response to certain changes in actuarial assumptions.

	2026		2025	
%	**Pension**	**Medical**	Pension	Medical
The principal actuarial assumptions used for accounting purposes:				
Expected rates of salary increases %	**5.9**	**–**	6.9	–
Discount rate %	**9.2**	**8.9**	11.2	10.8
Long-term increase in health costs %	**–**	**6.3**	–	7.4
The effects of a change in the discount rate:				
Increase in the discount rate by 1%				
Effect on the defined benefit obligation (R million)	**1.8**	**351.6**	1.8	284.9
Effect on the aggregate of the current service cost and interest cost (R million)	**0.3**	**3.1**	0.4	5.9
Decrease in the discount rate by 1%				
Effect on the defined benefit obligation (R million)	**(1.9)**	**(421.5)**	(1.9)	(337.1)
Effect on the aggregate of the current service cost and interest cost (R million)	**(0.3)**	**(2.6)**	(0.3)	(6.1)
The effects of a 1% movement in the assumed health cost rate (medical) and the expected rates of salary (pension):				
Increase of 1%				
Effect on the defined benefit obligation (R million)	**2.0**	**427.0**	1.9	345.1
Effect on the aggregate of the current service cost and interest cost (R million)	**0.3**	**43.6**	0.3	41.9
Decrease of 1%				
Effect on the defined benefit obligation (R million)	**(1.9)**	**(362.4)**	(0.7)	(295.4)
Effect on the aggregate of the current service cost and interest cost (R million)	**(0.3)**	**(36.8)**	(1.8)	(35.7)
The effects of a change in the average life expectancy of a pensioner retiring at age 65:				
Increase in life expectancy by 1 year				
Effect on the defined benefit obligation (R million)	**277.9**	**132.3**	234.2	105.9
Effect on the aggregate of the current service cost and interest cost (R million)	**43.4**	**12.6**	42.9	12.0
Decrease in life expectancy by 1 year				
Effect on the defined benefit obligation (R million)	**(275.5)**	**(133.6)**	(233.2)	(106.4)
Effect on the aggregate of the current service cost and interest cost (R million)	**(43.7)**	**(12.7)**	(42.8)	(12.1)
Estimated contributions expected to be paid to the plan in the next annual period (R million)	**2**	**–**	2	–
Net increase in rate used to value pensions, allowing for pension increases (%)	**4.1**	**2.4**	5.1	3.5
The weighted average duration of the defined benefit obligation (years)	**8.8**	**11.2**	8.1	10.6

The expected maturity analysis of undiscounted pension and post-employment medical benefits is given below.

R million	**Within 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
Pension benefits	**858**	**3 493**	**23 176**	**27 527**
Post-employment medical benefits	**259**	**1 171**	**12 908**	**14 338**
Total as at 30 June 2026	**1 117**	**4 664**	**36 084**	**41 865**
Pension benefits	846	3 325	41 408	45 579
Post-employment medical benefits	245	1 135	16 058	17 438
Total as at 30 June 2025	1 091	4 460	57 466	63 017

The interest income is determined using a discount rate with reference to high-quality government bonds.

Notes to the consolidated financial statements continued

22 Employee liabilities and related costs continued

22.1 *Defined benefit post-employment liability* continued

Mortality rates

The normal retirement age for active members of the pension fund and post-employment medical benefit scheme is between 60 and 65.

The mortality rate table used for active members and pensioners of the pension fund and post-employment medical benefits is PA (90)-2. It refers to standard actuarial mortality tables for current and prospective pensioners on a defined benefit plan where the possibility of passing away after early or normal retirement is expressed at each age for each gender. The two-year age rating allows for a longer-than-average life expectancy of the retirees compared to general annuitant mortality. In addition, allowance is made for future expected improvements in annuitant mortality based on the income level of the annuitant (on average 0.50% p.a.).

The mortality rate table used for the active members of the post-employment medical benefit fund is SA 85-90. It refers to standard actuarial mortality tables for active members on a defined benefit plan where the possibility of passing away before normal retirement is expressed at each age for each gender.

The average life expectancy in years of an employee retiring at age 65 on the reporting date for pension and medical is 17 for males and 21 for females. The average life expectancy of an employee retiring at age 65 in 20 years after the reporting date for pension and medical is 18 for males and 22 for females.

	2026	2025
Pension		
The number of employees covered by the scheme		
Active members	**2 687**	2 535
Pensioners	**4 725**	4 945
Deferred plan participants	**245**	251
Total employees	**7 657**	7 731
Defined benefit obligation amounts due to		
Benefits vested at the end of the reporting period (R million)	**8 321**	7 650
– Conditional benefits (R million)	**201**	185
– Amounts attributable to future salary increases (R million)	**50**	41
– Other benefits (R million)	**8 070**	7 424
Medical		
The number of employees covered by the scheme		
Active members	**1 738**	1 921
Pensioners	**4 876**	5 013
Total employees	**6 614**	6 934
Defined benefit obligation amounts due to		
Total benefits (R million)	**3 762**	3 285
– Benefits vested at the end of the reporting period (R million)	**2 738**	2 433
– Benefits accrued but not vested at the end of the reporting period (R million)	**1 024**	852
Total benefits (R million)	**3 762**	3 285
– Conditional benefits (R million)	**1 024**	889
– Other benefits (R million)	**2 738**	2 396

22.2 *Defined contribution post-employment liability*

R million	**2026**	2025
Post-employment defined contribution plan		
Present value of obligation	**49 806**	42 932
Present value of assets	**(49 806)**	(42 932)
Net defined contribution liability	**–**	–

The defined contribution scheme allows active members to purchase a pension on retirement. The purchase price for the pension is determined based on the purchasing member's demographic details, the pension structure and economic assumptions at time of purchase. Should a member elect to purchase a pension, the group becomes exposed to longevity and other actuarial risks. However, because of the way that the purchase is priced, the employer is not exposed to any asset return risk prior to the election of this option. On the date of the purchase, the defined benefit liability and the plan assets will increase for the purchase amount, and thereafter the accounting treatment applicable to defined benefit plans will be applied to the purchased pension. It should be noted that the purchase price for a new retiree would be slightly higher than the liability determined on the accounting valuation, as the purchase price allows for a more conservative mortality assumption based on the solvency reserves of the fund as determined by the fund actuary.

Notes to the consolidated financial statements continued

23 Deferred income tax

R million	**2026**	2025
Deferred income tax asset		
Opening balance	**7 937**	8 562
Exchange rate difference including the effect of hyperinflation	**13**	17
Release to profit or loss	**2 539**	44
Deferred income tax on amounts charged directly to other comprehensive income	**135**	(690)
Transfer to non-current assets and disposal group held for sale	**(22)**	–
Other	**9**	4
Total deferred income tax asset	**10 611**	7 937
Deferred income tax liability		
Opening balance	**(1 005)**	(843)
Exchange rate difference including the effect of hyperinflation	**2**	1
Release to profit or loss	**(37)**	4
Deferred income tax on amounts charged directly to other comprehensive income	**(59)**	(128)
Transfer to non-current assets and disposal group held for sale	**19**	–
Other	**24**	(39)
Total deferred income tax liability	**(1 056)**	(1 005)
Net deferred income tax asset	**9 555**	6 932

	As at 30 June		**Recognised on income statement**	
R million	**2026**	2025	**2026**	2025
Deferred income tax asset				
Tax losses	**22**	28	**(11)**	(14)
Provision for loan impairment	**4 830**	4 547	**288**	44
Provision for post-employment benefits	**495**	392	**(4)**	3
Other provisions	**4 620**	2 365	**2 250**	352
Cash flow hedges	**(182)**	(388)	**–**	–
Financial instruments	**24**	49	**(23)**	(16)
Instalment credit assets	**(314)**	(89)	**(225)**	83
Accruals	**79**	94	**(15)**	10
Debt instruments designated at FVOCI	**(71)**	(90)	**–**	–
Capital gains tax	**232**	129	**102**	(281)
Equity instruments designated at FVOCI	**79**	94	**(16)**	–
Foreign currency translation reserve	**–**	–	**153**	(62)
Share-based payments	**982**	1 099	**(166)**	(210)
Deferred revenue and deferred expenses	**(614)**	(534)	**(80)**	(57)
Intangible assets	**107**	75	**32**	25
Other	**322**	166	**254**	167
Total deferred income tax asset	**10 611**	7 937	**2 539**	44
Deferred income tax liability				
Provision for loan impairment	**113**	72	**16**	(6)
Provision for post-employment benefits	**14**	15	**(2)**	4
Other provisions	**(48)**	(50)	**1**	14
Financial instruments	**(57)**	(40)	**(16)**	(35)
Instalment credit assets	**(113)**	(111)	**(2)**	(11)
Accruals	**(139)**	(182)	**45**	106
Available-for-sale securities	**(35)**	(32)	**–**	–
Capital gains tax	**2**	(17)	**(7)**	2
Equity instruments designated at FVOCI	**7**	4	**–**	–
Intangible assets	**(13)**	(20)	**8**	10
Other*	**(787)**	(644)	**(80)**	(80)
Total deferred income tax liability	**(1 056)**	(1 005)	**(37)**	4

* *Other relates mainly to prepayments and fixed assets.*

Dividends declared by South African entities are subject to shareholders' withholding tax. The group would therefore incur no additional tax if the total reserves of R209 247 million (2025: R209 308 million) were declared as dividends. The group has not recognised a deferred tax asset amounting to R421 million (2025: R532 million) relating to tax losses because there was insufficient taxable income. None of these losses have an expiry date.

Notes to the consolidated financial statements continued

23 Deferred income tax continued

The FirstRand group falls within the scope of the Organisation for Economic Co-Operation and Development (OECD) Pillar Two global minimum tax framework. Pillar Two legislation was substantively enacted in South Africa on 24 December 2024 and applies to large South African-headed multinational enterprise groups. The legislation requires such groups to be subject to a minimum effective corporate tax rate of 15% in each jurisdiction in which they operate for fiscal years beginning on or after 1 January 2024, and is therefore applicable to FirstRand's since the 2025 financial year.

Mauritius has also enacted Pillar Two legislation, including a domestic minimum top-up tax, effective for all in-scope multinational enterprise groups with accounting periods ending on or after 1 January 2025. As a result, the Pillar Two rules apply to FirstRand's Mauritius entities from the 2025 financial year. The domestic minimum top-up tax ensures that profits earned in Mauritius are subject to a minimum effective corporate tax rate of 15%, with any resulting top-up tax payable to the Mauritian tax authorities.

In Guernsey, legislation to implement the OECD Pillar Two model rules has been approved and is effective for fiscal years beginning on or after 1 January 2025. Accordingly, the rules apply to FirstRand's Guernsey entities from their 2026 financial year and are expected to increase the effective corporate tax rate in Guernsey to 15% from 1 July 2025.

Other jurisdictions in which the group operates, including the United Kingdom, Ireland, Jersey and Kenya, have also substantially enacted Pillar Two legislation. However, the implementation of these rules is not expected to result in an increase in the effective tax rates in those jurisdictions.

As a result of the enactment of the Pillar Two legislation, the group recognised a current tax expense of R95 million (2025: R86 million) in profit or loss (within tax expense) (refer to note 4.2). This expense is primarily attributable to profits earned in Mauritius, where the effective corporate tax rate was below the 15% minimum threshold. While Guernsey also did not qualify for transitional safe harbour relief and is subject to a qualified domestic minimum top-up tax, the resulting exposure is not expected to be material at a group level. Management's assessment further indicated that no material top-up tax liability arose in India.

The group has applied the mandatory deferred tax exemption in IAS 12, which introduces a temporary exception to the recognition and disclosure of deferred tax assets and liabilities arising from Pillar Two income taxes, together with targeted disclosure requirements for entities affected by the global minimum tax rules.

The group will continue to monitor developments across all jurisdictions in which it operates as further Pillar Two legislation is enacted and additional guidance is issued.

24 Short trading positions

R million	**2026**	2025
Government and government-guaranteed stock	**3 304**	16 734
Other dated securities	**59**	183
Undated securities	**689**	123
Total short trading positions	**4 052**	17 040

25 Creditors, accruals and provisions

R million	Note	**2026**	2025
Accounts payable		**19 853**	19 903
Accrued expenses		**3 971**	4 800
Audit fees accrued		**363**	425
Customer loyalty programme liability	**25.1**	**2 063**	2 091
Contract liabilities	**25.1**	**361**	334
Payments received in advance		**363**	366
Fair value hedge interest asset*		**–**	399
Provisions (including litigations and claims)	**25.2**	**12 669**	7 448
Withholding tax for employees		**927**	970
Total creditors, accruals and provisions		**40 570**	36 736

* *The balance reflected relates to the fair value of the interest rate risk component of the hedged items designated in macro hedge accounting relationships in Aldermore. The current year balance has been reclassified to non-current assets and disposal groups held for sale.*

Notes to the consolidated financial statements continued

25 Creditors, accruals and provisions continued

25.1 Reconciliation of contract liabilities and customer loyalty programme liability

R million	**2026**	2025
Opening balance	**2 425**	2 438
Increases due to cash received and other increases in contract liabilities	**2 948**	3 293
Transfer to non-current assets and disposal group held for sale	**(20)**	–
Revenue recognised during the year	**(2 929)**	(3 306)
Closing balance	**2 424**	2 425

Contract liabilities relate to service fees that are earned on value-added products provided to customers with the revenue recognised over the contract period. The customer loyalty programme liability relates to eBucks, and is determined based on the value of eBucks in issue that have not been converted to cash or redeemed by the customer. The timing of the customer's use of these eBucks as reward credits redeemable against future purchases with the group or a loyalty programme strategic partner is purely at the customer's discretion.

25.2 Reconciliation of provisions

	2026			2025		
R million	**UK motor commission provision**	**Other**	**Total**	UK motor commission provision	Other	Total
Opening balance	**5 846**	**1 602**	**7 448**	2 929	2 411	5 340
Exchange rate differences	**(718)**	**(164)**	**(882)**	275	35	310
Charge to profit or loss	**11 308**	**320**	**11 628**	2 703	(325)	2 378
– Additional provisions created	**11 308**	**480**	**11 788**	2 703	631	3 334
– Unused provisions reversed	**–**	**(160)**	**(160)**	–	(956)	(956)
Utilised	**(44)**	**(110)**	**(154)**	(61)	(519)	(580)
Transfer to non-current assets and disposal groups held for sale	**(5 023)**	**(348)**	**(5 371)**	–	–	–
Closing balance	**11 369**	**1 300**	**12 669**	5 846	1 602	7 448

At 30 June 2026, the group recognised a provision of R16.4 billion (£756 million) (2025: R5.8 billion; £240 million) in respect of potential customer redress and associated costs arising from the Financial Conduct Authority's (FCA's) review of historical motor finance commission arrangements. The increase of R11.3 billion (£518 million) (2025: R2.7 billion; £115 million) in the provision recognised in the year reflects revised estimates following the FCA's publication of its final redress policy statement on 30 March 2026.

The UK motor commission is allocated between continuing and discontinued operations as follows:

- Total provision R16 392 million (2025: R5 846 million): Continuing operations - R11 369 million (2025: R4 066 million). Discontinued operations - R5 023 million (2025: R1 780 million).
- Total provision £756.4 million (2025: £240.0 million): Continuing operations - £524.6 million (2025: £166.9 million). Discontinued operations - £231.8 million (2025: £73.1 million).
- Movement in provision of R11 308 million (2025: R2 703 million): Continuing operations - R7 832 million (2025: R1 328 million). Discontinued operations - R3 476 million (2025: R1 375 million).
- Movement in provision of £518.4 million (2025: £115.1 million): Continuing operations - £359.0 million (2025: £56.6 million). Discontinued operations - £159.4 million (2025: £58.5 million).

The provision represents management's best estimate of the expenditure required to settle obligations arising from the FCA's motor finance consumer redress scheme, including compensatory interest and incremental costs to administer the scheme.

The provision has been assessed in the context of evolving regulatory and legal developments, in particular:

- The Supreme Court judgment in August 2025 concluded that motor dealers do not generally owe fiduciary duties when acting as credit brokers, but identified an unfair relationship in the specific Johnson case under section 140A of the Consumer Credit Act 1974 based on its specific facts. Given the specific nature of this unfairness finding, the group does not believe that this unfairness finding creates a broadly applicable precedent for other courts to follow.
- In October 2025, the FCA issued a consultation on an industry-wide redress framework (CP25/27).
- Following the conclusion of its consultation, the FCA published its final policy statement (PS26/3) on 30 March 2026, setting out the design of a formal redress scheme. The group's provision has been aligned to the requirements of this scheme, where appropriate; and

Notes to the consolidated financial statements continued

25 Creditors, accruals and provisions continued

25.2 Reconciliation of provisions continued

- A number of legal challenges to the FCA's formal redress scheme were announced in April 2026. The FCA subsequently indicated in early July 2026 that the related hearings were likely to take place between December 2026 and February 2027, hence the delay in the commencement date of the redress scheme.

The group continues to constructively engage with the FCA regarding the implementation of the scheme and associated customer remediation requirements.

At 30 June 2026, the provision had been determined based on a single scenario which, as noted above, is aligned where appropriate to the requirements of the FCA's final policy statement. This differs from the provision as at 30 June 2025, where there had been significant uncertainty regarding the form and structure of any potential redress scheme. Accordingly, the group measured the provision using a probability-weighted scenario approach at that date.

The provision has been discounted to present value, where the effect of the time value of money is material, using an appropriate pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the liability. The gross undiscounted provision (including the expected extension of the scheme start date) is R17.5 billion (£807 million). (Continuing operations - R12.2 billion (£562 million). Discontinued operations - R5.3 billion (£245 million)).

The provision reflects management's assumptions regarding:

- the size of the eligible customer population;
- expected customer participation rates (opt-in behaviour);
- rebuttals permitted under the FCA's remediation scheme;
- expected redress values, including compensatory interest; and
- the length of time that it will take to complete the remediation process.

Compensatory interest has been calculated based on the FCA's methodology, being simple interest at the average BoE base rate per year plus 1%, subject to a minimum of 3% in any year.

The provision also includes an estimate of the probably future legal, regulatory and incremental operational costs to administer the scheme, including the approach to engaging with impacted customers. The population of impacted customers comprises in-scope motor finance originations across the Group's relevant lending entities up to the scheme cut-off date.

In addition to the provision, the group incurred R692 million (2025: R253 million) of costs during the financial year in relation to complaint handling, legal proceedings and preparations for the implementation of the FCA scheme. These costs have been recognised in the income statement as incurred. (Costs incurred: Continuing operations - R569 million (2025: R205 million). Discontinued operations - R123 million (2025: R48 million).

Based on the information available at the reporting date, management considers the provision recognised at 30 June 2026 to represent the group's best estimate of the expenditure required to settle the present obligation. However, significant estimation uncertainty remains in determining the ultimate cost of remediation, reflecting the scale and complexity of the scheme and ongoing legal and regulatory developments.

The most significant sources of estimation uncertainty are in relation to determining the total population of customers who may require redress as per the group's provision, and comprise assumptions regarding:

- customer participation rates (opt-in); and
- and the ability to apply the rebuttals available under the FCA's remediation scheme.

The ultimate financial impact could differ materially from the amount currently recognised, for example should actual experience once the FCA's remediation scheme is implemented differ from the Directors' assumptions at the reporting date. For illustrative purposes, a 5% increase or decrease in the number of customers that require redress would increase or decrease the provision by by R1.1 billion (£51.5 million), (Continuing operations: R0.8 billion (£35.7 million) Discontinued operations R0.3 billion (£15.8 million). A future increase or decrease could exceed this amount.

Based on the information available at the reporting date, management considers the provision recognised at 30 June 2026 to represent the Group's best estimate of the expenditure required to settle the present obligation.

Notes to the consolidated financial statements continued

26 Deposits and debt funding

R million	**2026**	2025
Category analysis		
Deposits from customers*	**1 588 775**	1 874 670
– Current accounts	**445 661**	409 620
– Call deposits	**426 482**	515 209
– Savings accounts	**77 768**	65 050
– Fixed and notice deposits	**574 304**	809 286
– Other deposits from customers	**64 560**	75 505
Debt securities	**203 183**	188 087
– Negotiable certificates of deposit	**43 702**	35 827
– Fixed-rate and floating-rate notes**	**158 025**	150 873
– Exchange-traded notes	**1 456**	1 387
Asset-backed securities	**13 074**	35 345
– Securitisation issuances	**6 221**	26 447
– Non-recourse deposits	**6 853**	8 898
Other	**64 891**	83 772
– Repurchase agreements	**15 362**	39 724
– Securities lending	**1 677**	1 534
– Cash collateral and credit-linked notes	**47 348**	41 454
– SARB funding facility	**504**	1 060
Total deposits and debt funding	**1 869 923**	2 181 874

* *Includes the deposits book of R9.14 billion acquired from HSBC as part of an asset acquisition effective 1 March 2026.*

** *During the current year the group issued nature-linked outcome-based bonds to the value of R2.5 billion.*

27 Other liabilities

R million	**2026**	2025
Lease liabilities	**2 771**	2 823
Funding liabilities	**2 479**	2 428
– Preference shares	**1 326**	1 286
– Borrowings by broader Africa companies from banking institutions*	**900**	944
– Other	**253**	198
Total other liabilities	**5 250**	5 251

* *In the prior year "Commercial paper issued: Central Bank of Nigeria (R330 million) and Bank of Ghana (R614 million)" were separately disclosed. In the current year these balances have been aggregated and disclosed as "Borrowings by broader Africa companies from banking institutions" to better reflect the nature of the liability.*

Notes to the consolidated financial statements continued

27 Other liabilities continued

27.1 Other liabilities reconciliation

R million	**2026** Funding liabilities	**2026** Lease	**2026** Total	2025 Funding liabilities	2025 Lease	2025 Total
Opening balance	**2 428**	**2 823**	**5 251**	2 744	3 062	5 806
Cash flow movements	**(137)**	**(1 250)**	**(1 387)**	(593)	(1 271)	(1 864)
– Proceeds from the issue of other liabilities	**1 338**	**–**	**1 338**	694	–	694
– Redemption of other liabilities	**(1 349)**	**–**	**(1 349)**	(1 120)	–	(1 120)
– Acquisition of subsidiaries	**–**	**79**	**79**		–	–
– Principal payments towards lease liabilities	**–**	**(1 107)**	**(1 107)**	–	(1 085)	(1 085)
– Interest paid	**(126)**	**(222)**	**(348)**	(167)	(186)	(353)
Non-cash flow movements	**188**	**1 198**	**1 386**	277	1 032	1 309
– Fair value movement	**2**	**(37)**	**(35)**	5	29	34
– Transfers (to)/from non-current asset and disposal group held for sale	**–**	**(270)**	**(270)**	–	61	61
– Foreign exchange	**38**	**(70)**	**(32)**	33	44	77
– New leases recognised during the year	**–**	**1 320**	**1 320**	–	1 047	1 047
– Early termination/modification of lease	**–**	**16**	**16**	–	(351)	(351)
– Interest accrued	**148**	**239**	**387**	239	202	441
Total other liabilities	**2 479**	**2 771**	**5 250**	2 428	2 823	5 251

The group's significant leases relate to property rentals of office premises and the various branch network channels represented by full-service and tellerless branches, self-service devices and Smartboxes. The rentals have fixed monthly payments. Escalation clauses are based on market-related rates and vary between 0% and 16%.

The lease periods usually have a duration of one to five years. The leases are non-cancellable and some of the leases have an option to renew for a further leasing period at the end of the original lease term.

Restrictions are more of an exception than the norm and usually relate to the restricted use of the asset for the business purposes specified in the lease contract.

For details on the contractual maturity of lease liabilities, refer to Note 38.2.1 – Liquidity risk.

28 Tier 2 and other loss-absorbing liabilities

R million	**Call dates***	**Maturity dates**	**Interest rate**	**2026**	2025
Fixed-rate bonds				**79**	1 518
– ZAR denominated	19 April 2026 to 3 June 2026	19 April 2031 to 3 June 2031	8.155% – 10.19%	**–**	1 430
– Other currencies	15 December 2026	15 December 2031	7.2%	**79**	88
Floating-rate bonds				**20 395**	19 811
– ZAR denominated	24 November 2026 to 26 November 2031	24 November 2031 to 26 May 2036	3-month JIBAR + 173 bps – 220 bps, ZARONIA + 139 bps	**19 748**	19 150
– Other currencies	15 December 2026 to 3 December 2029	15 December 2031 to 3 December 2034	511 bps above relevant reference rate** and 195 bps over 3-month JIBAR	**647**	661
Total Tier 2 liabilities				**20 474**	21 329
Other loss-absorbing liabilities					
Flac#				**7 685**	–
Total Tier 2 and other loss-absorbing liabilities				**28 159**	21 329

* *Redemption subject to regulatory approval.*

** *Monetary policy rate.*

\# *Flac represents a new class of unsecured subordinated debt instruments issued by the group. These instruments provide loss-absorption and recapitalisation capacity The instrument forms part of the group's total loss-absorbing capacity framework established under the Prudential Authority's Flac requirements.*

Notes to the consolidated financial statements continued

28 Tier 2 and other loss-absorbing liabilities continued

28.1 Tier 2 liabilities reconciliation

R million	**2026**	2025
Opening balance	**21 329**	17 268
Cash flow movements	**3 870**	2 179
– Proceeds from the issue of Tier 2 liabilities	**9 749**	4 298
– Interest paid on Tier 2 liabilities	**(2 092)**	(1 856)
– Capital repaid on Tier 2 liabilities	**(3 787)**	(263)
Non-cash flow movements	**(4 725)**	1 882
– Foreign exchange	**(320)**	(3)
– Transfer to non-current assets held for sale	**(6 510)**	–
– Fair value hedging adjustment	**(51)**	–
– Interest accrued	**2 156**	1 885
Total Tier 2 liabilities	**20 474**	21 329

28.2 Flac reconciliation

R million	**2026**	2025
Opening balance	**–**	–
Cash flow movements	**7 595**	–
– Proceeds from the issue of Flac liabilities	**7 654**	–
– Interest paid on Flac liabilities	**(59)**	–
Non-cash flow movements	**90**	–
– Interest accrued	**90**	–
Total Flac liabilities	**7 685**	–

29 Share capital, share premium and other reserves

29.1 Share capital and share premium

Authorised shares

	2026	2025
Ordinary shares	**6 001 688 450**	6 001 688 450

Issued shares

	2026			2025		
	Number of shares	**Ordinary share capital R million**	**Share premium R million**	Number of shares	Ordinary share capital R million	Share premium R million
Opening balance	**5 609 488 001**	**56**	**7 006**	5 609 488 001	56	7 640
Shares issued	**–**	**–**	**–**	–	–	–
Total issued ordinary share capital and share premium	**5 609 488 001**	**56**	**7 006**	5 609 488 001	56	7 640
Treasury shares	**(12 591 997)**	**–**	**(73)**	(14 512 884)	–	(634)
Total issued share capital attributable to equityholders of the group	**5 596 896 004**	**56**	**6 933**	5 594 975 117	56	7 006

The unissued ordinary shares are under the control of the directors until the next annual general meeting.

The shareholding of subsidiaries held in trading portfolios in FirstRand Limited was 0.2 % (2025: 0.3%) of total issued ordinary shares and these shares have been treated as treasury shares.

Notes to the consolidated financial statements continued

29 Share capital, share premium and other reserves continued

29.2 Other reserves

Other reserves are made up of the following:

R million	**2026**	2025
Regulatory reserves raised by African subsidiaries*	**1 511**	1 372
General risk reserve raised by African subsidiaries	**139**	71
Insurance contingency reserve	**189**	189
FVOCI reserve – debt instruments	**548**	384
FVOCI reserve – equity instruments	**(355)**	(324)
Other attributable reserves of associates and joint ventures	**(156)**	(45)
Reserves arising on acquisition of subsidiaries	**(140)**	(140)
Insurance and reinsurance finance reserve	**714**	485
Other reserves	**481**	377
Total	**2 931**	2 369

* *The balance consists of reserves as required by law in certain jurisdictions where the group operates, namely Eswatini, Mozambique and Nigeria.*

29.3 Share-based payment and treasury share reserve

The table below shows the reconciliation of the total number of treasury shares held by the group. Treasury shares held in trading portfolios are included in the share premium. Treasury shares forming part of the group's share-based payment transaction are included in the share-based payment and treasury share reserve.

	2026			2025		
	Number of treasury shares	**Trading portfolio**	**Share-based payment and treasury reserve**	Number of treasury shares	Trading portfolio	Share-based payment and treasury reserve
Opening balance	**26 391 359**	**14 512 884**	**11 878 475**	5 764 883	5 764 883	–
Shares acquired in the market	**62 235 219**	**38 250 788**	**23 984 431**	24 866 246	12 983 715	11 882 531
Shares disposed	**(40 597 981)**	**(40 171 675)**	**(426 306)**	(4 239 770)	(4 235 714)	(4 056)
Closing number of shares	**48 028 597**	**12 591 997**	**35 436 600**	26 391 359	14 512 884	11 878 475

30 Other equity instruments and reserves

Authorised preference shares

	2026	2025
A preference shares – unlisted variable rate cumulative convertible redeemable*	**198 311 550**	198 311 550
B preference shares – listed variable rate non-cumulative non-redeemable*	**100 000 000**	100 000 000
C preference shares – unlisted variable rate convertible non-cumulative redeemable*	**100 000 000**	100 000 000
D preference shares – unlisted variable rate cumulative redeemable*	**100 000 000**	100 000 000

* *No preference shares are in issue.*

Additional Tier 1 capital and other reserves

R million	Rate	**2026**	2025
FRB28	3-month JIBAR plus 440 basis points	**–**	1 400
FRB34	3-month JIBAR plus 340 basis points	**2 804**	2 804
FRB37	3-month JIBAR plus 310 basis points	**1 387**	1 387
FRB38	3-month JIBAR plus 296 basis points	**2 039**	2 039
FRB39	3-month JIBAR plus 290 basis points	**1 574**	1 574
FRB41	3-month JIBAR plus 290 basis points	**2 090**	2 090
FRB42	3-month JIBAR plus 284 basis points	**3 910**	3 910
FRB44	3-month JIBAR plus 262 basis points	**2 929**	2 929
FSR02	ZARONIA plus 211 basis points	**3 009**	–
Total Additional Tier 1 capital		**19 742**	18 133
Empowerment Fund reserve*		**4 126**	3 280
Total other equity instruments and reserves		**23 868**	21 413

* *The Empowerment Fund reserve includes the impacts of consolidating the fully vested empowerment vehicles. Refer to note 36 for more information.*

Notes to the consolidated financial statements continued

30 Other equity instruments and reserves continued

The group's AT1 capital instruments are perpetual and pay non-cumulative, discretionary coupons. The terms and conditions provide for an issuer call option after at least five years, and at every coupon payment date that follows. In addition, at the discretion of the Prudential Authority (PA) and/or the Resolution Authority (RA), the issuer may write off the notes, in whole or in part, with no obligation to pay compensation to the noteholders, upon the earlier of:

- the PA giving notice that a write-off is required, without which the bank will become non-viable; or
- a decision being made to inject public sector capital, or equivalent support, without which the bank will become non-viable.

The AT1 instruments have been classified as equity, as the terms and conditions do not contain a contractual obligation to pay coupons to the noteholders.

The total coupon paid during the financial year was R1 719 million (2025: R1 664 million). Current tax of R464 million (2025: R449 million) was recognised in the income statement.

31 Subsidiaries and non-controlling interests

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

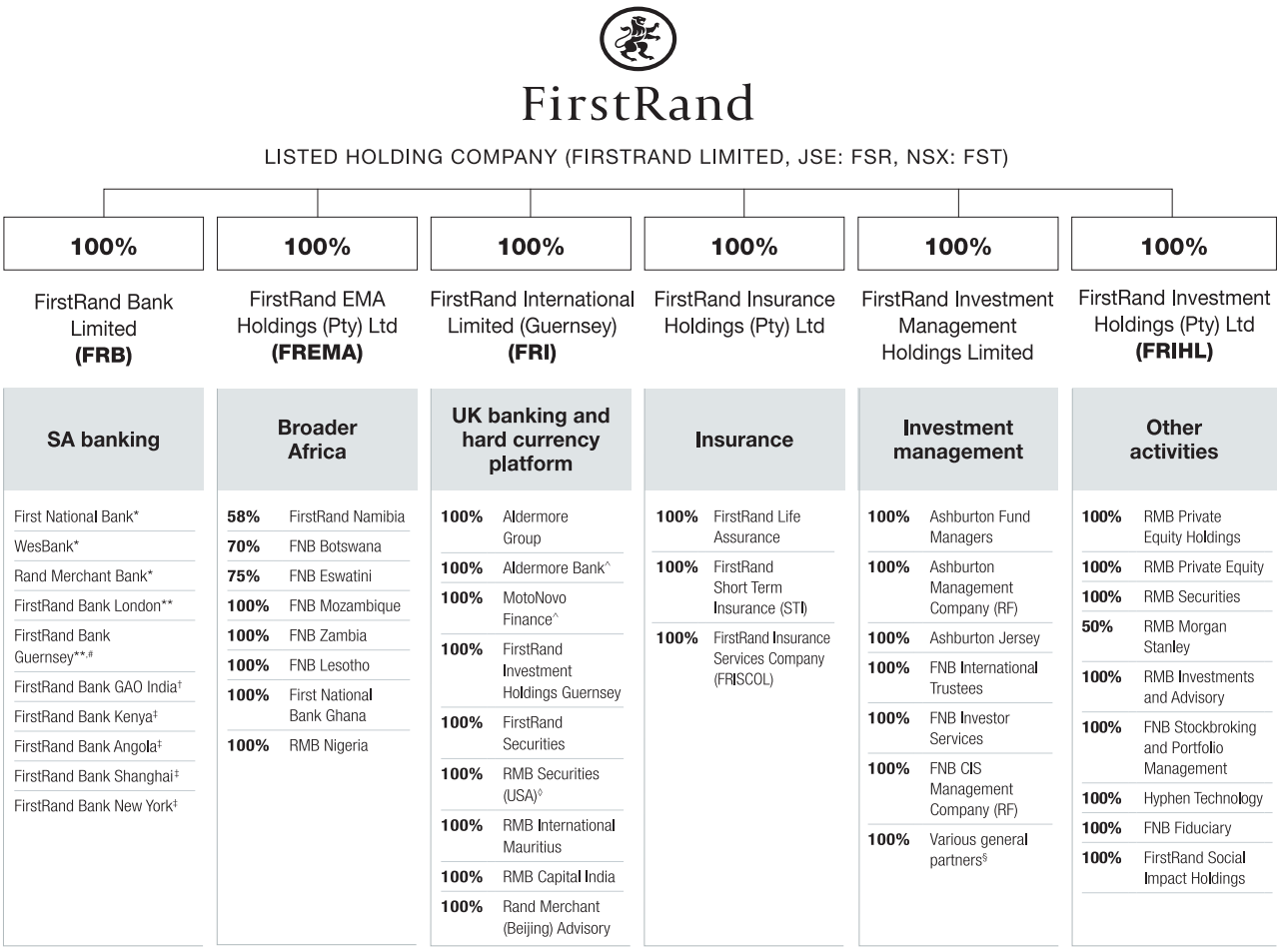
The group's operations are conducted through its six significant wholly owned subsidiaries:

Subsidiary	Operation
FirstRand Bank Limited	SA banking activities, as well as foreign branches in London and Guernsey, global administrative office in India, and representative offices in Kenya, Angola, New York and Shanghai.
FirstRand EMA Holdings Proprietary Limited	Broader Africa subsidiaries
FirstRand International Limited (Guernsey)	UK banking and hard currency platform
FirstRand Insurance Holdings Proprietary Limited	Insurance
FirstRand Investment Management Holdings Limited	Investment management
FirstRand Investment Holdings Proprietary Limited	Other activities

There are no significant restrictions on the ability to transfer cash or other assets to or from entities within the group.

Notes to the consolidated financial statements continued

31 Subsidiaries and non-controlling interests continued



* *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.

The Aldermore Group, including its subsidiaries Aldermore Bank and MotoNovo Finance, is classified as discontinued operations and held for sale as FirstRand proceeds with an orderly exit process of its UK consumer business.

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

Notes to the consolidated financial statements continued

31 Subsidiaries and non-controlling interests continued

31.1 Acquisitions of subsidiaries

Identifiable assets acquired and liabilities assumed at the acquisition date fair value are set out as listed below.

	Other insignificant private equity acquisitions	
R million	**2026**	2025
ASSETS		
Cash and cash equivalents	**2**	–
Collateral settlement balances and other assets	**313**	–
Property and equipment	**57**	–
Deferred income tax asset	**1**	–
Total assets acquired	**373**	–
LIABILITIES		
Creditors and accruals	**158**	–
Other liabilities	**204**	–
Total liabilities acquired	**362**	–
Less: non-controlling share of net asset value	**(8)**	
Net asset value as at date of acquisition	**3**	–
Total goodwill is calculated as follows:		
Total cash consideration transferred	**5**	–
Less: net identifiable asset value at date of acquisition	**(3)**	–
Goodwill on acquisition	**2**	–

31.2 Disposals of subsidiaries

31.2.1 Disposals of interest in subsidiaries with loss of control

	Other insignificant disposals	
R million	**2026**	2025
ASSETS		
Collateral settlement balances and other assets	**–**	93
Non-current assets and disposal group held for sale	**1 622**	–
Total assets disposed of	**1 622**	93
LIABILITIES		
Liabilities directly associated with disposal groups held for sale	**1 466**	–
Other liabilities	**–**	98
Total liabilities disposed of	**1 466**	98
Net asset value as at date of disposal	**156**	(5)
Total gain on disposal is calculated as follows:		
Total consideration	**(185)**	–
Non-cash consideration	**(185)**	–
Add: non-controlling share of net asset value at disposal date	**29**	–
(Gain)/loss on disposal of controlling interest in subsidiaries	**–**	(5)
Cash flow information		
Less: overdrafts/(cash and cash equivalents) disposed of in the subsidiary	**–**	8
Net cash inflow on disposal of subsidiaries	**–**	8

Disposals in 2026

FRIHL disposed of its investment in MotoVantage at its net asset value.

Disposals in 2025

The group, through its subsidiary RMBIA, disposed of a subsidiary and realised a net profit of R5 million.

Notes to the consolidated financial statements continued

31 Subsidiaries and non-controlling interests continued

31.2.2 Disposals that do not result in a change of control

	Other insignificant disposals	
R million	**2026**	2025
Carrying amount of investment sold to non-controlling interest	**(6)**	(4)
Consideration received from non-controlling interests	**3**	2
– Discharged by cash consideration	**–**	–
– Non-cash consideration	**3**	2
(Loss)/gain recognised directly in equity	**(3)**	(2)

31.3 Non-controlling interests

The only subsidiaries that give rise to a significant non-controlling interest are FirstRand Namibia Limited and First National Bank of Botswana Limited.

The group holds 100% of the shares in First National Bank Holdings (Botswana) Limited. The non-controlling interests recognised by the group result from First National Bank Holdings (Botswana) Limited's shareholding in First National Bank of Botswana Limited. The non-controlling interests own 30.5% of First National Bank of Botswana Limited.

In addition to the above, the group owns less than 100% of the issued share capital of a number of private equity subsidiaries and other investments in the RMBIA Proprietary Limited subconsolidation. The non-controlling interests recognised by the group result from RMBIA's shareholding in these subsidiaries. There is no individually significant non-controlling interest.

	FirstRand Namibia Limited		**First National Bank of Botswana Limited**	
Country of incorporation		**Namibia**		**Botswana**
% ownership held by non-controlling interests		**41.0**		**30.5**
% voting rights by non-controlling interests		**41.0**		**30.5**
R million	**2026**	2025	**2026**	2025
Balances included in the consolidated statement of financial position				
Total assets	**63 121**	56 289	**43 115**	46 534
Balances with central banks	**569**	507	**–**	–
Total liabilities	**55 192**	49 141	**36 443**	40 335
Balances included in the consolidated statement of comprehensive income				
Interest and similar income	**5 693**	5 856	**3 661**	3 321
Non-interest revenue	**2 787**	2 680	**2 987**	2 446
Profit before tax	**3 010**	2 663	**2 677**	2 554
Total comprehensive income	**2 142**	1 904	**1 371**	1 819
Amounts attributable to non-controlling interests				
Dividends paid to non-controlling interests	**561**	413	**290**	459
Profit attributable to non-controlling interests	**890**	791	**625**	588
Accumulated balance of non-controlling interests	**3 246**	2 908	**1 949**	1 807

Notes to the consolidated financial statements continued

31 Subsidiaries and non-controlling interests continued

31.4 Consolidated structured entities

The group holds certain interests in consolidated structured entities to ring-fence certain risks and/or achieve specific objectives. Structured entities are entities that have been designed so that voting roles are not the predominant factor in deciding who controls the entity.

The group has identified the following consolidated structured entities:

- FirstRand Empowerment Foundation.
- Social investing foundations and trusts.
- Securitisations.
- Structured investment vehicles.

Name of entity	Country of incorporation	Nature of business
FirstRand Empowerment Foundation	South Africa	Promotes the educational and professional development of historically disadvantaged South Africans.
Social investing trusts	South Africa	Provide funding for community upliftment as well as assisting black employees of the companies in the group and the members of their immediate families with their educational, healthcare and other needs.
Structured investment vehicles	South Africa	Originate or acquire advances and issue notes that are referenced to these loans to investors.
Securitisations	South Africa or the UK	Refer to note 11.3.

The group did not incur any losses related to the group's interests in consolidated structured entities in the current financial period (2025: Rnil).

31.5 Unconsolidated structured entities

The level of risk that the group is exposed to is determined by the nature and purpose of the holding of its interest in an entity. The group does not consolidate these structured entities as it either does not have the power to control investment decisions or it is not exposed to significant variable returns of these structured entities.

