FirstRand Limited
(Incorporated in the Republic of South Africa)
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NSX Ordinary Share Code: FST
(FirstRand or the Group)

PROVISIONAL AUDITED RESULTS AND CASH DIVIDEND DECLARATION
For the year ended 30 June 2014

INTRODUCTION

This announcement covers the provisional audited summarised financial results of FirstRand Limited (FirstRand or the Group) based on International Financial Reporting Standards (IFRS) for the year ended 30 June 2014.

The primary results and accompanying commentary are presented on a normalised basis as the Group believes this most accurately reflects its economic performance. The normalised results have been derived from the IFRS financial results. Prior year numbers have been restated as a result of the adoption of new and revised IFRS standards.

A detailed description of the difference between normalised and IFRS results is provided on www.firstrand.co.za. Commentary is based on normalised results, unless indicated otherwise.

Jaco van Wyk, CA(SA), supervised the preparation of the summarised consolidated financial results.

FirstRand's annual integrated report will be published on the Group's website, www.firstrand.co.za, on or about 7 October 2014.

FINANCIAL HIGHLIGHTS

	Year ended 30 June		
	2014	2013*	% change
Normalised earnings (R million)	18 663	15 420	21
Diluted normalised earnings per share (cents)	331.0	273.5	21
Normalised net asset value per share (cents)	1 447.2	1 289.4	12
Dividend per ordinary share (cents)	174.0	136.0	28
Normalised ROE (%)	24.2	22.7	

* Refer to restatement of prior year numbers below.

The Group consists of a portfolio of leading financial services franchises: First National Bank (FNB), the retail and commercial bank, Rand Merchant Bank (RMB), the corporate and investment bank, WesBank, the instalment finance business and Ashburton Investments, the Group's recently-established investment management business. The FCC franchise represents group-wide functions.

STATEMENT OF HEADLINE EARNINGS - IFRS (AUDITED)

for the year ended 30 June

R million	2014	2013*	% change
Profit for the year	19 786	15 954	24
Non-controlling interests	(1 058)	(872)	21
NCNR preference shareholders	(288)	(297)	(3)
Earnings attributable to ordinary equityholders	18 440	14 785	25
Adjusted for:	231	542	(57)
Loss on disposal of investment securities and other investments of a capital nature	27	13	
Gain on disposal of available-for-sale assets	(69)	(33)	
(Gain)/loss on disposal of investments in associates	(61)	24	
Gain on disposal of investments in joint ventures	-	(23)	
Gain on disposal of investments in subsidiaries	(18)	(63)	
Loss on the disposal of property and equipment	32	77	
Fair value movement on investment properties	-	(7)	
Impairment of goodwill	128	438	
Impairment of assets in terms of IAS 36	151	283	
Gain from a bargain purchase	-	(14)	
Other	-	(138)	
Tax effects of adjustments	26	(35)	
Non-controlling interests adjustments	15	20	
Headline earnings	18 671	15 327	22

* Refer to restatement of prior year numbers below.

RECONCILIATION FROM HEADLINE TO NORMALISED EARNINGS (AUDITED)

for the year ended 30 June

R million	2014	2013*	% change
Headline earnings	18 671	15 327	22
Adjusted for:	(8)	93	(>100)
IFRS 2 Share-based payment expense	182	43	>100
Treasury shares**	97	33	>100
Total return swap and IFRS 2 liability remeasurement	(198)	85	(>100)
IAS 19 adjustment	(104)	(110)	(5)
Private equity subsidiary realisations	15	42	(64)
Normalised earnings	18 663	15 420	21

* Refer to restatement of prior year numbers below.

** Includes FirstRand shares held for client trading activities.

OVERVIEW OF RESULTS

INTRODUCTION

The operating environment remained difficult throughout the financial year, largely the consequence of uncertainty in the global macroeconomic arena combined with subdued domestic demand growth and protracted industrial action in the platinum sector.

South Africa is vulnerable to slowing capital flows due to its large current account deficit and this translated into rand weakness and higher domestic inflation, together with similar issues in other emerging markets. This triggered the start of an interest rate hiking cycle.

Subdued domestic demand growth was evident across most of the economy: household consumption and government spending slowed as sluggish employment growth, rising inflation, a 50 bps interest rate hike and a weaker rand exchange rate weighed on consumer and business confidence.

While some of these headwinds also affected the rest of the sub-Saharan region, most economies continued to expand at a brisk pace. Domestic demand - fuelled by credit growth and investment in infrastructure development - remained the major catalyst.

OVERVIEW OF RESULTS

FirstRand produced good results for the year to 30 June 2014, achieving normalised earnings of R18 663 million, an increase of 21% year-on-year and a normalised ROE of 24.2%, which in the Group's view remains at a cyclical high given the slower than expected emergence of the credit cycle.

The Group's banking franchises, FNB, RMB and WesBank, delivered strong operational performances and continued to outperform the market. The key drivers of that outperformance are as follows.

FNB benefited from:

- its proactive workout strategy in residential mortgages, resulting in lower NPLs, together with good advances growth in line with property price increases and repricing benefits;

- ongoing customer acquisition in targeted segments and increased cross-sell;

- migration of customers to electronic channels continued to drive growth in volumes;

- counter-cyclical origination actions taken in personal loans in 2011 has paid dividends in that bad debts have materially reduced; and

- strong growth across the African footprint with both established and new subsidiaries performing well.

RMB benefited from:

- its positioning as the leading advisory and origination franchise in South Africa;

- strong growth in corporate advances, both in South Africa and cross border, whilst further improving overall portfolio quality;

- very strong earnings from underlying investments in private equity and a significant investment realisation; and

- a growing contribution from activities in the rest of Africa.

WesBank benefited from:

- its consistent point of sale presence and partnership model, which ensured resilient new business volumes;

- an excellent performance from MotoNovo, which grew strongly in GBP terms; and

- discipline in origination which resulted in better than expected cost of credit.

SOURCES OF NORMALISED EARNINGS

	Year ended 30 June				
R million	2014	% composition	2013	% composition	% change
FNB	9 462	51	7 998	52	18
RMB	5 342	29	4 383*	28	22
WesBank	2 830	15	2 774	18	2
FCC (including Group Treasury) and other**,#	1 317	7	562	4	>100
NCNR preference dividend	(288)	(2)	(297)	(2)	(3)
Normalised earnings	18 663	100	15 420	100	21

* Includes R155 million of IT enablement impairments relating to financial years prior to and including June 2012.

** The significant year-on-year improvement is primarily due to the unwind of certain accounting anomalies recorded by Group Treasury during the financial year ended 30 June 2013, e.g. mark-to-market losses on economic hedges partially unwinding or not recurring during the year ended 30 June 2014.

Includes FirstRand Limited (company).

The Group's income statement benefited from an increase of 19% in net interest income (NII), driven by ongoing gains in new business, repricing in certain asset classes and lower overall NPLs. There was also a marginal endowment benefit resulting from the 50 bps increase in interest rates in January 2014. Group Treasury's strategies to hedge capital, investment risk and liquidity risk further positively impacted NII.

Total non-interest revenue (NIR) increased 14% year-on-year, with another strong contribution from FNB, which grew NIR 10%. This performance was driven by both the retail and commercial segments and resulted from increases in fee and commission income. FNB's ongoing strategy to encourage customers to migrate onto electronic platforms continued to produce good growth in electronic volumes of 15% year-on-year.

NIR growth was also driven by RMB's client franchises, particularly in the rest of Africa. In addition, RMB's investing activities produced an excellent performance, with good growth from equity-accounted income generated by the private equity portfolio. Investment income was boosted by realisations, including a significant investment realisation emanating from a debt restructure in prior periods.

WesBank's NIR (including share of profits from associates and joint ventures) increased 13%, in line with new business volumes and benefited from continued growth in the full maintenance rental book.

Overall operating costs increased 15%, reflecting the continued investment in platforms and the Group's operating footprint in the rest of Africa. Core costs increased 12%.

Whilst overall bad debts continued to trend down, NPLs showed a mixed picture. Residential mortgages, FNB commercial, FNB personal loans and RMB's investment banking division saw NPLs reduced whilst NPLs in FNB card, vehicle and asset finance (VAF) and WesBank personal loans increased. Strong book growth resulted in an increase in NPLs in FNB's business segment and the FNB Africa portfolio.

Portfolio overlays at a franchise level increased 40% year-on-year. This reflects the Group's view that the negative retail credit cycle will continue to emerge, already reflected in the higher levels of arrears being experienced in the VAF, WesBank personal loans and card books. In addition, portfolio overlays increased on the back of deteriorating macroeconomic indicators, resulting in the creation of an additional R450 million of central portfolio overlays. The total performing book coverage ratio increased from 97 bps to 106 bps.

The overall credit picture remains in line with expectations and all of the Group's portfolios are tracking as anticipated, reflecting decisions taken as early as 2011 to exit origination in high-risk segments, particularly in personal loans.

The Group's balance sheet continued to show good growth in advances year-on-year, particularly from FNB's card and commercial books and certain of the rest of Africa subsidiaries. RMB's core advances book also posted strong growth, particularly benefiting from activities in the rest of Africa and renewable energy drawdowns in South Africa. On a rolling six-month basis, growth in certain retail portfolios, such as personal loans and VAF, continued to moderate.

OVERVIEW OF OPERATING FRANCHISES

The Group's vision is to be the African financial services group of choice, create long-term franchise value, deliver superior and sustainable economic returns to shareholders within acceptable levels of volatility and maintain balance sheet strength. FirstRand seeks to achieve this with two parallel growth strategies, which are executed through its portfolio of operating franchises, within a framework set by the Group. The growth strategies are:

- become a predominant player in all of the financial services profit pools in South Africa, growing in existing markets and those where it is under-represented; and

- grow its franchise in the broader African continent, targeting those countries expected to show above average domestic growth and which are well positioned to benefit from the trade and investment flows between Africa, India and China.

