

2006 Year End Results Presentation



FIRSTRAND

Agenda

- Financial highlights
- Growth themes
- Concluding remarks
 - Strategic issues
 - Prospects



integrated



The Group delivers to shareholders

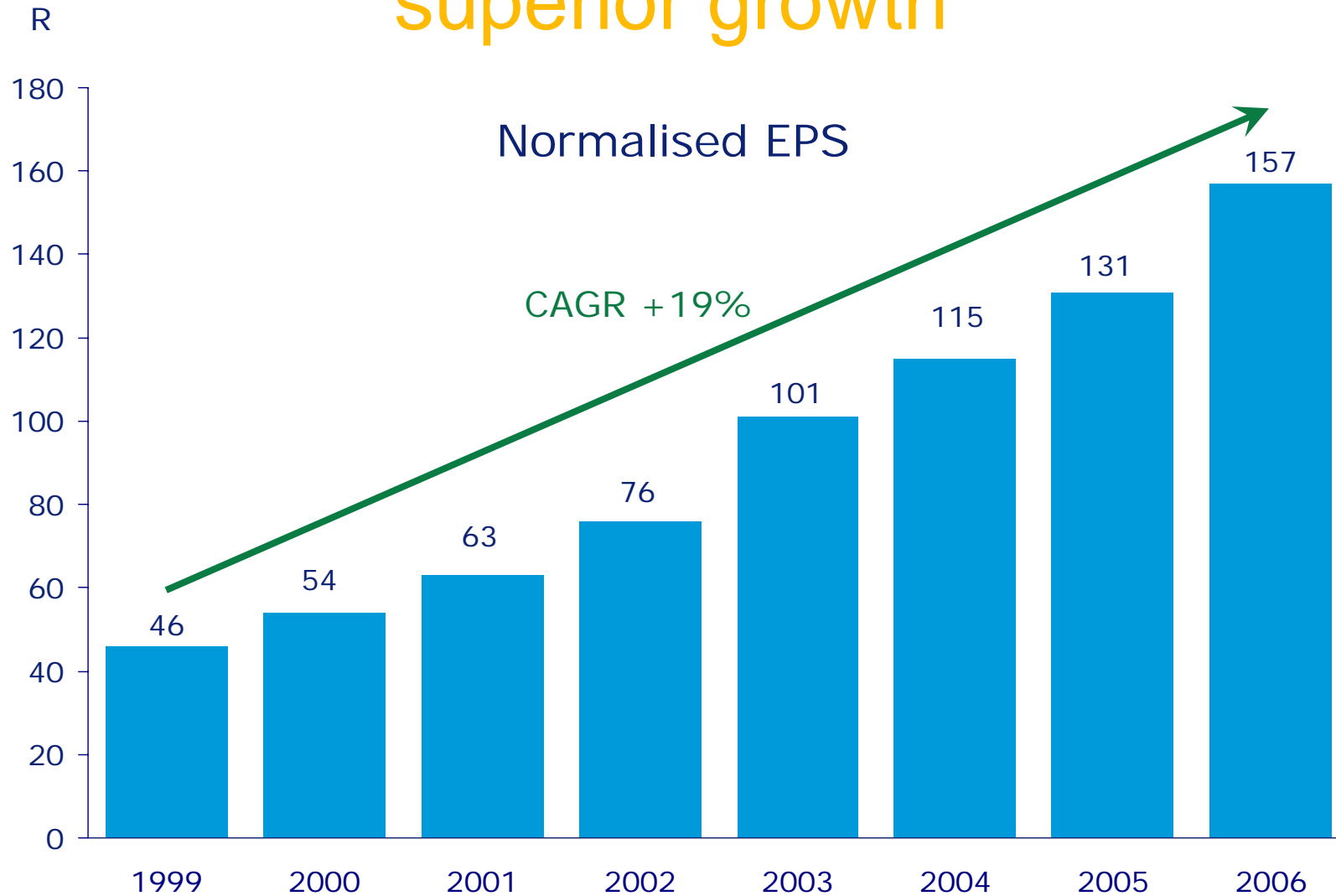
R' bn	June '06 Normalised	% change
Headline earnings	8.8	21
Dividends per share (cents)	66	20
Return on equity (%)	25	
Total assets	772	24



integrated



With a track record of superior growth



integrated



Capitalising on our environment

Macro-economic environment

- Lower inflation and interest rates
- Emerging black consumer
- Black economic empowerment

Our strategy

- Organic growth
- Collaboration between business units
- Owner-manager culture



integrated



Low interest rates were a catalyst for growth

- Higher asset values
- Higher levels of borrowing
- Lower levels of bad debts
- Better equity markets



integrated



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Our strategy

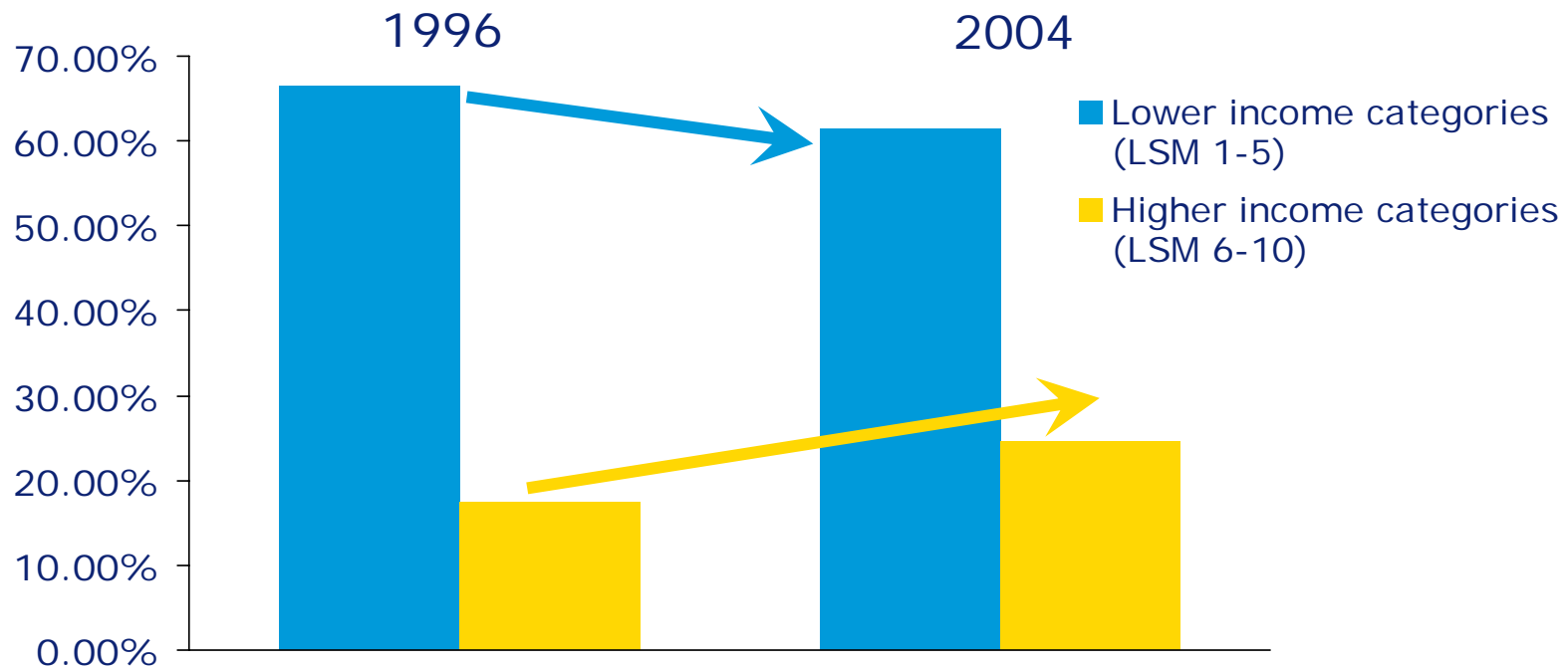
- Organic growth
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- Owner-manager culture



integrated



A new consumer has emerged



- Growth in economy
- Employment growth
- Employment equity
- Tax and interest rate cuts



integrated



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Our strategy

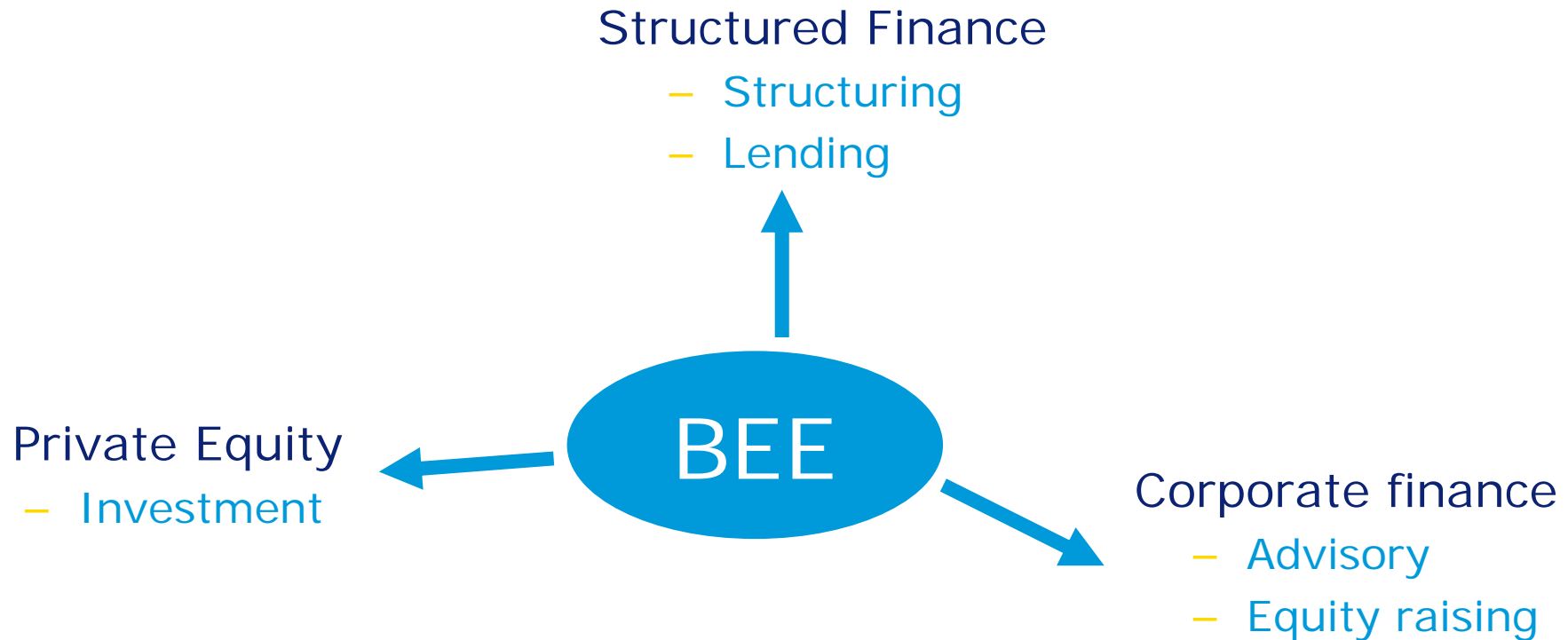
- Organic growth
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integrated



RMB's leadership in BEE



Jan 04 – Jun 06 RMB mandated for 44% of BEE deals by value



integrated



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integrated



Pursuing organic growth

- WesBank new business 28%
- FNB HomeLoans new business 58%
- FNB Card advances 36%
- FNB Corporate deposits 29%
- RMB Private Bank advances 28%
- Momentum new business 38%
- Discovery Life new business 25%



integrated



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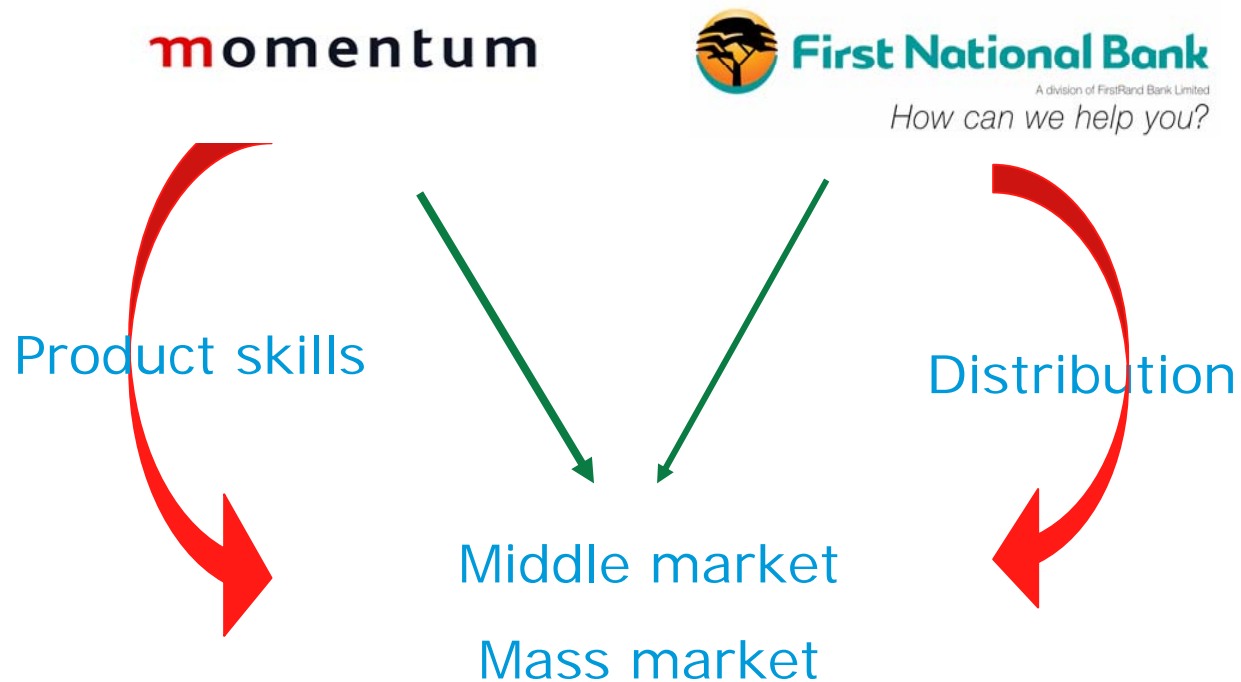


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Collaboration adding value

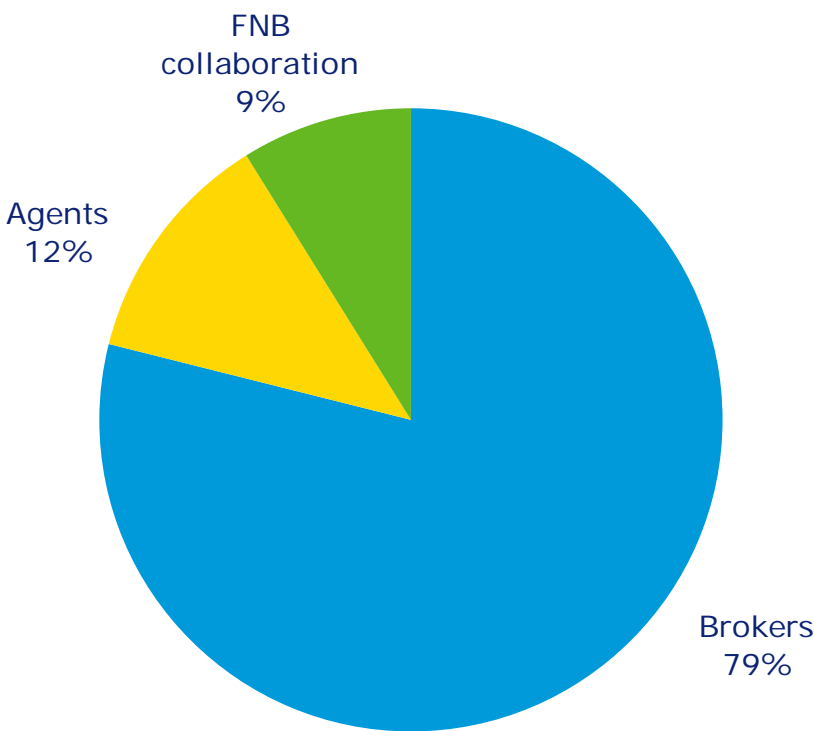
FNB branded products



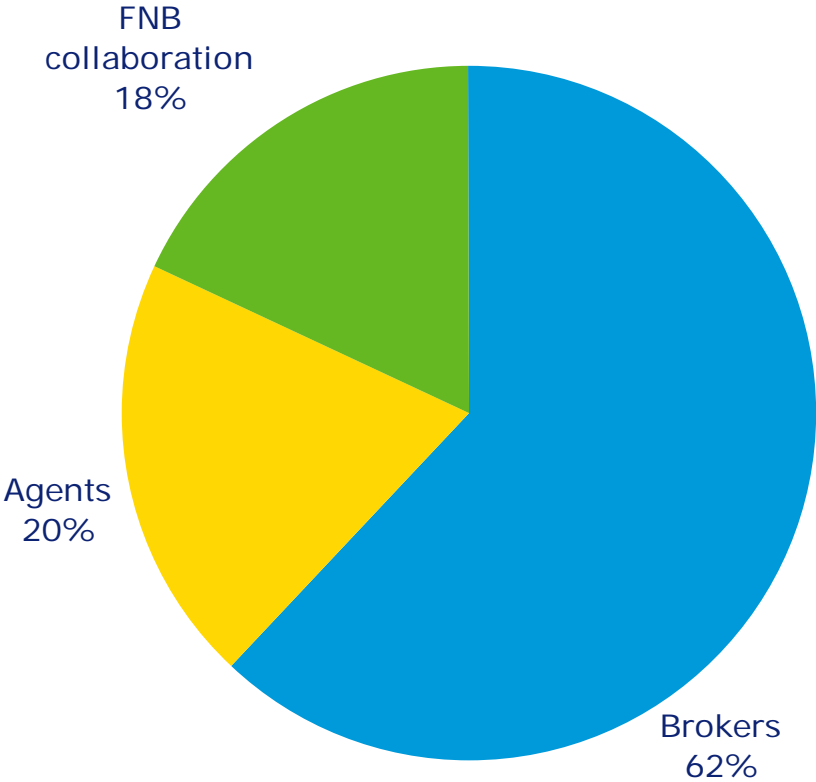
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Growing our distribution channels



2005



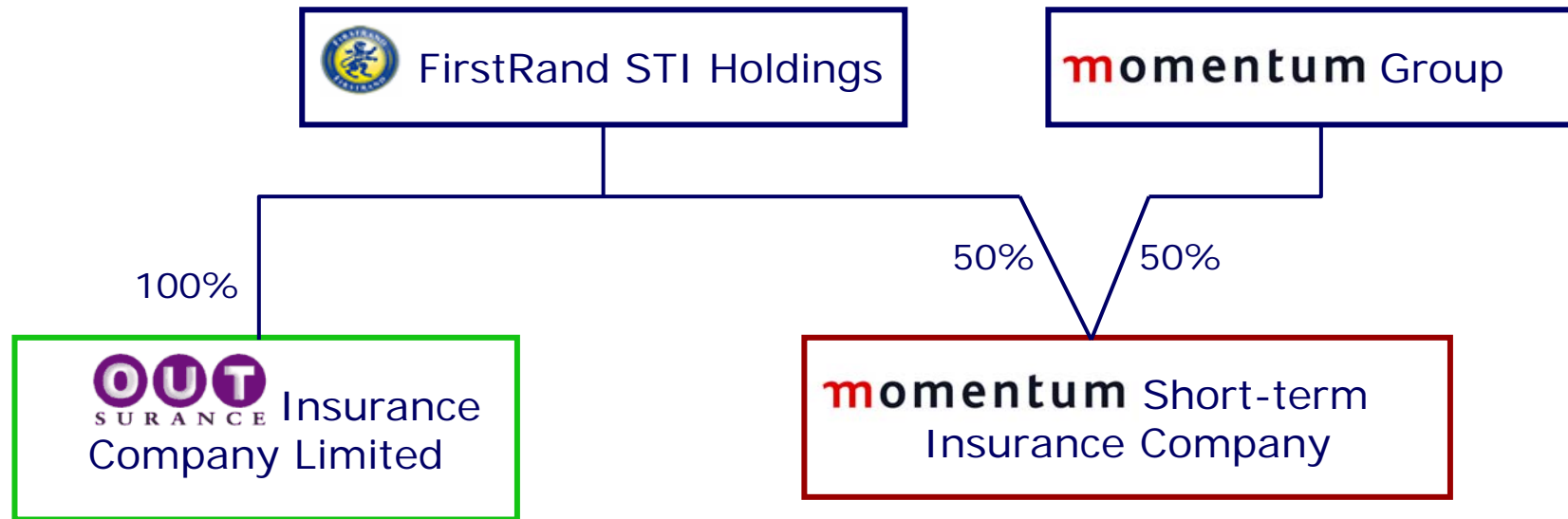
2006



integrated



Leveraging off skills and platforms



- Start up in 2005
- Ahead of business plan

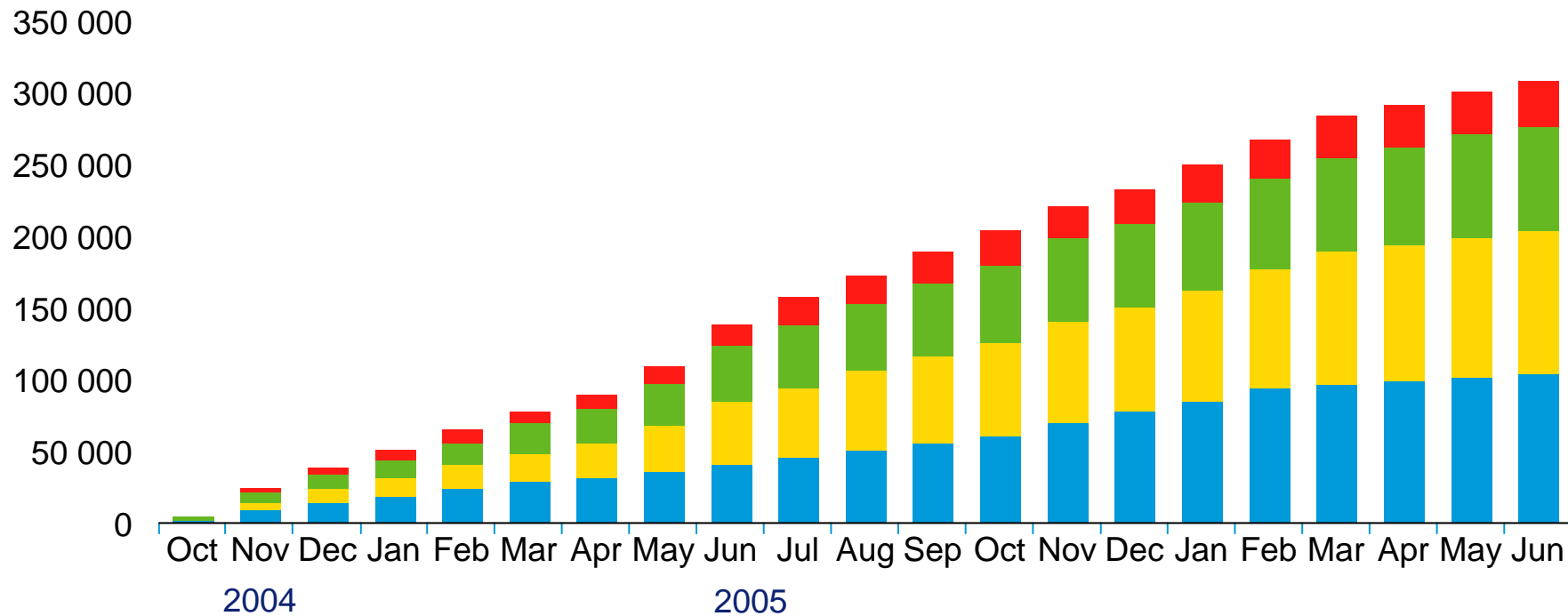


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Discovery Card on a roll

Electron Silver Gold Platinum



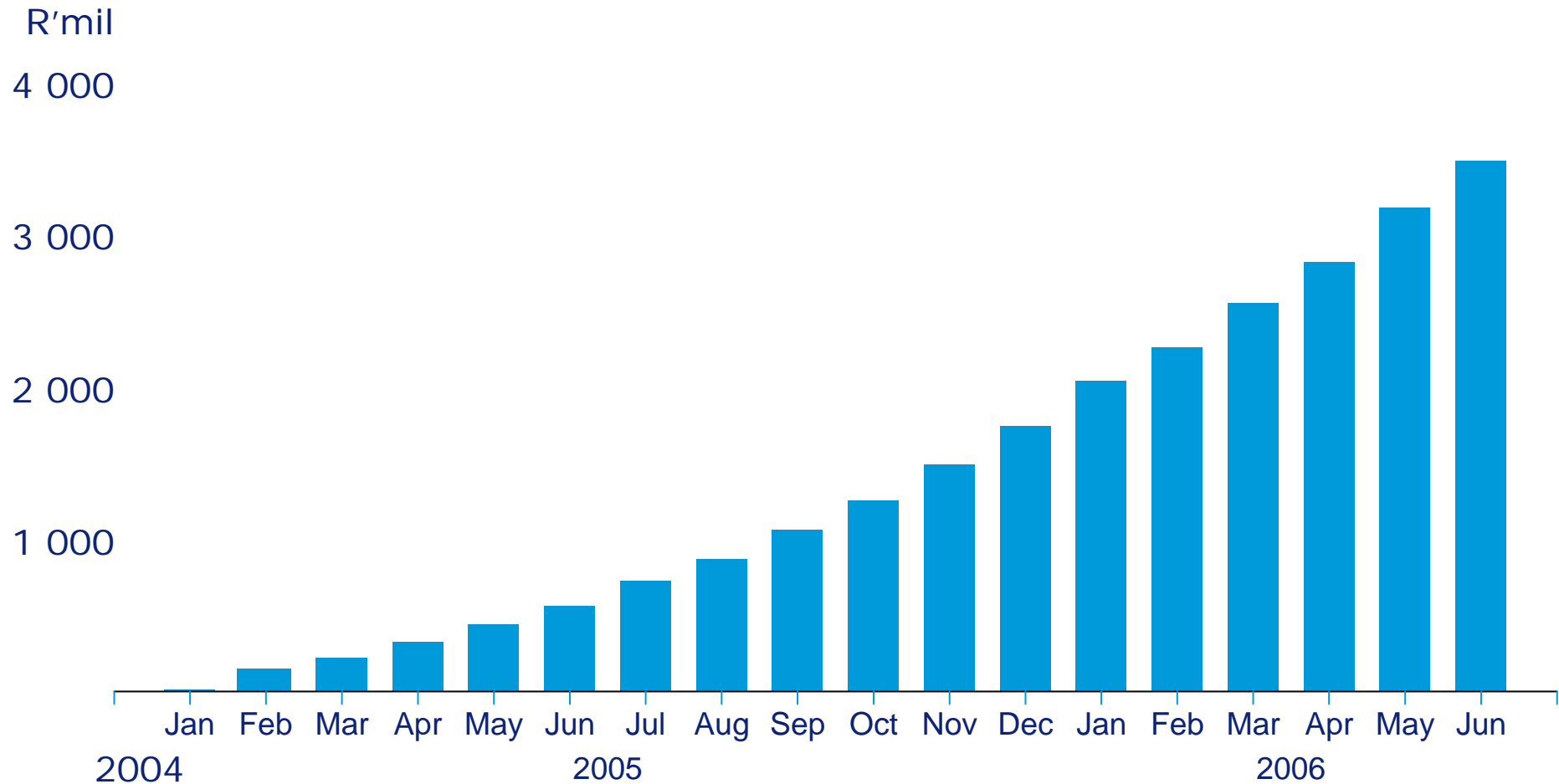
73% of Vitality members now have a Discovery Card



integrated



And customers are spending



integrated



Bancassurance still growing strongly

Retail NPBT from insurance operations up 28%

Existing operations	June 05 (R'm)	June 06 (R'm)	% change
OUTsurance	214	225	5
FirstLink	60	68	13
WesBank	267	394	48
HomeLoans	63	63	0
FNB Life	20	49	>100
FNB Consultants	49	63	29
Total	673	862	28



integrated



With significant growth in the pipeline

Start up operations

R' mil	Date started	June 06
FNB middle market	Jan 06	(23)
Momentum Short Term	Oct 05	(21)
Discovery Card	Oct 04	(93)
Total		(137)



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integrated



Owner manager culture key to our success

- Leading brands in niche markets











momentum



integrated



Changing the insurance landscape

Product	Ranked 1	Ranked 2	Ranked 3
Health	 Discovery	momentum	
Investment products		momentum	
Life Risk products	momentum	 Discovery	
Motor insurance			
Other			
Customer relationships	 Discovery	momentum	
Innovations	 Discovery		momentum
Marketing strategies		 Discovery	
Technically competent staff		 Discovery	

Source: PWC Peer review



integrated



Owner-manager culture key to our success

- Leading brands in niche markets



- Empowered and experienced management and staff
- Seek to differentiate and innovate
- Each business is committed to growth strategy





Group financial review



FIRSTRAND

Another excellent performance

R' mil	June '06 Normalised	June '05 Normalised	% change
Headline earnings	8 818	7 276	21
Headline earnings per share			
- Basic	156.9	132.4	19
- Diluted	156.7	131.4	19
Return on equity (%)	25	25	
Net asset value per share (cents)	671	577	16
Dividend growth (%)	20	20	



All businesses delivered

R' mil	June '06 Normalised	June '05 Normalised	% change
Banking Group	7 268	6 062	20
Momentum	1 564	1 270	23
Discovery	424	316	34
FirstRand Limited	(164)	(304)	46
- Income on BEE funding	203	-	
- FirstRand costs	(367)	(304)	
Sub-total	9 092	7 344	24
Less: NCNR preference dividends	(274)	(68)	
Normalised earnings for the group	8 818	7 276	21



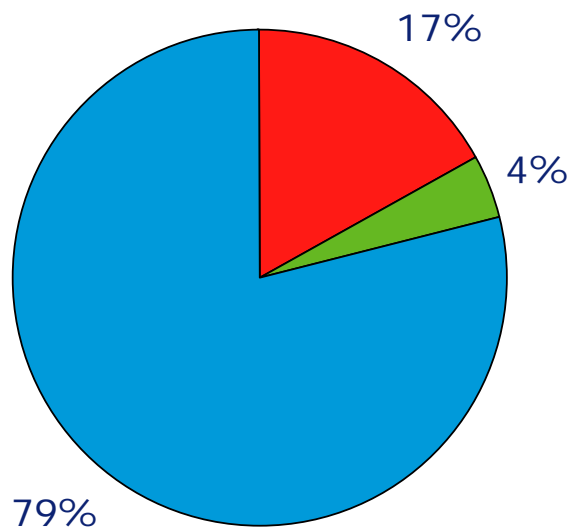
Normalised vs Headline

R' mil	June '06	June '05	% change
Normalised earnings	8 818	7 276	21
Adjusted for:	(703)	(553)	
- Private equity realisations	(219)	(406)	
- National treasury settlement	(30)	-	
- Discovery BEE	(102)		
- Treasury shares	(352)	(147)	
Headline earnings	8 115	6 723	21

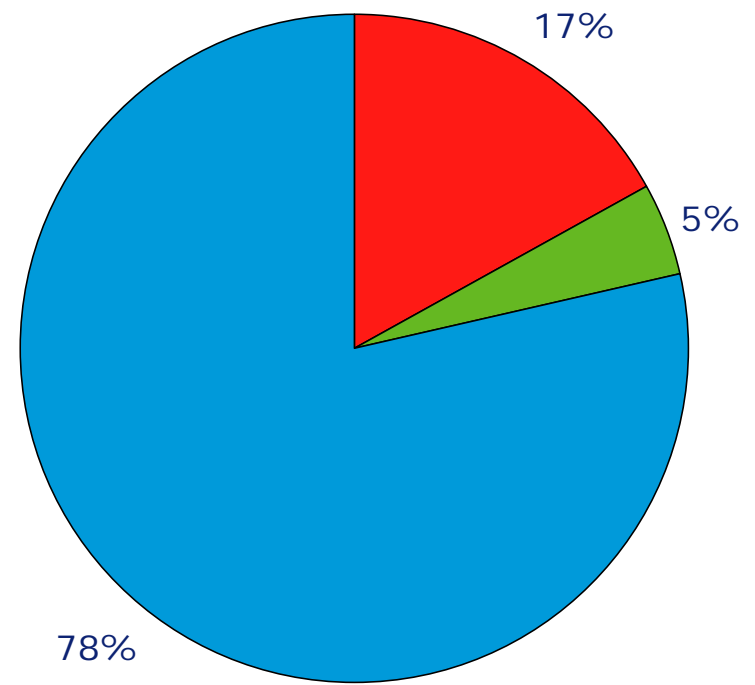


Banking continues to dominate

2005



2006



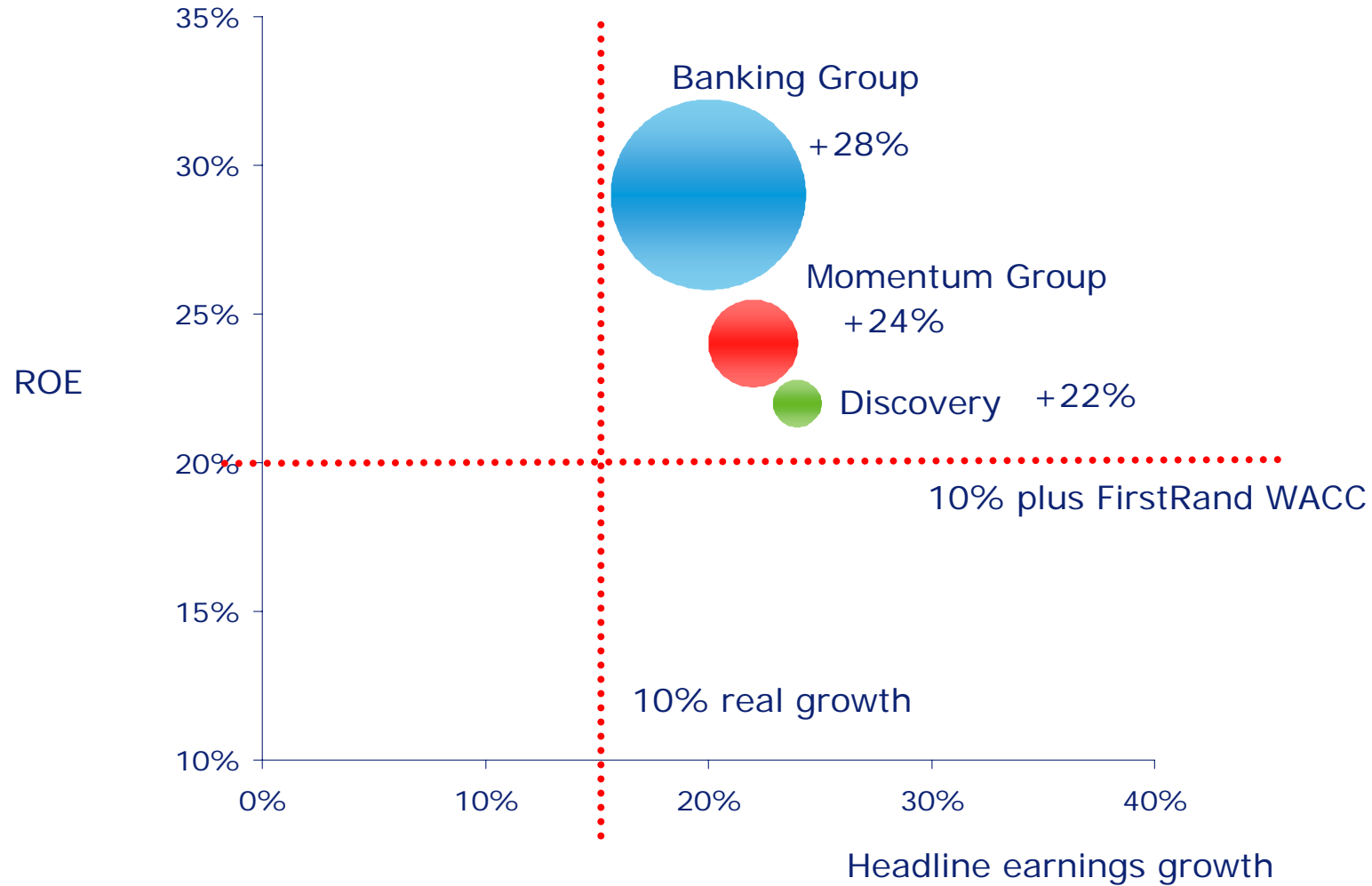
■ Momentum ■ Discovery ■ FirstRand



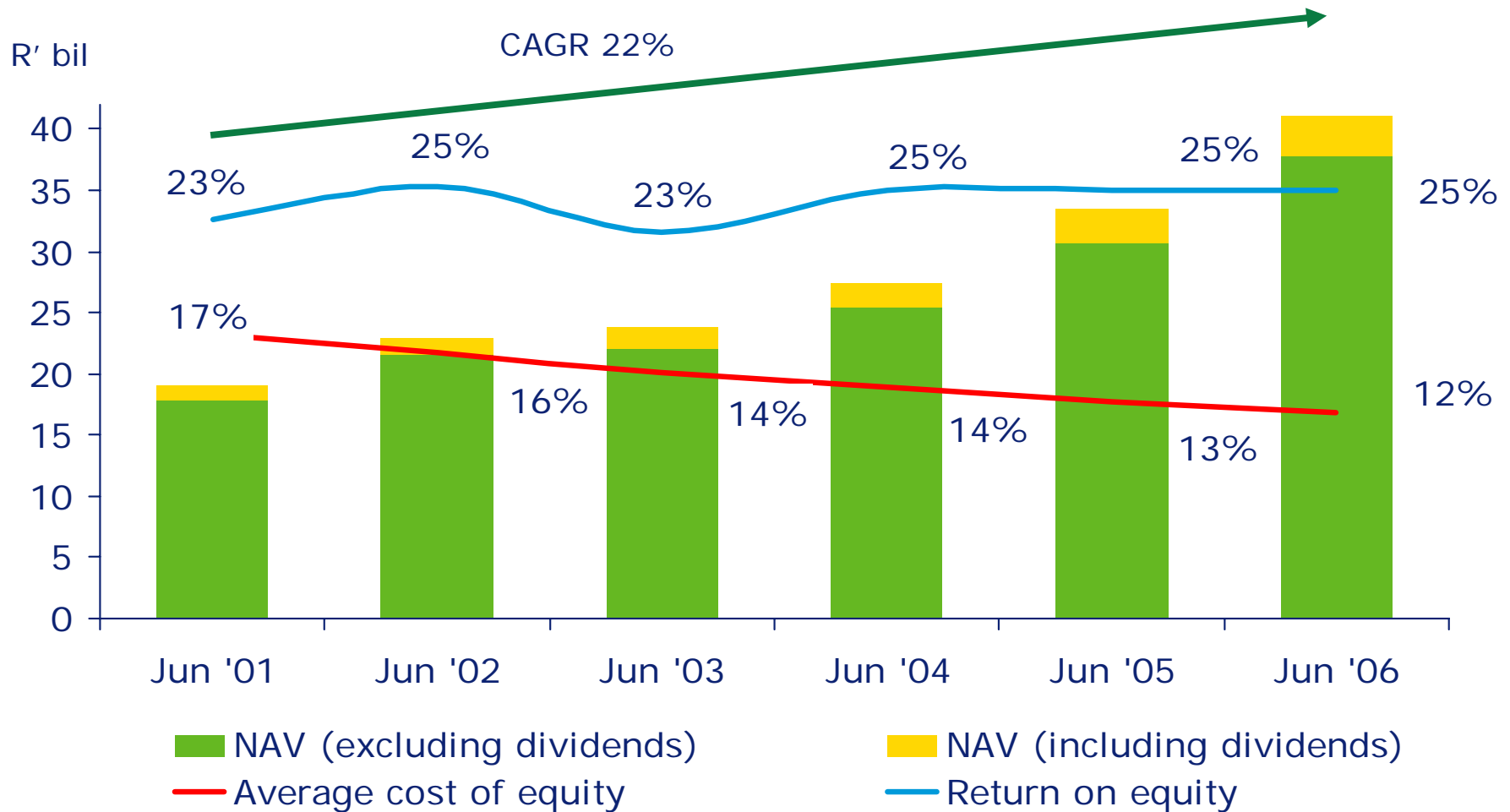
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Financial targets met

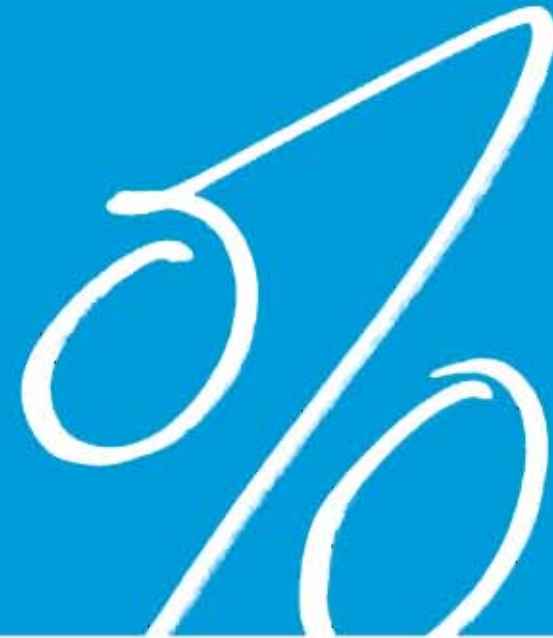


Re-investing to deliver shareholder value



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Banking financial review



FIRSTRAND
— Banking Group —

Bank delivers on key measures

R 'mil	Target	June '06 Normalised	June '05 Normalised
Headline earnings		7 268	6 062
Headline earnings growth (%)		20	21
Return on equity (%)		28	27
Return on assets		1.89	1.84
Credit loss ratio (%)		0.50	0.32
Cost to income ratio (%)		53	56

* NHE are post IFRS adjustments, all other slides are on a pre IFRS basis, unless stated

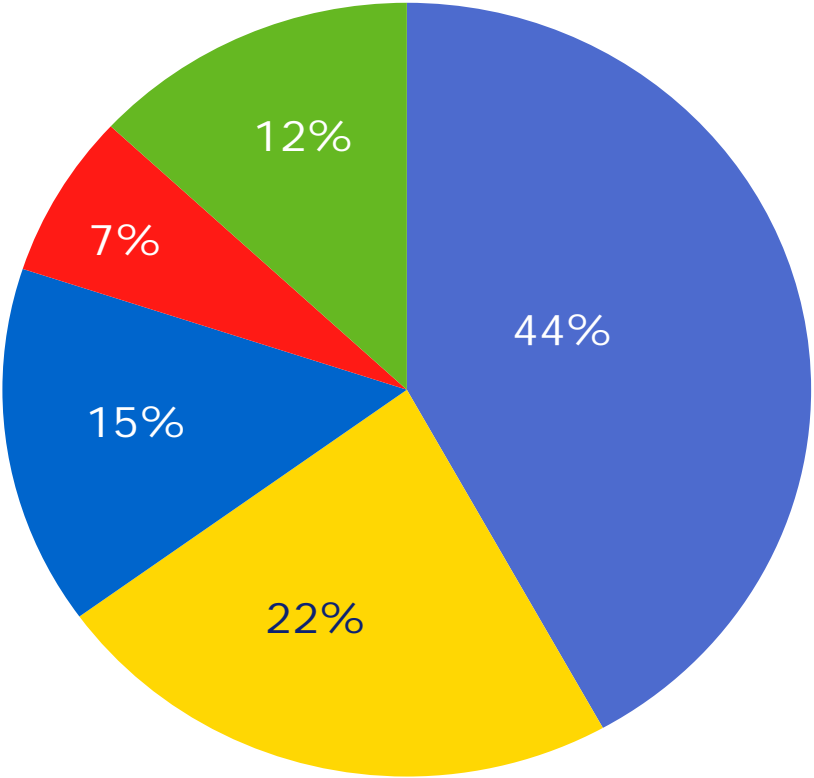


All brands deliver

R 'mil	June '06	June '05	Growth %
FNB	5 060	4 147	22
RMB	2 608	1 890	38
WesBank	1 755	1 404	25
FNB Africa	768	653	18
OUTsurance	251	204	23
Capital centre and group support	1 184	1 328	-11
Profit before direct tax	11 626	9 626	21



Superior returns from diversified portfolio



- FNB
- RMB
- WesBank
- Africa
- Capital & support

Return on equity	%
FNB	32
RMB	36
WesBank	29
Africa	29

Financial highlights

- | | | |
|----------------------------|-----|---|
| • Net interest income | 15% | ▲ |
| • Credit impairment charge | 86% | ▲ |
| • Non interest revenue | 30% | ▲ |
| • Associate earnings | 39% | ▲ |
| • Operating expenses | 17% | ▲ |