Structured investment vehicles

The group provides financing to a number of structured entities, established and managed by clients, in the form of investing in debt instruments of the structured entity, subscription for cumulative redeemable preference shares and the advancement of credit loan facilities. The group's involvement is predominantly to provide financing. The group's rights under its involvement are limited to typical lender protection rights. The group's financing of and investment in the preference shares or notes issued by the entities are considered to have been made at market-related terms. As such the relationship between the group and the structured entities is considered to be a typical customer-supplier relationship. The group does not have the ability to direct the relevant business activities of these entities. Therefore, in the absence of control, the entities are not consolidated.

The group earns interest income on the loans advanced to the customer and the notes and preference shares issued by the structured entities.

An entity was established for the purpose of creating HQLA that can be pledged as collateral under the SARB's committed liquidity facility, if required. The entity is merely a mechanism to facilitate the transaction and as there was no drawdown on the facility in the current or prior year, the entity has no economic substance. The group has not provided any additional financial or other support to this entity in the current or prior year. The group does not have the intention to provide additional support in the foreseeable future and, as such, is not exposed to any additional risks from the relationship with this entity.

Investment in funds and asset management

The group acts as fund manager to a number of investments funds. The group's interest is generally restricted to fund services and asset management fees, which are based on assets under management. The group may hold direct interests in a number of the funds, however, the magnitude of such interests varies with sufficient regularity. Whether the group consolidates any of these funds through its direct interest depends on the purpose and magnitude of the interest held therein, as well as on the group's ability to direct the relevant activities of the fund, either directly or indirectly. The group earns management fee income from its involvement in the funds, as well as unrealised gains and losses as a result of revaluations of the units held directly in the funds. Refer to note 32 for information on the assets under management.

Notes to the consolidated financial statements continued

31 Subsidiaries and non-controlling interests continued

The following table reflects the carrying amount of the group's recorded interest in and maximum exposure to risk due to these exposures arising from unconsolidated structured entities and asset management activities.

	2026			2025		
	Structured investment vehicles	**Investment in funds**	**Total**	Structured investment vehicles	Investment in funds	Total
Advances	**998**	**475**	**1 473**	154	431	585
Total assets	**998**	**475**	**1 473**	154	431	585
Total liabilities	**–**	**–**	**–**	–	–	–
Off-balance sheet exposures	**–**	**–**	**–**	–	–	–
Maximum exposure to loss*	**1 098**	**475**	**1 573**	503	431	934

* *The group's maximum exposure to losses from its interests in unconsolidated structured entities is limited to the group's interests in these entities.*

The group did not incur losses related to the group's interests in unconsolidated structured entities in the current financial reporting period (2025: Rnil). The group did not provide any financial support to unconsolidated structured entities during the current financial reporting period. In the current year the assets held by unconsolidated structured investment vehicles of the group totalled R1 127 million (2025: R1 178 million).

32 Assets under management

The following table sets out the market value of assets for which the group earns fees as part of providing investment management services but does not recognise on its statement of financial position.

R million	**2026**	2025
Assets under management	**350 624**	259 296
– Traditional products	**301 715**	225 122
– Alternative products	**48 909**	34 174

Traditional products comprise collective investment schemes, exchange-traded funds and discretionary mandates. Alternative products managed by the group include credit funds, private equity funds, structured products and other unregulated funds and mandates.

33 Remuneration schemes

R million	Notes	**2026**	2025
The charge to profit or loss for share-based payments is as follows:			
Conditional and deferred incentive plan		**2 697**	2 561
Amount included in profit or loss	3	**2 697**	2 561
Attributable to:			
– Cash-settled share-based payments		**1 215**	1 932
– Equity-settled share-based payments		**1 482**	629

The purpose of these schemes is to appropriately attract, incentivise and retain managers and employees within the group.

Description of the scheme and vesting conditions:

Notes to the consolidated financial statements continued

33 Remuneration schemes continued

CONDITIONAL AND DEFERRED AWARDS		
IFRS 2 treatment	**Cash settled***	**Equity settled**
Description	The award is a notional share award based on the FirstRand share price.	For share ownership plans and CIP award settled with FirstRand shares.
Vesting conditions	**Deferred bonus awards** Prior to September 2024, short-term incentives over a specified threshold are converted to share awards and vest after 24 months to ensure that these payments are share price linked. These awards are subject to employment conditions and personal and business unit performance requirements, and were accounted for as cash-settled. From September 2024 the group introduced share ownership plans for all new awards going forward. Previously the awards were share price linked. The new scheme awards restricted share instruments, with the participant qualifying for dividends when they are declared. These awards were accounted for as equity-settled. **Deferred incentive and conditional incentive awards** These awards vest up to three years after the initial award. The awards vest if the employment and performance conditions are met. Prior to September 2024, the deferred incentive plan (DIP) awards are subject to employment conditions and personal performance requirements and were accounted for as cash-settled. From September 2024 the group introduced the share ownership plans for all new awards going forward. Similar to the DIP this award is only forfeited if the individual performance requirements are not met over the three-year vesting period, or if the individual is no longer employed by the group. However, where the DIP is share price linked, the share ownership plans award restricted share instruments, with the participants qualifying for dividends when they are declared. These awards were accounted for as equity-settled. Prior to September 2024, the conditional incentive plan (CIP) awards are subject to employment conditions and vesting conditions relating to group performance. CIP vesting conditions are subject to specified financial performance targets set annually by the group's remuneration committee. These corporate performance targets (CPTs) are set out below. These awards were accounted for as cash-settled. From September 2024, all new CIP awards are settled in FirstRand shares (with the exception of employees outside of South Africa, who receive cash settlements), and are accounted for as equity-settled.	
Valuation methodology	The awards are valued using the awards' fair value which is revised for share price and the time value of money, and adjusted for dividends paid and past staff forfeitures. The awards are repriced at each reporting date.	For the share ownership plans, the award value is settled by the delivery of a variable number of FirstRand shares at specified points during the vesting period. As such, the share awards are valued at the fair value of the award at grant date. For CIP awards the FirstRand share price at grant date informs the fair value of the award at grant date, adjusted to exclude rights to dividends over the vesting period. The conditional features are non-market vesting and affect the number of awards that vest.

* *The UK conditional award for UK-based employees (including Aldermore) differs from the rest of the group. The scheme is based on an initial sterling amount which varies in response to the FirstRand share price. The scheme has a liability of R316 million (2025: R292 million). In the current year, R186 million of the balance attributable to this scheme was reclassified to non-current asset and associated liabilities and disposal groups held for sale.*

Notes to the consolidated financial statements continued

33 Remuneration schemes continued

VALUATION ASSUMPTIONS	
Dividend data	Expected future dividends over the vesting period are based on independently observable market expectations (including Bloomberg consensus data) (CIPs award only).
Market related	Interest rate is the risk-free rate of return as recorded on the last day of the financial year, on a funding curve of a term equal to the remaining expected life of the plan.
Employee related	The weighted average forfeiture rate used is based on historical forfeiture data observed over all schemes.

Corporate performance targets (CPTs) for CIP awards

All CIP awards are subject to performance conditions. The FirstRand remuneration committee (Remco) sets the CPTs for each award based on expected macroeconomic conditions, group earnings and returns forecasts over the performance period. These criteria vary from year to year, depending on the expectations for each of the aforementioned variables. For vesting to occur, the criteria must be met or exceeded. If the performance conditions are not met, the award fails. The awards are subject to the achievement of performance conditions set at award date and these determine the value that will ultimately vest. These performance conditions include a minimum condition to achieve any vesting, a target, a stretch and a maximum (super stretch) target, with linear grading correlated to normalised earnings per share growth between target levels. The vesting outcome is based on the delivery of the performance conditions. This level is finally determined and calculated by the group remuneration committee.

Remco has the right to adjust the vesting level downwards by as much as 20% if materially negative outcomes for the business occur that are within management control. Examples would include:

- issues that materially damaged the group's franchise, including its reputation;
- material enterprise-wide risk and control issues, as recommended to it by the RCC;
- concerns regarding adherence to the liquidity and capital management strategies in place; and
- lack of progress against the group's climate roadmap over the three-year period.

In terms of the scheme rules, participants are not entitled to dividends on their conditional share awards during the vesting period.

Notes to the consolidated financial statements continued

33 Remuneration schemes continued

The criteria for the expired and currently open schemes are set out below.

Expired schemes

2022 (Award vested at vesting date in September 2025)

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both ROE and earnings growth performance conditions must be met for vesting to occur.

		Performance conditions (both conditions must be met)	
	Vesting level*	Minimum ROE requirement**	**Diluted normalised earnings per share growth requirement (3-year CAGR)#** FirstRand Limited must achieve compound annual growth in normalised earnings per share relative to the South African CPI plus real GDP growth over the three-year performance period from the base year end, being 30 June 2022, as set out for each vesting level indicated below:
Threshold (minimum vesting, below which the award lapses)	50%	≥19%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 1.5%
On-target performance	100%	≥20.5%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 2.5%
Stretch†	120%	≥22%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 5%
Super stretch†	150%	≥22%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 9%

* *Linear grading between these vesting levels based on the earnings growth achieved. The lower of the vesting outcome based on the ROE or the vesting outcome based on earnings growth will apply.*

** *The ROE is measured as the average over the three-year performance period. The ROE calculation is based on net asset value (NAV) taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS Accounting Standards changes or changes in volatile reserves.*

\# *In the event that the three-year CAGR of real GDP growth is negative, the target will be calculated using CPI only.*

† *For vesting at 120% or above, ROE of ≥22% is required. The vesting level between 120% and 150% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 150% at a level of real GDP growth plus CPI plus 9% over the three-year period.*

During the year, it was determined by Remco that the ROE and earnings growth conditions were met for 100% vesting, even with the inclusion of the UK motor commission provision as at 30 June 2025. Remco however excluded the UK motor commission provision from the calculation of the graded vesting level for all participants other than the executive directors (in the role pre-April 2024). The outcomes were as follow (excluding the UK motor commission provision):

- The average ROE over the three-year period was delivered at the upper end of the group's target ROE range, at 21.1%. The ROE outcome was delivered above the 100% vesting level, allowing the graded vesting outcome above 100%. The compound growth in diluted normalised earnings per share determined the final vesting level. Diluted normalised earnings per share at 30 June 2025 was 781.3 cents, and delivered a three-year compound annual growth rate of 10.3%. This growth was 4.2% above real GDP plus CPI measured over the three-year period.
- The combination of the ROE at 21.1% and the strong earnings growth performance resulted in the vesting level of 113.2%, as the group delivered on its outperformance targets.
- For the executive directors (in the role pre-April 2024), the vesting outcome is 100.2%.
- After considering the non-financial measures, Remco concluded that no downward adjustment of the vesting outcome was necessary.

Notes to the consolidated financial statements continued

33 Remuneration schemes continued

Currently open

2023 (Vesting date in September 2026)

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both ROE and earnings growth performance conditions must be met for vesting to occur.

		Performance conditions (both conditions must be met)	
	Vesting level*	Minimum ROE requirement**	**Diluted normalised earnings per share growth requirement (3-year CAGR)#** FirstRand Limited must achieve compound annual growth in normalised earnings per share relative to the South African CPI plus real GDP growth over the three-year performance period from the base year end, being 30 June 2023, as set out for each vesting level indicated below:
Threshold (minimum vesting, below which the award lapses)	50%	≥20%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI
On-target performance	100%	≥21%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 4%
Stretch†	120%	≥22%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 6.5%
Super stretch†	150%	≥22%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 10.5%

* *Linear grading between these vesting levels based on the earnings growth achieved. The lower of the vesting outcome based on the ROE or the vesting outcome based on earnings growth will apply.*

** *The ROE is measured as the average over the three-year performance period. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS Accounting Standards changes or changes in volatile reserves.*

\# *In the event that the three-year CAGR of real GDP growth is negative, the target will be calculated using CPI only.*

† *For vesting at 120% or above, ROE of ≥22% is required. The vesting level between 120% and 150% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 150% at a level of real GDP growth plus CPI plus 10.5% over the three-year period.*

Notes to the consolidated financial statements continued

33 Remuneration schemes continued

2024 (Vesting date in September 2027)

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both ROE and earnings growth performance conditions must be met for vesting to occur.

		Performance conditions (both conditions must be met)*	
	Vesting level*	Minimum ROE requirement**	**Diluted normalised earnings per share growth requirement (3-year CAGR)#** FirstRand Limited must achieve compound annual growth in normalised earnings per share relative to the South African CPI plus real GDP growth over the three-year performance period from the base year end, being 30 June 2024, as set out for each vesting level indicated below:
Threshold (minimum vesting, below which the award lapses)	50%	≥19.5%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 1.5%
On-target performance	100%	≥20.5%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 2.5% to real GDP growth plus CPI plus 4%
	100.1% to 119.9%	>20.5%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus >4% to real GDP growth plus CPI plus <6%
Stretch†	120%	≥21.5%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 6%
Super stretch†	150%	≥21.5%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 9%

* *Linear grading between these vesting levels based on the earnings growth achieved. After measuring the ROE outcome and growth outcome separately, the lower of either will become the vesting level. Both conditions must be met for vesting at any level to occur. Thereafter, Remco will assess if any downward adjustment is necessary for the factors listed.*

** *The ROE is measured as the average over the three-year performance period. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS Accounting Standards changes or changes in volatile reserves (including the foreign currency translation reserves).*

\# *In the event that the three-year CAGR of real GDP growth is negative, the target will be calculated using CPI only. The diluted normalised earnings per share at 30 June 2024 of 720.3 cents, as adjusted for the UK motor commission provision and fees, will be referenced as the base year value in the CAGR calculation.*

† *For vesting at 120% or above, ROE of ≥21.5% is required. The vesting level between 120% and 150% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 150% at a level of real GDP growth plus CPI plus 9% over the three-year period.*

Notes to the consolidated financial statements continued

33 Remuneration schemes continued

2025 (Vesting date in September 2028)

The table below stipulates the performance conditions to be fulfilled by the group and the corresponding vesting level for purposes of calculating the vesting value of the conditional award. If the conditions set for 50% vesting are not met, the award lapses and none of the other conditions described below are assessed. Both ROE and earnings growth performance conditions must be met for vesting to occur.

		Performance conditions (both conditions must be met)*	
	Vesting level*	Minimum ROE requirement**	**Diluted normalised earnings per share growth requirement (3-year CAGR)#** FirstRand Limited must achieve compound annual growth in normalised earnings per share relative to the South African CPI plus real GDP growth over the three-year performance period from the base year end, being 30 June 2025, as set out for each vesting level indicated below:
Threshold (minimum vesting, below which the award lapses)	50%	≥19.5%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 1.5%
On-target performance	100%	≥20.5%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 3% to real GDP growth plus CPI plus 5%
	100.1% to 119.9%	≥21%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus >5% to real GDP growth plus CPI plus <6%
Stretch†	120%	≥21.5%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 6%
	150%	>22%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 7.5%
Super stretch†	200%	>22%	Compound annual growth in normalised earnings per share over three years of real GDP growth plus CPI plus 10%

* *Linear grading between these vesting levels based on the earnings growth achieved. After measuring the ROE outcome and growth outcome separately, the lower of either will become the vesting level. Both conditions must be met for vesting at any level to occur. Thereafter, Remco will assess if any downward adjustment is necessary for the factors listed.*

** *The ROE is measured as the average over the three-year performance period. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS Accounting Standards changes or changes in volatile reserves (including the foreign currency translation reserves).*

\# *In the event that the three-year CAGR of real GDP growth is negative, the target will be calculated using CPI only. The diluted normalised earnings per share at 30 June 2025 of 781.3 cents, as adjusted for the UK motor commission provision, will be referenced as the base year value in the CAGR calculation.*

† *For vesting of 120% to 150%, average ROE of ≥21.5% is required and for vesting of 150% and above, average ROE of >22% is required. The vesting level between 120% and 150% or between 150% and 200% will be determined through linear grading linked to the earnings growth CAGR, with the maximum vesting at 200% at a level of real GDP growth plus CPI plus 10% over the three-year period.*

Notes to the consolidated financial statements continued

33 Remuneration schemes continued

The significant weighted average assumptions used to estimate the grant value (for equity-settled share-based payments) and the fair value (for cash-settled share-based payments) of the various awards granted are detailed below.

	Conditional and deferred incentive plans	
	2026	2025
Award life (years)	**2 – 3**	0.32 – 3
Risk-free rate (%)	**7.05 – 7.84**	7.35 – 7.68

	Conditional and deferred incentive plans (FirstRand shares)	
Share awards outstanding	**2026**	2025
Number of awards in force at the beginning of the year (millions)	**90.5**	117.1
Number of awards granted during the year (millions)	**14.7**	14.6
Number of awards purchased with respect to the share ownership award plans (millions)	**14.4**	4.7
Number of awards exercised/released during the year (millions)	**(39.8)**	(42.3)
– Market value range at date of exercise/release (cents)*	**6 486 - 9 284**	6 486 - 8 415
– Weighted average (cents)	**8 107**	8 398
Number of awards forfeited during the year (millions)	**(4.7)**	(3.6)
Number of awards in force at the end of the year (millions)	**75.1**	90.5

	Conditional and deferred incentive plan (FirstRand shares)*			
	2026		2025	
*Awards outstanding***	**Weighted average remaining life (years)**	**Outstanding awards (millions)**	Weighted average remaining life (years)	Outstanding awards (millions)
Vesting during 2022	**–**	**0.1**	–	0.1
Vesting during 2023	**–**	**0.1**	–	0.1
Vesting during 2025	**–**	**–**	0.2	38.2
Vesting during 2026	**0.3**	**38.3**	1.4	39.9
Vesting during 2027	**1.4**	**25.6**	2.3	12.2
Vesting during 2028	**2.3**	**11.0**		
Total conditional awards		**75.1**		90.5
Number of participants		**4 433**		4 802

* *Market values indicated above include those instances where a probability of vesting is applied to accelerated share award vesting prices due to a no-fault termination, as per the rules of the scheme.*

** *Years referenced in the rows related to calendar years and not financial years.*

With respect to the share ownership award plans, the award value granted to employees is settled in a variable number of shares at specific points throughout the vesting period. Therefore it is not possible to determine, at reporting date, the number of awards in force. The award value outstanding table below reflects the share award value for which shares have not yet been purchased. At the point at which the shares are purchased the value of the award is transferred to awards outstanding, with the number of shares purchased with respect to the share ownership award plan reflected in the share award outstanding table above.

Notes to the consolidated financial statements continued

33 Remuneration schemes continued

	Share award plans	
R million	**2026**	2025
Award value outstanding		
Value of awards in force at the beginning of the year	**1 502**	–
Value of awards granted during the year	**2 625**	1 910
Value of awards released during the year	**(5)**	
Value of awards forfeited during the year	**(178)**	(62)
Value of awards that were transferred to awards outstanding	**(1 219)**	(346)
Value of awards in force at the end of the year	**2 725**	1 502

34 Contingencies and commitments

R million	**2026**	2025
Committed capital expenditure*	**4 557**	6 360
Legal proceedings**	**361**	192
Total contingencies and commitments	**4 918**	6 552

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

** *There is a small number of potential legal claims against the group, the outcome of which is uncertain at present. These claims are not regarded as material, either on an individual or a total basis, and arise during the normal course of business. On-balance sheet provisions are only raised for claims that are expected to materialise.*

34.1 Future minimum lease payments receivable under operating leases where the group is the lessor

The group owns various assets that are leased to third parties under operating leases as part of the group's revenue-generating operations.

The minimum future lease payments under non-cancellable operating leases on assets where the group is the lessor are detailed below.

	2026			
R million	**Within 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
Property	**142**	**318**	**–**	**460**
Motor vehicles	**1 473**	**2 532**	**240**	**4 245**
Total operating lease receivable	**1 615**	**2 850**	**240**	**4 705**
		2025		
Property	128	224	66	418
Motor vehicles	1 372	2 271	239	3 882
Total operating lease receivable	1 500	2 495	305	4 300

35 Fair value measurements

35.1 Valuation methodology

The group has established control frameworks and processes at an operating business level to independently validate its valuation techniques and inputs used to determine its fair value measurements. At an operating business level, valuation specialists are responsible for the selection and implementation of the valuation techniques used to determine fair value measurements, as well as any changes required. Valuation committees comprising representatives from key management have been established within each operating business and at an overall group level. They are responsible for overseeing the valuation control process and considering the appropriateness of the valuation techniques applied in fair value measurement. The valuation models and methodologies are subject to independent review and approval at an operating business level by the required valuation specialists, valuation committees and relevant risk committees annually, or more frequently if considered appropriate.

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.2 Fair value hierarchy and measurements

Measurement of assets and liabilities at level 2 and level 3

The table below sets out the valuation techniques applied by the group for recurring fair value measurements of assets and liabilities categorised as level 2 and level 3.

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs – level 2	Unobservable inputs – level 3
DERIVATIVE FINANCIAL INSTRUMENTS				
Forward rate agreements, forwards and swaps	Discounted cash flow	Future cash flows are projected using a related forecasting curve or referencing a traded future contract price and then discounted using a market-related discounting curve over the contractual period. The reset date is determined in terms of legal documents.	Market interest rates, future contract prices, credit and currency basis curves and spot prices	Unobservable market interest rates, credit and currency basis curves
Options and equity derivatives	Option pricing and industry standard models	The models calculate fair value based on input parameters such as share prices, dividends, volatilities, interest rates, equity repo curves and, for multi-asset products, correlations. Unobservable model inputs are determined by reference to liquid market instruments and by applying extrapolation techniques to match the appropriate risk profile.	Strike price of the option, market-related discount rate, spot or forward rate, the volatility of the underlying, dividends and listed share prices	Volatilities, dividends and unlisted share prices Range of volatilities: 1 754 - 6 834 bps (2025: 1 759 – 11 575 bps)
ADVANCES TO CUSTOMERS				
Advances under repurchase agreements and other advances	Discounted cash flow	Future cash flows are discounted using market-related interest rates adjusted for credit inputs over the contractual period. For advances under repurchase agreements, credit inputs are an insignificant input as the advance is fully collateralised. For some advances under repurchase agreements the amount repayable is referenced to a listed price of an underlying. In a case where the fair value of the credit is not significant year on year but may become significant in future, and where the counterparties do not have actively traded or observable credit spreads, the group classifies other loans and advances to customers as level 3 in the fair value hierarchy.	Market interest rates, credit inputs and listed prices of an underlying	Credit inputs and market risk correlation factors
Corporate and investment banking book	Discounted cash flow	Future cash flows are discounted using market-related interest rates, adjusted for credit inputs such as PD of the counterparty. Credit risk is not observable and could have a significant impact on the fair value measurement of these advances. Where credit risk has a significant impact on the fair value measurement, these advances are classified as level 3 in the fair value hierarchy.	Market interest rates	Credit spread Range of credit spreads: 3.5 - 3 198 bps (2025: 3.5 – 3 198 bps)

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.2 Fair value hierarchy and measurements continued

Measurement of assets and liabilities at level 2 and level 3 continued

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs – level 2	Unobservable inputs – level 3
INVESTMENT SECURITIES				
Equities listed in an inactive market	Discounted cash flow	For listed equities, the listed price is used where the market is active (i.e. level 1). However, if the market is not active and the listed price is not representative of fair value, a valuation technique is used to determine the fair value. The valuation technique will be based on risk parameters of comparable securities and the potential pricing difference in spread and/or price terms with the traded comparable is considered. Future cash flows are discounted using a market-related interest rate.	Market interest rates	Price earnings (P/E) ratios
Unlisted equities	P/E model and discounted cash flow	For unlisted equities, the earnings included in the model are derived from a combination of historical and budgeted earnings, depending on the specific circumstances of the entity whose equity is being valued. The P/E multiple is derived from current market observations taking into account an appropriate discount rate for unlisted companies. The valuation of these instruments may be corroborated by a discounted cash flow valuation or by the observation of other market transactions that have taken place.	Market transactions and market interest rates	Growth rates and P/E ratios Range of P/E multiples: 1.3 – 14.4 (2025: 1.3 – 15)
Unlisted bonds, short bond positions, bonds listed in an inactive market or negotiable certificates of deposit (NCDs)	Discounted cash flow	Future cash flows are discounted using a market-related interest rate adjusted for credit inputs over the contractual period. Where the valuation technique incorporates observable inputs for credit risk or the credit risk is an insignificant input, level 2 of the fair value hierarchy is deemed appropriate. Where the valuation technique incorporates significant inputs for credit risk, level 3 of the fair value hierarchy is deemed appropriate.	Market interest rates, credit inputs and market quotes for NCD instruments	Credit inputs Range of credit inputs: 40 – 414 bps (2025: 115 – 414 bps)
Treasury bills and other government and government-guaranteed stock	Exchange prices. Exchange yields converted into a price using specific debt market bond pricing models. Discounted cash flow	Instrument fair values are determined by either marking to exchange traded prices, converting exchange yields into prices by applying the specific debt market trading models, for example the JSE Debt Market, or by discounting the cash flows off an appropriate curve.	Market quotes for money market and fixed-income instruments and market interest rates	N/A
Non-recourse investments	Discounted cash flow	Future cash flows are discounted using a discount rate which is determined as a base rate plus a margin. The base rate is determined by legal agreements as either a bond or swap curve. The margin approximates the level of risk attached to the cash flows. When there is a change in the base rate of the market, the valuation is adjusted accordingly. The valuation model is calibrated to reflect transaction price at initial recognition.	Market interest rates	N/A

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.2 Fair value hierarchy and measurements continued

Measurement of assets and liabilities at level 2 and level 3 continued

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs – level 2	Unobservable inputs – level 3
INVESTMENT SECURITIES continued				
Investments in funds and unit trusts	Third-party valuations	For certain investments in funds (such as hedge funds) or unit trusts, where an internal valuation technique is not applied, the group places reliance on valuations from third parties, such as broker quotes or valuations from asset managers. Where considered necessary, the group applies minority and marketability or liquidity discount adjustments to these third-party valuations. Third-party valuations are reviewed by the relevant operating business's investment committee on a regular basis. Where these underlying investments are listed, third-party valuations can be corroborated with reference to listed share prices and other market data and are thus classified as level 2 of the fair value hierarchy.	Equity listed prices	Third-party valuations used, minority and marketability adjustments
INVESTMENT PROPERTIES				
Investment properties	Income capitalisation method/ discounted cash flow (DCF)	The fair value of investment properties is determined through valuations conducted by professional valuers. These valuations incorporate either the DCF method or the income capitalisation approach, depending on the nature of the property and available data. The DCF method estimates value by calculating the present value of projected future cash flows, including an appropriate exit or terminal value. The income capitalisation method, on the other hand, applies a capitalisation rate to the property's net operating income. Both approaches consider factors such as above-market and below-market rentals, variable operating expenses and general property risk. Inputs are sourced from market surveys and comparable recent transactions that are not publicly quoted. Professional valuations are performed every two years and are subject to internal management review. Desktop valuations are performed in the years where professional valuations are not performed. The fair value was based on unobservable income capitalisation rate inputs.	N/A	Expected rentals, capitalisation and exit/ terminal rates

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.2 Fair value hierarchy and measurements continued

Measurement of assets and liabilities at level 2 and level 3 continued

Instrument	Valuation technique	Description of valuation technique and main assumptions	Observable inputs – level 2	Unobservable inputs – level 3
DEPOSITS AND DEBT FUNDING				
Call and non-term deposits	Discounted cash flow or the undiscounted amount is used	Cash flows are discounted with the interest rates derived from the appropriate curve to arrive at the present value. Where the deposit has a demand feature, the undiscounted amount of the deposit is the fair value due to the short-term nature of the instruments. The fair value is not less than the amount payable on demand, i.e. the undiscounted amount of the deposit.	Market interest rates	N/A
Non-recourse deposits and other liabilities	Discounted cash flow	Future cash flows are discounted using market-related interest rates. Fair value incorporates interest rate risk with no valuation adjustment for own credit risk. Valuation adjustments are affected by changes in the applicable credit ratings of the assets. Where the value of a liability is linked to the performance of an underlying and the underlying is observable, the liabilities are classified as level 2.	Market interest rates or performance of underlying	Performance of underlying contracts
Deposits referencing credit-linked instruments and other deposits	Discounted cash flow	The related forecasting curve is adjusted for liquidity premiums and business unit margins. The valuation methodology does not take early withdrawals and other behavioural aspects into account.	Market interest rates	Credit inputs, market risk and correlation factors Spread of rate curves: 280 – 312 bps (2025: -34 – 650 bps)
POLICYHOLDER LIABILITIES UNDER INVESTMENT CONTRACTS				
Unit-linked contracts or contracts without fixed benefits	Adjusted value of underlying assets	The underlying assets related to the contracts are recognised by the group. The investment contracts require the group to use these assets to settle the liabilities. The fair value of investment contract liabilities, therefore, is determined with reference to the fair value of the underlying assets. The fair value is determined using the current unit price of the underlying unitised assets linked to the liability and multiplied by the number of units attributed to the policyholders at reporting date. The fair value of the liability is never less than the amount payable on surrender, discounted for the required notice period where applicable.	Spot price of underlying	N/A
Contracts with fixed and guaranteed terms	Discounted cash flow	The liability fair value is the present value of future payments, adjusted using appropriate market-related yield curves to maturity.	Market interest rates	N/A
OTHER				
Financial assets and liabilities not measured at fair value but for which fair value is disclosed	Discounted cash flow	Future cash flows are discounted using market-related interest rates and curves adjusted for credit inputs.	Market interest rates	Credit inputs

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.2.1 Fair value hierarchy

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

	2026				2025			
R million	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	Level 1	Level 2	Level 3	Total fair value
Assets								
Recurring fair value measurements								
Derivative financial instruments	**–**	**46 223**	**7 711**	**53 934**	2	54 205	4 279	58 486
Advances	**–**	**111 826**	**71 540**	**183 366**	–	80 985	65 747	146 732
Investment securities*	**151 273**	**76 270**	**6 419**	**233 962**	188 721	31 682	4 650	225 053
Non-recourse investments	**1 305**	**5 548**	**–**	**6 853**	1 950	6 948	–	8 898
Commodities	**4 520**	**–**	**–**	**4 520**	7 364	–	–	7 364
Investment properties	**–**	**–**	**376**	**376**	–	–	783	783
Non-recurring fair value measurements								
Disposal groups held for sale**	**–**	**–**	**513 227**	**513 227**	–	–	–	–
Total fair value assets	**157 098**	**239 867**	**599 273**	**996 238**	198 037	173 820	75 459	447 316
Liabilities								
Recurring fair value measurements								
Short trading positions	**3 434**	**618**	**–**	**4 052**	15 490	1 550	–	17 040
Derivative financial instruments	**45**	**47 574**	**1 911**	**49 530**	–	52 362	1 927	54 289
Deposits and debt funding	**–**	**71 728**	**10 956**	**82 684**	–	68 880	15 803	84 683
Non-recourse deposits	**–**	**6 853**	**–**	**6 853**	–	8 898	–	8 898
Other liabilities	**–**	**98**	**–**	**98**	–	25	–	25
Policyholder liabilities under investment contracts	**–**	**8 243**	**–**	**8 243**	–	7 384	–	7 384
Non-recurring fair value measurements								
Disposal groups held for sale – financial liabilities**	**–**	**–**	**469 925**	**469 925**	–	–	–	–
Total fair value liabilities	**3 479**	**135 114**	**482 792**	**621 385**	15 490	139 099	17 730	172 319

* *In the prior year, an amount of R1 262 million was classified as level 1 instead of level 2. The comparatives have been restated to correctly reflect these instruments as level 2. The prior year balances for level 1 and level 2 were previously reported as R189 983 million and R30 420 million respectively,*

** *Refer to note 14. As the disposal group will be disposed of as a single unit, the fair value attributable is attributable to the disposal group as a single unit of account.*

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.3 Additional disclosures for level 3 financial instruments

35.3.1 Transfers between fair value hierarchy levels

The following represents the significant transfers into levels 1, 2 and 3 and the reasons for these transfers. Transfers between levels of the fair value hierarchy are deemed to occur at the beginning of the reporting period.

	2026			2025		
R million	**Transfers in**	**Transfers out**	**Reasons for significant transfers in**	Transfers in	Transfers out	Reasons for significant transfers in
Level 1	**142**	**(103)**	The inputs used in determining the fair value of certain investment securities became observable in the current year due to improved market liquidity. As a result, these investment securities transferred from level 3 to level 1.	417	(136)	The inputs used to determine the fair value of certain investment securities have become observable during the current year as a result of increased liquidity in the market. This resulted in transfers from level 3 to level 1.
Level 2	**4 965**	**(6 942)**	The inputs used to determine the fair value of certain structured deposits have become observable during the current year, resulting in the transfer from level 3 to level 2.	1 193	(1 392)	The inputs used to determine the fair value of certain structured deposits have become observable during the current year, resulting in the transfer from level 3 to level 2.
Level 3	**7 045**	**(5 107)**	The inputs used to determine the fair value of certain structured deposits have become unobservable during the current year, resulting in the transfer from level 2 to level 3.	1 528	(1 610)	The inputs used to determine the fair value of certain investment securities have become unobservable due to the market being illiquid. This resulted in transfers from level 1 to level 3.
Total transfers	**12 152**	**(12 152)**		3 138	(3 138)	

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.3 Additional disclosures for level 3 financial instruments continued

35.3.2 Changes in level 3 instruments with recurring fair value measurements

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

R million	Derivative financial assets	Advances	Investment securities	Investment properties	Derivative financial liabilities	Other liabilities	Deposits and debt funding
Balance as at 1 July 2024	629	54 672	4 494	704	1 853	–	10 601
Gains or losses recognised in profit or loss	3 144	6 041	164	15	1 056	–	260
Losses recognised in other comprehensive income	–	–	13	–	–	–	–
Purchases, sales, issue and settlements	(251)	5 262	(317)	120	(781)	–	5 879
Acquisitions/disposals of subsidiaries	–	–	(1)	(56)	–	–	–
Transfers into level 3*	842	–	673	–	2	–	11
Transfers out of level 3*	(85)	–	(373)	–	(204)	–	(948)
Exchange rate differences	–	(228)	(4)	–	1	–	–
Balance as at 30 June 2025	**4 279**	**65 747**	**4 649**	**783**	**1 927**	**–**	**15 803**
Gains or losses recognised in profit or loss	**4 148**	**3 823**	**982**	**11**	**903**	**–**	**826**
Gains recognised in other comprehensive income	**–**	**–**	**(17)**	**–**	**–**	**–**	**–**
Purchases, sales, issue and settlements**	**(2 362)**	**2 939**	**915**	**(418)**	**(1 409)**	**–**	**(5 514)**
Acquisitions/disposals of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transfers into level 3	**1 646**	**–**	**103**	**–**	**490**	**–**	**4 806**
Transfers out of level 3	**–**	**–**	**(142)**	**–**	**–**	**–**	**(4 965)**
Exchange rate differences	**–**	**(969)**	**(71)**	**–**	**–**	**–**	**–**
Balance as at 30 June 2026	**7 711**	**71 540**	**6 419**	**376**	**1 911**	**–**	**10 956**

* *In the prior year, transfers within level 3 balances were presented net. The balances have been disaggregated in the current year to show transfers in and out of level 3 separately. Comparatives have been restated.*

** *Includes investment property of R338 million that relates to a disposal group within the RMB segment, that was transferred to non-current assets and disposal groups held for sale. Refer to note 14.*

Decreases in level 3 assets and liabilities are included in brackets. Decreases in the value of assets are the result of losses, sales and settlements or the disposal of subsidiaries. Decreases in the value of liabilities are the result of gains, settlements or the disposal of subsidiaries.

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

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.3 Additional disclosures for level 3 financial instruments continued

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

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

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

	2026		2025	
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
Assets				
Derivative financial instruments	**2 149**	**–**	3 059	–
Advances*	**3 643**	**–**	5 212	–
Investment securities	**970**	**(4)**	(352)	13
Investment properties	**12**	**–**	167	–
Total	**6 774**	**(4)**	8 086	13
Liabilities				
Derivative financial instruments	**21**	**–**	(896)	–
Deposits and debt funding	**(1 457)**	**–**	(652)	–
Total	**(1 436)**	**–**	(1 548)	–

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

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

The table below illustrates the sensitivity of the significant inputs when changed to reasonably possible alternative inputs.

<table>
<tr><th>Asset/liability</th><th>Unobservable input to which reasonably possible changes are applied</th><th>Reasonably possible changes applied</th></tr>
<tr><td>Derivative financial instruments</td><td>Volatilities, yields, interest rates, credit spreads</td><td>A 10% relative stress (i.e. (1 ± 10%) base input) of the following base inputs:<table><tr><th>Exposure</th><th>Unobservable Input</th></tr><tr><td>Options</td><td>Volatility</td></tr><tr><td>Nominal bonds</td><td>Yield</td></tr><tr><td>Inflation bonds</td><td>Real yield</td></tr><tr><td>Currency basis</td><td>Rate curve</td></tr><tr><td>Credit</td><td>Credit spreads</td></tr><tr><td>Interest rates</td><td>Rate curve</td></tr></table></td></tr>
<tr><td>Advances</td><td>Credit migration matrix</td><td>The PD is adjusted to fully reflect the upside or downside scenarios in relation to the base case.</td></tr>
<tr><td>Investment securities</td><td>Credit, growth rates or P/E ratios of unlisted investments</td><td>Increased and decreased by between 7% and 10%, depending on the nature of the instrument.</td></tr>
<tr><td>Investment properties</td><td>Escalation rates applied to rentals and discount rates</td><td>Expected rentals are adjusted for comparable rentals. A range of capitalisation rates was used to assess the reasonability of the rate(s) used.</td></tr>
<tr><td>Deposits and debt funding</td><td>Credit inputs, correlation and devaluation parameters</td><td>The sensitivity to credit risk has been assessed in the same way as for advances, using the credit migration matrix, with the deposit representing the cash collateral component thereof.</td></tr>
</table>

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.3 Additional disclosures for level 3 financial instruments continued

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

	2026			2025		
	Reasonably possible alternative fair value			Reasonably possible alternative fair value		
R million	**Fair value**	**Using more positive assump-tions**	**Using more negative assump-tions**	Fair value	Using more positive assump-tions	Using more negative assump-tions
Assets						
Derivative financial instruments	**7 711**	**7 944**	**7 380**	4 279	4 468	4 091
Advances	**71 540**	**71 763**	**71 040**	65 747	65 767	65 578
Investment securities	**6 419**	**6 785**	**5 938**	4 650	4 966	4 312
Investment properties	**376**	**434**	**318**	783	879	687
Total financial assets measured at fair value in level 3	**86 046**	**86 926**	**84 676**	75 459	76 080	74 668
Liabilities						
Derivative financial instruments	**1 911**	**1 678**	**2 343**	1 927	1 886	1 982
Deposits and debt funding	**10 956**	**10 872**	**11 040**	15 803	15 561	16 047
Total financial liabilities measured at fair value in level 3	**12 867**	**12 550**	**13 383**	17 730	17 447	18 029

35.4 Financial instruments not measured at fair value

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

	2026				
R million	**Carrying value**	**Total fair value**	**Level 1**	**Level 2**	**Level 3**
Assets					
Advances	**1 311 447**	**1 325 129**	**–**	**219 897**	**1 105 232**
Investment securities	**186 650**	**188 861**	**142 759**	**33 867**	**12 235**
Total financial assets at amortised cost	**1 498 097**	**1 513 990**	**142 759**	**253 764**	**1 117 467**
Liabilities					
Deposits and debt funding	**1 780 386**	**1 780 456**	**1 312**	**1 754 866**	**24 278**
Other liabilities	**2 381**	**2 414**	**281**	**818**	**1 315**
Policyholder liabilities under investment contracts	**2 073**	**2 073**	**–**	**2 073**	**–**
Tier 2 and other loss-absorbing liabilities	**28 159**	**28 402**	**10 710**	**17 692**	**–**
Total financial liabilities at amortised cost	**1 812 999**	**1 813 345**	**12 303**	**1 775 449**	**25 593**
			2025		
Assets					
Advances	1 601 907	1 604 681	–	191 737	1 412 944
Investment securities	260 875	259 904	158 711	90 934	10 259
Total financial assets at amortised cost	1 862 782	1 864 585	158 711	282 671	1 423 203
Liabilities					
Deposits and debt funding	2 088 293	2 092 783	3 652	1 623 052	466 079
Other liabilities	2 403	2 413	330	681	1 402
Policyholder liabilities under investment contracts	1 711	1 711	–	1 711	–
Tier 2 and other loss-absorbing liabilities	21 329	21 503	–	21 503	–
Total financial liabilities at amortised cost	2 113 736	2 118 410	3 982	1 646 947	467 481

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.5 Day 1 profit or loss

The following table represents the aggregate difference between transaction price and fair value based on a valuation technique yet to be recognised in profit or loss.

R million	**2026**	2025
Opening balance	**55**	187
Day 1 profits or losses not initially recognised on financial instruments in the current year	**228**	33
Amount recognised in profit or loss as a result of changes which would be observable by market participants	**(99)**	(165)
Closing balance	**184**	55

35.6 Financial instruments designated at fair value through profit or loss

FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Different methods are used to determine the current period and cumulative changes in fair value attributable to credit risk due to the differing inherent credit risk of these instruments. These are the methods used:

Financial assets	**Advances** The change in credit risk is the difference between the fair value of advances, based on the original credit spreads (as determined using the group's credit spread pricing matrix), and the fair value of advances based on the most recent credit inputs where there has been a change in the credit risk of the counterparty. The group uses its own annual credit review process to determine if there has been a change in the credit rating or PD of the counterparty. **Investment securities** The change in fair value due to credit risk for investments designated at FVTPL is calculated by stripping out the movements that result from a change in market factors that give rise to market risk. The change in fair value due to credit risk is then calculated as the balancing figure, after deducting the movement due to market risk from the total movement in fair value.
Financial liabilities	Determined with reference to changes in the mark-to-market yields of own issued bonds. The change in fair value of financial liabilities due to changes in credit risk is immaterial.