With regard to expansion into the rest of Africa, there are three pillars to its execution:

- utilise the capabilities of the South African franchise, particularly the domestic balance sheet, intellectual capital, international platforms and the existing operating footprint in the rest of Africa;

- start an in-country franchise and grow organically; and

- small-to medium-sized acquisitions where it makes commercial sense.

Below is a brief overview of the financial and operational performance of each franchise.

FNB

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

FNB FINANCIAL HIGHLIGHTS

	Year ended 30 June		
R million	2014	2013	% change
Normalised earnings	9 462	7 998	18
Normalised profit before tax	13 995	11 644	20
Total assets	328 110	297 035	10
Total liabilities	314 126	282 358	11
NPLs (%)	3.14	3.95	
Credit loss ratio* (%)	0.85	1.18	
ROE (%)	37.4	34.5	
ROA (%)	3.12	2.91	
Cost-to-income ratio (%)	54.9	54.7	
Advances margin (%)	3.38	3.21	

* 2013 figure includes special impairment relating to the merchant acquiring event of R215 million.

SEGMENT RESULTS

	Year ended 30 June		
Normalised PBT R million	2014	2013	% change
Retail	7 942	6 568	21
FNB Africa	1 899	1 570	21
Commercial	4 154	3 506	18
Total FNB	13 995	11 644	20

FNB produced an excellent performance for the year, increasing pre-tax profits 20%, driven by strong growth in both NII and NIR, and a decrease in bad debts, particularly in residential mortgages. This performance can continue to be attributed to FNB's primary strategy to grow and retain core transactional accounts through offering a compelling value proposition to the customer (innovative products and channels at an acceptable cost) supported by rewards programmes. This strategy resulted in ongoing growth in new customers within the targeted segments and increased cross-sell, particularly as customers migrate up FNB's value chain.

FNB's NII increased 15% driven by growth in both advances (+10%) and deposits (+17%). The lending businesses, residential mortgages in particular, performed extremely well with new business margin improving and bad debt levels continuing to decline. FNB's year-to-date bad debt charge dropped to 0.85% of advances, while preserving overall provisioning levels. Deposit margins benefited slightly from the interest rate increase during the year. Deposit and advances growth came from across all segments as indicated in the following table.

SEGMENT ANALYSIS OF ADVANCES AND DEPOSIT GROWTH

	Year ended 30 June 2014			
	Deposit growth		Advances growth	
Segments	%	R billion	%	R billion
Retail	13	16.3	6	12.6
FNB Africa	21	8.5	23	7.5
Commercial	19	22.2	18	7.8

In terms of advances, residential mortgages grew 5% in line with property prices. Card increased 13% on the back of new customer acquisition. Personal loans declined 3% year-on-year, reflecting adjustments in credit appetite in that segment, especially at the bottom end of the market.

FNB's overall NPLs decreased 12% due to ongoing proactive workout strategies (particularly in residential mortgages). The year-on-year decrease is mainly attributable to residential mortgages (-19%), commercial (-8%) and personal loans (-23%).

FNB's NIR increased 10% year-on-year with continued strong growth of 12% in overall transactional volumes with electronic volumes up 15%. Customers continue to migrate to electronic channels with year-on-year ADT deposits increasing 17%, whilst branch-based deposits decreased 15%. The rollout of FNB's innovative customer proposition in the commercial and business segments resulted in strong NIR growth of 8% and 21%, respectively.

FNB's overall operating expenditure increased 13%, reflecting ongoing investment in its operating footprint, particularly in the rest of Africa (costs up 22%).

FNB's African subsidiaries performed well, growing pre-tax profits 21%. The Namibia, Swaziland, Lesotho and Mozambique businesses were able to generate significantly higher profits on the back of balance sheet growth, improved margins and increased transactional volumes. Zambia, Mozambique and Tanzania continued to invest in footprint and product rollout.

FNB produced an ROE of 37.4%, which remains well above hurdle rates, despite ongoing investment in platforms and new territories.

RMB

RMB represents the Group's activities in the corporate and investment banking segments in South Africa, the broader African continent and India. The business continues to benefit from its strategy to generate more income from client-driven activities, which is anchored around a risk appetite designed to effectively manage the trade-offs between earnings volatility, profit growth and returns. This strategy, coupled with steady investment returns and a growing focus on originating asset management products, is delivering a high quality and sustainable earnings profile.

RMB FINANCIAL HIGHLIGHTS

	Year ended 30 June		
R million	2014	2013	% change
Normalised earnings	5 342	4 383*	22
Normalised profit before tax	7 459	6 150	21
Total assets	390 208	354 758	10
Total liabilities	380 107	346 133	10
ROE (%)	27.1	25.1	
ROA (%)	1.46	1.30	
Credit loss ratio (%)	0.21	0.55	
Cost-to-income ratio (%)	43.5	42.4	

* Includes R155 million of IT enablement impairments relating to financial years prior to and including June 2012.

DIVISIONAL PERFORMANCE

	Year ended 30 June		
Normalised PBT R million	2014	2013	% change
Investment banking	6 934	5 613	24
- Global markets	1 991	1 757	13
- IBD	4 083	3 344	22
- Private equity	1 208	650	86
- Other RMB	(348)	(138)	>100
Corporate banking	525	537*	(2)
Operational performance	525	444	18
Normalisation adjustment (IT enablement for Dec 2012 period)	-	93	(100)
Total RMB	7 459	6 150	21

* Includes normalisation adjustment of R248 million for December 2012 which carries through to June 2013 for IT enablement spend of which R155 million relates to years prior to and including June 2012.

RMB corporate and investment banking produced strong results for the year. Pre-tax profits increased 21% to R7.5 billion and the ROE improved to 27.1%. This performance was achieved against a very challenging backdrop for investment banking and can be attributed to the strength of the domestic franchise combined with growing momentum from the African expansion strategy.

During the year, RMB continued to focus on building scale in the corporate banking franchise, generating growth from the rest of Africa, strengthening the balance sheet and consolidating market share in the more established business lines.

The investment banking division (IBD) delivered strong results, increasing pre-tax profits 22% to R4 083 million. This performance was supported by good balance sheet growth, with advances up 27% for the year under review and the core loan book's risk profile remains robust. IBD also benefited from strong growth in bespoke investment grade lending on the back of client balance sheet restructures. In addition, there was a significant increase in knowledge-based fee income, as the franchise continued to benefit from its market leadership position.

The global markets division delivered a solid performance for the year across all business lines. This was achieved in spite of challenging volatile market conditions, a subdued macroeconomic environment and increased competitive pressures. Good growth was reported from activities in the rest of Africa whilst the domestic performance was in line with the prior year, resulting in profit growth of 13% to R1 991 million.

Private equity produced excellent growth with pre-tax profits 86% higher at R1.2 billion. It continues to benefit from the diversity of its portfolio, reporting good equity-accounted earnings despite the muted local economic climate. Earnings were also positively impacted by a significant investment realisation on the back of a debt restructure in prior years.

Corporate banking had a solid year, with total revenue increasing due to gains in interest turn on both advances and deposits on the back of strong growth, especially in liabilities. Deriving further value from the transactional banking platform remains a priority.

Included in other RMB, the resources business and legacy portfolio reported losses for the year of R31 million and R183 million respectively, which is an improvement on the prior year. Overall results were down on provisions raised centrally and realisation profits in prior periods. Valuations remain subdued, market liquidity continues to be a constraint and the ability of companies to raise equity is limited. Investing limits remain in place for the resources business until conditions improve.

WESBANK

WesBank represents the Group's activities in asset-based finance in the retail, commercial and corporate segments of South Africa and asset-based motor finance sector through MotoNovo Finance in the UK. Through the Direct Axis brand, WesBank also operates in the unsecured lending market in South Africa. WesBank's leading position in its chosen markets is due to its long-standing alliances with leading motor manufacturers, suppliers and dealer groups, and strong point-of-sale presence.

WESBANK FINANCIAL HIGHLIGHTS

	Year ended 30 June		
R million	2014	2013	% change
Normalised earnings	2 830	2 774	2
Normalised profit before tax	4 060	3 983	2
Total assets	170 194	145 179	17
Total liabilities	166 137	140 814	18
NPLs (%)	2.86	2.76	
Credit loss ratio (%)	1.35	1.26	
ROE (%)	26.6	31.5	
ROA (%)	1.89	2.20	
Cost-to-income ratio (%)	43.3	41.2	
Net interest margin (%)	5.05	5.30	

WesBank's performance remained resilient despite its sensitivity to the motor retail market and the credit cycle. Notwithstanding higher credit and operating costs, new business volumes continued and pre-tax profits grew 2% to R4.1 billion. WesBank delivered an ROE of 26.6% and an ROA of 1.89%.

The table below shows the relative performance year-on-year of WesBank's activities.

BREAKDOWN OF PROFIT CONTRIBUTION BY ACTIVITY

	Year ended 30 June		
Normalised PBT R million	2014	2013	% change
VAF			
- Local retail	1 706	1 889	(10)
- International (MotoNovo)	651	444	47
- Corporate and commercial	550	528	4
Personal loans	1 153	1 122	3
Total WesBank	4 060	3 983	2

Profit growth continued in the corporate, MotoNovo and personal loans businesses, however, local retail VAF was down on the prior year, which is expected given the current cycle. WesBank's operations in the rest of Africa grew strongly during the year, benefiting from increased new business volumes and improved margins. These results are currently reported as part of FNB's results as the activities currently reside within FNB's subsidiaries in the rest of Africa.

New business reflects a good risk profile across all portfolios, with systemic tightening continuing in credit appetite for higher risk segments. Production was up 15% year-on-year with local retail VAF, corporate, personal loans and MotoNovo origination volumes up 6%, 10%, 21% and 58% (GBP), respectively.

Interest margins remained resilient despite increased competition across all portfolios with origination well within agreed risk thresholds. As corporate grows faster relative to local retail VAF, the average margin is expected to contract.