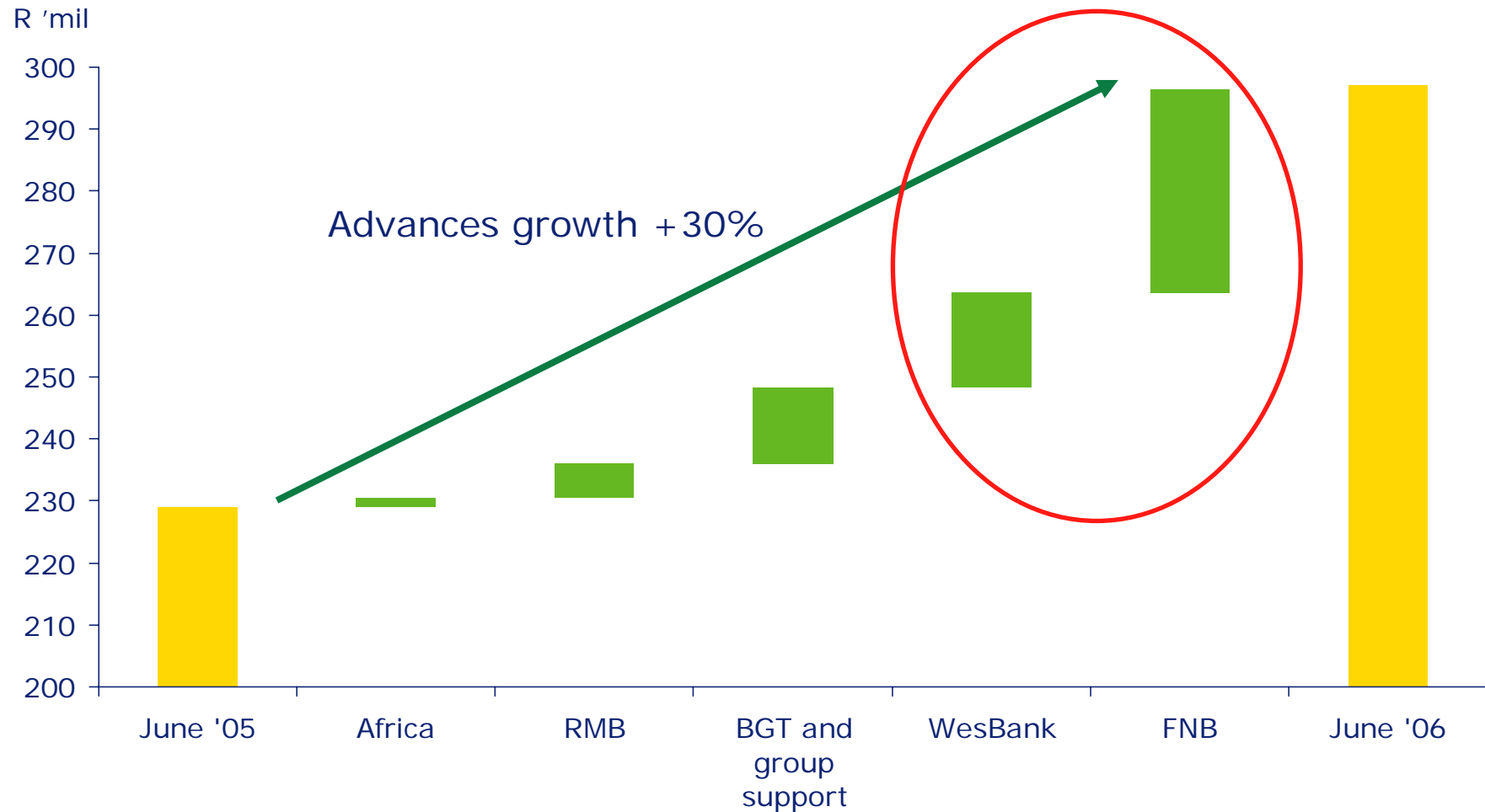


Benefit of advances growth muted by margin pressure

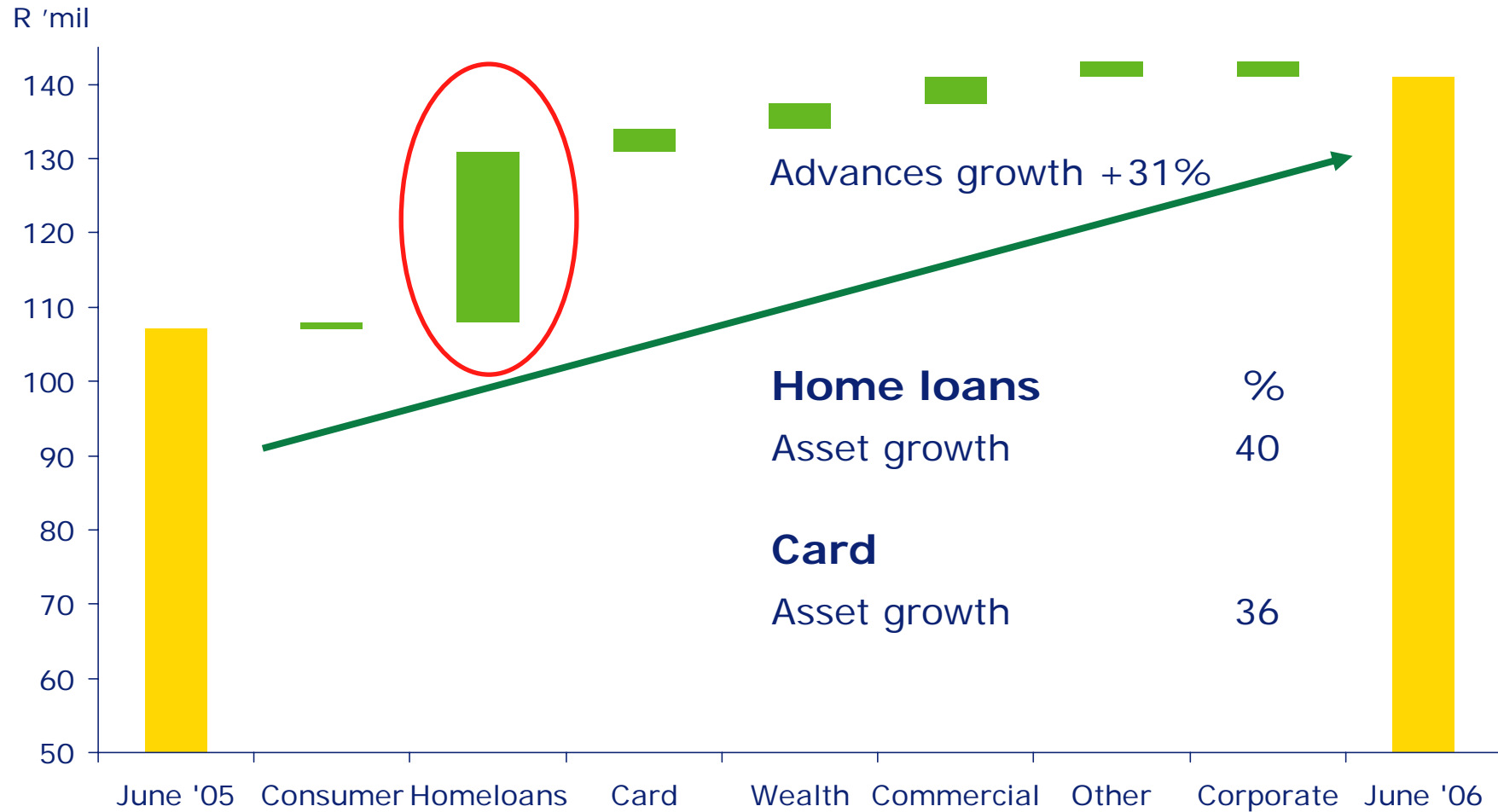
	% contribution
Strong advances growth	30
Asset margins pressure	(7)
Asset mix	(13)
Funding growth volume	27
Funding mix	(23)
Africa	2
IFRS and the centre	(1)
Net interest income	15



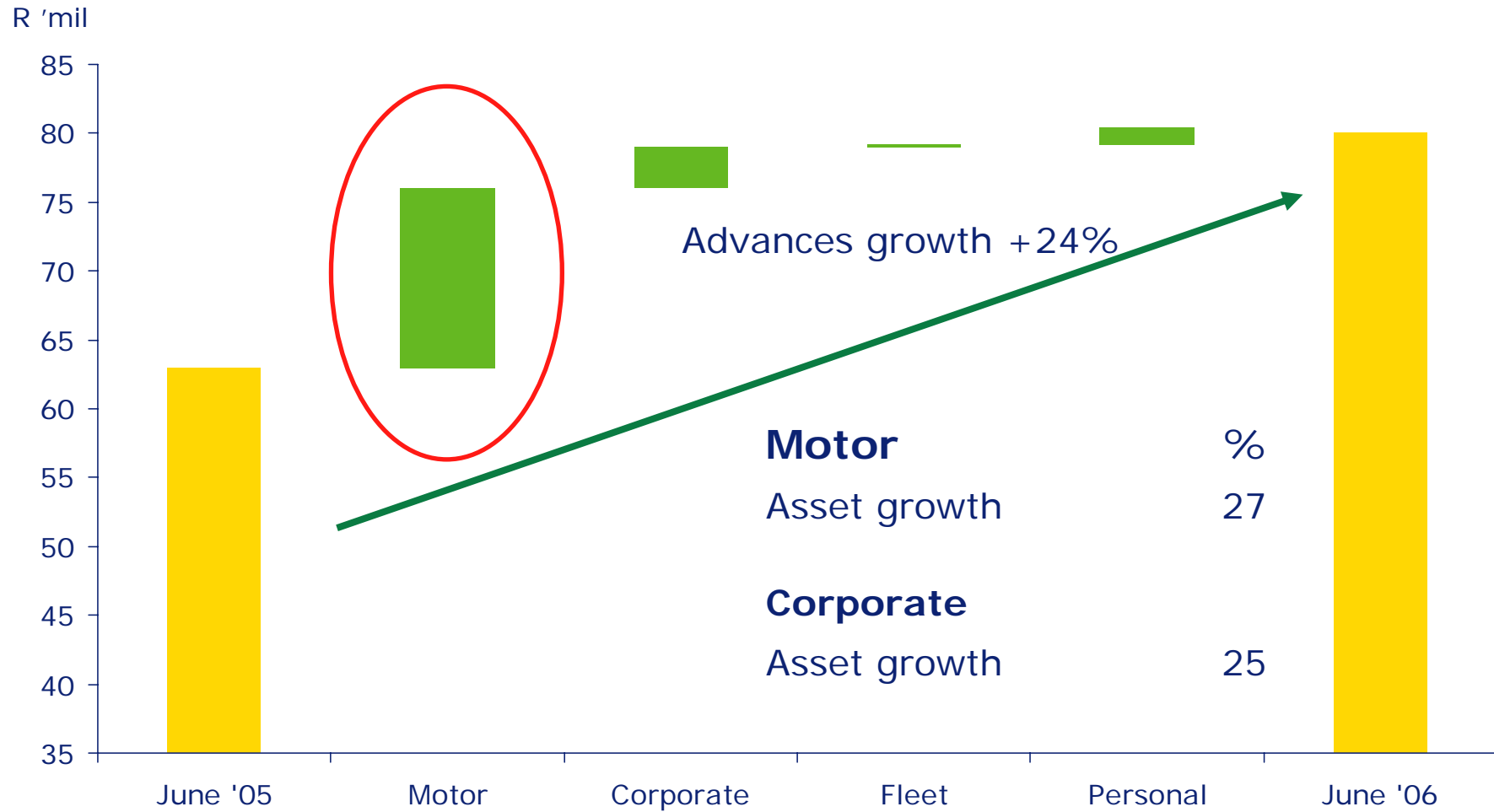
FNB and WesBank deliver 71% of advances growth



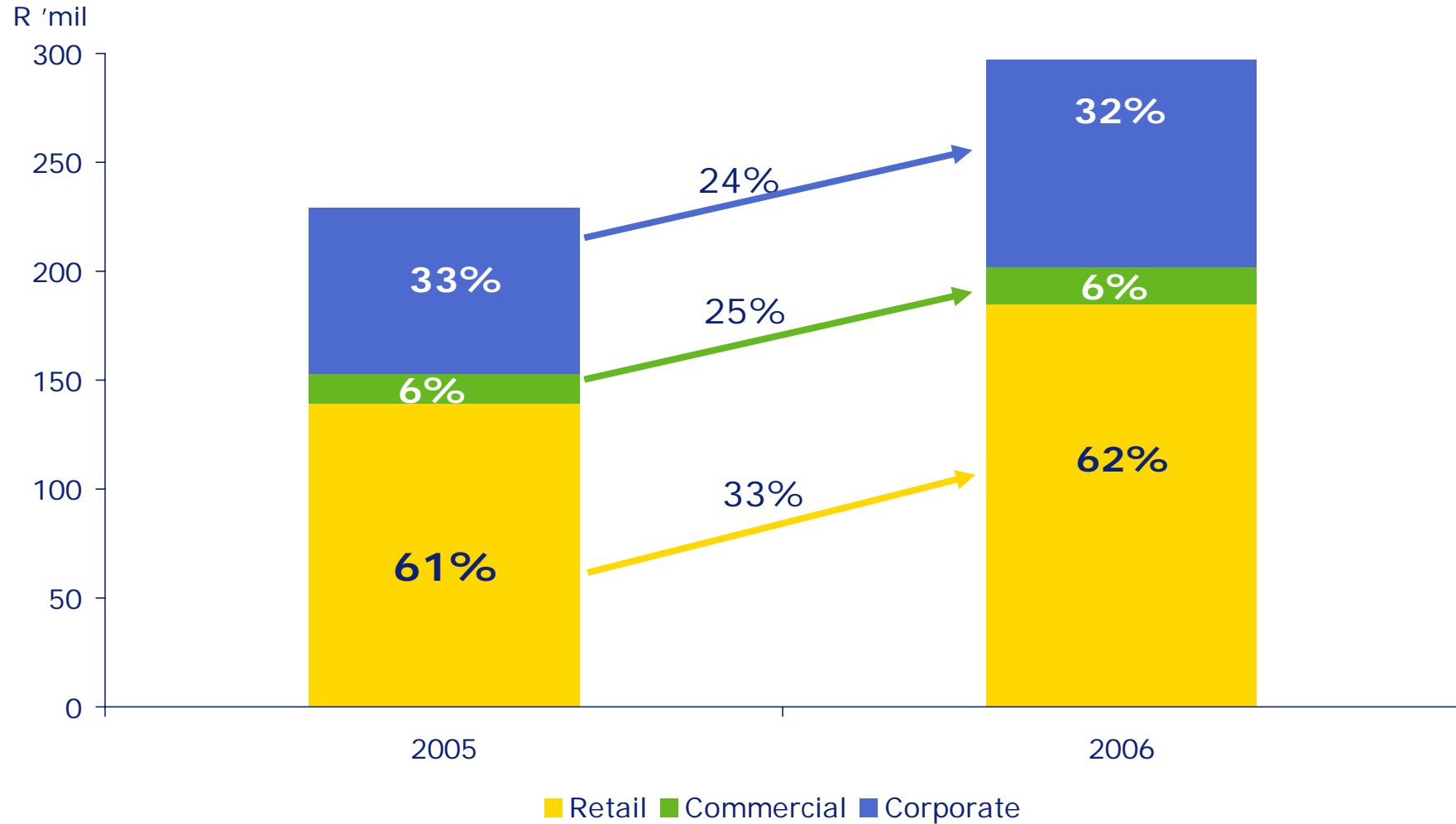
HomeLoans dominates FNB advances growth story



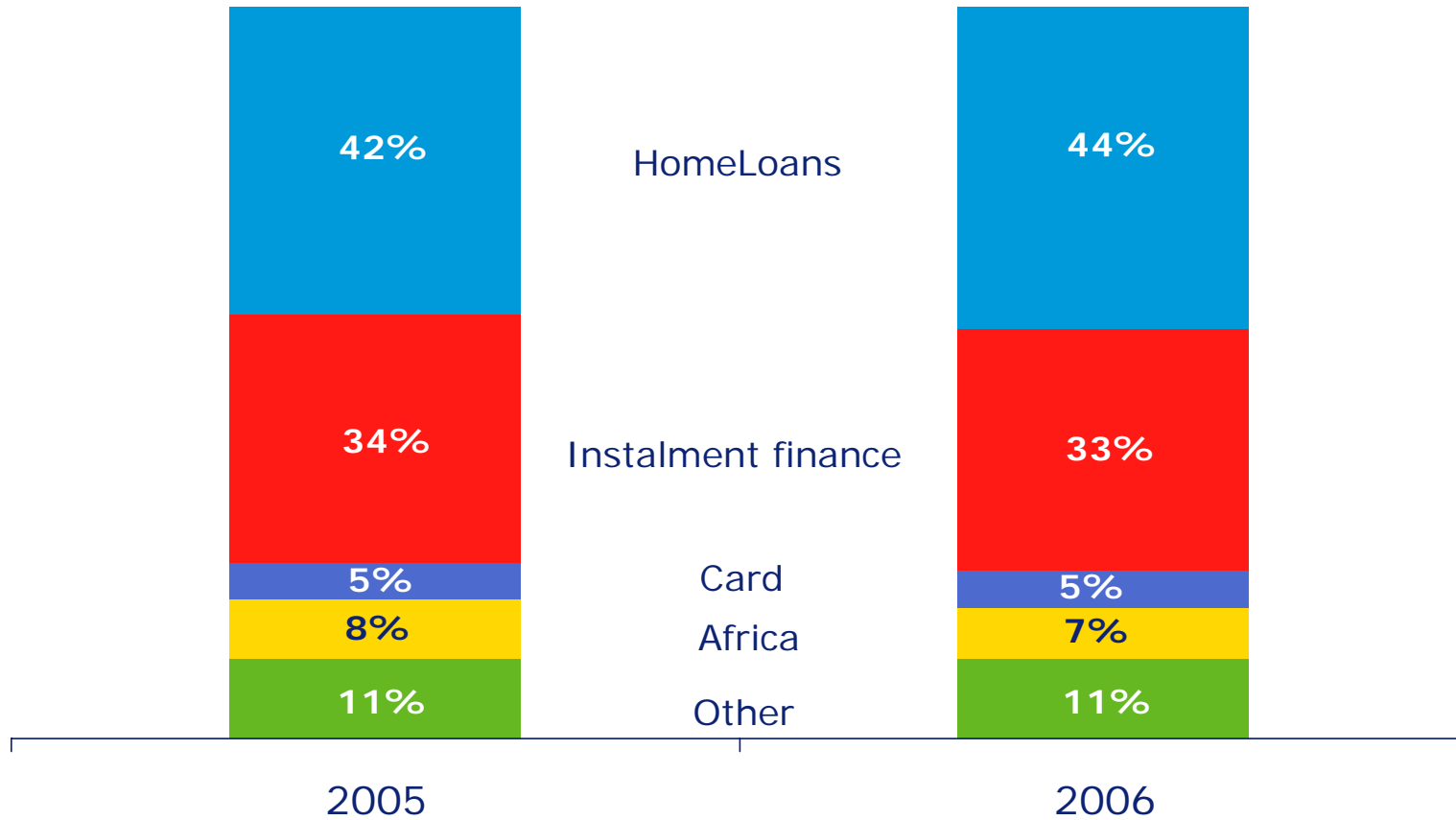
Motor drives WesBank's growth



Retail continues to dominate advances mix



Asset backed = 77% of retail



Further lending margin pressure

	Weighting %	June '06	June '05	
Asset backed mortgages	46	2.27	2.53	▼
Instalment sales and lease debtors	32	3.53	3.60	▼
Card debtors	4	7.52	7.44	▲
Overdraft and other loans	6	5.10	4.83	▲
Personal loans	4	7.12	6.08	▲
Other advances	8	5.10	5.79	▼
Total	100	3.47*	3.72*	▼

Lending margin down 25 bps

* Based on the twelve month rolling average advances balance



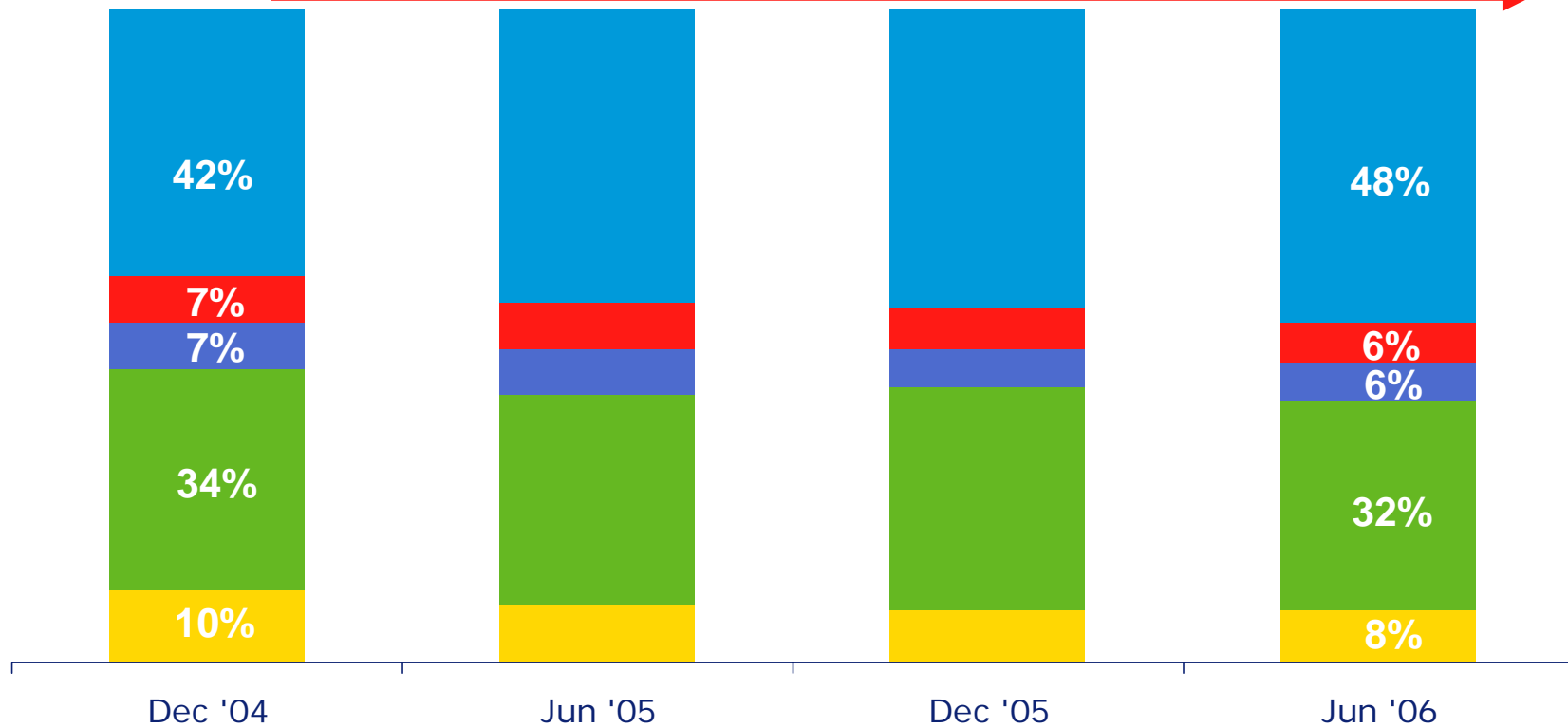
Funding mix remains a challenge

- High consumer asset growth
- South African funding base has not changed significantly – low savings rate
- Professional market funding is more expensive
- Increased pressure on margins



More dependence on professional funding

60% of incremental growth from professional market



■ Call Deposits
■ Notice Deposits

■ Current and Savings Accounts
■ Fixed Deposits
■ Banking Group Treasury



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Liability margins reducing

	Weighting %	June '06	June '05
Current and savings	25	3.56	3.68 ▼
Call accounts	7	1.70	1.55 ▲
Notice deposits	5	1.24	1.29 ▼
Fixed deposits	6	0.65	0.69 ▼
Other	57	0.21	0.36 ▼
Total	100	2.30	2.32 ▼

Funding margin down 2 bps

* Based on the twelve month rolling average balance



Responses to funding challenges

- Liquefy the balance sheet
- Securitise assets below the target returns



Lending yields impact overall margin

June '06

Bps

Margin on interest earning assets	433
	(13)
Lending	(25)
Funding	(2)
Capital	13
Hedges	(10)
Other (includes IFRS)	11
Margin on interest earning assets	420

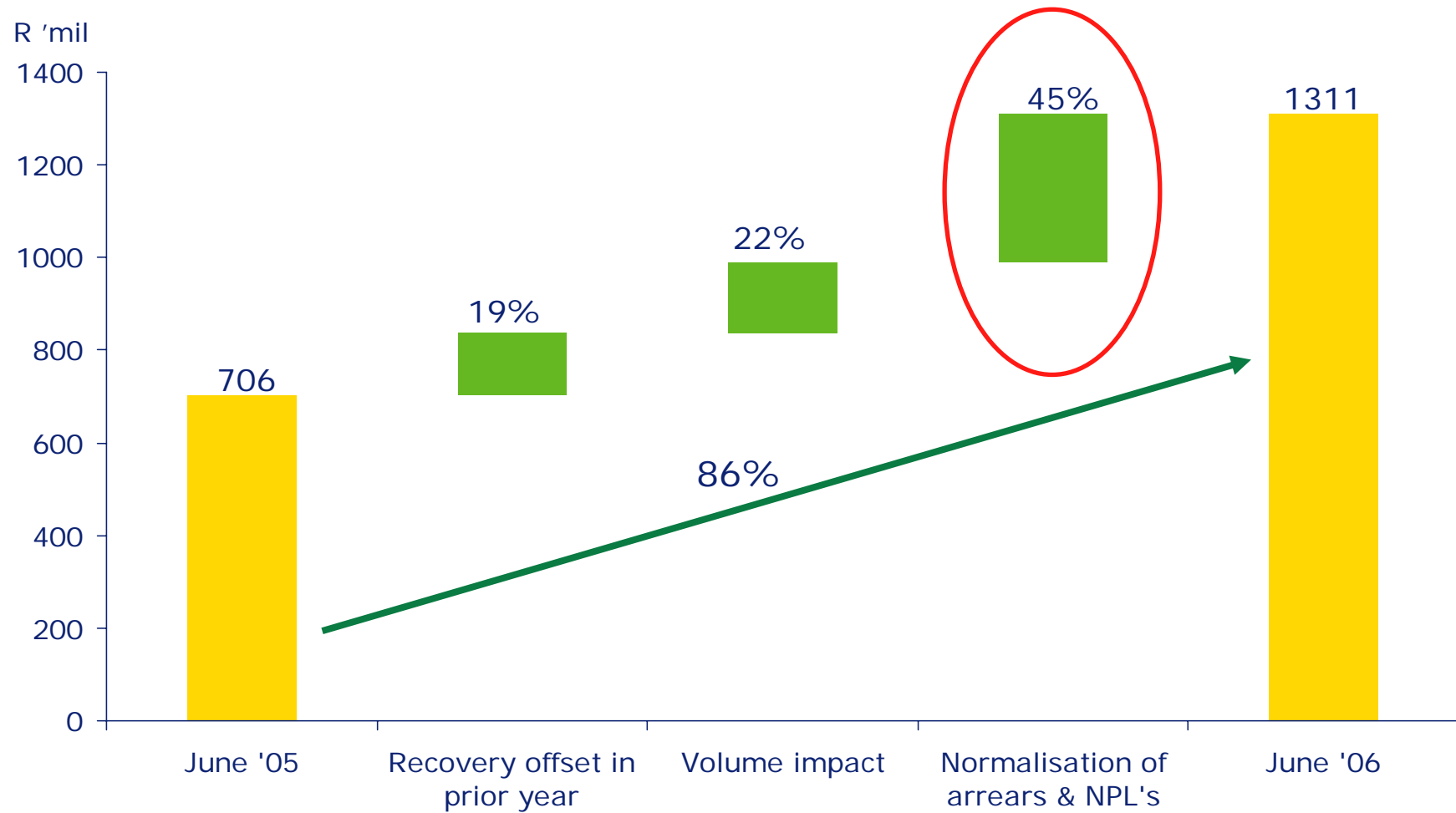


Financial highlights

- Net interest income 15% ▲
- Credit impairment charge 86% ▲
- Non interest revenue 30% ▲
- Associate earnings 39% ▲
- Operating expenses 17% ▲



Normalisation of credit cycle drives bad debt charge



Credit themes

- Credit quality remains robust
- Change in the credit cycle
- Arrears, non performing loans and bad debts will normalise
- Credit management strategies



Banking group portfolio quality remains robust

	Post IFRS	Pre IFRS	Pre IFRS
R 'mil	June '06	June '06	June '05
Advances	297 162	297 227	228 946
NPL	4 211	4 211	3 241
I/s charge	1 411	1 311	706
*Bad debt %	0.54	0.50	0.32

* Calculated as a percentage of average advances

FR rating moved from FR 40 to FR 41 over the past year



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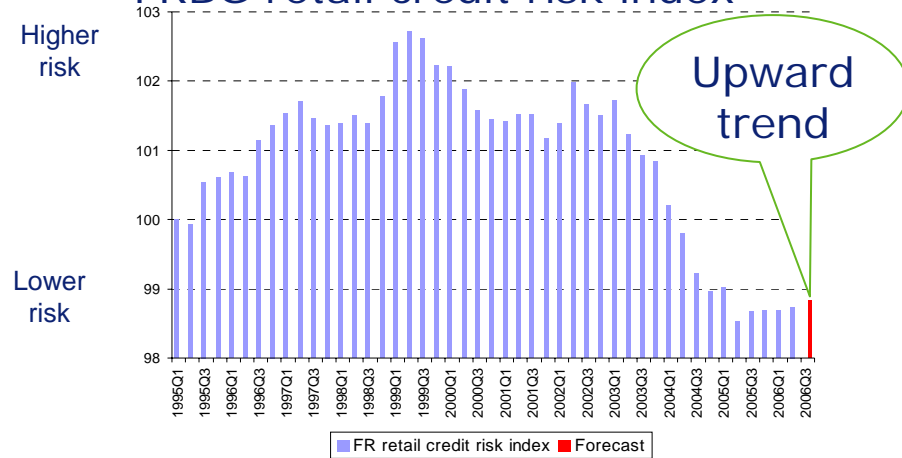
Credit themes

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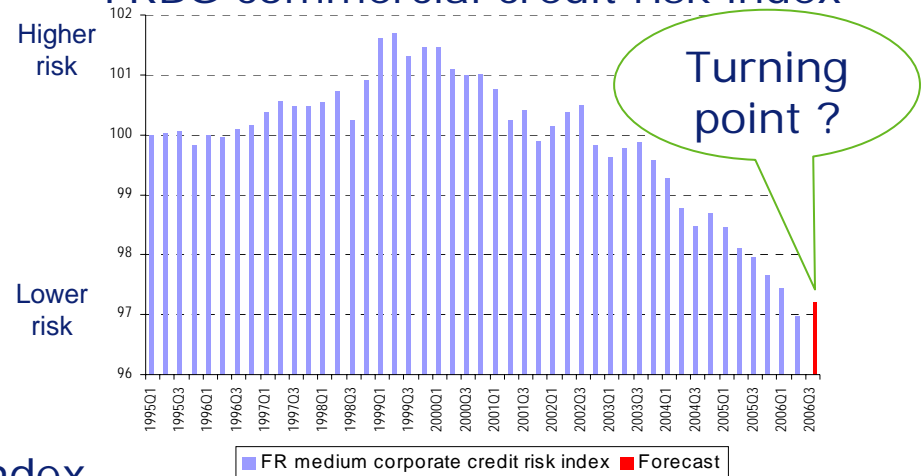


Predictive indices drive credit strategies

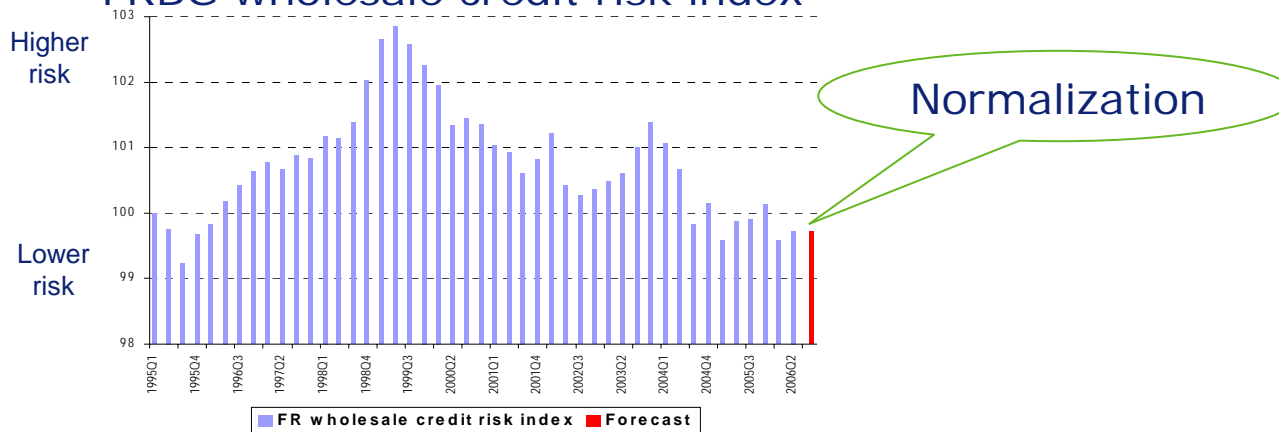
FRBG retail credit risk index



FRBG commercial credit risk index



FRBG wholesale credit risk index

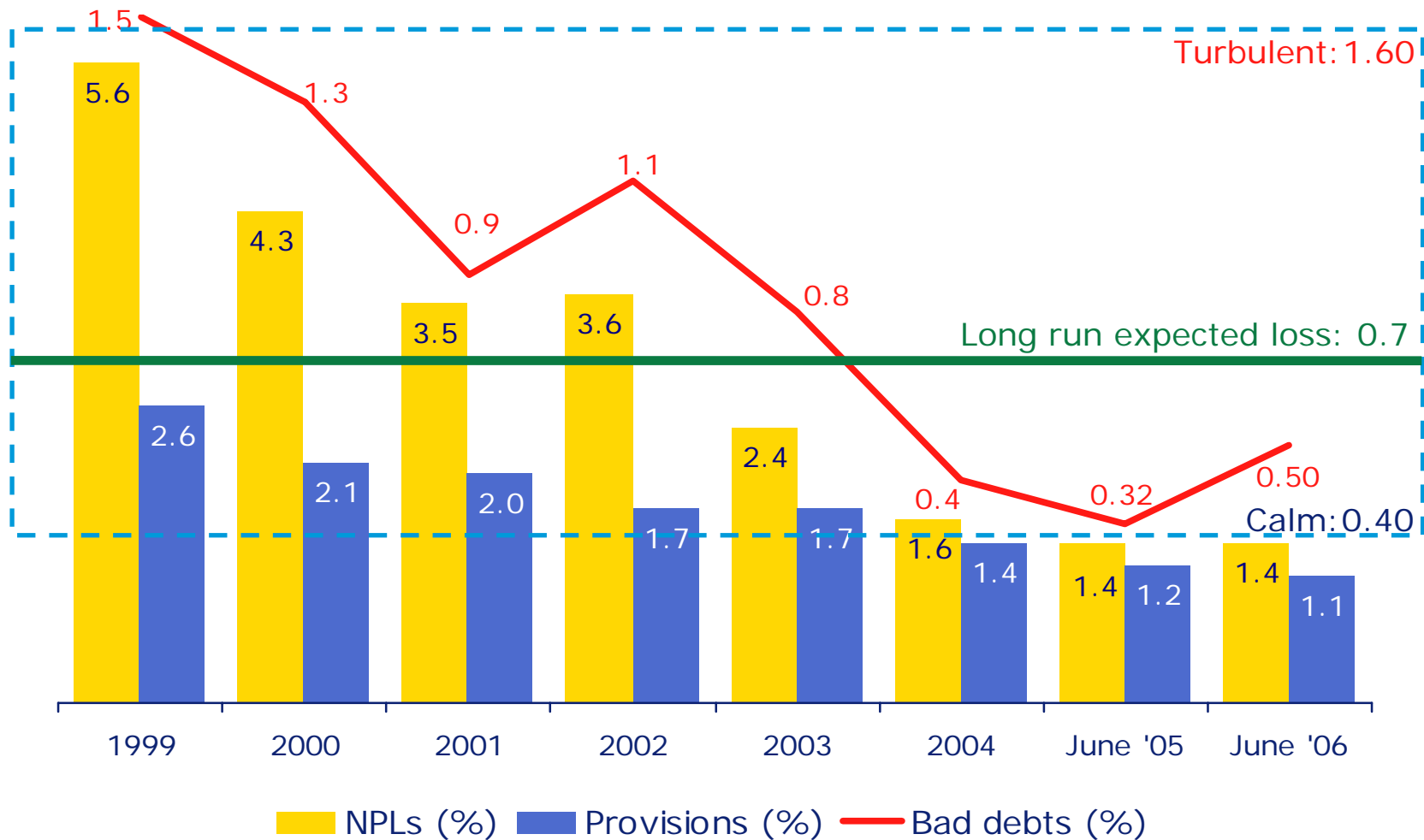


Credit themes

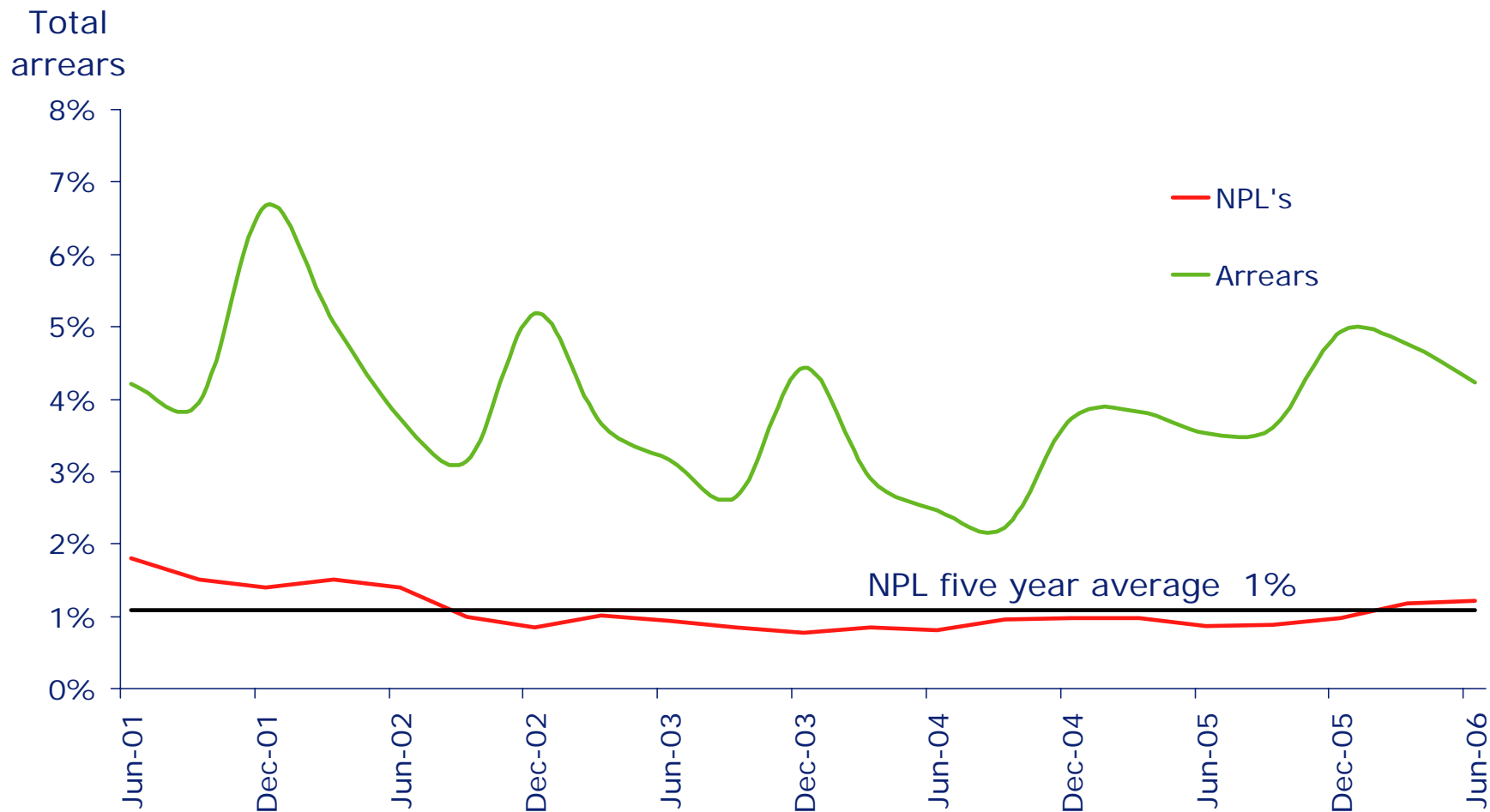
- Credit quality remains robust
- Change in credit cycle
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- Credit management strategies



Non performing loans and bad debts



WesBank arrears and non performing loans will normalise



Credit themes

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- Change in the credit cycle
- Arrears, non performing loans and bad debts will normalise
- Credit management strategies



Three pronged credit strategy



1. Re-assess credit provisioning



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Conservative coverage

6 monthly contribution as a % of advances

Pre-IFRS	1 st 6 months (6 month average)	2 nd 6 months (6 month average)	Total
NPL as % of advances	1.33	1.42	1.42
Provisions as % of average advances*	0.24	0.28	0.50
- Specific (%)	0.19	0.28	0.45
- Portfolio (%)	0.05	0.00	0.05
Coverage ratio (%)	100	86	86
Net coverage ratio (%)	165	156	156

* Excluding fair value impairments in RMB.



