for the six months ended 31 December 2015

RESULTS PRESENTATION

FIRSTRAND

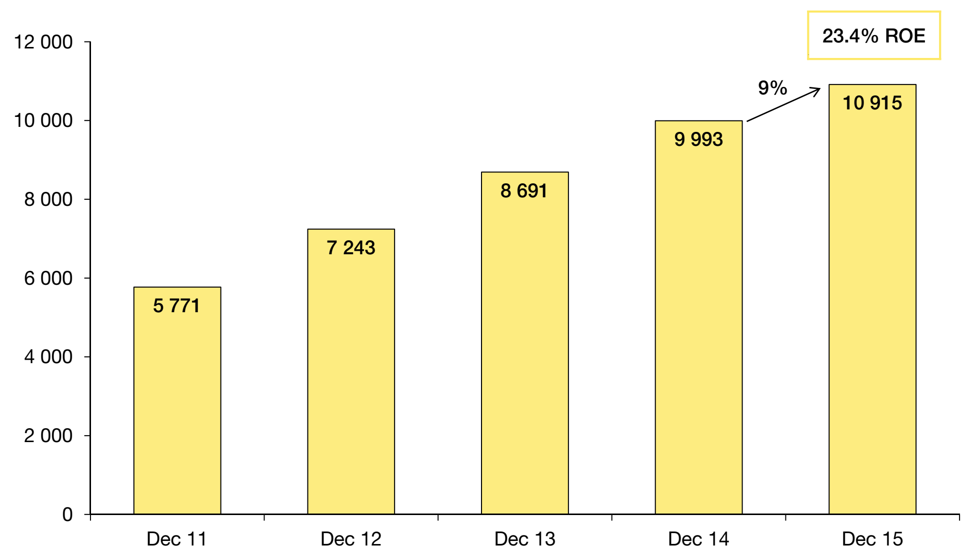
Results presentation for the six months ended 31 December 2015

INTRODUCTION

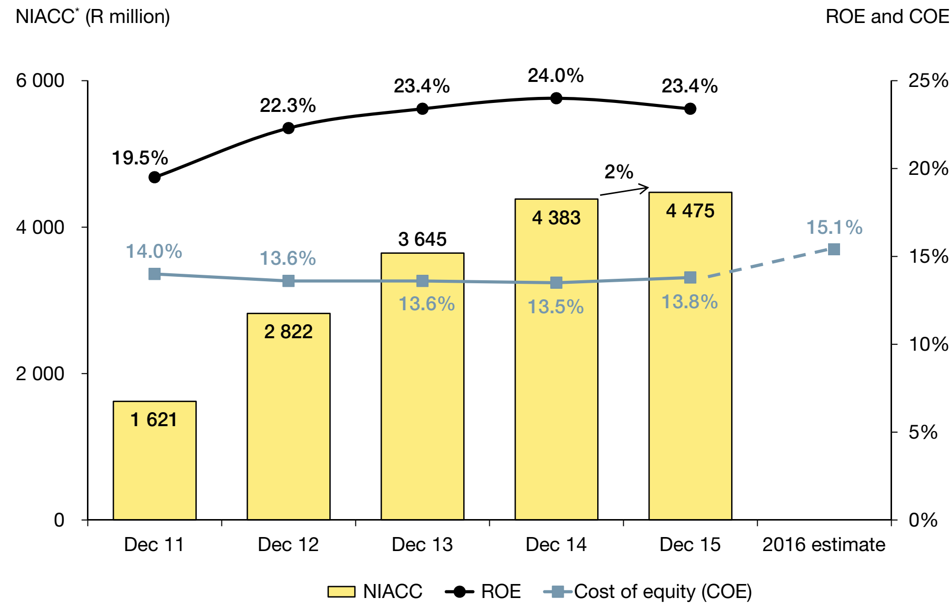
FIRSTRAND

Group continues to deliver growth and returns above hurdle rates

Normalised earnings (R million)

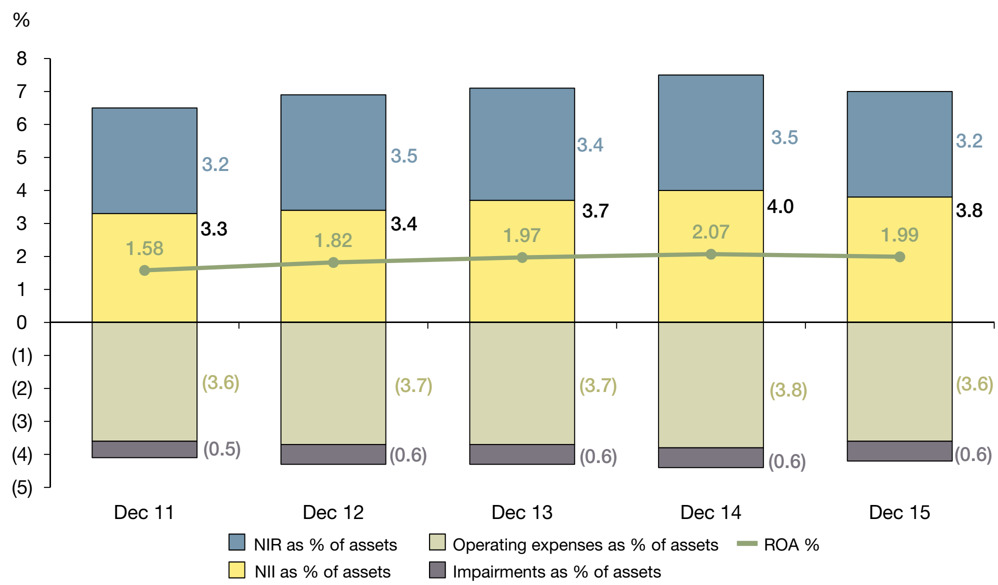


Economic profit reflects superior shareholder value creation



* *Net income after capital charge.*

Slowing topline already impacting ROA whilst credit remains benign



The graph shows each item before taxation and non-controlling interests as a percentage of average assets. ROA reflects normalised earnings after tax and non-controlling interests as a percentage of average assets.

Six months ago the group indicated that its domestic franchise faced some challenges…

WHAT WE SAID	WHAT PLAYED OUT
Even tougher macros	Moved to the bottom end of expected growth forecast
Increased cost of funding and liquidity	Actual increase in funding and liquidity costs even higher than expected
Current and proposed regulatory changes likely to place pressure on growth	Interchange and impending NCA rate caps, and increased cost of liquidity and capital
Lower demand from corporate SA	Domestic demand in line with expectations
Consumer to remain under pressure	Disposable income came under increased pressure
Downside risk due to negative commodity cycle (especially mining and metals, and oil and gas)	Worse than expected deterioration in commodity cycle

Results presentation for the six months ended 31 December 2015

FINANCIAL REVIEW

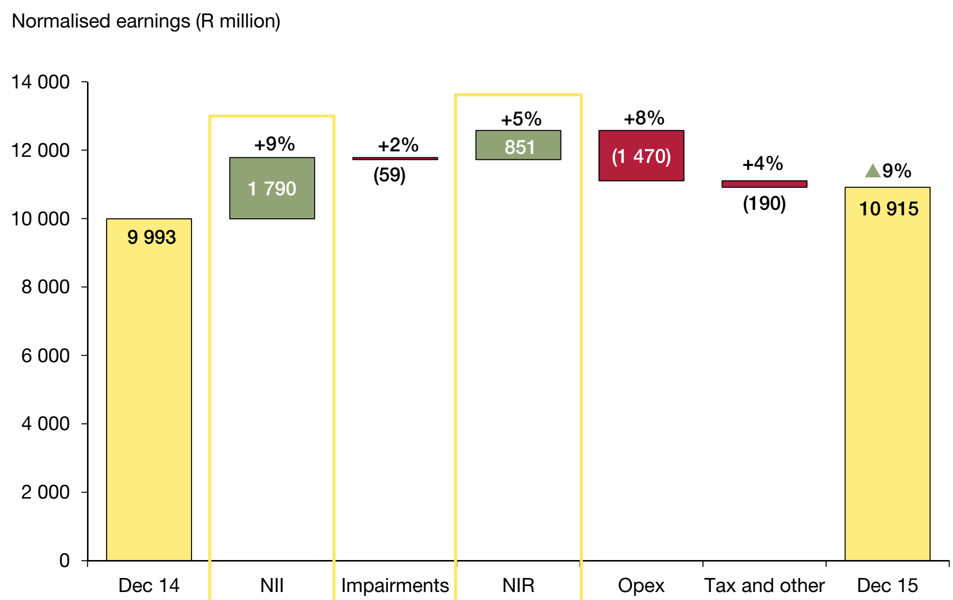
FIRSTRAND

Performance highlights (normalised)

	Dec 15	Dec 14	% change
Diluted normalised EPS (cents)	**194.6**	177.3	10 ▲
Dividend per share (cents)	**108.0**	93.0	16 ▲
Normalised earnings (R million)	**10 915**	9 993	9 ▲
Normalised net asset value per share (cents)	**1 709.2**	1 519.6	12 ▲
Net interest margin (%)	**5.01**	5.21	▼
Credit loss ratio (%)	**0.77**	0.84	▼
Cost-to-income ratio (%)	**51.1**	50.8	▲
Return on assets (%)	**1.99**	2.07	▼
Return on equity (%)	**23.4**	24.0	▼
NIACC (R million)	**4 475**	4 383	2 ▲
CET1 ratio* (%)	**13.7**	13.8	▼