Bad debts are trending up but remain below WesBank's through-the-cycle expectations. Given the macroeconomic outlook and the levels of indebtedness of consumers, WesBank expects impairments to continue to move up, however, it remains conservatively provided at this point in the cycle.

NPLs are 22% up year-on-year with local retail VAF increasing 39%. However, this is inflated by an increasing proportion of restructured debt review accounts, most of which are still paying according to arrangement. This conservative treatment is in line with Group practice. 33% of NPLs are currently under debt review (compared to 23% in the prior year), a high percentage of which have never defaulted, or reflect balances lower than when they went into debt review.

Credit origination remains well within agreed risk appetite and vintage performance is very closely monitored. Systematic scorecard adjustments have been effected where early warning signs of underlying stress have been evident, and/or where warranted by changes in the macro environment.

NIR, including income from associates and joint ventures, increased 13% year-on-year, reflecting the growth in the advances book and in rental assets.

Core operating costs increased 10%, however, total expenses grew 19% when including the impact of the increase in profit share payments to alliance partners (which now total R510 million and are up 17% year-on-year), investment in platforms and strategic initiatives, and the increase in depreciation of full maintenance rental assets.

Ashburton Investments

The Group's investment management franchise, Ashburton Investments, continues to execute on its organic strategy.

The focus in the year under review was to continue to build the required platforms, systems and skills to support growth going forward. To this end, Ashburton Investments switched on the Linked Investment Service Provider (LISP) platform to the Group's internal channels, which has resulted in customer migration from simple banking products to investment solutions. Relationships are also being developed with independent financial advisors and institutional clients such as pension funds.

Ashburton Investments also undertook a full overview of its investment processes to deal with the underperformance of its international traditional offering and the changes implemented have already started to show benefits. Its single manager offering in South Africa has continued to perform in the top quartile.

During the year under review, the business achieved significant traction on its core strategy in that 41% of its assets under management are now composed of non-traditional assets such as inflation-linked bonds, private equity, unlisted corporate credit and longer dated loans. Ashburton Investments' unique positioning within FirstRand has allowed it to channel non-traditional assets, originated within the Group, to investors who have not previously been in a position to access such investments.

Since the launch in June 2013, assets under management have grown 14% to R115 billion and profitability is tracking in line with expectations given the current level of investment in people and platforms.

STRATEGIES TO ENSURE SUSTAINABILITY OF GROWTH AND RETURNS

FirstRand's franchises have consistently executed on a set of operational strategies which are aligned to certain Group financial strategies and frameworks which are designed to ensure earnings resilience and growth, balance sheet strength and an appropriate return profile.

Ultimately the Group seeks to create long-term sustainable franchise value and believes it is currently delivering this through the operating franchises, all of which have strong market positioning, unique customer value propositions, efficient platforms, a relentless focus on innovation and a proven entrepreneurial culture.

These deliverables are underpinned by the application of critical financial discipline through frameworks set at the centre, such as;

Risk management framework

- assess the impact of the cycle on the portfolio;

- understand and price properly for risk; and

- originate within cycle appropriate risk appetite and volatility parameters.

Performance management framework

- allocate capital appropriately to capital-light or capital-intensive activities;

- ensure an efficient capital structure with appropriate/conservative gearing; and

- make certain earnings exceed cost of capital, i.e. positive net income after capital charge (NIACC).

Balance sheet framework

- execute sustainable funding and liquidity strategies;

- protect the credit rating; and

- preserve a “fortress” balance sheet that can sustain shocks through the cycle.

The consistent application of these financial strategies and frameworks has over time allowed FirstRand to deliver the financial metrics the Group targets on behalf of its shareholders, namely earnings growth of nominal GDP plus 3% - 5% and a ROE of 18% - 22%.

FirstRand does not target a cost-to-income ratio as it believes this to be an outcome of its ability to utilise its business model effectively in order to deliver on its growth strategies. The Group rigorously assesses cost structures at both a franchise and business unit level, but will always consider costs incurred to run the business versus costs incurred to build the business.

The financial strategies are also focused on ensuring that the Group extracts the maximum quality of earnings from its operations. The improved quality of the Group's earnings is manifested in the upward shift over the past five years in the Group's ROA, particularly as RMB has adapted its business model to focus on client-centric activities and FNB has built a market leading transactional and deposit franchise. Further proof lies in the fact that 93% of revenues are derived from client activities. The Group's commitment to pricing appropriately for risk has also had a meaningful impact on the quality of earnings generated from its lending businesses.

Proactive funding and liquidity management is becoming increasingly critical and FirstRand's objective is to fund its activities in a sustainable, diversified, efficient and flexible manner, underpinned by strong counterparty relationships within prudential limits and requirements.

On the back of a deliberate strategy to grow retail deposits, FirstRand now generates a larger proportion of its funding from the deposit franchise in comparison to the SA aggregate, and emphasis is placed on lengthening the term profile of institutional funding.

The Group has maintained its very strong capital position.

Current targeted ranges and actual ratios are summarised below.

CAPITAL RATIOS AND TARGETS

%	CET1	Tier 1	Total
Regulatory minimum*	5.5	7.0	10.0
Targets	10.0 - 11.0	>12.0	>14.0
FirstRand actual	13.9	14.8	16.7

* Excludes the bank-specific individual capital requirement.

The Group's internal target levels have been revised in order to meet the 2019 end-state regulatory minimum requirements including the capital conservation buffer, and also after considering various stakeholder constraints.

In addition to these financial strategies, the Group also constantly evaluates the inherent value within its business model and portfolio as a whole and there are specific filters through which it makes these assessments. A key consideration is the level of diversification that exists in the portfolio and the Group considers this in the context of its strategy, performance targets and against the macroeconomic environment. Key diversification measures relate to the relative contribution to earnings from each franchise, market segment, product and geographic footprint.

Currently the Group believes that the relative contribution from each franchise is appropriate, given the cycle, however, there are still segments where the Group is under-represented, such as corporate transactional banking, insurance and investment management, and there are strategies in place to address these gaps.

From a geographical diversification perspective on a relative basis the South African franchise still dominates earnings (87%). As the domestic franchise is still outperforming the market, the relative contribution has not changed materially even though the rest of Africa is growing strongly.

The Group remains comfortable that its approach to growing outside of South Africa is appropriate, given its stated intention to protect its return profile. There has been material success in the deployment of the balance sheet in the rest of Africa, by both RMB and FNB. In addition, the established subsidiaries continue to generate good growth in earnings and strong ROEs whilst the newer subsidiaries are also gaining momentum in terms of customer acquisition, product and platform rollout (particularly digital) and deposit gathering.

Dividend strategy

When assessing the appropriate level of payout to shareholders, the Group considers the following:

To ensure it meets its long-term ROE target of 18% - 22%, FirstRand assesses the robustness of the ongoing capital generation of its business. The Group remains of the view that its ROE is at a cyclical high and, therefore, the dividend cover needs to be sustainable on a risk view as well as a core view.

The anticipated growth in risk weighted assets (RWA) given the operating environment and the overall growth plans of the operating franchises.

The Group has previously stated that it has set aside a R10 billion capital buffer currently allocated to its expansion strategy. Given the strong capital generation from the business in the year under review and the cautious approach to deployment outside South Africa to protect the return profile, this buffer has remained in place. However, given the momentum achieved in growing outside of South Africa over the past two years, the Group is now more comfortable to accelerate the deployment of capital to these activities. Any increased deployment will remain disciplined to ensure the Group maintains its targeted return profile.

It is still the Group's philosophy to return excess capital to shareholders should it not find the appropriate opportunities, however, it believes that the next 12 to 18 months will determine whether an acceleration of deployment in the rest of Africa can deliver the level of return the Group seeks.

The Group will continue to seek to protect shareholders from any unnecessary volatility in dividend.

It will, going forward, consider the level of payout within a range of 1.8 x to 2.2 x cover. The Group will annually assess the appropriate level and in the process take into account the following factors:

- actual performance;
- forward macros;
- demand for capital; and
- potential changes in regulation.

For the year to June 2014 the Group believes 1.9 x is the appropriate dividend cover.

PROSPECTS

South Africa is currently in an interest rate hiking cycle which will place further pressure on the South African consumer. The Group believes that its strategy to grow customers, drive NIR and exercise discipline in its credit origination strategies in the retail market places it in a strong position to weather the difficult credit cycle as it continues to emerge over the next 12 to 18 months.

Economic headwinds are increasing and growth in the system continues to slow. The Group believes its franchises have the appropriate strategies in place to deliver good operational performances. The strength of its balance sheet and the resilience of its diverse income streams should allow FirstRand to deliver sustainable and superior returns to shareholders.

BASIS OF PRESENTATION

The summarised consolidated financial statements are considered provisional based on the JSE Listing Requirements and are summarised from a complete set of the Group annual financial statements.

FirstRand prepares its summarised consolidated financial results in accordance with:

- IFRS, including IAS 34 Interim Financial Reporting;
- SAICA Financial Reporting Guide as issued by the Accounting Practices Committee;
- Financial Reporting Pronouncements as issued by Financial Reporting Standards Council;
- JSE Listing Requirements for provisional reports; and
- the requirements by the Companies Act 71 of 2008 applicable to summary financial statements.

The accounting policies applied in the preparation of the consolidated financial statements from which the summarised financial statements were derived, are in terms of IFRS. The Group applied a number of new or revised IFRS standards for the first time this year. Comparatives have been restated. Details of changes in accounting policies and the impact of these on the comparatives can be found below.

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

The summarised consolidated financial statements for the year ended 30 June 2014 have been audited by PricewaterhouseCoopers Inc. and Deloitte & Touche, who expressed an unmodified opinion thereon. Unless the financial information is specifically stated as audited, it should be assumed it is unaudited. The forward looking information has not been commented or reported on by the Group's auditors.