Three pronged credit strategy



1. Re-assess credit provisioning



2. Reconsider credit origination strategies dynamically and manage the risk



Pro-active credit risk management

- Identify high risk segments/clients
- Tighten score cards for higher risk lending categories
- Price for risk
- Monitor limits dynamically
 - Do not honour customer settlements over limit
 - Reduce limits for high risk customers
- Tighten up on arrear recognition policies
- Improve on collections processes



Three pronged credit strategy



1. Re-assess credit provisioning



2. Reconsider credit origination strategies dynamically and manage the risk



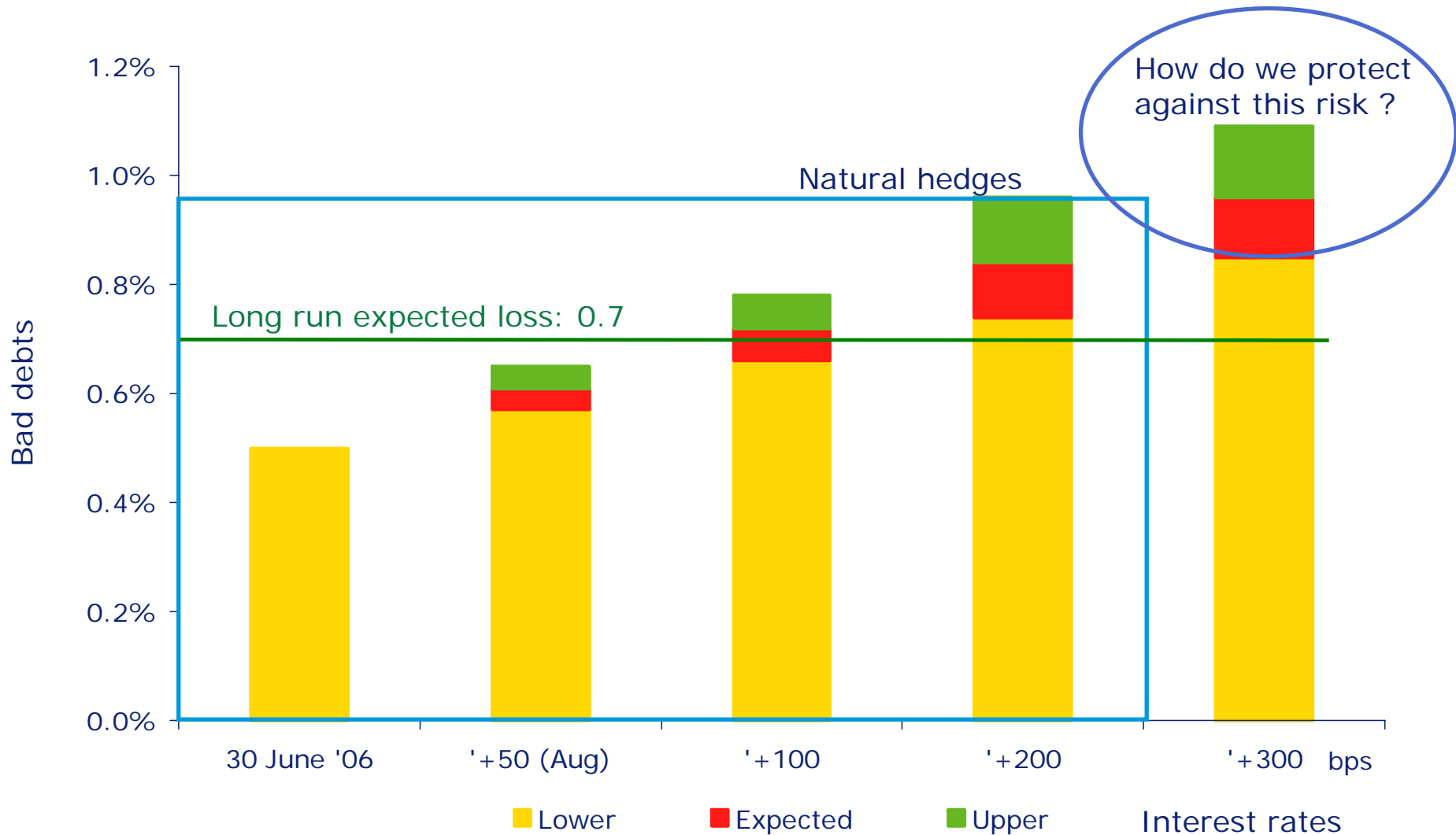
3. I/S and B/S protection and enhancement strategies through different cycles



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Natural hedges and looking for protection



Financial highlights

- Net interest income 15% ▲
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- Non interest revenue 30% ▲
- Associate earnings 39% ▲
- Operating expenses 17% ▲

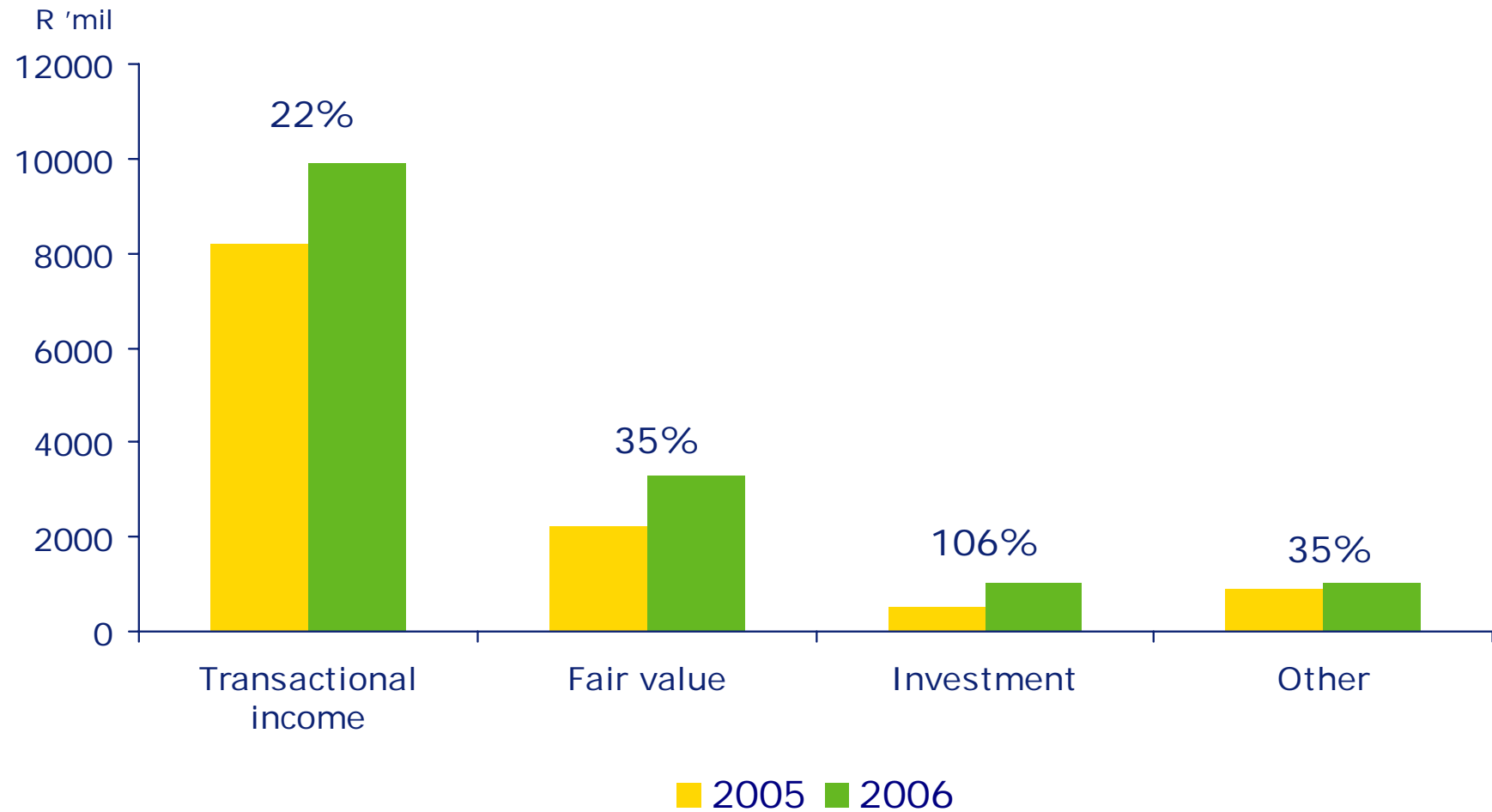


Non interest revenue themes

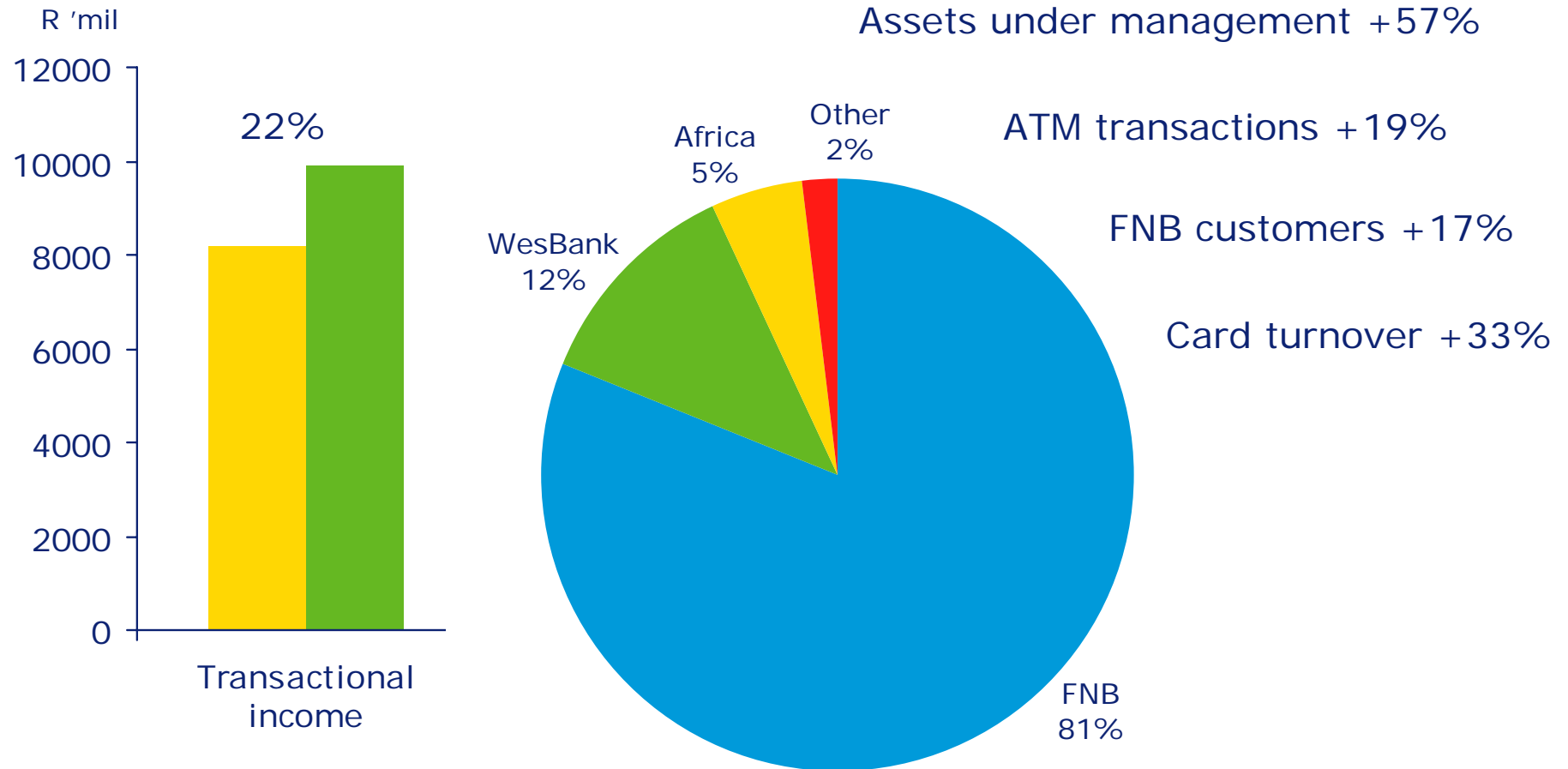
- Growth in customer numbers and transactional volumes
- Low market volatility in interest rates and forex
- Strong performance from the RMB debt businesses
- Strong performance from the RMB equity businesses
 - Private equity, trading & agency



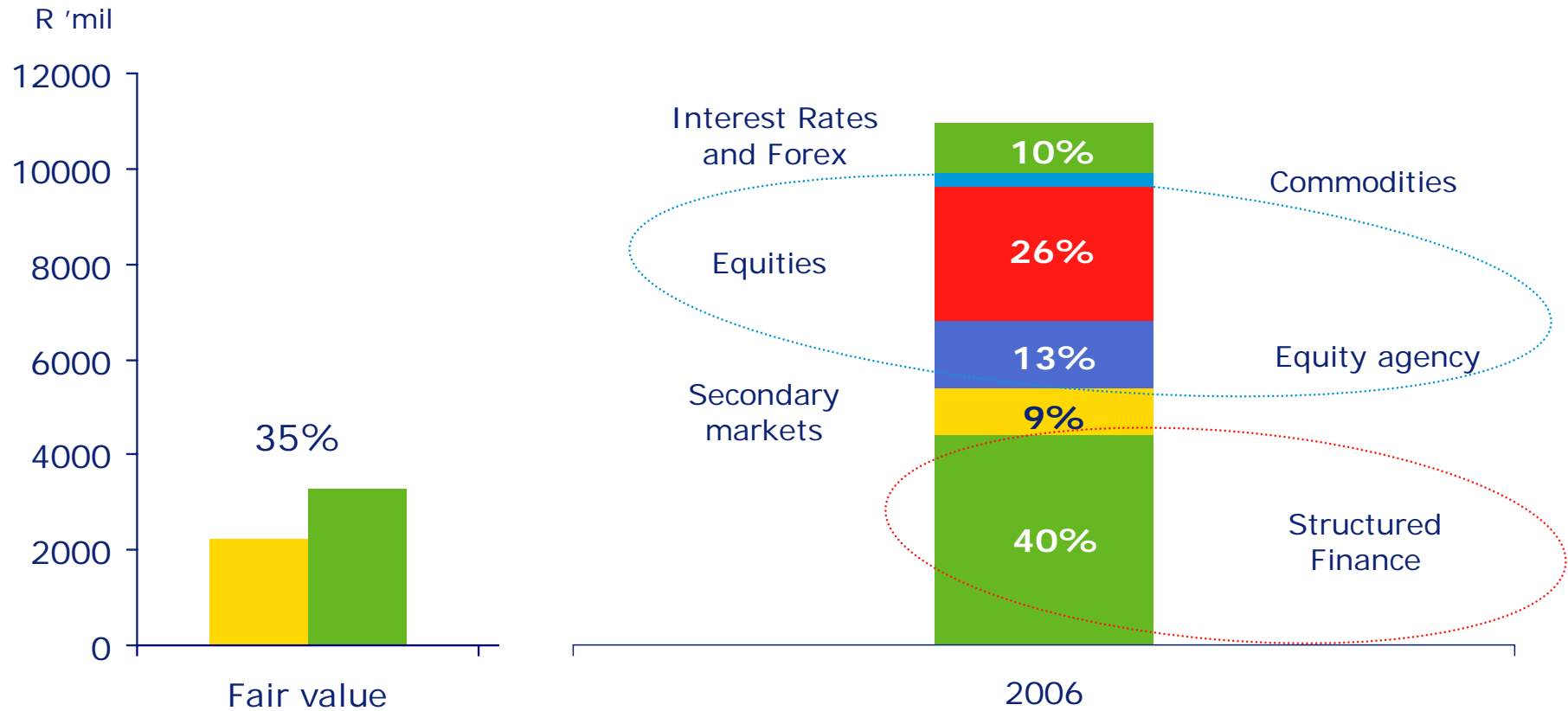
Transactional income drives NIR



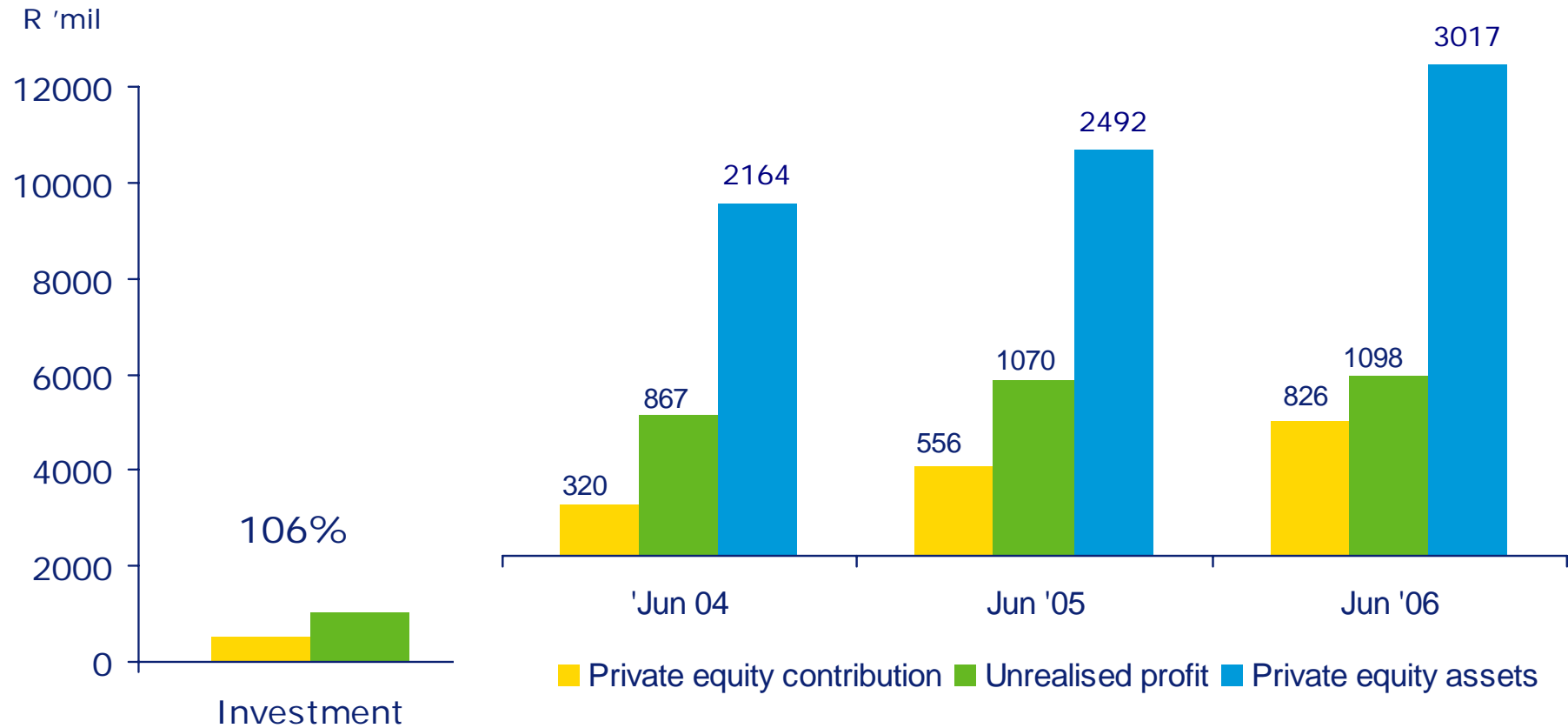
Volumes driving fee income



RMB's performance behind fair value growth



RMB Private Equity core contributor



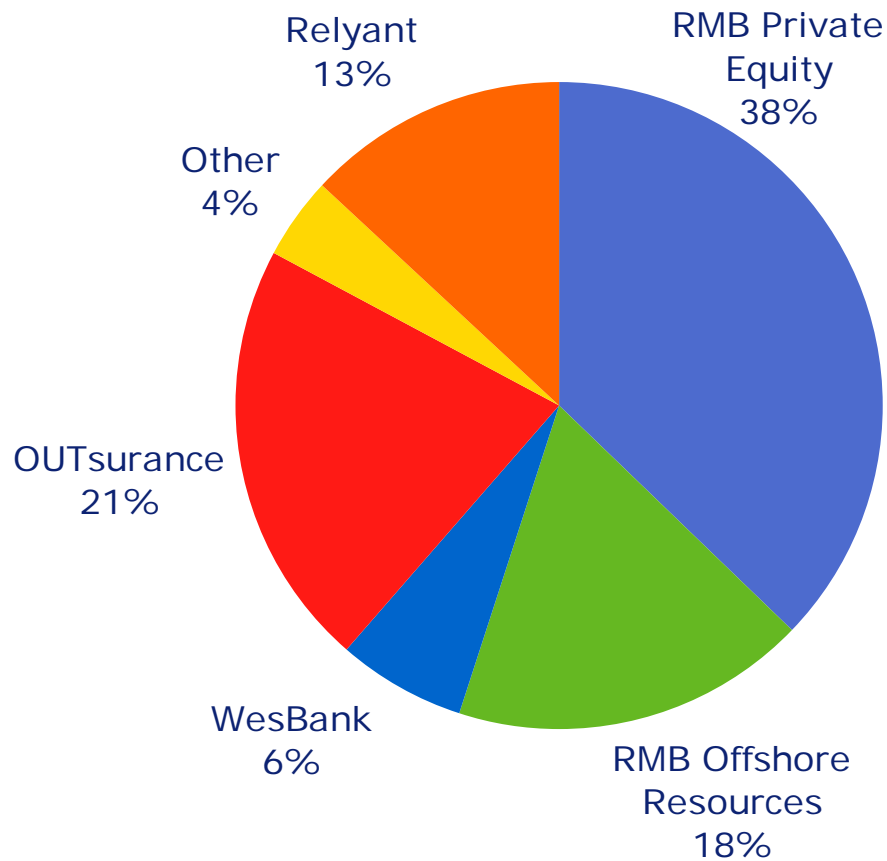
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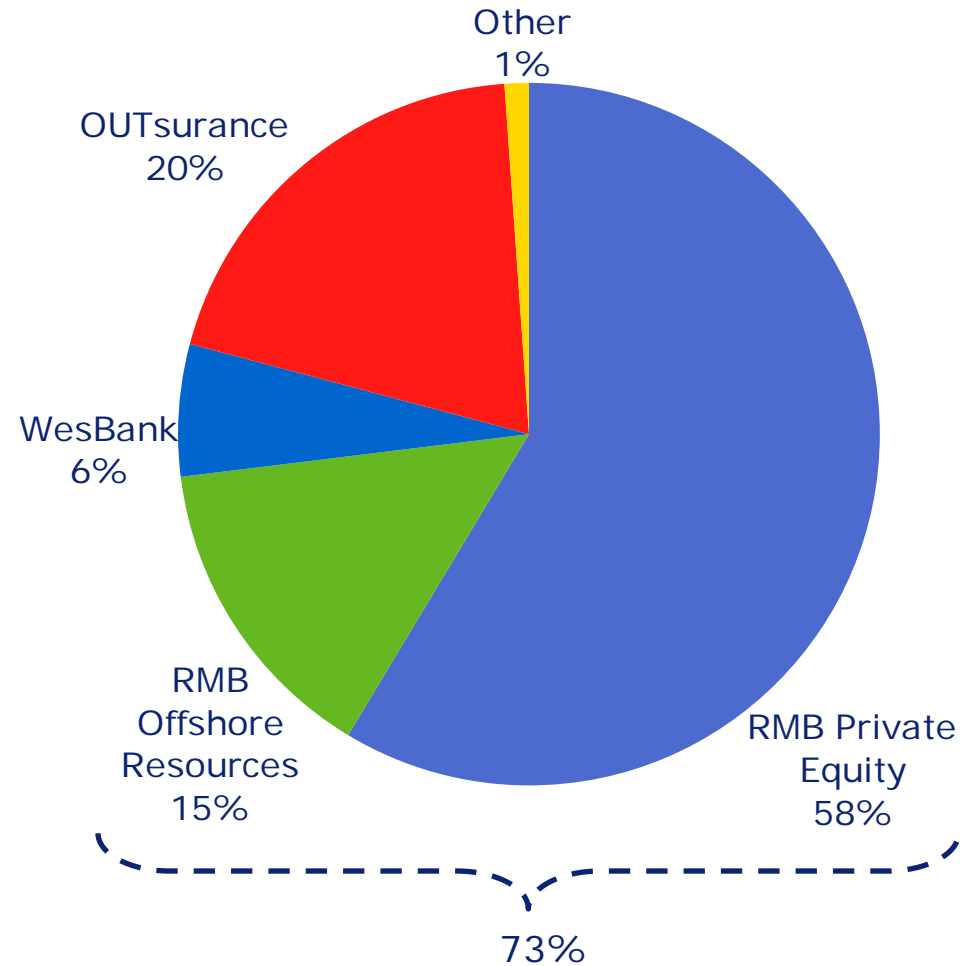


RMB businesses dominate associate earnings

2005



2006

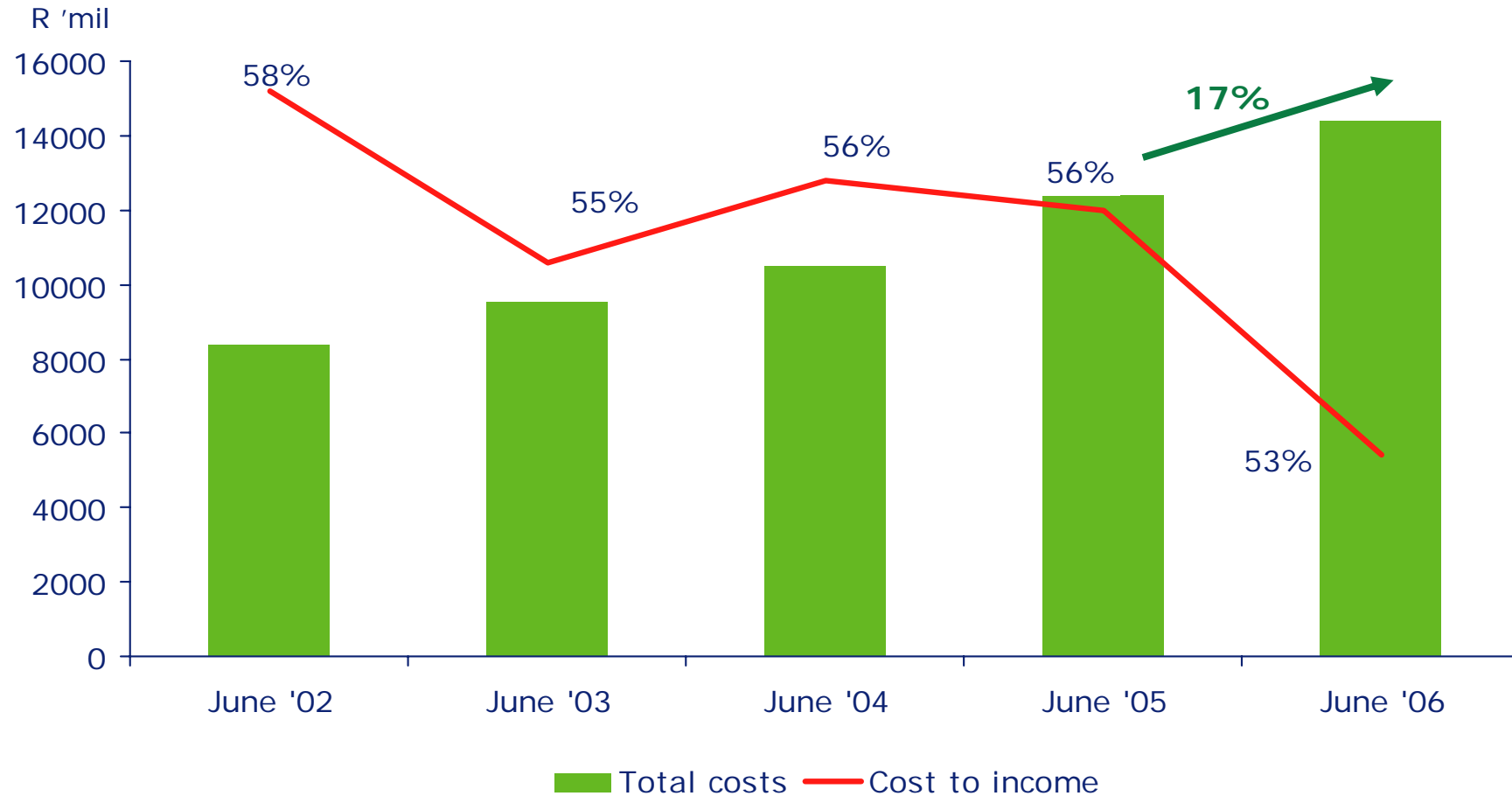


Financial highlights

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- Associate earnings 39% ▲
- Operating expenses 17% ▲



Top line growth drives operational leverage



All brands more efficient

R'm	Top line growth %	Cost growth %	Cost to income ratio %
FNB	20	16	64.2
WesBank	29	18	43.0
RMB	37	36	37.7
Africa	11	7	45.3
FirstRand Banking Group	26	17	52.7



Investment and variable drive costs



FNB
First National Bank



**RAND
MERCHANT
BANK**

A division of FirstRand Bank Limited

Traditional values. Innovative ideas.



WesBank



financial review



Capital management strategy

- Capital adequacy
 - Target
 - Actual
- Consumption by business units
- Gearing vs ROA
- Increased focus on asset returns and gearing



Capital structure remains efficient

R 'mil	Target %	Actual %
Target capital adequacy	12 - 13	12.8
Tier I	8.8 - 10	9.0
- Core Tier I	7 - 8	7.8
- Non-cumulative, non-redeemable preference shares	1.8 - 2	1.1
Tier II	2.2 - 3	3.8
- Other qualifying instruments and tertiary capital	1.1 - 1.5	0.9
- Subordinated debt (maximum)	1.1 - 1.5	2.9

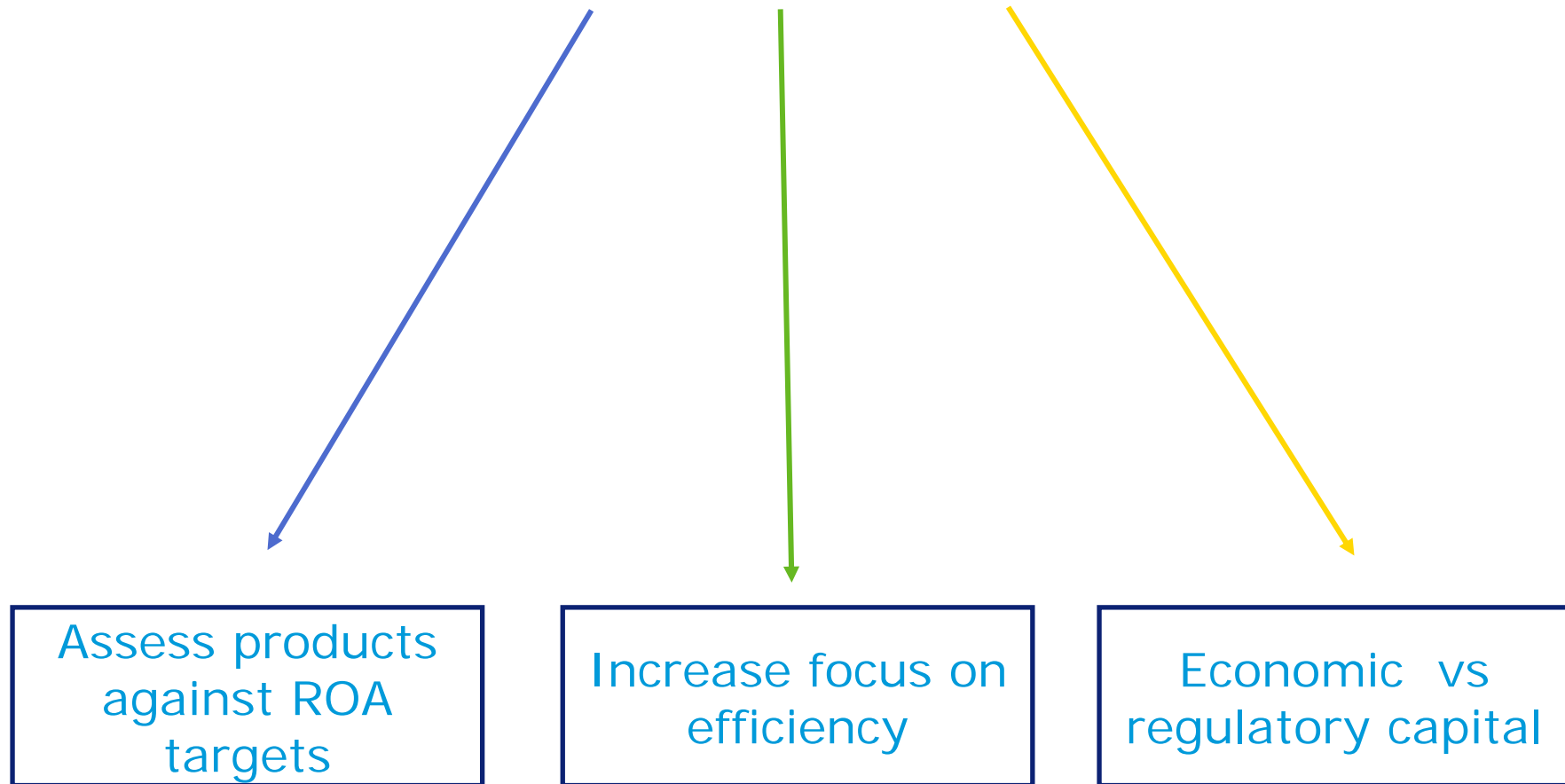


ROE maintained

		Actual 2006	Actual 2005
Return on equity (%)	➡	28	27
<hr/>			
Return on assets	⬆	1.89	1.84
		X	X
Gearing multiple	⬇	14.8	14.5



More focus on asset returns vs gearing



Excellent growth from Momentum

	June '06 Normalised	June '05 Normalised
Headline earnings	1 564	1 270
Headline earnings growth (%)	23	19
Return on equity (%)	24	25
Return on embedded value (%)	31	28

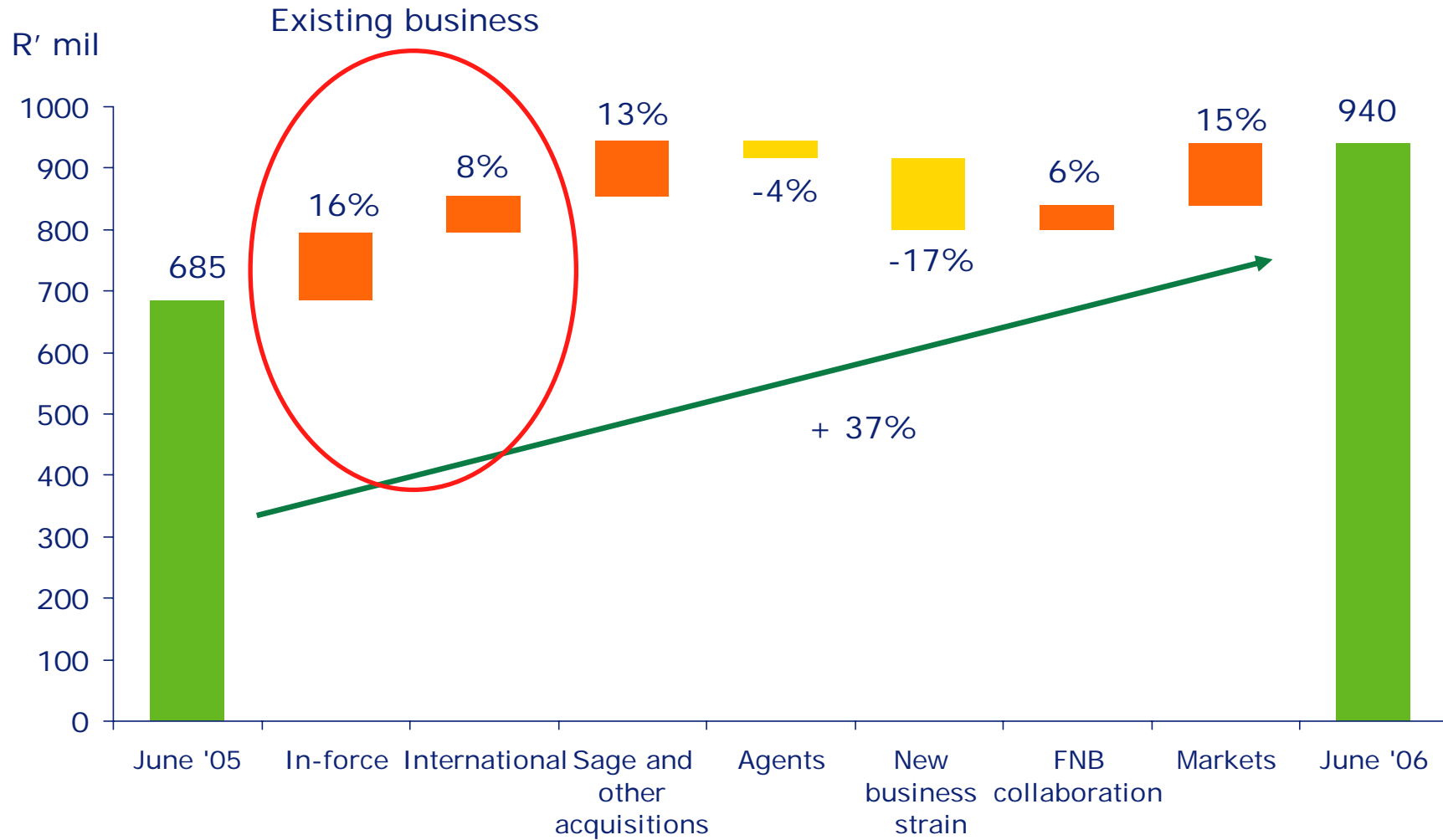


Major contributors

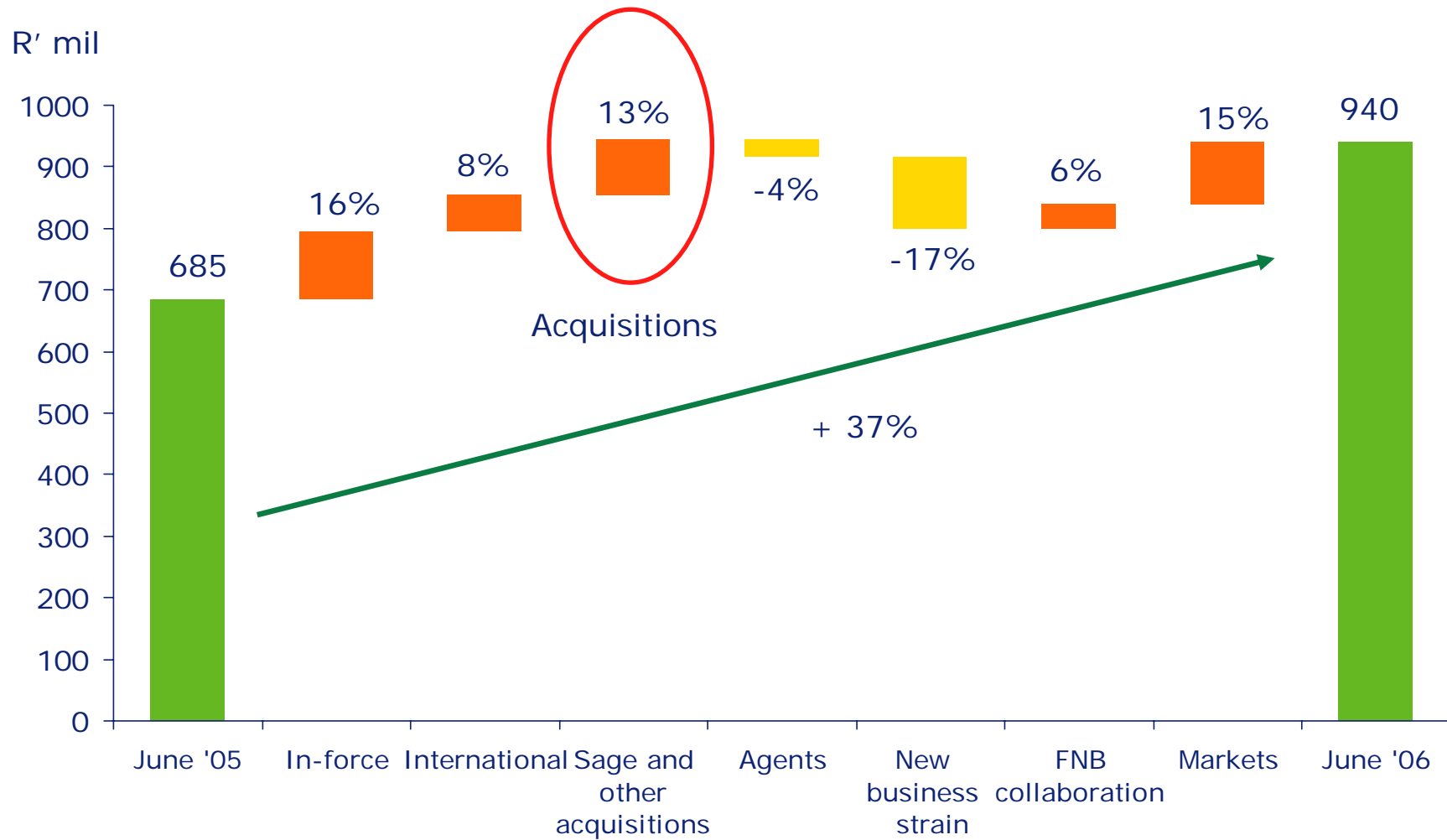
R' mil	June '06	June '05	%
Insurance operations	940	685	37
Asset management operations	347	247	40
Investment income	280	355	(21)
Momentum group earnings – Pre IFRS	1 567	1 287	22
- IFRS adjustments	(3)	(17)	
Momentum group normalised earnings	1 564	1 270	23