* *Includes unappropriated profits.*

As expected, topline growth has come under further pressure

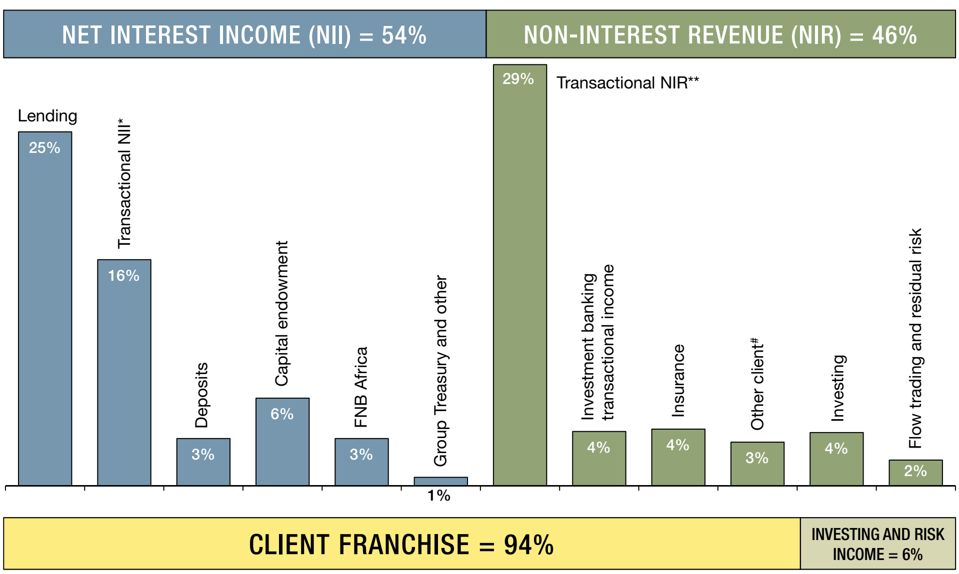


Normalised income statement

R million	Dec 15	Dec 14	% change
Net interest income before impairment of advances	20 823	19 033	9 ▲
Impairment of advances	(3 145)	(3 086)	2 ▲
Net interest income after impairment of advances	17 678	15 947	11 ▲
Non-interest revenue*	17 722	16 871	5 ▲
Income from operations	35 400	32 818	8 ▲
Operating expenses	(19 703)	(18 233)	8 ▲
Income before tax	15 697	14 585	8 ▲
Taxation**	(3 984)	(3 765)	6 ▲
NCNR pref share dividends and non-controlling interests	(798)	(827)	(4) ▼
Normalised earnings	10 915	9 993	9 ▲

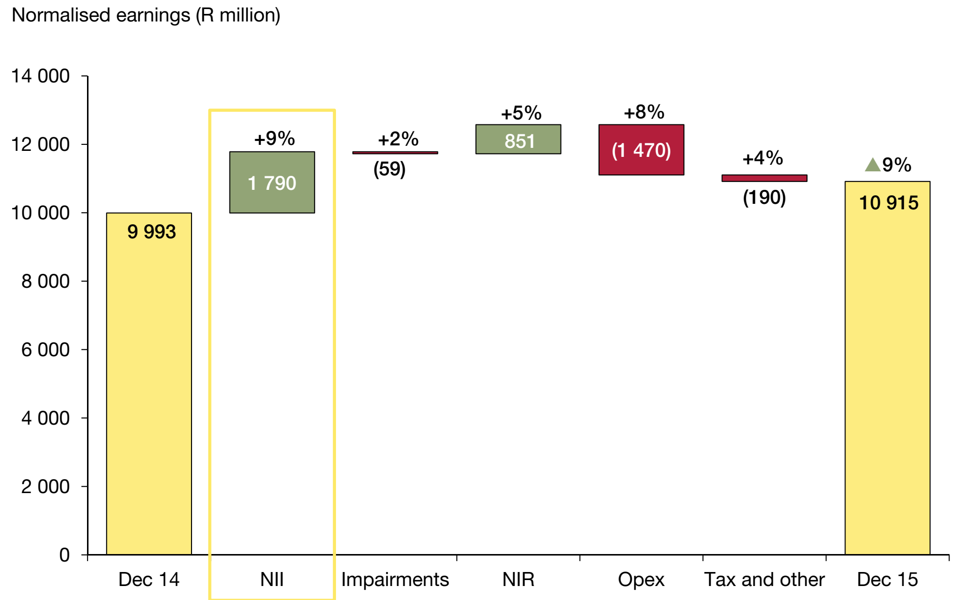
* Normalised non-interest revenue includes post-tax share of profits from associates and JVs.
** Includes direct and indirect tax.

Revenue growth still driven by client franchise



* Includes transactional accounts and related deposit endowment, overdrafts and credit card.
** From retail, commercial and corporate banking.
# Includes WesBank associates.

As expected, topline growth has come under further pressure



NII benefits from lending, deposit strategy and endowment

Net interest income* (R million)	Dec 15	Dec 14	% change
Lending	**9 580**	8 750	9
Transactional NII**	**6 120**	4 974	23
Deposits	**1 278**	1 116	15
Capital endowment	**2 373**	1 921	24
FNB Africa	**1 278**	1 214	5
Group Treasury	**229**	940	(76)
Other (negative endowment, e.g. fixed assets)	**(35)**	118	(>100)
Total net interest income	**20 823**	19 033	9

* *After taking funds transfer pricing into account.*
** *Includes transactional accounts and related deposit endowment, overdrafts and credit card.*

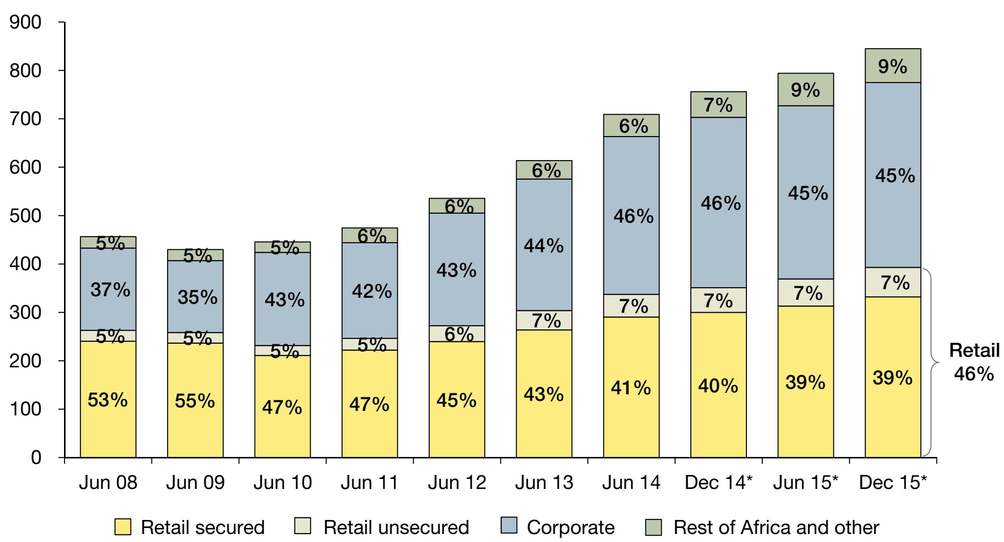
Accounting volatility in Group Treasury NII

Increased liquidity costs recovered from franchises in the prior period, now incurred in rollover and new funding – (R390 million)

Accounting mismatches
- Fair value of interest rate risk hedges – (R162 million)
- MTM on fair value term funding – (R264 million)

USD funding (negative carry) – (R72 million)
- Pre-funded hard currency funding last year due to SA macros
- Slowing hard currency transaction pipeline

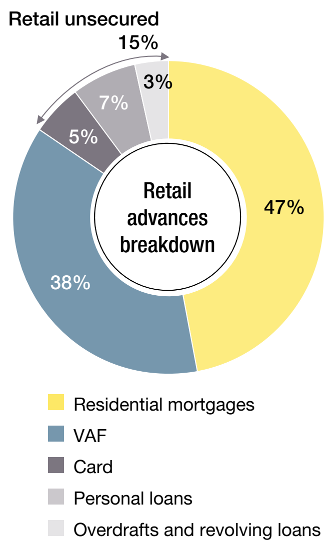
Advances portfolio mix between corporate and retail remains appropriate



** Based on new rest of Africa segmentation. Periods prior to Dec 14 have not been restated for new rest of Africa segmentation.*

Retail advances reflect both macros and specific origination strategies

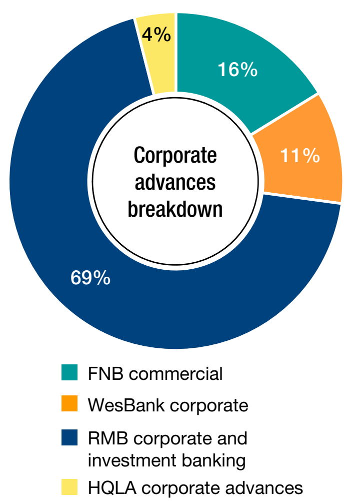
R million	Dec 15	Dec 14	% change
Residential mortgages	184 641	175 097	5
VAF	146 977	124 501	18
- SA	98 530	97 575	1
- MotoNovo (UK)*	48 447	26 926	80
Card	20 854	17 356	20
Personal loans	26 477	22 660	17
- FNB	15 206	12 831	19
- WesBank	11 271	9 829	15
Transactional account-linked overdrafts and revolving term loans	13 690	11 143	23
Retail advances	**392 639**	350 757	12
Retail VAF securitisation notes	**9 879**	–	–
Rest of Africa advances**	**55 871**	46 852	19



* 40% advances growth in GBP terms.
** Includes in-country advances of FNB, RMB and WesBank as well as activities in India.