The auditors' report does not necessarily report on all the information contained in this announcement. Shareholders are therefore, advised that in order to obtain a full understanding of the nature of the auditors' engagement, they should obtain a copy of the auditors' report together with the accompanying financial statements.

FirstRand's board of directors take full responsibility for the preparation of this announcement.

The auditors expressed an unmodified opinion dated 8 September 2014 on the financial statements from which these summarised consolidated financial statements were derived. A copy of the auditors' report on the summarised consolidated financial statements and of the auditors' report on the consolidated financial statements are available for inspection at FirstRand's registered office, 4 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, together with the financial statements identified in the respective auditors' reports.

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material events, as defined in IAS 10 Events After the Reporting Period, occurring between 30 June 2014 and the date of authorisation of the results announcement.

BOARD CHANGES

Mr Johan Petrus Burger was appointed deputy chief executive officer on 1 October 2013. He relinquished his position as financial director on 1 January 2014.

Mr Hetash (Harry) Surendrakumar Kellan was appointed to the board as financial director on 1 January 2014.

Mr Deepak Premnarayen became a non-executive director on 3 December 2013 due to him no longer participating in FirstRand's share scheme and other executive remuneration arrangements.

Mr Russell Mark Loubser was appointed to the board as an independent non-executive director on 5 September 2014.

Mr Bruce William Unser, having reached retirement age, retired as company secretary on 5 January 2014.

Mrs Carnita Low was appointed as company secretary on 6 January 2014.

CASH DIVIDEND DECLARATIONS

Ordinary shares

The directors have declared a gross cash dividend totalling 174 cents per ordinary share out of income reserves for the year ended 30 June 2014.

ORDINARY DIVIDENDS

	Year ended 30 June	
Cents per share	2014	2013
Interim (declared 3 March 2014)	77.0	55.0
Final (declared 8 September 2014)	97.0	81.0
Total	174.0	136.0

The salient dates for the final dividend are as follows:

Last day to trade cum-dividend	Friday 3 October 2014
Shares commence trading ex-dividend	Monday 6 October 2014
Record date	Friday 10 October 2014
Payment date	Monday 13 October 2014

Share certificates may not be dematerialised or rematerialised between Monday 6 October 2014 and Friday 10 October 2014, both days inclusive.

The final dividend of 97 cents per share carries a STC credit of 4.35849 cents per share. Shareholders who are exempt from Dividend Withholding Tax (DWT) will receive the full 97 cents per share. For shareholders who are subject to DWT, tax will be calculated at 15% (or such lower rate if a double taxation agreement applies for foreign shareholders), after taking into account the STC credit.

For South African shareholders who are subject to DWT, the net final dividend after deducting 15% tax will be 83.10377 cents per share.

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

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

B preference shares

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

DIVIDENDS DECLARED AND PAID

	B preference shares	
Cents per share	2014	2013
Period:		
28 August 2012 - 25 February 2013		320.3
26 February 2013 - 26 August 2013		320.3
27 August 2013 - 24 February 2014	320.3	
25 February 2014 - 25 August 2014	341.1	

LL Dippenaar	SE Nxasana	C Low
Chairman	CEO	Company secretary

8 September 2014

SUMMARISED CONSOLIDATED INCOME STATEMENT - IFRS (AUDITED)

for the year ended 30 June

R million	2014	2013*	% change
Net interest income before impairment of advances	29 878	24 769	21
Impairment of advances	(5 252)	(4 807)	9
Net interest income after impairment of advances	24 626	19 962	23
Non-interest revenue	36 150	30 734	18
Income from operations	60 776	50 696	20
Operating expenses	(35 448)	(30 804)	15
Net income from operations	25 328	19 892	27
Share of profit of associates after tax	670	523	28
Share of profit of joint ventures after tax	257	301	(15)
Income before tax	26 255	20 716	27
Indirect tax	(878)	(645)	36
Profit before tax	25 377	20 071	26
Income tax expense	(5 591)	(4 117)	36
Profit for the year	19 786	15 954	24
Attributable to:			
Ordinary equityholders	18 440	14 785	25
NCNR preference shareholders	288	297	(3)
Equityholders of the Group	18 728	15 082	24
Non-controlling interests	1 058	872	21
Profit for the year	19 786	15 954	24
Earnings per share (cents)			
- Basic	336.2	269.7	25
- Diluted	332.7	266.4	25
Headline earnings per share (cents)			
- Basic	340.4	279.6	22
- Diluted	336.8	276.2	22

* Refer to restatement of prior year numbers below.

for the year ended 30 June

R million	2014	2013*	% change
Profit for the year	19 786	15 954	24
Items that may subsequently be reclassified to profit or loss			
Cash flow hedges	363	853	(57)
(Losses)/gains arising during the year	(109)	417	(>100)
Reclassification adjustments for amounts included in profit or loss	613	768	(20)
Deferred income tax	(141)	(332)	(58)
Available-for-sale financial assets	(82)	(104)	(21)
Losses arising during the year	(82)	(117)	(30)
Reclassification adjustments for amounts included in profit or loss	(69)	(33)	>100
Deferred income tax	69	46	50
Exchange differences on translating foreign operations	346	998	(65)
Gains arising during the year	346	998	(65)
Share of other comprehensive income of associates and joint ventures after tax and non-controlling interests	131	129	2
Items that may not subsequently be reclassified to profit or loss			
Remeasurements on defined benefit post-employment plans	(82)	22	(>100)
(Losses)/gains arising during the year	(157)	30	(>100)
Deferred income tax	75	(8)	(>100)
Other comprehensive income for the year	676	1 898	(64)
Total comprehensive income for the year	20 462	17 852	15
Attributable to:			
Ordinary equityholders	19 086	16 625	15
NCNR preference shareholders	288	297	(3)
Equityholders of the Group	19 374	16 922	14
Non-controlling interests	1 088	930	17
Total comprehensive income for the year	20 462	17 852	15

* Refer to restatement of prior year numbers below.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - IFRS (AUDITED) as at 30 June

R million	2014	2013*	2012*
ASSETS			
Cash and cash equivalents	60 756	48 565	37 317
Derivative financial instruments	39 038	52 277	52 711
Commodities	7 904	6 016	5 108
Accounts receivable	8 159	7 804	6 222
Current tax asset	131	266	327
Advances	685 926	601 065	527 279
Investment securities and other investments	119 107	128 388	116 776
Investments in associates	5 847	4 486	4 025
Investments in joint ventures	1 205	910	737
Property and equipment	14 495	13 453	11 228
Intangible assets	1 047	1 169	1 743
Reinsurance assets	408	394	898
Post-employment benefit asset	5	-	-
Investment properties	419	459	215
Deferred income tax asset	862	460	343
Non-current assets and disposal groups held for sale	226	20	599
Total assets	945 535	865 732	765 528
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	5 442	2 991	5 343
Derivative financial instruments	41 659	53 008	53 760
Creditors and accruals	13 437	11 079	9 004
Current tax liability	369	513	334
Deposits	768 234	697 035	606 299
Provisions	797	600	592
Employee liabilities	7 441	5 857	4 983
Other liabilities	6 586	6 101	5 794
Policyholder liabilities under insurance contracts	540	646	1 089
Deferred income tax liability	796	753	1 412
Tier 2 liabilities	11 983	8 116	7 886
Liabilities directly associated with disposal groups held for sale	34	-	113
Total liabilities	857 318	786 699	696 609
Equity			
Ordinary shares	55	55	55
Share premium	5 531	5 609	5 432
Reserves	74 928	65 954	56 212
Capital and reserves attributable to ordinary equityholders	80 514	71 618	61 699
NCNR preference shares	4 519	4 519	4 519
Capital and reserves attributable to equityholders of the Group	85 033	76 137	66 218
Non-controlling interests	3 184	2 896	2 701
Total equity	88 217	79 033	68 919
Total equity and liabilities	945 535	865 732	765 528

* Refer to restatement of prior year numbers below.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS - IFRS (AUDITED)

for the year ended 30 June

R million	2014	2013
Cash generated from operating activities	24 422	24 298
Net cash utilised from operations	(5 833)	(4 241)
Taxation paid	(6 711)	(5 642)
Net cash generated from operating activities	11 878	14 415
Net cash outflow from investing activities	(4 190)	(3 803)
Net cash outflow from financing activities	4 343	325
Net increase in cash and cash equivalents	12 031	10 937
Cash and cash equivalents at the beginning of the year	48 565	37 317
Cash and cash equivalents acquired*	-	2
Cash and cash equivalents disposed of*	(11)	-
Effect of exchange rate changes on cash and cash equivalents	179	309
Transfer to non-current assets held for sale	(8)	-
Cash and cash equivalents at the end of the year	60 756	48 565
Mandatory reserve balances included above**	17 322	16 160

* Cash and cash equivalents acquired and disposed of relate to cash balances held by subsidiaries acquired and disposed of during the year.