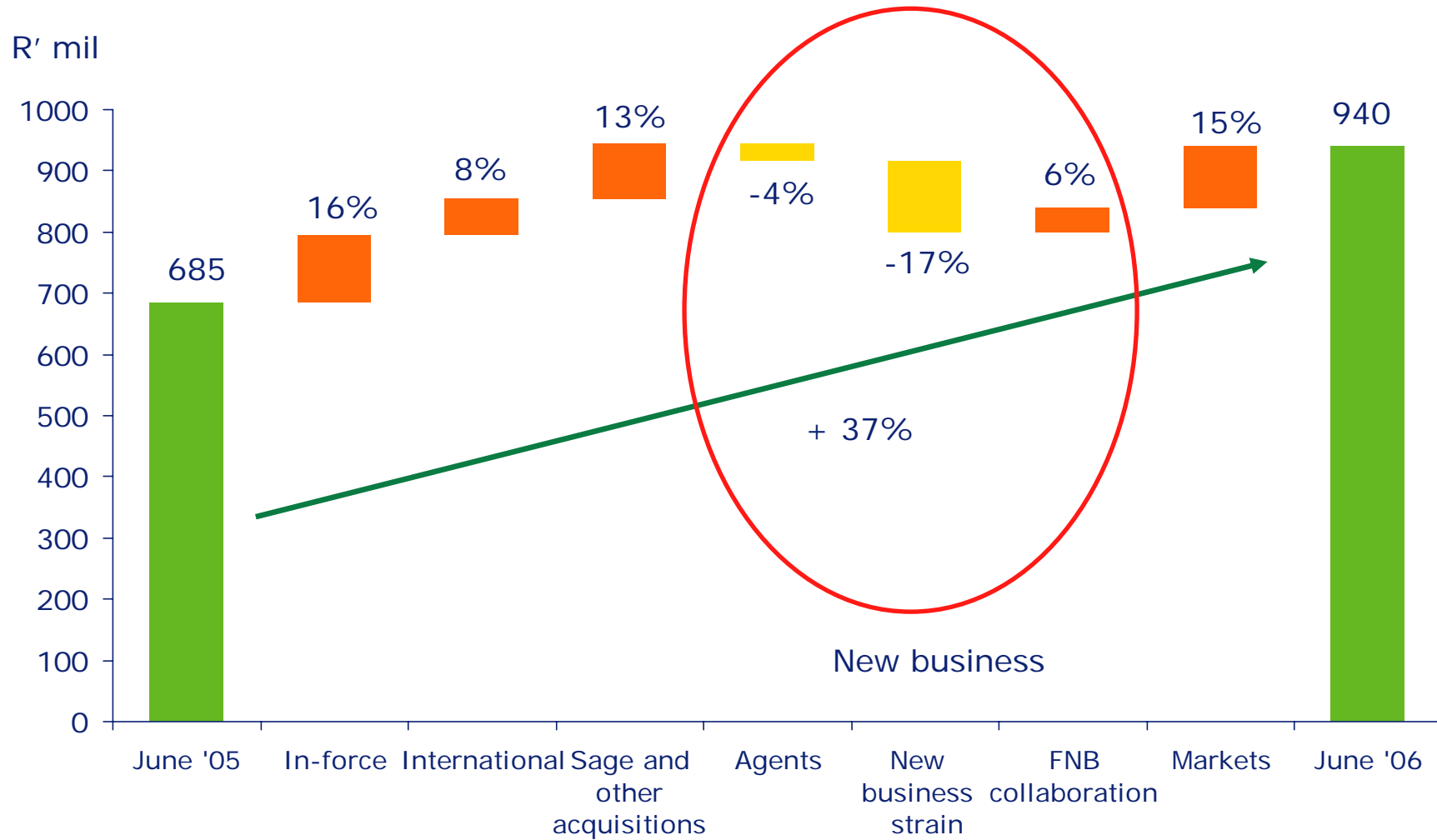
Insurance operations performed



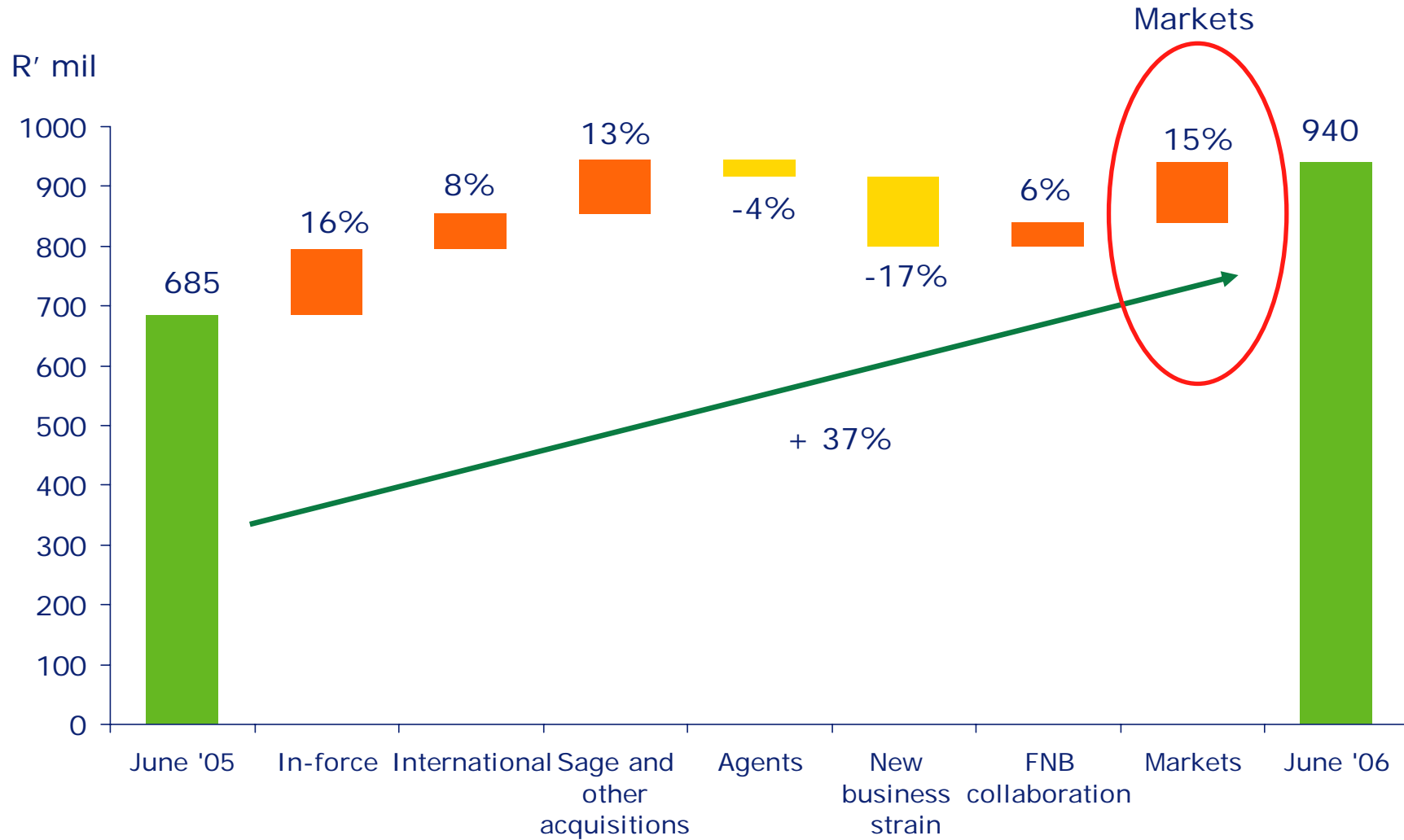
Helped by acquisitions



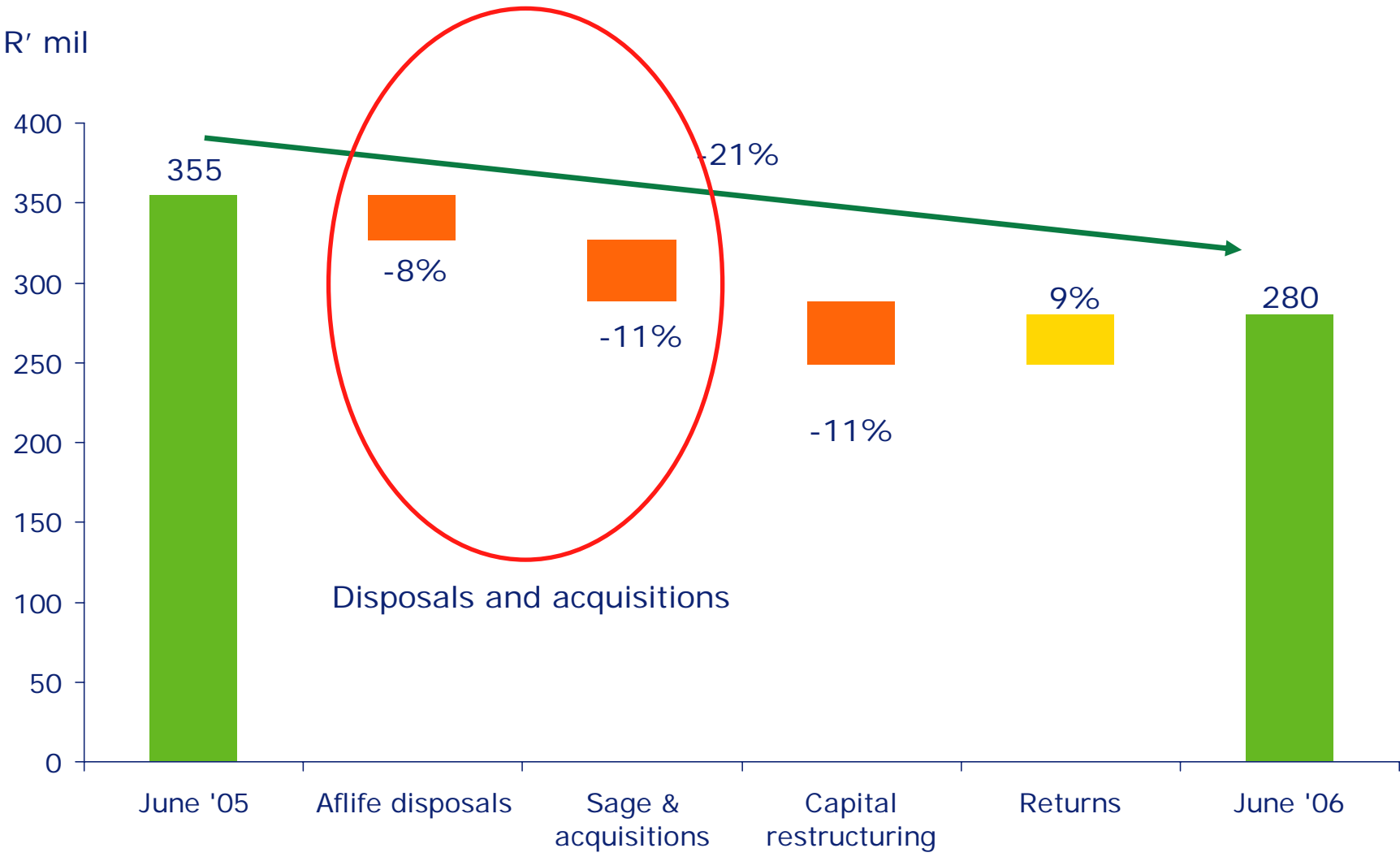
Strong new business inflows



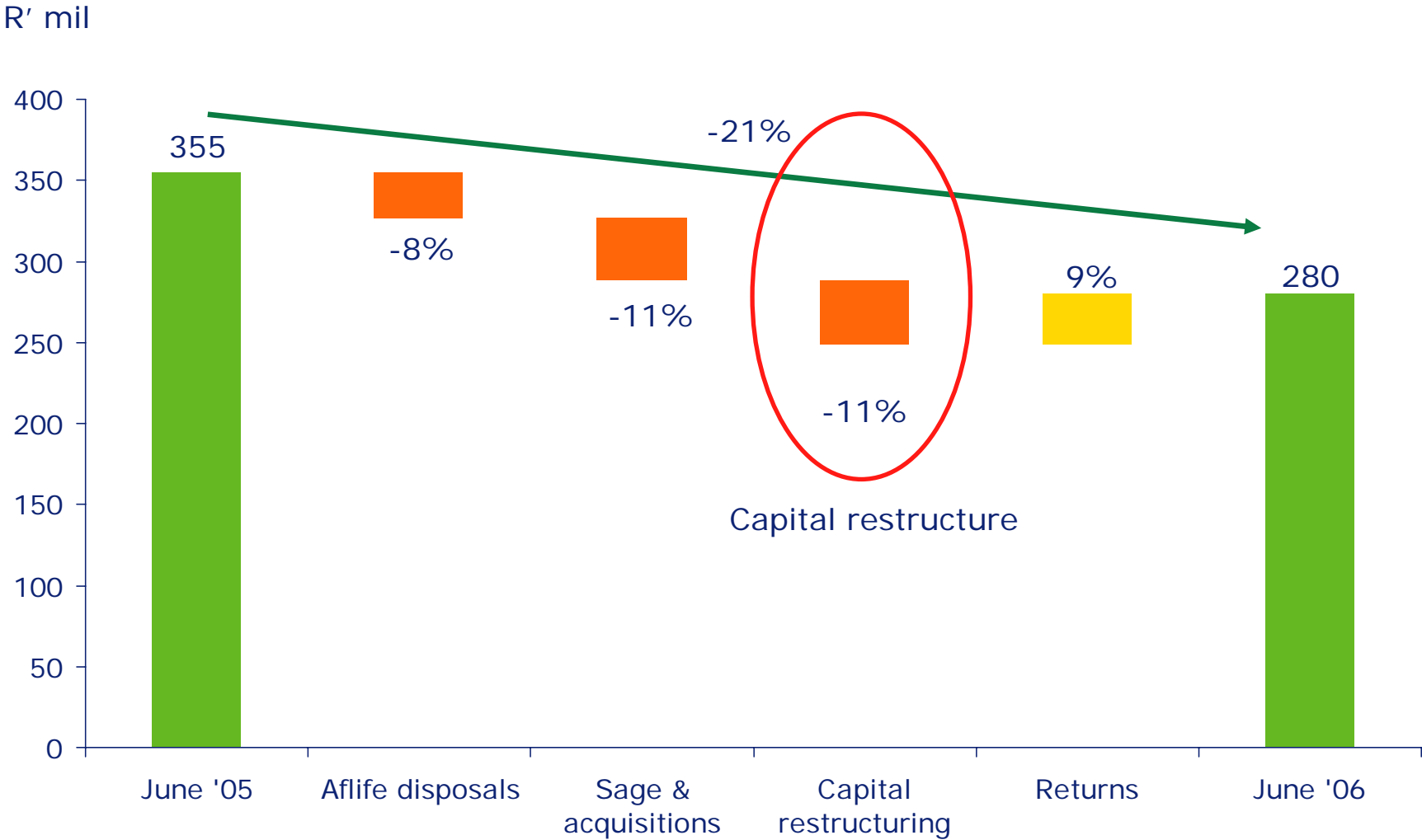
Insurance operations



Re-deploying funds for growth



Re-deploying funds for growth

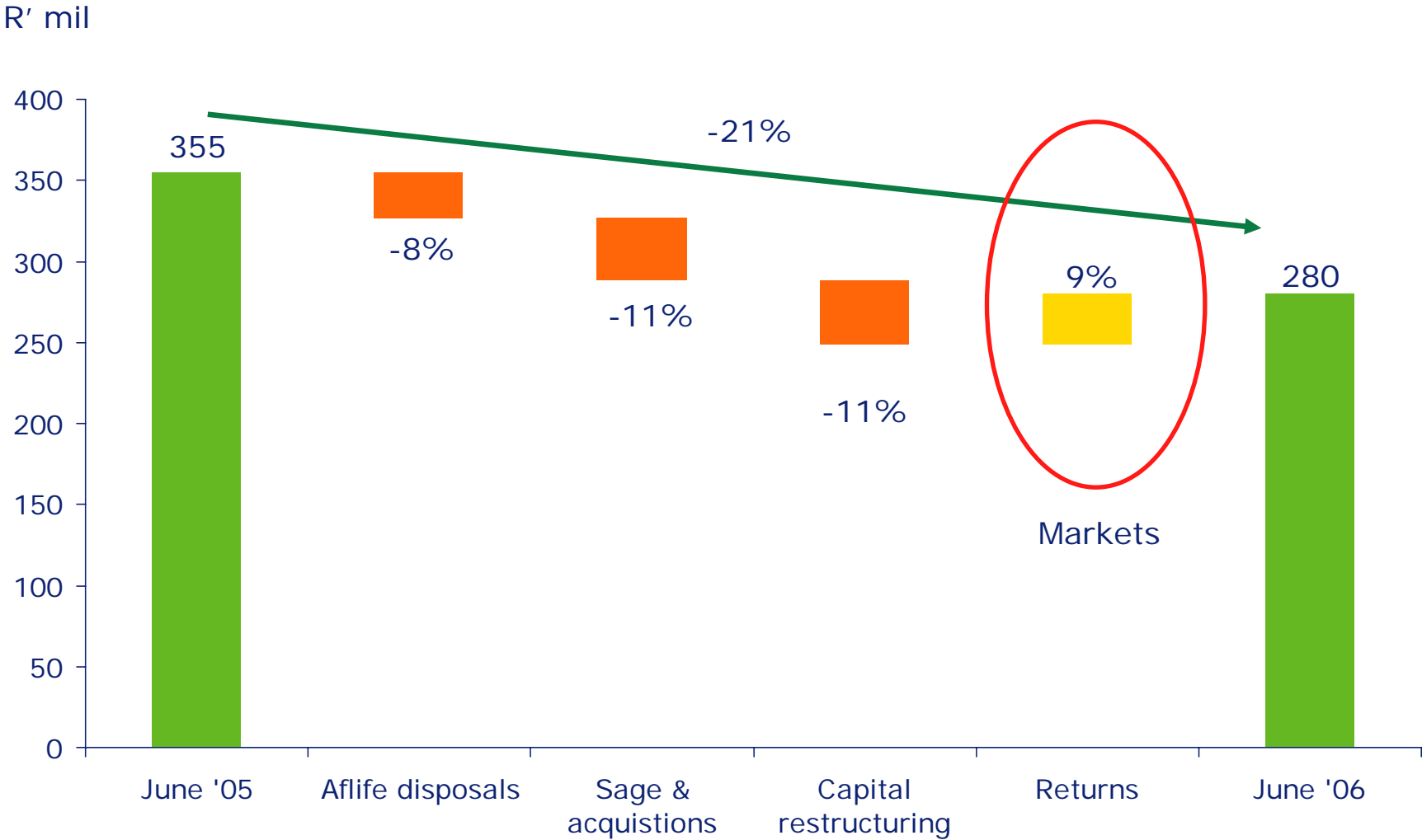


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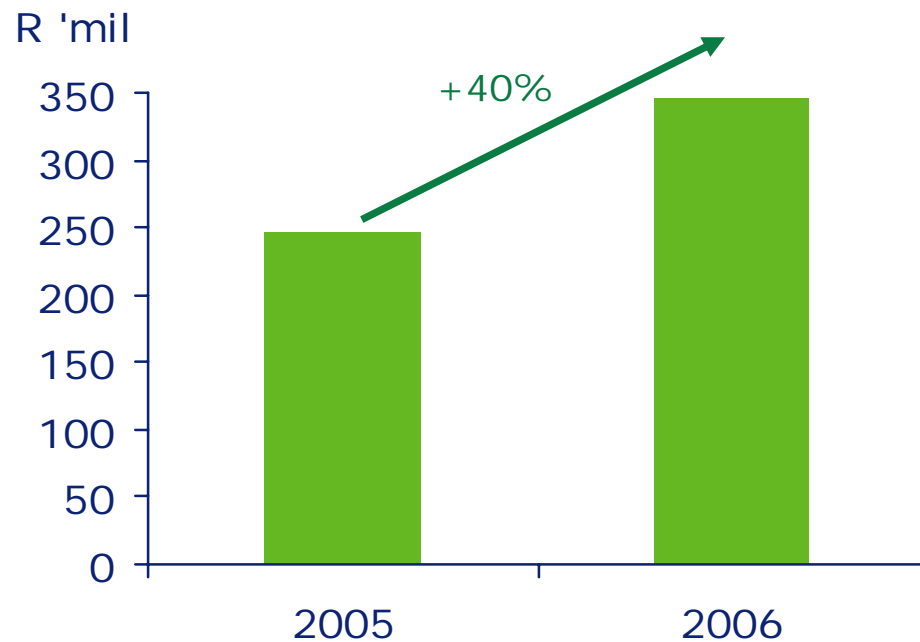


Re-deploying funds for growth



Market and retail inflows drive earnings

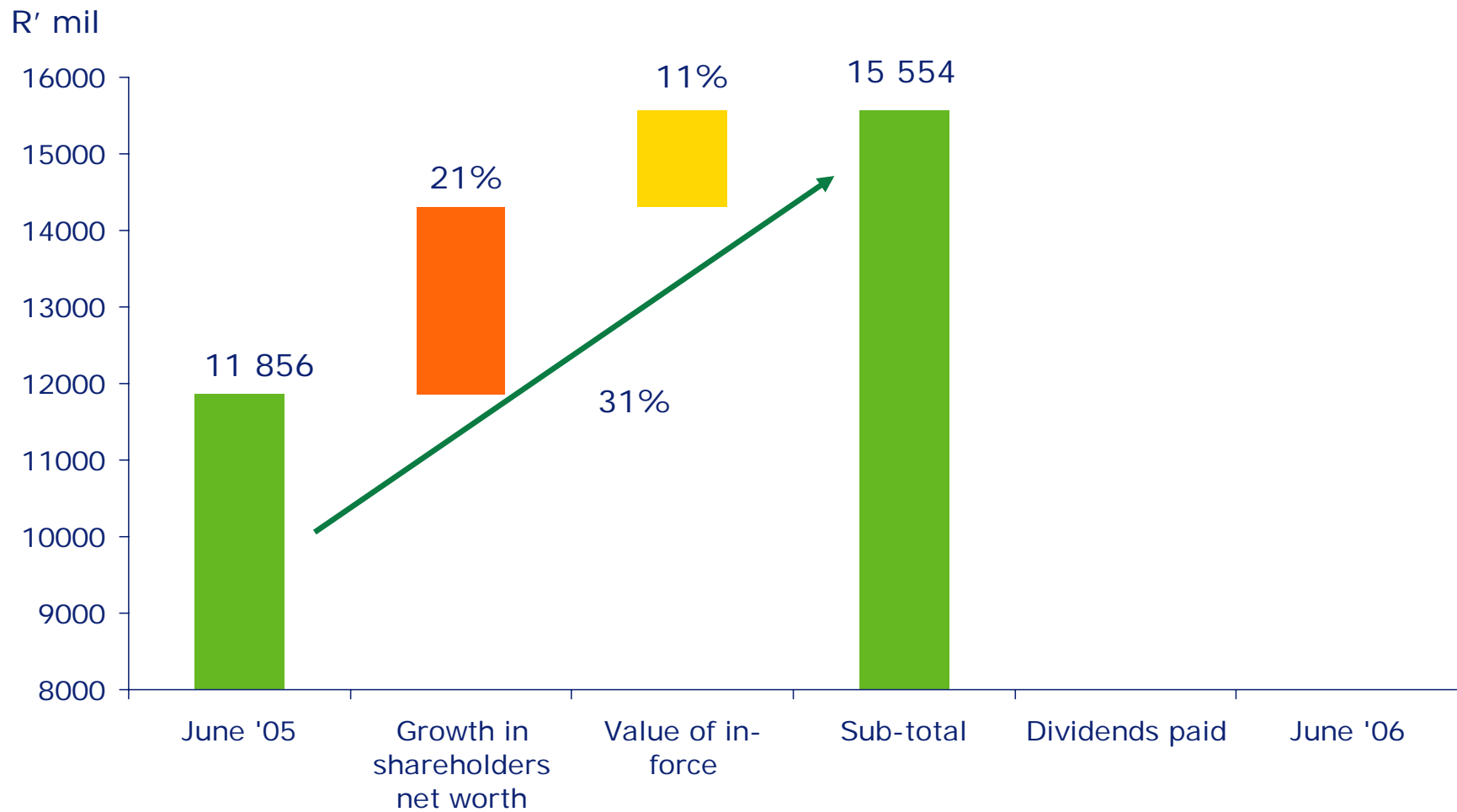
Earnings



- Markets drive earnings in asset management
- Unit trusts inflows are strong



Very strong growth in EV

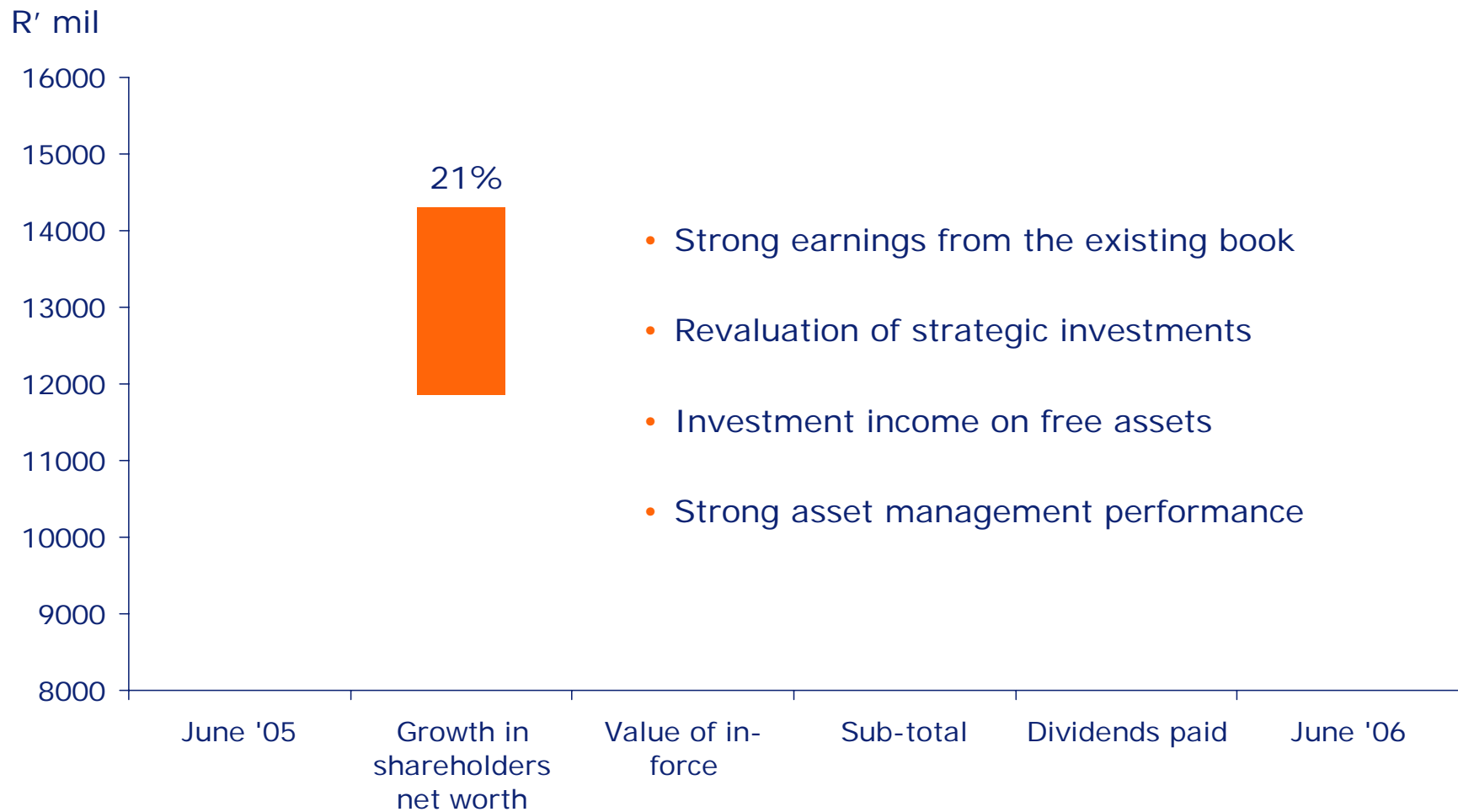


financial review

m



Very strong growth in EV



financial review

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Very strong growth in EV

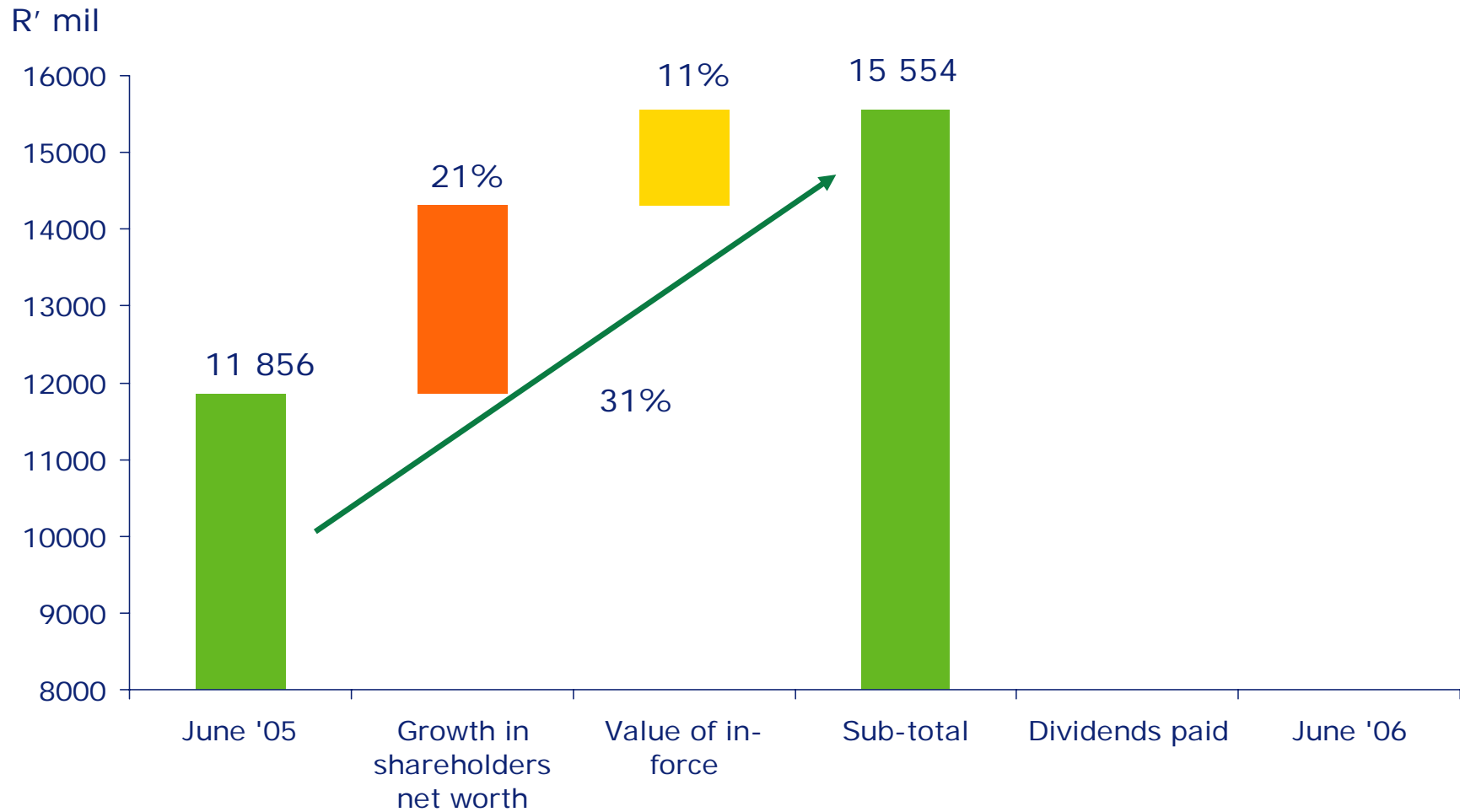


financial review

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Very strong growth in EV

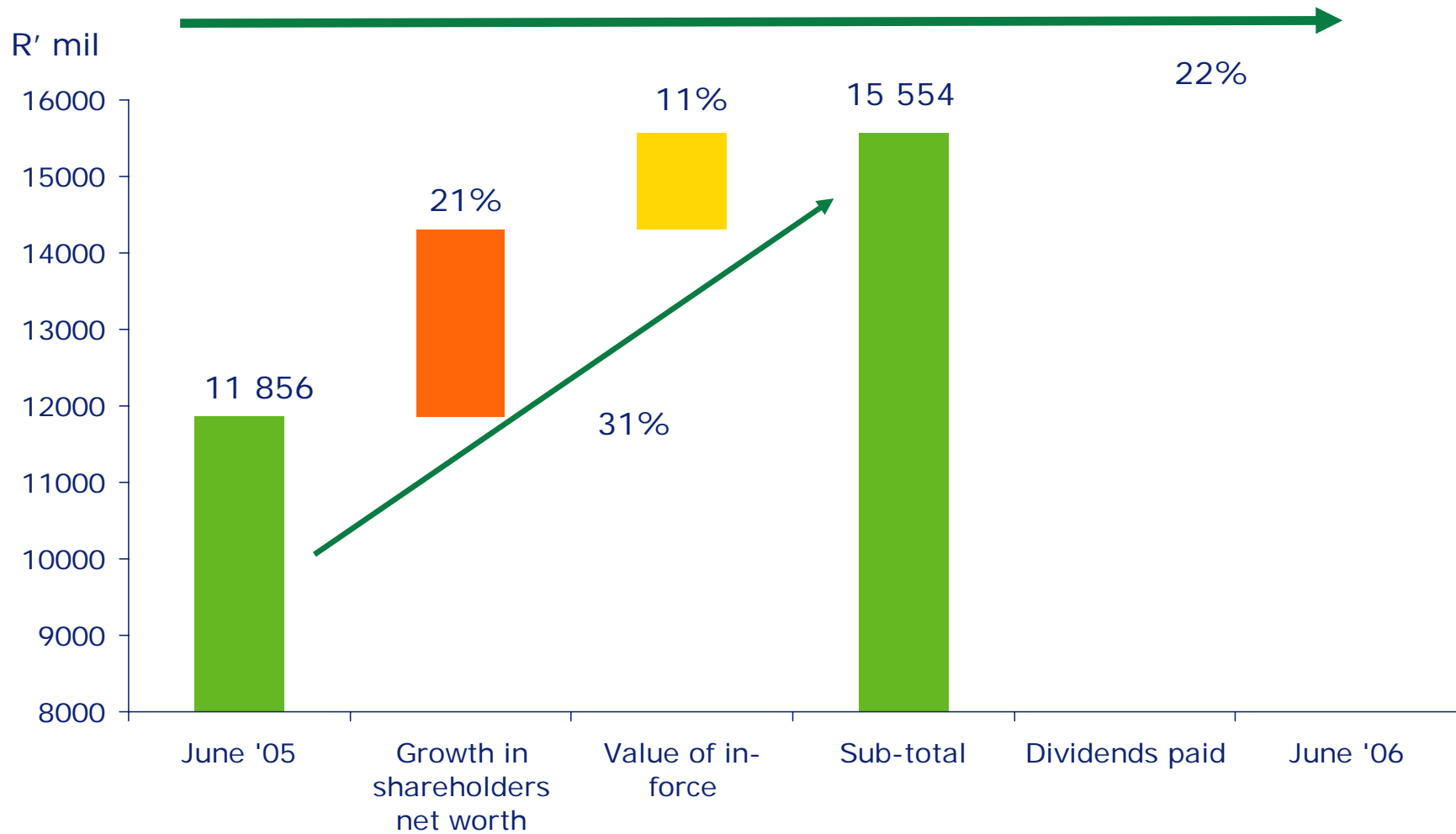


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Very strong growth in EV

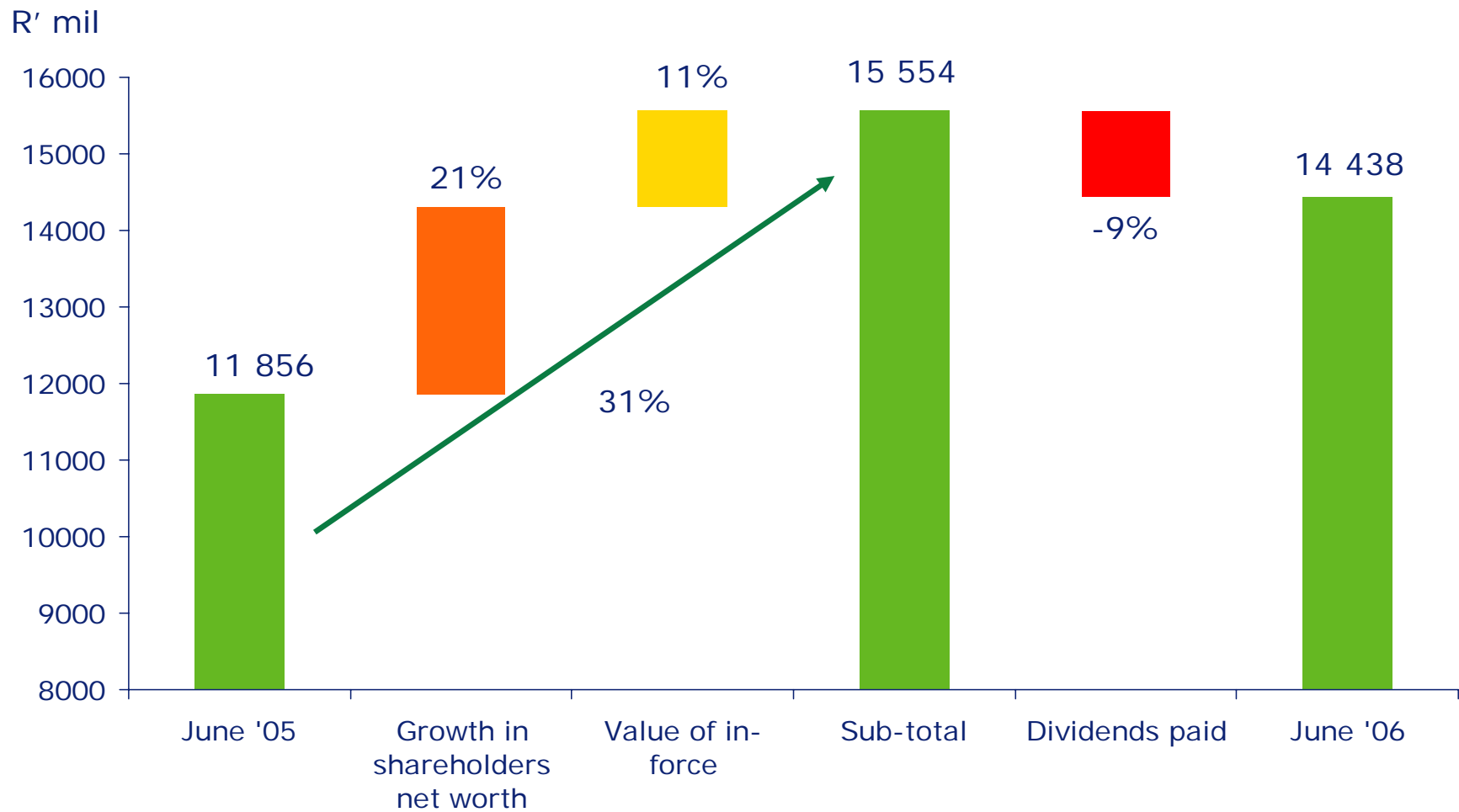


financial review

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Very strong growth in EV



financial review

m





Discovery financial review



Discovery continues to perform strongly

R' mil	June '06 Normalised	June '05 Normalised
Headline earnings	423	316
Headline earnings growth (%)	34	30
Return on embedded value (%)	15.3	33.3



Organic growth pays dividend

- Discovery Health
 - Operating profit up 20%
 - Growth in membership and operating efficiencies
- Discovery Life
 - Operating profit up 31%
 - Strong new business
 - Strong mortality and morbidity experience
- PruHealth's new business performance exceeds expectation
- Disappointing performance from Destiny Health
- Maiden dividend of 27c declared



financial review

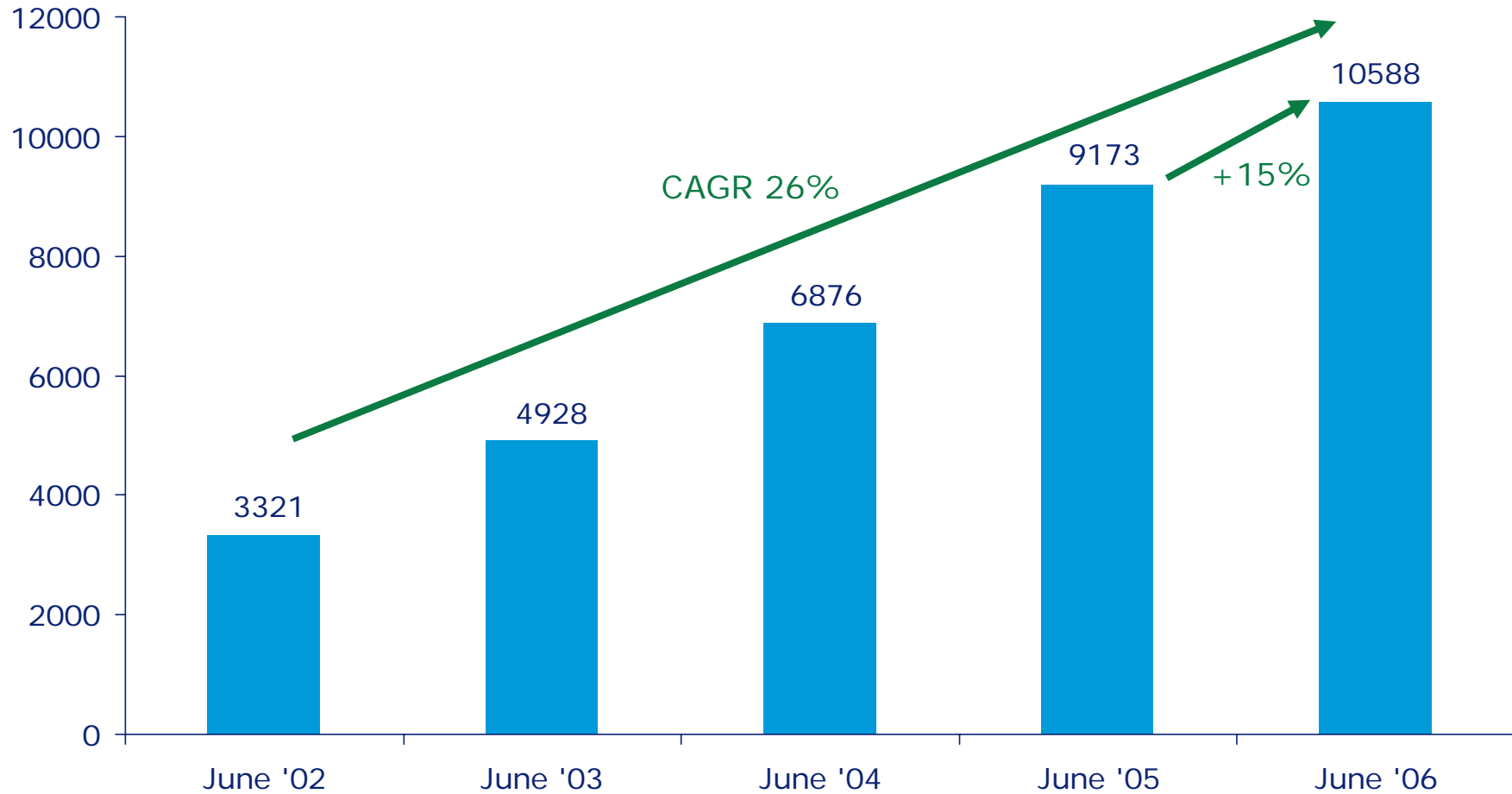


Unpacking the profits

R' mil	June '06	June '05	Growth %
Discovery Health	655	548	20%
Discovery Life	545	417	31%
Discovery Vitality	41	37	11%
Destiny Health	(151)	(90)	-68%
PruHealth	(146)	(148)	1%
Investment income	319	159	101%
Operating profit before BEE	1 263	923	37%



Strong growth in EV continues





Banking operational review



FIRSTRAND
— Banking Group —

The big hitters continue to grow

	Profit before tax	Growth in profit before tax
FNB	R5.1 billion	22%
RMB	R2.6 billion	38%
WesBank	R1.8 billion	25%
Africa	R0.8 billion	18%
Total	<hr/> R10.3 billion	26%



banking





FNB

First National Bank

How can we help you?

FNB shows great growth

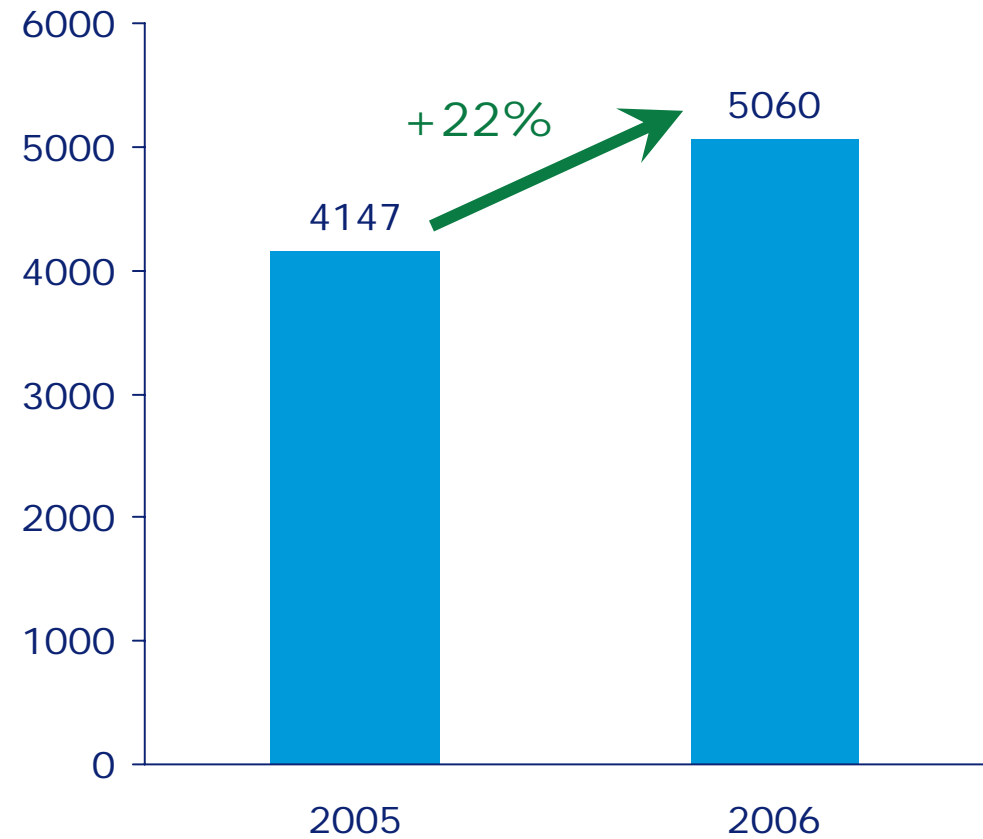
Profit before tax

R5.1 billion

Return on equity

32%

R' mil



banking



Successful organic growth strategy

- Profit before tax +22%
- Advances growth +31%
- Deposit growth +20%
- Non interest revenue +21%
- Bad debt charge 46bps



banking



Capturing the market opportunities

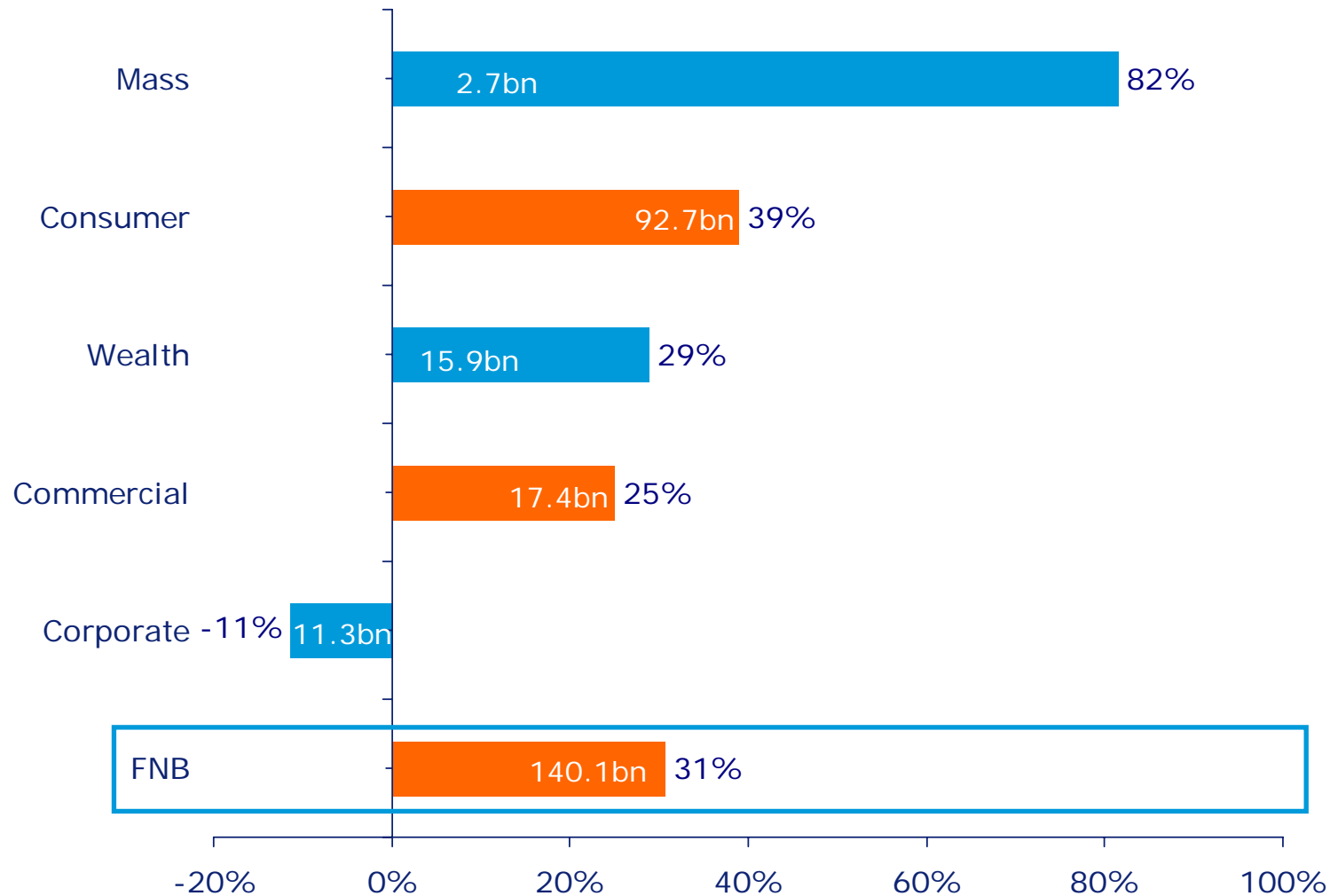
- Increased demand for credit
- Segment approach paying off
 - Strong customer growth
 - Improved cross-sell
- Transactional volume growth
- Innovation
- Collaboration with group companies



banking



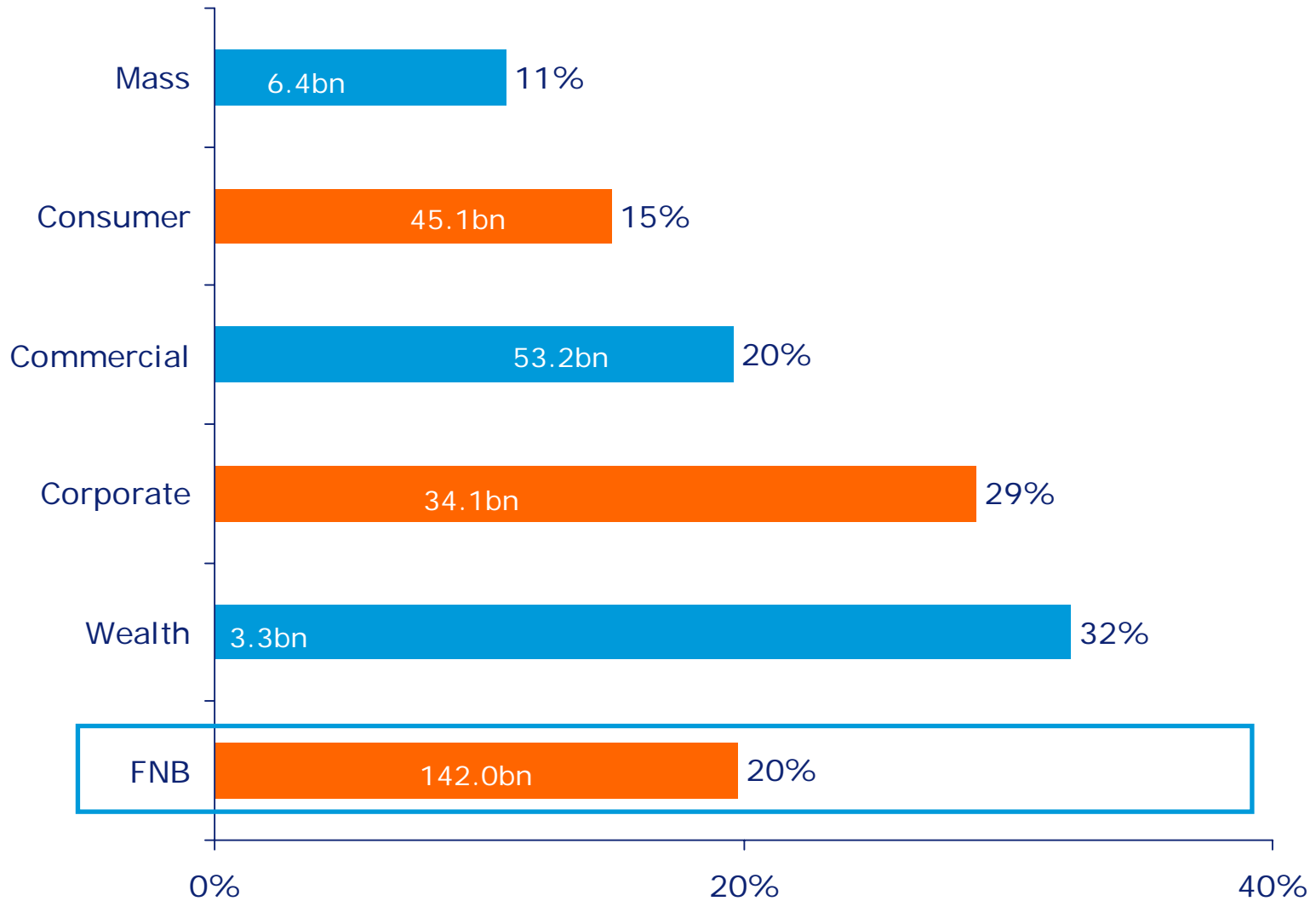
Advances grew across all segments



banking



Deposit growth ahead of market



banking



Volumes hit new highs

	June 2005	June 2006	Volume growth
	000's	000's	
Customer base*	4 422	5 153	↑ 17%
InContact	1 855	3 417	↑ 84%
Internet bankers	389	537	↑ 38%
Telephone bankers	159	192	↑ 21%
Cellphone bankers	74	218	↑ >100%