35.6.1 Financial assets designated at fair value through profit or loss

The group has designated certain financial assets at FVTPL that would otherwise have been measured at amortised cost or FVOCI. The table below contains details regarding the change in credit risk attributable to these financial assets. Losses are indicated in brackets.

	2026			
			Change in fair value due to credit risk	
R million	**Fair value**	**Mitigated credit risk**	**Current period**	**Cumulative**
Advances	**21 967**	**300**	**37**	**(13)**
Investment securities	**11 432**	**–**	**–**	**–**
Total	**33 399**	**300**	**37**	**(13)**
		2025		
Advances	23 250	550	66	(134)
Investment securities	10 516	–	–	–
Total	33 766	550	66	(134)

Losses are included in brackets.

Notes to the consolidated financial statements continued

35 Fair value measurements continued

35.6 Financial instruments designated at fair value through profit or loss continued

35.6.2 Financial liabilities designated at fair value through profit or loss

	2026		2025	
R million	**Fair value**	**Contractually payable at maturity**	Fair value	Contractually payable at maturity
Deposits and debt funding	**2 890**	**2 624**	4 466	4 087
Non-recourse deposits	**6 853**	**5 727**	8 898	7 079
Other liabilities	**98**	**98**	25	25
Policyholder liabilities under investment contracts	**8 243**	**8 243**	7 384	7 384
Total	**18 084**	**16 692**	20 773	18 575

35.7 Total fair value income included in profit or loss for the year

R million	**2026**	2025
Total fair value income for the year has been disclosed as:		
Fair value gains and losses included in non-interest revenue*	**12 398**	7 718
Fair value of credit of advances included in impairment of advances	**(453)**	(131)

** Includes foreign exchange gains – refer to note 2.3.*

36 Segment information

The segmental analysis included in the segment report is based on the information reported to the chief operating decision maker (CODM) for the respective segments under the current operating business management structures. The information is prepared in terms of IFRS Accounting Standards. Certain adjustments are made to the segment results in order to eliminate the effect of non-taxable income and other segment-specific items that impact certain key ratios reviewed by the CODM when assessing the operating segments' performance. In addition, certain normalised adjustments are also processed to the segment results.

36.1 Reportable segments

SEGMENT REPORTING	
Group's chief operating decision maker	Chief executive officer (CEO)
Identification and measurement of operating segments	Aligned to internal reporting provided to the CEO and reflect the risks and rewards related to the segments' specific products and services offered in their specific markets. Operating segments of which total revenue, absolute profit or loss for the period, or total assets that constitute 10% or more of all the segments' revenue, profit or loss or total assets are reported separately.
Major customers	The FirstRand group has no major customer as defined (i.e. revenue from the customer exceeds 10% of total revenue) and is therefore not reliant on revenue from one or more major customers.

REPORTABLE SEGMENTS		
RETAIL AND COMMERCIAL		
	Products and services	**Footprint**
FNB	FNB represents the group's activities in the retail and commercial segments in South Africa and broader Africa. FNB offers a diverse set of financial products and services to market segments, including retail (personal and private), small and medium-sized enterprises (SMEs), business, agriculture, medium corporate, and public sector entities. FNB's products cover the entire spectrum of financial services – transactional, lending, insurance, investment management and savings. Products include mortgage loans and commercial property finance; credit and debit cards (card issuing); personal loans (including loans offered by DirectAxis); debtor and leveraged finance; securities-based lending; foreign exchange; funeral, credit life, life and short-term insurance policies; and savings and investment products. Services include transactional and deposit taking, card-acquiring, credit facilities, insurance, trust and fiduciary services, rewards programme (eBucks), FNB Connect (a mobile virtual network operator), merchant services (card acquiring) and cash management solutions, among others.	FNB operates in South Africa, Namibia, Botswana, Lesotho, Eswatini, Zambia, Mozambique and Ghana. FNB's distribution channels include the branch network and other physical representation points, ATMs, call centres, an app, cellphone banking (USSD) and online banking.

Notes to the consolidated financial statements continued

36 Segment information continued

36.1 Reportable segments continued

REPORTABLE SEGMENTS		
	Products and services	**Footprint**
WesBank	WesBank represents the group's asset-based finance activities in the retail, commercial and corporate segments in South Africa. It is a leading provider of vehicle finance and fleet management in the country. MotoVantage provides value-added products and services (VAPS) related to vehicle ownership. These include maintenance and service plans, warranties, and credit life and shortfall cover.	WesBank operates in South Africa.
CORPORATE AND INSTITUTIONAL		
RMB	RMB represents the group's activities in the corporate and institutional segments in South Africa and on the broader African continent. In addition, it has niche offerings in the UK and India, and a broker-dealer business and representative office in the USA. RMB offers corporate finance, leveraged finance, resource sector solutions, infrastructure sector solutions, real estate finance, debt capital markets, debt trade solutions, sponsor services, corporate broking, loan syndications, coverage, advisory, corporate transactional banking and principal investments. From a markets perspective, it offers market-making, financial risk management and investment across interest rate, currency, commodity, equity and credit asset classes as well as execution, asset financing, custody and clearing services. The results of Ashburton Investments, the group's asset management business, are also reported as part of RMB.	RMB operates in South Africa, Namibia, Botswana, Eswatini, Lesotho, Mozambique, Zambia, Ghana and Nigeria, and manages FirstRand Bank's representative offices in Kenya, Angola, Shanghai and New York. RMB has niche offerings in the UK (London branch) and India. It has established a broker-dealer business in the USA.
ALDERMORE		
Aldermore - discontinued operation	The UK operations include Aldermore Bank and MotoNovo (front book). The portfolio consists of specialist lending for property finance (individuals and landlords), structured and specialist finance for SMEs, motor finance (provided by MotoNovo), and retail and business savings products. The UK operations are funded mainly by retail deposits from UK savers. With no branch network, Aldermore serves customers and intermediary partners online and telephonically, with motor finance offered through a network of dealerships across the UK.	Aldermore and MotoNovo operate in the UK.
CENTRE (INCLUDING GROUP TREASURY)		
Centre (including Group Treasury)	The Centre represents group-wide functions, including Group Treasury, Group Finance, Group Tax, Enterprise Risk Management, Group Compliance and Group Internal Audit. The reportable segment includes all management accounting and consolidated entries and the total operational performance of MotoNovo's back book (i.e. business written prior to the integration with Aldermore).	

Notes to the consolidated financial statements continued

36 Segment information continued

36.2 Description of normalised adjustments

NORMALISED ADJUSTMENTS

The group presents normalised earnings which take into account non-operational and accounting anomalies. Normalised earnings are the measurement basis used by the CODM to manage the group.

Normalised earnings adjustments include reallocation entries where amounts are moved between income statement lines and lines of the statement of financial position, without having an impact on the IFRS profit or loss for the year or total assets and total liabilities reported in terms of IFRS Accounting Standards. Other normalised adjustments have an impact on the profit or loss reported for the period.

During the current year, the group announced its intention to exit its UK consumer finance business (the UK operations, comprising the Aldermore group). The UK operations have been classified as a disposal group held for sale and as a discontinued operation in terms of IFRS 5. As the UK operations are no longer representative of the group's ongoing business activities and do not reflect the underlying performance on which the CODM assesses and manages the group, the earnings attributable to the UK operations are excluded from normalised earnings. To ensure comparability between reporting periods, normalised earnings for the prior year have been restated to exclude the earnings attributable to the UK operations.

Consolidated private equity subsidiaries	In accordance with IFRS Accounting Standards, operating costs of consolidated private equity subsidiaries are included in profit or loss as part of operating expenses. When calculating normalised results, these operating costs are reclassified to NIR, where income earned from these entities is included. This presentation of net income earned from consolidated private equity subsidiaries more accurately reflects the underlying economic substance of the group's relationship with these entities.
FirstRand shares held for client trading activities	The group invests in FirstRand shares to offset its exposure as a result of client trading positions. Depending on the nature of the client trading position and resulting risks, FirstRand shares may be held long or sold short by the group. FirstRand shares held by the group are deemed to be treasury shares for accounting purposes. For the statement of financial position, the cost price of FirstRand shares held long is deducted from equity and the consideration received from selling FirstRand shares short is added back to equity. All gains and losses on FirstRand shares are reversed to profit or loss. In addition, one of the group's joint ventures also holds FirstRand shares for client trading activities. In terms of IAS 32, profits or losses cannot be recognised on an entity's own equity instruments. The group's portion of the fair value change in the FirstRand shares is, therefore, deducted from equity-accounted earnings and the carrying value of the investment recognised using the equity-accounted method. The shares held by the joint venture are not deducted from equity. Changes in the fair value of FirstRand shares and dividends declared on these shares affect the fair value of client trading positions reflected in the statement of financial position, unless the client trading position is itself an equity instrument. The change in the fair value of client trading positions is recognised in profit or loss. However, because of the rules relating to treasury shares and the elimination of upstream and downstream profits when equity accounting is applied, the corresponding fair value changes (or the group's portion of the fair value changes) in the FirstRand shares held to match client trading positions are reversed or eliminated. This results in a mismatch in the overall equity and profit or loss of the group. For purposes of calculating normalised results, the adjustments described above are reversed and FirstRand shares held for client trading positions are treated as issued to parties external to the group. Where the client trading position is itself an equity instrument, neither gains nor losses on client trading positions, or FirstRand shares held to hedge these, are reflected in profit or loss or in the statement of financial position.
Margin-related items included in fair value income	In terms of IFRS Accounting Standards, the bank is required to or has elected to measure certain financial assets and liabilities at FVTPL. In terms of the bank's IFRS Accounting Standards policies, the gains or losses on these assets and liabilities are included in fair value income within NIR. This results in NIR including gains or losses that are related to lending, borrowing and economic interest rate hedges. In order to reflect the economic substance of these amounts, the amount of fair value income that relates to margin is presented in NII in the normalised results. The amount reclassified from NIR to NII includes the following items: • the margin on the component of the wholesale advances book in RMB that is measured at FVTPL; • fair value gains on derivatives that are used as interest rate hedges but which do not qualify for hedge accounting; and • currency translations and associated costs inherent to the US dollar funding and liquidity pool.

Notes to the consolidated financial statements continued

36 Segment information continued

36.2 Description of normalised adjustments continued

NORMALISED ADJUSTMENTS	
IAS 19 – Remeasurement of plan assets	Interest income is recognised on the plan assets and set off against staff costs in the income statement. All other remeasurements of plan assets are recognised in OCI. In instances where the plan asset is a qualifying insurance policy, which has a limit of indemnity, the fair value of the plan asset is limited to that limit of indemnity. The limit of indemnity continually reduces as payments are made in terms of the insurance policy. After the recognition of interest income on the plan asset, any further adjustment required to revalue the plan asset to the limit of indemnity is recognised in OCI. To the extent, therefore, that interest income on plan assets results in an increase in the fair value of the plan asset above the limit of indemnity, a downward fair value measurement is recognised in OCI. Economically, the value of the plan asset has simply reduced with claims paid. Normalised results are adjusted to reflect this by increasing staff costs to the value of the interest on the plan assets and increasing OCI.
Realisations on the sale of private equity subsidiaries	In terms of *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. This industry rule, however, does not apply to gains or losses associated with private equity investments that are subsidiaries. The group includes gains or losses on the sale of private equity subsidiaries in normalised results to reflect the nature of these investments.
Cash-settled share-based payments and the economic hedge	The group entered into various TRSs with external parties to economically hedge itself against the exposure to changes in the FirstRand share price associated with the group's share schemes. The expense resulting from these share option schemes is recognised over the vesting period of the schemes. This leads to a mismatch in the recognition of the profit or loss of the hedge and the SBP expense. When calculating normalised results, the group defers a portion of the recognition of the fair value gain or loss on the hedging instrument for the specific reporting period to the period in which the SBP expense will manifest in the group's results. This reflects the economic substance of the hedge and associated SBP expense for the group for the share schemes that are not hedge accounted. In addition, the portion of the SBP expense which relates to the remeasurement of the liability arising from changes in the share price is reclassified from operating expenses into NIR in accordance with the economics of the transaction. The SBP expense included in operating expenses that remain is equal to the grant date fair value of the awards given.
UK motor finance commission provision and costs	In March 2026, the UK Financial Conduct Authority announced an industry-wide redress scheme, and the UK operations and FirstRand Bank, through the MotoNovo back book, recognised an IAS 37 provision for its estimated liability. As the provision and costs arise from a discrete industry-wide regulatory matter linked to historical business practices, it does not reflect the group's underlying operating performance in the current or comparative years. Accordingly, the provision charge and associated costs are excluded from normalised earnings, with the comparative information adjusted consistently for the prior-year provision and costs. In addition, the total provision is excluded from the group's normalised balance sheet.
IFRS 10 – Consolidation of fully vested empowerment vehicles	When assessing if a structured entity is controlled by another entity, it must consider whether the sponsoring entity was instrumental in the design and purpose of the mandate and operational parameters of the entity being evaluated, and whether benefits are obtained. Where both these requirements are met, the sponsoring entity is deemed to have control over the entity. FirstRand's BEE transaction is fully vested and distributed to the broad-based black economic empowerment beneficiaries, which include the empowerment trusts. Although the trustees are empowered and responsible for making investment decisions and disbursements to beneficiaries, as FirstRand was instrumental in the initial design and obtains non-financial benefits, namely BEE ownership points, the group is deemed to have control and therefore consolidates the empowerment trusts. For the purpose of calculating normalised results the consolidation of the trusts is reversed as the assets, liabilities and returns within the trusts are not for the benefit of FirstRand shareholders, either on distribution or dissolution of the trusts.

Notes to the consolidated financial statements continued

36 Segment information continued

36.2 Description of normalised adjustments continued

NORMALISED ADJUSTMENTS	
Discontinued operations held for sale	For purposes of calculating normalised continuing results, the net asset value attributable to the UK operations, including goodwill and the cumulative foreign currency translation reserve, attributable to the UK operations is excluded from the group's normalised continuing balance sheet to align the balance sheet and income statement treatment of the normalised discontinued operation. The intention is to present the return generated by the normalised continuing operations on the net asset value of those operations at the reporting date. Comparative information has been adjusted on a consistent basis.
Headline earnings adjustments	All adjustments that are required by *Circular 01/2023 – Headline Earnings* in calculating headline earnings are included in normalised earnings on a line-by-line basis based on the nature of the adjustment. The description and amount of these adjustments are provided in the reconciliation between headline earnings and IFRS profit.

Notes to the consolidated financial statements continued

36 Segment information continued

	2026									
	Retail and commercial				Corporate and institutional					
	FNB									
R million	FNB SA	FNB broader Africa	WesBank	Retail and commercial	RMB	Centre (including Group Treasury)	FirstRand group – normalised continuing	Discontinued operations	Normalised adjustments*,**	FirstRand group – IFRS
Net interest income before impairment of advances	46 556	6 546	6 574	59 676	15 829	7 896	83 401	–	(5 210)	78 191
Impairment charge	(9 554)	(419)	(2 646)	(12 619)	(1 296)	(65)	(13 980)	–	–	(13 980)
Net interest income after impairment of advances	37 002	6 127	3 928	47 057	14 533	7 831	69 421	–	(5 210)	64 211
Non-interest revenue	38 339	6 284	3 500	48 123	18 013	(2 664)	63 472	–	5 228	68 700
Net income from operations	75 341	12 411	7 428	95 180	32 546	5 167	132 893	–	18	132 911
Operating expenses*	(40 696)	(8 351)	(5 002)	(54 049)	(16 563)	(940)	(71 552)	–	(8 390)	(79 942)
Share of profit of associates and joint ventures after tax	15	–	739	754	1 868	(490)	2 132	–	–	2 132
Income before tax	34 660	4 060	3 165	41 885	17 851	3 737	63 473	–	(8 372)	55 101
Indirect tax	(835)	(261)	(31)	(1 127)	(301)	(33)	(1 461)	–	–	(1 461)
Profit for the year before tax	33 825	3 799	3 134	40 758	17 550	3 704	62 012	–	(8 372)	53 640
Income tax expense*	(9 133)	(1 104)	(845)	(11 082)	(4 794)	1 834	(14 042)	–	2 315	(11 727)
Profit from continuing operations	24 692	2 695	2 289	29 676	12 756	5 538	47 970	–	(6 057)	41 913
Profit/(loss) after tax for the year from discontinued operations**	–	–	–	–	–	–	–	3 948	(6 603)	(2 655)
Profit for the year	24 692	2 695	2 289	29 676	12 756	5 538	47 970	3 948	(12 660)	39 258
The income statement includes										
Staff expenditure	(27 232)	(4 562)	(1 863)	(33 657)	(8 926)	(3 410)	(45 993)	–	(28)	(46 021)
Depreciation	(3 083)	(543)	(743)	(4 369)	(112)	(37)	(4 518)	–	–	(4 518)
Amortisation	(234)	(26)	(11)	(271)	(131)	(14)	(416)	–	–	(416)
Net impairment charges (non-financial asset)	(180)	(10)	18	(172)	(23)	6	(189)	–	(192)	(381)
Non-interest revenue earned between segments	672	(22)	47	697	1 754	(2 451)	–	–	–	–
Non-interest revenue includes the following external revenue from contracts with customers#										
Banking, knowledge based fees and commissions	33 913	6 343	572	40 828	6 638	(50)	47 416	–	–	47 416
Other non-banking fees and commissions	1 303	142	1	1 446	80	10	1 536	–	–	1 536
Insurance income (excluding risk-related income)	599	217	180	996	–	–	996	–	–	996
Management, trust and fiduciary fees	1 639	61	625	2 325	324	482	3 131	–	–	3 131
Other non-interest revenue from customers	2 036	–	1 005	3 041	46	–	3 087	–	–	3 087
The statement of financial position includes										
Investments in associated companies	370	–	3 489	3 859	5 543	7 298	16 700	–	–	16 700
Investments in joint ventures	–	–	14	14	5 287	(17)	5 284	–	53	5 337
Total assets	575 592	71 964	219 317	866 873	853 282	507 637	2 227 792	508 999	6 022	2 742 813
Total liabilities†	539 389	67 368	214 870	821 627	834 247	359 647	2 015 521	466 139	15 136	2 496 796
Capital expenditure	4 456	432	1 997	6 885	346	250	7 481	–	–	7 481

The segmental analysis is based on the management accounts for the respective segments. In the current year, the group has enhanced its segment reporting disclosures to separately present additions to non-current assets by reportable segment in accordance with IFRS 8. Comparative information has been presented on a consistent basis.

* *Includes R8 401 million operating expenses and tax of R2 350 million relating to the MotoNovo back book portion of the UK motor commission matter.*

** *Includes R2 664 million after tax relating to the UK Operations portion of the UK motor commission matter.*

\# *The vast majority of external revenue from contracts with customers was recognised at a point in time.*

† *Total liabilities are net of interdivisional balances.*

Notes to the consolidated financial statements continued

36 Segment information continued

	2025									
	Retail and commercial				Corporate and institutional					
	FNB									
R million	FNB SA	FNB broader Africa	WesBank	Retail and commercial	RMB	Centre (including Group Treasury)	FirstRand group – normalised	Discontinued operations	Normalised adjustments*.**	FirstRand group – IFRS
Net interest income before impairment of advances	43 728	6 166	6 177	56 071	13 935	6 996	77 002	–	(2 797)	74 205
Impairment charge	(9 901)	(580)	(2 069)	(12 550)	(972)	(132)	(13 654)	–	–	(13 654)
Net interest income after impairment of advances	33 827	5 586	4 108	43 521	12 963	6 864	63 348	–	(2 797)	60 551
Non-interest revenue	35 236	5 769	3 289	44 294	14 782	(3 562)	55 514	–	2 910	58 424
Net income from operations	69 063	11 355	7 397	87 815	27 745	3 302	118 862	–	113	118 975
Operating expenses*	(38 271)	(7 444)	(4 758)	(50 473)	(15 310)	32	(65 751)	–	(1 434)	(67 185)
Share of profit of associates and joint ventures after tax	8	–	557	565	3 072	(713)	2 924	–	(1)	2 923
Income before tax	30 800	3 911	3 196	37 907	15 507	2 621	56 035	–	(1 322)	54 713
Indirect tax	(830)	(236)	(48)	(1 114)	(296)	(143)	(1 553)	–	–	(1 553)
Profit for the year before tax	29 970	3 675	3 148	36 793	15 211	2 478	54 482	–	(1 322)	53 160
Income tax expense*	(8 061)	(1 050)	(838)	(9 949)	(4 167)	2 320	(11 796)	–	323	(11 473)
Profit from continuing operations	21 909	2 625	2 310	26 844	11 044	4 798	42 686	–	(999)	41 687
Profit / (loss) after tax for the year from discontinued operations**	–	–	–	–	–	–	–	4 596	(1 152)	3 444
Profit for the year	21 909	2 625	2 310	26 844	11 044	4 798	42 686	4 596	(2 151)	45 131
The income statement includes										
Staff expenditure	(25 328)	(4 125)	(1 694)	(31 147)	(8 057)	(3 131)	(42 335)	–	136	(42 199)
Depreciation	(2 743)	(465)	(727)	(3 935)	(226)	(38)	(4 199)	–	–	(4 199)
Amortisation	(217)	(16)	(11)	(244)	(72)	(14)	(330)	–	–	(330)
Net impairment charges	(52)	(1)	(31)	(84)	(15)	76	(23)	–	(145)	(168)
Non-interest revenue earned between segments	609	67	48	724	(2 180)	1 456	–	–	–	–
Non-interest revenue includes the following external revenue from contracts with customers#										
Banking, knowledge based fees and commissions	32 364	5 820	549	38 733	6 391	(47)	45 077	–	–	45 077
Other non-banking fees and commissions	1 145	121	4	1 270	81	22	1 373	–	–	1 373
Insurance income (excluding risk-related income)	646	203	119	968	–	6	968	–	–	968
Management, trust and fiduciary fees	1 379	35	576	1 990	703	40	2 733	–	–	2 733
Other non-interest revenue from customers	1 977	–	873	2 850	115	–	2 965	–	–	2 965
The statement of financial position includes										
Investments in associated companies	626	–	3 248	3 874	5 540	1 149	10 563	170	–	10 733
Investments in joint ventures	–	–	5	5	4 150	(17)	4 138	–	52	4 190
Total assets	543 357	69 548	192 623	805 528	808 341	456 354	2 070 223	515 217	3 330	2 588 770
Total liabilities†	509 826	65 433	190 072	765 331	790 693	320 206	1 876 230	463 933	5 401	2 345 564
Capital expenditure	3 652	819	2 077	6 548	318	23	6 889	–	–	6 889

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

* *Includes R1 533 million operating expenses and tax of R413 million relating to the MotoNovo back book portion of the UK motor commission matter.*

** *Includes R1 067 million after tax relating to the UK Operations portion of the UK motor commission.*

\# *The vast majority of external revenue from contracts with customers was recognised at a point in time.*

† *Total liabilities are net of interdivisional balances.*

Notes to the consolidated financial statements continued

36 Segment information continued

Geographical segments

R million	South Africa	Broader Africa	United Kingdom	Other	Total
	2026				
Revenue from contracts with customers	**47 903**	**7 681**	**564**	**18**	**56 166**
Non-current assets*	**45 191**	**3 034**	**151**	**143**	**48 519**
	2025				
Revenue from contracts with customers	45 393	7 099	608	16	53 116
Non-current assets*	37 689	2 987	8 904	124	49 704

* *Exclude financial instruments, other assets, deferred income tax assets, current tax assets, post-employment benefit assets and rights arising under insurance contracts.*

In the current year, the group has enhanced its segment reporting disclosures to reflect Revenue from contracts with customers and non-current assets by geographical segments only. Comparative information has been presented on a consistent basis.

37 Related parties

37.1 Balances with related parties

R million	**2026**	2025
Advances		
Associates	**32 411**	31 422
Joint ventures	**4 813**	3 846
Key management personnel	**56**	43
Other assets		
Associates	**335**	693
Joint ventures	**3 844**	10 565
Derivative assets		
Joint ventures	**–**	–
Investment securities		
Associates	**274**	537
Deposits and debt funding		
Associates	**1 962**	2 147
Joint ventures	**4 273**	11 953
Key management personnel	**297**	194
Accounts payable		
Associates	**17**	61
Derivative liabilities		
Joint ventures	**242**	138
Commitments		
Associates	**2 325**	629
Joint ventures	**264**	3

Refer to the remuneration disclosures on page B173 for details of the compensation payable to key management personnel (KMP).

Notes to the consolidated financial statements continued

37 Related parties continued

Transactions with related parties occur in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those for comparable transactions with other external parties. These transactions do not involve more than the normal risk of collectability or present other unfavourable features.

The amounts advanced to KMP consist of mortgages, instalment finance agreements, credit cards and other loans. The amounts deposited by KMP are held in cheque and current accounts, savings accounts and other term accounts. Market-related rates and terms and conditions apply to transactions with related parties, including KMP.

Included in advances to associates is supplier development financing to the Vumela Enterprise Development Fund of R429 million (2025: R550 million), which provides growth finance to early-stage SMEs. In line with supplier development financing arrangements, the loans were granted at preferential funding rates.

37.2 Transactions with related parties appear below

R million	**2026**	2025
Interest received		
Associates	**1 936**	2 576
Joint ventures	**1 374**	1 003
Key management personnel	**7**	12
Interest paid		
Associates	**(130)**	(91)
Joint ventures	**(275)**	(290)
Key management personnel	**(17)**	(17)
Non-interest revenue		
Associates	**2 354**	1 279
Joint ventures	**1 996**	395
Key management personnel	**8**	7
Operating expenses		
Associates	**(878)**	(866)
Dividends received		
Associates	**1 525**	782
Joint ventures	**689**	2 161
Salaries and other employee benefits		
Key management personnel	**314**	274
– Salaries and other short-term benefits	**195**	176
– Share-based payments	**119**	98

Deferred compensation of R59 million (2025: R51 million) is due to KMP and settlement value is linked to the FirstRand shares. A list of the board of directors of the group is available in the *Corporate governance* section of this report.

During the financial year, no contracts were entered into in which directors or officers of the bank had an interest and which significantly affected the business of the group.

The directors had no interest in any third party or company responsible for managing any of the business activities of the bank.

37.3 Post-retirement benefit fund

Details of transactions between the group and the group's post-employment benefit plan are listed below.

R million	**2026**	2025
Dividend income	**29**	26
Deposits held with the group	**929**	969

Refer to note 22 for details of the closing balance of the group's post-employment benefit plan.

Notes to the consolidated financial statements continued

38 Financial and insurance risks

Risk governance in the group

FirstRand believes that effective risk, performance and financial resource management is key to its success and underpins the delivery of sustainable returns to shareholders. These disciplines are, therefore, deeply embedded in the group's operational, tactical and strategic decision-making.

Effective risk management is supported by effective governance structures, robust policy frameworks and a risk-focused culture. Strong governance structures and policy frameworks foster the embedding of risk considerations in business processes and ensure that consistent standards exist across the group. In line with the group's corporate governance framework, the board retains ultimate responsibility for providing strategic direction, approving risk appetite and ensuring that risks are adequately identified, measured, monitored, managed and reported on.

The group's risk management framework describes the group's risk governance structures and approach to risk management. Effective risk management requires three lines of control or safeguards that should consistently be applied at various levels throughout the organisation.

The primary board committee overseeing risk matters across the group is the FirstRand RCC. It has delegated responsibility for a number of specialist risk types to various subcommittees. Additional risk, audit and compliance committees exist in the operating businesses, segments and subsidiaries, whose governance structures align closely with those of the group.

A detailed overview of the group's risk governance process is provided in the group's unaudited Pillar 3 disclosure on the FirstRand website at http://www.firstrand.co.za/investors/integrated-reporting-hub/risk-disclosures/.

Overview of financial and insurance risks

The financial instruments recognised in the group's statement of financial position expose the group to various financial risks.

The information presented in this note represents the information required by IFRS 7 and sets out the group's exposure to these financial and insurance risks. This section also contains details on the group's capital management process.

OVERVIEW OF FINANCIAL AND INSURANCE RISKS		
Credit risk	The risk of loss due to the non-performance of a counterparty in respect of any financial or other obligation. For fair value portfolios, the definition of credit risk is expanded to include the risk of losses through fair value changes arising from changes in credit spreads. Credit risk also includes credit default, pre-settlement, country, concentration and securitisation risk.	
	Credit risk arises primarily from the following instruments: • advances; • certain investment securities; and • off-balance sheet exposures. Other sources of credit risk are: • reinsurance assets; • cash and cash equivalents; • accounts receivable included in Collateral, settlement balances and other assets; and • derivative balances.	The following information is presented for these assets: • credit assets and concentration risk (38.1.1); • information about the quality of credit assets (38.1.2 and 38.1.3); and • credit risk mitigation techniques and collateral held (38.1.4).
Liquidity risk	The risk that the group will not be able to effectively meet current and future cash flow and collateral requirements without negatively affecting the normal course of business, financial position or reputation.	
	All assets and liabilities with differing maturity profiles expose the group to liquidity risk.	The following information is presented for these assets and liabilities: • undiscounted cash flow analysis of financial liabilities (38.2.1); • discounted cash flow analysis of total assets and liabilities (38.2.2); • collateral pledged (38.2.3) and • concentration analysis of deposits (38.2.4).

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

Overview of financial and insurance risks continued

OVERVIEW OF FINANCIAL AND INSURANCE RISKS		
Market risk	The group distinguishes between traded market risk and non-traded market risk. For non-traded market risk the group distinguishes between interest rate risk in the banking book and structural foreign exchange risk. Traded market risk is the risk of adverse revaluation of any financial instrument as a consequence of changes in the market prices or rates.	
	Traded market risk (38.3.1) emanates mainly from the provision of hedging solutions for clients, market-making activities and term-lending products, and is taken and managed by RMB.	10-day 99% expected tail loss (ETL) analysis has been presented for traded market risk.
	Interest rate risk in the banking book (38.4.1) is the sensitivity of a bank's financial position and earnings to unexpected, adverse movements in interest rates. It originates from the differing repricing characteristics of balance sheet positions/instruments, yield curve risk, basis risk and client optionality embedded in banking book products.	The following information is presented for interest rate risk in the banking book: • projected NII sensitivity to interest rate movements; and • banking book NAV sensitivity to interest rate movements as a percentage of total group capital.
	Structural foreign exchange risk (38.4.2) is the risk of an adverse impact on the group's financial position and earnings or other key ratios as a result of movements in foreign exchange rates impacting balance sheet exposures. It arises from balances denominated in foreign currencies and group entities with functional currencies other than the South African rand.	Information on the group's net structural foreign exposures and sensitivity of these exposures are presented.
Equity investment risk	The risk of an adverse change in the fair value of an investment in a company, fund or listed, unlisted or bespoke financial instruments.	
	Equity investment risk (38.5) arises primarily from equity exposures from private equity and corporate and investment banking activities in RMB, and strategic investments held by WesBank, FNB, Aldermore and the Centre. Ashburton Investments also contributes to equity investment risk through the short-term seeding of new traditional and alternative funds, both locally and offshore, which exposes the group until these investments are taken up by external parties. Long-term seeding is also provided where there is alignment with strategy and the business case meets the internal return hurdle requirements. Any equity investments in any types of funds held in the bank's banking book, including money market funds, are treated as part of equity investment risk.	The following information is presented for equity investments: • investment risk exposure, risk-weighted assets (RWA) and sensitivity analysis of investment risk; and • estimated sensitivity of remaining investment balances.
Insurance risk	Insurance risk arises from the inherent uncertainties of liabilities payable under an insurance contract. These uncertainties can result in the occurrence, amount or timing of the liabilities differing from expectations. Insurance risk can arise throughout the product cycle and is related to product design, pricing, underwriting or claims management.	
	The insurance risk arises from the group's long-term insurance operations, underwritten through its subsidiary FirstRand Life Assurance Limited (FirstRand Life), and short-term insurance operations, underwritten through its subsidiary FirstRand Short Term Insurance.	
Tax risk	The risk of financial loss due to the final determination of the tax treatment of a transaction by revenue authorities being different from the implemented tax consequences of such a transaction, combined with the imposition of penalties, sanction or reputational damage due to: • non-compliance with the various revenue acts; and/or • the inefficient use of available mechanisms to benefit from tax dispensations.	
	Any event, action or inaction in the strategy, operations, financial reporting or compliance that either adversely affects the entity's tax or business position, or results in unanticipated penalties, assessments, additional taxes, harm to reputation, lost opportunities or financial statement exposure is regarded as tax risk.	
Capital management	The overall capital management objective is to maintain sound capital ratios and a strong credit rating to ensure confidence in the group's solvency and quality of capital during calm and turbulent periods in the economy and financial markets. The group, therefore, maintains capitalisation ratios aligned with its risk appetite and appropriate for safeguarding operations and stakeholder interests. The key focus areas and considerations of capital management are to ensure an optimal level and mix of capital, effective allocation of resources including capital and risk capacity, and a dividend strategy to provide shareholders with an appropriate, sustainable payout over the long term.	

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk

Credit risk is a loss due to the non-performance of a counterparty in respect of any financial or other obligation. For fair value portfolios, the definition of credit risk is expanded to include the risk of losses through fair value changes arising from changes in credit spreads. Credit risk considerations extend to pre-settlement, country, industry, concentration, securitisation and climate (physical and transitional) risks.

The objective of credit risk management is to optimise the group's measure of economic profit, i.e. NIACC, within acceptable levels of earnings volatility by maintaining credit risk exposures and credit performance within acceptable parameters.

Assessment and management

Credit risk is managed through the implementation of comprehensive policies, processes and controls. This ensures consistent high-quality execution across the credit value chain, including credit risk appetite, underwriting, risk-based pricing, portfolio monitoring and reporting, impairing for ECL, capital assessment, stress testing, collections and recoveries.

Credit risk management across the group is split into three distinct portfolios, which are aligned to customer profiles. These portfolios are retail, commercial and corporate.

The assessment of credit risk across the group relies on internally developed quantitative models for addressing regulatory and business needs. These models are used for the internal assessment of the three primary credit risk components:

- PD;
- EAD; and
- LGD.

Management of the credit portfolio is reliant on these three credit risk measures. PD, EAD and LGD are inputs into the portfolio and group-level credit risk assessment where the measures are combined with estimates of correlations between individual counterparties, industries and portfolios to reflect diversification benefits across the portfolio.

The group employs a granular, 100-point master rating scale, which has been mapped to the continuum of default probabilities, as illustrated in the following table. FirstRand rating 1 is the lowest PD and FirstRand rating100 the highest in the FirstRand rating scale. These mappings are reviewed and updated on a regular basis. External ratings have also been mapped to the master rating scale for reporting purposes.

Mapping of FirstRand grades to rating agency scales

FirstRand rating	Midpoint PD	International scale mapping (based on S&P)*
1 – 14	0.06 %	AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB (upper)
15 – 25	0.29 %	BBB, BBB-(upper), BBB-, BB+(upper), BB+
26 – 32	0.77 %	BB(upper), BB, BB-(upper), BB-
33 – 39	1.44 %	B+(upper)
40 – 53	2.52 %	B+, B(upper)
54 – 83	6.18 %	B, B-(upper), B-
84 – 90	13.68 %	CCC+
91 – 99	59.11 %	CCC
100	100 %	D (defaulted)

* *Indicative mapping to the international rating scales of S&P Global Ratings. The group currently only uses mapping to S&P rating scales.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

Climate risk

Climate risk refers to the potential for financial and non-financial impacts arising from physical effects of climate (including climate change) and the transition to a lower-carbon and more climate-resilient economy.

- Physical risk arises from the direct impacts of climate change on natural and built environments, including damage to assets, infrastructure, supply chains, and business continuity. It includes both acute and chronic physical hazards that can impair a client's ability to repay, reduce collateral values, disrupt operations and increase costs for both FirstRand and its clients.
- Transition risk arises from the economic transition to a lower-carbon economy. It includes the effects of changes in policy and regulation, carbon pricing, technology, markets and customer preferences, and may affect client profitability, repayment capacity, asset values and business viability. Transition risk may manifest through existing risk types, including credit risk (through reduced cash flows, declining collateral values or increased compliance costs), operational risk (through required changes to systems, processes and supply chains), and market risk (through asset repricing, changing demand patterns and market volatility). Transition risk may also arise where policy, market, investor or technological developments occur more rapidly than clients or sectors can adapt, resulting in heightened financial and operational impacts.

The group does not embed climate-related risks directly in its ECL models. It applies management adjustments for physical and transition risks where these risks are considered material and are not fully captured through existing modelled inputs.

Macroeconomic scenarios used to inform forward-looking indicators for expected losses under IFRS 9 specifically incorporate climate-related metrics, including carbon pricing and emissions reduction trajectories. These metrics provide a broader mechanism to reflect climate-related effects where specific physical and transition risks have not yet been mapped to individual exposures.

The group expects to retain an out-of-model process while data, modelling approaches, and methodologies continue to evolve. This remains appropriate where climate-related effects are difficult to isolate within core models and is consistent with international practice, where these effects are often reflected through management post-model adjustments rather than embedded directly in base ECL models.

Benchmarking of ECL adjustments and international industry practice indicates that the group's approach remains aligned with observed practice among comparable banking groups. The group continues to invest in more granular hazard modelling, improved asset-level information, and calibration against observed experience as data becomes available. For forward-looking scenarios, the group relies substantially on international research on damage functions to estimate potential impacts.

38.1.1 Credit assets and concentration risk

The assets and off-balance sheet amounts included in the table below expose the group to credit risk. For all on-balance sheet exposures, the gross amount disclosed represents the maximum exposure to credit risk, before taking collateral and other credit enhancements into account. Off-balance sheet exposures disclosed include loan commitments as defined in the group's accounting policy.

Revocable loan commitments which the group can cancel at any time amounted to R111 070 million (2025: R107 726 million).

Credit concentration risk is the risk of loss to the group arising from an excessive concentration of exposure to a single counterparty, industry, market, product, financial instrument or type of security, country or region, maturity or climate risk (physical and transitional risks). This concentration typically exists when several counterparties are engaged in similar activities and have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Concentration risk is managed based on the nature of the credit concentration within each portfolio.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.1 Credit assets and concentration risk continued

Geographic concentration of significant credit asset exposure

The following table provides a breakdown of credit exposure across geographical areas.

	2026									
	Continuing operations						Discontinued operations			
R million	South Africa	Broader Africa	United Kingdom	Other Europe	Asia, Americas and Australasia	Total	United Kingdom	Other Europe	Asia, Americas and Australasia	Total
On-balance sheet exposures										
Cash and short-term funds	92 975	13 604	4 487	4 759	9 758	125 583	51 140	–	–	51 140
Total advances	1 308 974	158 884	37 829	22 564	17 711	1 545 962	412 812	–	–	412 812
Stage 3 advances*	58 689	3 869	866	30	22	63 476	12 501	–	–	12 501
Derivatives	20 264	1 667	12 366	18 042	1 595	53 934	2 813	121	5	2 939
Debt investment securities**	313 735	51 276	1 807	884	22 350	390 052	28 873	6 623	7 125	42 621
Collateral, settlement balances and other financial assets	26 248	6 119	3 312	2 952	588	39 219	749	1 913	–	2 662
Insurance contract assets	2 135	–	–	–	–	2 135	–	–	–	–
Reinsurance contract assets	587	14	–	–	–	601	–	–	–	–
Off-balance sheet exposures										
Guarantees, acceptances and letters of credit	61 770	12 582	3 768	3 379	6 574	88 073	99	–	–	99
Loan commitments	173 973	16 100	8 552	8 044	4 598	211 267	15 064	–	–	15 064

* *Include purchased or originated credit impaired advances.*

** *Exclude non-recourse investments.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.1 Credit assets and concentration risk continued

Geographic concentration of significant credit asset exposure continued

The following table provides a breakdown of credit exposure across geographical areas.

	2025					
R million	South Africa	Broader Africa	United Kingdom	Other Europe	Asia, Americas and Australasia	Total
On-balance sheet exposures						
Cash and short-term funds	94 558	11 710	37 348	5 287	8 668	157 571
Total advances	1 174 733	137 940	444 264	29 046	17 844	1 803 827
Stage 3 advances*	55 813	4 658	13 975	17	21	74 484
Derivatives	23 725	2 024	15 218	17 051	468	58 486
Debt investment securities**	318 495	44 603	33 620	17 176	42 740	456 634
Collateral, settlement balances and other financial assets	26 547	2 202	6 555	5 771	1 123	42 198
Insurance contract assets	1 433	–	–	–	–	1 433
Reinsurance contract assets	561	8	–	–	–	569
Off-balance sheet exposures						
Guarantees, acceptances and letters of credit	43 005	7 977	372	1 470	5 948	58 772
Loan commitments	152 781	12 487	18 760	5 176	3 813	193 017

* *Include purchased or originated credit impaired advances.*

** *Exclude non-recourse investments.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.1 Credit assets and concentration risk continued

Breakdown of advances per class

R million	**2026**	2025
Retail secured	**438 936**	406 397
– Residential mortgages	**295 717**	281 669
– WesBank VAF*	**143 219**	124 728
Retail unsecured**	**112 187**	105 147
– FNB card	**46 152**	44 236
– Personal loans	**59 582**	54 088
– Retail other	**6 453**	6 823
Corporate and commercial	**787 222**	742 523
– FNB commercial	**154 115**	143 890
– WesBank corporate and commercial	**73 725**	65 877
– RMB corporate and investment banking	**559 382**	532 756
Broader Africa	**93 642**	87 109
Centre (including Group Treasury)	**113 975**	51 944
Total continuing operations	**1 545 962**	1 393 120
Discontinued operations – UK operations	**412 812**	410 707
– Retail	**326 704**	315 596
– Commercial	**86 108**	95 111
Gross advances	**1 958 774**	1 803 827

* *Includes public sector.*

** *Includes acceptances.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.1 Credit assets and concentration risk continued

Sector analysis concentration of advances

Advances expose the group to concentration risk in various industry sectors. The following tables set out the group's exposure to various industry sectors for total advances and credit-impaired advances.