** Banks are required to deposit a minimum average balance, calculated monthly, with the central bank, which is not available for use in the Group's day-to-day operations. The deposit bears no or low interest. Money at short notice constitutes amounts withdrawable in 32 days or less.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - IFRS (AUDITED)

for the year ended 30 June

	Ordinary share capital and ordinary equityholders' funds						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	Available-for-sale reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Reserves attributable to ordinary equity-holders	NCNR preference shares	Non-controlling interests	Total equity
Balance as reported at 30 June 2012	55	5 216	5 271	-	(753)	3 247	626	1 052	(61)	53 139	57 250	4 519	2 767	69 807
Prior period restatements	-	216	216	(591)	-	-	(6)	(10)	(20)	(411)	(1 038)	-	(66)	(888)
Restated balance as at 1 July 2012	55	5 432	5 487	(591)	(753)	3 247	620	1 042	(81)	52 728	56 212	4 519	2 701	68 919
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	(11)	(11)
Movement in other reserves	-	-	-	-	-	(46)	-	-	76	(79)	(49)	-	(53)	(102)
Ordinary dividends	-	-	-	-	-	-	-	-	-	(6 198)	(6 198)	-	(650)	(6 848)
Preference dividends	-	-	-	-	-	-	-	-	-	-	-	(297)	-	(297)
Transfer from/(to) general risk reserves	-	-	-	-	-	-	-	-	21	(21)	-	-	-	-
Changes in ownership interest of subsidiaries	-	-	-	-	-	(2)	-	-	-	15	13	-	(21)	(8)
Consolidation of treasury shares	-	177	177	-	-	-	-	-	-	53	53	-	-	230
Total comprehensive income for the year	-	-	-	22	853	-	(102)	957	110	14 785	16 625	297	930	17 852
Vesting of share-based payments	-	-	-	-	-	(26)	-	-	-	(676)	(702)	-	-	(702)
Balance as at 30 June 2013	55	5 609	5 664	(569)	100	3 173	518	1 999	126	60 607	65 954	4 519	2 896	79 033
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in other reserves	-	-	-	-	-	(387)	-	-	14	(24)	(397)	-	(86)	(483)
Ordinary dividends	-	-	-	-	-	-	-	-	-	(8 669)	(8 669)	-	(630)	(9 299)
Preference dividends	-	-	-	-	-	-	-	-	-	-	-	(288)	-	(288)
Transfer from/(to) general risk reserves	-	-	-	-	-	-	-	-	34	(34)	-	-	-	-
Changes in ownership interest of subsidiaries	-	-	-	-	-	-	-	-	-	(180)	(180)	-	(84)	(264)
Consolidation of treasury shares	-	(78)	(78)	-	-	-	-	-	-	14	14	-	-	(64)
Total comprehensive income for the year	-	-	-	(82)	361	-	(82)	353	96	18 440	19 086	288	1 088	20 462
Vesting of share-based payments	-	-	-	-	-	(3)	-	-	-	(877)	(880)	-	-	(880)
Balance as at 30 June 2014	55	5 531	5 586	(651)	461	2 783	436	2 352	270	69 277	74 928	4 519	3 184	88 217

FAIR VALUE MEASUREMENTS (AUDITED)

VALUATION METHODOLOGY

In terms of IFRS, the Group is required to or elects to measure certain assets and liabilities at fair value. The Group has established control frameworks and processes at a franchise level to independently validate its valuation techniques and inputs used to determine its fair value measurements. At a franchise level technical teams are responsible for the selection, implementation and any changes to the valuation techniques used to determine fair value measurements. Valuation committees comprising representatives from key management have been established within each franchise and at an overall Group level and are responsible for overseeing the valuation control process at a franchise and Group level 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 a franchise level by the required technical teams, valuation committees, relevant risk committees and external auditors annually or more frequently if considered appropriate.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. Fair value is therefore a market based measurement and when measuring fair value the Group uses the assumptions that market participants would use when pricing an asset or liability under current market conditions, including assumptions about risk. When determining fair value it is presumed that the entity is a going concern and the fair value is therefore not an amount that represents a forced transaction, involuntary liquidation or a distressed sale.

Fair value measurements are determined by the Group on both a recurring and non-recurring basis.

Recurring fair value measurements

Recurring fair value measurements are those for assets and liabilities that IFRS requires or permits to be recognised at fair value and are recognised in the statement of financial position at reporting date. This includes financial assets, financial liabilities and non-financial assets, including investment properties and commodities, that the Group measures at fair value at the end of each reporting period.

Financial instruments

When determining the fair value of a financial instrument, where the financial instrument has a bid or ask price (for example, in a dealer market), the Group uses the price within the bid-ask spread that is most representative of fair value in the circumstances. Although not a requirement, the Group uses the bid price for financial assets or the ask/offer price for financial liabilities where this best represents fair value.

When determining the fair value of a financial liability or the Group's own equity instruments the quoted price for the transfer of an identical or similar liability or own equity instrument is used. Where this is not available and an identical item is held by another party as an asset, the fair value of the liability or own equity instrument is measured using the quoted price in an active market of the identical item, if that price is available, or using observable inputs (such as the quoted price in an inactive market for the identical item) or using another valuation technique.

Where the Group has any financial liability with a demand feature, such as demand deposits, the fair value is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid where the time value of money is significant.

Non-financial assets

When determining the fair value of a non-financial asset, a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use, is taken into account. This includes the use of the asset that is physically possible, legally permissible and financially feasible. In determining the fair value of the Group's investment properties and commodities, the highest and best use of the assets is their current use.

Non-recurring fair value measurements

Non-recurring fair value measurements are those triggered by particular circumstances and include the classification of assets and liabilities as non-current assets or disposal groups held for sale under IFRS 5, where fair value less costs to sell is the recoverable amount; IFRS 3 business combinations where assets and liabilities are measured at fair value at acquisition date; and IAS 36 impairments of assets where fair value less costs to sell is the recoverable amount. These fair value measurements are determined on a case by case basis as they occur within each reporting period.

Other fair value measurements

Other fair value measurements include assets and liabilities not measured at fair value but for which fair value disclosures are required under another IFRS, e.g. financial instruments at amortised cost. The fair value for these items is determined by using observable quoted market prices where these are available, such as market prices quoted on BESA, or in accordance with generally acceptable pricing models such as a discounted cash flow analysis. Except for the amounts included below, for all other financial instruments at amortised cost the carrying value is equal to or a reasonable approximation of the fair value.

FAIR VALUE HIERARCHY AND MEASUREMENTS

The Group classifies assets and liabilities measured at fair value using a fair value hierarchy that reflects whether observable or unobservable inputs are used in determining the fair value of the item. If this information is not available, fair value is measured using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The valuation techniques employed by the Group include, inter alia, quoted prices for similar assets or liabilities in an active market, quoted prices for the same asset or liability in an inactive market, adjusted prices from recent arm's length transactions, option-pricing models, and discounted cash flow techniques.

Where a valuation model is applied and the Group cannot mark-to-market, it applies a mark-to-model approach, subject to valuation adjustments. Mark-to-model is defined as any valuation which has to be benchmarked, extrapolated or otherwise calculated from a market input. The Group will consider the following in assessing whether a mark-to-model valuation is appropriate:

- as far as possible, market inputs are sourced in line with market prices;

- generally accepted valuation methodologies are consistently used for particular products unless deemed inappropriate by the relevant governance forums;

- where a model has been developed in-house, it is based on appropriate assumptions, which have been assessed and challenged by suitably qualified parties independent of the development process;

- formal change control procedures are in place;

- awareness of the weaknesses of the models used and appropriate reflection in the valuation output where relevant;

- the model is subject to periodic review to determine the accuracy of its performance; and

- valuation adjustments are only made when appropriate, for example, to cover the uncertainty of the model valuation.

VALUATIONS BASED ON OBSERVABLE INPUTS INCLUDE:

LEVEL 1

Fair value is determined using unadjusted quoted prices in active markets for identical assets or liabilities where this is readily available and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. This category includes listed bonds and equity, exchange-traded derivatives, exchange-traded commodities and short trading positions.

LEVEL 2

Fair value is determined using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly such as quoted prices for similar items in an active market or for an identical item in an inactive market, or valuation models using observable inputs or inputs derived from observable market data. This category includes loans and advances to customers, equities listed in an inactive market, certain debt instruments, over the counter derivatives, deposits, other liabilities, Tier 2 liabilities, commodities which are not exchange-traded and investment properties.

LEVEL 3

Fair value is determined using a valuation technique and significant inputs that are not based on observable market data (i.e. unobservable inputs) such as an entity's own assumptions about what market participants would assume in pricing assets and liabilities. The assumptions applied by the Group are set out in the table below. This category includes certain loans and advances to customers, certain over the counter derivatives such as equity options on exchange traded derivatives where a market price is not available, investments in debt instruments, and certain deposits such as credit linked notes.

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

Instrument	Fair value hierarchy level	Valuation technique	Description of valuation technique and main assumptions	Observable inputs	Significant unobservable inputs of level 3 items
Derivative financial instruments					
Option contracts	Level 2 and level 3	Option pricing model	The Black Scholes model is used.	Strike price of the option; market-related discount rate; forward rate, and cap and floor volatility	Volatilities
Futures contracts	Level 2	Discounted cash flows	Future cash flows are discounted using a market-related interest rate. Projected cash flows are obtained by subtracting the strike price of the forward contract from the market projected forward value.	Market interest rates and curves	Not applicable
Swaps	Level 2	Discounted cash flows	The future cash flows are projected using a forward curve and then discounted using a market-related discount curve over the contractual period. The reset date of each swaplet is determined in terms of legal documents pertaining to the swap.	Market interest rates and curves	Not applicable
Forward rate agreements	Level 2	Discounted cash flows	The future cash flows are projected using a forward curve and then discounted using a market-related discount curve over the contractual period. The reset date is determined in terms of legal documents.	Market interest rates and curves	Not applicable
Forward contracts	Level 2	Discounted cash flows	The future cash flows are projected using a forward curve and then discounted using a market-related discount curve over the contractual period. Projected cash flows are obtained by subtracting the strike price of the forward contract from the market projected forward value.	Market interest rates and curves	Not applicable
Credit derivatives	Level 2 and level 3	Discounted cash flows	The future cash flows are discounted using a market-related interest rate. Where prices are obtainable from the market, individual credit spreads are used.	Market interest rates and curves	Credit inputs
Commodity derivatives	Level 2	Discounted cash flows	Commodity-linked instruments are measured by taking into account the price, location differential, grade differential, silo differential and the discount factor of the most liquidly traded futures linked to the commodity.	Futures prices	Not applicable
Equity derivatives	Level 2 and level 3	Industry standard models	The models calculate fair value based on input parameters such as stock 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 applying extrapolation techniques to match the appropriate risk profile.	Market interest rates and curves	Volatilities
Loans and advances to customers					
Investment banking book*	Level 3	Discounted cash flows	The future cash flows are discounted using a market-related interest rate. To calculate the fair value of credit the Group uses a valuation methodology based on the credit spread matrix, which considers loss given default, tenor and the internal credit committee rating criteria. The fair value measurement includes the original credit spread and is repriced when there is a change in rating of the counterparty. A decline in credit rating would result in an increase in the spread above the base rate for discounting purposes and consequently a reduction of the fair value of the advance. Similarly an increase in credit rating would result in a decrease in the spread below the base rate and an increase of the fair value of the advance.	Market interest rates and curves	Credit inputs
Other loans and advances	Level 2 and level 3	Discounted cash flows	The future cash flows are discounted using a market-related interest rate adjusted for credit inputs, over the contractual period.	Market interest rates and curves	Credit inputs