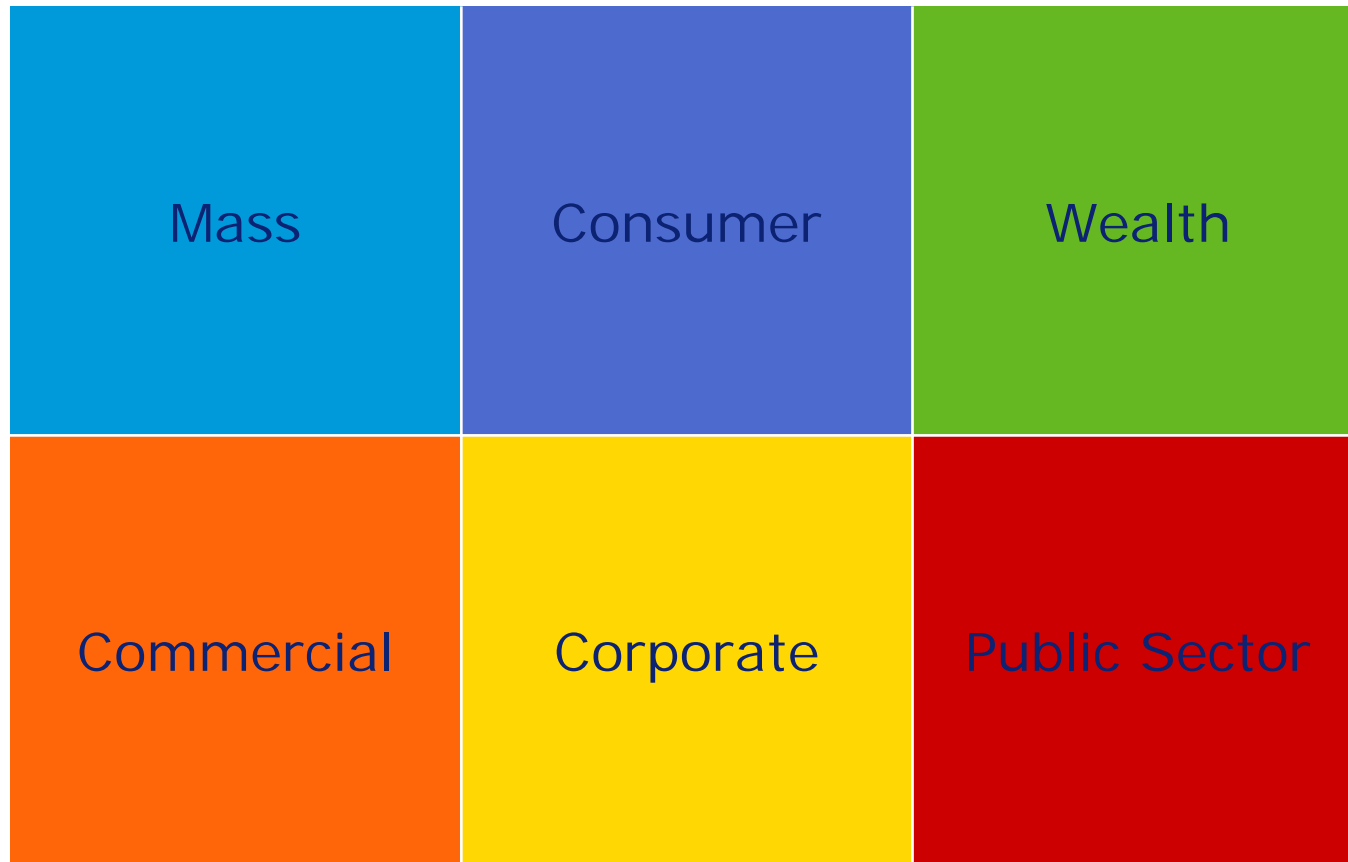
* Including WesBank customers amount to 5.6 million



banking



Segments



banking



Mass

Mass

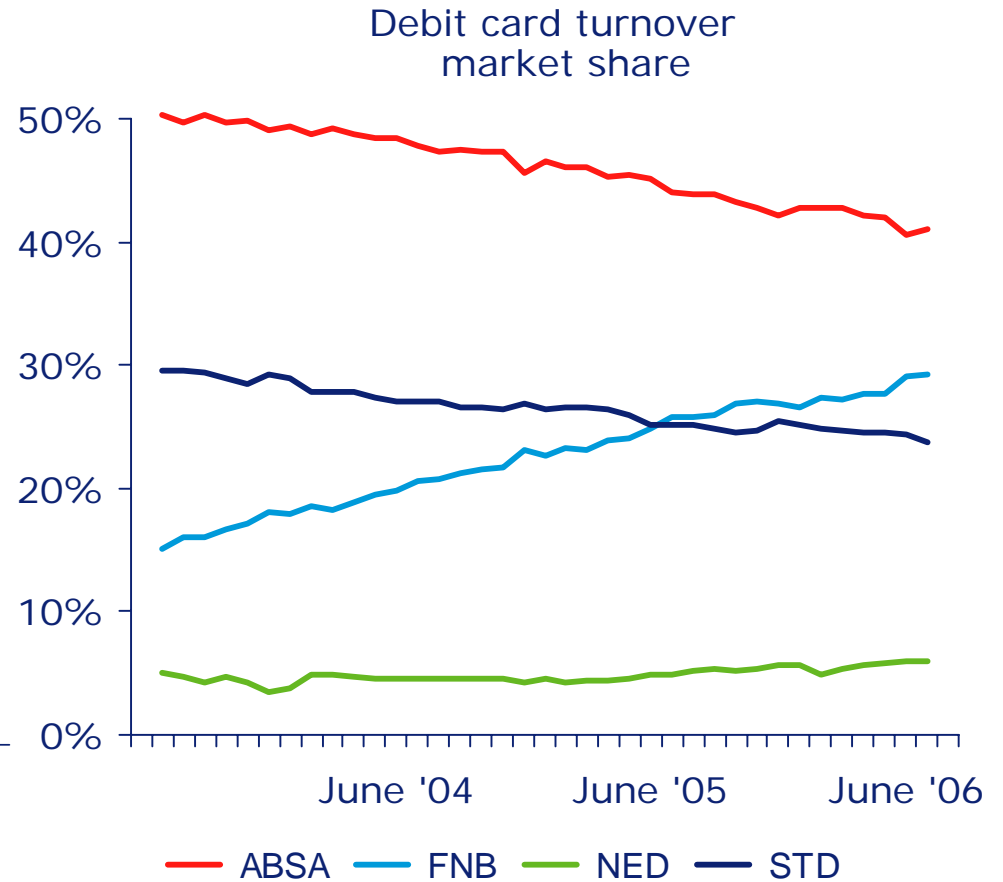
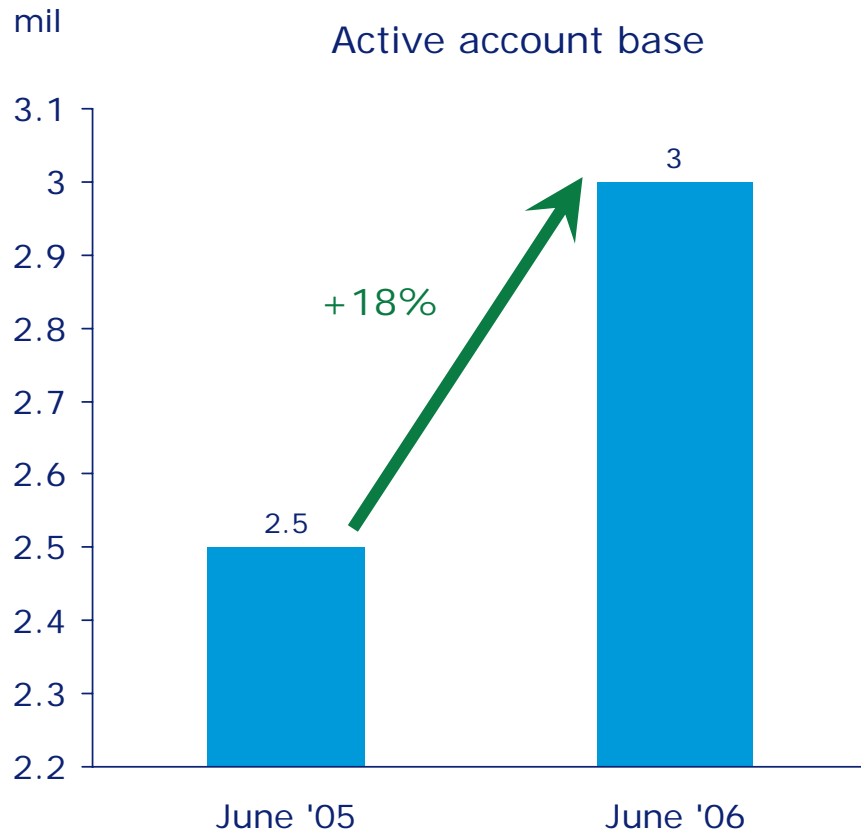
- Individuals with income below R60 000
- Serviced by FNB Smart product suite



banking



Banking the emerging market



Source: FNB Merchant Acquiring

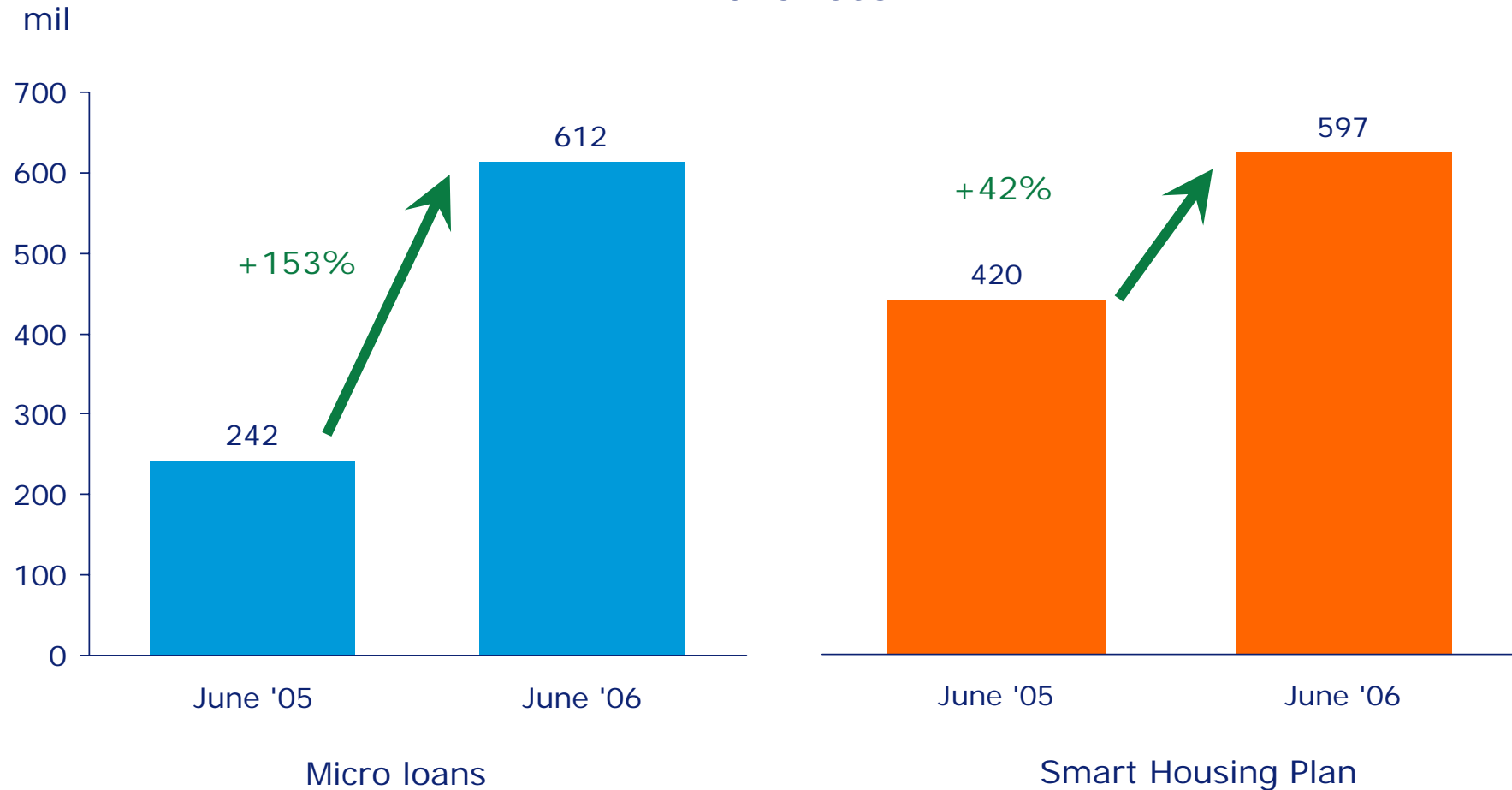


banking



Deepening the relationship

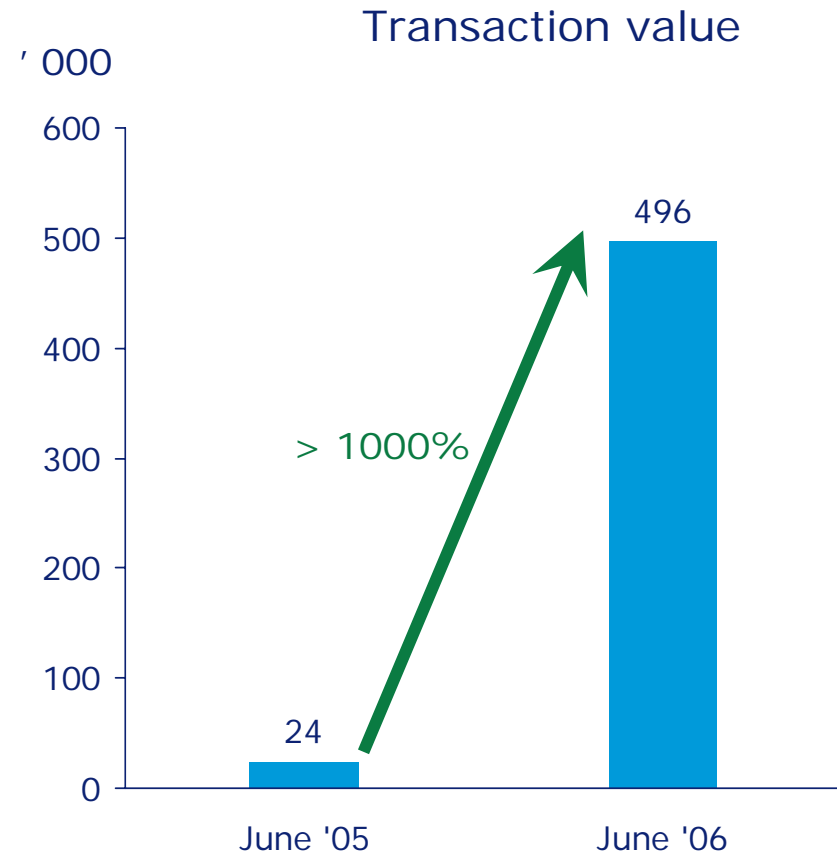
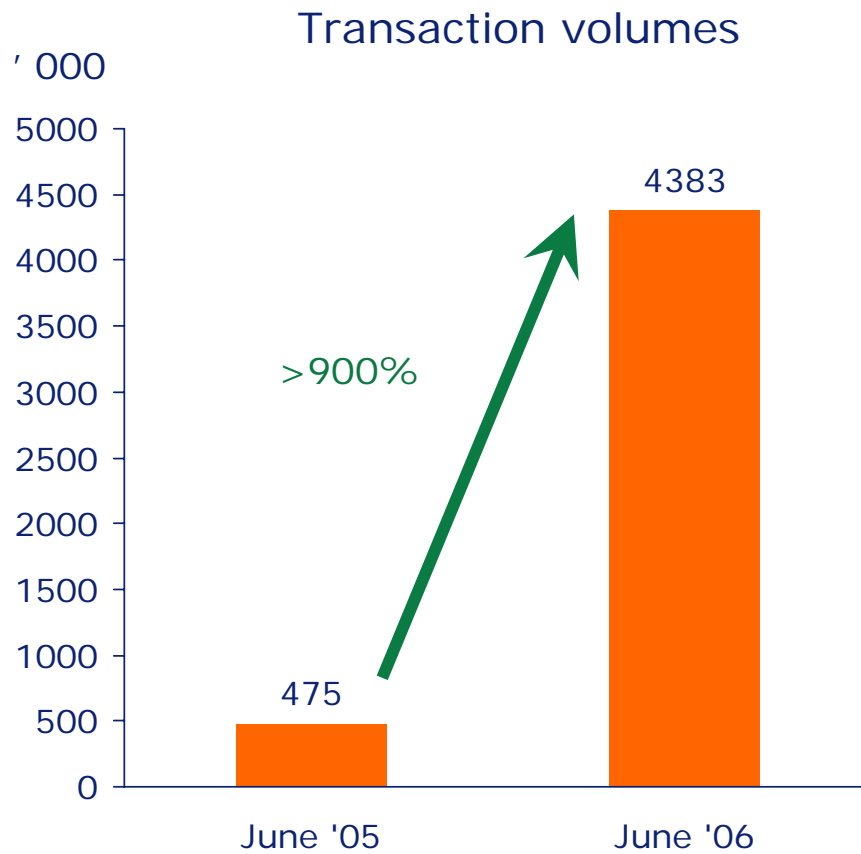
Advances



banking



Leaders in cell phone banking



Cell phone banking launched on 13 March 2005



banking



Consumer

Consumer

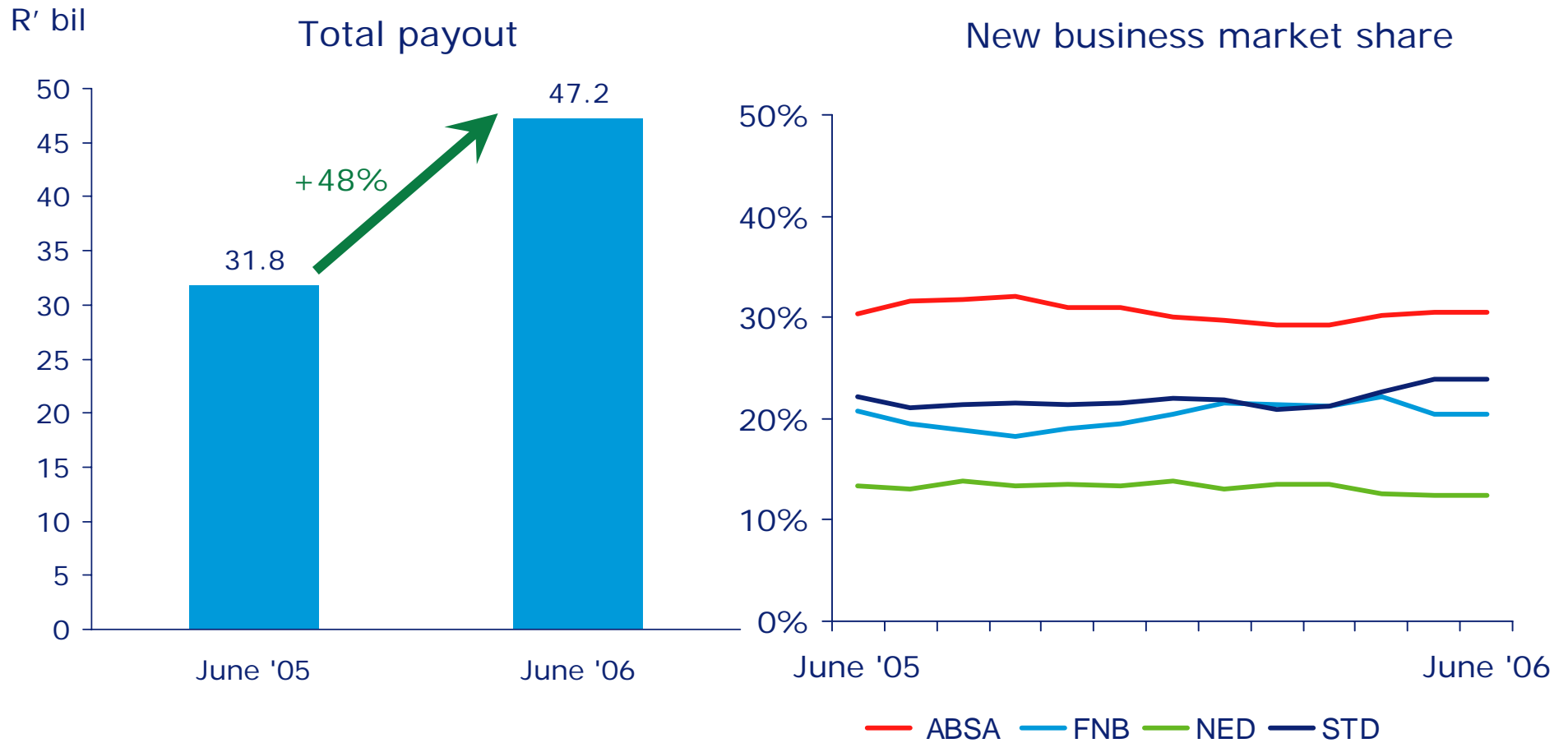
- Individuals with annual income from R60 000 to R750 000
- Includes HomeLoans and Card Issuing



banking



HomeLoans drive growth



Source: Deeds office – bonds < R2,5 million



banking



HomeLoans is increasingly commoditised

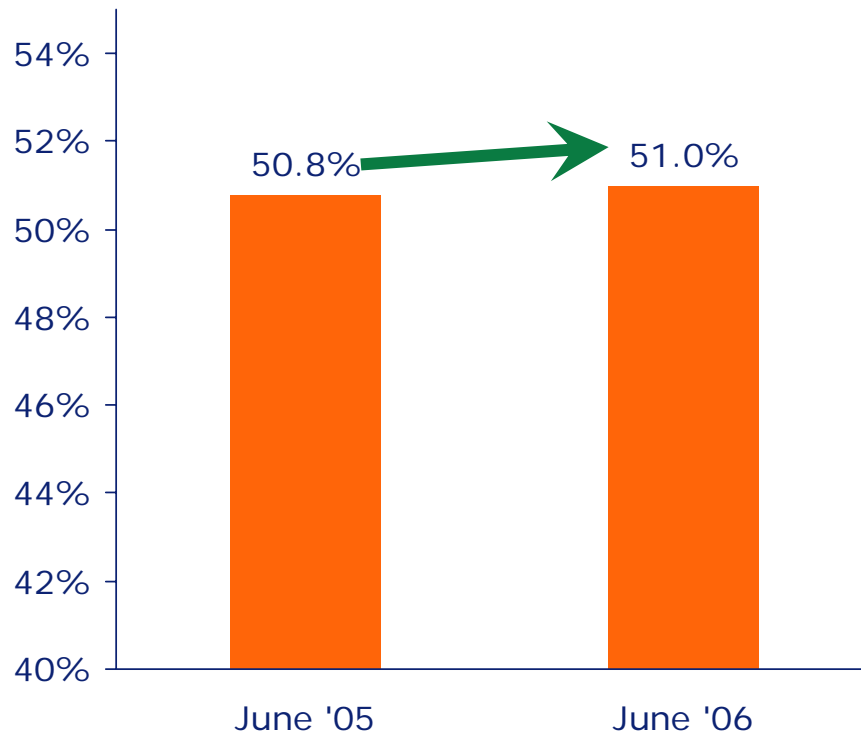


banking

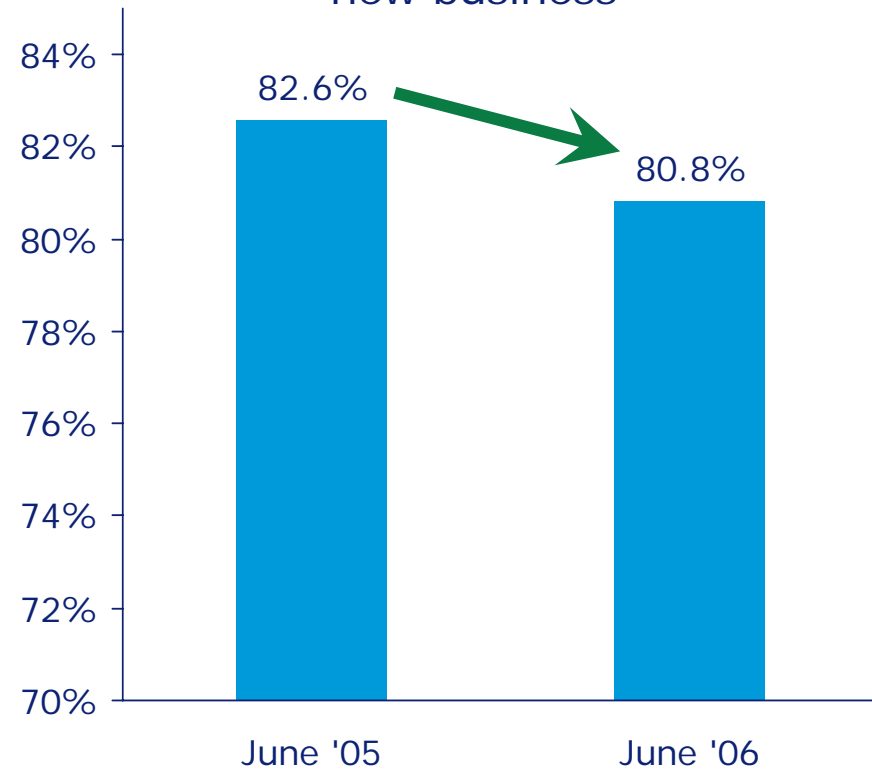


Credit quality reflected in loan to value....

Average loan to value of book



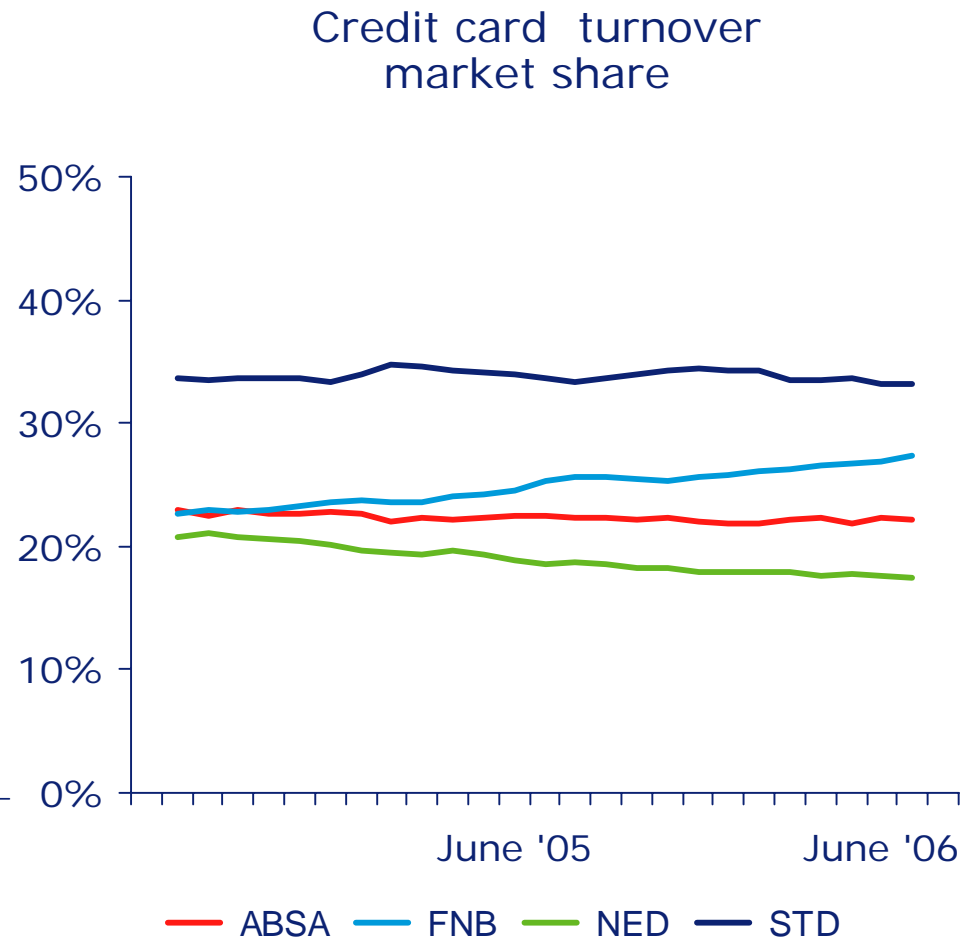
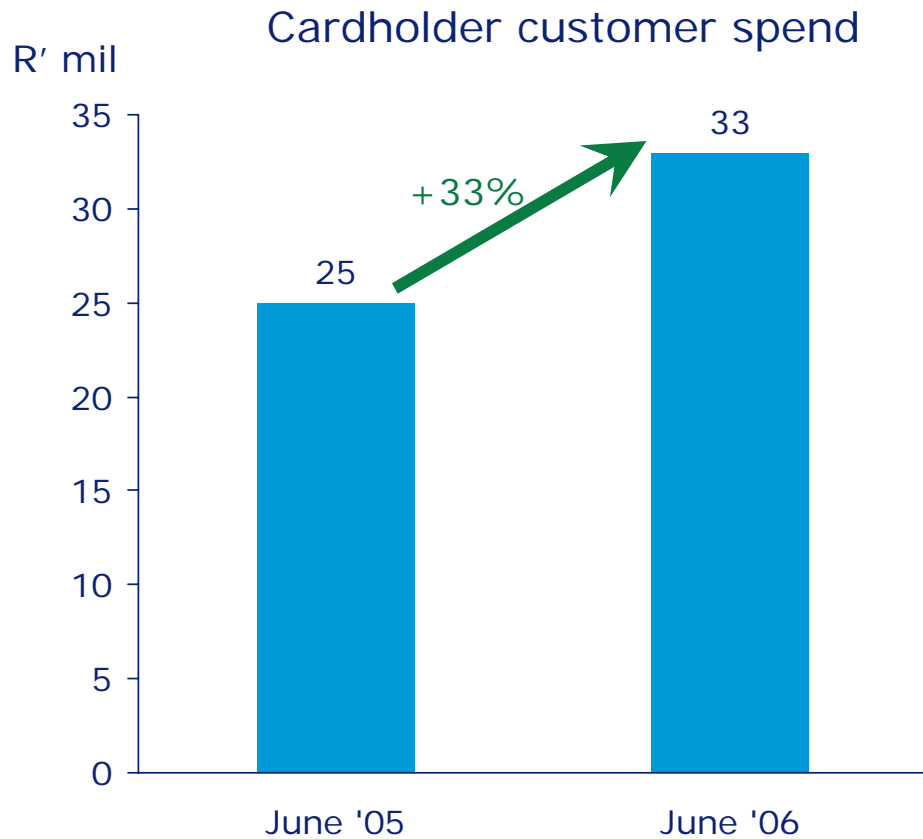
Average loan to value of new business



banking



Card sales and cross-sell strategy delivers



Source: FNB Merchant Acquiring



banking



Wealth

Wealth

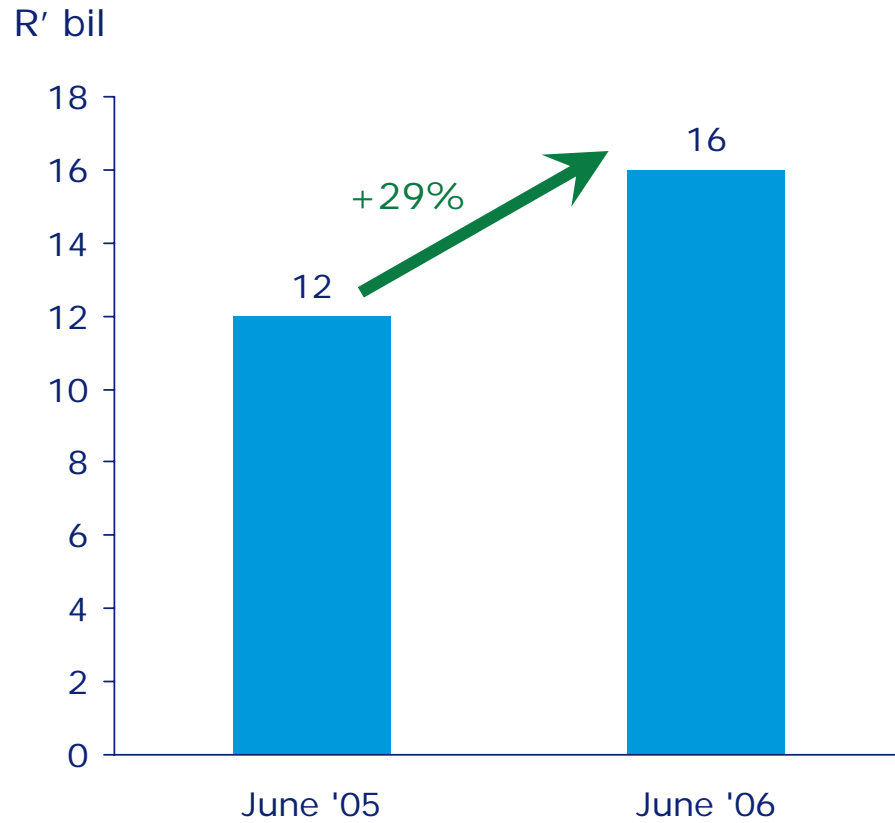
- High net worth and high income individuals
- Serviced by RMB Private Bank and FNB Private Clients



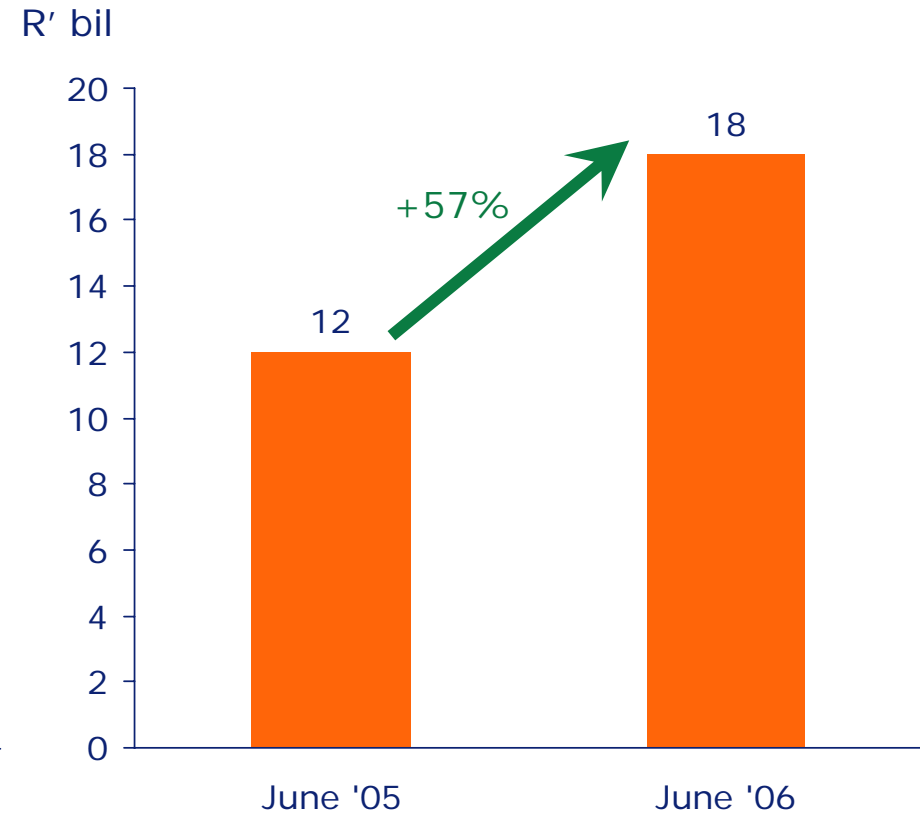
banking



Private Bank gaining momentum



Advances



Assets under management



banking



Commercial

Commercial

- Mid-corporate, business, agriculture and SME's
- Products include commercial property finance and leverage finance



banking



Commercial delivering on its promise

- Increased market share and new active accounts
 - Leveraged finance, BEE and focus on start up businesses
 - Active accounts up 18% in the business segment
- Commercial Property Finance advances up 72%
- Agricultural loans up 43%
- FNB Leveraged Finance asset growth in excess of 200%
 - Through relationships with Umsobomvu Youth Fund and Khula



banking



Corporate

Corporate

- Large corporates, financial institutions, and parastatals
- Transactional banking focus



banking



Banking South Africa's top companies

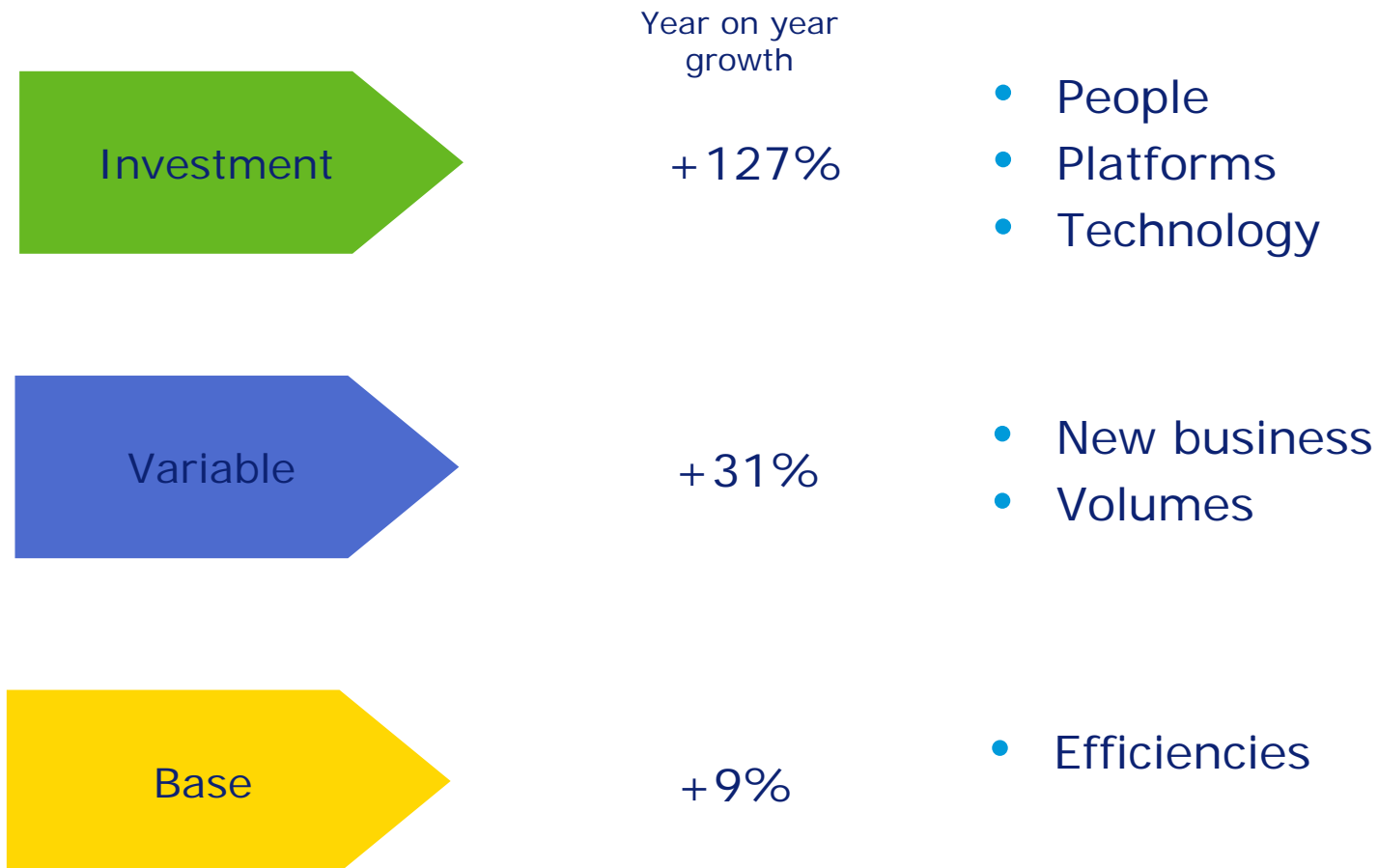
- Non interest revenue now 72% of total revenue
- Increasing cross sell ratio to above 3X
- Transaction volumes outstripping market volume growth
 - Electronic transactions: +21%
 - Card acquiring: +27%
- Maintaining market leadership in Acquiring turnover
 - 31% of total turnover
 - No of POS devices +43%
 - No of merchants +19%



banking



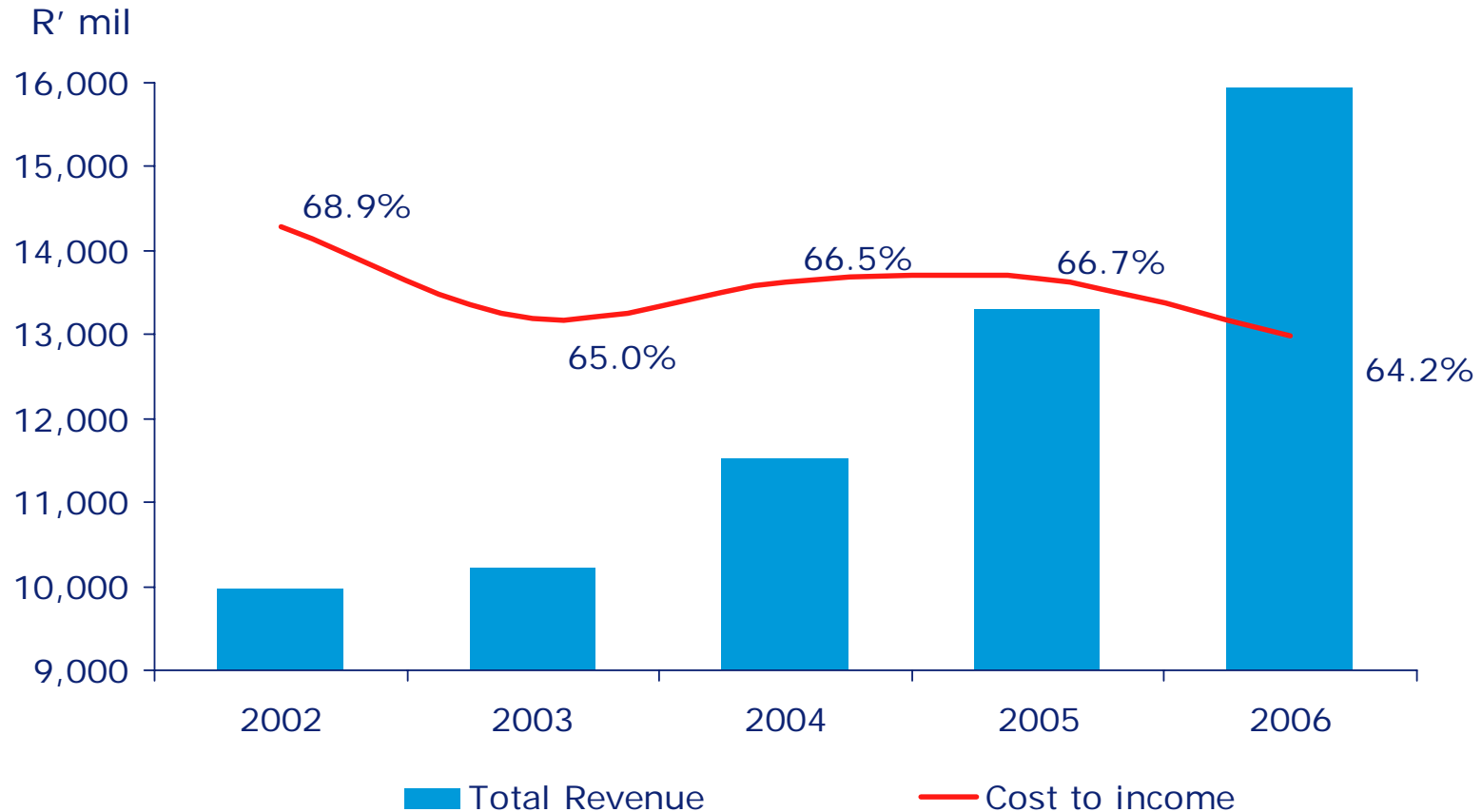
Continued investment for growth



banking



Top line driving positive jaws



banking



There are some challenges

- National Credit Act impact on fees and pricing
- Declining margins
- Competition Commission enquiry



banking



Still on track – good to great

- High base created, but organic growth remains strong
- Resilient lending book to withstand interest rate increases
- FNB brand continues to strengthen
- Joint ventures provide growth opportunities



banking





RAND MERCHANT BANK

A division of FirstRand Bank Limited

Traditional values. Innovative ideas.