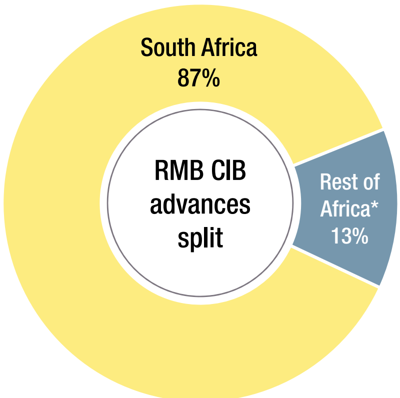
Solid growth across most domestic corporate books

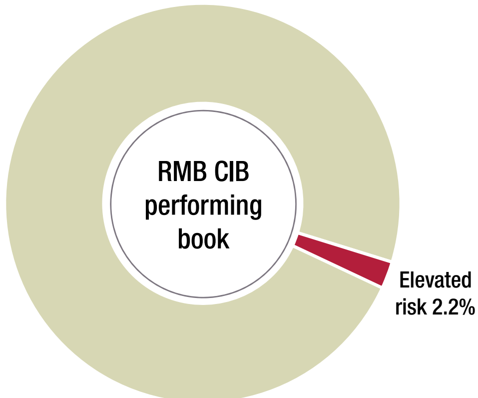
R million	Dec 15	Dec 14	% change
RMB IB core South Africa	158 136	168 256	(6)
HQLA corporate advances	15 280	-	-
Investment banking-related corporate advances	173 416	168 256	3
RMB CIB cross-border	29 670	25 930	14*
RMB corporate banking (SA)	35 670	26 012	37
WesBank corporate	41 389	42 992	(4)
FNB commercial	62 168	52 825	18
Core corporate advances	342 313	316 015	8
RMB CIB repurchase agreements	39 439	35 837	10
Total corporate advances	381 752	351 852	8



* Cross-border advances were down 15% in USD terms.

Contextualising risk in the RMB CIB credit portfolio

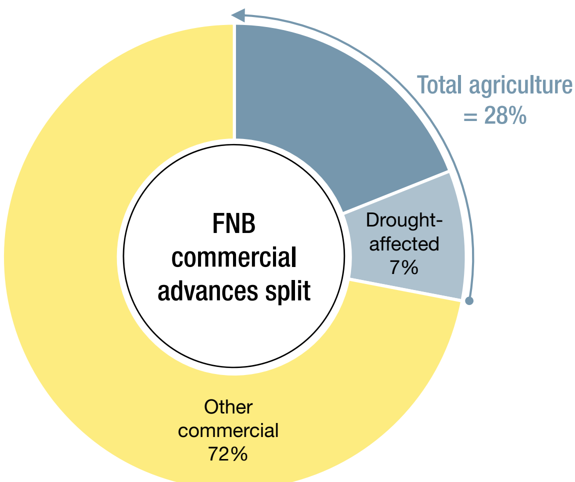




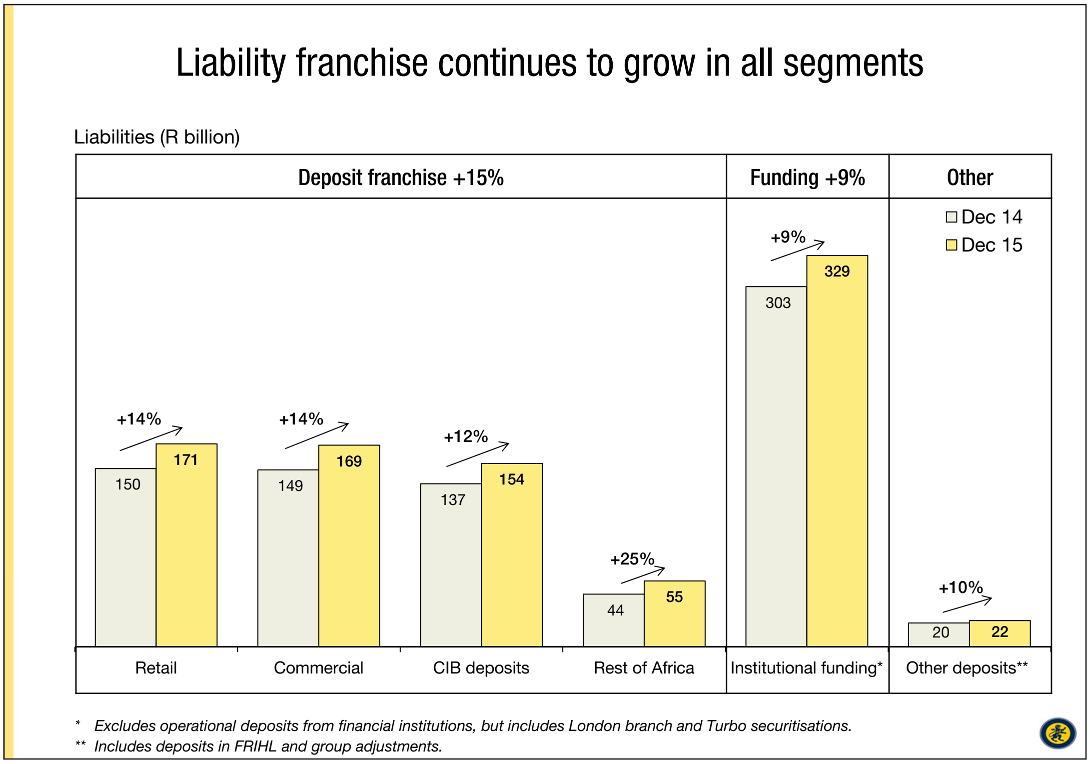
- Elevated risk exposures represent 2.2% of the performing book (oil and gas exposures in the rest of Africa and certain resources counters)
- RMB has further increased overlays and the group is comfortable with its overall level of provisioning

** Includes cross-border and in-country.*

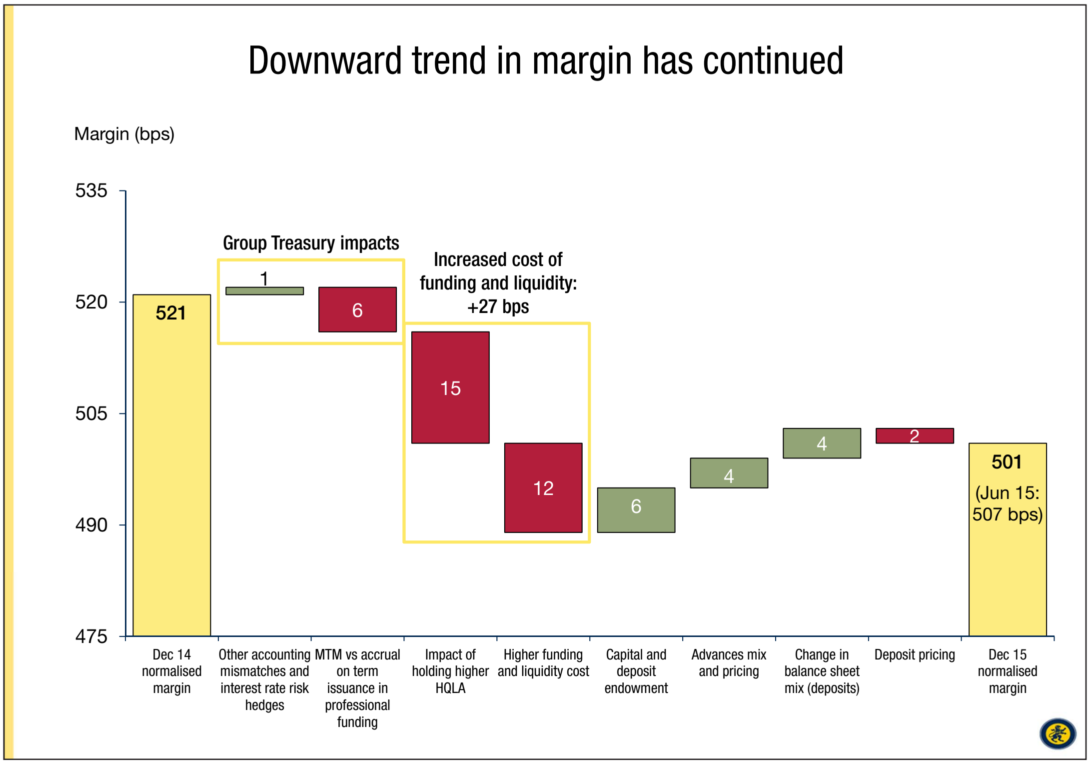
FNB agri book well diversified within commercial portfolio



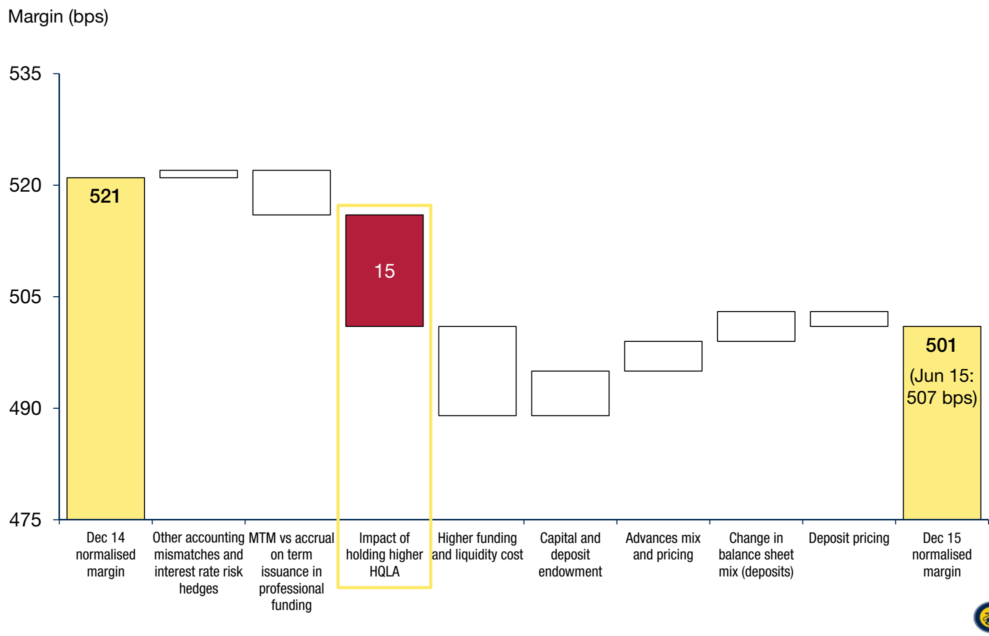
Drought-affected commodities = 7% of total commercial portfolio