Investment securities and other investments

Equities/bonds listed in an inactive market	Level 2	Discounted cash flows	For listed equities and bonds, 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, these are classified as level 2 and a valuation technique is used, for example the discounted cash flow is used for listed bonds. This 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. The future cash flows are discounted using a market-related interest rate.	Market interest rates and curves	Not applicable
Unlisted bonds	Level 2 and level 3	Discounted cash flows	Unlisted bonds are valued similarly to advances measured at fair value. The future cash flows are discounted using a market-related interest rate adjusted for credit inputs, over the contractual period.	Market interest rates and curves	Credit inputs
Unlisted equities	Level 2 and level 3	Price earnings (P/E) model	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 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	Growth rates and P/E ratios

* The Group has elected to designate the investment banking book advances at fair value through profit or loss. Credit risk is not observable and has a significant impact on the fair value measurement of these advances and as such, these advances are classified as level 3 on the fair value hierarchy.

Negotiable certificates of deposit	Level 2	Discounted cash flows	The future cash flows are discounted using a market-related interest rate. Inputs to these models include information that is consistent with similar market quoted instruments, where available.	Market interest rates and curves	Not applicable
Treasury bills	Level 2	BESA bond pricing model	The BESA bond pricing model uses the BESA mark-to-market bond yield.	Market interest rates and curves	Not applicable
Non-recourse investments	Level 2	Discounted cash flows	The future cash flows are discounted using a discount rate which is determined as a base rate plus a spread. The base rate is determined by the legal agreements as either a bond or swap curve. The spread approximates the level of risk attached to the cash flows. When there is a change in the base rate in the market, the valuation is adjusted accordingly. The valuation model is calibrated to reflect transaction price at initial recognition.	Market interest rates and curves	Not applicable

Deposits

Call and non-term deposits	Level 2	None - the undiscounted amount is used	The undiscounted amount of the deposit is the fair value due to the short-term nature of the instruments. These deposits are financial liabilities with a demand feature and the fair value is not less than the amount payable on demand, i.e. the undiscounted amount of the deposit.	None - the undiscounted amount approximates fair value and no valuation is performed	Not applicable
Non-recourse deposits	Level 2	Discounted cash flows	Fair value for interest rate and foreign exchange risk with no valuation adjustment for own credit risk. Valuation adjustments are affected for changes in the applicable credit ratings of the assets.	Market interest rates and foreign exchange rates; credit inputs	Not applicable
Deposits that represent collateral on credit linked notes	Level 3	Discounted cash flows	These deposits represent the collateral leg of credit linked notes. The forward curve adjusted for liquidity premiums and business unit margins are used. The valuation methodology does not take early withdrawals and other behavioural aspects into account.	Market interest rates and curves	Credit inputs on related advance
Other deposits	Level 2 and level 3	Discounted cash flows	The forward curve 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 and curves	Credit inputs

Other liabilities and Tier 2 liabilities	Level 2	Discounted cash flows	The future cash flows are discounted using a market-related interest rate.	Market interest rates and curves	Not applicable

Investment properties	Level 2	Adjusted market prices	The fair value of investment properties is determined by obtaining a valuation from an independent professional valuer not related to the Group. This fair value is based on observable market prices adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Variables are obtained through surveys and comparable recent market transactions not publicly quoted. These valuations are reviewed annually by a combination of independent and internal valuation experts.	Market prices, rental capitalisation rates, current rentals obtained, remaining lease term and the specialised nature of the properties	Not applicable
Financial assets and liabilities not measured at fair value but for which fair value is disclosed	Level 2 and level 3	Discounted cash flows	The future cash flows are discounted using a market-related interest rate and curves adjusted for credit inputs.	Market interest rates and curves	Credit inputs

During the current reporting period there were no changes in the valuation techniques used by the Group.

The following table presents the recurring fair value measurements and fair value hierarchy of assets and liabilities of the Group recognised at fair value.

	As at 30 June 2014			
R million	Level 1	Level 2	Level 3	Total fair value
Assets				
Recurring fair value measurements				
Derivative financial instruments	22	38 896	120	39 038
Advances*	-	31 923	151 810	183 733
Investment securities and other investments	57 601	38 106	3 958	99 665
Non-recourse investments	-	18 370	-	18 370
Commodities	7 904	-	-	7 904
Investment properties	-	419	-	419
Total financial assets measured at fair value	65 527	127 714	155 888	349 129
Liabilities				
Recurring fair value measurements				
Short trading positions	5 442	-	-	5 442
Derivative financial instruments	25	41 629	5	41 659
Deposits	125	84 940	1 327	86 392
Non-recourse deposits	-	18 370	-	18 370
Other liabilities	-	3 505	-	3 505
Tier 2 liabilities	-	1 030	-	1 030
Total financial liabilities measured at fair value	5 592	149 474	1 332	156 398

* Although the fair value of credit is not significant year-on-year it may become significant in future. For this reason, together with the fact that the majority of South African counterparties do not have actively traded or observable credit spreads, the Group has classified loans and advances to customers in level 3 of the fair value hierarchy. In the event that credit spreads are observable for counterparty, loans and advances to customers are classified as level 2 of the fair value hierarchy.

During the current year there were no assets or liabilities measured at fair value on a non-recurring basis.

There were no transfers of assets or liabilities between level 1 and level 2 during the current year.

R million	Level 1	Level 2	Level 3	Total fair value
	As at 30 June 2013			
Assets				
Recurring fair value measurements				
Derivative financial instruments	181	51 986	110	52 277
Advances*	-	40 376	116 749	157 125
Investment securities and other investments	59 108	44 006	5 330	108 444
Non-recourse investments	-	19 225	-	19 225
Total financial assets measured at fair value	59 289	155 593	122 189	337 071
Liabilities				
Recurring fair value measurements				
Short trading positions	2 991	-	-	2 991
Derivative financial instruments	75	52 932	1	53 008
Deposits	-	84 141	1 517	85 658
Non-recourse deposits	-	19 225	-	19 225
Other liabilities	-	2 023	-	2 023
Tier 2 liabilities	-	1 049	-	1 049
Total financial liabilities measured at fair value	3 066	159 370	1 518	163 954

* Although the fair value of credit is not significant year-on-year it may become significant in future. For this reason, together with the fact that the majority of South African counterparties do not have actively traded or observable credit spreads, the Group has classified loans and advances to customers in level 3 of the fair value hierarchy. In the event that credit spreads are observable for counterparty, loans and advances to customers are classified as level 2 of the fair value hierarchy.

There were no transfers of assets or liabilities between level 1 and level 2 during the prior year.

ADDITIONAL DISCLOSURES FOR LEVEL 3 FINANCIAL INSTRUMENTS

Changes in level 3 instruments with recurring fair value measurements

The following tables show a reconciliation of the opening and closing balances for fair value assets and liabilities classified as level 3 in terms of the fair value hierarchy, for which recurring fair value measurements are required.

	As at 30 June 2014				As at 30 June 2014				
R million	Fair value on 30 June 2013	Gains/losses recognised in profit or loss	Gains/losses recognised in other comprehensive income	Purchases, sales, issues and settlements	Acquisitions/ disposals of subsidiaries	Transfers into level 3	Transfer out of level 3	Exchange rate difference	Fair value on 30 June 2014
Assets									
Derivative financial instruments	110	30	-	(20)	-	-	-	-	120
Advances	116 749	3 511	-	31 110	-	-	-	440	151 810
Investment securities and other investments	5 330	361	4	(1 752)	-	187	(185)	13	3 958
Total financial assets measured at fair value in level 3	122 189	3 902	4	29 338	-	187	(185)	453	155 888
Liabilities									
Derivative financial instruments	1	4	-	-	-	-	-	-	5
Deposits	1 517	59	-	(383)	-	111	-	23	1 327
Total financial liabilities measured at fair value in level 3	1 518	63	-	(383)	-	111	-	23	1 332

Note: Decreases in level 3 assets and liabilities are included in brackets. Decreases in the value of assets may be as a result of losses, sales and settlements or the disposal of subsidiaries. Decreases in the value of liabilities may be as a result of gains, settlements or the disposal of subsidiaries.

During the current reporting period investment securities to the value of R185 million were transferred out of level 3 into level 1 and 2 due to these investment securities listing on an exchange. Of these, investment securities of R150 million were transferred to level 2 as the market is not yet considered to be active for these investments. In addition, investment securities of R187 million and deposits of R111 million were transferred into level 3 out of level 2 because the significant inputs in the fair value measurements became unobservable.