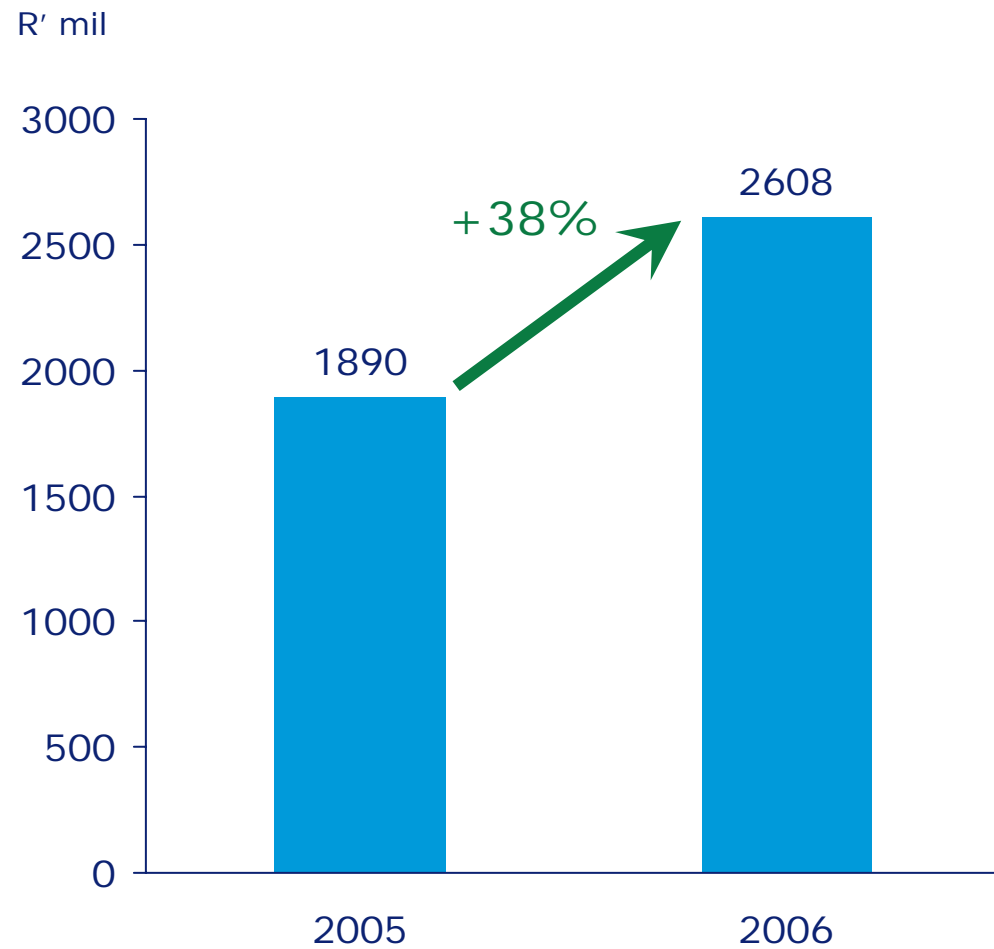
banking



An exceptional performance

Profit before tax R2.6 billion

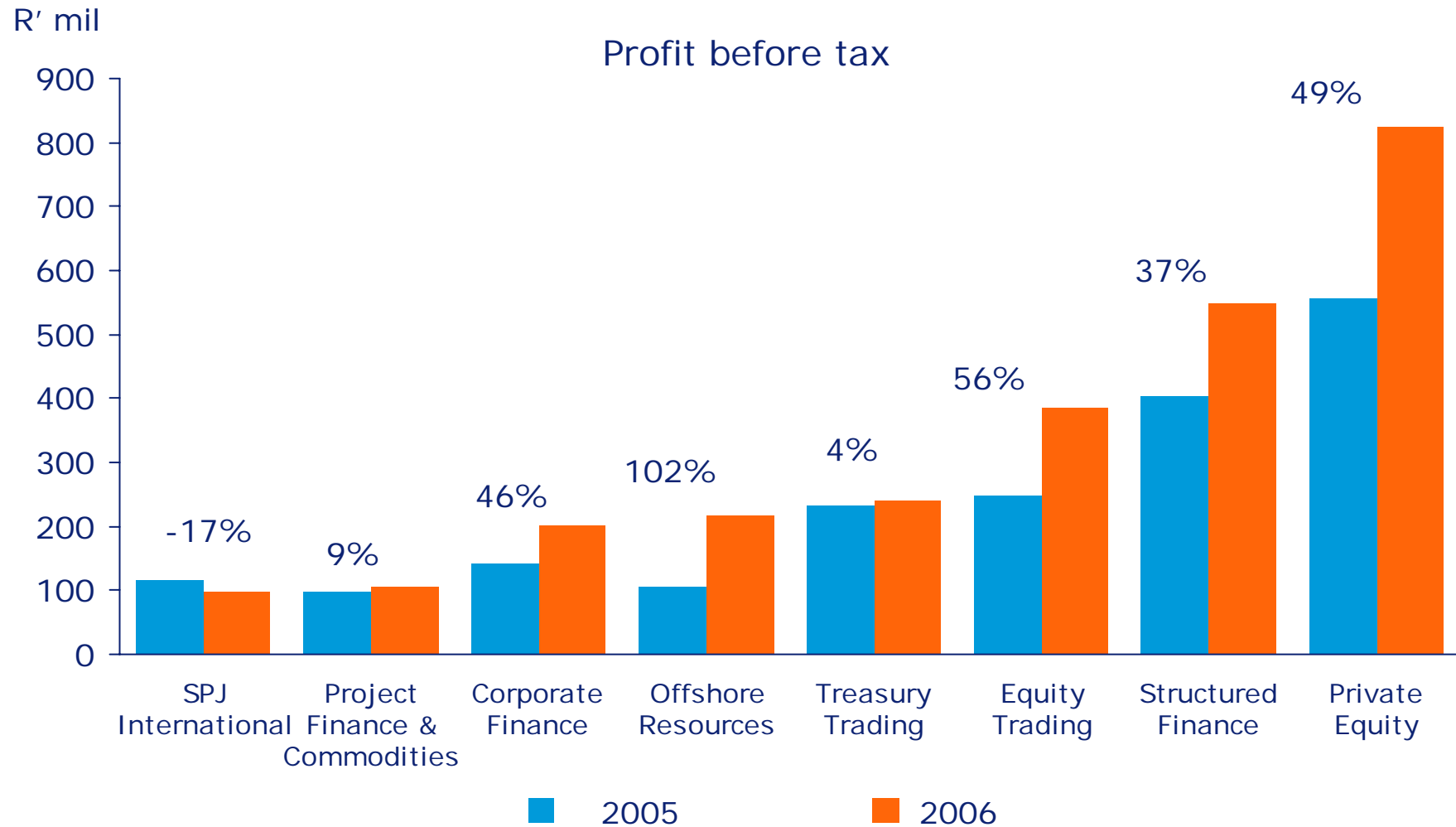
Return on equity 36%



banking

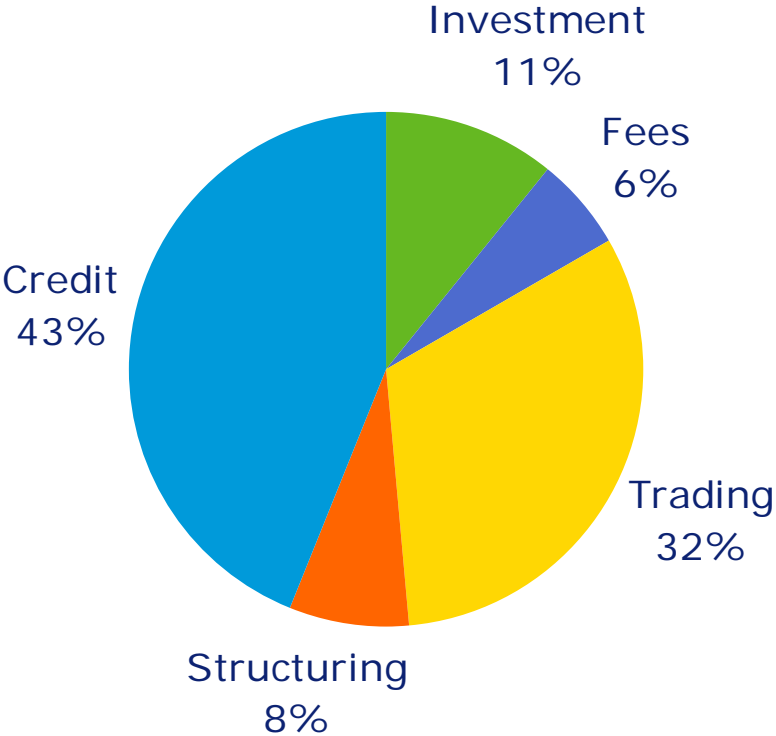


Strong growth across the portfolio



Increasingly diverse earnings base

2002



2006



Performance characterised by...

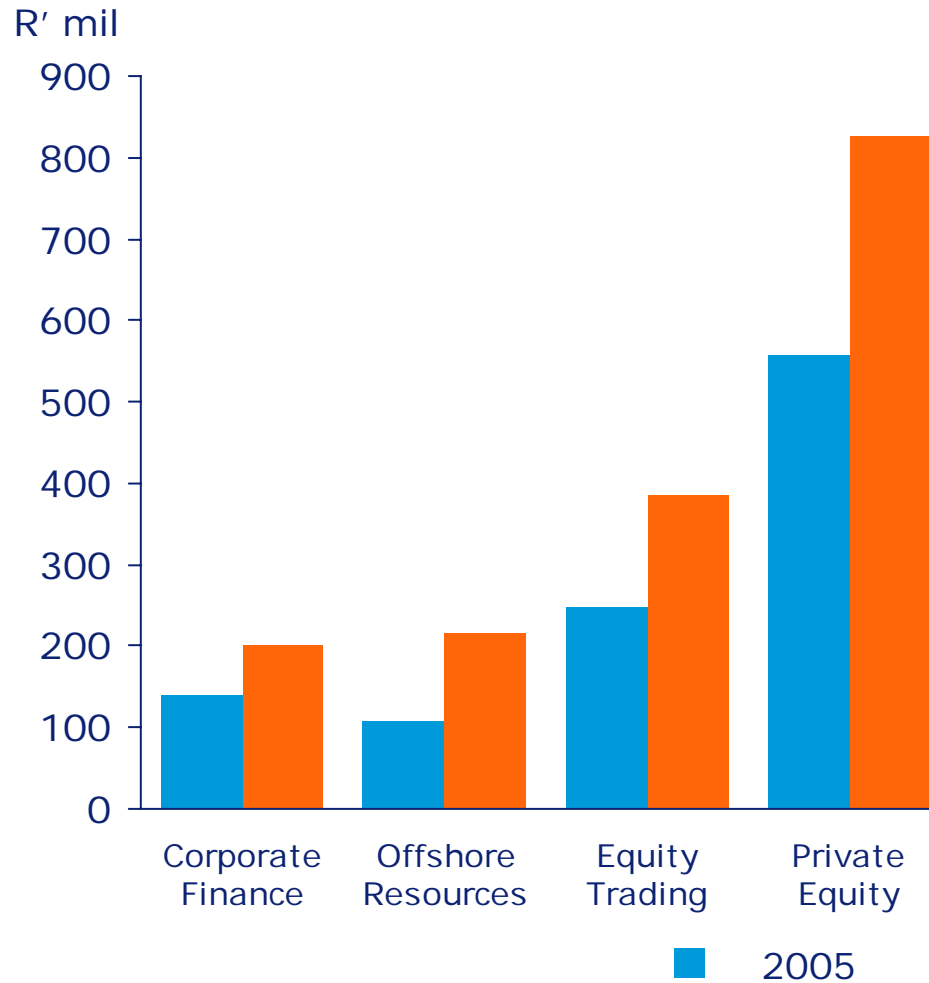
- Buoyant performance from equity business
- Mixed fortunes for the trading business
- Debt businesses gaining momentum



banking

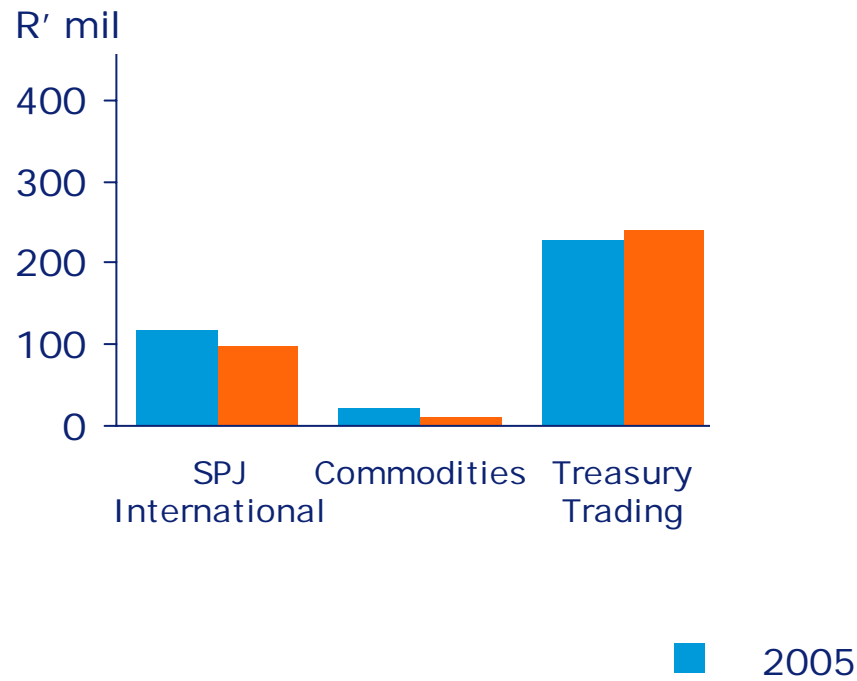


Equity strategy paying off



- Record stock market growth
- Excellent climate for harvesting private equity investments
- Unrealised profits in Private Equity still growing, despite realisations
- Quality private equity portfolio continues to deliver good value
- Corporate Finance boosted by BEE

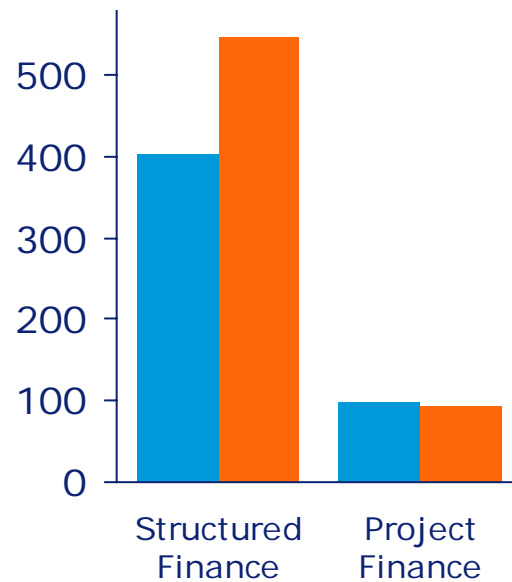
Mixed fortunes in trading



- Challenging markets
- Consolidated international operations
- Moderate commodity performance

Debt businesses picking up momentum

R' mil



- BEE creating opportunities
- Strong property finance performance

■ 2005

■ 2006

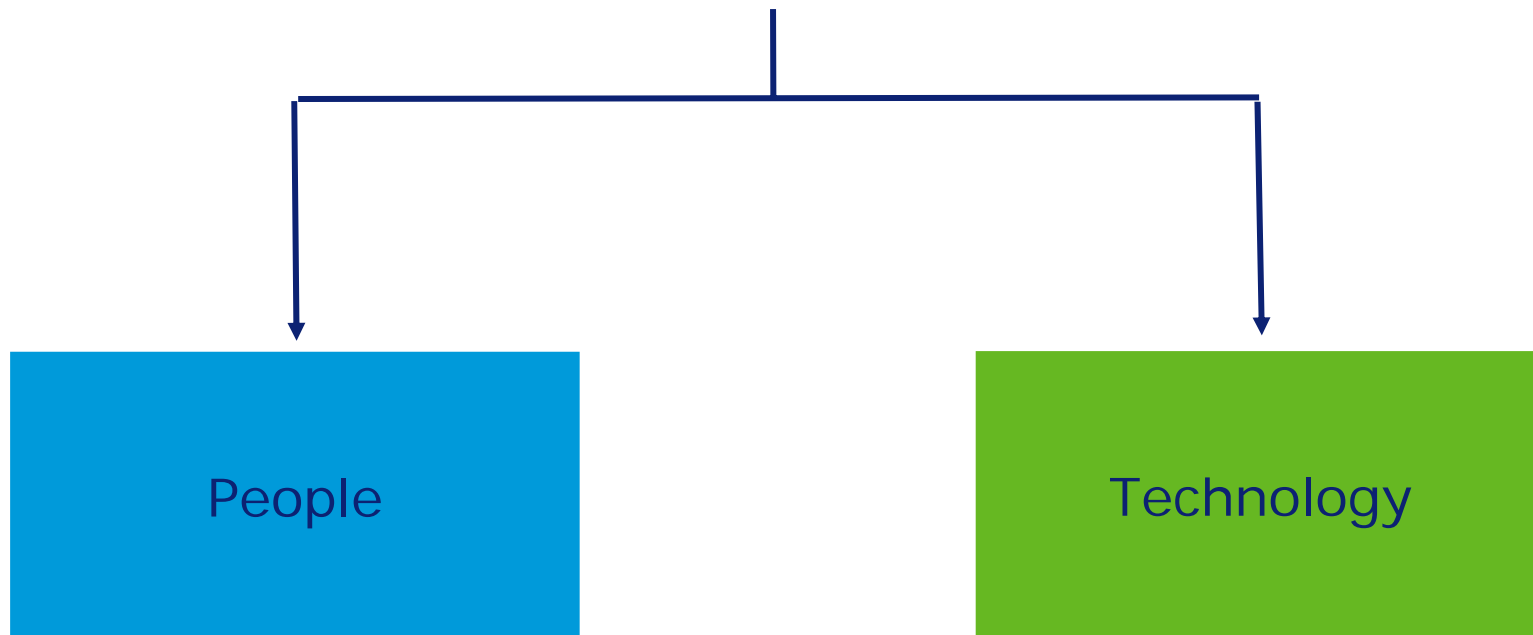


banking



Investing for growth

Costs up 36%



RMB has exciting prospects

- BEE
- Despite delays in the infrastructure spend, RMB is still well positioned
- Anticipate further private equity realisations, but continue to invest and grow portfolio
- Focus on relationships



banking



WesBank

Put us to the test



banking

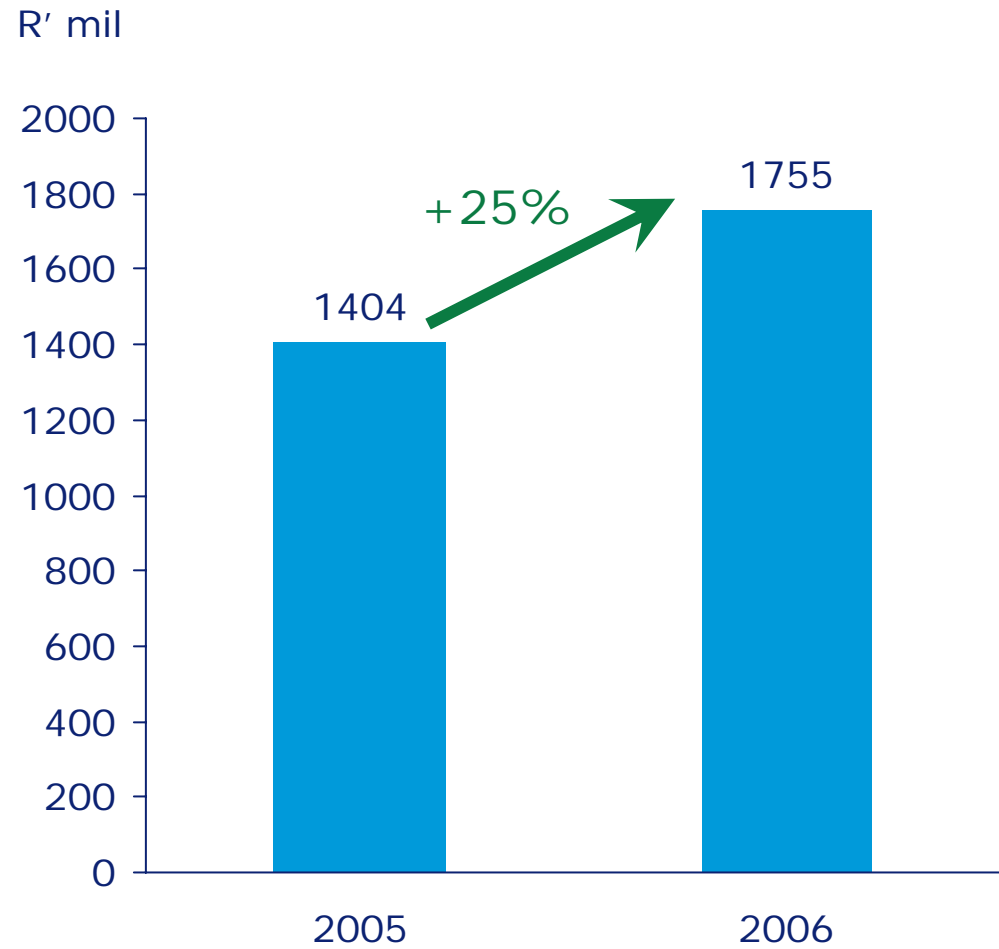
WesBank



Strong performance off high base

Profit before tax R1.8 billion

Return on equity 29%

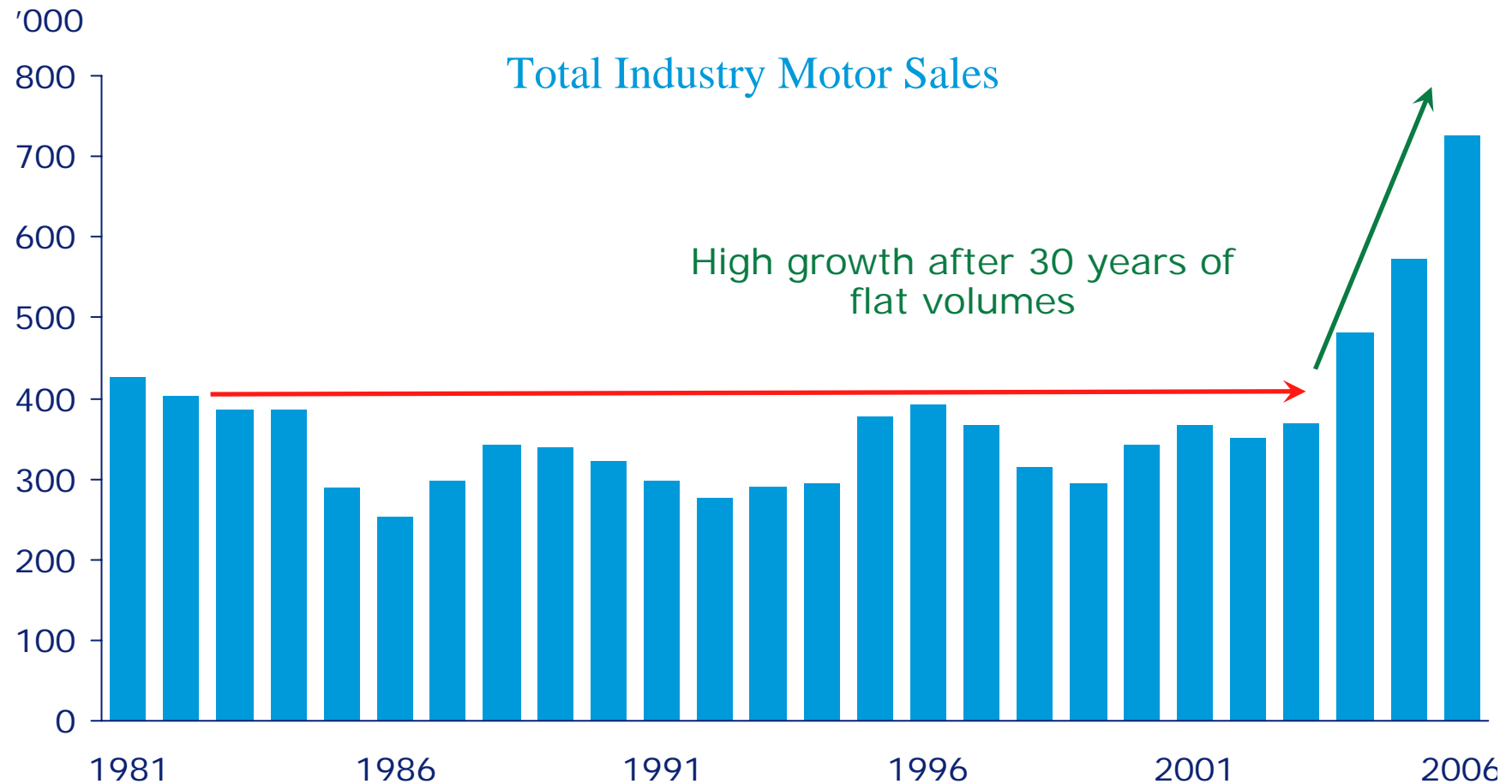


banking

WesBank



Market still growing strongly



banking

WesBank



The growth story continues

- Advances growth +27%
- New business written +28%
- Non interest revenue +26%

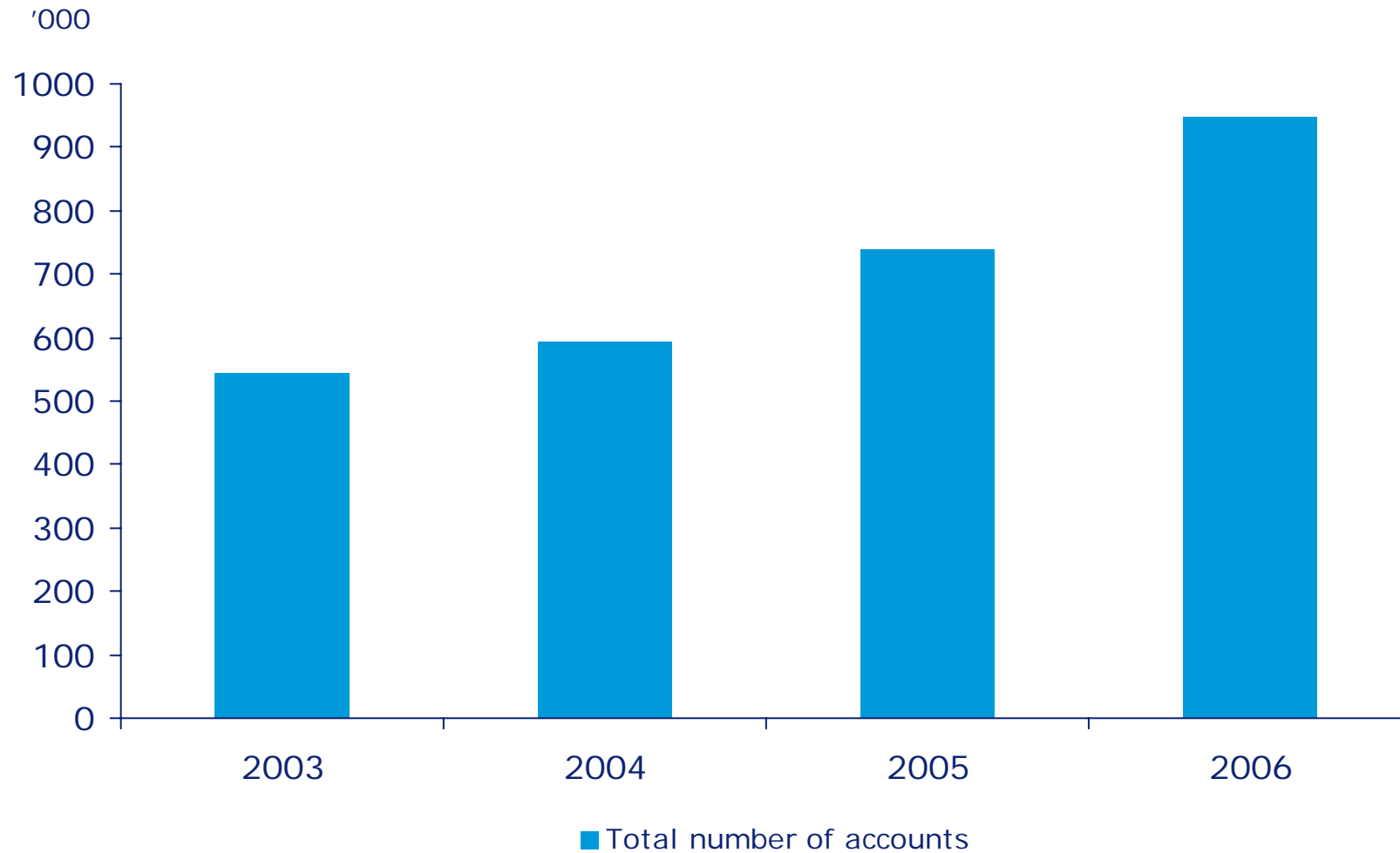


banking

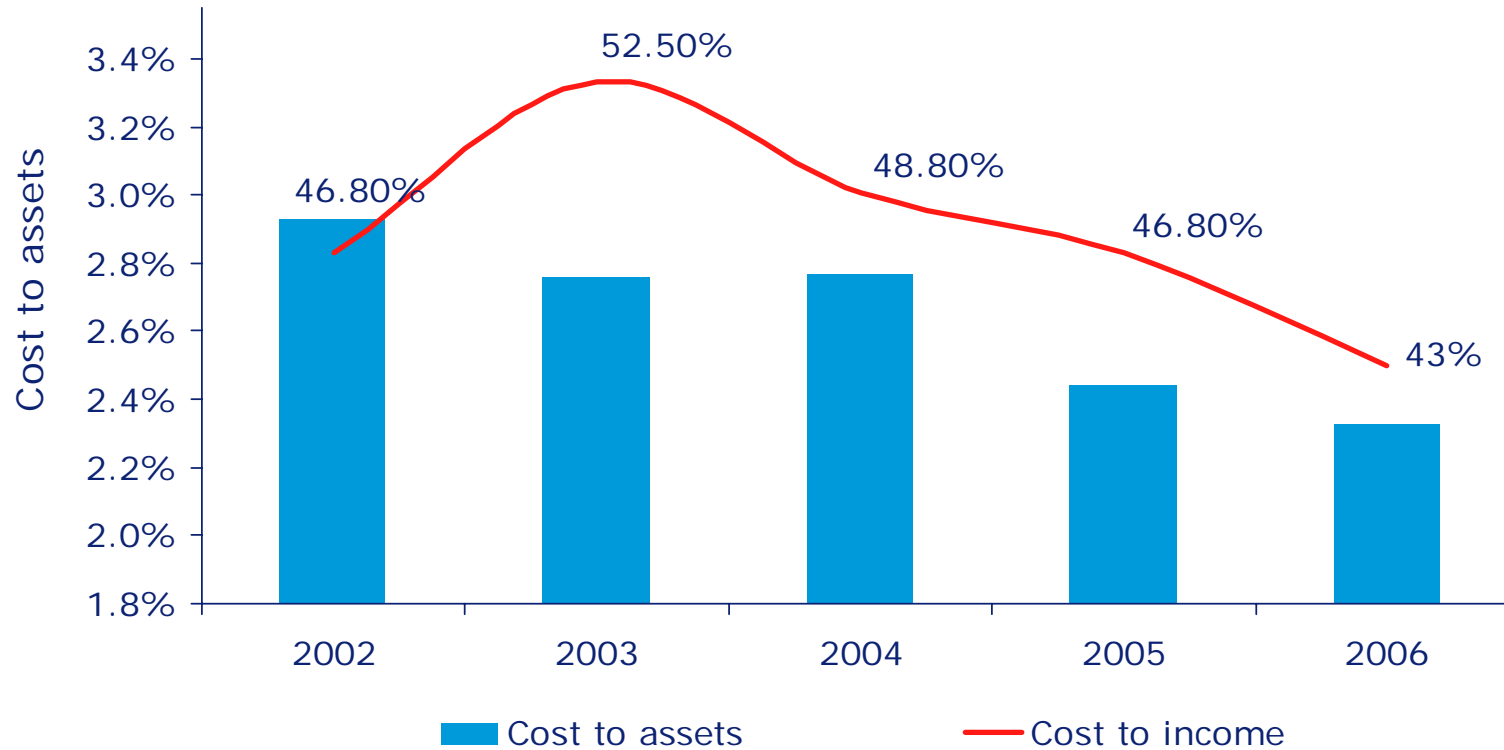
WesBank



75% growth in accounts in three years



Scale and efficiencies



Challenges and opportunities

- Challenges
 - Continued margin compression
 - National Credit Act
 - Consumer indebtedness
- But good opportunities
 - Normalisation of retail, motor growth but still at strong levels
 - Corporate and government infrastructure development
 - Good partnership growth prospects
 - International expansion



banking

WesBank





FNB
First National Bank
SWAZILAND

How can we help you?



FNB
First National Bank
Namibia

How can we help you?



FNB
First National Bank
Botswana

How can we help you?



FNB
First National Bank
Lesotho

How can we help you?



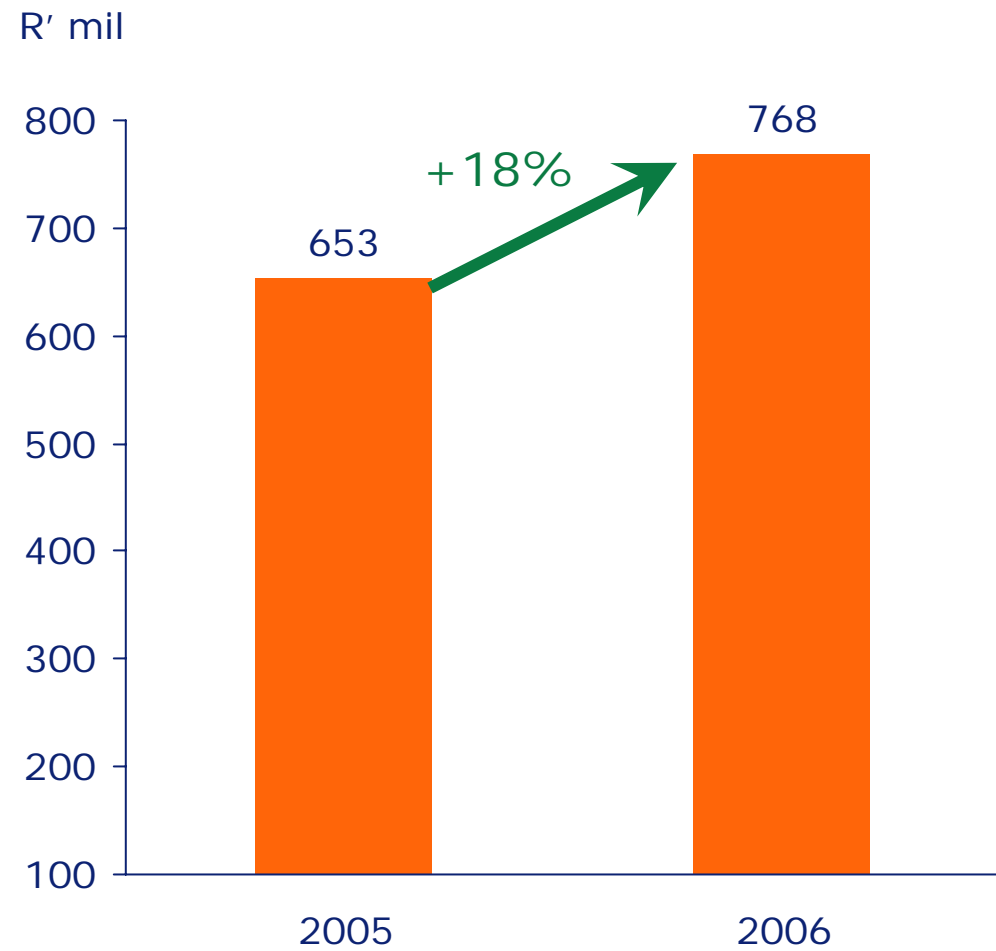
banking



Africa came through

Profit before tax R0.8 billion

Return on equity 29%



banking



All subsidiaries performed

- Botswana
 - Good growth in transactional volumes
 - Excellent performance by property
 - Efficiency still improving (cost to income +35%)
- Namibia
 - NIR grew 19.2% due to good sales and cross selling
 - Advances grew 17.3% (HomeLoans and WesBank)
- Significant turnaround in Swaziland
- Lesotho achieved a good market penetration in first full year



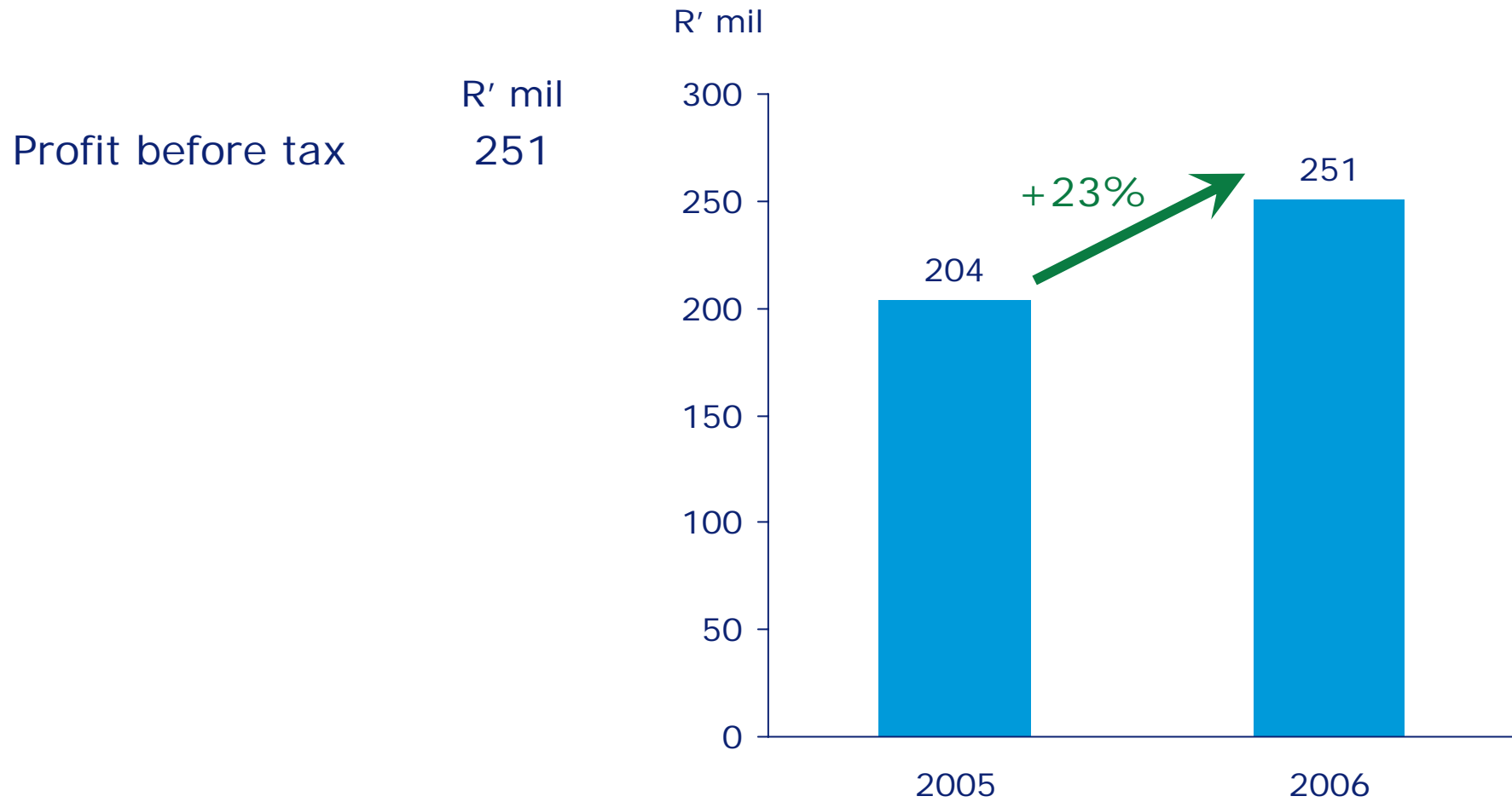
banking



O U T

S U R A N C E

OUTstanding performance



banking

OUT
SURANCE



OUTsurance stands OUT

- Headline earnings up 29.4%
 - Excellent underwriting performance maintained in spite of downward trend in the insurance cycle
- Premium income up 23.1% due to good organic growth
 - Further increase in market share with the direct channel making further inroads
- Business OUTsurance premium income up 115% and break-even operating result achieved
- Looking at international expansion



banking

OUT
SURANCE

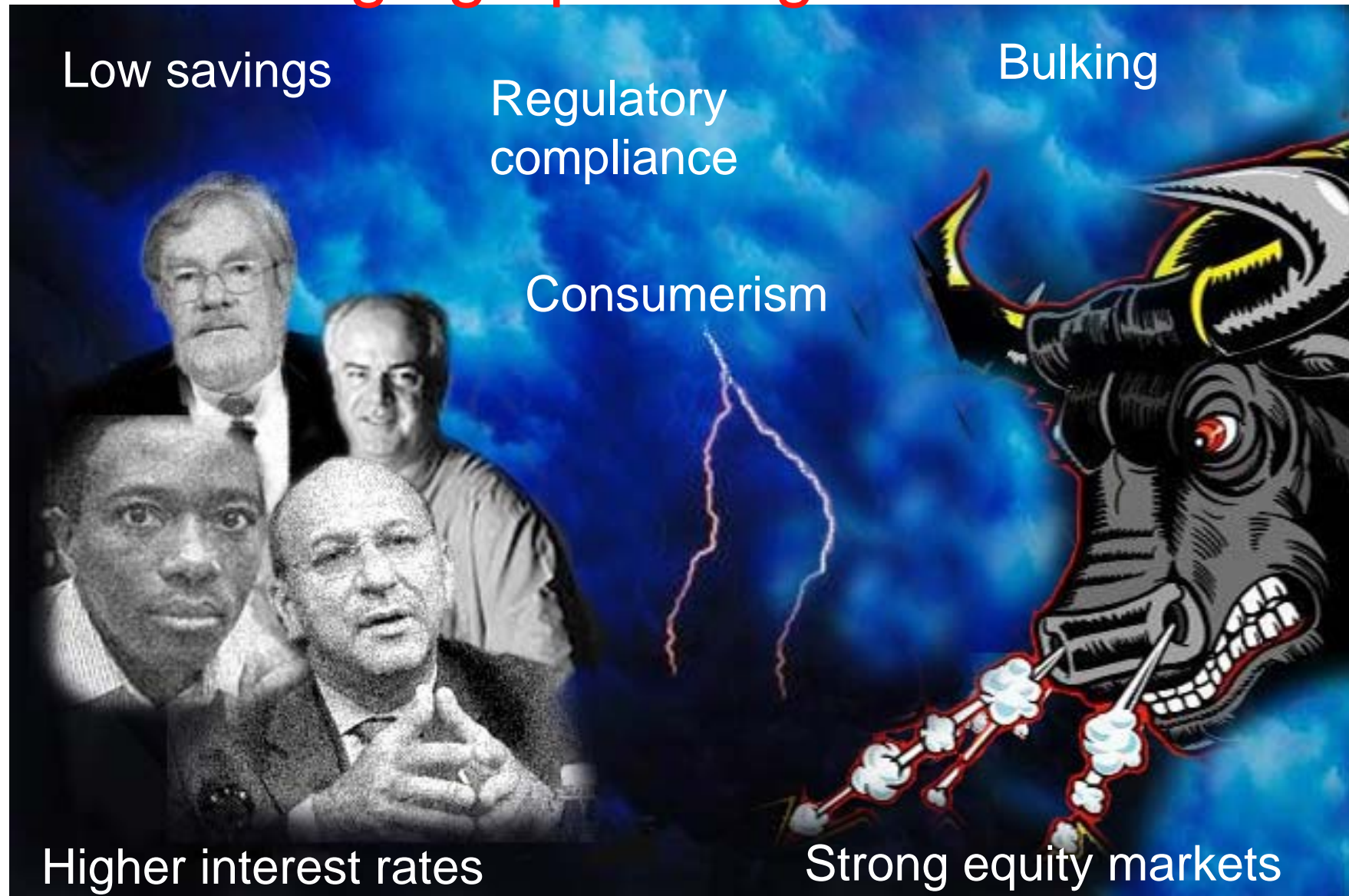




Momentum operational review

momentum

Challenging operating environment

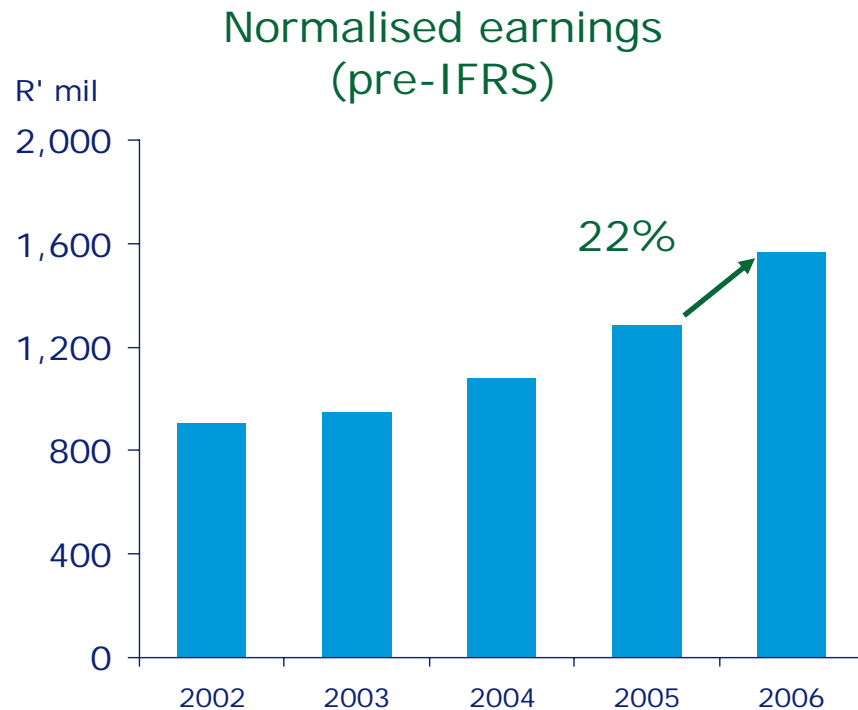


financial review

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Volumes drive strong performance