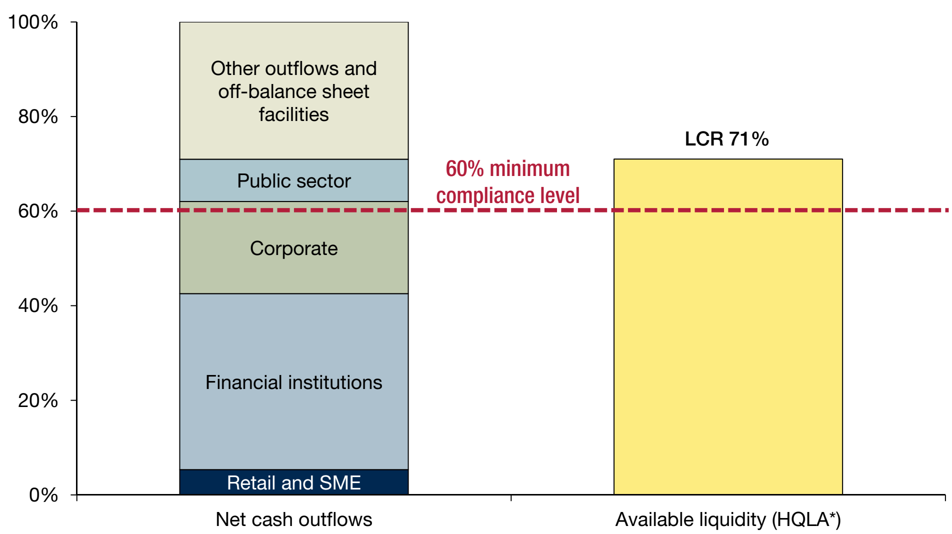
* Excludes operational deposits from financial institutions, but includes London branch and Turbo securitisations.
** Includes deposits in FRIHL and group adjustments.



Downward trend in margin has continued

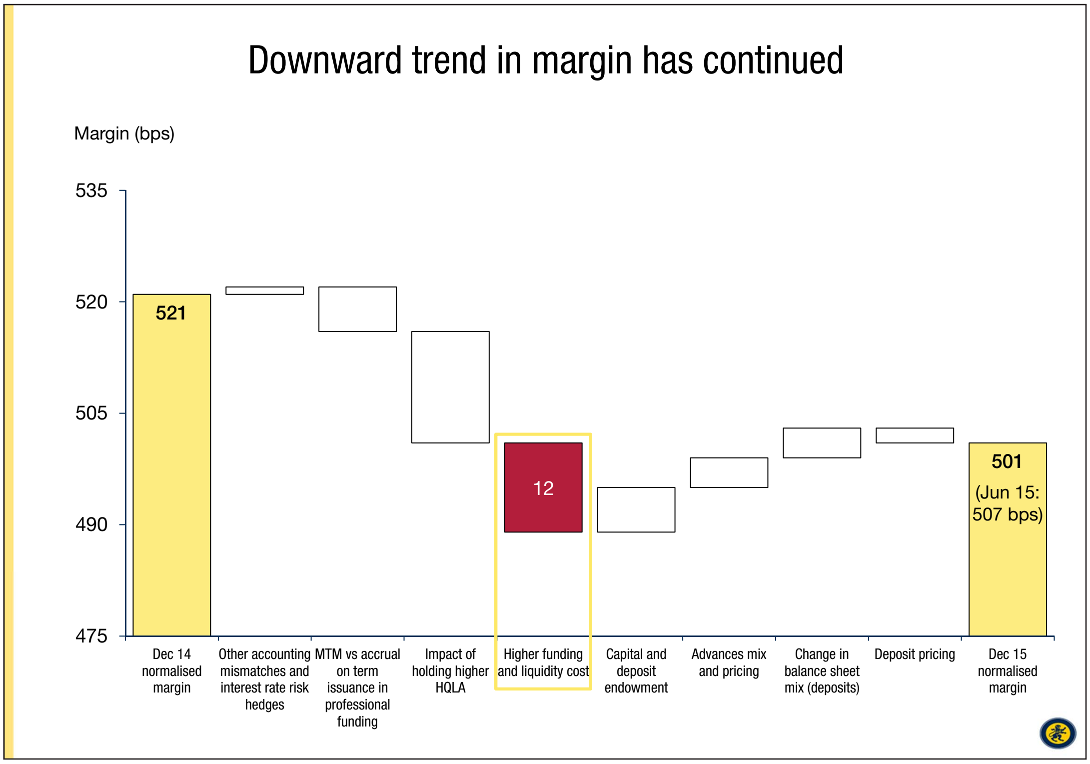


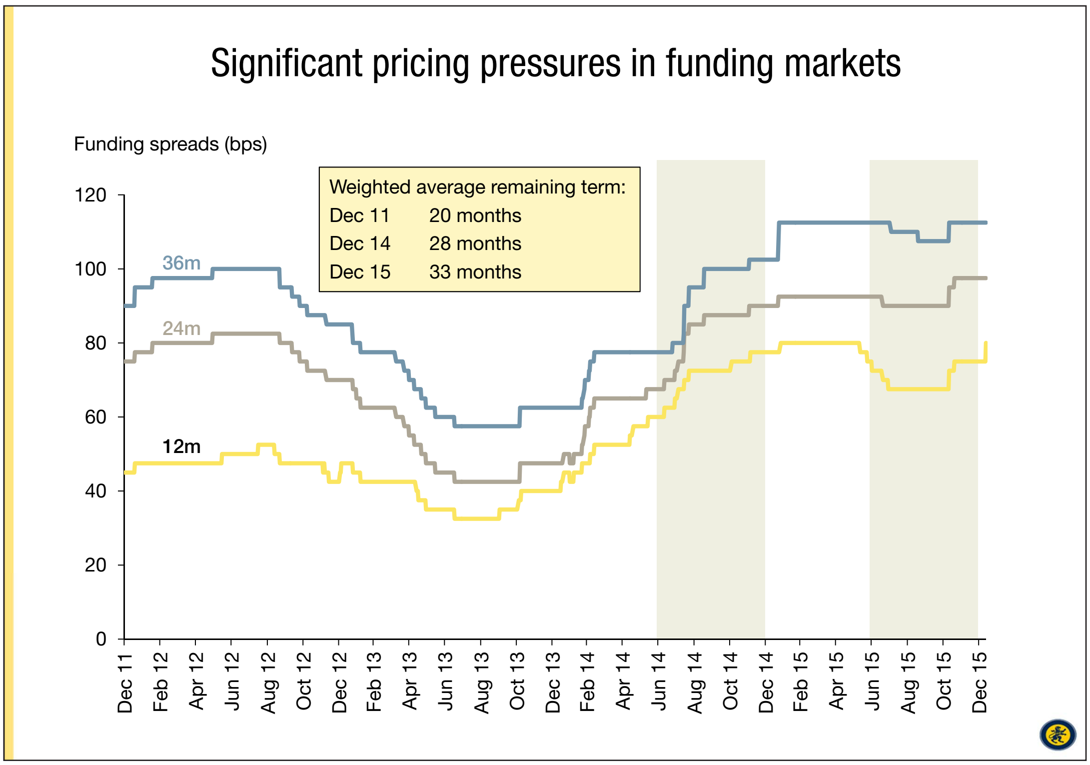
Regulation impacts cost of liquidity



** Includes CLF.*

***Note:** FirstRand group LCR = 71%, FirstRand Bank LCR = 74%.*


Downward trend in margin has continued
Margin (bps)
535
520
505
490
475
521
12
501
(Jun 15: 507 bps)
Dec 14 normalised margin
Other accounting mismatches and interest rate risk hedges
MTM vs accrual on term issuance in professional funding
Impact of holding higher HQLA
Higher funding and liquidity cost
Capital and deposit endowment
Advances mix and pricing
Change in balance sheet mix (deposits)
Deposit pricing
Dec 15 normalised margin