	2026			
		Stage 3		
R million	Total advances	Advances	Security held and expected recoveries	Impairment
Sector analysis – continuing operations				
Agriculture	63 139	1 122	637	485
Banks	78 222	–	–	–
Financial institutions	257 230	900	361	539
Building and property development	92 797	4 898	3 087	1 811
Government, Land Bank and public authorities	27 536	16	4	12
Individuals	564 234	45 819	25 829	19 990
Manufacturing and commerce	236 731	4 192	1 419	2 773
Mining	35 202	687	231	456
Transport and communication	68 430	1 169	415	754
Other services	122 441	4 673	1 775	2 898
Total advances – continuing operations	1 545 962	63 476	33 758	29 718
Sector analysis - discontinued operations				
Agriculture	474	20	12	8
Banks	–	–	–	–
Financial institutions	6 838	1	–	1
Building and property development	9 353	355	270	85
Government, Land Bank and public authorities	474	5	4	1
Individuals	227 437	9 525	7 288	2 237
Manufacturing and commerce	15 109	336	149	187
Mining	173	–	–	–
Transport and communication	6 484	82	50	32
Other services	146 470	2 177	1 874	303
Total advances – discontinued operations	412 812	12 501	9 647	2 854
		2025		
Sector analysis				
Agriculture	64 413	1 434	842	592
Banks	38 571	–	–	–
Financial institutions	232 418	1 310	603	707
Building and property development	101 678	4 678	3 104	1 574
Government, Land Bank and public authorities	23 469	1 034	808	226
Individuals	760 783	55 411	32 848	22 563
Manufacturing and commerce	235 865	4 659	1 542	3 117
Mining	32 340	196	65	131
Transport and communication	71 720	901	391	510
Other services	242 570	4 861	2 495	2 366
Total advances	1 803 827	74 484	42 698	31 786

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.2 Quality of credit assets

The following table shows the GCA of advances carried at amortised cost and the fair value of advances measured at FVTPL, as well as the exposure to credit risk of loan commitments and financial guarantees per class of advance and per internal credit rating.

The amounts in stage 3 that do not have a FirstRand rating of 91-100 relate to technical cures (performing accounts that have previously defaulted but do not meet the 12-month curing definition and therefore remain in stage 3) and paying debt-review customers, as the PDs on these customers are lower than operational stage 3 advances and the PD drives the FirstRand rating. In addition, where the group holds a guarantee against a stage 3 advance, the FirstRand rating would reflect the same.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.2 Quality of credit assets continued

30 June 2026

	Continuing operations											Discontinued operations		
	Retail secured		Retail unsecured			Corporate and commercial						UK operations		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total excluding UK operations	Retail	Commercial	Total
Total on-balance sheet	295 717	143 219	46 152	59 582	6 453	154 115	73 725	559 382	93 642	113 975	1 545 962	326 704	86 108	1 958 774
FirstRand rating 1-25 on-balance sheet	120 950	–	37	276	–	31 722	17 940	226 540	5 759	102 054	505 278	118 793	8 173	632 244
– Stage 1	120 716	–	37	27	–	31 687	17 888	226 540	5 234	102 054	504 183	118 768	7 913	630 864
– Stage 2	218	–	–	249	–	–	52	–	525	–	1 044	25	260	1 329
– Stage 3	16	–	–	–	–	35	–	–	–	–	51	–	–	51
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 on-balance sheet	143 054	129 796	37 497	40 626	5 413	112 922	53 475	325 204	80 494	11 921	940 402	185 651	72 937	1 198 990
– Stage 1	129 871	119 476	35 653	38 735	5 269	106 349	51 185	308 769	75 087	11 921	882 315	179 205	66 744	1 128 264
– Stage 2	13 183	10 320	1 844	1 891	133	6 523	2 290	16 435	5 383	–	58 002	6 446	6 193	70 641
– Stage 3	–	–	–	–	11	50	–	–	24	–	85	–	–	85
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 on-balance sheet	31 713	13 423	8 618	18 680	1 040	9 471	2 310	7 638	7 389	–	100 282	22 260	4 998	127 540
– Stage 1	558	279	640	1 263	125	311	259	49	1 421	–	4 905	757	565	6 227
– Stage 2	10 994	4 296	1 662	7 980	339	3 154	556	445	2 611	–	32 037	10 881	2 554	45 472
– Stage 3	20 161	8 848	6 316	9 437	576	6 006	1 495	6 739	3 357	–	62 935	10 622	1 879	75 436
– Purchased or originated credit impaired	–	–	–	–	–	–	–	405	–	–	405	–	–	405
Total off-balance sheet	53 336	–	–	–	716	17 988	1 099	210 660	15 541	–	299 340	11 542	3 621	314 503
FirstRand rating 1-25 off-balance sheet	49 505	–	–	–	152	6 959	1 019	110 829	3 142	–	171 606	99	–	171 705
– Stage 1	49 498	–	–	–	152	6 958	1 016	110 829	3 134	–	171 587	99	–	171 686
– Stage 2	7	–	–	–	–	–	3	–	8	–	18	–	–	18
– Stage 3	–	–	–	–	–	1	–	–	–	–	1	–	–	1
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 off-balance sheet	3 810	–	–	–	557	10 949	46	99 238	12 142	–	126 742	11 443	3 621	141 806
– Stage 1	3 773	–	–	–	557	10 852	46	97 277	11 894	–	124 399	11 443	3 621	139 463
– Stage 2	37	–	–	–	–	97	–	1 947	248	–	2 329	–	–	2 329
– Stage 3	–	–	–	–	–	–	–	14	–	–	14	–	–	14
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 off-balance sheet	21	–	–	–	7	80	34	593	257	–	992	–	–	992
– Stage 1	1	–	–	–	7	34	1	16	242	–	301	–	–	301
– Stage 2	12	–	–	–	–	28	–	246	15	–	301	–	–	301
– Stage 3	8	–	–	–	–	18	33	331	–	–	390	–	–	390
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total exposure	349 053	143 219	46 152	59 582	7 169	172 103	74 824	770 042	109 183	113 975	1 845 302	338 246	89 729	2 273 277
– Stage 1	304 417	119 755	36 330	40 025	6 110	156 191	70 395	743 480	97 012	113 975	1 687 690	310 272	78 843	2 076 805
– Stage 2	24 451	14 616	3 506	10 120	472	9 802	2 901	19 073	8 790	–	93 731	17 352	9 007	120 090
– Stage 3	20 185	8 848	6 316	9 437	587	6 110	1 528	7 084	3 381	–	63 476	10 622	1 879	75 977
– Purchased or originated credit impaired	–	–	–	–	–	–	–	405	–	–	405	–	–	405

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.2 Quality of credit assets continued

30 June 2025

R million	Retail secured		Retail unsecured			Corporate and commercial						UK operations		
	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial*	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Total excluding UK operations	Retail	Commercial	Total
Total on-balance sheet	281 669	124 728	44 236	54 088	6 823	143 890	65 877	532 756	87 109	51 944	1 393 120	315 596	95 111	1 803 827
FirstRand rating 1-25 on-balance sheet	108 043	–	669	273	286	19 289	11 693	228 098	6 613	46 502	421 466	129 162	6 135	556 763
– Stage 1	107 887	–	669	73	286	19 258	11 689	227 964	6 303	46 502	420 631	129 157	5 953	555 741
– Stage 2	156	–	–	200	–	22	4	134	310	–	826	5	182	1 013
– Stage 3	–	–	–	–	–	9	–	–	–	–	9	–	–	9
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 on-balance sheet	142 532	114 046	35 380	36 647	5 138	115 047	51 904	297 548	71 547	5 345	875 134	165 278	84 927	1 125 339
– Stage 1	129 097	104 840	33 638	34 858	5 013	109 260	49 064	282 834	66 918	5 302	820 824	153 849	78 231	1 052 904
– Stage 2	13 425	9 206	1 742	1 789	116	5 683	2 840	14 714	4 508	43	54 066	11 429	6 696	72 191
– Stage 3	10	–	–	–	9	104	–	–	121	–	244	–	–	244
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 on-balance sheet	31 094	10 682	8 187	17 168	1 399	9 554	2 280	7 110	8 949	97	96 520	21 156	4 049	121 725
– Stage 1	426	188	505	1 195	70	232	307	19	2 398	2	5 342	802	479	6 623
– Stage 2	10 612	3 204	1 414	6 891	421	3 781	635	765	3 094	12	30 829	8 423	1 619	40 871
– Stage 3	20 056	7 290	6 268	9 082	908	5 541	1 338	5 434	3 457	83	59 457	11 931	1 951	73 339
– Purchased or originated credit impaired	–	–	–	–	–	–	–	892	–	–	892	–	–	892
Total off-balance sheet	49 499	–	–	–	553	15 752	1 409	155 569	14 973	–	237 755	12 076	1 958	251 789
FirstRand rating 1-25 off-balance sheet	46 039	–	–	–	74	5 056	1 394	81 586	3 048	–	137 197	128	–	137 325
– Stage 1	46 039	–	–	–	74	5 044	1 394	81 586	3 046	–	137 183	128	–	137 311
– Stage 2	–	–	–	–	–	12	–	–	2	–	14	–	–	14
– Stage 3	–	–	–	–	–	–	–	–	–	–	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 off-balance sheet	3 449	–	–	–	460	10 618	15	73 441	10 190	–	98 173	11 948	1 958	112 079
– Stage 1	3 411	–	–	–	460	10 335	15	71 427	9 882	–	95 530	11 948	1 958	109 436
– Stage 2	38	–	–	–	–	280	–	2 014	308	–	2 640	–	–	2 640
– Stage 3	–	–	–	–	–	3	–	–	–	–	3	–	–	3
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 off-balance sheet	11	–	–	–	19	78	–	542	1 735	–	2 385	–	–	2 385
– Stage 1	1	–	–	–	19	23	–	186	1 731	–	1 960	–	–	1 960
– Stage 2	5	–	–	–	–	35	–	253	4	–	297	–	–	297
– Stage 3	5	–	–	–	–	20	–	59	–	–	84	–	–	84
– Purchased or originated credit impaired	–	–	–	–	–	–	–	44	–	–	44	–	–	44
Total exposure	331 168	124 728	44 236	54 088	7 376	159 642	67 286	688 325	102 082	51 944	1 630 875	327 672	97 069	2 055 616
– Stage 1	286 861	105 028	34 812	36 126	5 922	144 152	62 469	664 016	90 278	51 806	1 481 470	295 884	86 621	1 863 975
– Stage 2	24 236	12 410	3 156	8 880	537	9 813	3 479	17 880	8 226	55	88 672	19 857	8 497	117 026
– Stage 3	20 071	7 290	6 268	9 082	917	5 677	1 338	5 493	3 578	83	59 797	11 931	1 951	73 679
– Purchased or originated credit impaired	–	–	–	–	–	–	–	936	–	–	936	–	–	936

* *In the prior year, exposures and off balance sheet amounts for FNB commercial that should have been recorded in FR1-25 were recorded in FR26-32. All the stages have been restated, with the FNB commercial total migration of exposures of R19 279 million and off-balance sheet of R5 056 million. Exposure amounts previously reported were R10 million (FR1-25) and R134 326 million (FR26-90) respectively. Off balance-sheet amounts previously reported were nil (FR1-25) and R15 674 million (FR26-90) respectively.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.2 Quality of credit assets continued

Analysis of impaired advances (stage 3)

The following tables represent an analysis of impaired advances (stage 3) for financial assets measured at amortised cost, and debt instruments measured at both FVOCI and FVTPL, in line with the manner in which the group manages credit risk.

	2026			2025		
R million	**Total**	**Security held and expected recoveries**	**Stage 3 impairment**	Total	Security held and expected recoveries	Stage 3 impairment
Stage 3 by class						
Total retail secured	**29 025**	**20 562**	**8 463**	27 356	19 552	7 804
– Residential mortgages	**20 177**	**15 679**	**4 498**	20 066	15 611	4 455
– WesBank VAF	**8 848**	**4 883**	**3 965**	7 290	3 941	3 349
Total retail unsecured	**16 340**	**5 183**	**11 157**	16 267	4 781	11 486
– FNB card	**6 316**	**2 081**	**4 235**	6 268	1 713	4 555
– Personal loans	**9 437**	**3 013**	**6 424**	9 082	2 944	6 138
– Retail other	**587**	**89**	**498**	917	124	793
Total retail secured and unsecured	**45 365**	**25 745**	**19 620**	43 623	24 333	19 290
Total corporate and commercial*	**14 730**	**6 693**	**8 037**	13 318	6 489	6 829
– FNB commercial	**6 091**	**1 750**	**4 341**	5 654	1 934	3 720
– WesBank corporate and commercial	**1 495**	**729**	**766**	1 338	685	653
– RMB corporate and investment banking	**7 144**	**4 214**	**2 930**	6 326	3 870	2 456
Broader Africa	**3 381**	**1 320**	**2 061**	3 578	1 531	2 047
Centre (including Group Treasury) – unsecured	**–**	**–**	**–**	83	2	81
Total continuing operations / excluding UK operations	**63 476**	**33 758**	**29 718**	60 602	32 355	28 247
Discontinued operations – UK operations	**12 501**	**9 647**	**2 854**	13 882	10 343	3 539
– Retail	**10 622**	**8 218**	**2 404**	11 931	8 908	3 023
– Commercial*	**1 879**	**1 429**	**450**	1 951	1 435	516
Total stage 3	**75 977**	**43 405**	**32 572**	74 484	42 698	31 786

** The vast majority of total corporate and commercial (including UK commercial) is secured with collateral.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.2 Quality of credit assets continued

Analysis of impaired advances (stage 3) continued

	2026						2025		
	Continuing operations			Discontinued operations					
R million	**Total**	**Security held and expected recoveries**	**Stage 3 impairment**	**Total**	**Security held and expected recoveries**	**Stage 3 impairment**	Total	Security held and expected recoveries	Stage 3 impairment
Stage 3 by category									
Overdrafts and cash management accounts	**4 006**	**795**	**3 211**	**–**	**–**	**–**	3 876	727	3 149
Term loans	**2 722**	**818**	**1 904**	**33**	**21**	**12**	2 038	806	1 232
Card loans	**6 759**	**2 127**	**4 632**	**–**	**–**	**–**	6 688	1 758	4 930
Instalment sales and hire purchase agreements	**10 528**	**5 632**	**4 896**	**3 320**	**1 389**	**1 931**	13 112	6 375	6 737
Lease payments receivable	**175**	**35**	**140**	**112**	**49**	**63**	252	122	130
Property finance	**22 967**	**17 289**	**5 678**	**8 932**	**8 174**	**758**	32 480	25 891	6 589
– Home loans	**21 301**	**16 365**	**4 936**	**8 791**	**8 060**	**731**	29 774	24 056	5 718
– Commercial property finance	**1 666**	**924**	**742**	**141**	**114**	**27**	2 706	1 835	871
Personal loans	**10 018**	**3 113**	**6 905**	**9**	**(3)**	**12**	9 585	3 090	6 495
Preference share agreements	**141**	**46**	**95**	**–**	**–**	**–**	141	49	92
Investment bank term loans	**5 504**	**3 574**	**1 930**	**–**	**–**	**–**	5 763	3 537	2 226
Long-term loans to group associates and joint ventures	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–
Other	**656**	**329**	**327**	**95**	**17**	**78**	549	343	206
Total stage 3	**63 476**	**33 758**	**29 718**	**12 501**	**9 647**	**2 854**	74 484	42 698	31 786

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.3 Quality of credit assets – non-advances

The following table shows the GCA of non-advances carried at amortised cost and the fair value of non-advances measured at FVTPL or through OCI per external credit rating.

	2026					
	Continuing operations			Discontinued operations		
R million	AAA to BBB	BB+ to B-	CCC	AAA to BBB	BB+ to B-	CCC
Investment securities						
Investment securities at amortised cost	19 210	158 286	10 135	995	–	–
– Stage 1	19 210	157 692	5 116	995	–	–
– Stage 2	–	–	3 992	–	–	–
– Stage 3	–	–	1 027	–	–	–
– Purchased or originated credit impaired	–	594	–	–	–	–
Investment securities at fair value through other comprehensive income	2 305	18 486	890	41 626	–	–
– Stage 1	2 305	18 486	890	41 626	–	–
Investment securities at fair value through profit or loss	15 646	164 227	867	–	–	–
Total investment securities	37 161	340 999	11 892	42 621	–	–
Collateral, settlement balances and other financial assets						
– Stage 1*	10 216	14 411	1	–	2 302	–
– Stage 2	800	8 291	5 222	–	360	–
– Stage 3	–	199	79	–	–	–
Total collateral, settlement balances and other financial assets	11 016	22 901	5 302	–	2 662	–
Cash and cash equivalents						
– Stage 1	19 819	104 195	1 552	51 140	–	–
– Purchased or originated credit impaired	17	–	–	–	–	–
Total cash and cash equivalents	19 836	104 195	1 552	51 140	–	–
Derivative assets	34 847	19 066	21	2 939	–	–

* *Collateral balances are similar in nature to cash and cash equivalents and are included in stage 1.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.3 Quality of credit assets – non-advances continued

	2025		
R million	AAA to BBB	BB+ to B-	CCC
Investment securities			
Investment securities at amortised cost	35 167	217 393	9 157
– Stage 1	35 167	217 393	7 380
– Stage 2	–	–	1 071
– Stage 3	–	–	–
– Purchased or originated credit impaired	–	–	706
Investment securities at fair value through other comprehensive income	61 063	20 227	787
– Stage 1	61 063	20 227	787
Investment securities at fair value through profit or loss	13 424	98 570	846
Total investment securities	109 654	336 190	10 790
Collateral, settlement balances and other financial assets			
– Stage 1*	10 172	17 914	5
– Stage 2	1 281	9 115	3 364
– Stage 3	–	251	96
Total collateral, settlement balances and other financial assets	11 453	27 280	3 465
Cash and cash equivalents			
– Stage 1	50 200	103 553	3 795
– Purchased or originated credit impaired	23	–	–
Total cash and cash equivalents	50 223	103 553	3 795
Derivative assets	36 722	21 602	162

* *Collateral balances are similar in nature to cash and cash equivalents and are included in stage 1.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.4 Credit risk mitigation and collateral held

Managing credit risk is core to all lending activities which are a material driver of earnings growth and return profile.The group therefore aims to optimise the amount of credit risk it takes to achieve its growth and return objectives. Mitigation of credit risk is an important component of this, beginning with the structuring and approval of facilities only for those clients and within those parameters that fall within risk appetite.

Although, in principle, credit assessment focuses on the counterparty's ability to repay the debt, credit mitigation instruments are used where appropriate to reduce the group's lending risk, resulting in security against the majority of exposures. These include financial or other collateral, netting agreements, guarantees or credit derivatives. The collateral types are determined by portfolio, product or counterparty type.

Credit risk mitigation instruments:

- Mortgage and instalment finance portfolios in FNB, WesBank and Aldermore are secured by the underlying assets financed.
- FNB and Aldermore commercial credit exposures are secured by the assets of the SME counterparties and commercial property finance deals are secured by the underlying property and associated cash flows.
- Personal loans, overdrafts and credit card exposures are generally unsecured or secured by guarantees and sureties.
- For FNB and WesBank retail customers, life insurance and insurance against disability, and retrenchment are prescribed, where applicable.
- Structured facilities in RMB are secured as part of the structure through financial or other collateral, including guarantees, credit derivative instruments and assets.
- Counterparty credit risk in RMB is mitigated through the use of netting agreements and financial collateral. For additional information relating to the use of the netting agreements refer to the offsetting table within note 38.1.4.
- Working capital facilities in RMB can be secured or unsecured.

The group employs strict policies governing the valuation and management of collateral across all business areas. Collateral is managed internally to ensure that title is retained over collateral taken over the life of the transaction. Collateral is valued at inception of the credit agreement, and subsequently where necessary through physical inspection or index valuation methods. For corporate and commercial counterparties, collateral is reassessed during the annual review of the counterparty's creditworthiness to ensure that proper title is retained. For mortgage portfolios, collateral is revalued on an ongoing basis using an index model, and physical inspection is performed at the beginning of the recovery process. For asset finance, the total security reflected represents only the realisation value estimates of the vehicles repossessed at the date of repossession. Where the repossession has not yet occurred, the realisation value of the vehicle is estimated using internal models and is included as part of total recoveries.Concentrations in credit risk mitigation types, such as property, are monitored and managed at a product and segment level, in line with the requirements of the group credit risk appetite framework. Collateral is taken into account for capital calculation purposes through the determination of LGD. Collateral reduces LGD, and LGD levels are determined through statistical modelling techniques based on historical experience of the recovery processes.

There have been no significant changes to collateral valuation policies and procedures in the reporting period.

The following table represents an analysis of the maximum exposure to credit risk for financial assets at amortised cost and debt instruments at FVTPL, as well as a breakdown of collateral, both financial and non-financial, held against the exposure along with any other credit enhancements and netting arrangements.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.4 Credit risk mitigation and collateral held continued

R million	Gross carrying amount	Off-balance sheet exposure	Loss allowance	Maximum exposure to credit risk	Netting and financial collateral*	Unsecured	Secured**
	2026						
Residential mortgages	295 717	53 336	(5 923)	343 130	2 060	10	341 060
WesBank VAF	143 219	–	(7 181)	136 038	–	–	136 038
FNB card	46 152	–	(6 767)	39 385	–	39 385	–
Personal loans	59 582	–	(10 954)	48 628	–	48 628	–
Retail other	6 453	716	(808)	6 361	–	2 476	3 885
FNB commercial	154 115	17 988	(6 760)	165 343	4 121	27 777	133 445
WesBank corporate and commercial	73 725	1 099	(1 139)	73 685	–	233	73 452
RMB corporate and investment banking	559 382	210 660	(7 363)	762 679	460	158 991	603 228
Broader Africa	93 642	15 541	(3 734)	105 449	5 429	32 171	67 849
Centre (including Group Treasury)	113 975	–	(520)	113 455	–	6 698	106 757
Total continuing operations	1 545 962	299 340	(51 149)	1 794 153	12 070	316 369	1 465 714
Discontinued operations – UK operations	412 812	15 163	(5 388)	422 587	–	9 852	412 735
– Retail	326 704	11 542	(4 206)	334 040	–	98	333 942
– Commercial	86 108	3 621	(1 182)	88 547	–	9 754	78 793
Total advances	1 958 774	314 503	(56 537)	2 216 740	12 070	326 221	1 878 449
Continuing operations							
Investment securities#	390 052	–	(981)	389 071	–	371 311	17 760
Cash and cash equivalents	125 583	–	–	125 583	4 326	120 627	630
Collateral, settlement balances and other financial assets	39 219	–	(432)	38 787	17 000	21 632	155
Derivatives	53 934	–	–	53 934	37 424	16 510	–
Discontinued operations							
Investment securities#	42 621	–	–	42 621	–	42 621	–
Cash and cash equivalents	51 140	–	–	51 140	–	51 140	–
Collateral, settlement balances and other financial assets	2 662	–	–	2 662	–	2 662	–
Derivatives	2 939	–	–	2 939	1 164	1 775	–
				2025			
Residential mortgages	281 669	49 499	(6 128)	325 040	2 553	40	322 447
WesBank VAF	124 728	–	(6 291)	118 437	–	–	118 437
FNB card	44 236	–	(6 670)	37 566	–	37 566	–
Personal loans	54 088	–	(9 919)	44 169	–	44 169	–
Retail other	6 823	553	(1 143)	6 233	–	3 124	3 109
FNB commercial	143 890	15 752	(6 062)	153 580	4 282	25 872	123 426
WesBank corporate and commercial	65 877	1 409	(1 017)	66 269	–	123	66 146
RMB corporate and investment banking	532 756	155 569	(7 184)	681 141	2 044	138 984	540 113
Broader Africa	87 109	14 973	(3 945)	98 137	4 454	36 124	57 559
Centre (including Group Treasury)†	51 944	–	(544)	51 400	–	3 754	47 646
Total excluding UK operations	**1 393 120**	**237 755**	**(48 903)**	**1 581 972**	**13 333**	**289 756**	**1 278 883**
UK operations	410 707	14 034	(6 285)	418 456	–	9 791	408 665
– Retail	315 596	12 076	(4 880)	322 792	–	128	322 664
– Commercial	95 111	1 958	(1 405)	95 664	–	9 663	86 001
Total advances	1 803 827	251 789	(55 188)	2 000 428	13 333	299 547	1 687 548
Investment securities#	456 634	–	(842)	455 792	1 409	439 784	14 599
Cash and cash equivalents	157 571	–	–	157 571	3 526	154 045	–
Collateral, settlement balances and other financial assets	42 198	–	(412)	41 786	22 943	18 838	5
Derivatives	58 486	–	–	58 486	42 096	16 390	–

* *Financial collateral relating to reverse repos are excluded. Details of these transactions are included on page B192 on the note detailing the offsetting disclosures.*

** *Secured represent balances which have non-financial collateral and financial collateral received under reverse repos. Details of financial collateral and netting on these are disclosed on page B192 on the note detailing the offsetting disclosures.*

\# *Include debt instruments measured at fair value but exclude equity and non-recourse investments.*

† *In the prior year, an amount of R28 118 million was incorrectly reported as unsecured for the Centre. This has been reclassified from unsecured to secured. The amount previously reported was R31 872 million for unsecured and R19 528 million for secured.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.4 Credit risk mitigation and collateral held continued

Collateral held against derivative positions

The table below sets out the cash collateral held against the net derivative position.

	2026		2025
R million	**Continuing operations**	**Discontinued operation**	
Cash collateral held	**14 924**	**1 138**	12 842

The table below reflects the collateral that the group holds where it has the ability to sell or repledge in the absence of default by the owner of the collateral.

Collateral held in structured transactions

	2026		2025	
R million	**Fair value**	**Fair value of collateral sold or repledged in the absence of default**	Fair value	Fair value of collateral sold or repledged in the absence of default
Cash and cash equivalents	**13 739**	**–**	11 217	–
Advances	**172 283**	**4 483**	104 825	24 294
Investment securities	**4 326**	**4 326**	3 539	3 520
Total collateral pledged	**190 348**	**8 809**	119 581	27 814

Investment securities exclude securities lending transactions where securities are obtained as collateral for securities lent. This is in line with industry practice.

Collateral taken possession of

When the group takes possession of collateral that is neither cash nor readily convertible into cash, the group determines a minimum sale amount (pre-set sale amount) and auctions the asset for the pre-set sale amount. Where the group is unable to obtain the pre-set sale amount at an auction, it will continue to hold the asset while actively marketing it to ensure an appropriate value is obtained. Properties taken possession of amounted to R18 million (2025: R46 million).

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.1 Credit risk continued

38.1.4 Credit risk mitigation and collateral held continued

The financial collateral included in the previous table is limited to the net statement of financial position exposure in line with the requirements of IFRS 7 and excludes the effect of any over-collateralisation. The collateral amount included in the table for IFRS 7 disclosure purposes has been determined at a business unit level. The total amount reported on the statement of financial position is the sum of the net amount reported in the statement of financial position and the financial instruments amount not subject to offset or master netting agreement (MNA).

	Derivatives		**Structured transactions**		**Other advances/deposits**	
R million	**2026***	2025	**2026***	2025	**2026***	2025
Assets						
Offsetting applied						
Gross amount	**117 524**	112 517	**220 166**	136 018	**1 323 423**	1 644 359
Amount offset**	**(63 590)**	(54 030)	**(47 883)**	(31 193)	**(892)**	(544)
Net amount reported on the statement of financial position	**53 934**	58 487	**172 283**	104 825	**1 322 531**	1 643 815
Offsetting not applied						
Financial instruments subject to MNAs and similar agreements	**(34 607)**	(37 303)	**(5 778)**	(5 289)	**–**	–
Financial collateral	**(2 817)**	(4 793)	**(144 020)**	(77 899)	**–**	–
Net amount	**16 510**	16 391	**22 485**	21 637	**1 322 531**	1 643 815
Liabilities						
Offsetting applied						
Gross amount	**113 901**	108 851	**64 922**	72 451	**1 852 883**	2 140 616
Amount offset*	**(64 371)**	(54 561)	**(47 883)**	(31 193)	**–**	–
Net amount reported on the statement of financial position	**49 530**	54 290	**17 039**	41 258	**1 852 883**	2 140 616
Offsetting not applied						
Financial instruments subject to MNAs and similar agreements	**(34 607)**	(37 303)	**(5 778)**	(5 289)	**–**	–
Financial collateral	**(8 979)**	(11 446)	**(8 187)**	(23 399)	**–**	–
Net amount	**5 944**	5 541	**3 074**	12 570	**1 852 883**	2 140 616

* *Reflects only continuing operations.*

** *Amounts offset under derivatives are contracts that are set off under netting agreements, such as the MNA or derivative clearing counterparty agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting is applied across all outstanding transactions covered by these agreements.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.2 Liquidity risk

Objective

Liquidity risk arises from the group's potential inability to meet its payment obligations as and when they fall due, or only being able to meet these obligations by incurring excessive costs. Liquidity risk is driven by the maturity profile of the group's assets and liabilities as well as client behaviour. To effectively manage and mitigate the liquidity risk introduced by its core business activities, the group strategically optimises its funding mix within structural and regulatory constraints and pursues a funding strategy that supports operational efficiency and long-term sustainability.

The group continues to offer innovative and competitive products to grow its deposit franchise to reduce dependence on institutional funding. These initiatives continue to improve the funding and liquidity profile of the group and provide for natural liquidity risk buffers. Ongoing compliance with prudential liquidity metrics remains a central pillar of the group's funding approach.

Assessment and management

The group focuses on continually monitoring and analysing the impact of potential risks on its funding and liquidity position in order to ensure business activities are preserved, and funding is available and stable. This ensures that the group can operate through periods of stress when access to funding may be constrained.

Mitigation of market and funding liquidity risks is achieved via contingent liquidity risk management. A portfolio of high-quality liquid assets with appropriate buffers is held, either to be sold into the market or to serve as collateral for loans to cover any unforeseen cash shortfalls that may arise.

The group's approach to liquidity risk management distinguishes between daily, structural and contingency liquidity risk management across all currencies, and various approaches are employed in the assessment and management of these on a daily, weekly and monthly basis, as illustrated below.

DAILY LIQUIDITY RISK	STRUCTURAL LIQUIDITY RISK	CONTINGENCY LIQUIDITY RISK
Ensuring that intraday and day-to-day anticipated and unforeseen payment obligations can be met by maintaining a sustainable balance between liquidity inflows and outflows.	Managing the risk that structural, long-term on- and off-balance sheet exposures cannot be funded timeously or at reasonable cost.	Maintaining several contingency funding sources to draw upon in times of economic stress.

Regular and rigorous stress tests are conducted on the funding profile and liquidity position as part of the overall stress testing framework, with a focus on:

- quantifying the potential exposure to future liquidity stresses;
- analysing the possible impact of economic and event risks on cash flows, liquidity, profitability and the solvency position; and
- proactively evaluating the potential secondary and tertiary effects of other risks on the group.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.2 Liquidity risk continued

38.2.1 Undiscounted cash flows

The following table presents the contractual or determinable maturity of financial liabilities and off-balance sheet commitments. The final maturity bucket includes both contractual cash flows due after 12 months and a limited number of balances for which no contractual or determinable maturity exists at reporting date.

	2026				2025			
		Term to maturity				Term to maturity		
R million	**Undiscounted carrying amount**	**Call to 3 months**	**4 – 12 months**	**>12 months and non-contractual**	Undiscounted carrying amount	Call to 3 months	4 – 12 months	>12 months and non-contractual
On-balance sheet exposures								
From continuing operations:								
Deposits and current accounts	**1 983 296**	**1 454 716**	**206 527**	**322 053**	2 283 638	1 595 030	315 820	372 788
Short trading positions	**4 052**	**4 052**	**–**	**–**	17 040	17 040	–	–
Derivative financial instruments	**49 614**	**48 611**	**50**	**953**	54 556	49 656	2 074	2 826
Creditors, accruals and provisions*	**41 769**	**22 127**	**1 243**	**18 399**	37 652	22 529	2 980	12 143
Tier 2 and other loss-absorbing liabilities	**31 973**	**534**	**4 051**	**27 388**	27 057	461	5 320	21 276
Other liabilities	**2 598**	**309**	**239**	**2 050**	2 535	317	711	1 507
Lease liabilities	**3 175**	**318**	**879**	**1 978**	3 225	302	826	2 097
Policyholder liabilities under investment contracts	**10 845**	**492**	**1 106**	**9 247**	9 095	600	2 491	6 004
From discontinued operations:								
Deposits and current accounts	**458 508**	**299 148**	**103 938**	**55 422**	–	–	–	–
Short trading positions	**–**	**–**	**–**	**–**	–	–	–	–
Derivative financial instruments	**1 450**	**205**	**582**	**663**	–	–	–	–
Creditors, accruals and provisions	**9 646**	**3 857**	**523**	**5 266**	–	–	–	–
Tier 2 and other loss-absorbing liabilities**	**8 258**	**–**	**391**	**7 867**	–	–	–	–
Other liabilities	**–**	**–**	**–**	**–**	–	–	–	–
Lease liabilities	**302**	**20**	**56**	**226**	–	–	–	–
Policyholder liabilities under investment contracts	**–**	**–**	**–**	**–**	–	–	–	–
Off-balance sheet exposures								
From continuing operations:								
Financial and other guarantees	**88 172**	**56 907**	**22 868**	**8 397**	58 773	56 795	1 061	917
Loan commitments	**226 331**	**226 331**	**–**	**–**	193 017	193 017	–	–
From discontinued operations:								
Financial and other guarantees	**99**	**4**	**11**	**84**	–	–	–	–
Loan commitments	**15 064**	**15 064**	**–**	**–**	–	–	–	–

* *Included in >12 months is the UK motor commission provision.*

** *The description for this line has changed from "Tier 2 liabilities" to "Tier 2 and other loss-absorbing liabilities" to incorporate the Flac instruments that were issued during the current year.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.2 Liquidity risk continued

38.2.2 Discounted cash flows

The following table represents the group's total continuing and discontinued operations contractual discounted cash flows of total assets, liabilities and equity. Relying solely on the contractual liquidity mismatch when assessing a bank's maturity analysis would overstate risk, since this represents a worst-case assessment of cash flows at maturity rather than the underlying aggregate client behaviour.

Banks tend to have a particularly pronounced contractual negative gap in the shorter term due to predominately transactional and savings deposits (contractually available on demand) supplemented by short-term institutional funding representing a significant proportion of banks' liabilities. South Africa's structurally lower discretionary savings rate results in South African banks placing additional reliance on short-term wholesale funding. The group's funding strategy is led by a client deposit focus to mitigate and offset the inherent liquidity risk of funding long-term assets, e.g. mortgages.

Discounted cash flow analysis – maturity analysis of total assets, liabilities and equity based on the present value of the expected payment

	2026			
		Term to maturity		
R million	**Discounted carrying amount**	**Call to 3 months**	**4 – 12 months**	**>12 months and non-contractual**
Total assets	**2 742 813**	**794 116**	**725 316**	**1 223 381**
Total equity and liabilities	**2 742 813**	**1 530 877**	**667 421**	**544 515**
Net liquidity gap	**–**	**(736 761)**	**57 895**	**678 866**
Cumulative liquidity gap	**–**	**(736 761)**	**(678 866)**	**–**
		2025		
Total assets	2 588 770	748 616	275 935	1 564 219
Total equity and liabilities	2 588 770	1 689 877	308 925	589 968
Net liquidity gap	–	(941 261)	(32 990)	974 251
Cumulative liquidity gap	–	(941 261)	(974 251)	–

38.2.3 Collateral pledged

The group pledges assets under the following terms and conditions:

- assets are pledged as collateral under repurchase agreements with other banks and for security deposits relating to local futures and options; and
- collateral in the form of cash and other investment securities is pledged when the group borrows equity securities from third parties. These transactions are conducted under the terms and conditions that are usual and customary to standard securities lending arrangements.

All other pledges are conducted under terms that are usual and customary to lending arrangements.

The following assets have been pledged to secure the liabilities set out in the table below. These assets are not available in the normal course of business.

R million	**2026***	2025
Cash and collateral balances	**15 947**	23 925
Advances	**–**	53 234
Investment securities – held under repurchase agreements	**19 619**	32 867
Investment securities – other	**6 699**	7 201
Other	**1 074**	–
Total assets pledged	**43 339**	117 227

* *Reflects only continuing operations.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.2 Liquidity risk continued

38.2.3 Collateral pledged continued

The following liabilities have been secured by the group pledging either its own or borrowed financial assets, except for the short-trading positions, which are covered by borrowed securities only.

R million	**2026***	2025
Short-trading positions	**4 052**	17 040
Total deposits and debt funding	**18 339**	53 622
– Deposits under repurchase agreements	**15 362**	39 724
– Deposits in securities lending transactions**	**1 677**	1 534
– Other secured deposits	**1 300**	12 364
Derivative liabilities	**13 574**	24 039
Other	**5 747**	1 657
Total	**41 712**	96 358

* *Reflects only continuing operations.*

** *Securities lending transactions include only those where cash is placed against the securities borrowed. Transactions where securities are lent and borrowed and other securities placed against the borrowing and lending are excluded.*

38.2.4 Concentration analysis of deposits

R million	**2026***	2025
Sector analysis		
Deposit current accounts and other loans		
Sovereigns, including central banks	**78 931**	107 989
Public sector entities	**85 509**	97 444
Local authorities	**28 065**	16 030
Banks	**77 350**	82 710
Securities firms	**13 809**	26 679
SME, commercial and corporate	**1 079 252**	1 087 625
Retail customers	**499 379**	756 328
Other	**7 628**	7 069
Total deposits	**1 869 923**	2 181 874
Geographical analysis		
South Africa	**1 592 674**	1 485 388
Broader Africa	**183 321**	157 998
UK	**34 750**	484 778
Other	**59 178**	53 710
Total deposits	**1 869 923**	2 181 874

* *Reflects only continuing operations.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.3 Market risk

38.3.1 Traded market risk

Objective

Traded market risk for the group includes traded equity and credit risk, commodity risk, foreign exchange risk and interest rate risk in the trading book, as well as interest rate risk in the RMB banking book.

Assessment and management

Risk related to market risk-taking activities is measured using an internal expected tail loss (ETL) measure, which serves as a proxy for economic capital. ETL is measured at a 99% confidence level using a full revaluation methodology based on historical market risk factor scenarios. The scenario set comprises the most recent 260 trading days together with a period of significant market stress, currently the 2008/2009 financial crisis. The appropriateness of the stress period is reviewed periodically. For exposures deemed illiquid, ETL may be adjusted for liquidity risk through the application of holding periods ranging from 10 to 90 days or longer.

During the current year, the bank adopted the Basel III Fundamental Review of the Trading Book (FRTB) standardised approach for the measurement and management of market risk. Consequently, market risk disclosures have been updated from Value at Risk (VaR) to ETL. While VaR measures the loss threshold at a specified confidence level, ETL measures the average loss expected beyond that threshold, providing a more comprehensive assessment of tail risk and potential losses arising from extreme market events.

The market risk model has performed as expected and the market risk framework continues to ensure adequate management of exposures. All measures have remained within board-approved limits over the period.

Quantification of risk exposures

Management and monitoring of interest rate risk in the domestic banking book is discussed in the *Interest rate risk in the banking book* section of this note. RMB manages a portion of the interest rate risk in its banking book under the market risk framework, with risk measured and monitored for the trading book according to the same principles and processes outlined in this section, and management oversight provided by the FirstRand market and investment risk committee. This portion of the RMB banking book interest rate risk exposure was R67 million on a 10-day ETL basis at 30 June 2026 (2025: R66 million). During the current year, the group refined the ETL methodology and the comparative, previously reported as R99 million, has been restated.

38.3.2 Market risk in the trading book

Market risk in the trading book is taken and managed in line with risk limits and management frameworks approved by the C&I Financial Risk Management executive committee and the FirstRand Market and Investment Risk committee. ETL limits are set for portfolios and risk types, with risk utilisation being a primary factor in determining the level of limits set. Market risk limits are governed according to the market risk framework. The ETL model is designed to take into account a comprehensive set of risk factors across all asset classes.

Global economies continued to be characterised by slow economic growth, uncertainty imposed by geopolitical tensions in the Middle East and shifting inflation and core rates expectations primarily driven by commodity price fluctuations. The risk premium across African subsidiaries remained broadly stable during the period, supported by growth in energy export revenues and market reform initiatives in key jurisdictions, including Ghana, Nigeria and Zambia, notwithstanding ongoing geopolitical volatility and inflationary pressures.

During the current year, the bank adopted the FRTB standardised approach for market risk. Accordingly, market risk disclosures are presented using expected tail loss (ETL), replacing the previously disclosed Value at Risk (VaR) measure. Comparative information has been restated on an ETL basis, with prior year VaR information disclosed in note 39.