- Embedded Value R 14 438m
- Change in Embedded Value +22%
- Value of New Business +18%
- Retail Net Flow of Funds +37%



Unpacking the earnings

R' mil	June '06	June '05	%Δ
Insurance operations	940	685	37
• Local	883	726	22
• FNB Collaboration	58	18	>100
• International	(1)	(59)	98
Asset management operations	347	247	40
• Local	243	178	37
• International	104	69	51
Investment income	280	355	-21
Normalised earnings (pre-IFRS)	1 567	1 287	22



Unpacking the earnings

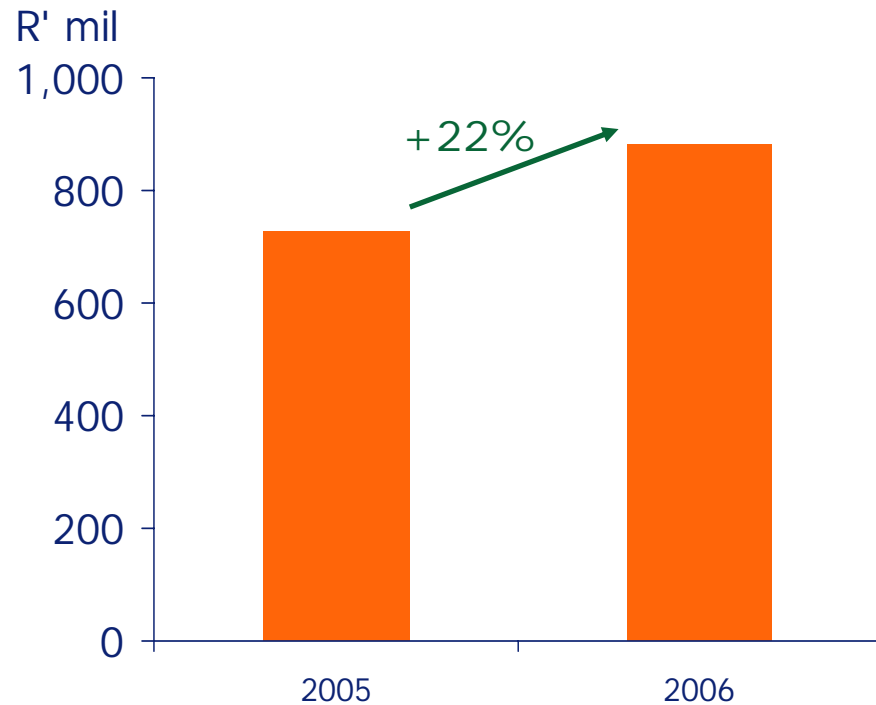
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New business volumes offset margin pressure

Local Insurance Earnings

Strong new business growth



PLUS

Acquisitions

DESPITE

Reduced margins



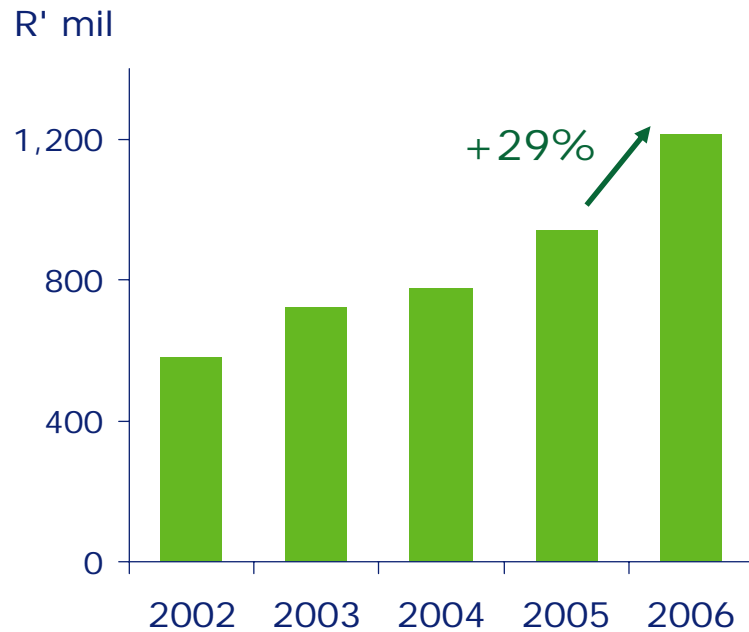
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Strategy delivering

Recurring premiums



- New markets
- Distribution strategy
- Continued success in risk business

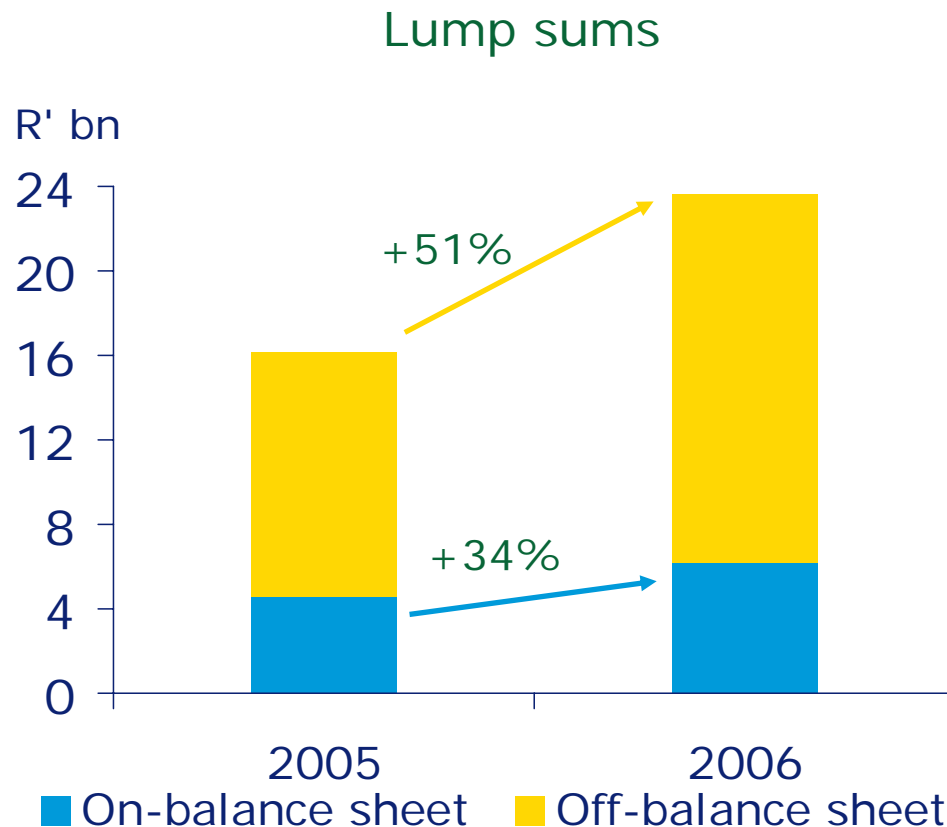


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Well positioned to capitalise on market shift

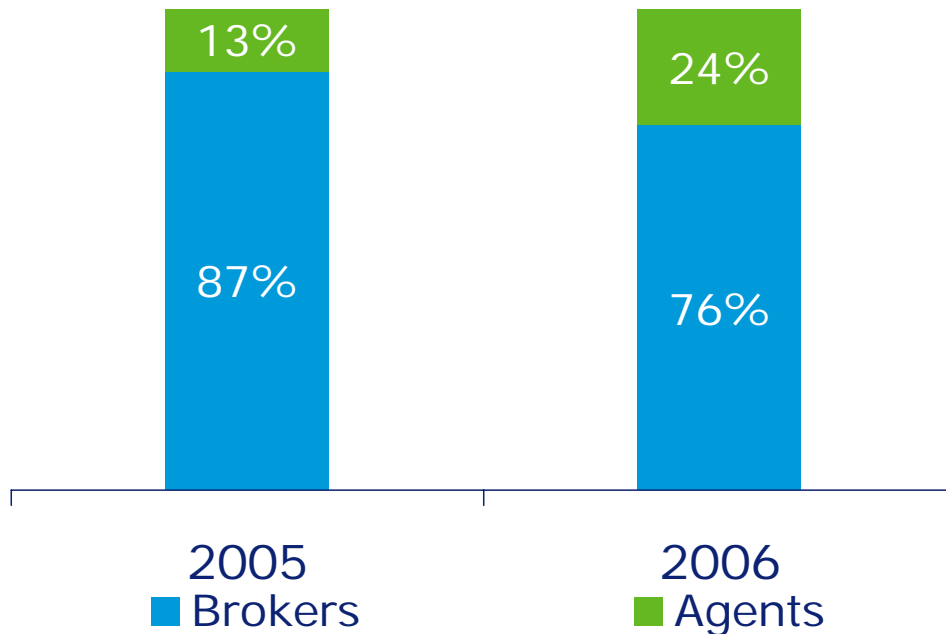


- Up by 46% over the year
- Continued shift toward discretionary unit trust inflows
- Open architecture
- Focus on specialised investment brokers



Sage acquisition paying off

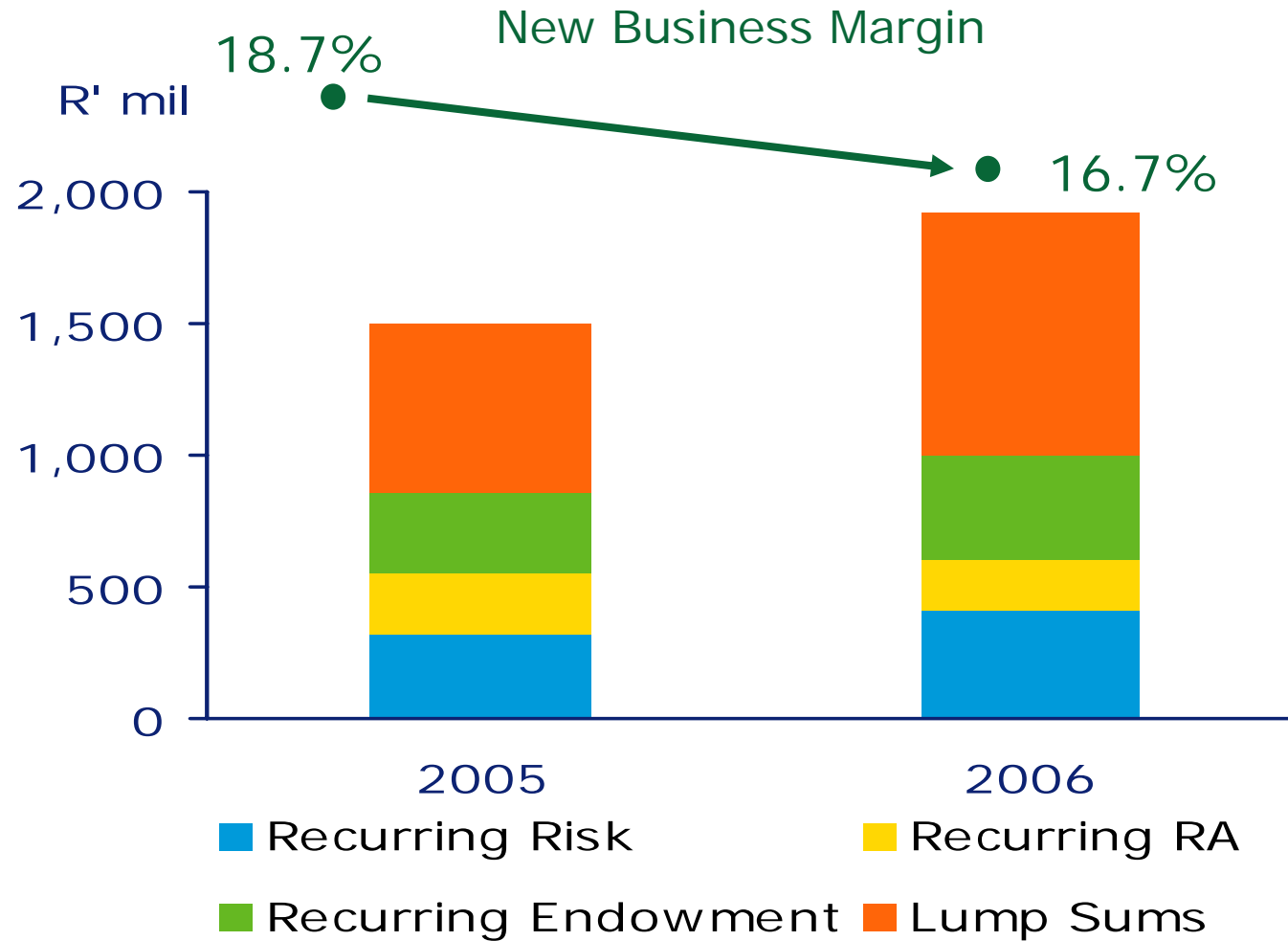
Recurring premium distribution mix



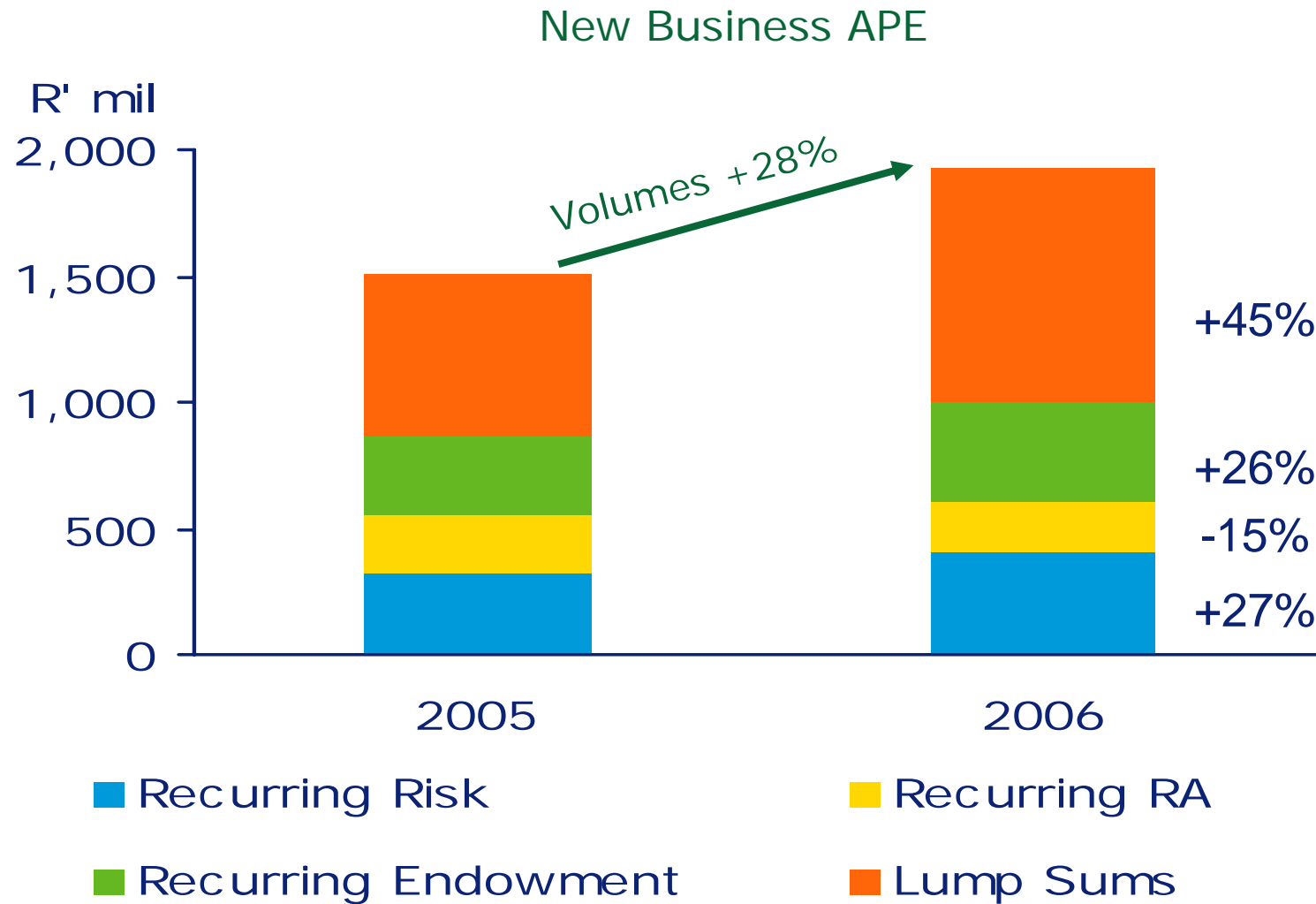
- Acquired in-force book and distribution force
 - New business compensates for run-off
 - Diversifies distribution
- Integrated in 100 days
- Service levels following acquisition regained



Despite margin pressure



Volumes more than compensate

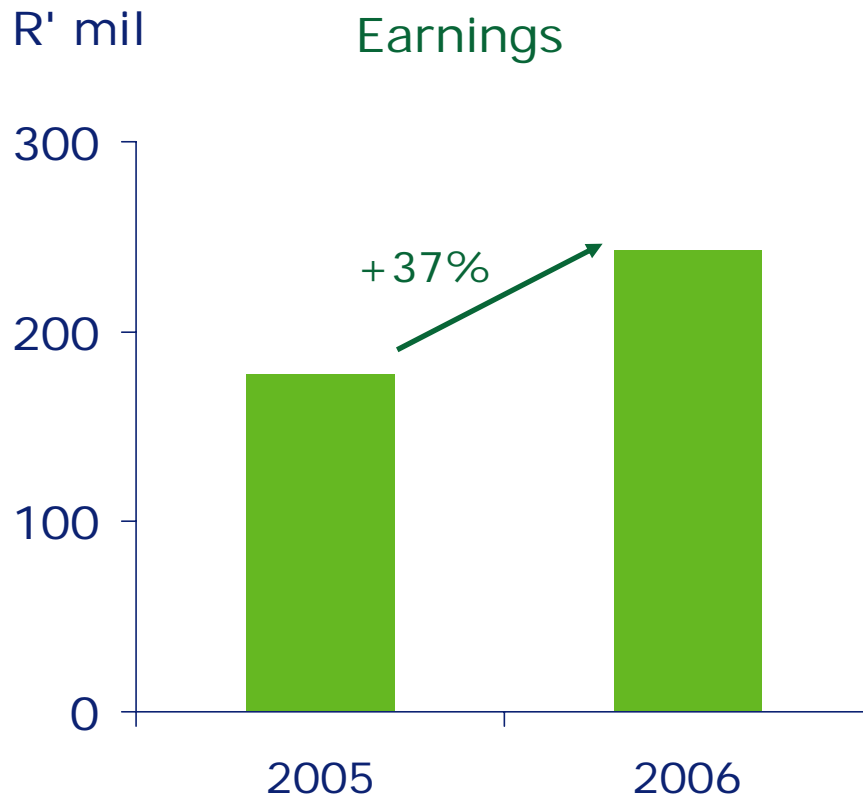


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Local asset management benefits from strong markets



- Growth in unit trusts business
- Disappointing short-term investment performance
- Market share
 - Retail: 4%
 - Institutional: 11%



Adapting to a changing environment

- Continued focus on traditional business
 - Relentless focus on financial advice
 - Product innovation
 - Awesome service
- Corporate action
 - Extract efficiency benefits
- Business diversification
 - Segment FNB Collaboration
 - Distribution Agents
 - Product Momentum Short-term Insurance, Health
 - Geographical Momentum Africa



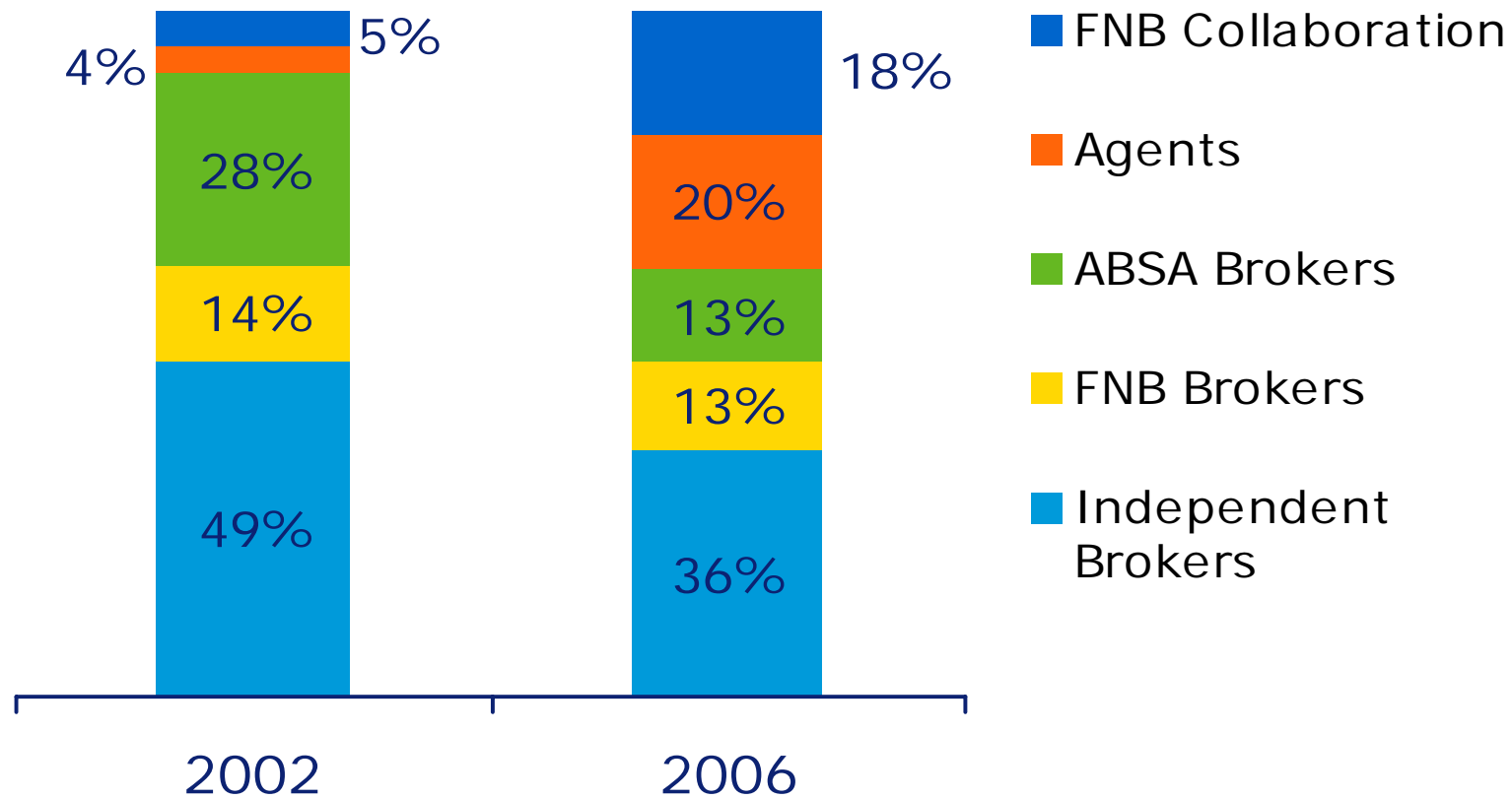
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New channels growing strongly

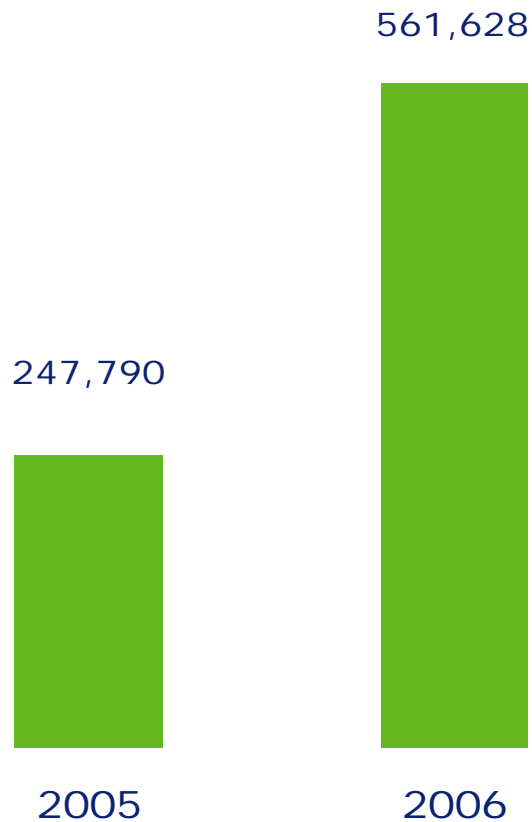
Recurring premium distribution mix



New products key to growth strategy

Health

Beneficiaries under administration



- Acquisitions
 - Sovereign (full year)
 - African Life Health
- More than doubled beneficiaries under administration
- Momentum Health Open Scheme members +28%
- Geared for growth

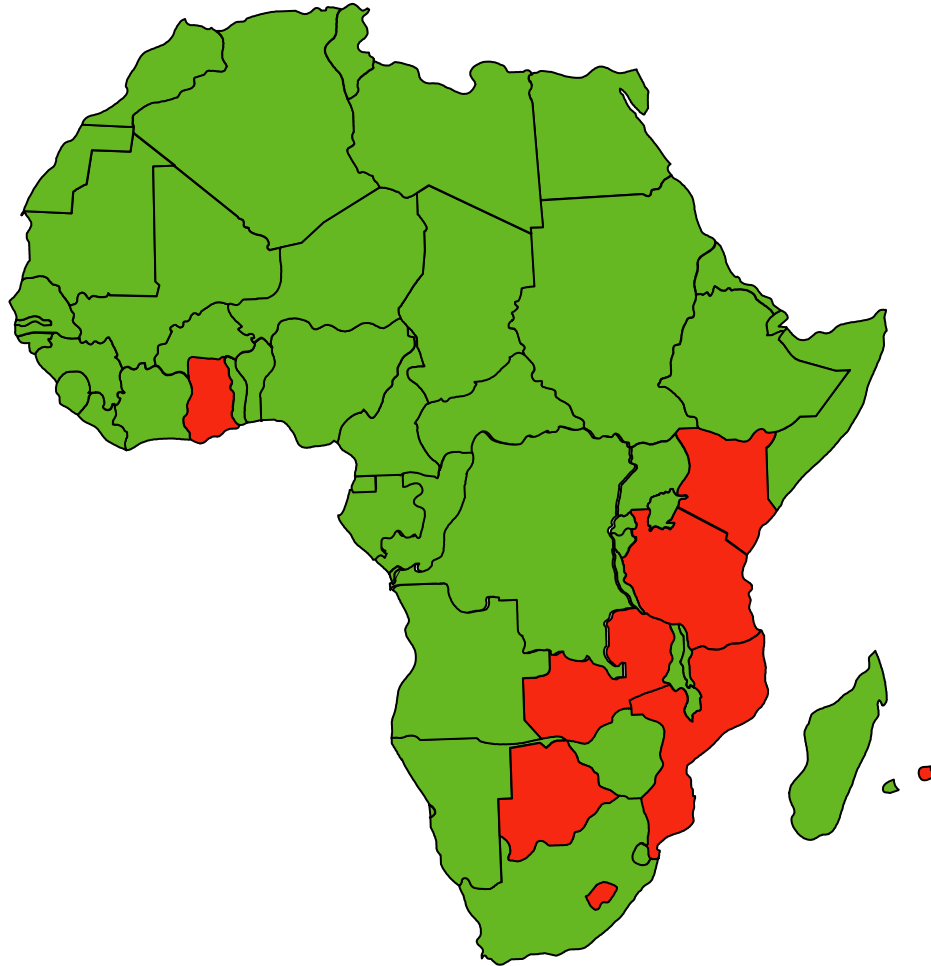


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Africa presents good opportunities




- Momentum Africa (Health)
- Administration and risk for employer-based health plans
- Back-office in South Africa
- Footprint in 8 countries (excluding SA)



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m





2006 Year End Results Presentation



FIRSTRAND

Strategic Issues and Prospects

- Regulation and consumerism
- Transformation
- International
- Focus on ROE
- Prospects



integrated



Regulation and consumerism remain powerful agents of change

- Regulatory and compliance costs
 - National Credit Act
 - FICA & FAIS
 - Competition Commission
 - Basel II
 - Changes in accounting standards and reporting
- Bank charges under scrutiny
- Financial services must get “house in order”
- Win the customer over



integrated



Strategic Issues and Prospects

- Regulation and consumerism

- Transformation

- International

- Focus on ROE

- Prospects



integrated



A holistic approach to Transformation

- Contributing to a better macro environment
- Redress investment imbalances
- Employment Equity
- Facilitate the emergence of black businesses
- Facilitate equitable ownership and control



integrated



Strategic Issues and Prospects

- Regulation and consumerism
- Transformation
- International
- Focus on ROE
- Prospects



integrated



FirstRand will not replicate itself internationally

- FirstRand is a collection of businesses operating in Financial Services
- Each unit has a business proposition focusing on a specific market segment
- Market segments are diverse and range from large corporates requiring sophisticated services to mass market requiring scale and efficiency
- Each business unit has a growth strategy in its market segment
- Because we cover the whole spectrum of financial services we do not have the resources, capabilities nor desire to replicate FirstRand internationally



integrated



Therefore strategy driven at business unit level

- FirstRand acts as an enabler, facilitator and catalyst to business units that have a competitive advantage to look for growth across geographical borders
- Only business units that have a competitive advantage can look internationally
- Performance accounted for at business unit level not by geographical location

Estimated contribution to group profit by business units' international activities 16%



integrated



Growing our international presence

- WesBank
 - Australia
 - UK
- RMB
 - Dublin
 - Australia
 - UK
- FNB
 - Namibia
 - Botswana
 - Lesotho
 - Swaziland
- Momentum
 - Africa
 - UK
- Discovery
 - USA
 - UK
- Ashburton
 - Channel Islands
- FirstRand Bank
 - Dubai



integrated



Strategic Issues and Prospects

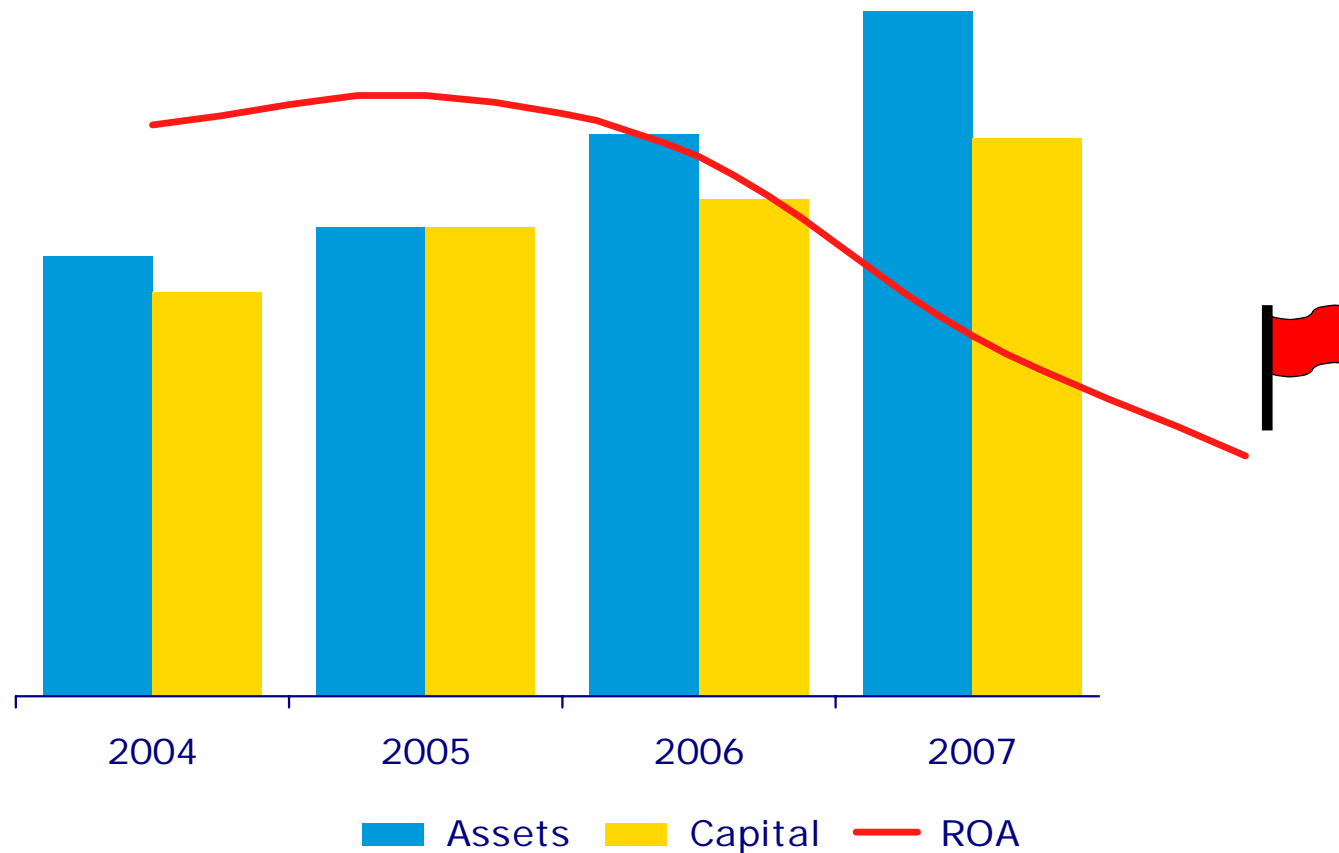
- Regulation and consumerism
- Transformation
- International
- Focus on ROE
- Prospects



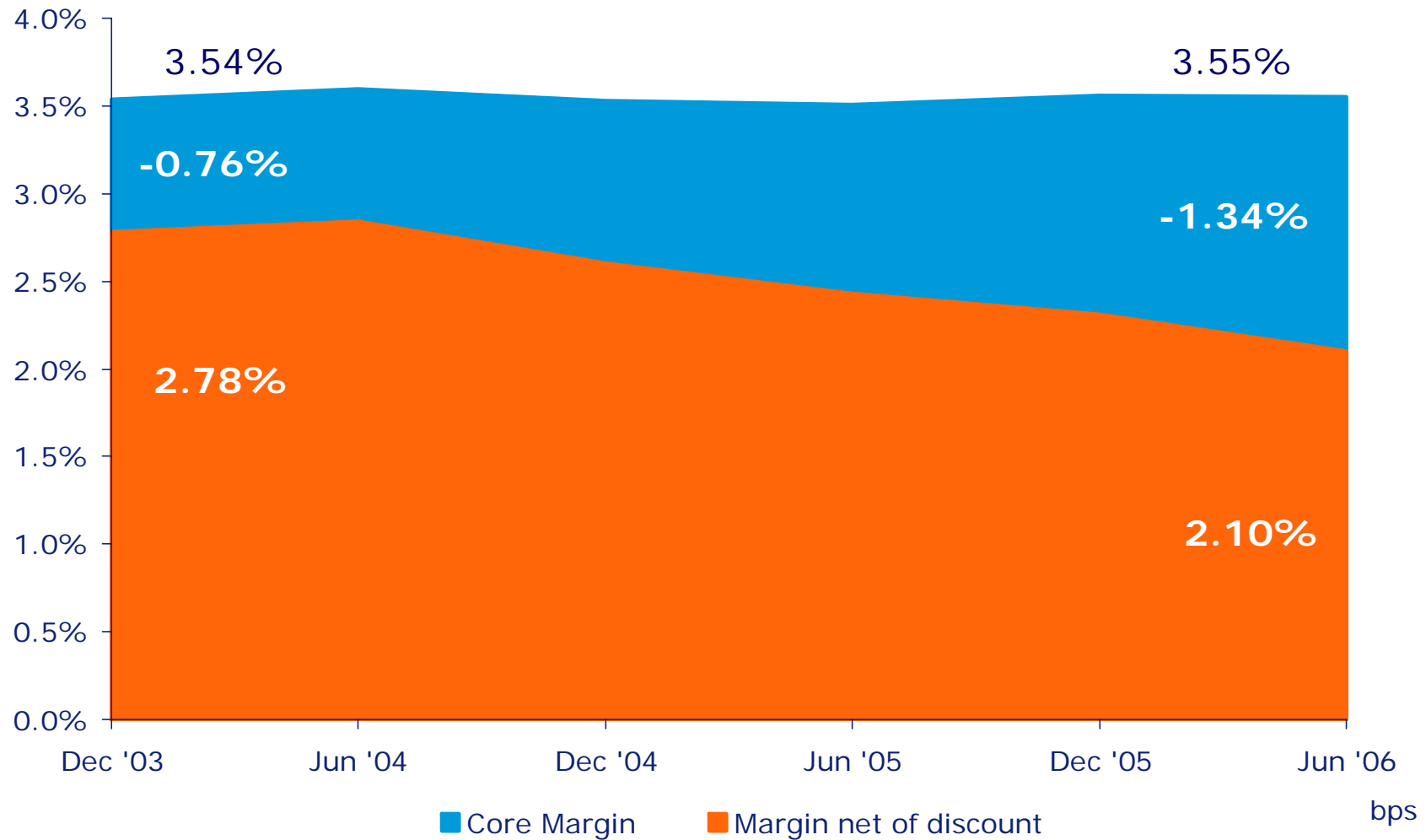
integrated



Strong growth, but declining returns



Competitive pricing erodes margin



HomeLoans currently below target ROE

Analysis of HomeLoans	%
<hr/> incremental new business margin <hr/>	
Core margin	3.45
Average client discount	1.35
Margin	2.10
Adjusted for costs	1.59
- Liquid asset costs	0.21
- Expected loss	0.35
- Origination costs	0.43
- Processing costs	0.23
- Admin costs	0.16
- Tax charge	0.21
Net profit after margin	0.51
Return on equity	13%



integrated



Strategic Issues and Prospects

- Regulation and consumerism
- Transformation
- International
- Focus on ROE

- Prospects



integrated



All our businesses were well positioned

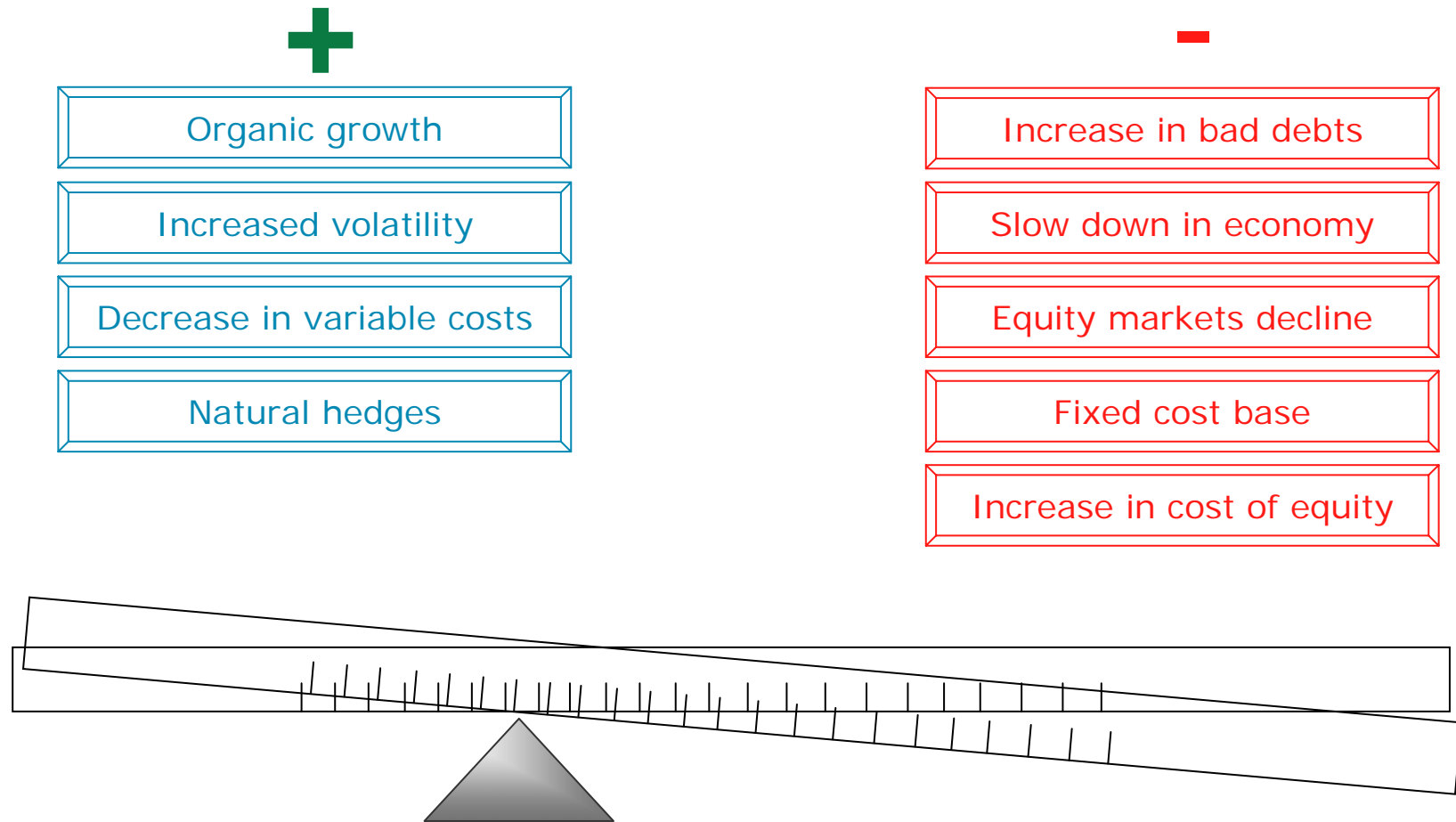
	Lower interest rates	Emerging Black consumer	BEE transactions
 <p>RAND MERCHANT BANK <small>A division of FirstRand Bank Limited</small> Traditional values. Innovative ideas.</p>	✓		✓
 <p>First National Bank <small>A division of FirstRand Bank Limited</small> How can we help you?</p>	✓	✓	✓
 <p>WesBank Put us to the test <small>A division of FirstRand Bank Ltd.</small></p>	✓	✓	
 <p>momentum</p>	✓	✓	
 <p>Discovery</p>	✓	✓	
 <p>OUT SURANCE</p>	✓	✓	



integrated



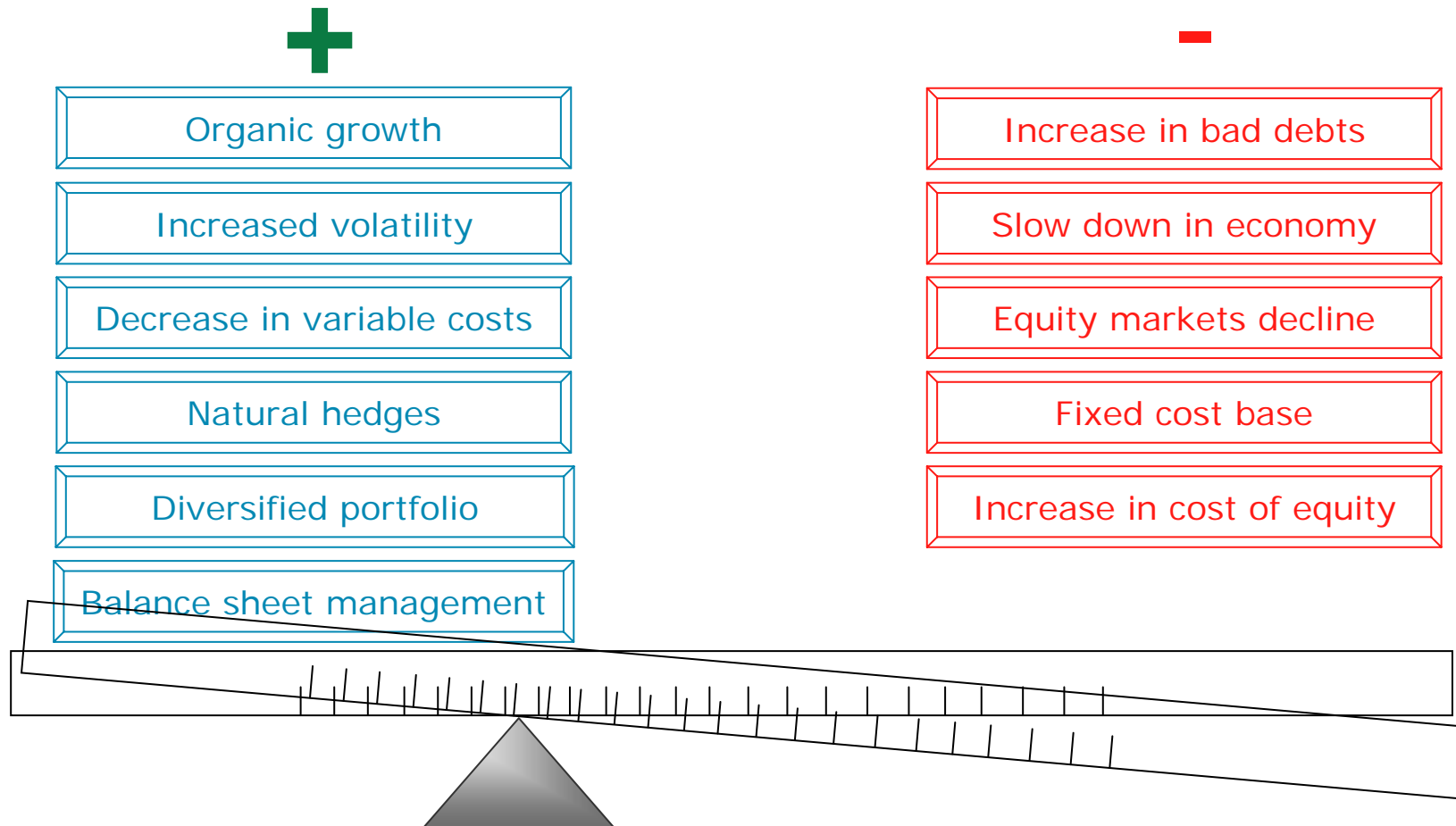
Going forward it's a balancing act



integrated



Going forward it's a balancing act



integrated



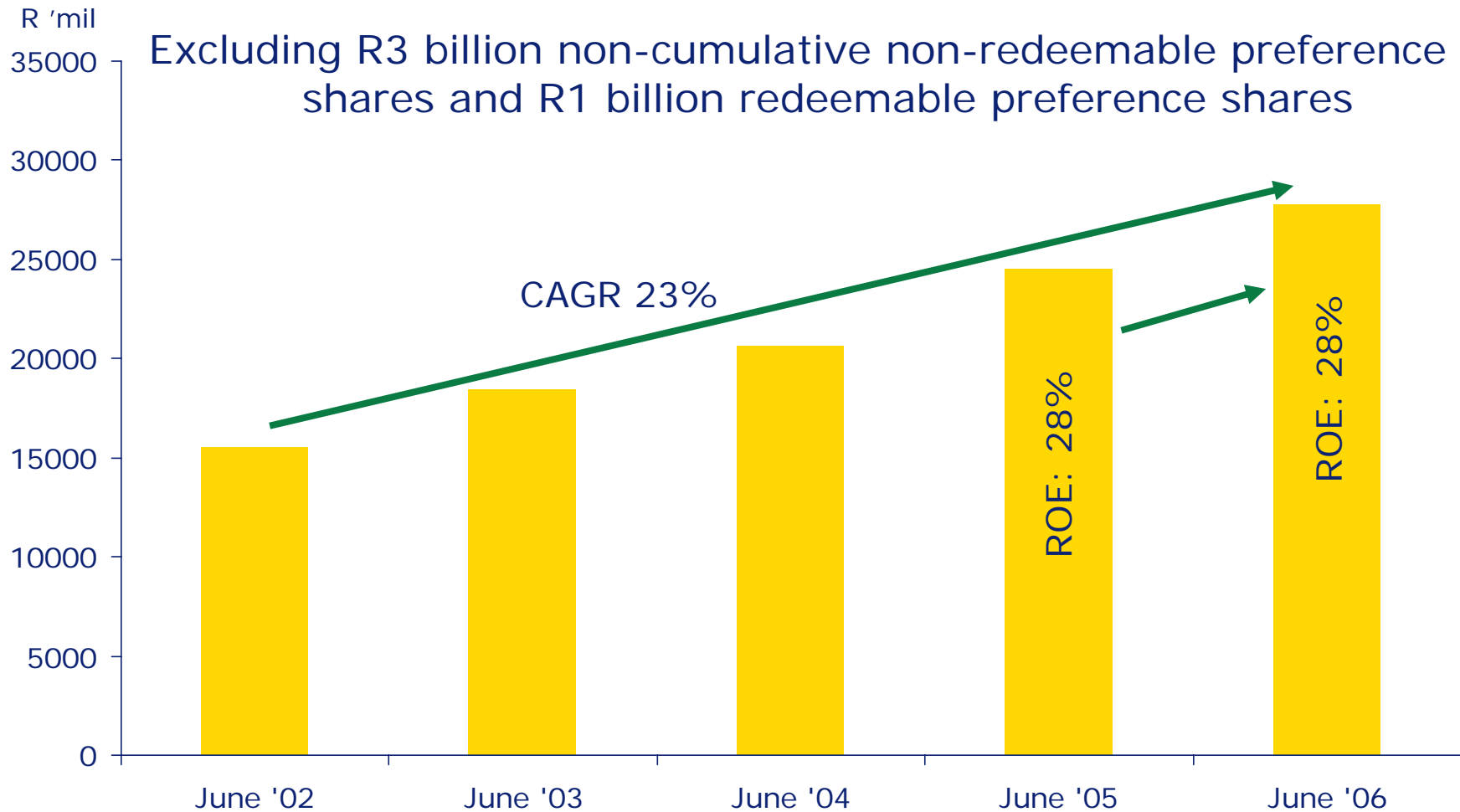


Financial review annexure



FIRSTRAND
— Banking Group —

Net asset value growth



Re-invested and increased returns



financial review



Normalised vs Headline

R 'mil	June '06	June '05	%
Banking group headline earnings	7 049	5 656	25
Adjusted for:			
Private equity realisations	219	406	
Banking group normalised headline earnings	7 268	6 062	20