R million	Fair value on 30 June 2012	Gains/losses recognised in profit or loss	Gains/losses recognised in other comprehensive income	Purchases, sales, issues and settlements	Acquisitions/ disposals of subsidiaries	Transfers into level 3	Transfer out of level 3	Exchange rate difference	Fair value on 30 June 2013
	As at 30 June 2013					As at 30 June 2013			
Assets									
Derivative financial instruments	198	34	-	(122)	-	-	-	-	110
Advances	101 109	2 106	-	12 507	-	349	-	678	116 749
Investment securities and other investments	5 404	(852)	24	721	(3)	-	(14)	50	5 330
Total financial assets measured at fair value in level 3	106 711	1 288	24	13 106	(3)	349	(14)	728	122 189
Liabilities									
Derivative financial instruments	147	72	-	(18)	-	-	(200)	-	1
Deposits	3 267	(243)	-	(1 614)	-	-	-	107	1 517
Total financial liabilities measured at fair value in level 3	3 414	(171)	-	(1 632)	-	-	(200)	107	1 518

Note: Decreases in level 3 assets and liabilities are included in brackets. Decreases in the value of assets may be as a result of losses, sales and settlements or the disposal of subsidiaries. Decreases in the value of liabilities may be as a result of gains, settlements or the disposal of subsidiaries.

- Advances to the value of R349 million were transferred out of level 2 to level 3 in the prior year. This transfer was as a result of certain unobservable inputs becoming significant to the calculation of fair value. The inclusion of these advances in level 3 of the fair value hierarchy was, therefore, more appropriate.

- Investment securities to the value of R14 million were transferred out of level 3 and into level 1 as these were previously unlisted shares which listed during June 2013.

- Derivative financial liabilities to the value of R200 million were transferred out of level 3 and into level 2 as a result of a change in input into the valuation techniques used to value these derivatives. The inputs around volatility are based on observable market inputs.

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

The Group classifies assets or liabilities in level 3 of the fair value hierarchy when the significant inputs into the valuation model are not observable. In addition the valuation model for level 3 assets or liabilities typically also relies on a number of inputs that are readily observable either directly or indirectly. Thus, the gains and losses presented below include changes in the fair value related to both observable and unobservable inputs.

The table below presents the total gains or losses relating to fair value remeasurement of assets and liabilities classified in level 3 that are still held at reporting date. With the exception of interest on funding instruments and available-for-sale financial assets, all gains or losses are recognised in non-interest revenue.

	As at 30 June 2014		
R million	Gains/losses recognised in the income statement	Gains/losses recognised in other comprehensive income	Total gains/losses
Assets			
Derivative financial instruments	22	-	22
Advances*	3 039	-	3 039
Investment securities and other investments	287	(1)	286
Total	3 348	(1)	3 347
Liabilities			
Derivative financial instruments	4	-	4
Deposits	(23)	-	(23)
Total	(19)	-	(19)

* Amount mainly comprises accrued interest on the fair value loans and advances and movements in interest rates that have been hedged.

Note: Decreases in the value of level 3 assets and liabilities are indicated with brackets. Decreases in the value of assets may be as a result of losses recognised in profit or loss and other comprehensive income. Decreases in the value of liabilities may be as a result of gains recognised in profit or loss.

	As at 30 June 2013		
R million	Gains/losses recognised in the income statement	Gains/losses recognised in other comprehensive income	Total gains/losses
Assets			
Derivative financial instruments	32	-	32
Advances*	2 414	-	2 414
Investment securities and other investments	155	24	179
Total	2 601	24	2 625
Liabilities			
Derivative financial instruments	-	-	-
Deposits	(146)	-	(146)
Total	(146)	-	(146)

* Amount mainly comprises accrued interest on the fair value loans and advances and movements in interest rates that have been hedged.

Note: Decreases in level 3 assets and liabilities are indicated with brackets. Decreases in the value of assets may be as a result of losses. Decreases in the value of liabilities may be as a result of gains, recognised in profit or loss.

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

	As at 30 June 2014		As at 30 June 2014			As at 30 June 2013		
			Reasonably possible alternative fair value			Reasonably possible alternative fair value		
R million	Significant unobservable inputs	Reasonably possible changes to significant unobservable inputs	Fair value	Using more positive assumptions	Using more negative assumptions	Fair value	Using more positive assumptions	Using more negative assumptions
Assets								
Derivative financial instruments	Volatilities	Volatilities increased and decreased by 10%	120	175	107	110	136	93
Advances	Credit	Credit migration matrix*	151 810	153 180	151 817	116 749	118 166	115 625
Investment securities and other investments	Growth rates and P/E ratios of unlisted investments	Unobservable inputs increased and decreased by 10%	3 958	4 381	3 540	5 330	5 985	4 591
Total financial assets measured at fair value in level 3			155 888	157 736	155 464	122 189	124 287	120 309
Liabilities								
Derivative financial instruments	Volatilities	Volatilities increased and decreased by 10%	5	5	5	1	1	1
Deposits	Credit risk of the cash collateral leg of credit linked notes	Credit migration matrix**	1 327	1 195	1 460	1 517	1 365	1 668
Total financial liabilities measured at fair value in level 3			1 332	1 200	1 465	1 518	1 366	1 669

* The credit migration matrix is used as part of the Group's credit risk management process for advances measured at fair value through profit or loss. The matrix is a simulation model that contains a matrix of probabilities for downgrading or upgrading to another rating bucket. The migration matrix is based on actual observed rating migrations from S&P over the long term and is based on the fair value in the 75th percentile.

** The deposits included in level 3 of the hierarchy represent the collateral leg of credit linked notes. The most significant unobservable input in determining the fair value of the credit linked notes is the credit risk component. 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.

OTHER FAIR VALUE MEASUREMENTS

The following represents the fair values of financial instruments not carried at fair value on the statement of financial position, but for which fair value is required to be disclosed.

	As at 30 June 2014					As at 30 June 2013	
R million	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value
Assets							
Advances	502 195	505 747	-	72 581	433 166	443 940	437 876
Investment securities and other investments	1 072	1 070	-	729	341	719	715
Total financial assets at amortised cost	503 267	506 817	-	73 310	433 507	444 659	438 591
Liabilities							
Deposits	663 472	664 789	18 156	646 537	96	592 152	593 585
Other liabilities	3 075	2 850	-	975	1 875	4 068	3 911
Tier 2 liabilities	10 953	11 216	-	11 099	117	7 067	7 189
Total financial liabilities at amortised cost	677 500	678 855	18 156	658 611	2 088	603 287	604 685

For all other financial instruments the carrying value is equal to or a reasonable approximation of the fair value.

Day 1 profit or loss

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the entry or exit price) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. Day 1 profit or loss arises on the initial recognition of a financial instrument when the fair value of the instrument is determined using a valuation technique that makes use of inputs that are not observable in an active market. In terms of IAS 39 if the fair value determined in accordance with such a valuation technique differs from the transaction price the initial recognition should take place at the transaction price. The day 1 profits or losses arising as a result of the difference between the two values should only be recognised over the life of the instrument as a result of changes that would also be considered by market participants.

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	2014	2013
Balance at 1 July	28	37
Day 1 profits or losses not recognised on financial instruments initially recognised in the current year	-	-
Amount recognised in profit or loss as a result of changes which would be observable by market participants	(8)	(9)
Balance at 30 June	20	28

RESTATEMENT OF PRIOR YEAR NUMBERS (AUDITED)

DESCRIPTION OF RESTATEMENTS

IFRS 10, IFRS 11, IFRS 12, IAS 27R and IAS 28R

Under IFRS 10 there is one approach for determining consolidation of all entities based on concepts of power, variability of returns and linkage. The application of control will be applied irrespective of the nature of the investee. The Group has control over an investee when the Group is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 11 places more focus on the investor's rights and obligations than on the structure of the arrangement when determining whether a joint arrangement exists.

IFRS 12 is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including unconsolidated structured entities. The standard impacts disclosure only and has no impact on recognition and measurement.

The adoption of IFRS 10 and 11 resulted in the following:

- reclassification of a number of entities between associates and joint ventures. As it has always been the Group's policy to account for joint ventures in accordance with the equity accounting method the reclassification did not result in a change in measurement;

- a number of structured entities no longer meet the control criteria in terms of IFRS 10 and consequently are no longer consolidated;

- a private equity investment previously classified as an associate was considered to be controlled under IFRS 10; and

- first and third party insurance cell captives do not meet the definition of asset silos in terms of IFRS 10 and, therefore, do not qualify for consolidation. The insurance policies in the Group's first party cells insure the risk arising from the Group's defined benefit plans. Those insurance contracts are now considered to be plan assets in terms of IAS 19 and are accounted for as such. The excess profit in the cell captive is recognised as a financial asset in accounts receivable. The third party cell captives previously consolidated by the Group are now treated as profit share arrangements and the income arising from the arrangements is included in other non-interest revenue. To the extent that these remain unpaid the balance is recognised in accounts receivable.

IAS 19

Amendments to IAS 19 require that all actuarial gains and losses in respect of defined benefit post-employment plans are recognised in other comprehensive income. In addition, the standard no longer requires the expected return on plan assets to be recognised in profit or loss, rather a net interest income/expense be recognised on the net asset or liability. All other remeasurements relating to plan assets are also recognised in other comprehensive income.

Loans to associates and joint venture

In accordance with IAS 28, the Group's net investment in associates and joint ventures includes loans for which settlement is neither planned nor likely in the foreseeable future. The Group historically included these loans as part of investments in associates and joint ventures and reflected these as such on the statement of financial position.

Given the underlying debt nature of these loans and developing industry practice, the Group has decided to present these loans as advances. These loans will continue to form part of the Group’s net investment in the associate or joint venture for purposes of determining the share of losses of the investee attributable to the Group and impairment.

The change in presentation had no impact on the net asset value of the Group, only on the classification of items on the statement of financial position.