The table presents the summary statistics representing the trading portfolio's market risk profile, measured using the 10-day 99% ETL metric observed daily during the financial year. It summarises the maximum, average, minimum, and year-end risk exposures across the principal risk classes and the diversified portfolio, illustrating both the key drivers of market risk and the risk-reducing benefits of diversification.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.3 Market risk continued

	2026*						
R million	**Equities**	**Interest rates****	**Foreign exchange**	**Com-modities**	**Traded credit**	**Diversi-fication effect**	**Diversified total**
ETL (10-day 99%)							
Maximum value#	**138.6**	**563.7**	**425.3**	**138.9**	**61.5**	**—**	**568.6**
Average value	**64.3**	**260.9**	**187.5**	**44.1**	**9.5**	**—**	**297.8**
Minimum value#	**25.7**	**80.5**	**36.2**	**14.8**	**2.4**	**—**	**126.6**
Period end	**47.0**	**306.1**	**129.7**	**52.7**	**8.2**	**265.9**	**277.7**

	2025†						
R million	**Equities**	**Interest rates****	**Foreign exchange**	**Com-modities**	**Traded credit**	**Diversi-fication effect**	**Diversified total**
ETL (10-day 99%)							
Maximum value#	158.2	592.7	588.3	118.3	22.5	—	572.2
Average value	68.6	322.6	322.1	35.3	7.0	—	348.5
Minimum value#	4.7	143.4	92.1	8.9	3.4	—	169.0
Period end	104.3	265.9	254.5	117.2	11.7	503.7	249.9

* *Excludes foreign branches and subsidiaries; this is related to FirstRand Bank South Africa only.*

** *Interest rate risk in the trading book.*

\# *The maximum and minimum ETL figures for each asset class did not necessarily occur on the same day. Consequently, the diversification effect was omitted from the table above.*

† *Refer to note 39.4 for the prior year disclosure.*

38.4 Non-traded market risk

38.4.1 Interest rate risk in the banking book

Assessment and management

FirstRand Bank (South Africa)

The measurement techniques used to monitor IRRBB include NII sensitivity/earnings risk, NAV/economic value of equity (EVE) sensitivity and the closely related daily price value of a basis point measure. A repricing gap is also generated to better understand the repricing characteristics of the balance sheet. In calculating the repricing gap, all banking book assets, liabilities and derivative instruments are placed at gap intervals based on repricing characteristics.

The internal funds transfer pricing process is used to transfer interest rate risk from the operating businesses to Group Treasury. This process allows risk to be managed centrally and holistically in line with the group's macroeconomic outlook.

Management of the resultant risk position is achieved by balance sheet optimisation or through the use of financial market instruments such as government bonds or derivative transactions. Interest rate swaps, for which a liquid market exists, are the main instruments utilised. Where possible, hedge accounting treatment is applied to minimise any accounting mismatches, thus ensuring that amounts deferred in equity are released to the income statement at the same time as movements attributable to the underlying hedged asset/liability. Interest rate risk from the fixed-rate book is managed to low levels, with remaining risk stemming from timing and basis risk.

Foreign operations

Management of IRRBB across broader Africa, Aldermore and the bank's foreign branches is the responsibility of in-country management teams with oversight provided by Group Treasury and Group Treasury Risk Management. For subsidiaries, earnings sensitivity measures are used to monitor and manage interest rate risk in line with the group's appetite. Where applicable, NAV sensitivity risk limits are also used for endowment hedges.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.4 Non-traded market risk continued

38.4.1 Interest rate risk in the banking book continued

Assessment and management continued

Sensitivity analysis

A change in interest rates impacts both the earnings potential of the banking book (as underlying assets and liabilities reprice to new rates) and the economic value/NAV of an entity (as a result of a change in the fair value of any open risk portfolios used to manage the earnings risk). The role of management is to protect and enhance both the financial performance as a result of a change in earnings and the long-term economic value. To achieve this, both earnings sensitivity and economic value sensitivity measures are monitored and managed within appropriate risk limits and appetite levels, considering the macroeconomic environment and factors which could cause a change in rates.

The group's IRRBB methodology, which aligns with Directive 2 of 2023, ensures that:

1. Client behaviour is considered in the management of IRRBB. Relevant behavioural adjustments that capture modelled customer behaviour (where they have legal discretion to repay or withdraw funds) are incorporated into the calculation. This allows for a more effective assessment of IRRBB and aligns with how the group manages this risk.
2. There is a more effective and transparent measure of the risk associated with specific currency exposures to different interest rates, and different possible shocks.
3. There is a more explicit consideration of basis risk and credit spread risk.

Earnings sensitivity

Earnings models are run monthly to provide a measure of the NII sensitivity of the existing banking book balance sheet to shocks in interest rates. The calculation assumes a constant balance sheet size and product mix over the forecast horizon.

The following tables show the 12-month NII sensitivity for sustained, instantaneous parallel downward and upward shocks to interest rates. The size of the shocks is consistent with the regulatory prescribed shocks per currency. The most material shocks applied are 400 bps for ZAR exposures, 200 bps for USD exposures and 250 bps for GBP exposures.

Most of the group's NII sensitivity relates to the endowment book mismatch. The group's average endowment book was R395 billion, excluding Aldermore, for the year ended 30 June 2026 (2025: R370 billion). Aldermore average net endowment book during this year was c.£620 million (2025: £750 million).

Projected ZAR NII sensitivity to interest rate movements

	2026		
	Change in projected 12-month NII		
R million	**FirstRand Bank South Africa**	**Subsidiaries and foreign branches***	**Total FirstRand**
Downward	**(4 483)**	**(3 202)**	**(7 685)**
Upward	**3 617**	**2 517**	**6 134**
	2025**		
Downward	(4 227)	(2 975)	(7 202)
Upward	4 270	2 202	6 472

* *Including discontinued operations*

** *During the current year, NII sensitivity methodology for subsidiaries and foreign branches was refined. The prior year downward and upward shock sensitivities increased by R841 million and R857 million, respectively. The previously reported downward and upward shock sensitivities were R2 134 million and R1 345 million, respectively. The total FirstRand downward and upward shock sensitivities disclosed in the prior year were R6 361 million and R5 615 million, respectively.*

As at 30 June 2026, assuming no change in the balance sheet and no management action in response to interest rate movements, an instantaneous, sustained parallel decrease in interest rates would result in a reduction in projected 12-month NII of R7 685 million (2025: R7 202 million). A similar increase in interest rates would result in an increase in projected 12-month NII of R6 134 million (2025: R6 472 million). The endowment effect is the most significant driver of IRRBB and is a result of the use of low or non-rate liabilities to fund variable-rate assets.

Effect of reference rate reform

The SARB formally announced on 3 December 2025 that the last date for the publication of Johannesburg Interbank Average Rate (JIBAR) is 31 December 2026, following which JIBAR will be replaced by the South African Rand Overnight Index Average Rate (ZARONIA). The SARB's industry timeline outlines key milestones leading to the transition. These milestones are expected to enable the industry to appropriately prepare and phase in the changes required leading up to the cessation date.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.4 Non-traded market risk continued

38.4.1 Interest rate risk in the banking book continued

Effect of reference rate reform continued

A steering committee, comprising representatives from Finance, Risk, IT, Treasury, Legal and Compliance, oversees the group's interbank offered rate reform transition. The committee has established a comprehensive transition process for existing contracts and any potential future exposures. This process aims to minimise business disruption, reduce operational and conduct risks, and prevent financial losses during the transition.

The group has certain designated hedging relationships where hedged items and/or hedging instruments reference JIBAR as the interest rate benchmark. It is expected that the impacted hedged items and hedge instruments will transition to ZARONIA continuously during the remainder of the calendar year, with a large quantum transitioning via activation of the fallback clauses (ZARONIA plus CAS) on 31 December 2026.

The group has applied the IFRS 9 relief where amendments are made to the contractual cash flows of a financial asset or financial liability as a result of interest rate benchmark reform, if the amendment is necessary as a direct consequence of the reform and the basis for determining the contractual cash flows is economically equivalent.

Financial assets impacted by the reference rate reform which are yet to transition:

	2026	2025
R million	**ZAR JIBAR**	ZAR JIBAR
Assets recognised on the balance sheet		
Derivative financial instruments (assets)*	**12 137 580**	5 811 813
Investment securities	**33 083**	35 222
Advances	**156 468**	196 148
Collateral settlement balances and other assets	**3 586**	3 824
Total assets recognised on the balance sheet subject to reference rate reform	**12 330 717**	6 047 007
Off-balance sheet items		
Loan commitments	**20 882**	19 431
Total off-balance sheet exposure subject to reference rate reform	**20 882**	19 431
Total asset exposure subject to reference rate reform	**12 351 599**	6 066 438

Financial liabilities impacted by the reference rate reform which are yet to transition:

	2026	2025
R million	**ZAR JIBAR**	ZAR JIBAR
Liabilities recognised on the balance sheet		
Derivative financial instruments (liabilities)*	**12 577 234**	5 510 706
Deposits and debt funding	**82 271**	133 775
Other liabilities	**32**	66
Tier 2 and other loss absorbing liabilities	**17 058**	19 603
Total liabilities recognised subject to reference rate reform	**12 676 595**	5 664 150

* *These balances represent the notional amount directly impacted by the reference rate reform.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.4 Non-traded market risk continued

38.4.1 Interest rate risk in the banking book continued

Effect of reference rate reform continued

Hedge accounting relationships impacted by the reference rate reform which are yet to transition:

R million	**2026** Notional amount ZAR JIBAR	2025 Notional amount ZAR JIBAR
Assets	**168 210**	174 805
Cash flow hedges	**165 670**	168 774
- Interest rate risk	**165 670**	168 774
Fair value hedges	**2 540**	6 031
- Interest rate risk	**2 540**	6 031
Liabilities	**122 188**	183 816
Cash flow hedges	**118 619**	174 616
- Interest rate risk	**118 619**	174 616
Fair value hedges	**3 569**	9 201
- Interest rate risk	**3 569**	9 201

Economic value of equity

An EVE sensitivity measure is used to assess the impact on the total NAV of the group as a result of a shock to underlying rates. Unlike the trading book, where a change in rates will impact fair value income and reportable earnings of an entity, the realisation of a rate move in the banking book will impact the economic value of equity. This represents an opportunity cost/benefit over the life of the underlying positions. As a result, a purely forward-looking EVE shock applied to the banking book is monitored relative to total risk limits, appetite levels and current economic conditions.

Six EVE shock scenarios are applied, based on regulatory guidelines. The most material of the scenarios comprises sustained, instantaneous parallel downward and upward shocks to interest rates. These shocks are applied to all banking book positions.

The following table:

- highlights the sensitivity of banking book NAV as a percentage of total Tier 1 capital; and
- reflects a point-in-time view which is dynamically managed and can fluctuate over time.

Banking book (including discontinued operations) NAV sensitivity to interest rate movements as a percentage of total group Tier 1 capital

	2026	2025
Downward	**8.75**	8.24
Upward	**(6.87)**	(7.58)

38.4.2 Structural foreign exchange risk

Objective

The group is exposed to foreign exchange risk as a result of on-balance sheet transactions in a currency other than rand, as well as through structural foreign exchange risk from the translation of its foreign operations' results into rand.

Group Treasury is responsible for the oversight of structural foreign exchange risk and reports to group ALCCO, a subcommittee of the RCC. It is also responsible for the management and reporting of the group's foreign currency exposures relative to the macroprudential limit for authorised dealers.

Assessment and management

The ability to transact on-balance sheet in a currency other than the home currency (rand) is governed by in-country macroprudential and regulatory limits.At a group level, additional board limits and management appetite levels are set for this exposure. The impact of any residual on-balance positions is managed as part of the market risk reporting process (see *Note 38.3.1 – Traded market risk* section).

Structural foreign exchange risk impacts the current NAV of the group as well as future profitability and earnings potential. Economic hedging may be undertaken where viable, given market constraints and within risk appetite levels. The following table provides an overview of the group's exposure to entities with functional currencies other than the rand, and the pre-tax impact on equity (upward and downward) of a 15% change in the exchange rate between the rand and the relevant functional foreign currencies. There were no significant structural hedging strategies employed by the group in the current financial year.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.4 Non-traded market risk continued

38.4.2 Structural foreign exchange risk continued

Net structural foreign exposures due to investments in foreign entities (including discontinued operations)

	2026		2025	
R million	**Carrying value of net investment**	**Pre-tax impact on equity from 15% currency translation shock**	Carrying value of net investment	Pre-tax impact on equity from 15% currency translation shock
Functional currency				
Botswana pula	**6 894**	**1 034**	6 444	967
US dollar	**16 112**	**2 417**	16 072	2 411
Sterling	**35 253**	**5 288**	48 291	7 244
Nigerian naira	**1 976**	**296**	1 452	218
Zambian kwacha	**4 820**	**723**	2 990	448
Mozambican metical	**1 046**	**157**	990	148
Indian rupee	**912**	**137**	1 061	159
Ghanaian cedi	**1 503**	**226**	1 620	243
Tanzanian shilling	**–**	**–**	2	–
Common Monetary Area (CMA) countries*	**10 332**	**1 550**	9 360	1 404
Total	**78 848**	**11 828**	88 282	13 242

* *Currently Namibia, Eswatini and Lesotho are part of the CMA. Unless these countries decide to exit the CMA, rand volatility will not impact these countries' rand reporting values.*

38.5 Equity investment risk

Assessment and management

The equity investment risk portfolio is managed through a rigorous valuation and review process from the inception to exit of a transaction. All investments are subject to a comprehensive due diligence process, during which a thorough understanding of the target company's business, risks, challenges, competitors, management team and unique advantage or value proposition is developed.

For each transaction, an appropriate structure is put in place, which aligns the interests of all parties involved through the use of incentives and constraints for management and other investors. Where appropriate, the group seeks to take a number of seats on the company's board and maintains close oversight through the monitoring of operations and financial discipline.

The investment thesis, results of the due diligence process and investment structure are discussed at the investment committee before final approval is granted. In addition, normal biannual reviews are performed for the portfolio and crucial parts of these reviews, such as valuation estimates, are scrutinised at the appropriate governance forums.

The table below shows the equity investment risk exposure and sensitivity. The 10% sensitivity movement is calculated on the carrying value of investments, excluding those subject to the ETL process and the carrying value of investments in associates and joint ventures.

Investment risk exposure and sensitivity of investment risk

R million	**2026**	2025*
Listed investment risk exposure included in the equity investment risk ETL process	**–**	–
Estimated sensitivity of remaining investment balances		
Sensitivity to 10% movement in market value on investment fair value	**1 008**	605

* *In the prior year, the group did not have listed investment risk exposures that are included in the ETL process, comparative has been restated from R56 million to nil. The sensitivity to 10% movement in market value on investment fair value, previously reported as R600 million, has been restated to R605 million.*

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.6 Insurance risk

Risk management

Ensuring that insurance risk is understood and priced correctly is an important component of managing insurance risk. This is achieved through:

- Rigorous and proactive risk management processes that ensure sound product design and accurate pricing, which include:
  - independent model validation;
  - challenging assumptions, methodologies and results;
  - debating and challenging design, relevance, target market and market competitiveness, and treating customers fairly;
  - identifying potential risks;
  - monitoring business mix and risk of new business; and
  - thoroughly reviewing policy terms and conditions.
- Some life policies are underwritten. This allows underwriting limits and risk-based pricing to be applied to manage the insurance risk. Where specific channels introduce the risk of anti-selection, mix of business by channel is monitored. On non-underwritten products insurance risk can be controlled through lead selection for outbound sales and product features such as waiting periods.
- The design of appropriate reinsurance structures is an important component of the pricing and product design to keep risk exposure within appetite.

The assessment and management of insurance risk of the in-force book use the following:

- Monitoring and reporting of claims experience by considering incidence rates, claims ratios and business mix.
- The actuarial valuation process for life insurance products involves the long-term projection of in-force policies and the setting up of insurance liabilities. This provides insight into the longer-term evolution of the risks on the portfolio. Adequate reserves are set for future and current claims and expenses.
- Experience investigations are performed annually to understand the actual experience compared to the basis used in valuations and pricing. These investigations are signed off by the head of the actuarial function. Where required, changes are made to bases and product design.
- There are also reinsurance agreements in place to mitigate various insurance risks and manage catastrophe risk.
- Asset/liability management is performed to ensure that assets backing insurance liabilities are appropriate and liquid.
- Stress and scenario analyses are performed and provide insights into the risk profile and future capital position.

The management of insurance risk is governed by a suite of group policies and processes. Tools and systems are available in the business to assess and manage insurance risk.

An own risk and solvency assessment (ORSA) process is performed at least annually. ORSA is defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage and report on short-term and long-term risks that the group faces or might face, and to determine the funds necessary to ensure that the overall solvency needs of each insurance entity in the group are met at all times and are sufficient to achieve the individual entities' business strategies. An ORSA report is produced annually.

Detailed risk management per risk type:

Mortality risk is the risk that mortality rates and the associated cash flows are different from those assumed. The risk is managed as follows:

- For underwritten products, underwriting is a key control.
- For non-underwritten products the mix of business by various factors is monitored, and outbound sales leads are selected to influence the desired mix and product features such as waiting periods.
- Reinsurance is used to control exposure to large risks. The retention limits vary by portfolio.
- Validation and fraud checks are performed at claim stage to ensure only valid claims in line with the terms and conditions of the policy are paid.

Morbidity risk is the risk that morbidity rates and the associated cash flows are different from those assumed. The risk is managed as follows:

- Quota share reinsurance on underwritten products where there is limited data.
- Monitoring of trends in experience on credit life business.
- Validation and fraud checks are performed at claim stage to ensure only valid claims in line with the terms and conditions of the policy are paid.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.6 Insurance risk

Risk management

Retrenchment risk is the risk that retrenchment rates and the associated cash flows are different from those assumed. The risk is managed as follows:

- Selection of retrenchment risk is controlled by FNB's credit scoring or internal selection models.
- Additional margins are allowed in pricing assumptions to allow for potential cyclicality in experience.
- Regular monitoring of exposure by industry and employer, and feedback into risk selection takes place.
- Validation and fraud checks are performed at the claim stage to ensure only valid claims in line with the terms and conditions of the policy are paid.

Catastrophe risk is the risk that stems from extreme or irregular events contingent on insured events, the effects of which are not expected. The risk is managed by catastrophe reinsurance, limiting exposure to extreme events. The group is, however, not covered for pandemics. The limits are reviewed annually, based on the composition of the book and risk appetite. No cover is in place against a retrenchment catastrophe as this is not available at a reasonable cost. Additional capital is held in economic capital to cover a retrenchment catastrophe scenario.

Lapse risk is the risk that lapse rates and the associated cash flows are different from those assumed, as well as the risk of a mass lapse in policies. The risk is managed as follows:

- Collection strategies are regularly reviewed to ensure they are optimal.
- Changes to product lapse rules are made where more lenient lapse rules can benefit both the customer and the group.

Expenses risk is the risk that expenses and/or expense inflation is different from that assumed in pricing and valuations. The group has a rigorous budgeting process in place to manage this risk.

The overall responsibility for risk management resides with the board. The board committees of FirstRand Insurance Holdings include an audit and risk committee, which provides oversight over risk management, and ALCCO, which is responsible for:

- providing oversight of the product suite;
- approving new products;
- financial resource management; and
- governance and challenging input models and results of pricing valuations.

These committees are supported by management committees, the Actuarial and Product Development Forum and the risk management committee.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.6 Insurance risk continued

Life insurance products

Overview and governance

The risk arises from the group's long-term insurance operations, underwritten through its subsidiary, FirstRand Life Assurance Limited (FirstRand Life).

FirstRand Life currently underwrites a range of insurance products such as life, disability, funeral, credit life (against FNB credit products) and annuity policies. These policies are all originated through the FNB business. FirstRand Life also writes linked-investment policies. There is, however, no insurance risk associated with these policies.

FirstRand Life is exposed to insurance risk from the policies underwritten as indicated in the following table.

		GROUPING	DESCRIPTION	CORE PRODUCT TYPE	RISK
Catastrophe risk / Lapse risk		Core life products	Simple, non-underwritten products that are sold in the open market and are subject to simple sales processes.	Funeral policies	Mortality
				Benefit paid upon death of life assured	
				Health cash plans	Hospitalisation
				Benefit paid per day the policyholder is hospitalised	
				Accidental death plans	Mortality
				Benefit paid upon death of policyholder	
				Lifestyle protection plans	Morbidity
				Benefit paid upon death or disability	
				PayProtect policies	Morbidity and retrenchment
				Benefit paid upon disability or retrenchment	
		Underwritten life products	Underwritten life products comprise Life Simplified, Life Customised and Life & Legacy. Life Simplified provided death cover of up to R1 million after limited underwriting, but is in runoff as it was replaced by the Life & Legacy plan. Life Customised policies provide for more complex needs with cover amounts of up to R1 billion on death, disability and critical illness cover respectively. Life & Legacy provides death cover up to R 1.5 million on death as a lump sum payout benefit or as monthly instalments over a period of 24 months. It also covers executor fees and includes optional double accidental death cover and retrenchment cover.	Life cover combined with disability and critical illness.	• Mortality • Morbidity • Retrenchment
		Credit life	Products that are sold in conjunction with FNB's credit products. The current offering includes credit cover across credit products within FNB, which include personal loans (compulsory), home loans (compulsory), housing financing, credit cards, overdrafts and revolving loans (voluntary).	Credit life policies	• Mortality • Morbidity • Retrenchment
		Business life products	Products to business customers.	• Key person policies • Grouped funeral policies • Business credit protect • Group schemes • Simplified group schemes • Personal health insurance	• Mortality • Morbidity
Annuities			Regular monthly income until death	• Annuities	• Longevity • Investment

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.6 Insurance risk continued

As a result of these insurance risk exposures, the group is exposed to catastrophe risk stemming from the possibility of an extreme event linked to any of the above (except for annuities).

For all of the above, the risk is that the decrement rates (e.g. mortality rates and morbidity rates) and associated cash flows are different from those assumed when pricing or reserving. Mortality, morbidity and retrenchment risk can further be broken down into parameter risk, random fluctuations and trend risk, which may result in the parameter value assumed differing from actual experience.

Policies underwritten by FirstRand Life are available through all of FNB's distribution channels. Some of these channels introduce the possibility of anti-selection, which also impacts the level of insurance risk. This is managed through monitoring the mix of business by channel.

These policies (except for annuities) also expose FirstRand Life to lapse risk, which is the risk of the loss of future profits and expenses risks. These risks are classified as business risks but are included in this section as they result from insurance products.

Concentration risk

The majority of the portfolio consists of funeral and credit life policies sold to retail customers. There is, therefore, no significant concentration risk, but the mix of portfolios according to various factors impacting different risk types is frequently monitored. Large policies in the underwritten portfolio are reinsured to avoid single large exposures to lives. Catastrophe reinsurance is in place to provide cover against many lives being lost in a single event (excluding pandemics).

The following table demonstrates the concentration risk across life insurance products for sums assured at risk before and after reinsurance.

	Before reinsurance						
	Mortality risk		Morbidity risk		Retrenchment risk		Total
Retail sums assured at risk	**R million**	**%**	**R million**	**%**	**R million**	**%**	**R million**
2026							
1 – 499 999	**273 732**	**41**	**109 824**	**55**	**22 561**	**100**	**406 117**
500 000 – 999 999	**66 914**	**10**	**54 756**	**27**	**37**	**–**	**121 707**
1 000 000 – 1 999 999	**146 028**	**22**	**15 986**	**8**	**6**	**–**	**162 020**
2 000 000 and above	**184 449**	**27**	**19 773**	**10**	**–**	**–**	**204 222**
Total	**671 123**	**100**	**200 339**	**100**	**22 604**	**100**	**894 066**
2025							
1 – 499 999	228 851	42	76 054	47	21 371	100	326 276
500 000 – 999 999	72 724	13	19 298	12	49	–	92 071
1 000 000 – 1 999 999	140 044	26	16 823	10	8	–	156 875
2 000 000 and above	100 693	19	50 470	31	–	–	151 163
Total	542 312	100	162 645	100	21 428	100	726 385

	After reinsurance						
	Mortality risk		Morbidity risk		Retrenchment risk		Total
Retail sums assured at risk	**R million**	**%**	**R million**	**%**	**R million**	**%**	**R million**
2026							
1 – 499 999	**257 421**	**55**	**104 799**	**66**	**22 485**	**100**	**384 705**
500 000 – 999 999	**38 824**	**8**	**48 404**	**30**	**11**	**–**	**87 239**
1 000 000 – 1 999 999	**74 334**	**16**	**4 625**	**3**	**1**	**–**	**78 960**
2 000 000 and above	**101 463**	**21**	**2 125**	**1**	**–**	**–**	**103 588**
Total	**472 042**	**100**	**159 953**	**100**	**22 497**	**100**	**654 492**
2025							
1 – 499 999	215 645	63	70 635	60	21 272	100	307 552
500 000 – 999 999	40 842	12	11 858	10	10	–	52 710
1 000 000 – 1 999 999	60 729	18	4 096	3	2	–	64 827
2 000 000 and above	24 372	7	32 309	27	–	–	56 681
Total	341 588	100	118 898	100	21 284	100	481 770

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.6 Insurance risk continued

Assessment and management of concentration risk

The group manages the insurance risk of its policies through monitoring incidence rates, claims ratios and business mix, as policies are not underwritten and pricing is flat. Larger policies are underwritten.

Concentration risk mitigation

The risk exposure is mitigated by diversification across a portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

Non-life insurance products

The risk arises from the group's short-term insurance operations as well as service and maintenance plans in the scope of IFRS 17.

The short-term insurance products offered by the group include:

- Personal line products are policies sold to retail customers or individuals. This includes liability cover, property cover, motor cover, legal cover, health cover and personal accident cover.
- Commercial line products are policies sold to entities which are carrying on a trade and require cover for risks specific to the running of a business. This includes liability cover, property cover, motor cover, legal cover and business interruption cover.

The terms and conditions of short-term insurance contracts have a material effect on the amount, timing and uncertainty of future cash flows. The key risks associated with general insurance contracts are claims experience. The methodology driving the provisions for these contracts is reviewed at least annually. As claims experience develops, certain claims are settled, further claims are revised and new claims are reported. The reasonableness of the estimation process is assessed by management and reviewed on a regular basis. The group believes that the liability for claims carried at the end of the year is adequate.

Concentration risk mitigation

The majority of the short-term products policies relate to legal advice (law on call), motor-related products and immovable property sold to retail and commercial customers. There is, therefore, no significant concentration risk, but the mix of the portfolios by various factors impacting different risk types is frequently monitored. Large policies are reinsured to avoid single large exposures.

	Before reinsurance						
	Legal risk		Motor risk		Property risk		Total
Retail sums assured at risk	**R million**	**%**	**R million**	**%**	**R million**	**%**	**R million**
2026							
1 – 499 999	**30 192**	**98**	**10 357**	**64**	**5 540**	**4**	**46 089**
500 000 – 999 999	**543**	**2**	**4 065**	**25**	**10 464**	**7**	**15 072**
1 000 000 – 1 999 999	**–**	**–**	**1 494**	**9**	**24 702**	**16**	**26 196**
2 000 000 and above	**–**	**–**	**250**	**2**	**113 600**	**73**	**113 850**
Total	**30 735**	**100**	**16 166**	**100**	**154 306**	**100**	**201 207**
2025							
1 – 499 999	29 592	96	9 196	66	5 472	4	44 260
500 000 – 999 999	1 325	4	3 466	25	9 894	8	14 685
1 000 000 – 1 999 999	–	–	1 123	8	22 587	17	23 710
2 000 000 and above	–	–	161	1	94 232	71	94 393
Total	30 917	100	13 946	100	132 185	100	177 048

	After reinsurance						
	Legal risk		Motor risk		Property risk		Total
Retail sums assured at risk	R million	%	R million	%	R million	%	R million
2026							
1 – 499 999	**30 192**	**98**	**5 737**	**65**	**3 538**	**4**	**39 467**
500 000 – 999 999	**543**	**2**	**2 187**	**25**	**6 575**	**7**	**9 305**
1 000 000 – 1 999 999	**–**	**–**	**772**	**9**	**15 321**	**18**	**16 093**
2 000 000 and above	**–**	**–**	**125**	**1**	**61 736**	**71**	**61 861**
Total	**30 735**	**100**	**8 821**	**100**	**87 170**	**100**	**126 726**
2025							
1 – 499 999	29 592	96	6 473	68	3 570	4	39 635
500 000 – 999 999	1 325	4	2 239	24	6 982	8	10 546
1 000 000 – 1 999 999	–	–	711	7	15 716	18	16 427
2 000 000 and above	–	–	99	1	60 176	70	60 275
Total	30 917	100	9 522	100	86 444	100	126 883

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.6 Insurance risk continued

Claims development

The table below compares actual claims payments with previous estimates of the undiscounted amounts of the claims, without taking into account any reinsurance contracts held.

Gross of reinsurance *R million*	2020 and earlier	2021	2022	2023	2024	2025	2026	Total
At end of year in which an initial claim was made	114	40	277	523	634	682	874	
1 year later	201	271	265	444	621	685	–	
2 years later	76	270	266	455	614	–	–	
3 years later	81	278	285	443	–	–	–	
4 years later	85	294	288	–	–	–	–	
5 years later	95	293						
6 or more years later	95							
Cumulative gross claims and other directly	(93)	(289)	(281)	(434)	(601)	(661)	(617)	(2 977)
Total undiscounted	2	4	7	9	13	24	257	316
Effect of discounting								(10)
Effect of risk adjustment for non-financial risk								27
Closing balance of liability for incurred claims								333

Gross of reinsurance *R million*	2020 and earlier	2021	2022	2023	2024	2025	Total
At end of year in which an initial claim	114	40	277	523	634	682	
1 year later	201	271	265	444	621	–	
2 years later	76	270	266	455	–	–	
3 years later	81	278	285	–	–	–	
4 years later	85	294	–	–	–	–	
5 or more years later	95	–					
Cumulative gross claims and other directly attributable expenses paid	(92)	(285)	(273)	(443)	(595)	(516)	(2 205)
Total undiscounted claims	3	8	12	12	26	166	228
Effect of discounting							(7)
Effect of risk adjustment for non-financial risk							22
Closing balance of liability for incurred claims							243

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.6 Insurance risk continued

The table below compares actual claims payments with previous estimates of the undiscounted amounts of the claims, taking into account reinsurance contracts held.

Net of reinsurance *R million*	**2020 and earlier**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Total**
At end of year in which an initial claim	**114**	**40**	**209**	**290**	**303**	**326**	**539**	
1 year later	**201**	**250**	**200**	**249**	**334**	**388**	**–**	
2 years later	**76**	**249**	**201**	**255**	**330**	**–**	**–**	
3 years later	**80**	**257**	**220**	**256**	**–**	**–**	**–**	
4 years later	**85**	**272**	**223**	**–**	**–**	**–**	**–**	
5 years	**96**	**258**						
6 or more years later	**95**							
Cumulative net claims and other directly attributable expenses paid	**(93)**	**(254)**	**(216)**	**(247)**	**(318)**	**(367)**	**(448)**	**(1 944)**
Total undiscounted claims	**2**	**4**	**7**	**9**	**12**	**21**	**91**	**146**
Effect of discounting								**(7)**
Effect of risk adjustment for non-financial risk								**19**
Closing balance of net liability for incurred claims								**158**

Net of reinsurance *R million*	2020 and earlier	2021	2022	2023	2024	2025	Total
At end of year in which an initial claim	114	40	209	290	303	326	
1 year later	201	250	200	249	334	–	
2 years later	76	249	201	255	–	–	
3 years later	80	257	220	–	–	–	
4 years later	85	272	–	–	–	–	
5 years and later	96	–					
Cumulative net claims and other directly attributable expenses paid	(93)	(264)	(208)	(243)	(318)	(282)	(1 408)
Total undiscounted claims	3	8	12	12	16	44	95
Effect of discounting							(7)
Effect of risk adjustment for non-financial risk							13
Closing balance of net liability for incurred claims							101

All insurance products

Credit risk of reinsurers

The table below outlines the maximum exposure to credit risk and the credit ratings of reinsurers for reinsurance contracts held that are in an asset position based on international ratings. Where the reinsurers have no international ratings, the rating of the parent companies, which have provided guarantees, is provided instead.

R million	**2026**	2025
Rating		
AAA to A-	**579**	553
BBB to B-	**22**	16
Total reinsurance contracts assets	**601**	569

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.6 Insurance risk continued

Maturity analysis of insurance and reinsurance contract liabilities

The amounts below represent the estimated amount and timing of the discounted cash inflows/(outflows) arising from insurance and reinsurance contract liabilities. Liabilities for remaining coverage that are measured under the premium allocation approach (PAA) are excluded from the analysis.

R million	**Within 1 year**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Between 4 and 5 years**	**Between 5 and 10 years**	**After 10 years**	**Total**
2026								
Insurance contract liabilities	**(524)**	**(28)**	**(15)**	**(7)**	**(5)**	**(20)**	**173**	**(426)**
Reinsurance contract liabilities	**(3)**	**(3)**	**(3)**	**(2)**	**(2)**	**(11)**	**(68)**	**(92)**
Total	**(527)**	**(31)**	**(18)**	**(9)**	**(7)**	**(31)**	**105**	**(518)**
2025								
Insurance contract liabilities	(323)	(38)	(16)	(10)	(6)	(12)	33	(372)
Reinsurance contract liabilities	(36)	(16)	(9)	(4)	–	(1)	(10)	(76)
Total	(359)	(54)	(25)	(14)	(6)	(13)	23	(448)

There are no insurance and reinsurance contract liabilities that are payable on demand.

Sensitivities

The following tables present information on how reasonably possible changes in assumptions made by the group with regard to underwriting risk variables and market risk variables impact product line insurance liabilities, and profit or loss, and equity before and after risk mitigation by reinsurance contracts held. The risk variables accounted for represent the components the balance sheet and risk management are most sensitive to. The analysis is based on a change in an assumption while holding all other assumptions constant.

	2026			2025		
R million	**Impact on CSM**	**Impact on profit before tax**	**Pre-tax impact on equity**	Impact on CSM	Impact on profit before tax	Pre-tax impact on equity
Insurance contracts issued						
5% increase in mortality	**472**	**(174)**	**(331)**	390	(168)	(261)
5% decrease in mortality	**(472)**	**174**	**331**	(390)	168	261
5% increase in lapse rate	**297**	**(13)**	**(28)**	235	(11)	(38)
5% decrease in lapse rate	**(334)**	**18**	**26**	(235)	11	38
5% increase in servicing costs	**153**	**(132)**	**(290)**	91	(43)	(53)
5% decrease in servicing costs	**(153)**	**132**	**290**	(91)	43	53
10% increase in non-life gross loss ratio	**2**	**(7)**	**(7)**	–	(2)	(2)
10% decrease in non-life gross loss ratio	**(2)**	**4**	**4**	–	2	2
1% increase in interest rates	**(7)**	**32**	**(285)**	98	(31)	(265)
1% decrease in interest rates	**7**	**(32)**	**285**	(98)	31	265
Reinsurance contracts held						
5% increase in mortality	**(54)**	**40**	**83**	(38)	43	51
5% decrease in mortality	**54**	**(40)**	**(83)**	38	(43)	(51)
5% increase in lapse rate	**(11)**	**(3)**	**4**	(1)	(1)	(1)
5% decrease in lapse rate	**13**	**5**	**(4)**	1	1	1
5% increase in servicing costs	**64**	**64**	**64**	8	8	8
5% decrease in servicing costs	**(64)**	**(64)**	**(64)**	(8)	(8)	(8)
10% increase in non-life gross loss ratio	**–**	**1**	**1**	–	1	1
10% decrease in non-life gross loss ratio	**–**	**(1)**	**(1)**	–	(1)	(1)
1% increase in interest rates	**1**	**(13)**	**13**	13	(4)	(6)
1% decrease in interest rates	**(1)**	**13**	**(13)**	(13)	4	6

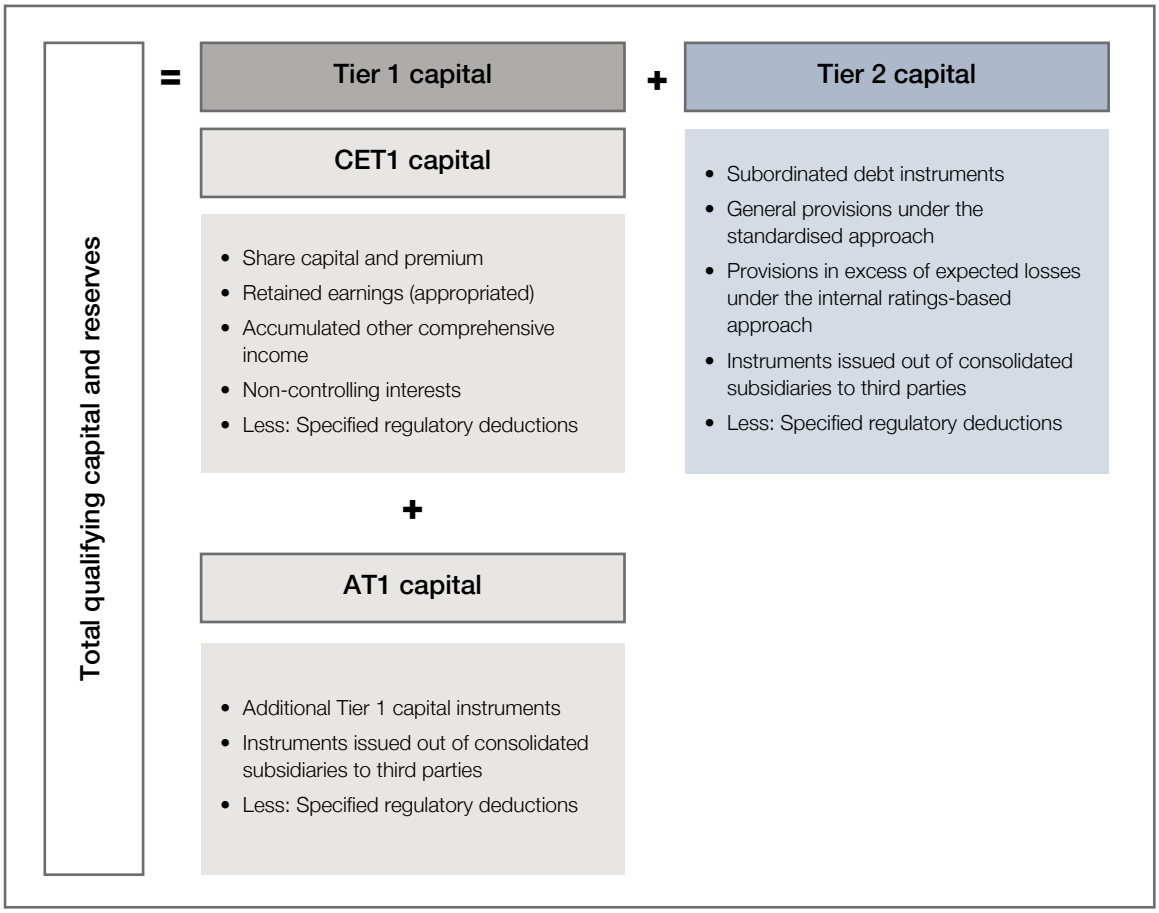
Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

38.7 Capital management

The capital planning process ensures that the CET1, Tier 1 and total capital adequacy ratios remain within or above target ranges and regulatory minimums across economic and business cycles. Capital is managed on a forward-looking basis and the group remains appropriately capitalised under a range of normal and severe stress scenarios. The group aims to back all economic risk with loss-absorbing capital and remains well capitalised in the current environment. The group continues to focus on the quality and mix of capital, as well as optimisation of the group's RWA. The group's capital ratios remain strong and above the regulatory minimums and internal targets. The board-approved internal targets are CET1 of 11.5% – 12.5% (2025: 11.5% – 12.5%), Tier 1 of >13.25% (2025: >13.25%) and total capital of >15.5% (2025: >15.5%).

The following diagram defines the main components of qualifying capital and reserves.



Capital adequacy for the group's regulated subsidiaries and foreign branches

The group's registered banking subsidiaries and foreign branches must comply with PA regulations and those of their respective in-country regulators, with primary focus placed on Tier 1 capital and total capital adequacy ratios. The group's approach is that all entities must be adequately capitalised on a standalone basis.

Adequate controls and processes are in place to ensure that each entity is adequately capitalised to meet in-country regulatory and economic capital requirements. Based on the outcome of detailed stress testing, each entity targets a capital level in excess of in-country regulatory minimums.

Capital generated by subsidiaries in excess of targeted levels is returned to FirstRand, usually in the form of dividends, unless retained for organic or inorganic growth. No restrictions were experienced on the repayment of dividends during the year under review.

Notes to the consolidated financial statements continued

38 Financial and insurance risks continued

Capital management for insurance entities

The overall objective of capital management is to actively manage the structure of the group's insurance entities' capital base to ensure that it remains cost-effective and creates value for the group's shareholders. The group aims to fulfil the requirements of its stakeholders (including policyholder interests) whilst still maintaining an efficient and optimal capital structure with limited excesses which will support organic growth requirements.

The SAM framework requires South African insurers to maintain a minimum regulatory capital, also know as the Solvency Capital Requirement (SCR). The SCR is set at a level that ensures that insurance entities can meet their obligations to policyholders over the next 12 months with a 99.5% probability. The SCR is determined using the Financial Soundness Standards for Insurers determined by the PA. The target SCR for the group's insurance entities is above the minimum SCR in terms of SAM as it includes a buffer above the minimum requirement. For entities outside South Africa, the minimum capital requirements are set with reference to relevant local regulatory requirements.