Portfolio quality

Retail

	Post IFRS	Pre IFRS	Pre IFRS
R 'mil	June '06	June '06	June '05
Advances	112 058	111 452	80 541
NPL	1 682	1 682	1 035
I/s charge R	677	591	226
*Bad debt %	0.70	0.62	0.32

* Calculated as a percentage of average advances

Increased provisions driven by higher HomeLoans and Card



Portfolio quality

Retail continued

Home Loans

	June '06	June '05
- Arrears	6.60	4.78
- NPL	0.86	0.71
- Loan To Book Value	77.7	77.9
- Loan to Market Value	51.0	50.8

Credit Card

- Arrears	9.89	10.2
- NPL	5.49	3.90



Portfolio quality

Commercial

R 'mil	Post IFRS	Pre - IFRS	Pre - IFRS
	June '06	June '06	June '05
Advances	17 276	17 396	13 943
NPL	415	415	402
I/s charge R	41	41	59
*Bad debt %	0.26	0.26	0.48

* Calculated as a percentage of average advances

Provision percentage decreased due to lower bad debt and higher utilisation



Portfolio quality

WesBank

	Post IFRS	Pre - IFRS	Pre - IFRS
R 'mil	June '06	June '06	June '05
Advances	79 604	80 156	63 318
NPL	945	945	550
I/s charge R	633	618	316
*Bad debt %	0.89	0.86	0.56

* Calculated as a percentage of average advances

Lower realisations due to more stable new car prices



Portfolio quality

Wholesale

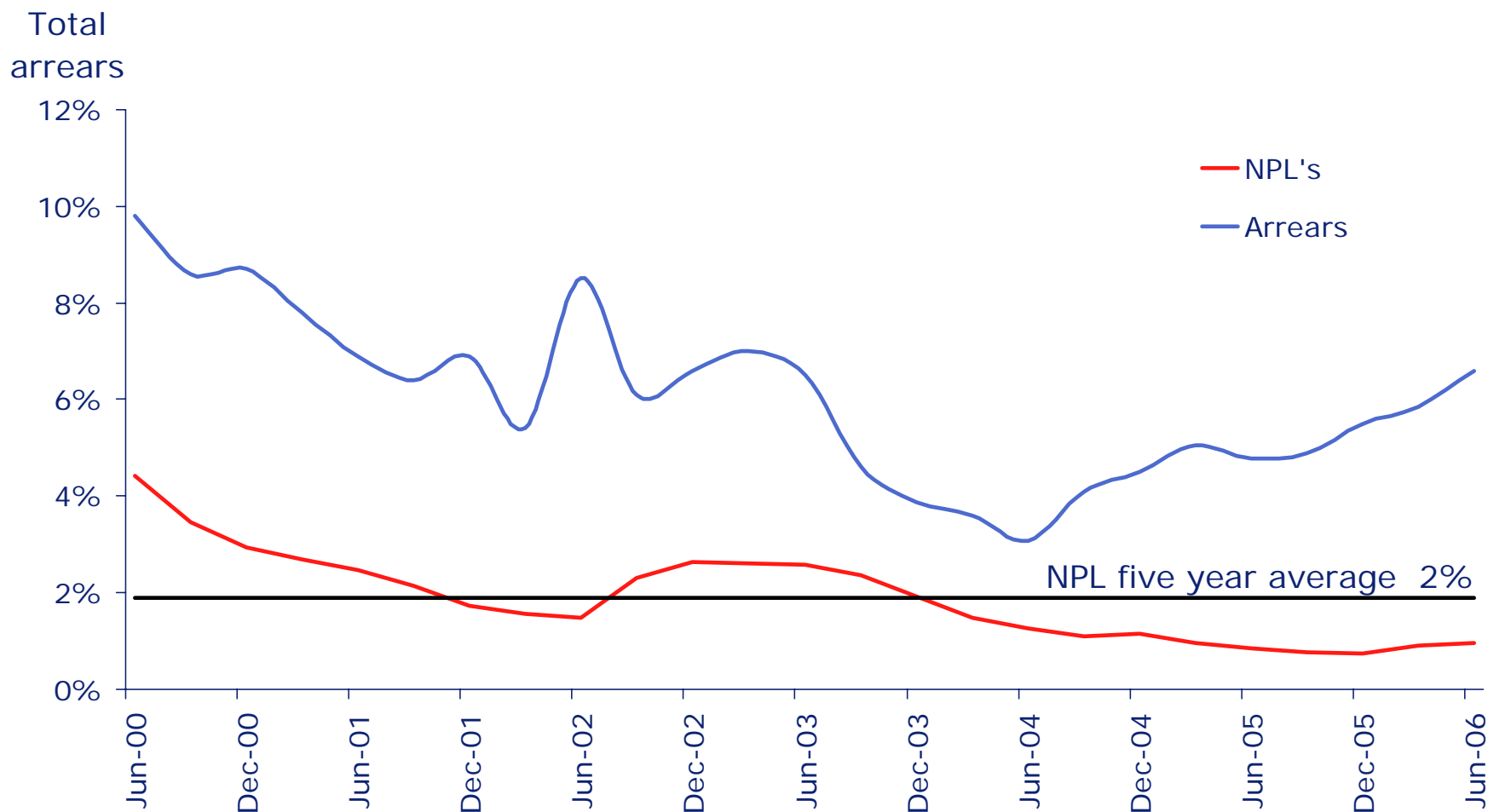
	Post IFRS June '06	Pre - IFRS June '06	Pre - IFRS June '05
R 'mil			
Advances	68 775	68 775	64 753
NPL	944	944	977
I/s charge R	13	13	(11)
*Bad debt %	0.02%	0.02%	(0.01%)

* Calculated as a percentage of average advances

55% of the portfolio is investment grade - based on international scale ratings

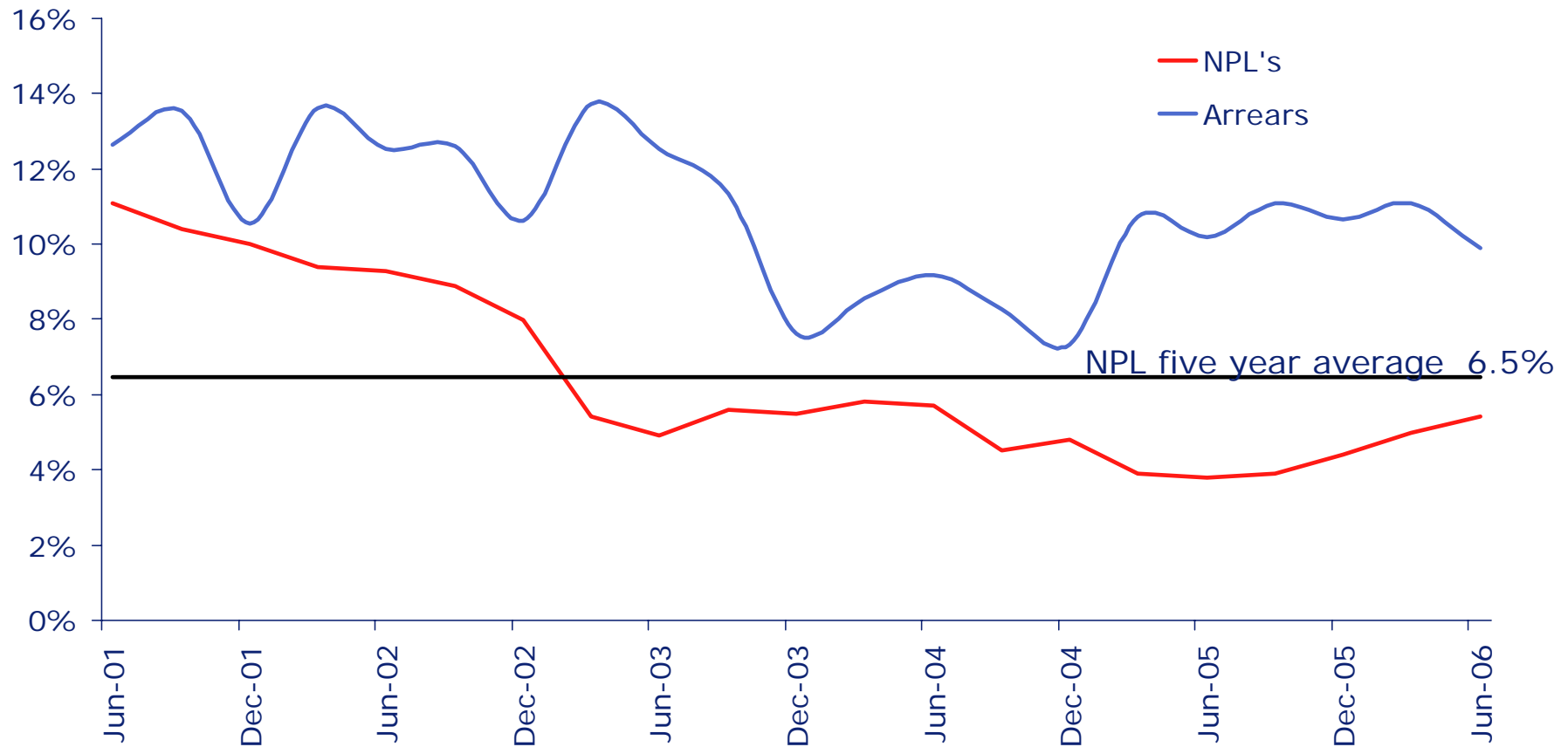


HomeLoan arrears and non performing loans will normalise



Card arrears and non performing loans will normalise

Total arrears



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Key income statement credit impairment ratios by segment

	Percentage of average advances					
	June '06			June '05		
	Portfolio %	Specific %	Total %	Portfolio %	Specific %	Total %
FNB	0.02	0.50	0.52	0.01	0.28	0.29
WesBank	0.14	0.72	0.86	0.00	0.56	0.56
RMB*	0.00	0.00	0.00	0.00	0.00	0.00
Africa	0.00	0.50	0.50	0.24	0.42	0.66
Total	0.05	0.45	0.50	(0.02)	0.34	0.32

* Primarily fair value advances with fair value changes offset against the asset values



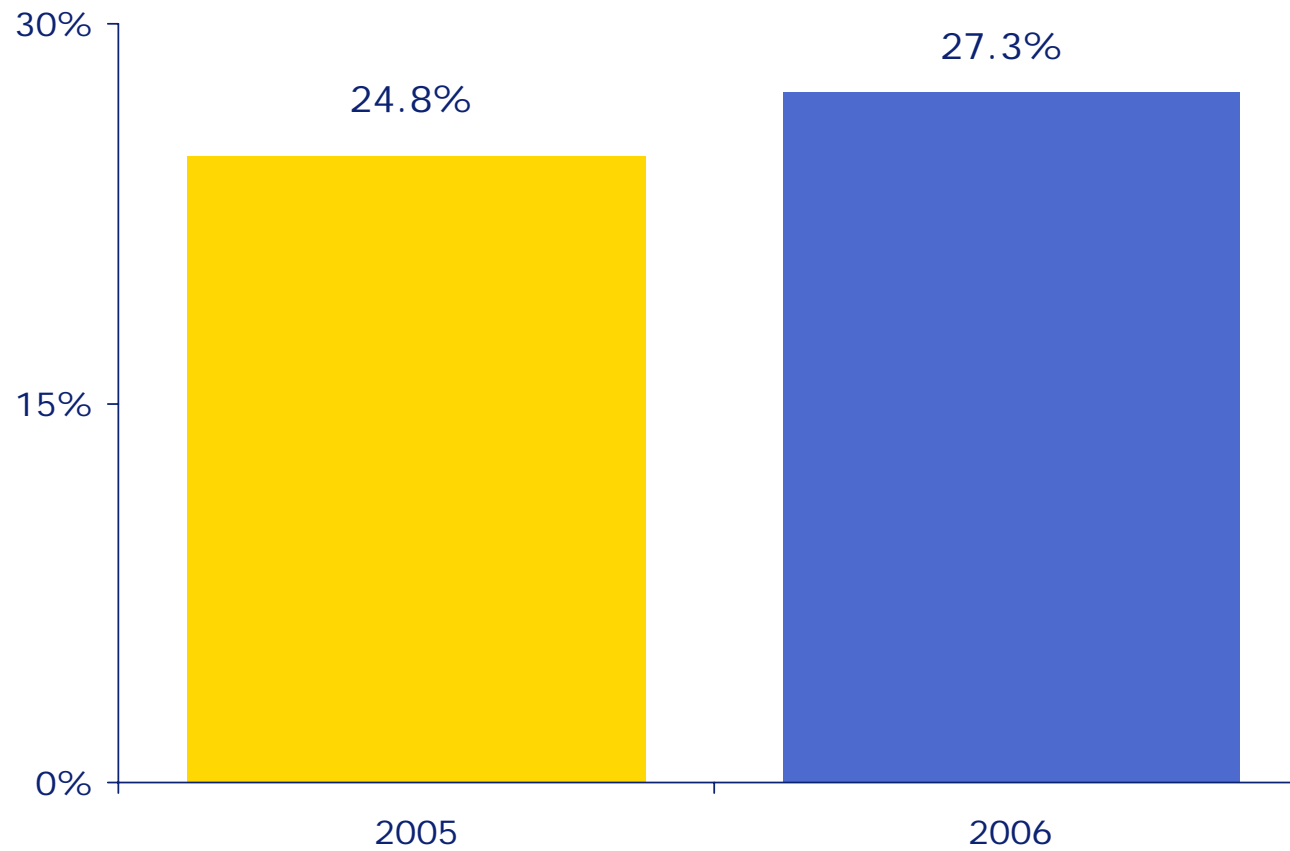
Key income statement credit impairment ratios by product

Percentage of average advances

	June '06			June '05		
	Portfolio %	Specific %	Total %	Portfolio %	Specific %	Total %
FNB	0.02	0.50	0.52	0.01	0.28	0.29
- HomeLoans	(0.01)	0.19	0.18	0.00	(0.01)	(0.01)
- Card	0.18	3.18	3.36	0.12	2.23	2.35
- Wealth	0.09	0.05	0.14	0.05	0.02	0.07
- Other retail	0.19	3.74	3.93	0.07	2.91	2.98
- Commercial	0.00	0.26	0.26	(0.03)	0.51	0.48
- Corporate	0.00	0.10	0.10	0.00	(0.09)	(0.09)



Effective direct tax rate

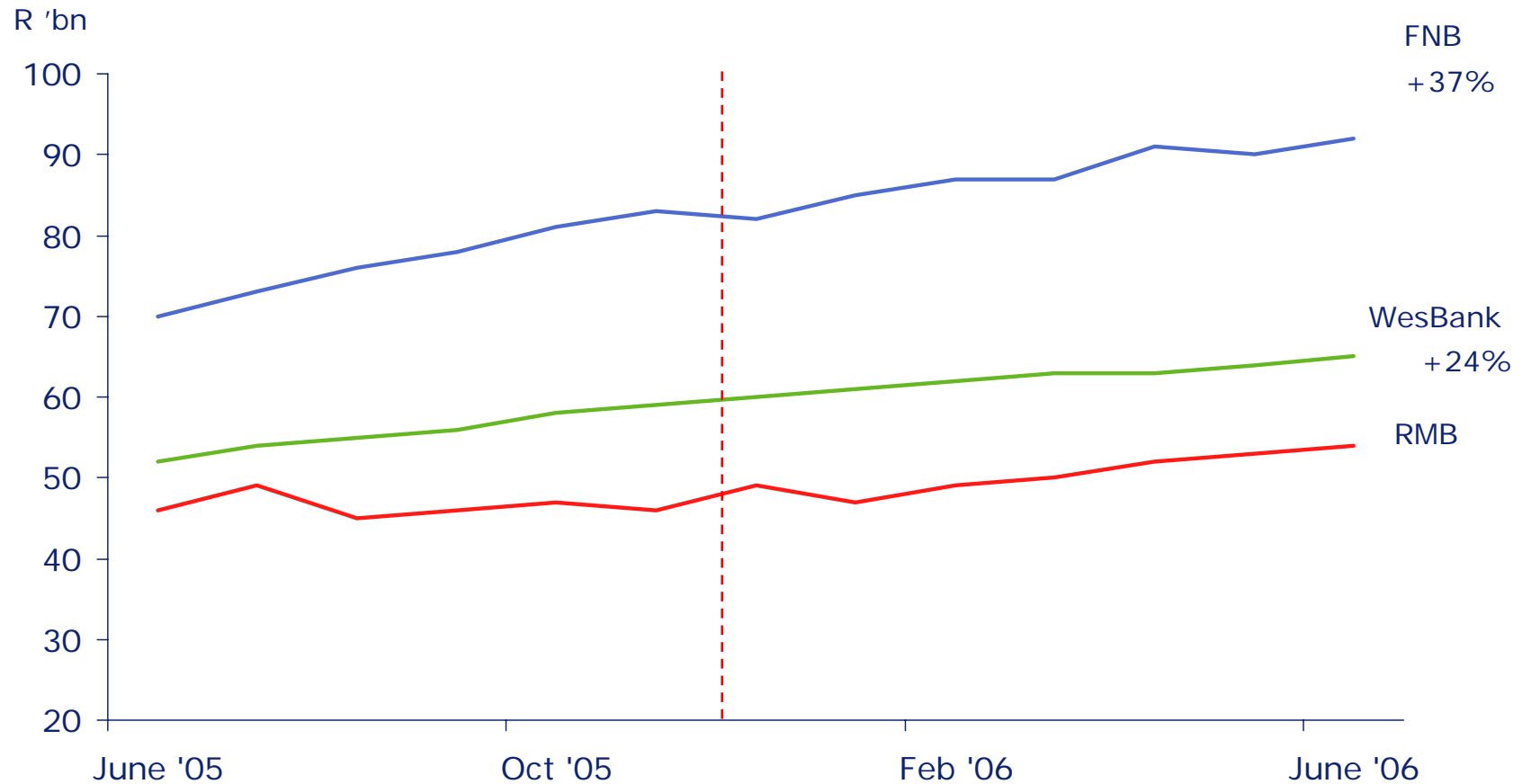


Movement in jaws explained

Date	RWA R' billion	Total Capital R' billion	Total capital ratio
30/6/05	191 022	26 361	13.8%
	<ul style="list-style-type: none"> • Growth in assets, particularly home loans and instalment finance • Flow-back from securitisation structures • Increase in trading book 	<ul style="list-style-type: none"> • Appropriation of monthly profits • BEE share trust loan restructured • Dividends from non regulated entities • Tier II debt issues 	
30/6/06	269 272	34 467	12.8%



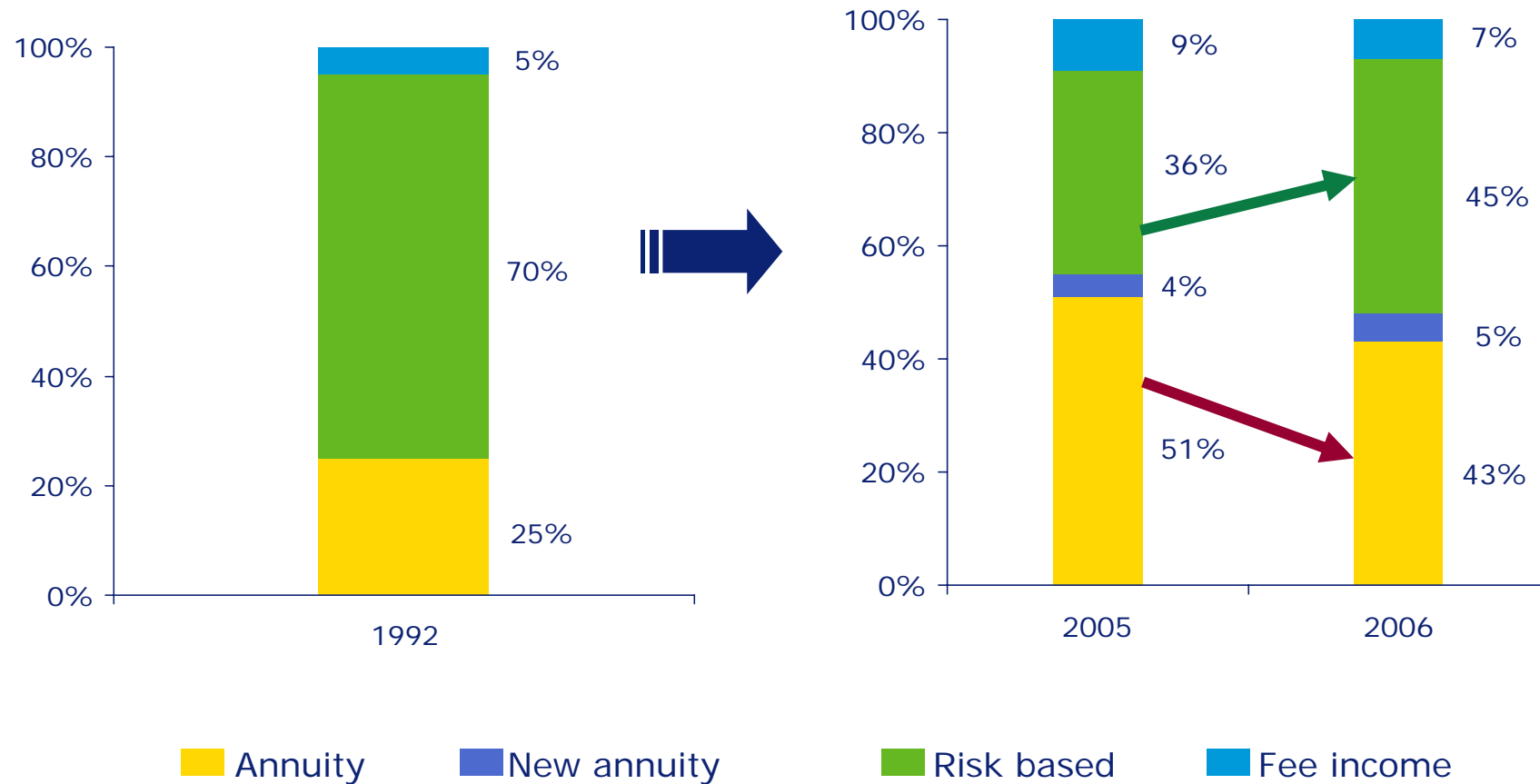
Capital invested across the brands



Growth in RWA of 31%



Strong annuity income, but taking on more risk



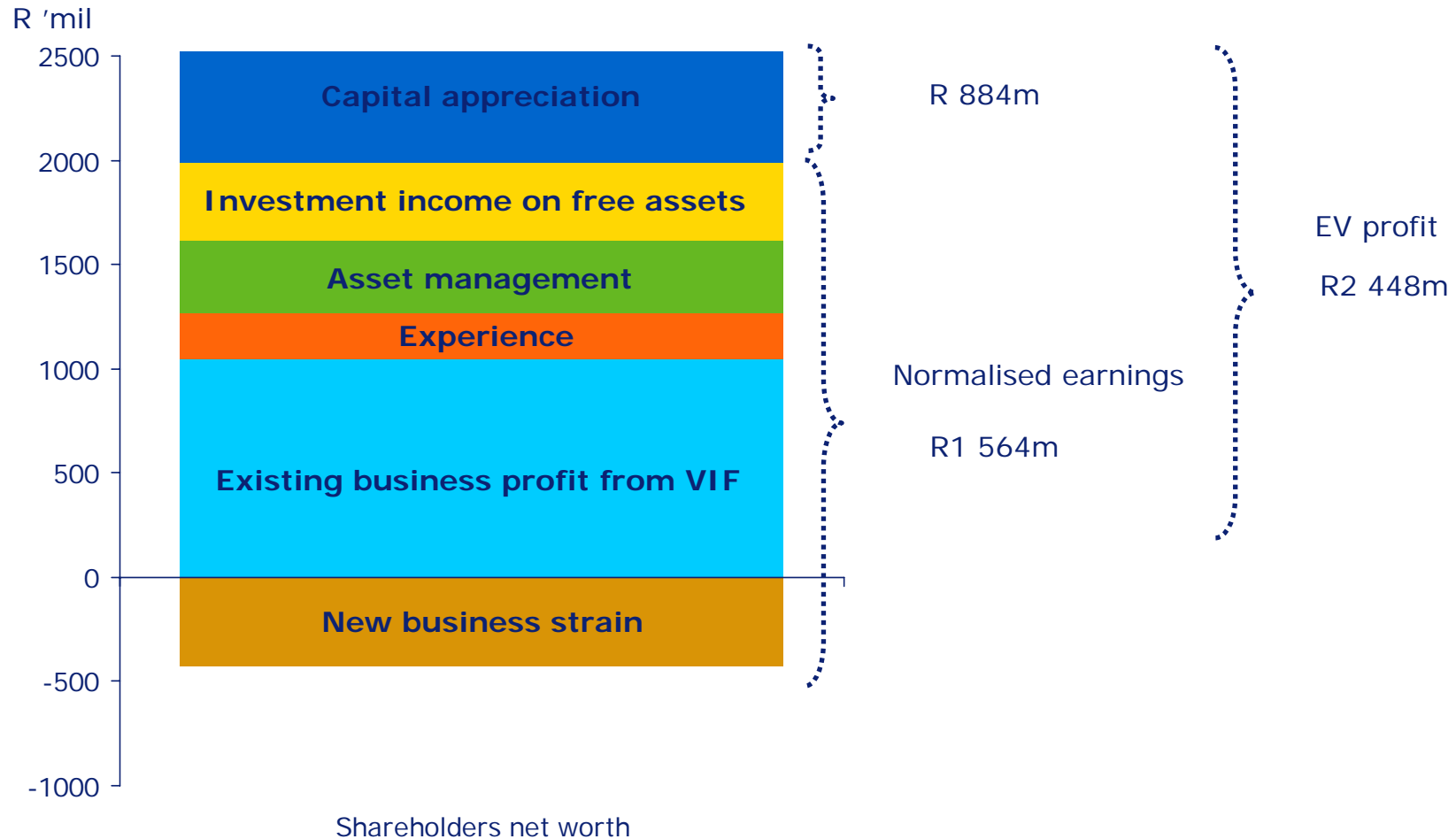


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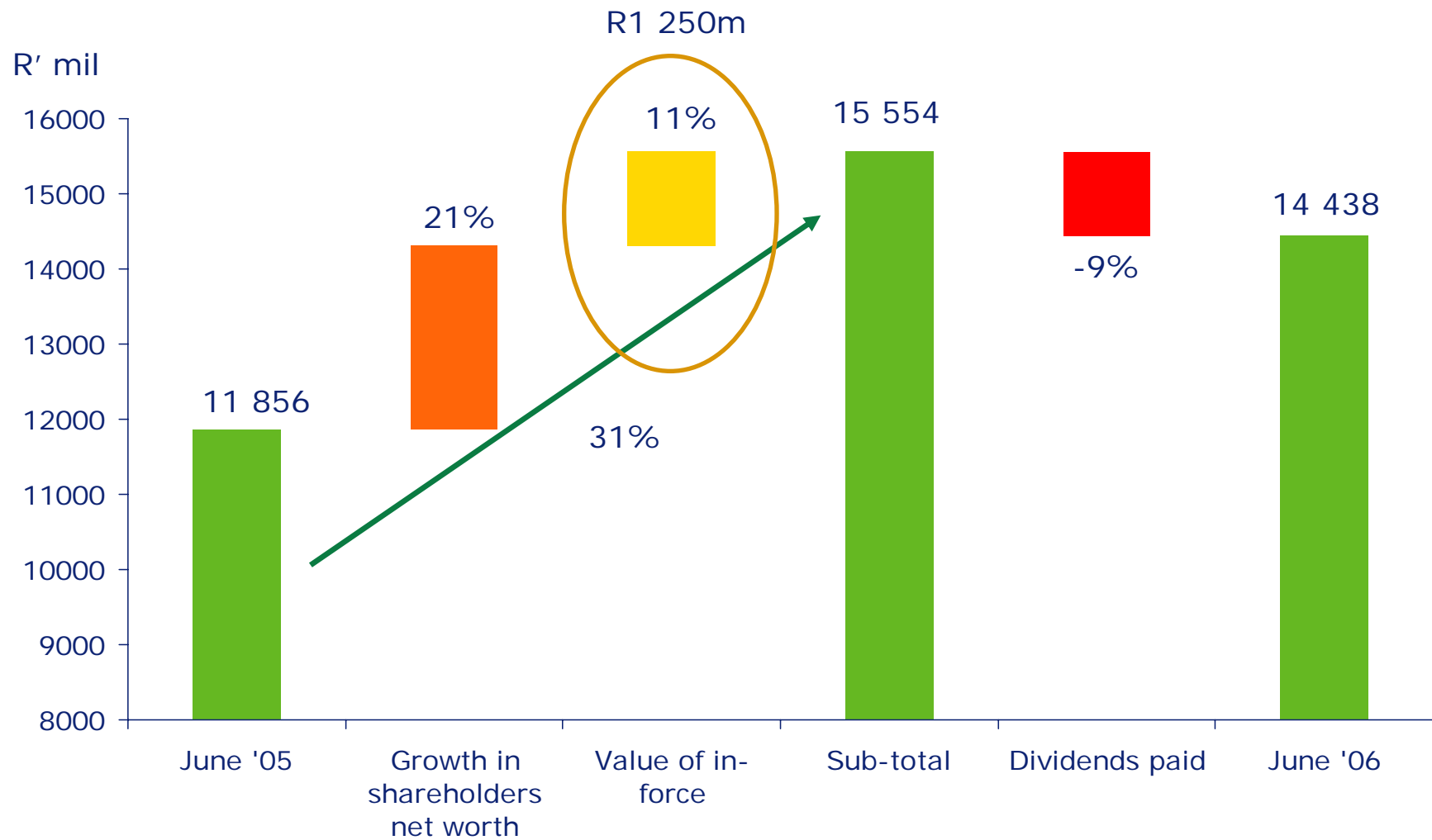
Annexure

momentum

Strong growth in shareholders funds



Very strong growth in EV

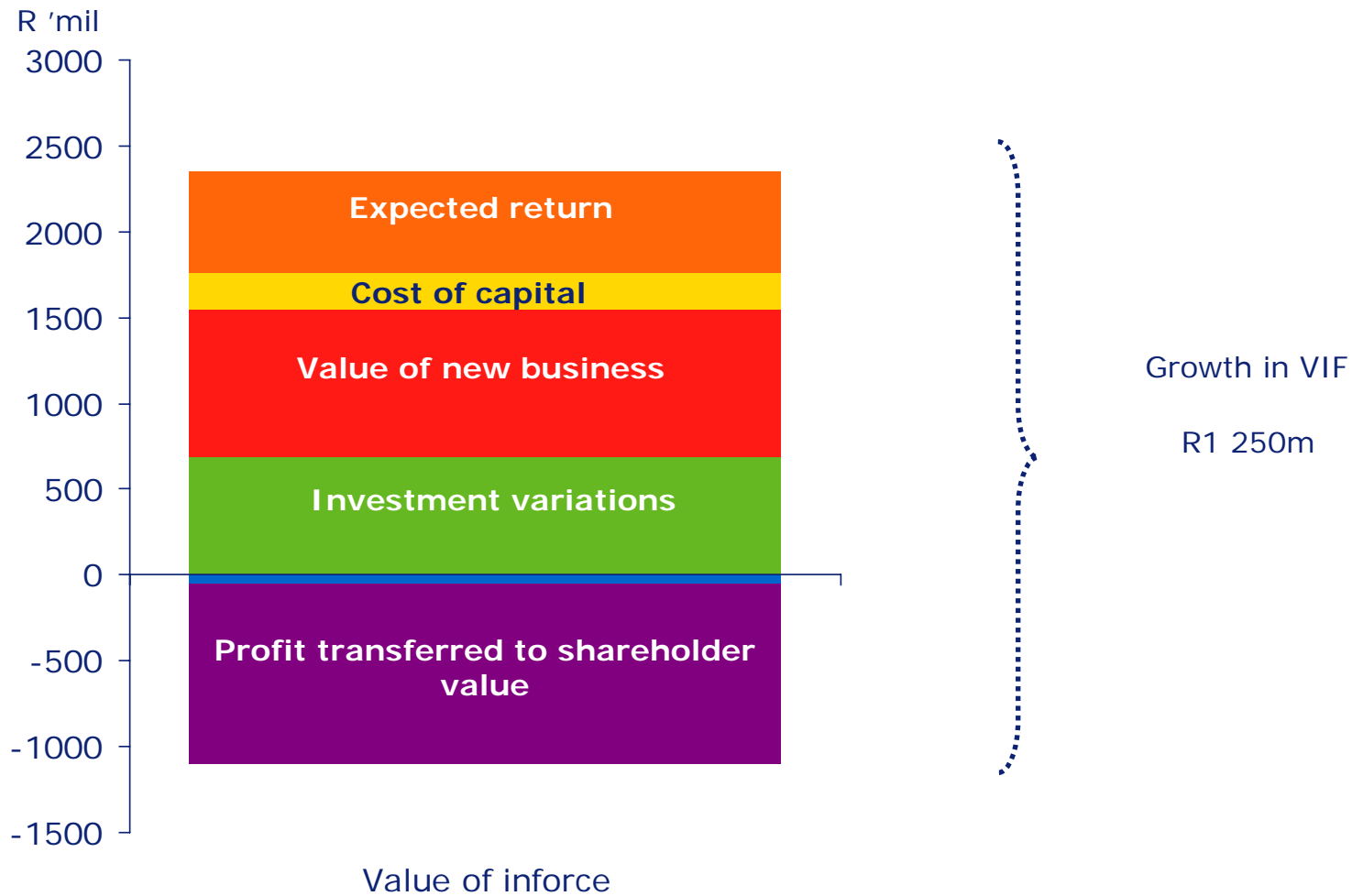


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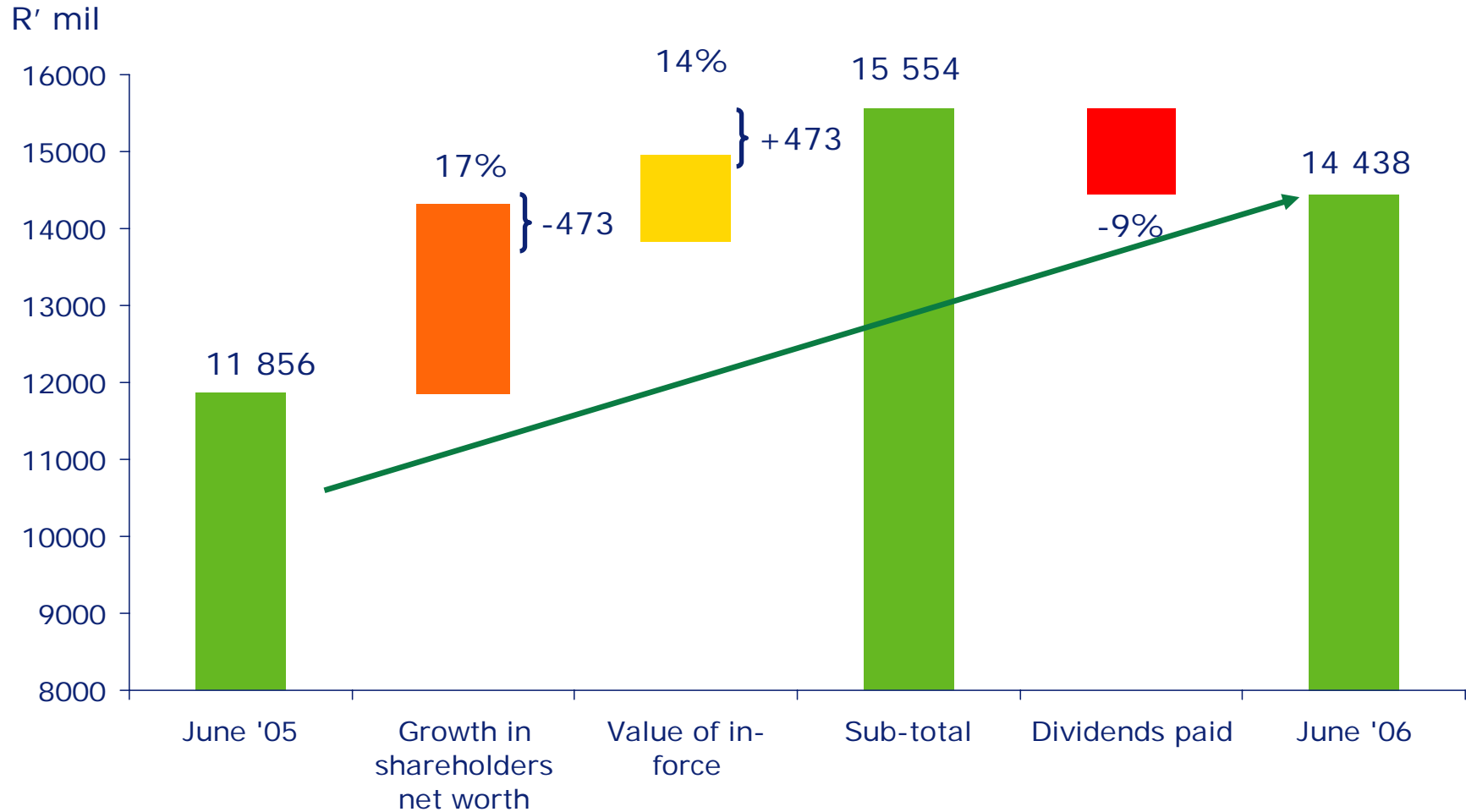
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VIF growing strongly



Very strong growth in EV



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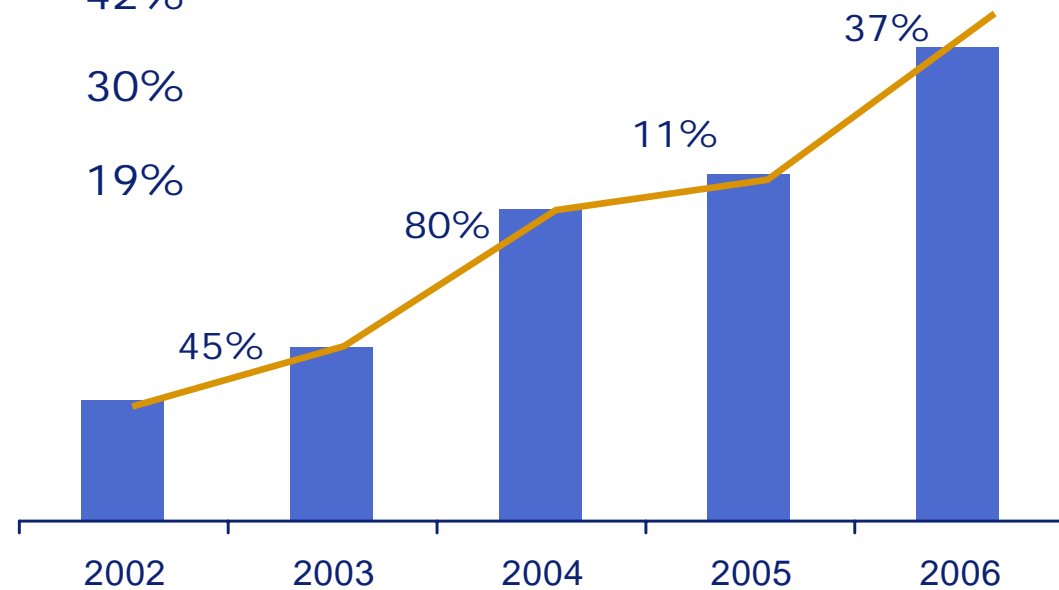
Annexure



Key financial metrics

5-year compound annual growth rates

Gross inflows	30%
New business	16%
Operating profit before BEE	42%
Diluted HEPS before BEE	30%
Diluted EV per share	19%



Operating profit before BEE expenses