Significant pricing pressures in funding markets
Funding spreads (bps)
Weighted average remaining term:
Dec 11 20 months
Dec 14 28 months
Dec 15 33 months
36m
24m
12m
120
100
80
60
40
20
0
Dec 11
Feb 12
Apr 12
Jun 12
Aug 12
Oct 12
Dec 12
Feb 13
Apr 13
Jun 13
Aug 13
Oct 13
Dec 13
Feb 14
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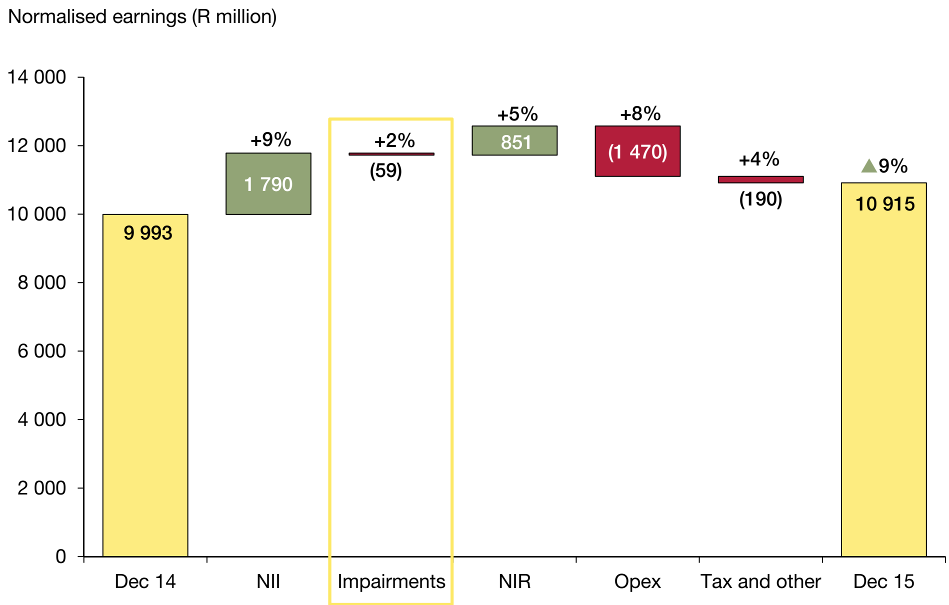
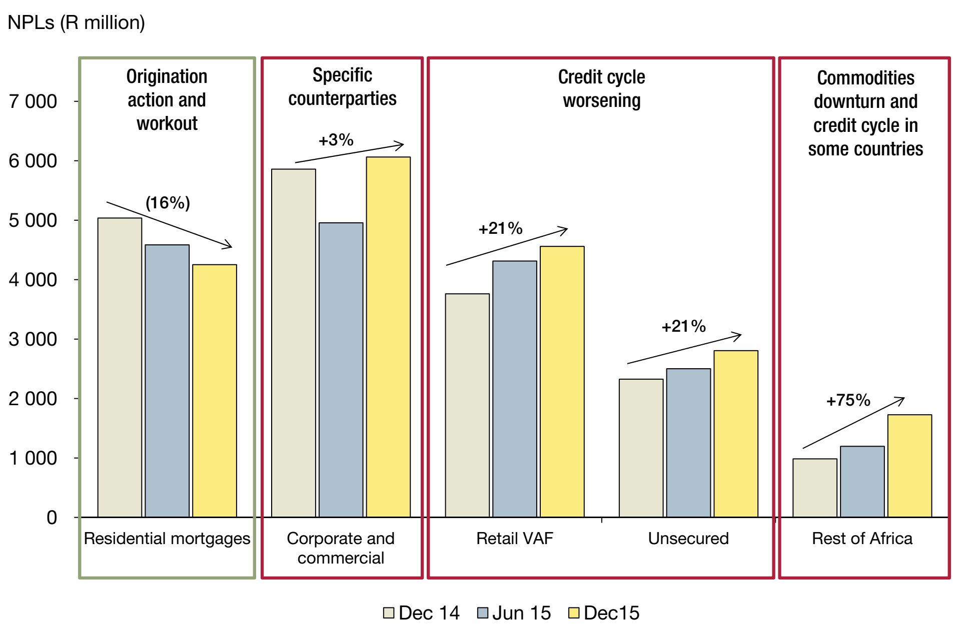
Oct 15
Dec 15

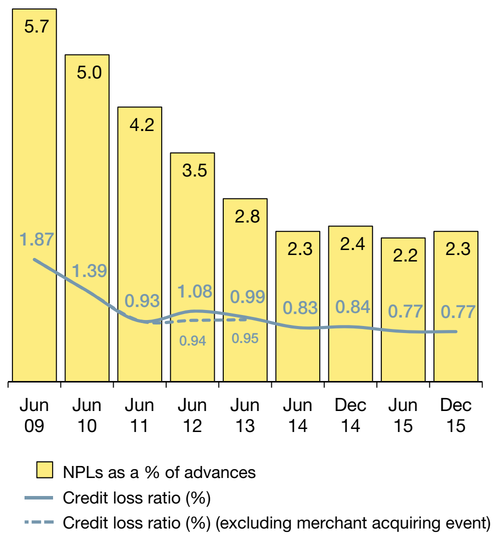
As expected, topline growth has come under further pressure



NPL trend reflects macros and cycle…



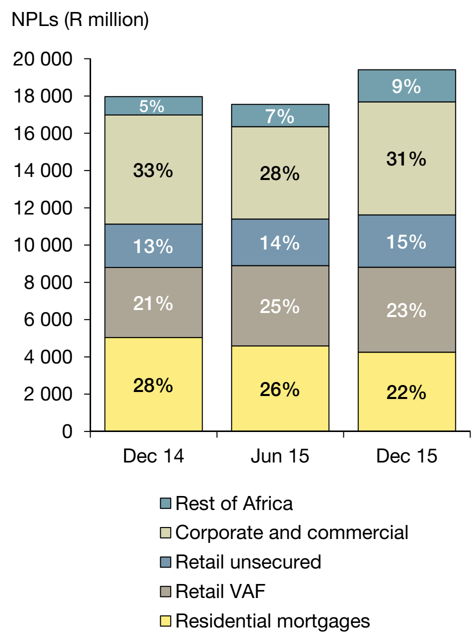
…but actual credit performance not yet fully reflecting that cycle has turned



Credit loss ratio (%)	Dec 15	Dec 14
Retail – secured	**0.63**	0.45
Residential mortgages	**0.18**	0.06
VAF	**1.22**	1.01
Retail – unsecured	**4.98**	5.35
Credit card	**2.18**	0.19
Personal loans*	**7.02**	7.24
Retail – other	**5.34**	9.57
Total retail	**1.30**	1.15
Corporate and commercial	**0.34**	0.62
Rest of Africa	**0.84**	0.91
FCC (including Group Treasury)	**(0.04)**	(0.04)
Total credit loss ratio	**0.77**	0.84

* *Includes FNB and WesBank loans.*

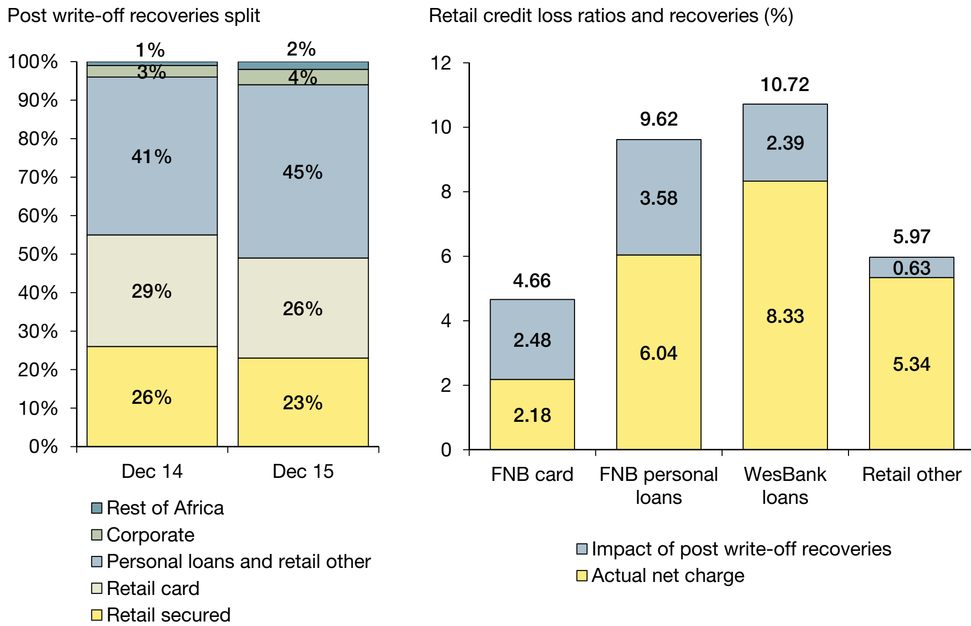
Coverage remains appropriate



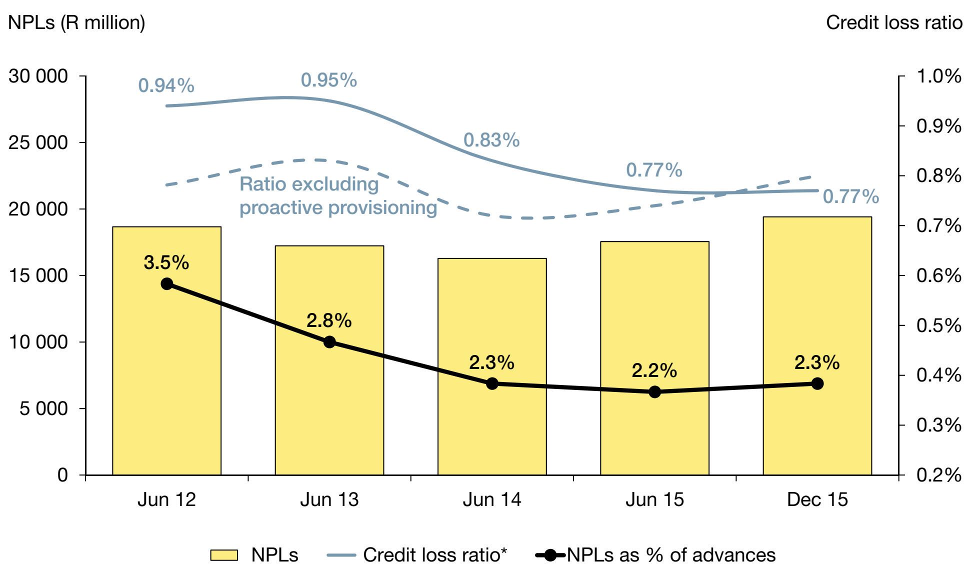
Coverage ratios (%)	Dec 15	Dec 14
Retail – secured	**28.5**	25.1
Residential mortgages	**22.0**	20.3
VAF	**34.7**	31.7
Retail – unsecured	**66.7**	68.2
Credit card	**72.5**	73.1
Personal loans*	**61.4**	64.3
Retail – other	**77.8**	76.2
Corporate and commercial	**53.4**	54.2
Rest of Africa	**31.6**	36.0
Specific impairments	**42.1**	40.8
Portfolio impairments**	**41.2**	42.6
Total coverage ratio	**83.3**	83.4