Notes to the consolidated financial statements continued

39 Disclosure of comparative information

39.1 Directors emoluments - 30 June 2025

				Units					
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year[1,2]	Number of awards settled in year	Closing number of awards[3,4] 30 Jun 2025	Value on settlement in 2025[5] R thousand	Total value of dividends paid in respect of all plans[6] R thousand
M Vilakazi									
Deferred share price linked STI awards									
2022 (2-year deferral)	September 2022	4 406	September 2024	70 977	–	(70 977)	–	6 717	–
2023 (2-year deferral)	September 2023	4 912	September 2025	75 737	–	–	75 737	–	–
Balance deferred share price linked STIs		**9 318**		146 714	–	(70 977)	75 737	6 717	–
Restricted share awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	6 275	September 2026	–	84 835	–	84 835	–	186
2025 (2-year deferral)	September 2025	10 500	September 2027	–	–	–	–	–	–
Balance deferred share price linked STIs		**16 775**		–	84 835	–	84 835	–	186
LTI awards under the CIP									
2021	September 2021	14 000	September 2024	227 221	–	(227 221)	–	23 557	–
2022	September 2022	15 120	September 2025	243 557	–	–	243 557	–	–
2023	September 2023	16 600	September 2026	255 936	–	–	255 936	–	–
2024	September 2024	24 000	September 2027	–	285 205	–	285 205	–	–
2025	September 2025	18 000	September 2025-2027	–	260 456	–	260 456	–	–
2025	September 2025	26 000	September 2028	–	–	–	–	–	–
Balance LTIs		**113 720**		726 714	545 661	(227 221)	1 045 154	23 557	–
MG Davias									
Deferred share price linked STI awards									
2022 (2-year deferral)	September 2022	3 250	September 2024	52 352	–	(52 352)	–	4 954	–
2023 (2-year deferral)	September 2023	3 640	September 2025	56 121	–	–	56 121	–	–
Balance deferred share price linked STIs		**6 890**		108 473	–	(52 352)	56 121	4 954	–
Restricted share awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	4 880	September 2026	–	65 975	–	65 975	–	144
2025 (2-year deferral)	September 2025	8 000	September 2027	–	–	–	–	–	–
Balance deferred share price linked STIs		**12 880**		–	65 975	–	65 975	–	144
LTI awards under the CIP									
2021	September 2021	6 500	September 2024	105 496	–	(105 496)	–	12 837	–
2022	September 2022	6 890	September 2025	110 986	–	–	110 986	–	–
2023	September 2023	7 441	September 2026	114 727	–	–	114 727	–	–
2024	September 2024	16 600	September 2027	–	197 266	–	197 266	–	–
2025	September 2025	19 000	September 2028	–	–	–	–	–	–
Balance LTIs		**56 431**		331 209	197 266	(105 496)	422 979	12 837	–
HS Kellan									
Deferred share price linked STI awards									
2022 (2-year deferral)	September 2022	4 838	September 2024	77 924	–	(77 924)	–	7 374	–
2023 (2-year deferral)	September 2023	5 362	September 2025	82 678	–	–	82 678	–	–
Balance deferred share price linked STIs		**10 200**		160 602	–	(77 924)	82 678	7 374	–
Restricted share awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	6 335	September 2026	–	85 646	–	85 646	–	188
2025 (2-year deferral)	September 2025	9 000	September 2027	–	–	–	–	–	–
Balance deferred share price linked STIs		**15 335**		–	85 646	–	85 646	–	188
LTI awards under the CIP									
2021	September 2021	16 000	September 2024	259 682	–	(259 682)	–	26 922	–
2022	September 2022	16 960	September 2025	273 196	–	–	273 196	–	–
2023	September 2023	18 317	September 2026	282 405	–	–	282 405	–	–
2024	September 2024	19 200	September 2027	–	228 163	–	228 163	–	–
2025	September 2025	17 500	September 2028	–	–	–	–	–	–
Balance LTIs		**87 977**		815 283	228 163	(259 682)	783 764	26 922	–

Notes to the consolidated financial statements continued

39 Disclosure of comparative information continued

39.1 Directors emoluments - 30 June 2025 continued

				Units					
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year[1,2]	Number of awards settled in year	Closing number of awards[3,4] 30 Jun 2025	Value on settlement in 2025[5] R thousand	Total value of dividends paid in respect of all plans[6] R thousand
E Brown									
Deferred share price linked STI awards									
2022 (2-year deferral)	September 2022	8 375	September 2024	134 907	–	(134 907)	–	12 767	–
2023 (2-year deferral)	September 2023	8 550	September 2025	131 822	–	–	131 822	–	–
Balance deferred share price linked STIs		**16 925**		266 729	–	(134 907)	131 822	12 767	–
Restricted share awards (BSOP) STI awards									
2024 (2-year deferral)	September 2024	9 045	September 2026	–	122 286	–	122 286	–	268
2025 (2-year deferral)	September 2025	9 210	September 2027	–	–	–	–	–	–
Balance deferred share price linked STIs		**18 255**		–	122 286	–	122 286	–	268
LTI awards under the CIP									
2021	September 2021	8 400	September 2024	136 333	–	(136 333)	–	16 589	–
2022	September 2022	12 500	September 2025	201 353	–	–	201 353	–	–
2023	September 2023	13 750	September 2026	211 995	–	–	211 995	–	–
2024	September 2024	15 000	September 2027	–	178 253	–	178 253	–	–
2025	September 2025	17 500	September 2028	–	–	–	–	–	–
Balance LTIs		**67 150**		549 681	178 253	(136 333)	591 601	16 589	–
S Cooper (£ thousand)									
Deferred share price linked STI awards[7]									
2021 (3-year deferral)	September 2021	32	September 2022-2024	–	–	–	–	14	–
2022 (7-year deferral)	September 2022	434	September 2023-2030	–	–	–	–	–	–
2023 (7-year deferral)	September 2023	581	September 2024-2031	–	–	–	–	434	–
2024 (7-year deferral)	September 2024	566	September 2025-2032	–	–	–	–	–	–
2025 (7-year deferral)	September 2025	611	September 2026-2033	–	–	–	–	–	–
Balance deferred share price linked STIs		**2 224**		–	–	–	–	448	–
LTI awards under the CIP[8]									
2021	September 2021	542	September 2024-2029	–	–	–	–	860	–
2022	September 2022	282	September 2025-2030	–	–	–	–	–	–
2023	September 2023	282	September 2026-2031	–	–	–	–	–	–
2024	September 2024	360	September 2027-2032	–	–	–	–	–	–
2025	September 2025	–	September 2028-2033	–	–	–	–	–	–
Balance LTIs		**1 466**		–	–	–	–	860	–

1 *FirstRand share price linked schemes are determined on monetary value and not on the number of shares. The allocation of deferred share price linked STI awards is determined after year end, using the average three-day volume-weighted average price (VWAP) eight days after the results announcement. This means that the number of deferred share price linked STI award units allocated in 2024 is only calculated after the annual financial statements are issued.*

2 *Deferred share price linked STI awards vesting depends on continued employment as well as personal and business unit performance requirements as well as personal and business unit performance requirements over two years. Previously vesting was split equally over two and three years for the executive directors and prescribed officers (2019 and 2020).*

3 *FirstRand does not apply graded vesting to LTI awards allocated before September 2019, with awards thereafter having graded vesting. For these incentive schemes, LTI vesting depends on performance conditions and targets being met on a cumulative basis over three years as well as continued employment. For the unvested awards the assumption is 100% vesting up until the final remuneration committee decision, given the current environment and uncertainty in quantifying the probability of vesting. For information purposes, the maximum possible value of the unvested awards as at June 2024 is the market value of the total number of shares at R76.90 per share on the last trading day of the financial year (30 June 2024).*

4 *The values at settlement date include share price growth and interest earned (deferred share price linked STI awards) from grant date.*

5 *The Covid-19 retention instrument was awarded in September 2020. The value was converted to share price linked instruments on the award date and will vest in equal proportions (tranches) over three years (September 2021, 2022 and 2023) if the performance conditions are met. The third and final tranche of the Covid-19 instrument vested and was settled in September 2023, with the performance conditions being tested as at June 2024 (clawback was not applied, as the Covid-19 award performance conditions were met).*

6 *The Aldermore performance-related STI share price linked component is released in equal annual tranches over the deferral period required by CRD V regulations, 2022 and 2023 have been restated to only reflect equity linked deferrals.*

7 *Aldermore incentive awards are not convertible into units.*

Notes to the consolidated financial statements continued

39 Disclosure of comparative information continued

39.2 Advances

39.2.1 Category analysis of advances (previously reported)

This note includes prior year reported disclosures relating to advances, that are impacted by the restatement of Term loans, Investment bank term loans and Other categories. Refer to note 11.1

R million	2025
Overdrafts and cash management accounts	100 619
Term loans	117 906
Card loans	49 309
Instalment sales, hire purchase agreements and lease payments receivable	317 979
Property finance	598 518
Personal loans	63 077
Preference share agreements	44 091
Investment bank term loans	263 096
Long-term loans to group associates and joint ventures	3 948
Other	74 454
Total customer advances	1 632 997
Marketable advances	66 005
Assets under agreements to resell	104 825
Gross value of advances	1 803 827
Impairment and credit of fair value advances	(55 188)
Net advances	1 748 639
Gross advances – amortised cost	1 656 021
Impairment of advances – amortised cost	(54 114)
Net advances – amortised cost	1 601 907
Gross advances – fair value	147 806
Impairment of advances – fair value	(1 074)
Net advances – fair value	146 732
Net advances	1 748 639

Notes to the consolidated financial statements continued

39 Disclosure of comparative information continued

39.3 Quality of credit assets and credit risk mitigation and collateral held

39.3.1 Quality of credit assets (previously reported)

This note includes prior year reported disclosures relating to quality of credit assets and credit risk mitigation and collateral held, that are impacted by the restatement of financial and other guarantees (off-balance sheet exposures). Refer to notes 38.1.2.

30 June 2025

	Retail secured		Retail unsecured			Corporate and commercial					UK operations		
R million	Residential mortgages	WesBank VAF	FNB card	Personal loans	Retail other	FNB commercial	WesBank corporate and commercial	RMB corporate and investment banking	Broader Africa	Centre (including Group Treasury)	Retail	Commercial	Total
Total on-balance sheet	281 669	124 728	44 236	54 088	6 823	143 890	65 877	532 756	87 109	51 944	315 596	95 111	1 803 827
FirstRand rating 1-25 on-balance sheet	108 043	–	669	273	286	10	11 693	228 098	6 613	46 502	129 162	6 135	537 484
– Stage 1	107 887	–	669	73	286	10	11 689	227 964	6 303	46 502	129 157	5 953	536 493
– Stage 2	156	–	–	200	–	–	4	134	310	–	5	182	991
– Stage 3	–	–	–	–	–	–	–	–	–	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 on-balance sheet	142 532	114 046	35 380	36 647	5 138	134 326	51 904	297 548	71 547	5 345	165 278	84 927	1 144 618
– Stage 1	129 097	104 840	33 638	34 858	5 013	128 508	49 064	282 834	66 918	5 302	153 849	78 231	1 072 152
– Stage 2	13 425	9 206	1 742	1 789	116	5 705	2 840	14 714	4 508	43	11 429	6 696	72 213
– Stage 3	10	–	–	–	9	113	–	–	121	–	–	–	253
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 on-balance sheet	31 094	10 682	8 187	17 168	1 399	9 554	2 280	7 110	8 949	97	21 156	4 049	121 725
– Stage 1	426	188	505	1 195	70	232	307	19	2 398	2	802	479	6 623
– Stage 2	10 612	3 204	1 414	6 891	421	3 781	635	765	3 094	12	8 423	1 619	40 871
– Stage 3	20 056	7 290	6 268	9 082	908	5 541	1 338	5 434	3 457	83	11 931	1 951	73 339
– Purchased or originated credit impaired	–	–	–	–	–	–	–	892	–	–	–	–	892
Total off-balance sheet	49 499	–	–	–	553	15 752	1 409	155 569	14 973	–	12 076	1 958	251 789
FirstRand rating 1-25 off-balance sheet	46 039	–	–	–	74	–	1 394	81 586	3 048	–	128	–	132 269
– Stage 1	46 039	–	–	–	74	–	1 394	81 586	3 046	–	128	–	132 267
– Stage 2	–	–	–	–	–	–	–	–	2	–	–	–	2
– Stage 3	–	–	–	–	–	–	–	–	–	–	–	–	–
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 26-90 off-balance sheet	3 449	–	–	–	460	15 674	15	73 441	10 190	–	11 948	1 958	117 135
– Stage 1	3 411	–	–	–	460	15 379	15	71 427	9 882	–	11 948	1 958	114 480
– Stage 2	38	–	–	–	–	292	–	2 014	308	–	–	–	2 652
– Stage 3	–	–	–	–	–	3	–	–	–	–	–	–	3
– Purchased or originated credit impaired	–	–	–	–	–	–	–	–	–	–	–	–	–
FirstRand rating 91-100 off-balance sheet	11	–	–	–	19	78	–	542	1 735	–	–	–	2 385
– Stage 1	1	–	–	–	19	23	–	186	1 731	–	–	–	1 960
– Stage 2	5	–	–	–	–	35	–	253	4	–	–	–	297
– Stage 3	5	–	–	–	–	20	–	59	–	–	–	–	84
– Purchased or originated credit impaired	–	–	–	–	–	–	–	44	–	–	–	–	44
Total exposure	331 168	124 728	44 236	54 088	7 376	159 642	67 286	688 325	102 082	51 944	327 672	97 069	2 055 616
– Stage 1	286 861	105 028	34 812	36 126	5 922	144 152	62 469	664 016	90 278	51 806	295 884	86 621	1 863 975
– Stage 2	24 236	12 410	3 156	8 880	537	9 813	3 479	17 880	8 226	55	19 857	8 497	117 026
– Stage 3	20 071	7 290	6 268	9 082	917	5 677	1 338	5 493	3 578	83	11 931	1 951	73 679
– Purchased or originated credit impaired	–	–	–	–	–	–	–	936	–	–	–	–	936

Notes to the consolidated financial statements continued

39 Disclosure of comparative information continued

39.3 Quality of credit assets and credit risk mitigation and collateral held continued

39.3.2 Credit risk mitigation and collateral held (previously reported)

This note includes prior year reported disclosures relating to quality of credit assets and credit risk mitigation and collateral held, that are impacted by the restatement of financial and other guarantees (off-balance sheet exposures). Refer to note 38.1.4.

	2025						
R million	Gross carrying amount	Off-balance sheet exposure	Loss allowance	Maximum exposure to credit risk	Netting and financial collateral*	Unsecured	Secured**
Residential mortgages	281 669	49 499	(6 128)	325 040	2 553	40	322 447
WesBank VAF	124 728	–	(6 291)	118 437	–	–	118 437
FNB card	44 236	–	(6 670)	37 566	–	37 566	–
Personal loans	54 088	–	(9 919)	44 169	–	44 169	–
Retail other	6 823	553	(1 143)	6 233	–	3 124	3 109
FNB commercial	143 890	15 752	(6 062)	153 580	4 282	25 872	123 426
WesBank corporate and commercial	65 877	1 409	(1 017)	66 269	–	123	66 146
RMB corporate and investment banking	532 756	155 569	(7 184)	681 141	2 044	138 984	540 113
Broader Africa	87 109	14 973	(3 945)	98 137	4 454	36 124	57 559
Centre (including Group Treasury)	51 944	–	(544)	51 400	–	31 872	19 528
UK operations	410 707	14 034	(6 285)	418 456	–	9 791	408 665
– Retail	315 596	12 076	(4 880)	322 792	–	128	322 664
– Commercial	95 111	1 958	(1 405)	95 664	–	9 663	86 001
Total advances	1 803 827	251 789	(55 188)	2 000 428	13 333	327 665	1 659 430
Investment securities#	456 634	–	(842)	455 792	1 409	439 784	14 599
Cash and cash equivalents	157 571	–	–	157 571	3 526	154 045	–
Collateral, settlement balances and other financial assets	42 198	–	(412)	41 786	22 943	18 838	5
Derivatives	58 486	–	–	58 486	42 096	16 390	–

* *Financial collateral relating to reverse repos are excluded. Details of these transactions are included on the note detailing the offsetting disclosures.*

** *Secured represent balances which have non-financial collateral attached to the financial asset. Details of financial collateral and netting on these are disclosed on the note detailing the offsetting disclosures.*

\# *Include debt instruments measured at fair value but exclude equity and non-recourse investments.*

Notes to the consolidated financial statements continued

39 Disclosure of comparative information continued

39.4 Market risk in the trading book (previously reported)

VaR analysis by risk type

The following table reflects the 10-day VaR and sVaR at a 99% confidence level. The 10-day VaR calculation is performed using 10-day scenarios created from the past 260 trading days, whereas the 10-day sVaR is calculated using scenario data from the static stress period.

	2025*						
R million	Equities	Interest rates**	Foreign exchange	Com-modities	Traded credit	Diversi-fication effect	Diversified total
VaR (10-day 99%)							
Maximum value#	67.8	370.7	516.8	119.9	6.3	–	503.0
Average value	25.0	184.3	287.2	29.1	3.5	–	309.5
Minimum value#	1.8	58.1	50.9	3.0	0.6	–	82.6
Period end	66.8	195.4	66.8	115.8	2.6	(240.8)	206.5
sVaR (10-day 99%)							
Maximum value#	155.6	604.0	418.6	86.0	19.5	–	520.7
Average value	69.2	306.1	141.9	30.2	6.8	–	285.4
Minimum value#	4.8	125.0	30.6	8.9	1.8	–	123.9
Period end	105.1	257.6	232.6	28.2	8.6	(422.7)	209.4

* *Excludes foreign branches and subsidiaries, which are reported on in the standardised approach for market risk. The sVaR numbers relate to FirstRand Bank South Africa only.*

** *Interest rate risk in the trading book.*

\# *The maximum and minimum VaR figures for each asset class did not necessarily occur on the same day. Consequently, a diversification effect was omitted from the above table.*

40 Events after balance sheet date

There were no significant events that occurred between the end of the reporting period and the issue of the annual financial statements.

Notes to the consolidated financial statements continued

Accounting policies

The accounting policies and other methods of computation applied in the preparation of the consolidated financial statements are in terms of IFRS Accounting Standards and are consistent with those applied for the year ended 30 June 2025.

SUMMARY OF MATERIAL ACCOUNTING POLICIES				
1	**Subsidiaries, associates and joint arrangements**	Consolidation and equity accounting	Related party transactions	
2	**Income, expenses and taxation**	Income and expenses	Taxation	
3	**Financial instruments**	Classification and measurement	Impairment	Derivatives and hedge accounting
		Transfers, modifications and derecognition	Offset and collateral	
4	**Other assets and liabilities**	Property and equipment	Investment properties	Intangible assets
		Commodities	Provisions	
		Non-current assets held for sale	Leases	
5	**Capital and reserves**	Share capital and treasury shares	Dividends and non-cash distributions	Other reserves
6	**Transactions with employees**	Employee liabilities	Share-based payment transactions	
7	**Non-banking activities**	Insurance activities	Investment management activities	

Notes to the consolidated financial statements continued

1 Subsidiaries, associates and joint arrangements

Basis of consolidation and equity accounting

	SUBSIDIARIES AND OTHER STRUCTURED ENTITIES	ASSOCIATES	JOINT VENTURES
Typical shareholding in the assessment of entities that are not structured entities	Greater than 50%	Between 20% and 50%	

The group evaluates whether a business combination falls within the scope of IFRS 3 as a business combination or, where the optional concentration test is met, should be accounted for as an asset acquisition. This assessment includes consideration of whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. Where the concentration test is not met, the group applies the IFRS 3 definition of a business to determine whether a business has been acquired. Where the optional concentration test is met, the group elects on a transaction-by-transaction basis, whether to apply asset acquisition or business combination accounting treatment.

When an entity is a structured entity and control of it is not evidenced through shareholding, the group considers the substance of the arrangement and the group's involvement with the structured entity to determine whether the group has control, joint control or significant influence over the significant decisions that impact its relevant activities.

Nature of the relationship between the group and the investee	Entities over which the group has control, as defined in IFRS 10, are consolidated. These include certain investment funds managed by the group, securitisation structures or other entities used for the purpose of buying or selling credit protection.	Entities over which the group has significant influence as defined in IAS 28. These include investment funds not consolidated, but over which the group has significant influence.	A joint arrangement in terms of which the group and the other contracting parties have joint control, as defined in IFRS 11. Joint ventures are those joint arrangements where the group has rights to the net assets of the arrangement.

SEPARATE FINANCIAL STATEMENTS

The company measures investments in the above entities at cost less impairment (in terms of IAS 36), with the exception of investments acquired and held exclusively with the view to dispose of them in the near future (within 12 months). These investments are measured at fair value less cost to sell in terms of IFRS 5.

INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

Interests in unconsolidated structured entities may expose the group to variability in returns from the structured entity. However, because of a lack of power over the structured entity it is not consolidated. Normal customer or supplier relationships, where the group transacts with the structured entity on the same terms as other third parties, are not considered to be interests in the entity. From time to time the group also sponsors the formation of structured entities primarily for the purpose of allowing clients to hold investments, for asset securitisation transactions and for buying and selling credit protection. Where the interest or sponsorship does not result in control, disclosures of these interests or sponsorships are made in the notes in terms of IFRS 12.

COMMON CONTROL TRANSACTION

There is currently no guidance under IFRS Accounting Standards for the accounting treatment of business combinations under common control. In terms of IAS 8, the group developed an accounting policy that requires that business combinations under common control use the predecessor values of the acquiree without the restatement of comparatives. Therefore, any difference between the NAV and the amount paid (i.e. the purchase consideration) is recorded directly in equity.

CONSOLIDATED FINANCIAL STATEMENTS

	Consolidation	Equity accounting
Initial recognition in the consolidated financial statements	Subsidiaries acquired are accounted for by applying the acquisition method of accounting to business combinations. The excess (shortage) of the sum of the consideration transferred, the value of non-controlling interest and the fair value of any existing interest over the fair value of identifiable net assets are recognised as goodwill or a gain on bargain purchase, as set out further below. Transaction costs are included in operating expenses within profit or loss, when incurred.	Associates and joint ventures are initially recognised at cost (including goodwill) and subsequently equity accounted. The carrying amount is increased or decreased to recognise the group's share of profit or loss from the investee after the date of acquisition. Items that impact the investee NAV that don't impact OCI are recognised directly in gains less losses from investing activities within NIR.

Notes to the consolidated financial statements continued

1 Subsidiaries, associates and joint arrangements continued

Basis of consolidation and equity accounting continued

CONSOLIDATED FINANCIAL STATEMENTS		
	Consolidation	**Equity accounting**
Intercompany transactions and balances	Intercompany transactions are all eliminated on consolidation, including unrealised gains. Unrealised losses on transactions between group entities are also eliminated unless the transaction provides evidence of impairment of the transferred asset, in which case the transferred asset will be tested for impairment in accordance with the group's impairment policies.	Unrealised gains on transactions are eliminated to the extent of the group's interest in the entity. Unrealised losses are also eliminated to the extent of the group's interest in the entity, unless the transaction provides evidence of an impairment of the transferred asset.
Impairment	In the consolidated financial statements either the CGU is tested, i.e. a grouping of assets no higher than an operating segment of the group, or, if the entity is not part of a CGU, the individual assets of the subsidiary and goodwill are tested for impairment in terms of IAS 36.	At each reporting date, the group assesses whether there is objective evidence of impairment. A decline in fair value below cost is considered an indicator of impairment where the decline exceeds 30% and persists for 12 months or longer. The entire carrying amount of the investment, including other long-term interests, is tested for impairment. Certain loans and other long-term interests in associates and joint ventures are considered to be, in substance, part of the net investment in the entity when settlement is neither planned nor likely to occur in the foreseeable future. Such items may include preference shares and long-term receivables or loans, but do not include trade receivables or any long-term loans for which adequate collateral exists. These loans and other long-term interests in associates and joint ventures are included in advances and are measured in terms of IFRS 9. The value of such loans after any ECLs raised for IFRS 9 where such loans are measured at amortised cost is, however, included in the carrying amount of the investee for purposes of determining the share of losses of the investee attributable to the group and for impairment testing purposes.
Goodwill	Goodwill on the acquisition of businesses and subsidiaries represents excess consideration transferred and is recognised as an intangible asset at cost less accumulated impairment losses. If this amount is negative, as in the case of a bargain purchase, the difference is immediately recognised in gains less losses from investing activities within NIR. Goodwill is tested annually for impairment by the group in March, or earlier if there are objective indicators of impairment, except balances for Aldermore are tested in June. For subsidiaries acquired between March and June, a goodwill impairment test is performed in June in the year of acquisition and thereafter annually in March. For testing purposes, goodwill is allocated to a suitable CGU.	Notional goodwill on the acquisition of associates and joint ventures is included in the equity accounted carrying amount of the investment. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Notes to the consolidated financial statements continued

1 Subsidiaries, associates and joint arrangements continued

Basis of consolidation and equity accounting continued

CONSOLIDATED FINANCIAL STATEMENTS		
	Consolidation	**Equity accounting**
Non-controlling interest	Non-controlling interests in the net assets of subsidiaries are separately identified and presented from the group's equity. All transactions with non-controlling interests which do not result in a loss of control are treated as transactions with equityholders. Partial disposals and increases in effective shareholding between 50% and 100% are treated as transactions with equityholders. Non-controlling interest is initially measured either at the proportional share of net assets or at fair value. The measurement distinction is made by the group on a case-by-case basis.	Transactions with other shareholders are not equity transactions and the effects thereof are recognised in profit or loss as part of gains less losses from investing activities in NIR.

Related party transactions

Related parties of the group, as defined, include:

Subsidiaries	Associates	**Joint ventures**	Post-employment benefit funds (pension funds)
Entities that have significant influence over the group, and subsidiaries of these entities	**KMP**	Close family members of KMP	**Entities controlled, jointly controlled or significantly influenced by KMP or their close family members**

KMP of the group are the FirstRand Limited board of directors and prescribed officers, including any entities which provide KMP services to the group. Their close family members include spouse/domestic partner and dependent children, domestic partner's dependent children and any other dependants of the individual or their domestic partner. Children over the age of 25 are not considered dependants.

2 Income, expenses and taxation

NET INTEREST INCOME RECOGNISED IN PROFIT OR LOSS

Interest income is calculated using the effective interest rate, which includes origination fees. The original effective interest rate is applied to:

- the GCA of financial assets which are not credit impaired;
- the amortised cost of financial assets which represents the net carrying amount, from the month after the assets become credit impaired. The contractual interest on the gross exposure is suspended (through the ECL provision) and is only recognised in credit impairments when the advance is classified from (out of) stage 3;
- modified advances (derecognition not achieved) – the unamortised portion of origination fees and capitalised transaction costs on financial assets are included as part of interest income. The interest income on the modified financial asset (refer to accounting policy 3) is calculated by applying the original effective interest rate to the asset's modified GCA; and
- modified advances (derecognition is achieved) – the unamortised portion of origination fees and capitalised transaction costs on financial assets are included in non-interest revenue as part of the gain/(loss) arising from the disposal of financial assets measured at amortised cost. New fees or costs charged on the new balance which are integral to the new asset recognised are capitalised to the new loan.

Interest income includes:

- interest on financial instruments measured at amortised cost and debt instruments measured at FVOCI, including the effect of qualifying hedges for interest rate risk;
- interest on financial asset debt instruments measured at FVTPL that are held by and managed as part of the group's funding or insurance operations;
- fees and transaction costs that form an integral part of generating an involvement with the resulting financial instrument.
- the difference between the purchase and sale price in repurchase and reverse repurchase agreements where the related advances or deposit is measured at amortised cost, because the amount is in substance interest.

Notes to the consolidated financial statements continued

2. Income, expenses and taxation continued

NET INTEREST INCOME RECOGNISED IN PROFIT OR LOSS

Interest expense includes:

- interest on financial liabilities measured at amortised cost;
- interest on financial liabilities measured at FVTPL that are held by and managed as part of the group's funding or insurance operations;
- interest on capitalised leases where the group is the lessee; and
- the difference between the purchase and resale price in repurchase (interest expense) and reverse repurchase agreements (interest income) where the related advances or deposit is measured at amortised cost, because the amount is in substance interest.

The total interest expense is reduced by the amount of interest incurred in respect of liabilities used to fund the group's fair value activities. This amount is reported in fair value income within NIR.

Group also presents as part of net interest income, other interest income and other interest and charges similar in nature, which are not calculated on the effective interest rate method.

NON-INTEREST AND FINANCIAL INSTRUMENT REVENUE RECOGNISED IN PROFIT OR LOSS

Non-interest revenue from contracts with customers

Under IFRS 15, where a five-step analysis is required to determine the amount and timing of revenue recognition, the group assesses contracts and determines whether the fees identified in the contract relate to revenue as defined in IFRS 15. The revenue is recognised only if the group can identify the contract and the performance obligation (i.e. the different goods or services) and can determine the transaction price, which is required to be allocated to the identifiable performance obligations.

Unless specifically stated otherwise, the group is the principal in its revenue arrangements as the group controls the goods and services before transferring them to the customer.

NON-INTEREST AND FINANCIAL INSTRUMENT REVENUE RECOGNISED IN PROFIT OR LOSS	
Non-interest revenue from contracts with customers	
Fee and commission income	Fees and commissions that form an integral part of the effective interest rate are excluded from fees and commissions from customers. Fee and commission income is earned by the group by providing customers with a range of services and products, and consists of the following main categories: • banking fee and commission income; • knowledge-based fee and commission income; • management, trust and fiduciary fees; • fee and commission income from service providers; and • other non-banking fee and commission income. The bulk of fee and commission income is earned on the execution of a single performance obligation and, as such, it is not necessary to make significant judgements when allocating the transaction price to the performance obligation. As such, fee and commission income, which typically includes transactional banking fees such as bank charges, interchange fees, point-of-sale fees, electronic transaction fees, card commissions, exchange commissions, brokerage income, cash deposit fees and knowledge-based fee and commission income, is recognised at a point in time.

Notes to the consolidated financial statements continued

2. Income, expenses and taxation continued

NON-INTEREST AND FINANCIAL INSTRUMENT REVENUE RECOGNISED IN PROFIT OR LOSS continued	
Non-interest revenue from contracts with customers continued	
Fee and commission income	Where the distinct performance obligation is satisfied over a period of time, the fees are recognised as follows: • Fees for services rendered are recognised on an accrual basis as the service is rendered and the group's performance obligation is satisfied, e.g. annual card fees and management, trust and fiduciary fees. Commitment fees for unutilised funds made available to customers in the past are recognised as revenue at the end of the contract period. Commitment fees paid upfront for a future facility, where it is not probable that a specific lending arrangement will be entered into by the group, are recognised as revenue on a straight-line basis over the period for which the funds are promised to be kept available. Other non-banking fee and commission income relates to fees and commissions earned for rendering services to customers other than those related to the banking, insurance and asset management operations. This includes fee and commission income earned from providing services on behalf of third-party service providers, in effect acting as an agent. The revenue is recognised at a point in time and includes commission earned from the sale of prepaid airtime, data vouchers and electricity, and traffic fines paid through FNB channels, as well as insurance commission. The group operates a customer loyalty programme, known as eBucks, in terms of which it undertakes to provide reward credits to qualifying customers to buy goods and services, which results in the recognition of a performance obligation which the group needs to fulfil. The supplier of the goods or services to be acquired by customers can either be the group or an external third party. The group recognises a contract liability referred to as the customer loyalty programme liability, which represents the deferred amount of revenue resulting from providing these reward credits to customers. The amount deferred is equal to the maximum cash flow that could be required in order to settle the liability with the customer, as the supplier of goods and services could either be the bank itself or independent third parties. The deferred revenue in respect of which the eBucks liability is raised is recognised in the period in which the customer utilises their reward credits. When the group is acting as an agent, amounts collected and incurred on behalf of the principal are not recognised on a gross basis. Only the net commission retained by the group is recognised in fee and commission income.

Non-interest revenue from contracts with customers	
Fee and commission expenses	Fee and commission expenses are those that are incremental and directly attributable to the generation of fee and commission income and are recognised as part of fee and commission income. These include transaction and service fees, which are expensed as the services are received. Expenses relating to the provision of the customer loyalty reward credits are recognised as fee and commission expenses as they are incurred.
Insurance income – non-risk-related	Commission is earned on the sale of insurance products to customers of the group on behalf of an insurer. Brokerage fees are received for services rendered in the group's capacity as an insurance broker. Participation agreements arise when the group provides a service to third-party insurance providers by facilitating additional sales of their products, for which the group then earns a commission in the form of a share in the profits of the insurance products sold by third-party insurers. Where the group is acting as an agent, commissions and brokerage earned on the sale of insurance products to customers of the group on behalf of an insurer are recognised at the point that the significant obligation has been fulfilled. Variable consideration income earned from participation agreements is dependent on the performance of insurance products sold by third-party insurers. To the extent that the group assesses that it is not highly probable that a significant reversal of revenue will not occur, the group constrains the recognition of revenue recognised from the participation agreements. In this instance, the group will only recognise the revenue once the uncertainty associated with the variable consideration is resolved, i.e. the point at which the amount of profits are earned are concluded upon and communicated to the group by the third parties.
Other non-interest revenue	The group, through its various operating businesses and subsidiaries, sells value-added products, services and goods to customers. Revenue is recognised from products sold by the eBucks online store at a point in time when control of the goods transfers to the customer. For telecommunication products and services which consist of smart devices, as well as data, airtime contracts and bundled products (network services), revenue is recognised at a point in time when the smart device has been delivered to the customer, whereas revenue from SIM services are recognised over time, as and when the service is consumed by the customer (i.e. over the contract term).

Notes to the consolidated financial statements continued

2. Income, expenses and taxation continued

NON-INTEREST AND FINANCIAL INSTRUMENT REVENUE RECOGNISED IN PROFIT OR LOSS

Fair value gains or losses and foreign exchange gains or losses

Fair value gains or losses of the group recognised in NIR include the following:

- fair value adjustments and interest on financial instruments at FVTPL, including derivative instruments that do not qualify for hedge accounting;
- fair value adjustments that are not related to credit risk on advances designated at FVTPL;
- a component of interest expense that relates to interest paid on liabilities which fund the group's fair value operations. Interest expense is reduced by the amount that is included in fair value income;
- fair value adjustment on financial instruments designated at FVTPL in order to eliminate an accounting mismatch, except for such instruments relating to the group's insurance and funding operations, for which the interest component is recognised in NII. The change in the fair value of a financial liability designated at FVTPL attributable to changes in its credit risk is presented in OCI, unless this would cause or enlarge an accounting mismatch in profit or loss. The total fair value adjustment on policyholder liabilities and non-recourse liabilities (including movements due to changes in credit risk) is included in profit or loss, since the fair value movements on these liabilities are directly linked to fair value movements on the underlying assets;
- ordinary and preference dividends on equity instruments at FVTPL;
- any difference between the carrying amount of the liability and the consideration paid, when the group repurchases debt instruments that it has issued;
- fair value gains or losses on policyholder liabilities under investment contracts;
- fair value gains or losses on commodities acquired for short-term trading purposes, including commodities acquired with the intention of reselling in the short term, or if they form part of the trading operations of the group and certain commodities subject to option agreements whereby the counterparty may acquire the commodity at a future date where the risks and rewards of ownership are deemed to have transferred to the group in terms of IFRS 15; and
- ineffectiveness gain or loss arising from fair value and cash flow hedges.

NON-INTEREST AND FINANCIAL INSTRUMENT REVENUE RECOGNISED IN PROFIT OR LOSS

Gains less losses from investing activities

The following items are included in gains less losses from investing activities:

- any gains or losses on disposals of investments in subsidiaries, associates and joint ventures;
- any gains or losses on the sale of financial assets measured at amortised cost;
- impairments and reversal of impairments of investment securities measured at amortised cost, and debt instruments measured at FVOCI;
- any amounts recycled from OCI in respect of debt instruments measured at FVOCI;
- dividend income on any equity instruments that are considered long-term investments of the group, including non-trading equity instruments measured at FVOCI; and
- fair value gains or losses on investment property held at FVTPL.

Dividend income

The group recognises dividend income when the group's right to receive payment is established. This falls on the last day to trade for listed shares and on the date of declaration for unlisted shares.

Dividend income includes scrip dividends, irrespective of whether there is an option to receive cash instead of shares, except to the extent that the scrip dividend is viewed as a bonus issue with no cash alternative and the transaction lacks economic significance.

Notes to the consolidated financial statements continued

2. Income, expenses and taxation continued

EXPENSES	
Expenses of the group, apart from certain fee and commission expenses included in net fee and commission income, are recognised and measured in terms of the accrual principle and presented as operating expenses in profit or loss.	
Indirect tax expense	Indirect tax includes other taxes paid to central and local governments and also includes value-added tax and securities transfer tax. Indirect tax is disclosed separately from income tax and operating expenses in the income statement.

CURRENT INCOME TAX
The current income tax expense is calculated by adjusting the net profit for the year for items that are non-taxable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the reporting date, in each particular jurisdiction within which the group operates. Current income tax arising from distributions made on other equity instruments is recognised in the income statement as the distributions are made from retained earnings arising from profits previously recognised in the income statement. The group falls within the scope of the Pillar Two legislation, the legislation requires that the group pays a global minimum top-up tax which is recognised in income tax. The group has applied the mandatory deferred tax exemption in IAS 12, which introduces a temporary exception to the recognition and disclosure of deferred tax assets and liabilities arising from Pillar Two.

DEFERRED INCOME TAX	
Recognition	On temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.
Typical temporary differences for which deferred tax is provided	• Provision for loan impairment. • Instalment credit assets. • Revaluation (including ECL movements) of certain financial assets and liabilities, including derivative contracts. • Provisions for pensions and other post-retirement benefits. • SBP liabilities. • Investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the difference will not reverse in the foreseeable future. • Cash flow hedges.
Measurement	The liability method under IAS 12 is used, which means applying tax rates and laws applicable at the reporting date, which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. For temporary differences arising from the fair value adjustments on investment properties and investment securities, deferred income tax is provided at the rate that would apply to the sale of the assets, i.e. the capital gains tax rate.

Notes to the consolidated financial statements continued

2. Income, expenses and taxation continued

DEFERRED INCOME TAX	
Presentation	Deferred income tax is presented in profit or loss unless it relates to items recognised directly in equity or OCI. Items recognised directly in equity or OCI relate to: • the issuance or buy-back of share capital; • fair value remeasurement of financial assets measured at FVOCI; • remeasurements of defined benefit post-employment plans; and • derivatives designated as hedging instruments in effective cash flow hedge relationships. Tax in respect of share transactions is recognised directly in equity. Tax in respect of the other items is recognised directly in OCI and subsequently reclassified to profit or loss (where applicable) at the same time as the related gain or loss.
Deferred tax assets	The group recognises deferred income tax assets only if it is probable that future taxable income will be available, against which the unused tax losses can be utilised, based on management's review of the budget and forecast information. The group reviews the carrying amount of deferred income tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.
Substantively enacted tax rates	Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current and deferred tax assets and liabilities are usually measured using the tax rates (and tax laws) that have been enacted. However, in some jurisdictions, announcements of tax rates (and tax laws) by the government have the substantive effect of actual enactment, which may follow the announcement by a period of several months. In these circumstances, tax assets and liabilities are measured using the announced tax rate (and tax laws).

3. Financial instruments

CLASSIFICATION AND INITIAL MEASUREMENT OF FINANCIAL ASSETS

The group recognises purchases and sale of financial instruments that require delivery within the time frame established by regulation or market convention (regular way purchases and sales) at settlement date, which is the date the asset is delivered or received.

All financial instruments are initially measured at fair value including transaction costs, except for those classified as FVTPL, in which case the transaction costs are expensed upfront in profit or loss, usually as part of operating expenses. Any upfront income earned on financial instruments is recognised as detailed under accounting policy 2, depending on the underlying nature of the income.

Immediately after initial recognition, an ECL allowance is recognised for newly originated financial assets measured at amortised cost or FVOCI debt instruments.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

Management determines the classification of its financial assets at initial recognition, based on:

- the group's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Notes to the consolidated financial statements continued

3. Financial instruments continued

BUSINESS MODEL

The group distinguishes three main business models for managing financial assets:

- holding financial assets to collect contractual cash flows;
- managing financial assets and liabilities on a fair value basis or selling financial assets; and
- a mixed business model of collecting contractual cash flows and selling financial assets.

The business model assessment is not performed on an instrument-by-instrument basis, but at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment is done for each legal reporting entity at a franchise level at least, although franchises will perform the assessment on a portfolio or sub-portfolio level, depending on the manner in which groups of financial assets are managed in each franchise.

The main consideration in determining the different business models across the group is whether the objectives of the business model are met primarily through holding the financial assets to collect contractual cash flows, through the sale of these financial assets, by managing assets and liabilities on a fair value basis, or through a combination of these activities.

In considering whether the business objective of holding a group of financial assets is achieved primarily through collecting contractual cash flows, among other considerations, management monitors the frequency and significance of sales of financial assets out of these portfolios for purposes other than managing credit risk. For the purposes of performing the business model assessment, the group only considers a transaction a sale if the asset is derecognised for accounting purposes. For example, a repurchase transaction where a financial asset is sold with the commitment to buy back the asset at a fixed price at a future date is not considered a sale transaction, because substantially all the risks and rewards relating to the ownership of the asset have not been transferred and the asset is not derecognised from an accounting perspective.

If sales of financial assets are infrequent, the significance of these sales is considered by comparing the carrying amount of assets sold during the period and cumulatively to the total carrying amount of assets held in the business model. If sales are either infrequent or insignificant, these sales will not impact the conclusion that the business model for holding financial assets is to collect contractual cash flows. In addition, where the issuer initiates a repurchase of the financial assets which was not anticipated in the terms of the financial asset, the repurchase is not seen as a sale for the purposes of assessing the business model of that group of financial assets.

Determining whether sales are significant or frequent requires management to use its judgement. The significance and frequency of sales are assessed on a case-by-case basis at the business model level. The frequency is assessed on an annual basis and sales of assets that take place once or less per annum are considered to be infrequent. If sales take place more than once per annum it doesn't mean that the business models are not to collect contractual cash flows, but rather that the reasons for the sales need to be more carefully considered. Management will consider both the volume and number of sales relative to the total assets in the business model to determine whether they are significant.

A change in business model only occurs on the rare occasions that the group changes the way in which it manages financial assets. Any change in business models would result in a reclassification of the relevant financial assets from the start of the next reporting period.