RESTATED SUMMARISED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013 - IFRS (AUDITED)

R million	As previously reported	IFRS 10 and 11	IAS 19	Reclass-ification of loans to associates and joint ventures	Restated
Net interest income before impairment of advances	24 715	54	-	-	24 769
Impairment of advances	(4 812)	20	-	(15)	(4 807)
Net interest income after impairment of advances	19 903	74	-	(15)	19 962
Non-interest revenue	31 614	(880)	-	-	30 734
Income from operations	51 517	(806)	-	(15)	50 696
Operating expenses	(31 486)	667	15	-	(30 804)
Net income from operations	20 031	(139)	15	(15)	19 892
Share of profit of associates after tax	523	(15)	-	15	523
Share of profit of joint ventures after tax	301	-	-	-	301
Income before tax	20 855	(154)	15	-	20 716
Indirect tax	(645)	-	-	-	(645)
Profit before tax	20 210	(154)	15	-	20 071
Income tax expense	(4 532)	415	-	-	(4 117)
Profit for the year	15 678	261	15	-	15 954
Attributable to:					
Ordinary equityholders	14 539	231	15	-	14 785
NCNR preference shareholders	297	-	-	-	297
Equityholders of the Group	14 836	231	15	-	15 082
Non-controlling interests	842	30	-	-	872
Profit for the year	15 678	261	15	-	15 954

RESTATED SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013 - IFRS (AUDITED)

R million	As previously reported	IFRS 10 and 11	IAS 19	Reclass- ification of loans to associates and joint ventures	Restated
Profit for the year	15 678	261	15	-	15 954
Items that may subsequently be reclassified to profit or loss					
Cash flow hedges	853	-	-	-	853
Gains arising during the year	417	-	-	-	417
Reclassification adjustments for amounts included in profit or loss	768	-	-	-	768
Deferred income tax	(332)	-	-	-	(332)
Available-for-sale financial assets	(89)	(15)	-	-	(104)
Losses arising during the year	(102)	(15)	-	-	(117)
Reclassification adjustments for amounts included in profit or loss	(33)	-	-	-	(33)
Deferred income tax	46	-	-	-	46
Exchange differences on translating foreign operations	990	8	-	-	998
Gains arising during the year	990	8	-	-	998
Share of other comprehensive income of associates and joint ventures after tax and non-controlling interests	129	-	-	-	129
Items that may not subsequently be reclassified to profit or loss					
Remeasurement on defined benefit post-employment plans	-	-	22	-	22
Gains arising during the year	-	-	30	-	30
Deferred income tax	-	-	(8)	-	(8)
Other comprehensive income for the year	1 883	(7)	22	-	1 898
Total comprehensive income for the year	17 561	254	37	-	17 852
Attributable to:					
Ordinary equityholders	16 358	230	37	-	16 625
NCNR preference shareholders	297	-	-	-	297
Equityholders of the Group	16 655	230	37	-	16 922
Non-controlling interests	906	24	-	-	930
Total comprehensive income for the year	17 561	254	37	-	17 852

RESTATED SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013 - IFRS (AUDITED)

R million	As previously reported	IFRS 10 and 11	IAS 19	Reclass-ification of loans to associates and joint ventures	Restated
ASSETS					
Cash and cash equivalents	49 620	(1 055)	-	-	48 565
Derivative financial instruments	52 316	(39)	-	-	52 277
Commodities	6 016	-	-	-	6 016
Accounts receivable	7 471	333	-	-	7 804
Current tax asset	275	(9)	-	-	266
Advances	598 975	488	-	1 602	601 065
Investment securities and other investments	131 293	(2 905)	-	-	128 388
Investments in associates	6 082	6	-	(1 602)	4 486
Investments in joint ventures	910	-	-	-	910
Property and equipment	14 058	(605)	-	-	13 453
Intangible assets	1 169	-	-	-	1 169
Reinsurance assets	394	-	-	-	394
Post-employment benefit asset	13	-	(13)	-	-
Investment properties	459	-	-	-	459
Deferred income tax asset	598	(138)	-	-	460
Non-current assets and disposal groups held for sale	20	-	-	-	20
Total assets	869 669	(3 924)	(13)	-	865 732
EQUITY AND LIABILITIES					
Liabilities					
Short trading positions	2 991	-	-	-	2 991
Derivative financial instruments	53 013	(5)	-	-	53 008
Creditors and accruals	11 155	(76)	-	-	11 079
Current tax liability	553	(40)	-	-	513
Deposits	697 005	30	-	-	697 035
Provisions	600	-	-	-	600
Employee liabilities	8 092	(2 546)	311	-	5 857
Other liabilities	6 669	(568)	-	-	6 101
Policyholder liabilities under insurance contracts	1 112	(466)	-	-	646
Deferred income tax liability	735	18	-	-	753
Tier 2 liabilities	8 116	-	-	-	8 116
Total liabilities	790 041	(3 653)	311	-	786 699
Equity					
Ordinary shares	55	-	-	-	55
Share premium	5 397	212	-	-	5 609
Reserves	66 733	(455)	(324)	-	65 954
Capital and reserves attributable to ordinary equityholders	72 185	(243)	(324)	-	71 618
NCNR preference shares	4 519	-	-	-	4 519
Capital and reserves attributable to equityholders of the Group	76 704	(243)	(324)	-	76 137
Non-controlling interests	2 924	(28)	-	-	2 896
Total equity	79 628	(271)	(324)	-	79 033
Total equity and liabilities	869 669	(3 924)	(13)	-	865 732

RESTATED SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012 - IFRS (AUDITED)

R million	As previously reported	IFRS 10 and 11	IAS 19	Reclass-ification of loans to associates and joint ventures	Restated
ASSETS					
Cash and cash equivalents	38 363	(1 046)	-	-	37 317
Derivative financial instruments	52 913	(202)	-	-	52 711
Commodities	5 108	-	-	-	5 108
Accounts receivable	6 007	220	-	(5)	6 222
Current tax asset	331	(4)	-	-	327
Advances	524 507	660	-	2 112	527 279
Investment securities and other investments	119 708	(2 932)	-	-	116 776
Investments in associates	6 132	-	-	(2 107)	4 025
Investments in joint ventures	737	-	-	-	737
Property and equipment	12 026	(798)	-	-	11 228
Intangible assets	1 743	-	-	-	1 743
Reinsurance assets	898	-	-	-	898
Post-employment benefit asset	7	-	(7)	-	-
Investment properties	215	-	-	-	215
Deferred income tax asset	471	(128)	-	-	343
Non-current assets and disposal groups held for sale	599	-	-	-	599
Total assets	769 765	(4 230)	(7)	-	765 528
EQUITY AND LIABILITIES					
Liabilities					
Short trading positions	5 343	-	-	-	5 343
Derivative financial instruments	53 760	-	-	-	53 760
Creditors and accruals	9 086	(82)	-	-	9 004
Current tax liability	386	(52)	-	-	334
Deposits	606 281	18	-	-	606 299
Provisions	592	-	-	-	592
Employee liabilities	6 933	(2 613)	663	-	4 983
Other liabilities	6 383	(589)	-	-	5 794
Policyholder liabilities under insurance contracts	1 517	(428)	-	-	1 089
Deferred income tax liability	1 679	(267)	-	-	1 412
Tier 2 liabilities	7 885	1	-	-	7 886
Liabilities directly associated with disposal groups held for sale	113	-	-	-	113
Total liabilities	699 958	(4 012)	663	-	696 609
Equity					
Ordinary shares	55	-	-	-	55
Share premium	5 216	216	-	-	5 432
Reserves	57 250	(368)	(670)	-	56 212
Capital and reserves attributable to ordinary equityholders	62 521	(152)	(670)	-	61 699
NCNR preference shares	4 519	-	-	-	4 519
Capital and reserves attributable to equityholders of the Group	67 040	(152)	(670)	-	66 218
Non-controlling interests	2 767	(66)	-	-	2 701
Total equity	69 807	(218)	(670)	-	68 919
Total equity and liabilities	769 765	(4 230)	(7)	-	765 528

CONTINGENCIES AND COMMITMENTS (AUDITED)

as at 30 June

R million	2014	2013	% change
Contingencies			
Guarantees	33 114	30 137	10
Letters of credit	7 588	9 195	(17)
Total contingencies	40 702	39 332	3
Capital commitments			
Contracted capital commitments	1 169	1 585	(26)
Capital expenditure authorised not yet contracted	2 795	1 902	47
Total capital commitments	3 964	3 487	14
Other commitments			
Irrevocable commitments	78 785	78 783	-
Operating lease and other commitments	3 166	3 113	2
Total other commitments	81 951	81 896	-
Total contingencies and commitments	126 617	124 715	2

NUMBER OF ORDINARY SHARES IN ISSUE (AUDITED)

for the year ended 30 June

	2014	2013
Shares in issue		
Opening balance as at 1 July	5 637 941 689	5 637 941 689
Less: treasury shares	(152 823 701)	(151 690 151)
– BEE staff trusts	(151 401 072)	(151 401 072)
– Shares held by policyholders	(1 422 629)	(289 079)
Number of shares in issue (after treasury shares)	5 485 117 988	5 486 251 538
Weighted average number of shares		
Weighted average number of shares before treasury shares	5 637 941 689	5 637 941 689
Less: treasury shares	(152 688 931)	(155 454 963)
– Staff schemes	–	(446 141)
– BEE staff trusts	(151 401 072)	(151 401 072)
– Policyholder and mutual funds deemed treasury shares	(1 287 859)	(3 607 750)
Weighted average number of shares in issue	5 485 252 758	5 482 486 726
Dilution impact		
Staff schemes	30 121	25 846 994
BEE staff trusts	57 719 182	41 690 956
Diluted weighted average number of shares in issue	5 543 002 061	5 550 024 676
Number of shares for normalised earnings per share calculation		
Actual weighted average and diluted weighted average number of shares for calculation of normalised earnings and diluted earnings per share	5 637 941 689	5 637 941 689

COMPANY INFORMATION

DIRECTORS

LL Dippenaar (Chairman), SE Nxasana (Chief executive officer), JP Burger (Deputy chief executive officer), HS Kellan (Financial director), VW Bartlett, JJH Bester, MS Bomela, P Cooper (alternate), L Crouse, JJ Durand, GG Gelink, PM Goss, NN Gwagwa, PK Harris, WR Jardine, RM Loubser, EG Matenge-Sebesho, AT Nzimande, D Premnarayen (India), KB Schoeman, BJ van der Ross, JH van Greuning

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