* *Includes FNB and WesBank loans.*
** *Includes portfolio overlays.*

Unsecured portfolios – post write-off recoveries resilient

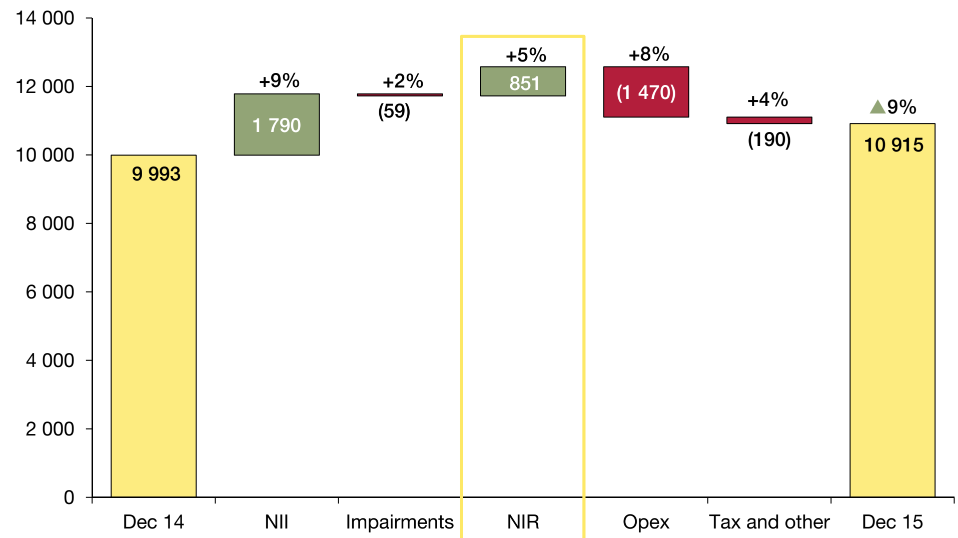


Underlying cost of credit trending up and provisioning remains prudent

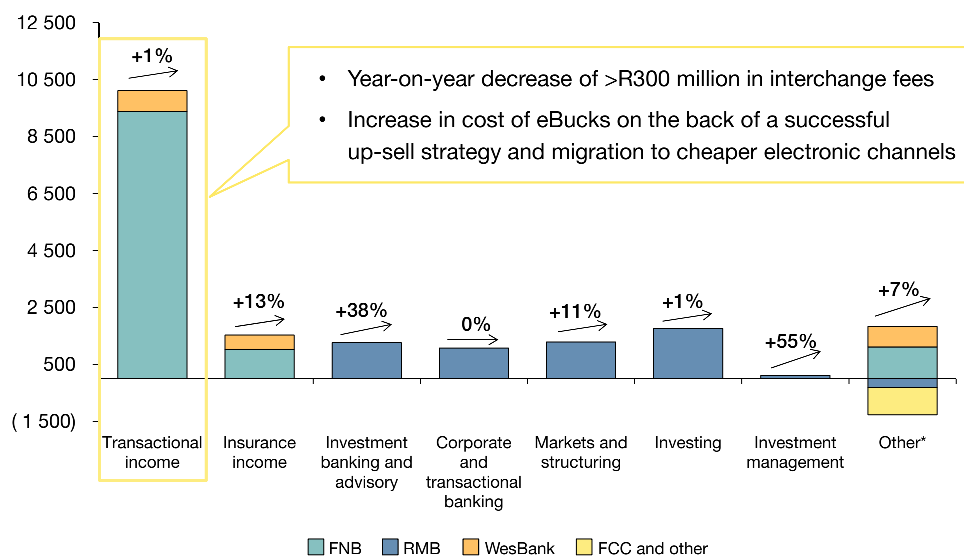


* *Excludes the impact of the merchant acquiring event.*

As expected, topline growth has come under further pressure

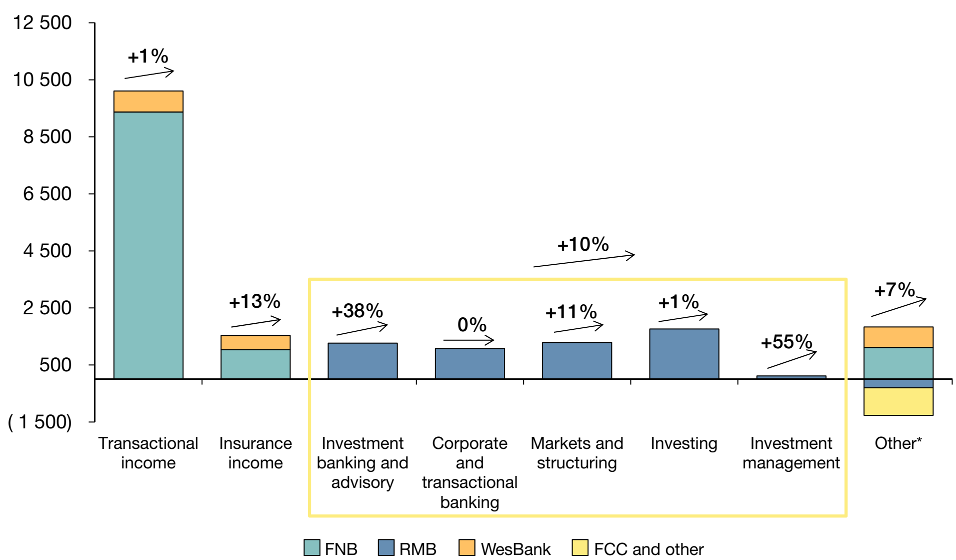


NIR increased 5% despite regulatory impact at FNB



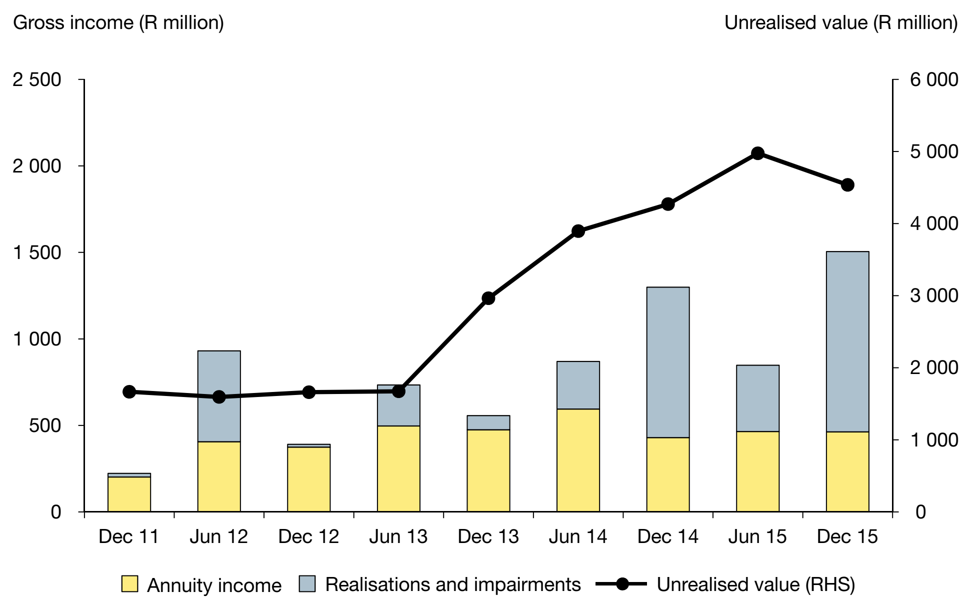
* *Other includes FCC (including Group Treasury) and other.*

RMB remains a significant contributor to NIR across all activities

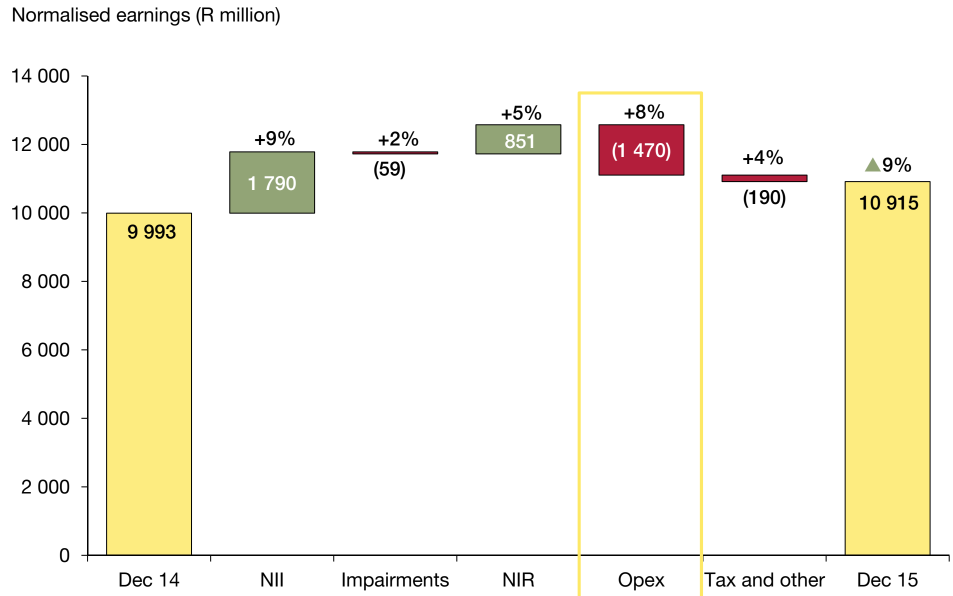


* Other includes FCC (including Group Treasury) and other.