Notes to the consolidated financial statements continued

3. Financial instruments continued

CASH FLOW CHARACTERISTICS
In order for a debt instrument to be measured at amortised cost or FVOCI, the cash flows on the asset have to be solely payments of principal and interest (SPPI), i.e. consistent with those of a basic lending agreement. The SPPI test is applied on a portfolio basis for retail advances, as the cash flow characteristics of these assets are standardised. This includes the consideration of any prepayment penalties that are limited by consumer credit regulation. They can therefore be considered reasonable compensation, which would not cause these assets to fail the SPPI test. For wholesale advances, the SPPI test is applied to individual advances at initial recognition, based on the cash flow characteristics of the asset. Wholesale advances that do not pass the SPPI test and that have to be measured at FVTPL include advances with equity participation features, convertible bonds and payments linked to commodity or other prices. If the contract contains prepayment penalties, the amount of the prepayment penalty is compared to the present value of the margin that will be earned if the loan is not prepaid. If the amount of the prepayment penalty is lower than or equal to the margin lost due to prepayment, this is considered reasonable compensation and the loan passes the SPPI test.

AMORTISED COST
Financial assets are measured at amortised cost using the effective interest rate method when they are held to collect contractual cash flows which are SPPI, and sales of such assets are not significant or frequent. These include the majority of the retail, corporate and commercial advances of the group, as well as certain investment securities utilised for liquidity risk management of the group. For purchased or originated credit-impaired financial assets, the group applies the credit-adjusted effective interest rate. This interest rate is determined based on the amortised cost and not the GCA of the financial asset, and incorporates the impact of ECL in the estimated future cash flows of the financial asset.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents comprise coins and bank notes, money at call and short notice, and balances with central banks. All balances included in cash and cash equivalents have a maturity date of less than three months from the date of acquisition. Money at call and short notice constitutes amounts withdrawable in 32 days or less. Cash and cash equivalents are measured at amortised cost. Balances are tested annually to assess whether such balances continue to meet the definition of cash and cash equivalents.

RETAIL ADVANCES		
Retail advances	**Business model**	**Cash flow characteristics**
	The FNB, WesBank and Aldermore businesses hold retail advances to collect contractual cash flows. Their business models focus on growing these advances within acceptable credit appetite limits and maintaining strong collection practices. The products under this business model include: • residential mortgages; • vehicle and asset finance; • personal loans; • credit cards; and • other retail products such as overdrafts.	The cash flows on retail advances are SPPI. Interest charged to customers compensates the group for the time value of money, credit risk and administrative costs (including a profit margin). Penalties on the prepayment of advances are limited to reasonable compensation for early termination of the contract.

Notes to the consolidated financial statements continued

3. Financial instruments continued

CORPORATE AND COMMERCIAL ADVANCES		
Corporate and commercial advances	**Business model**	**Cash flow characteristics**
	The business models of FNB, WesBank, RMB and Aldermore are also focused on collecting contractual cash flows on corporate and commercial advances and growing these advances within acceptable credit appetite limits. The products in this business model include: • trade and working capital finance; • specialised finance; • commercial property finance; and • asset-backed finance. These advances are held primarily to realise the related contractual cash flows over the life of the instruments and earn a lending margin in return. Although the intention is to collect cash flows, not all of the instruments are held to maturity as some financial assets are sold through syndication. These sales are, however, either insignificant in value in relation to the value of advances held to collect cash flows or infrequent, and therefore the held to collect business model is still appropriate.	The cash flows on corporate and commercial advances are SPPI. Interest charged to customers compensates the group for the time value of money, credit risk and administrative costs (including a profit margin). Penalties on the prepayment of advances are limited to reasonable compensation for early termination of the contract.
	Within RMB, debt for large corporates and institutions is structured. These advances are held primarily to realise the related contractual cash flows over the life of the instruments and earn a lending margin in return. Although the intention is to collect cash flows, not all of the instruments are held to maturity as some financial assets are sold in the secondary market to facilitate funding. These sales are, however, insignificant in value in relation to the value of RMB advances held to collect cash flows, and therefore the held to collect business model is still appropriate. In other portfolios, RMB originates advances with the intention to distribute. These advances are included under a different business model and are measured at FVTPL (as set out further below).	The cash flows on these advances are considered to be SPPI if the loan contract does not contain equity upside features, conversion options, payments linked to equity or commodity prices or prepayment penalties that exceed reasonable compensation for early termination of the contract. Any advances that do contain such features are mandatorily measured at FVTPL.
Marketable advances	Advances also include marketable advances representing corporate bonds and certain debt investment securities qualifying as HQLA that are under the control of the group treasurer, held by RMB. These assets are primarily held to collect the contractual cash flows over the life of the asset.	The cash flows on these advances are SPPI.

Notes to the consolidated financial statements continued

3. Financial instruments continued

INVESTMENT SECURITIES		
Investment securities	**Business model**	**Cash flow characteristics**
	Group Treasury holds investment securities with lower credit risk (typically government bonds and treasury bills). These investment securities are held in a business model with the objective of collecting contractual cash flows.	The cash flows on these investment securities are SPPI.
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. These assets are held to collect contractual cash flows.	The cash flows on these assets are SPPI.
OTHER ASSETS		
Other assets	Other assets are short-term financial assets that are held to collect contractual cash flows.	The cash flows on these assets are SPPI.

MANDATORY AT FVTPL		
Corporate advances	In certain instances, RMB originates advances with the mandate of distributing an identified portion of the total advances in the secondary market within an approved timeframe. The reason for originating these advances is not to collect the contractual cash flows, but rather to realise the cash flows through the sale of the assets.	Any advances which are originated to be distributed or managed on a fair value basis, or are held to collect contractual cash flows but include cash flows related to equity upside features, conversion options, payments linked to equity or commodity prices, or prepayment penalties that exceed reasonable compensation for early termination of the contract, will be included in this category.
Marketable advances	RMB occasionally invests in notes issued by special purpose vehicles (SPVs), with the intention of selling these notes to external parties. These include notes issued by an SPV to which it sells a portion of corporate and commercial advances that it originates to distribute (detailed above). The collection of contractual cash flows on these notes is merely incidental.	Advances which are acquired to distribute are included in this category.
Investment securities	RMB Global Markets holds portfolios of investment securities (including corporate and government bonds) to hedge risks or for short-term profit realisation. These securities are managed on a fair value basis.	
	All equity investments of the group are managed on a fair value basis, either through FVTPL or designated at FVOCI.	
Derivative assets	Derivatives are either held for trading or to hedge risk. These instruments are managed on a fair value basis.	

DESIGNATED AT FVTPL	
Advances	Certain advances with fixed interest rates in RMB have been designated at FVTPL in order to eliminate an accounting mismatch that would otherwise result from measuring these assets on a different basis. The cash flows on these advances are considered to be SPPI.
Investment securities	Group Treasury holds investment securities (typically treasury bills) for liquidity purposes.

DEBT INSTRUMENTS AT FVOCI		
Investment securities	Group Treasury holds certain investment securities for liquidity management purposes. Local regulators require that the bank/branch prove liquidity of its assets by way of periodic outright sales. Therefore, the business model for these investment securities is both collecting contractual cash flows and selling these financial assets.	The cash flows on these investment securities are SPPI.

EQUITY INVESTMENTS AT FVOCI	
Investment securities	The group has elected to designate certain equity investments not held for trading to be measured at FVOCI.

Notes to the consolidated financial statements continued

3. Financial instruments continued

FINANCIAL LIABILITIES AND COMPOUND FINANCIAL INSTRUMENTS

The group classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Tier 2 instruments which have write-down or conversion features are classified based on the nature of the instrument and the definitions. Tier 2 and other funding liabilities are presented in separate lines on the statement of financial position of the group. Compound instruments are those financial instruments that have components of both financial liabilities and equity, such as issued convertible bonds. At initial recognition the instrument and the related transaction costs are split into their separate components and accounted for as a financial liability or equity in terms of the definitions and criteria of IAS 32.

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

The following liabilities are measured at amortised cost using the effective interest rate method, unless they have been designated as measured at FVTPL:

- deposits;
- creditors;
- Tier 2 and other loss absorbing liabilities; and
- other funding liabilities.

FINANCIAL LIABILITIES MEASURED MANDATORY AT FVTPL

The following held for trading liabilities are measured at FVTPL:

- derivative liabilities; and
- short trading positions.

These liabilities are measured at fair value at reporting date as determined under IFRS 13, with fair value gains or losses recognised in profit or loss.

FINANCIAL LIABILITIES DESIGNATED AT FVTPL

A financial liability other than one held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial liabilities which is managed and its performance evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated at FVTPL.

The financial liabilities that the group designated at FVTPL are the following:

- deposits; and
- other funding liabilities.

Both types of liabilities satisfied the above-mentioned conditions of IFRS 9 for such designation. These financial liabilities are measured at fair value at reporting date as determined under IFRS 13, with any gains or losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedge accounting relationship. However, for non-derivative financial liabilities that are designated at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability.

FINANCIAL GUARANTEE CONTRACTS AND LOAN COMMITMENTS

Financial guarantee contracts are initially recognised at fair value on the date that the guarantee is provided. The group's liabilities under such guarantees are subsequently measured at the higher of the initial measurement, less amortisation of any fee income earned over the reporting period, and the amount of the ECL calculated in terms of IFRS 9 at the reporting date.

Loan commitments are measured with reference to the quantum of ECL required to be recognised. In the case of undrawn loan commitments, the inherent credit risk is managed and monitored by the group together with the drawn component as a single exposure.

Notes to the consolidated financial statements continued

3. Financial instruments continued

IMPAIRMENT OF FINANCIAL ASSETS AND OFF-BALANCE SHEET EXPOSURES SUBJECT TO IMPAIRMENT

This policy applies to:

- financial assets measured at amortised cost, including other financial assets and cash;
- debt instruments measured at FVOCI;
- loan commitments comprising commitments that are irrevocable over the life of the facility, or are revocable only in response to a materially adverse change and are disclosed as part of exposure to maximum credit risk included in the risk management disclosures;
- financial guarantees;
- letters of credit and
- finance lease debtors where the group is the lessor.

Refer to the *Critical accounting estimates, assumptions and judgements* section of this document, where all risk parameters, scenarios and sources of estimation are detailed more extensively.

EXPECTED CREDIT LOSSES			
Loss allowance on financial assets			
Credit risk has not increased significantly since initial recognition (stage 1)	**Credit risk has increased significantly since initial recognition, but asset is not credit impaired (stage 2)**	**Asset has become credit impaired since initial recognition (stage 3)**	**Purchased or originated credit impaired**
12-month ECL	LECL	LECL	Movement in LECL since initial recognition

ADVANCES	
SICR since initial recognition	In order to determine whether an advance has experienced a SICR, the PD of the asset calculated at the origination date is compared to that calculated at the reporting date (incorporating FLI). The origination date is defined as the most recent date at which the group has repriced an advance/facility. Where a change in terms is significant and is deemed to be a substantial modification, it results in derecognition of the original advance/facility and recognition of a new advance/facility. SICR test thresholds are reassessed and, if necessary, updated, on at least an annual basis. Any facility that is more than 30 days past due, or in the case of instalment-based products one instalment past due, is automatically considered to have experienced a SICR. In addition to the quantitative assessment based on PDs, qualitative considerations are applied when determining whether individual exposures have experienced a SICR. One such qualitative consideration is the appearance of wholesale and commercial SME facilities on a credit watchlist. Any up-to-date facility that has undergone a distressed restructure (i.e. a modification of contractual cash flows to prevent a client from going into arrears) will be considered to have experienced a SICR, and will be disclosed within stage 2 at a minimum. The credit risk on an exposure is no longer considered to be significantly higher than at origination if no qualitative indicators of a SICR are triggered, and if comparison of the reporting date PD to the origination date PD no longer indicates that a SICR has occurred. No standard minimum period for transition from stage 2 back to stage 1 is applied across all advances, with the exception of cured distressed restructured exposures that are required to remain in stage 2 for a minimum period of six months before re-entering stage 1, as per the requirements of SARB Directive 7 of 2015.

Notes to the consolidated financial statements continued

3. Financial instruments continued

ADVANCES	
Credit-impaired financial assets	Advances are considered credit impaired if they meet the definition of default. The group's definition of default applied to calculating provisions under IFRS 9 has been aligned to the definition applied to regulatory capital calculations across all portfolios, as well as those applied in operational management of credit and for internal risk management purposes. Exposures are considered to be in default when they are more than 90 days past due or, in the case of amortising products, have more than three instalments in arrears. In addition, an exposure is considered to have defaulted when there are qualitative indicators that the borrower is unlikely to pay their credit obligations in full without any recourse by the group to actions such as the realisation of security. Indicators of unlikeliness to pay are determined based on the requirements of Regulation 67 of the Banks Act. Examples include application for bankruptcy or obligor insolvency. Any distressed restructures of accounts which have experienced a SICR since initial recognition are defined as default events. Retail accounts are considered to no longer be in default if they meet the stringent cure definition, which has been determined at portfolio level based on analysis of re-defaulted rates. Curing from default within wholesale is determined judgementally through a committee process.
Purchased or originated credit impaired	These are financial assets that meet the above-mentioned definition of credit-impaired at initial recognition and remain classified as such for the duration of the agreement.
Write-offs	Write-off must occur when it is not economical to pursue further recoveries, i.e. there is no reasonable expectation of recovering the carrying amount of the asset (gross amount less specific impairments raised): • By implication, in both retail and wholesale, for secured as well as unsecured exposures, write-offs cannot occur if there is evidence of recent payment behaviour. Each credit portfolio has articulated a write-off policy that aligns with the principles of IFRS 9 while taking the business context of that portfolio into account. • Within retail portfolios, write-off definitions have been determined with reference to analysis of the materiality of net post write-off recoveries (after deduction of external debt collection expenses). The result of this is that retail secured loans are written off on perfection of collateral. In the residential mortgage portfolio, an explicit reassessment of the economic viability of further collection efforts needs to be performed after an account has been in stage 3 for more than 60 months, and within the WesBank vehicle asset finance (VAF) portfolio after 36 months in stage 3. • Retail unsecured loans are written off when observation of post-default payment behaviour indicates that further material recoveries are unlikely. The group applies a quantitative threshold and exposures are written off where the expected recoveries (based on the present value of recoveries for a period of 36 months after the write-off point) is less than 10% of the gross balance before write-off. Write-off points within retail unsecured portfolios are defined on a per-portfolio basis with reference to cumulative delinquency and/or payment recency, with write-offs typically occurring when 12 to 15 cumulative payments have been missed. • Within wholesale portfolios, a judgemental approach to write-off is followed, based on case-by-case assessment by a credit committee. For corporate exposures an explicit reassessment of future cash flows must be performed after 60 months in stage 3. For the commercial portfolio, the write-off approach is broadly aligned to that of the retail secured and unsecured portfolios. • Partial write-offs are not performed within credit portfolios, except in limited circumstances within the wholesale portfolio, where they are assessed on a case-by-case basis. Where required, additional provisions against irrecoverable assets will be raised until such a time as final write-off can occur.
Collection and enforcement activities post write-off	For unsecured advances, post write-off collection strategies include outsourcing of the account to external debt collections (EDCs). In addition, settlement campaigns are run to encourage clients to settle their outstanding debt. For secured advances, any residual balance post the realisation of collateral and post write-off is outsourced to EDCs.

Notes to the consolidated financial statements continued

3. Financial instruments continued

OTHER FINANCIAL ASSETS	
Cash and cash equivalents	All physical cash is classified as stage 1. Other exposures are classified as stage 1 unless specific evidence of impairment exists, in which case, due to the nature of these assets, they are classified immediately as stage 3. ECL for physical cash is zero. ECL for cash equivalents is calculated using the loss rate approach.
Other assets	ECL for other assets, i.e. financial accounts receivable and where applicable, contract assets, is calculated using the simplified approach. This results in a LECL being recognised.
Investment securities	Impairment parameters for investment securities (PD, LGD and EAD) are determined using appropriate models, with the models to be applied determined with reference to the issuer of the security and the nature of the debt instrument. The tests for a SICR and default definitions are then applied and the ECL calculated in the same way as for advances. The SICR thresholds applied for investment securities are the same as those applied within the wholesale credit portfolio, to ensure consistency in the way that a SICR is identified for a particular counterparty and for similar exposures. The group does not use the low credit risk exemption for investment securities, including government bonds.

TRANSFERS, MODIFICATION AND DERECOGNITION

Financial instruments are derecognised when:

- the contractual rights or obligations expire or are extinguished, discharged or cancelled, for example an outright sale or settlement;
- they are transferred and the derecognition criteria of IFRS 9 are met; or
- the contractual terms of the instrument are substantially modified and the derecognition criteria of IFRS 9 are met.

Financial assets are derecognised when the group has either transferred the contractual right to receive cash flows from the asset or it has assumed an obligation to pay over all the cash flows from the asset to another entity (i.e. pass-through arrangement).

If the contractual cash flows of a financial asset measured at amortised cost are modified (changed or restructured, including distressed restructures), the group determines whether this is a substantial modification, which could result in the derecognition of the existing asset and the recognition of a new asset. If the change is simply a non-substantial modification of the existing terms it would not result in derecognition.

A modification of a financial asset is substantial and will thus result in derecognition of the original financial asset where the modified contractual terms are priced to reflect current conditions on the date of modification and are not merely an attempt to recover outstanding amounts. Where the modification does not result in an accounting derecognition the original asset continues to be recognised.

Derecognition of financial liabilities includes a situation of substantial modification of the terms and conditions of an existing financial liability. A substantial modification of the terms occurs where the discounted present value of the cash flows under the new terms, including fees paid net of fees received and discounted using the original effective interest rate, differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liability.

The following transactions are entered into by the group in the normal course of business, in terms of which it transfers financial assets directly to third parties or structured entities, or modifies the contractual terms of the asset and either achieves derecognition or continues to recognise the asset:

Notes to the consolidated financial statements continued

3. Financial instruments continued

Transaction type	Description	Accounting treatment
TRANSFERS WITHOUT DERECOGNITION		
Traditional securitisations and other structured transactions	Specific advances or investment securities are transferred to a structured entity, which then issues liabilities to third-party investors, for example variable-rate notes or investment-grade commercial paper. The group's obligations towards the third-party note holders is limited to the cash flows received on the underlying securitised advances or non-recourse investment securities, i.e. the note holders only have a claim to the ring-fenced assets in the structured entity, and not to other assets of the group. The group consolidates these securitisations and SPVs as structured entities in terms of IFRS 10.	Specific advances or investment securities are transferred to a structured entity, which then issues liabilities to third-party investors, for example variable-rate notes or investment-grade commercial paper. The group's obligations towards the third-party note holders are limited to the cash flows received on the underlying securitised advances or non-recourse investment securities, i.e. the note holders only have a claim to the ring-fenced assets in the structured entity, and not to other assets of the group. The group consolidates these securitisations and SPVs as structured entities in terms of IFRS 10.
Reverse repurchase agreements	Investment securities and advances are sold to an external counterparty in exchange for cash and the group agrees to repurchase the assets at a specified price at a specific future date. The counterparty's only recourse is to the transferred investment securities and advances that are subject to the agreement. The group remains exposed to all the underlying risks on the assets, including counterparty, interest rate, currency, prepayment and other price risks.	The transferred assets continue to be recognised by the group in full. Such advances and investment securities are disclosed separately in the relevant notes. The group recognises an associated liability for the obligation for the cash received as a separate category of deposits.
Securities lending	Investment securities are lent to external counterparties in exchange for cash collateral as security for the return of the securities. The group's only recourse in respect of the return of the securities it has lent is to the cash collateral held and as such, the group generally requires cash collateral in excess of the fair value of the securities lent.	
TRANSFERS WITH DERECOGNITION		
Where the group purchases its own debt	The debt is derecognised from the statement of financial position and any difference between the carrying amount of the liability and the consideration paid is included in fair value gains or losses within NIR.	
MODIFICATION WITHOUT DERECOGNITION		
Modification of contractual cash flows	Debt restructuring is a process that is applied to accounts whereby the new terms of the contract (such as a lower interest rate) are mandated by law and do not have the same commercial terms as a new product that the group would be willing to offer a customer with a similar risk profile.	The existing asset is not derecognised. The GCA of the financial asset is recalculated as the present value of the estimated future cash receipts through the expected life of the renegotiated or modified financial asset, discounted at the financial asset's original effective interest rate. Distressed modifications are included in ECL.

Notes to the consolidated financial statements continued

3. Financial instruments continued

MODIFICATIONS WITH DERECOGNITION (I.E. SUBSTANTIAL MODIFICATIONS)		
Retail advances	The process for modifying an advance (which is not part of a debt restructuring) is substantially the same as the process for raising a new advance, including reassessing the customer's credit risk, repricing the asset and entering into a new legal agreement.	The existing asset is derecognised and a new asset is recognised at fair value based on the modified contractual terms.
NEITHER TRANSFERRED NOR DERECOGNISED		
Synthetic securitisation transactions	Credit risk related to specific advances is transferred to a structured entity through credit derivatives. The group consolidates these securitisation vehicles as structured entities, in terms of IFRS 10.	The group continues to recognise the advances and recognises associated credit derivatives which are measured at FVTPL.

Offsetting of financial instruments and collateral

Where the requirements of IFRS Accounting Standards are met, the group offsets financial assets and financial liabilities and presents the net amount. Financial assets and financial liabilities subject to MNAs or similar agreements are not offset, if the right of set-off under these agreements is only enforceable in the event of default, insolvency and bankruptcy.

Details of the offsetting and collateral arrangements of the group are set out in the table below.

Derivative financial instruments	The group's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) MNAs. Generally, under such agreements the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount payable by one party to the other. In certain circumstances, e.g. when a credit event such as default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions (close-out netting). Financial collateral (mostly cash) is also obtained, often daily, for the net exposure between counterparties to mitigate credit risk.
Repurchase and reverse repurchase agreements, and securities lending and borrowing transactions	These transactions by the group are covered by master agreements with netting terms similar to those of the ISDA MNAs. Where the group has entered into a repurchase and reverse repurchase or securities borrowing and lending transaction, with the same counterparty, the advance and liability balances are offset in the statement of financial position only if they are due on a single day, denominated in the same currency and the group has the intention to settle these amounts on a net basis. The group receives and accepts collateral for these transactions in the form of cash and other investment securities.
Other advances and deposits	The advances and deposits that are offset relate to transactions where the group has a legally enforceable right to offset the amounts and the group has the intention to settle the net amount.

It is the group's policy that all items of collateral are valued at the inception of a transaction and at various points throughout the life of a transaction, either through physical inspection or indexation methods, as appropriate. For wholesale and commercial portfolios, the value of collateral is reviewed as part of the annual facility review. For mortgage portfolios, collateral valuations are updated on an ongoing basis through statistical indexation models. However, in the event of default, more detailed reviews and valuations of collateral are performed, which yield a more accurate financial effect. For asset finance, the total security reflected represents only the realisation value estimates of the vehicles repossessed at the date of repossession. Where the repossession has not yet occurred, the realisation value of the vehicle is estimated using internal models and is included as part of total recoveries.

Derivative financial instruments and hedge accounting

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, interest rates or other indices. Derivatives are recognised initially and are subsequently measured at FVTPL, with movements in fair value recognised in fair value gains or losses within NIR in the consolidated income statement. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

Derivative instruments are classified either as held for trading or formally designated as hedging instruments. The group elected to adopt IFRS 9 for cash flow and fair value hedges. IAS 39 will continue to be applied to portfolio hedges (which the group refers to as macro hedges) to which fair value hedge accounting has been applied.

Notes to the consolidated financial statements continued

3. Financial instruments continued

Derivative financial instruments and hedge accounting continued

Hedge accounting

Derivatives held for risk management purposes are classified either as fair value hedges or cash flow hedges depending on the nature of the risk being hedged, where the hedges meet the required documentation criteria under IFRS 9/IAS 39 and are calculated to be effective.

The group extensively hedges with interest rate swaps, which will be impacted by the Financial Stability Board's undertaking to fundamentally review and reform major interest rate benchmarks used globally and locally by financial market participants. This review seeks to replace existing global and local interbank offered rates with alternative reference rates to improve market efficiency and mitigate systemic risk across financial markets. The group is monitoring and evaluating developments in the market and the impact thereof on accounting.

Fair value hedge accounting

Fair value hedge accounting does not change the recording of gains or losses on derivatives, but it does result in recognising changes in the fair value of the hedged item attributable to the hedged risk that would otherwise not be recognised in the income statement. The change in the fair value of the hedged item is taken to non-interest revenue under fair value gains or losses. If a hedge relationship no longer meets the criteria for hedge accounting, hedge accounting is discontinued. The cumulative adjustment to the carrying amount of the hedged item is amortised to the income statement based on a recalculated effective interest rate, unless the hedged item has been derecognised, in which case it is recognised in the income statement immediately.

Cash flow hedge accounting

For derivatives used in cash flow hedges, the effective portion of changes in the fair value of the hedging derivatives is recognised in the cash flow hedge reserve in OCI, and reclassified to profit or loss in the periods in which the hedged item affects profit or loss. The ineffective portion is recognised immediately in profit or loss as part of fair value gains or losses within NIR.

The accumulated gains and losses recognised in OCI are reclassified to the income statement in the same periods in which the hedged item affects profit or loss. When a hedge relationship is discontinued, or partially discontinued, any cumulative gain or loss recognised in OCI remains in equity until the hedged item affects the income statement.

4 Other assets and liabilities

Classification	Measurement
PROPERTY AND EQUIPMENT (OWNED AND RIGHT OF USE)	
Property and equipment of the group include: • assets utilised by the group in the normal course of operations to provide services, including freehold property and leasehold premises and leasehold improvements (owner-occupied properties); • assets which are owned by the group and leased to third parties under operating leases as part of the group's revenue-generating operations; • capitalised leased assets; and • other assets utilised by the group in the normal course of operations, including computer and office equipment, motor vehicles and furniture and fittings.	Historical cost less accumulated depreciation and impairment losses, except for land, which is not depreciated. Depreciation is recognised on the straight-line basis over the useful life of the asset, except for assets capitalised under leases where the group is the lessee, in which case it is depreciated per the leases accounting policy 4c. Freehold property and property held under leasing agreements: – Buildings and structures 40 – 50 years – Mechanical and electrical 14 – 20 years – Components 14 – 20 years – Sundries 3 – 5 years – Computer equipment 3 – 5 years – Other equipment 3 – 10 years
INVESTMENT PROPERTIES	
Investment properties are those held to earn rental income and/or for capital appreciation that are not occupied by the companies in the group. When investment properties become owner-occupied, the group reclassifies them to property and equipment, using the fair value at the date of reclassification as the cost.	The fair value gains or losses are adjusted for any potential double counting arising from the recognition of lease income on the straight-line basis, compared to the accrual basis normally assumed in the fair value determination.

Notes to the consolidated financial statements continued

4 Other assets and liabilities continued

INTANGIBLE ASSETS	
Intangible assets of the group include: • Internally generated intangible assets (including computer software and other assets such as trademarks or patents) are capitalised when the requirements of IAS 38 relating to the recognition of internally generated assets have been met. • Computer software development costs are capitalised when they can be clearly associated with a strategic and unique system which will result in a benefit to the group exceeding the costs incurred for more than one financial period. • Material acquired trademarks, patents and similar rights are capitalised when the group will receive a benefit from these intangible assets for more than one financial period. All other costs related to intangible assets are expensed in the financial period incurred.	Cost less accumulated amortisation and any impairment losses. Amortisation is on a straight-line basis over the useful life of the asset. The useful life of each asset is assessed individually. The benchmarks used when assessing the useful life of the individual assets are: – Software development costs: 3 years – Trademarks: 10 – 20 years – Other: 3 – 10 years
Goodwill arising from business combinations is recognised as an intangible asset.	Refer to accounting policy 1.
COMMODITIES	
Commodities acquired for short-term trading purposes include the following: • commodities acquired with the intention to resell in the short term or those forming part of the trading operations of the group; and • certain commodities subject to option agreements whereby the counterparty may acquire the commodity at a future date where the risks and rewards of ownership are deemed to have transferred to the group in terms of IFRS 15.	Fair value less costs to sell with changes in fair value being recognised as fair value gains or losses within NIR.
Forward contracts to purchase or sell commodities where net settlement occurs, or where physical delivery occurs and the commodities are held to settle a further derivative contract, are recognised as derivative instruments.	FVTPL.

PROVISIONS
The group will only recognise a provision measured in terms of IAS 37 when there is uncertainty around the amount or timing of payment. Where there is no uncertainty the group will recognise the amount as an accrual. The most significant provision is the motor commission provision. Other provisions include provisions for intellectual property fees that arise because of the use of dealer platforms, databases, systems, brands and trademarks when marketing and promoting motor warranty products as part of the motor VAPS business. The group recognises a provision when a reliable estimate of the outflow required can be made and the outflow is probable (i.e. more likely than not).

Other assets that are subject to depreciation, and intangible assets other than goodwill acquired as part of a business combination (refer to accounting policy 2.1), are reviewed for impairment whenever objective evidence of impairment exists. Impairment losses are recognised in profit or loss as part of operating expenses.

Other assets are derecognised when they are disposed of or, in the case of intangible assets, when no future economic benefits are expected from their use. Gains or losses arising on derecognition are determined as the difference between the carrying amount of the asset and the net proceeds received, and are recorded in profit or loss as part of NIR.

Non-current assets and disposal groups held for sale

If a disposal group contains assets that are outside of the measurement scope of IFRS 5, those assets are remeasured in terms of the relevant IFRS Accounting Standards and any impairment loss on the disposal group is allocated only to those non-current assets in the disposal group that are within the measurement scope of IFRS 5, until the assets are reduced to zero. The group has elected to recognise any excess impairment on the disposal group that remains after impairing the assets within the measurement scope of IFRS 5 as excess impairment within operating expenses, with a corresponding adjustment to the assets whose measurement is outside of the scope of IFRS 5, until those assets are reduced to zero. Any subsequent increases in fair value less costs to sell are recognised in NIR when realised.

Notes to the consolidated financial statements continued

4 Other assets and liabilities continued

Leases

The group leases a variety of properties and equipment. Rental agreements typically include fixed periods over which the item is leased, which are individually negotiated and contain a wide range of different terms and conditions. The group assesses whether a contract is or contains a lease at inception of the contract.

Qualifying leases are recognised as a right of use asset (ROUA) and a corresponding liability at the date at which the leased asset is made available for use by the group.

	GROUP COMPANY IS THE LESSEE	GROUP COMPANY IS THE LESSOR
At inception	The group recognises a ROUA and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (defined as lease assets with a replacement value of R100 000 or less at the inception of the lease).	The group recognises assets sold under a finance lease as finance lease receivables included in advances and impair the advances, as required, in line with the impairment of financial assets accounting policy in section 3. No practical expedients are applied, and the general model under IFRS 9 is used for impairment calculations on lease receivables.
Over the life of the lease	Each lease payment is allocated between the lease liability and interest expense. The interest expense is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROUA is subsequently measured at cost less accumulated depreciation and impairment losses. Where ownership of the asset is not transferred at the end of the lease term, the asset is depreciated on a straight-line basis, over the shorter of the lease term and useful life. Where ownership is transferred at the end of the lease term, the asset is depreciated over the lease term. The group applies IAS 36 to determine whether a ROUA is impaired and accounts for any identified impairment loss.	Unearned finance income is recognised as interest income over the term of the lease using the effective interest rate method. Finance lease receivables are assessed for impairment in terms of IFRS 9, as set out in the impairment of financial assets accounting policy. Interest on finance lease receivables that are credit impaired (stage 3) is recognised and calculated by applying the original effective interest rate to the net carrying amount.
Presentation	The lease liability is presented in other liabilities in the consolidated statement of financial position. The ROUAs are not presented as a separate line in the consolidated statement of financial position, but rather disclosed as ROUA in the property and equipment note.	Finance lease receivables are presented as part of advances in the consolidated statement of financial position.
Operating leases	For short-term and low-value leases, which the group has defined as all other leases except for property and vehicle leases, the lease payments are recognised as an operating expense, spread on a straight-line basis over the term of the lease.	Assets held under operating leases are included in property and equipment and depreciated. Refer to accounting policy 4a. Rental income is recognised as other NIR on a straight-line basis over the lease term.
Finance lease agreements (including hire purchases) where the group is the lessor	The group regards finance lease agreements (including hire purchases) as financing transactions and includes the total rentals and instalments receivable, less unearned finance charges, in advances. The group calculates finance charges using the effective interest rates as detailed in the contracts, and credit finance charges to interest revenue in proportion to capital balances outstanding.	

Notes to the consolidated financial statements continued

5 Capital and reserves

TRANSACTION	LIABILITY	EQUITY
Shares issued and issue costs	Preference shares, where the group does not have the unilateral ability to avoid repayments, are classified as other liabilities. Preference shares which qualify as Tier 2 capital have been included in Tier 2 and other loss-absorbing liabilities. Other preference share liabilities have been included in other liabilities as appropriate.	The group's equity includes ordinary shares, contingently convertible securities, Additional Tier 1 notes and NCNR preference shares. Contingently convertible securities, Additional Tier 1 notes and NCNR preference shares are classified as other equity instruments in the financial statements. Any incremental costs directly related to the issue of new shares or options, net of any related tax benefit, are deducted from the issue price.
Dividends paid/ declared	Recognised as interest expense on the underlying liability.	Dividends on equity instruments are recognised against equity. A corresponding liability is recognised when the dividends have been approved by the company's shareholders and distribution is no longer at the discretion of the entity.
Distribution of non-cash assets to owners	The liability to distribute non-cash assets is recognised as a dividend to owners at the fair value of the asset to be distributed. The difference between the carrying amount of the assets distributed and the fair value of the assets on the date of distribution is recognised as NIR in profit or loss for the period.	The carrying amount of the dividend payable is remeasured at the end of each reporting period and on settlement date. The initial carrying amount and any subsequent changes are recognised in equity.
Treasury shares, i.e. the group has purchased its own equity share capital	If the group reacquires its own equity instruments, those instruments are deducted from the group's equity.	The consideration paid, including any directly attributable incremental costs, is deducted from total shareholders' equity as treasury shares until they are reissued or sold. Where the shares are subsequently sold or reissued, any consideration received net of any directly attributable incremental costs is included in shareholders' equity.
Other reserves	Not applicable	Other reserves recognised by the group include general risk reserves, required to be held by some of the group's broader Africa operations capital redemption reserve funds and insurance contingency reserves. These reserves are required by in-country legislation governing these subsidiaries and are calculated based on the requirements outlined in the relevant legislation applicable in the specific jurisdiction.

6 Transactions with employees

Employee benefits

The group operates defined benefit and defined contribution schemes, the assets of which are held in separate trustee administered funds. These funds are registered in terms of the Pension Funds Act, 1956, and membership of the pension fund is compulsory for all group employees. The defined benefit plans are funded by contributions from employees and the relevant group companies, taking into account the recommendations of independent qualified actuaries.

DEFINED CONTRIBUTION PLANS	
Determination of purchased pension on retirement from defined contribution plan	**Recognition** Contributions are recognised as an expense, included in staff costs, when the employees have rendered the service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.
	Measurement On the date of the purchase, the defined benefit liability and the plan assets will increase for the purchase amount and thereafter the accounting treatment applicable to defined benefit plans will be applied to the purchased pension. It should be noted that the purchase price for a new retiree would be slightly higher than the liability determined on the accounting valuation, as the purchase price allows for a more conservative mortality assumption based on the solvency reserves of the fund.

Notes to the consolidated financial statements continued

6 Transactions with employees continued

Employee benefits continued

DEFINED BENEFIT PLANS	
Defined benefit obligation liability	Recognition The liabilities and assets of these funds are reflected as a net asset or liability in the statement of financial position, i.e. the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. Where the value is a net asset, the amount recognised is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.
	Measurement The present value of the defined benefit obligation is calculated annually by independent actuaries using the projected credit unit method. The discount rate used is the rate of nominal and inflation-linked government-issued bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related pension liability.
LIABILITY FOR SHORT-TERM EMPLOYEE BENEFITS	
Leave pay	The group recognises a liability for employees' rights to annual leave in respect of past service. The amount recognised by the group is based on the current salary of employees and the contractual terms between employees and the group. The expense is included in staff costs.
Bonuses	The group recognises a liability and an expense for management and staff bonuses when it is probable that the economic benefits will be paid, and the amount can be reliably measured. The expense is included in staff costs.

Share-based payment transactions

The group operates cash-settled and equity-settled share-based incentive plans for employees.

Awards granted under cash-settled plans result in a liability being recognised and measured at fair value until settlement. An expense is recognised in profit or loss for employee services received over the vesting period of the plans.

Awards granted under equity-settled plans result in an expense to be recognised in profit or loss at the fair value of the employee services received in exchange for the grant of the awards over the vesting period of the awards. A corresponding credit to an SBP reserve in the statement of changes in equity is when the expense is recognised.

7 Non-banking activities

Insurance activities

Insurance activities include contracts issued by the group, which transfer significant insurance risk or financial risk. Furthermore, the group has entered into reinsurance contracts.

Insurance contracts are contracts under which the group, as the insurer, accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The group defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are significantly more (at least 10%) than the benefits payable if the insured event did not occur. The group issues insurance contracts in terms of the Insurance Act 18 of 2017 (Insurance Act) as well as the Short-term Insurance Act 17 of 2017.

Investment contracts which are linked-fund policies falling within the scope of the Insurance Act are viewed as a form of long-term insurance from a legal perspective. However, as investment contracts do not convey insurance risk upon the group, they are scoped out of IFRS 17 and are accounted for in terms of IFRS 9. Investment contracts are classified as financial liabilities.

The group obtains reinsurance in the ordinary course of business for the purpose of limiting its net loss potential through the diversification of its risks on certain long-term and short-term insurance contracts. Reinsurance arrangements do not relieve the group from its direct obligations to policyholders.

Notes to the consolidated financial statements continued

7 Non-banking activities continued

Insurance activities continued

INSURANCE AND REINSURANCE CONTRACTS	
Introduction	The group issues insurance contracts and holds reinsurance contracts, both without direct participation features. Where the contract boundary is less than one year, the PAA is applied, except for non-life term insurance products. For these products and in all other circumstances, the GMM is applied. Reference to insurance contracts applies to both insurance and reinsurance contracts, unless specified.
Level of aggregation	Insurance contracts that are managed together and have similar characteristics, such as being subject to a similar pricing framework or similar product management and are issued by the same legal entity, are grouped into portfolios (measurement portfolios). These measurement portfolios are further separated into time cohorts (whose issue date cannot be more than one year apart) and then allocated to three groups of insurance contracts based on profitability, namely contracts that are onerous at initial recognition (onerous), contracts that at initial recognition have no significant possibility of subsequently becoming onerous (profitable) and the remaining contracts (profit at risk).
Cash flows included in the measurement	Cash flows are considered to be within the contract boundary if they arise from substantive rights and obligations that exist during the period in which the group can compel the policyholder to pay premiums, or where the group has a substantive obligation to provide the policyholder with insurance contract services, either by contract or by regulations and law. A substantive obligation ends when the group has the practical ability to reprice the risk of the particular policyholder or the overall portfolio, or change the level of benefits so that the price fully reflects the risk. Where premiums are collected by intermediaries acting on behalf of the group, the LRC is reduced when the intermediary receives the premiums and a receivable is recognised for the amount owing by the intermediary in terms of IFRS 9.
General measurement model (including reinsurance contracts held)	The insurance asset or liability comprises the sum of the LRC and the LIC. Under the GMM, the LRC represents the group's rights and obligations relating to future services not yet provided and consists of the following components: FCF, comprising: • the present value of future cash flows, which represents all current estimates of future cash flows within the contract boundary that relate to future services, discounted using a current discount rate; • the risk adjustment, which represents the current estimate of the adjustment to the present value of future cash flows to reflect the uncertainty inherent in the estimated future cash flows due to non-financial risk; and • the CSM, which represents the unearned profit the group will recognise as revenue as it provides services over the coverage period. The LRC is subsequently adjusted for changes in the estimates of the FCF expected in the future, as well as the unwinding of the discount, with the release of the LRC being recognised as insurance revenue (or reinsurance expenses for reinsurance contracts held). Cash flows included in the LRC, determined to be directly attributable to the acquisition and fulfilment of insurance contracts, include cash flows arising from fixed and variable overhead costs and include staff costs related to the acquisition and servicing of insurance contracts, as well as maintenance cost cash flows such as claims handling, policy administration and associated overheads.

Notes to the consolidated financial statements continued

7 Non-banking activities continued

Insurance activities continued

INSURANCE AND REINSURANCE CONTRACTS	
General measurement model (including reinsurance contracts held)	The group applied the bottom-up approach to determine the discount rate, derived as the sum of the risk-free yield curve based on the SA Government bond curve and, where applicable, an illiquidity premium. The risk adjustment for non-financial risks applied to insurance contracts is calculated with reference to the group's specific risk appetite. An 80% confidence level has been applied in determining the risk adjustment. The CSM is adjusted at each subsequent reporting period for changes in FCF relating to future services, which include changes in expense assumptions including mortality and morbidity rates, as well as accrual of interest, using the locked-in rate. The CSM is systematically recognised in insurance revenue to reflect the insurance contract services provided, based on the coverage units of the group of contracts. Coverage units are defined as the discounted sum assured in-force for all contracts. For groups of insurance contracts that are onerous, a day-one loss is recognised instead of the CSM. For reinsurance contracts held, the CSM encapsulated in the LRC may represent either expected future profits or expected future losses, meaning that the loss is not recognised upon initial recognition for reinsurance contracts that are determined to be onerous. The group is required to adjust the reinsurance CSM and recognise income when it recognises a loss on initial recognition of an onerous group of underlying insurance contracts which attach to the reinsurance contract, if the reinsurance contract is entered into on or before the date of initial recognition of the underlying group of onerous insurance contracts. The group establishes a loss-recovery component within the LRC of the reinsurance contract held for this amount of income initially recognised. Subsequently the loss recovery component is released to the income statement through the reduction of reinsurance expenses and reinsurance income included within net income/expense from reinsurance contracts held. The LIC represents the entity's rights and obligations relating to services that have already been provided and includes unsettled claims and other expenses for insured events which have already occurred, whether reported or not reported. The LIC consists of the FCF, which comprise: • the present value of future cash flows, which represents all current estimates of future cash flows relating to insured events that have already occurred as well as past coverage, including claims and other directly attributable expenses, discounted using a current discount rate; and • the risk adjustment, which represents an adjustment to the present value of estimated future cash flows, to reflect the uncertainty inherent in the estimate of the future cash flows due to non-financial risk. Subsequently, the LIC is adjusted with any changes in estimated future cash flows arising from past claims, the release of the risk adjustment and the unwinding of the discount with a corresponding amount in insurance service expenses and net income/expense from reinsurance contracts held.
Premium allocation approach (including reinsurance contracts held)	The group elected as its accounting policy to apply discounting to the LIC for contracts measured under the PAA. Unlike the LRC under the GMM, the LRC for contracts measured using the PAA is based on actual premiums and insurance acquisition cash flows paid, adjusted for revenue recognised (or expenses recognised for reinsurance contracts issued) as coverage is provided. The group's accounting policy choice is to immediately expense insurance acquisition cash flows as well as not to discount the LRC for insurance contracts issued measured using PAA. The LRC under the PAA does not include a separate risk adjustment and CSM.