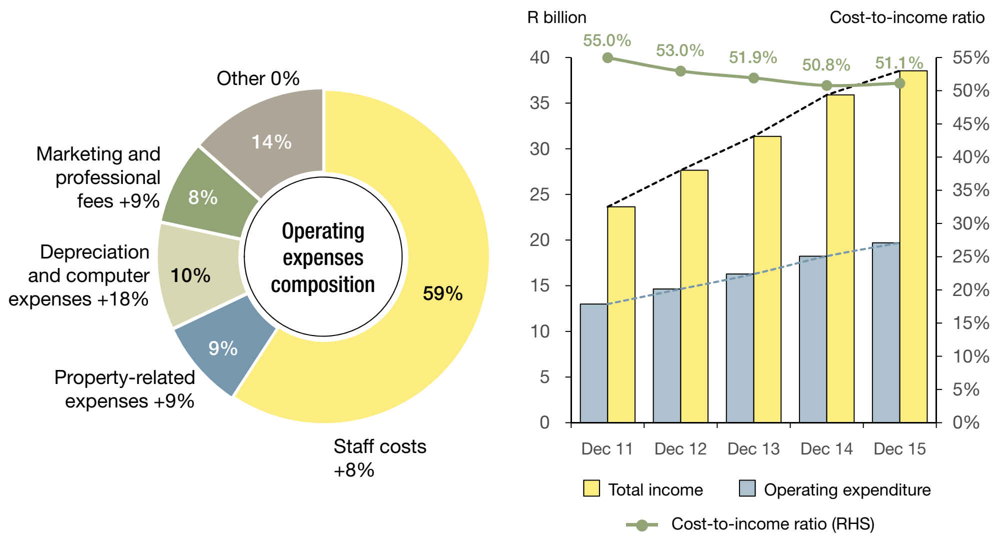
Private Equity unrealised value remains significant



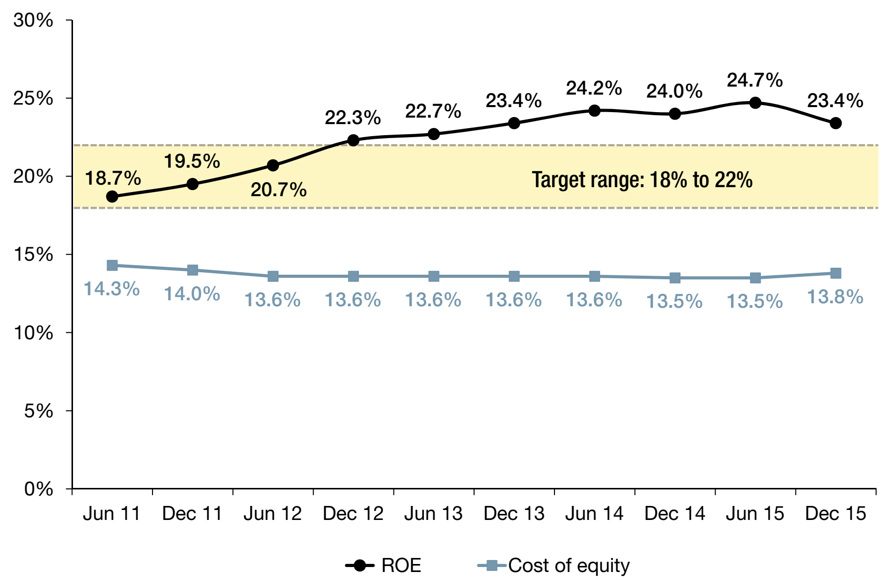
As expected, topline growth has come under further pressure



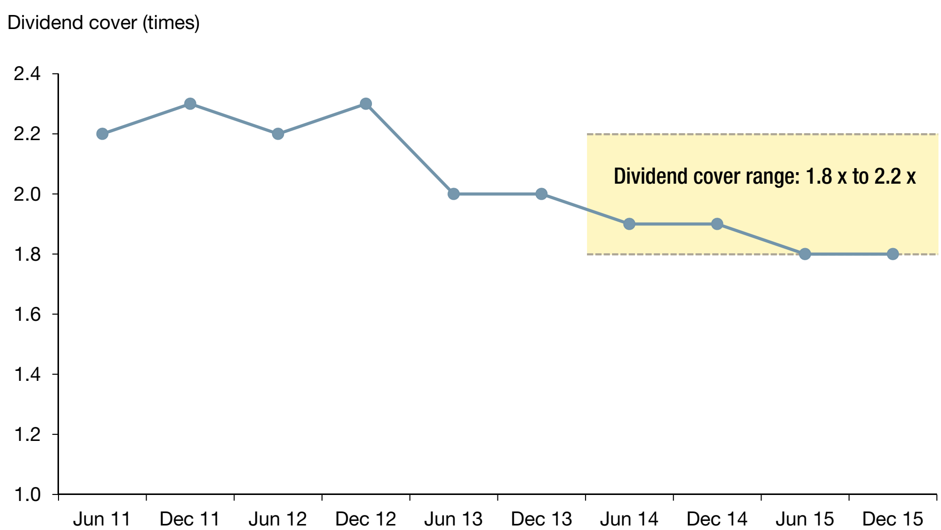
Still investing for growth, but core costs sticky in the short term



ROE trend remains above target range, but still cyclically high



Dividend growth driven by lower cover of 1.8 x introduced at year end



Results presentation for the six months ended 31 December 2015

FRANCHISE OPERATING REVIEW

FIRSTRAND

Franchises produced resilient operating performances

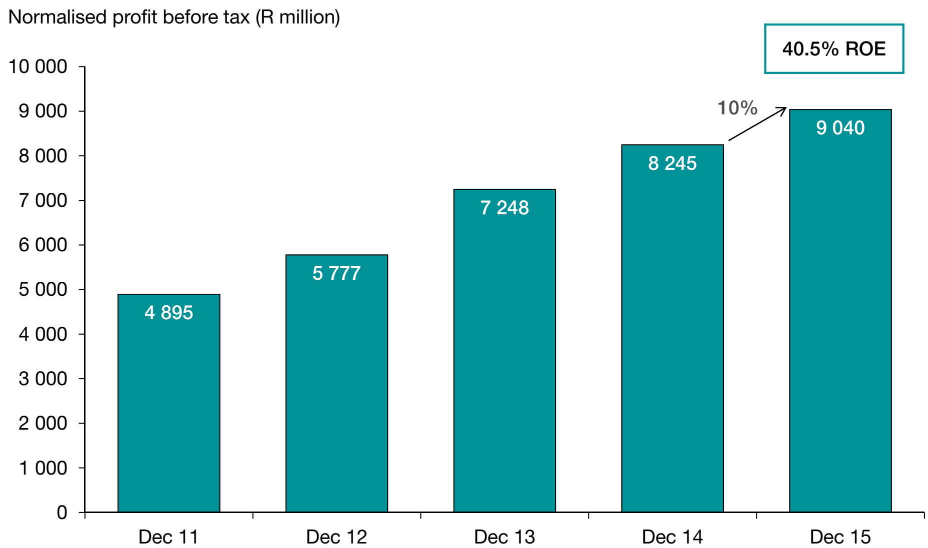
Normalised earnings (R million)	Dec 15	Dec 14	% change
FNB	**6 208**	5 674	9 ▲
RMB	**2 805**	2 449	15 ▲
WesBank	**1 856**	1 619	15 ▲
Franchise contribution	**10 869**	9 742	12 ▲
FCC (incl. Group Treasury) and other*	**46**	251	(82) ▼
FirstRand group	**10 915**	9 993	9 ▲

** Other comprises FirstRand company, consolidation adjustments and NCNR preference dividend.*
***Note:** During the reporting period the group refined the franchise segmentation of its African operations to more accurately reflect the respective franchise contributions. Comparative numbers have been restated.*

Results presentation for the six months ended 31 December 2015

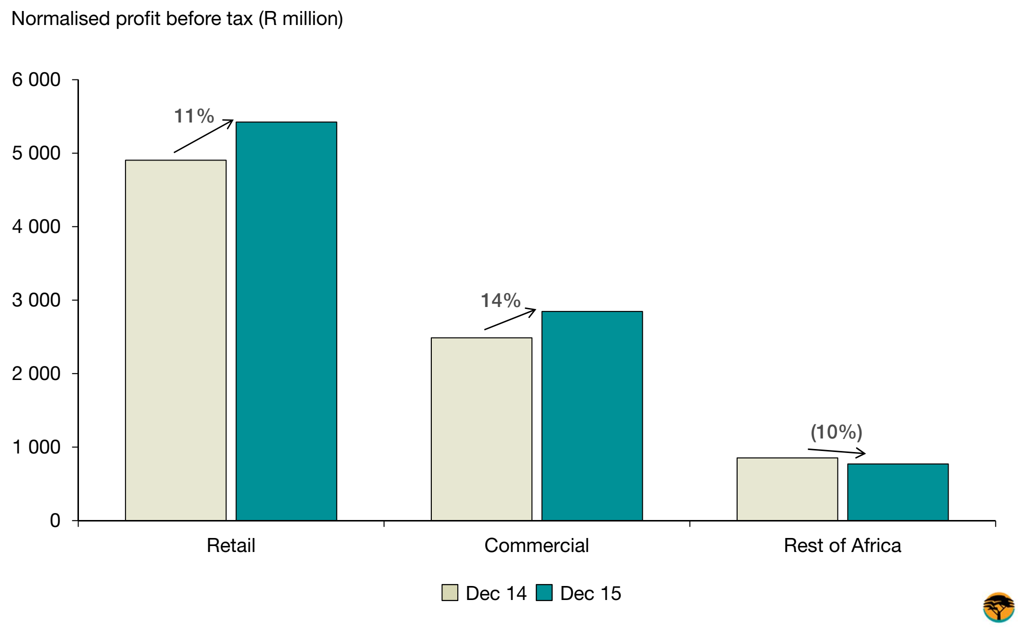
FNB OPERATING REVIEW

FNB performance reflects success of consistent strategy

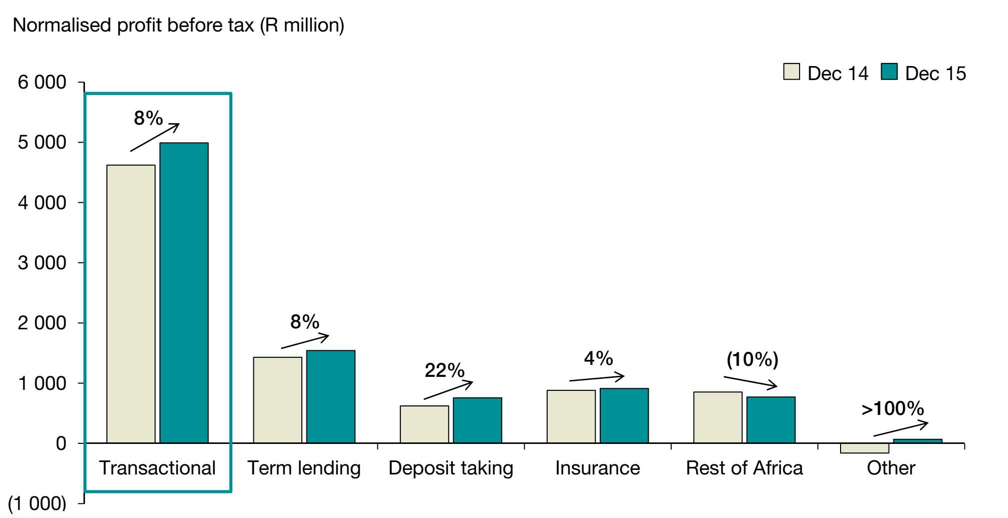


Periods prior to Dec 14 have not been restated for rest of Africa segmentation. Periods prior to Dec 13 have not been restated for the allocation of FCC cost and return on capital.