Notes to the consolidated financial statements continued

7 Non-banking activities continued

Insurance activities continued

INSURANCE AND REINSURANCE CONTRACTS	
Revenue recognition (excluding reinsurance contracts held)	For contracts measured using GMM, the group recognises insurance revenue over the coverage period, comprising the sum of: • the present value of the estimated future cash outflows that were included in the LRC for services provided during the period; • the release from the LRC of the risk adjustment based on the group's release from risk; • the release from the LRC of the CSM based on coverage units for the current period relative to the coverage units for the current and future periods; • the amortisation of the insurance acquisition cash flows previously included in the measurement of the LRC at initial recognition; and • any experience variances for premiums and related cash flows. Insurance revenue under the PAA is recognised by allocating the premiums based on the passage of time, unless the expected pattern of release of risk during the coverage period differs significantly from the passage of time, in which case the group allocates premiums based on the expected timing of incurred insurance service expenses.
Other income statement amounts (excluding reinsurance contracts held)	Insurance service expenses comprise incurred claims and other directly attributable expenses and changes thereto, the amortisation of insurance acquisition cash flows under GMM or the actual insurance acquisition cash flows actually incurred on PAA contracts, as well as losses and reversals of losses on onerous contracts. Although the group elected to recognise immediately as an expense insurance acquisition cash flows on contracts measured using the PAA, no such option is available under the GMM, resulting in insurance acquisition cash flows on the group's GMM contracts being amortised on a systematic basis over the coverage period and included within insurance service expenses. Due to the discounting of the estimated future cash flows to their present value, an entity recognises insurance finance income or expense on the FCF using a current yield curve and on the CSM using a locked-in yield curve determined at initial recognition. The group elected as its accounting policy for life insurance contracts to present the portion of the insurance finance income or expense that relates to changes in financial assumptions in other comprehensive income, with the income statement reflecting insurance finance income or expense at a constant or locked-in rate. The change in other comprehensive income is included in the insurance contract finance reserve. The unwinding of the discount on the risk adjustment is included in insurance finance income or expense.
Reinsurance income and expenses	The group presents income and expenses from reinsurance contracts held on a net basis in the income statement. Insurance income from reinsurance contracts comprises claims recoveries from the reinsurer, including changes in estimates of those claims, whereas reinsurance expenses comprise the amounts released from the reinsurance LRC to the income statement, similar to insurance revenue recognised for insurance contracts issued. As FCF and the CSM are discounted, using the current and locked-in yield curves respectively, reinsurance finance income and expenses on the components of the LRC are measured and presented in a manner similar to those applied to insurance finance income and expenses.
Presentation	As the group prepares interim financial information for the purposes of applying IAS 34, the group elected as its accounting policy choice to not lock in changes in estimates made at the interim reporting stage when performing the full year's reporting.

Investment management activities

Certain divisions within the group engage in investment management activities that result in managing assets on behalf of clients. The group excludes assets related to these activities from the statement of financial position as these are not assets of the group, but of the client and are held in a fiduciary capacity. However, the group discloses the value of the assets in its notes.

The fee income earned and fee expenses incurred by the group relating to these activities are recognised in fee and commission income and expenses within NIR in the period to which the service relates.

Notes to the consolidated financial statements continued

Standards and interpretations issued but not yet effective

The following new and revised standards and interpretations are applicable to the business of the group. The group will comply with these from the stated effective date.

STANDARD	IMPACT ASSESSMENT	EFFECTIVE DATE
IFRS 9 and IFRS 7	**Amendments to the Classification and Measurement of Financial Instruments** The amendments clarify: • that a financial liability is derecognised on the settlement date. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met; • how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance linked features and other similar contingent features; • the treatment of non-recourse assets and contractually linked instruments; and • additional disclosure requirements for financial assets and liabilities with contractual terms that reference a contingent event. The impact on the annual financial statements is currently being assessed and not expected to have a material impact on the group's results.	Annual periods commencing on or after 1 January 2026
IFRS 9 and IFRS 7	**Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7** The amendments include: • clarifying the application of the own-use requirements; • permitting hedge accounting if these contracts are used as hedging instruments; and • adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The group does not expect this amendment to have a significant impact on the annual financial statements.	Annual periods commencing on or after 1 January 2026
IFRS 18	**Presentation and Disclosure in Financial Statements** IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7. IFRS 18 aims to improve financial reporting by: • requiring additional defined subtotals in the statement of profit or loss; • requiring disclosures about management-defined performance measures; and • adding new principles for grouping (aggregation and disaggregation) of information. The new standard is expected to have a material impact on the group's financial statements.	Annual periods commencing on or after 1 January 2027
IAS 21	**Translation to a Hyperinflationary Presentation Currency** The amendments provide guidance on how an entity should translate its results and financial position when its presentation currency is hyperinflationary but its functional currency is not. The amendments require that all amounts, including assets, liabilities, equity items, income, expenses and comparatives, be translated at the closing rate at the reporting date. The amendments also introduce additional disclosure requirements related to the translation process. This amendment is not applicable to the group annual financial statements.	Annual periods commencing on or after 1 January 2027

Financial Statements

for the year ended 30 June 2026

FirstRand Limited



FirstRand

Statement of comprehensive income

for the year ended 30 June

R million	Notes	**2026**	2025
Dividends from subsidiary companies		**28 064**	24 682
Interest income	2	**167**	47
Interest expense	2	**(115)**	–
Other losses		**(55)**	(61)
Income from operations		**28 061**	24 668
Operating expenses	3	**(293)**	(138)
Income before indirect tax		**27 768**	24 530
Indirect tax	4.1	**(23)**	(23)
Profit before income tax		**27 745**	24 507
Income tax gain/(expense)	4.2	**70**	292
Profit for the year		**27 815**	24 799
Other comprehensive income		**–**	–
Total comprehensive income for the year		**27 815**	24 799
Attributable to			
Ordinary equityholders		**27 815**	24 799
Total comprehensive income for the year		**27 815**	24 799

Statement of financial position

as at 30 June

R million	Notes	**2026**	2025
ASSETS			
Cash and cash equivalents*	6	**356**	955
Other assets	7	**3**	129
Due by FirstRand group companies*	8	**11 265**	15
Investments in subsidiaries	9	**84 613**	81 104
Total assets		**96 237**	82 203
EQUITY AND LIABILITIES			
Liabilities			
Creditors and accruals	10	**242**	220
Current tax liability		**2**	92
Amounts owing to subsidiaries	8	**330**	27
Employee liabilities	11	**126**	179
Tier 2 and other loss-absorbing liabilities	12	**10 709**	–
Total liabilities		**11 409**	518
Equity			
Ordinary shares	13	**56**	56
Share premium	13	**8 056**	8 056
Reserves		**73 707**	73 573
Other equity instruments	14	**3 009**	–
Capital and reserves attributable to ordinary equityholders		**84 828**	81 685
Total equity		**84 828**	81 685
Total equity and liabilities		**96 237**	82 203

* *In the prior year, an amount of R15 million relating to Due by Firstrand group companies was included in cash and cash equivalents. The balance has been reclassified to Due by FirstRand group companies to better reflect the nature of the balance. The prior year balance was previously presented as R970 million.*

Statement of changes in equity

for the year ended 30 June

		Ordinary share capital and ordinary equityholders' funds								
R million	Notes	**Share capital**	**Share premium**	**Share capital and share premium**	**Share-based payment and treasury share reserve**	**Capital redemption reserve**	**Retained earnings**	**Reserves attributable to ordinary equityholders**	**Other equity instruments**	**Total equity**
Balance as at 1 July 2024		56	8 056	**8 112**	–	1	72 847	**72 848**	**–**	**80 960**
Ordinary dividends	14	–	–	**–**	–	–	(24 345)	**(24 345)**	**–**	**(24 345)**
Share-based payment (equity)		–	–	**–**	271	–	–	**271**	**–**	**271**
— Share-based payment expense		–	–	**–**	637	–	–	**637**	**–**	**637**
— Deemed contribution		–	–	**–**	(366)	–	–	**(366)**	**–**	**(366)**
Total comprehensive income for the year		–	–	**–**	–	–	24 799	**24 799**	**–**	**24 799**
Balance as at 30 June 2025		56	8 056	**8 112**	271	1	73 301	**73 573**	**–**	**81 685**
Additional Tier 1 capital issued during the year	13	–	–	**–**	–	–	–	**–**	**3 009**	**3 009**
Ordinary dividends	14	–	–	**–**	–	–	(28 384)	**(28 384)**	**–**	**(28 384)**
Transfer of treasury shares		–	–	**–**	30	–	–	**30**	**–**	**30**
Share-based payment (equity)		–	–	**–**	673	–	–	**673**	**–**	**673**
— Share-based payment expense		–	–	**–**	1 482	–	–	**1 482**	**–**	**1 482**
— Deemed contribution*		–	–	**–**	(809)	–	–	**(809)**	**–**	**(809)**
Total comprehensive income for the year		–	–	**–**	–	–	27 815	**27 815**	**–**	**27 815**
Balance as at 30 June 2026		56	8 056	**8 112**	974	1	72 732	**73 707**	**3 009**	**84 828**

* *The deemed contribution represents 13 373 189 (2025: 4 676 848) FirstRand shares acquired in the current year as part of the group's share ownership plan.*

Statement of cash flows

for the year ended 30 June

R million	Notes	**2026**	2025
Cash flows from operating activities			
Profit before income tax for the year		**27 745**	24 507
Adjustments for non-cash items:		**(27 993)**	(24 691)
– Interest and similar income		**(167)**	(47)
– Interest expenses and similar charges		**115**	–
– Dividends received		**(28 064)**	(24 682)
– Staff provisions and other expenses		**100**	15
– Indirect tax		**23**	23
– Interest received		**52**	47
– Interest paid		**(59)**	–
– Dividends received		**28 064**	24 682
– Dividends paid		**(28 384)**	(24 357)
– Taxation (paid)/refunded		**(44)**	274
– Indirect tax paid		**(23)**	(30)
– Direct tax (paid)/refunded		**(21)**	304
Cash flow from operating activities before operating assets and liabilities		**(619)**	462
Movement in operating assets and liabilities			
– Other assets		**125**	(126)
– Amounts owing to subsidiaries		**(22)**	26
– Due by FirstRand group companies*		**27**	(15)
– Creditors and accruals		**22**	28
– Employee liabilities		**(109)**	(126)
Net cash generated from operating activities		**(576)**	249
Cash flows from investing activities			
Additional investments in subsidiaries		**(3 009)**	–
Loans granted to subsidiaries		**(10 654)**	–
Contributions from subsidiaries		**–**	366
Net cash inflow/(outflow) from investing activities		**(13 663)**	366
Cash flows from financing activities			
Purchase of deferred incentive scheme shares		**(23)**	–
Deemed purchase of treasury shares		**–**	(366)
Internal issue of AT1 equity instruments		**3 009**	–
Proceeds from issue of Tier 2 and other loss-absorbing liabilities		**10 654**	–
Net cash outflow from financing activities		**13 640**	(366)
Net increase/(decrease) in cash and cash equivalents		**(599)**	249
Cash and cash equivalents at the beginning of the year		**955**	706
Cash and cash equivalents at the end of the year*	6	**356**	955

* *In the prior year the cash and cash equivalents balance was presented as R970 million. In the current year R15 million has been reclassified to "Due by FirstRand group companies" to better reflect the nature of the balance.*

Notes to the annual financial statements

for the year ended 30 June

1 Summary of material accounting policies

1.1 Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Revenue within the company comprises fees from subsidiaries and dividend income from investments in subsidiaries.

The company recognises revenue from fees when the amount can be reliably measured and it is probable that future economic benefits will flow to the company from it.

Dividends are recognised when the company's right to receive payment is established.

1.2 Share-based payment transactions

Awards where FirstRand Limited is obligated to settle the award with its own shares, the underlying subsidiaries treat such plans as an equity-settled incentive plans. The cost of the equity settled awards is recognised as an additional investment in the subsidiary who is receiving the service from the employees. Recharge amounts payable to the company in respect of such awards are recognised over the vesting period. The recharge received from the underlying subsidiaries by the company is reflected as a credit to a liability (deferred income) when received in advance of the service being rendered by the employees. To the extent that employees have rendered service, but no recharge has been received, the company recognises a recharge amount receivable. As the services are rendered by the employee and the recharge accrues to the company, the company recognises a return of capital of the investment in subsidiary. Any resulting recharge intercompany balances are presented within amounts due to or due from the holding company. Shares acquired that will be utilised to settle the awards of subsidiary employees, have been recognised as treasury shares (shown as a "deemed contribution") in the share based payment reserve.

1.3 Other accounting policies

The financial statements of FirstRand Limited Company are prepared according to the same accounting policies used in preparing the consolidated financial statements of the group, other than the accounting policies on consolidation, equity accounting and translation of foreign operations that are specific to group financial statements. For detailed accounting policies, refer to page B219 and onwards in the 2026 annual financial statements. The financial statements are prepared on the going concern basis in accordance with IFRS Accounting Standards.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Functional and presentation currency of the company	South African rand (R)
Level of rounding	All amounts are presented in millions of rands. The company has a policy of rounding up in increments of R500 000. Therefore, amounts less than R500 000 will round down to Rnil and are presented as a dash.

2 Interest income and expense

R million	**2026**	2025
Interest and similar income		
Interest received on interdivisional and intergroup accounts	**52**	47
Interest on internal Flac instruments	**91**	–
Interest on internal Tier 2	**24**	–
Interest income	**167**	47
Interest expense and similar charges		
Interest on Flac	**(91)**	–
Interest on Tier 2 liabilities	**(24)**	–
Interest expense	**(115)**	–

Notes to the annual financial statements

for the year ended 30 June

3 Operating expenses

R million	Notes	**2026**	2025
Directors' fees		**(27)**	(26)
Direct staff costs		**(121)**	(60)
– Salaries, wages and allowances		**(21)**	(20)
– Share-based payment expense (cash)	11	**(32)**	(46)
– Share-based payment expense (equity)		**(44)**	(12)
– Provision for staff and managerial bonuses		**(23)**	19
– Social security levies		**(1)**	(1)
Professional fees		**(3)**	(4)
Corporate memberships		**(6)**	(7)
Insurance expenditure		**(118)**	(42)
Other operating expenditure*		**(18)**	1
Total operating expenses		**(293)**	(138)

* *The balance includes a R12 million loss (2025: R4 million gain), which relates to the financial guarantee liability. Refer to note 10.*

4 Indirect and income tax gain (expense)

	R million	**2026**	2025
4.1	***Indirect tax***		
	Value-added tax (net)	**(22)**	(5)
	Other	**(1)**	(18)
	Total indirect tax	**(23)**	(23)
4.2	***Income tax gain/(expense)***		
	South African income tax		
	Normal tax – current year	**70**	292
	– Current tax	**(21)**	(27)
	– Current taxation related to Pillar II	**–**	(86)
	– Prior year adjustment	**91**	405
	Total income tax gain	**70**	292

Tax rate reconciliation – South African normal tax

%	**2026**	2025
Standard rate of income tax	**27.0**	27.0
Total tax has been affected by:		
Dividends received	**(27.3)**	(27.2)
Current taxation related to Pillar II	**–**	0.3
Prior year adjustment	**(0.3)**	(1.7)
Other	**0.3**	0.4
Effective rate of tax	**(0.3)**	(1.2)

5 Analysis of assets and liabilities by category

The principal accounting policies from page B219 onwards describe how the classes of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statement of financial position per category of financial instrument to which they are assigned, and therefore by measurement basis and according to when the assets are expected to be realised and liabilities to be settled.

The carrying value of cash and cash equivalents, other assets, tier 2 and other loss-absorbing liabilities, creditors and accruals approximates the fair value.

Notes to the annual financial statements

for the year ended 30 June

5 Analysis of assets and liabilities by category

R million	Notes	2026 Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total carrying value	Current	Non-current
ASSETS							
Cash and cash equivalents	6	**356**	**–**	**–**	**356**	**356**	**–**
Other assets	7	**–**	**–**	**3**	**3**	**3**	**–**
Due by FirstRand group companies	8	**11 265**	**–**	**–**	**11 265**	**681**	**10 584**
Investment in subsidiaries	9	**–**	**–**	**84 613**	**84 613**	**–**	**84 613**
Total assets		**11 621**	**–**	**84 616**	**96 237**	**1 040**	**95 197**
LIABILITIES							
Creditors and accruals	10	**–**	**249**	**(7)**	**242**	**242**	
Current tax liability		**–**	**–**	**2**	**2**	**2**	**–**
Amounts owing to subsidiaries	8	**–**	**5**	**325**	**330**	**5**	**325**
Employee liabilities	11	**–**	**–**	**126**	**126**	**–**	**126**
Tier 2 and other loss-absorbing liabilities	11	**–**	**10 709**	**–**	**10 709**	**115**	**10 594**
Total liabilities		**–**	**10 963**	**446**	**11 409**	**364**	**11 045**
				2025			
ASSETS							
Cash and cash equivalents*	6	955	–	–	955	955	–
Other assets**	7	–	–	129	129	129	–
Due by FirstRand group companies*	8	15	–	–	15	15	–
Investment in subsidiaries	9	–	–	81 104	81 104	–	81 104
Total assets		970	–	81 233	82 203	1 099	81 104
LIABILITIES							
Creditors and accruals	10	–	204	16	220	88	132
Current tax liability		–	–	92	92	92	–
Amounts owing to subsidiaries	8	–	27	–	27	27	–
Employee liabilities	11	–	–	179	179		179
Total liabilities		–	231	287	518	207	311

* *In the prior year the cash and cash equivalents balance was presented as R970 million. In the current year R15 million has been reclassified to "Due by FirstRand group companies".*

** *In the prior year prepayments included in "Other assets" was incorrectly categorised as "Financial assets at amortised cost". The balance has been reclassified as non-financial instruments, including the comparative information.*

Notes to the annual financial statements

for the year ended 30 June

6 Cash and cash equivalents

R million	**2026**	2025*
Money at call and short notice	**356**	955
Cash and cash equivalents	**356**	955

* *The prior year balance was previously presented as R970 million. R15 million has been reclassified to "Due by FirstRand group companies".*

Cash and cash equivalents are classified as stage 1 exposures under IFRS 9 and are held with institutions rated between BB+ and BB-. ECL for physical cash is zero. ECL for cash equivalents is calculated using the loss rate approach and is immaterial. The fair value of cash and cash equivalents approximates the carrying amount.

7 Other assets

R million	**2026**	2025
Prepayments*	**3**	129
Total other assets	**3**	129

* *Included within this line is a balance relating to insurance premium of Rnil (2025: R128million) paid in advance.*

8 Amounts due (to/by) FirstRand group companies

R million	**2026**	2025
Tier 2*	**3 024**	–
Flac*	**7 685**	–
IFRS 2 Recharge receivable	**509**	–
Other	**47**	15
Amounts due by FirstRand Group Companies	**11 265**	15
IFRS 2 Deferred income	**325**	–
Other	**5**	27
Amounts due to FirstRand Group Companies	**330**	27

* *The Tier 2 and FLAC instruments were issued by the company in the current year, with proceeds downstreamed to FirstRand Bank Limited through intercompany funding arrangements that mirror the terms of external issuances.*

Amounts due by Firstrand Group companies are classified as stage 1 exposures under IFRS 9 and are held with institutions rated between BB+ and BB-. The ECL is calculated using the loss rate approach and is immaterial. The company's maximum exposure to credit risk is the carrying amount. The carrying amount of this financial asset approximates fair value.

Notes to the annual financial statements

for the year ended 30 June

9 Investment in subsidiaries

	% ownership	% voting rights	Nature of business	Shares at cost 2026 R million	Shares at cost 2025 R million
FirstRand EMA Holdings Limited			Financial services		
Ordinary shares	100	100		**8 025**	8 025
FirstRand Bank Limited			Banking		
Ordinary shares	100	100		**40 194**	40 194
FirstRand Investment Holdings Proprietary Limited			Other activities		
Ordinary shares	100	100		**4 038**	4 038
FirstRand Investment Management Holdings Limited			Investment management		
Ordinary shares	100	100		**599**	599
FirstRand Insurance Holdings Proprietary Limited			Insurance services		
Ordinary shares	100	100		**853**	853
FirstRand International Limited			Banking		
Ordinary shares	100	100		**26 699**	26 699
Total				**80 408**	80 408
Investment through equity-settled share ownership plan*			Equity-settled share scheme	**779**	279
Investment through equity-settled share incentive scheme**			Equity-settled share scheme	**417**	417
Investment through internal issuance of AT1 instruments by FirstRand Bank Limited				**3 009**	–
Total investments in subsidiaries				**84 613**	81 104
Amounts owing by subsidiaries				**11 265**	15
Amounts owing to subsidiaries				**330**	27

* *FirstRand Limited is the obligating entity for the share ownership plan introduced from September 2024, issued to the employees of its subsidiaries.*

** *The amount presented relates to the share awards granted to employees who were employed by companies in prior years and who remained in the FirstRand group after the unbundling of a wholly owned subsidiary transaction.*

With the exception of FREMA and FRI, which offer financial services across Africa and the UK, the principal place of business for all of the company's subsidiaries is South Africa.

Notes to the annual financial statements

for the year ended 30 June

10 Creditors and accruals

R million	**2026**	2025
Unclaimed dividends	**160**	126
Accounts payable and accrued liabilities	**26**	41
Sundry creditors	**–**	9
Audit fee accrual	**7**	7
Financial guarantee liability*	**49**	37
Total creditors and accruals	**242**	220

* *The drawn exposure covered by the guarantee issued to the BoE amounts to R11 517 million (2025: R17 067 million). The guarantee is for an unspecified and uncapped amount. In addition, the maximum exposure of financial guarantee issued to FirstRand Short Term Insurance Limited amounted to R250 million (2025: R250 million). The full exposures of both guarantees are included in stage 1 ECL. Both guarantees are open-ended until such time as the company cancels the contract. The probability of the BoE guarantee being called upon is considered low, as the entity being guaranteed has an external credit rating of Baa2 (2025: Baa2). For liquidity disclosure purposes, the guarantees are payable on call.*

11 Employee liabilities

R million	**2026**	2025
Liability for short-term employee benefits		
Opening balance	**51**	97
Additional provisions created	**24**	21
Unused amounts reversed	**–**	(40)
Utilised during the year	**(23)**	(27)
Total liability for short-term employee benefits	**52**	51
Share-based payment liability		
Opening balance	**128**	181
Other movements	**–**	–
Share-based payment settlement (cash)	**(86)**	(99)
Charge to profit or loss	**32**	46
Total share-based payment liability	**74**	128
Total employee liabilities	**126**	179
The charge to profit or loss for share-based payments is as follows:		
FirstRand share appreciation rights scheme	**32**	46
Amount included in operating expenses	**32**	46

The significant weighted average assumptions used to estimate the grant value (for equity-settled share-based payments) and the fair value (for cash-settled share-based payments) of the various awards granted are detailed below.

	Conditional and deferred incentive plans	
	2026	2025
Award life (years)	**2 – 3**	3 – 3
Risk-free rate (%)	**7.05 – 7.84**	7.35 – 7.68

Notes to the annual financial statements

for the year ended 30 June

11 Employee liabilities

	Conditional and deferred			
	2026		2025	
Share awards outstanding	**Employed by company**	**Total obligation#**	Employed by company	Total obligation#
Number of awards in force at the beginning of the year (millions)	**2.565**	**4.672**	2.988	–
Number of awards granted during the year (millions)	**0.658**	**0.081**	0.455	–
Number of awards purchased with respect to the share ownership award plans (millions)	**0.559**	**14.477**	0.543	4.672
Number of awards exercised/released during the year (millions)	**(1.026)**	**(0.064)**	(1.148)	–
– Market value range at date of exercise/release (cents)*	**8 106 – 8 106**		8 415 – 8 415	
– Weighted average (cents)	**8 106**	**9 005**	8 415	–
Number of awards forfeited during the year (millions)	**(0.087)**	**(0.582)**		–
Number of awards in force at the end of the year (millions)	**2.942**	**18.584**	2.838	4.672

	Conditional and deferred incentive plan (FirstRand shares)*					
	2026			2025		
	Weighted average remaining life (years)	**Employed by company Outstanding awards (millions)**	**Total obligation#**	**Weighted average remaining life (years)**	Employed by company Outstanding awards (millions)	Total obligation#
Awards outstanding**						
Vesting during 2025				**0.320**	1.010	
Vesting during 2026	**0.320**	**1.345**	**4.550**	**1.320**	1.345	4.672
Vesting during 2027	**1.310**	**1.042**	**14.034**	**2.320**	0.483	
Vesting during 2028	**2.310**	**0.555**	**–**			
Total conditional awards		**2.942**	**18.584**		2.838	4.672
Number of participants		**3**	**4 197**		3	310

* *Market values indicated above include those instances where a probability of vesting is applied to accelerated share award vesting prices due to a no-fault termination, as per the rules of the scheme.*

** *Years referenced in the rows related to calendar years and not financial years.*

#With respect to the share ownership award plans (see accounting policy 1.2) , the award value granted to employees of the group is settled in a variable number of shares at specific points throughout the vesting period. It is therefore not possible to determine the number of awards in force at reporting date. The award value outstanding table below reflects the share award value for which shares have not yet been purchased. At the point the shares are purchased, such reacquired shares are treasury shares and presented as deemed contribution within the share-based payment reserve.

	Share award plan	
R million	**2026**	2025
Award value outstanding		
Value of awards in force at the beginning of the year	**1 502**	–
Value of awards granted during the year	**2 625**	1 910
Value of awards released during the year	**(5)**	–
Value of awards forfeited during the year	**(178)**	(62)
Deemed contribution	**(1 219)**	(346)
Value of awards in force at the end of the year	**2 725**	1 502

For a detailed description of share option schemes and trusts in which FirstRand Limited Company participates, refer to note 33 of the consolidated annual financial statements.

Notes to the annual financial statements

for the year ended 30 June

12 Tier 2 and other loss-absorbing liabilities

R million	**Call dates***	**Maturity dates**	**Interest rate**	**2026**	2025
Floating-rate bonds					
– ZAR denominated	26 November 2031	26 May 2036	ZARONIA plus 139 bps	**3 024**	–
Total Tier 2 liabilities				**3 024**	–
Other loss-absorbing liabilities					
Flac**				**7 685**	–
Total Tier 2 and other loss-absorbing liabilities#				**10 709**	–

* *Redemption subject to regulatory approval.*

** *Please refer to note 28.2 of the FirstRand group audited consolidated financial statements for the Flac reconciliation.*

\# *The contractual maturity of the financial liability, based on undiscounted cash flows, is R155 million within call to 3 months, R479 million within 4 – 12 months and R10 075 million after 12 months.*

12.1 Tier 2 liabilities reconciliation

R million	**2026**	2025
Opening balance	**–**	
Cash flow movements		
– Proceeds from the issue of Tier 2 liabilities	**3 000**	–
– Capital repaid on Tier 2 liabilities	**–**	–
– Interest paid on Tier 2 liabilities	**–**	–
Non-cash flow movements		
– Interest accrued	**24**	–
Total Tier 2 liabilities	**3 024**	–

13 Share capital and share premium

13.1 Share capital and share premium classified as equity

Authorised shares

	2026	2025
Ordinary shares	**6 001 688 450**	6 001 688 450
A preference shares – unlisted variable rate cumulative convertible redeemable	**198 311 550**	198 311 550
B preference shares – listed variable rate non-cumulative non-redeemable	**100 000 000**	100 000 000
C preference shares – unlisted variable rate convertible non-cumulative redeemable	**100 000 000**	100 000 000
D preference shares – unlisted variable rate cumulative redeemable	**100 000 000**	100 000 000

Issued shares

	2026			2025		
	Number of shares	**Ordinary share capital R million**	**Share premium R million**	Number of shares	Ordinary share capital R million	Share premium R million
Opening balance	**5 609 488 001**	**56**	**8 056**	5 609 488 001	56	8 056
Shares issued	**–**	**–**	**–**	–	–	–
Total issued ordinary share capital and share premium	**5 609 488 001**	**56**	**8 056**	5 609 488 001	56	8 056
Total issued share capital attributable to ordinary equityholders		**56**	**8 056**		56	8 056

The unissued ordinary shares are under the control of the directors until the next annual general meeting.

Notes to the annual financial statements

for the year ended 30 June

14 Other equity instruments

14.1 Additional Tier 1 capital

R million	Rate	**2026**	2025
FSR02	ZARONIA plus 211 basis points	**3 009**	–
Total Additional Tier 1 capital		**3 009**	–
Total other equity instruments		**3 009**	–

15 Dividends

R million	**2026**	2025
Ordinary dividends		
A final dividend of 280.00 cents* (September 2025: 247.00 cents**) per share was declared on 9 September 2026 in respect of the six months ended 30 June 2026.	**13 855**	12 060
An interim dividend of 259.00 cents** (March 2025: 219.00 cents) per share was declared on 4 March 2026 in respect of the six months ended 31 December 2025.	**14 529**	12 285
Total ordinary dividends paid for the year	**28 384**	24 345

* *The final dividend is not reflected in the statement of changes in equity as this relates to a dividend declared post year end.*

** *These dividends are reflected in the statement of changes in equity for the current year.*

16 Related parties

16.1 Balances and transactions with related parties

R million	Notes	**2026 Subsidiaries**
Interest income		**167**
Interest expense		**(115)**
Non-interest revenue		**49**
Dividends received		**28 064**
Amounts due from subsidiaries	8	**11 265**
Amounts owing to subsidiaries	8	**330**
Cash and cash equivalents	6	**356**
Other assets	7	**3**
Deemed contribution – share award scheme		**809**

		2025 Subsidiaries
Interest income		47
Non-interest revenue		44
Dividends received		24 682
Amounts due from subsidiaries	8	15
Amounts owing to subsidiaries	8	27
Cash and cash equivalents	6	955
Other assets	7	129
Deemed contribution – share award scheme		366

Refer to the remuneration disclosures on page B173 for details of the compensation paid to KMP.

Transactions with related parties occur in the ordinary course of business and on substantially the same terms as those for comparable transactions with other external parties.

During the 2022 year a financial guarantee was provided by the company to FirstRand Short Term Insurance, as a subsidiary within the FirstRand group, to provide immediate financial support in the event that FirstRand Short Term Insurance solvency capital requirements were to fall below its prudential thresholds. Refer to note 10.

Refer to the group structure in note 31 for information on the relationship between the parent company and its subsidiaries.

Notes to the annual financial statements

for the year ended 30 June

17 Events after reporting period

Refer to note 40 of the consolidated annual financial statements of the group for further details.

18 Risk management

The company's financial assets and liabilities primarily comprise investments in subsidiaries, intra-group funding arrangements and capital management activities. Financial risks arising from these instruments are managed as part of the group's integrated risk management framework. The company's financial risk exposures are largely offset by corresponding positions with other group entities and, as a result, the company is not exposed to material standalone credit, liquidity or market risk. For quantitative information about financial risk refer to note 38 of the consolidated financial statements of the group.

Shareholders' And Supplementary Information

C

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Analysis of ordinary shareholders

as at 30 June 2026

	Number of shareholders	Shares held (thousands)	%
Major shareholders			
Public Investment Corporation		937 394	16.7
BEE partners*		274 346	4.9
BlackRock investment management		256 175	4.6
The Vanguard Group Inc		240 605	4.3
Ninety One		186 343	3.3
Total		1 894 863	33.8
Public and non-public shareholders			
Public	100 072	5 178 135	92.3
Non-public			
– Corporate (Royal Bafokeng Holdings)**	1	145 400	2.6
– Directors and prescribed officers#	13	11 607	0.2
– BEE partners*	7	274 346	4.9
Total	100 093	5 609 488	100.0
Geographic ownership			
South Africa		2 980 065	53.1
International		2 000 260	35.7
Unknown/unanalysed		629 163	11.2
Total		5 609 488	100.0

* *BEE partners include FirstRand Empowerment Trust, FirstRand Staff Assistance Trust, MIC Investment Holdings, Mineworkers Investment Trust, Kagiso Charitable Trust and WDB Investment Holdings and WDV Trust No2.*

** *The group has a corporate shareholder (Royal Bafokeng Holdings).*

\# *Reflect direct beneficial ownership.*

Performance on the JSE

	2026	2025
Number of shares in issue (thousands)	**5 609 488**	5 609 488
Market price (cents per share)		
Closing	**9 726**	7 569
High	**10 084**	8 922
Low	**7 180**	5 908
Average share price	**8 559**	7 707
Closing price/net asset value per share	**2**	2
Closing price/earnings (headline)	**14**	10
Volume of shares traded (millions)	**3 482**	3 420
Value of shares traded (millions)	**298 808**	262 912
Market capitalisation (R billion)	**545 579**	424 582

Company information

DIRECTORS

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

COMPANY SECRETARY AND REGISTERED OFFICE

C Low
4 Merchant Place
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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

JSE DEBT SPONSOR

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

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 Robert Mugabe Avenue, Windhoek
PO Box 2401, Windhoek
Namibia
Tel: +264 612 27647
Fax: +264 612 48531

AUDITORS

KPMG Inc.
85 Empire Road
Parktown
2122

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

Credit ratings

Refer to www.firstrand.co.za/investors/debt-investor-centre/credit-ratings for detail on the group's credit ratings.

Definitions

Additional Tier 1 capital (AT1)	AT1 capital instruments and qualifying capital instruments issued out of fully consolidated subsidiaries to third parties less specified regulatory deductions
Arrears	A percentage that expresses the current exposure of the loans with one or more months in arrears to the total current book exposure for the reporting period
Capital adequacy ratio (CAR)	Total qualifying capital and reserves divided by RWA
Common Equity Tier 1 (CET1) capital	Share capital and premium, qualifying reserves and third-party capital, less specified regulatory deductions
Contingent convertible securities	Fixed-rate perpetual subordinated contingent convertible securities issued by Aldermore. These instruments qualify as AT1 capital
Core lending advances	Total advances excluding assets under agreements to resell
Cost-to-income ratio	Operating expenses excluding indirect taxes expressed as a percentage of total income including share of profits from associates and joint ventures
Credit loss ratio	Total impairment charge per the income statement expressed as a percentage of average core lending advances (average between the opening and closing balance for the year)
Diversity ratio	Non-interest revenue expressed as a percentage of total income including share of profits from associates and joint ventures
Dividend cover	Normalised earnings per share divided by dividend per share
Effective tax rate	Tax per the income statement divided by the profit before tax per the income statement
Impairment charge	Amortised cost impairment charge and credit fair value adjustments
Loan-to-deposit ratio	Average advances expressed as a percentage of average deposits
Loss given default (LGD)	Economic loss that will be suffered on an exposure following default of the counterparty, expressed as a percentage of the amount outstanding at the time of default
Net income after capital charge (NIACC)	Normalised earnings less the cost of equity multiplied by the average ordinary shareholders' equity and reserves
Normalised earnings	Normalised earnings are the measurement basis used by the chief operating decision maker to manage the group. Headline earnings are adjusted to take into account non-operational and accounting anomalies.
Normalised earnings per share	Normalised earnings attributable to ordinary equityholders divided by the weighted average number of shares including treasury shares
Normalised net asset value	Normalised equity attributable to ordinary equityholders
Normalised net asset value per share	Normalised equity attributable to ordinary equityholders divided by the number of issued ordinary shares
Price earnings ratio (times)	Closing price at end of period divided by basic normalised earnings per share
Price-to-book (times)	Closing share price at end of period divided by normalised net asset value per share
Return on assets (ROA)	Normalised earnings divided by average assets
Return on equity (ROE)	Normalised earnings divided by average normalised ordinary shareholders' equity
Risk-weighted assets (RWA)	Prescribed risk weightings relative to the credit risk of counterparties, operational risk, market risk, equity investment risk and other risk multiplied by on- and off-balance sheet assets, where applicable
Shares in issue	Number of ordinary shares listed on the JSE
Technical cures	Performing accounts that are classified as stage 3/NPL because they have defaulted in the past and do not meet the stringent cure definition of performance for several consecutive months
Tier 1 ratio	Tier 1 capital divided by RWA
Tier 1 capital	CET1 capital plus AT1 capital
Tier 2 capital	Qualifying subordinated debt instruments, capital instruments issued out of fully consolidated subsidiaries to third parties and qualifying provisions less specified regulatory deductions
Total qualifying capital and reserves	Tier 1 capital plus Tier 2 capital
Weighted average number of ordinary shares	Weighted average number of ordinary shares in issue during the year as listed on the JSE

Abbreviations

ALCCO	Asset, liability and capital committee
ALM	Asset-liability management
AT1	Additional Tier 1 capital
BEE	Black economic empowerment
BoE	Bank of England
BSE	Botswana Stock Exchange
CAGR	Compound annual growth rate
CCB	Corporate and Commercial Banking
Centre	FirstRand Corporate Centre
CET1	Common Equity Tier 1 capital
CGU	Cash generating unit
CIP	Conditional incentive plan
CMA	Common Monetary Area
CODM	Chief operating decision maker
Covid-19	Coronavirus disease
CPI	Consumer price index
CPT	Corporate performance target
CSM	Contractual service margin
DIP	Deferred incentive plan
EDC	External debt collection
ECL	Expected credit loss
EAD	Exposure at default
~~EPS~~	~~Earnings per share~~
ETL	Expected tail loss
EVE	Economic value of equity
EY	Ernst & Young
FCA (UK)	Financial Conduct Authority (UK)
FCF	Fulfilment cash flows
FLI	Forward-looking information
FNB	First National Bank
FR	FirstRand
FRB	FirstRand Bank Limited
FREMA	FirstRand EMA Holdings (Pty) Ltd
FRI	FirstRand International Limited
FRIHL	FirstRand Investment Holdings (Pty) Ltd
FRTB	Fundamental Review of the Trading Book
FSR	FirstRand Limited
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GBP	British pound
GCA	Gross carrying amount
GDP	Gross domestic product
GMM	General measurement model
HQLA	High-quality liquid assets
IASB	International Accounting Standards Board
IRBA	Independent Regulatory Board for Auditors
IRRBB	Interest rate risk in the banking book
ISA	International Standards on Auditing
ISDA	International Swaps and Derivatives Association
JETP	Just Energy Transition Partnerships
JIBAR	Johannesburg Interbank Average Rate
JSE	Johannesburg Stock Exchange
KMP	Key management personnel
LECL	Lifetime expected credit losses
LGD	Loss given default
LIC	Liability for incurred claims
LRC	Liability for remaining coverage
MNA	Master netting arrangement
NAV	Net asset value
NCD	Negotiable certificate of deposit
NCNR	Non-cumulative non-redeemable
NDC	Nationally Determined Contribution
NIACC	Net income after capital charge
NII	Net interest income
NIR	Non-interest revenue
NPL	Non-performing loan
NSX	Namibian Stock Exchange
OCI	Other comprehensive income
ORSA	Own risk and solvency assessment
PA	Prudential Authority
PAA	Premium allocation approach
PB and WM	Private Banking and Wealth Management
PD	Probability of default
P/E	Price/earnings
PwC	PricewaterhouseCoopers Inc.
RBB	Retail and Business Banking
RCC	Risk and Capital management committee
Remco	Remuneration committee
RMB	Rand Merchant Bank
RMBIA	RMB Investments and Advisory
ROE	Return on equity
ROUA	Right of use asset
RWA	Risk-weighted assets
S&P	Standard & Poors Global Ratings
SAICA	South African Institute of Chartered Accountants
SAM	Solvency Assessment Management
SAPs	Standards of Actuarial Practice
SARB	South African Reserve Bank
SBM	Sensitivities-based method
SBP	Share-based payment
SCR	Solvency Capital Requirement
SICR	Significant increase in credit risk
SME	Small and medium-sized enterprise
SONIA	Sterling Overnight Index Average
SPPI	Solely payments of principal and interest
SPV	Special purpose vehicles
sVaR	Stressed VaR
TRS	Total return swap
UK	United Kingdom
VAF	Vehicle asset finance
VAPS	Value-added products and services
VaR	Value-at-risk
VWAP	Volume-weighted average price
ZARONIA	South African Overnight Index Rate

Abbreviations continued

International Financial Reporting Standards Accounting Standards

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 2	Share-based Payments
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

International Accounting Standards

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Basis of Preparation of Financial Statements
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	Separate Financial Statements
IAS 28	Investments in Associates and Joint Ventures
IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings Per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments Financial Instruments: Recognition and Measurement
IAS 40	Investment Property
IAS 41	Agriculture

IFRS Interpretations Committee Interpretations

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



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