Strong domestic growth has continued

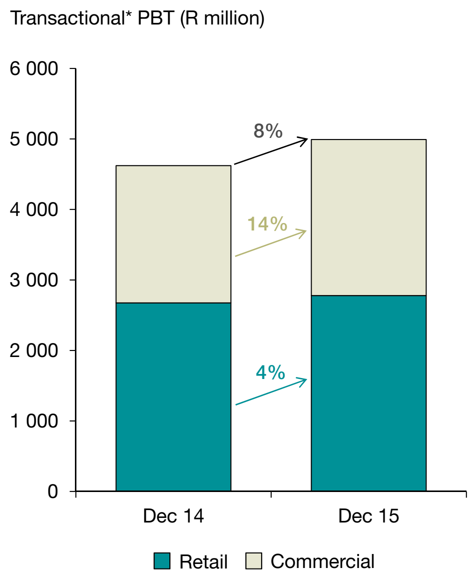


FNB activity view



Transactional includes credit card, overdrafts and transactional deposit products and deposit endowment.
Insurance includes embedded credit protection.

Transactional franchises resilient despite headwinds



Retail and commercial

- Ongoing gains in new customers
- Growing deposit base resulted in positive endowment impact
- Success of e-migration
- Good traction in cross-sell and up-sell driving lending and deposit growth

Retail only

- Interchange impact significant, but marginally lower than expected due to:
  - Active mitigation strategies including migration, e.g. cash to digital, debit to credit card
  - Rewards driving transactional volumes and facilitating migration strategy

** Transactional includes credit card, overdrafts and transactional deposit products and deposit endowment.*

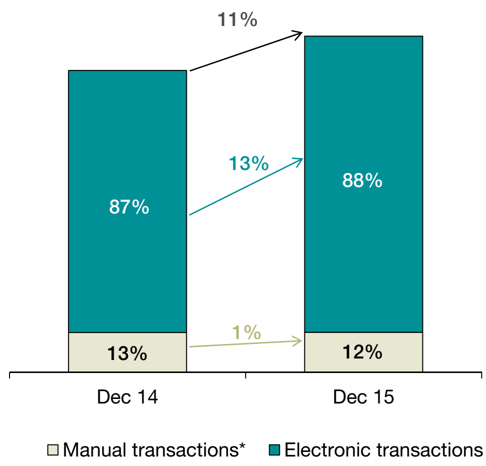
Origination linked to transactional strategy

- Strong growth in retail credit results from continued focus on existing client base
  - 98% of new overdraft/revolving facility limits and 80% of new card limits to main transactional-banked FNB customers
  - Focused on middle-upper income segments
- Pre-scoring of clients ensures targeted product growth
- Client migration and up-sell also driving growth
- Impairment charges normalising towards through-the-cycle levels
- Acquisition strain expected as book matures

Growth moderating in line with risk cutbacks

Channel migration strategy continues to drive growth in volumes

Number of transactions processed

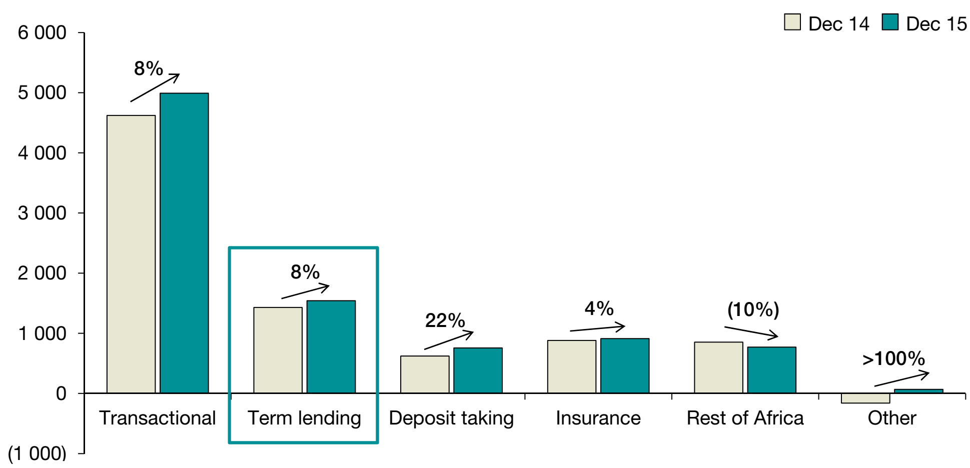


	Increase in transaction volumes %
Mobile	19
Internet banking	7
Banking app	60
ADT/ATM cash deposits	20

** Manual transactions – cash, cheques, ATMs. Electronic transactions – online, card, mobile, etc.*

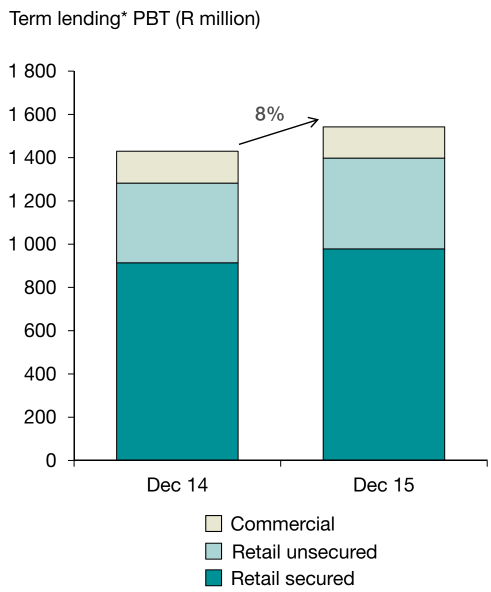
FNB activity view

Normalised profit before tax (R million)



Transactional includes credit card, overdrafts and transactional deposit products and deposit endowment.
Insurance includes embedded credit protection.

Targeted term lending also focused on existing client base



Commercial

Expanded product offering to existing client base

- Commercial property finance +19%
- Leverage finance +18%

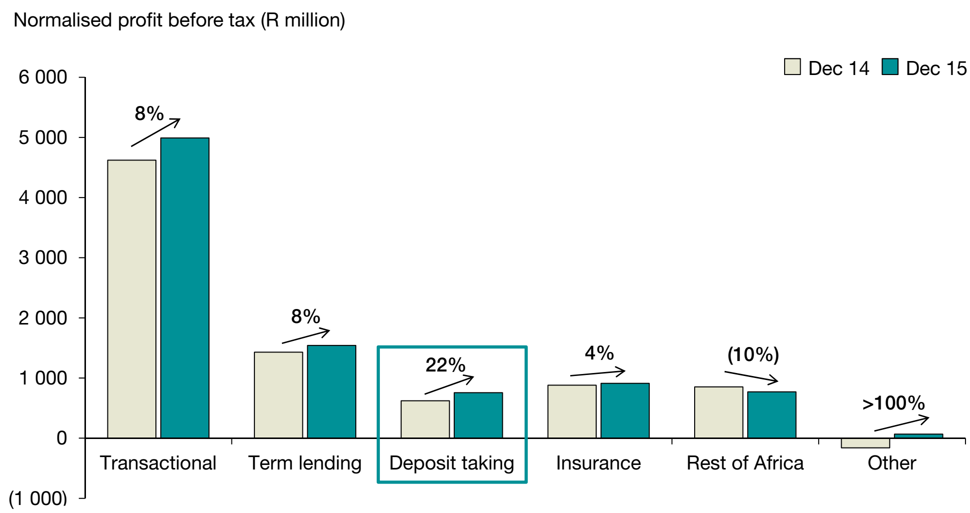
Retail

Advances growth

- HomeLoans +5% – continued focus on low-risk banked base
- Affordable housing +14% – conservative risk-mitigated strategy
- Personal loans +19% – automated processes driving growth, but appetite reduced
- Impairment charge in line with risk profile

** Term lending includes residential mortgages, personal loans, commercial property finance, leverage finance, business term loans, etc.*

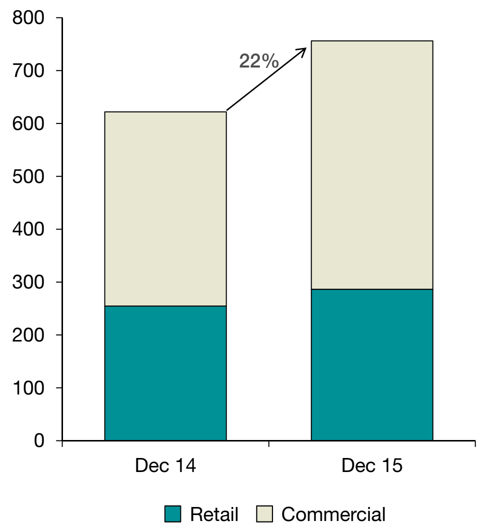
FNB activity view



Transactional includes credit card, overdrafts and transactional deposit products and deposit endowment.
Insurance includes embedded credit protection.

Focus on growing deposit franchise delivering

Deposit taking PBT (R million)



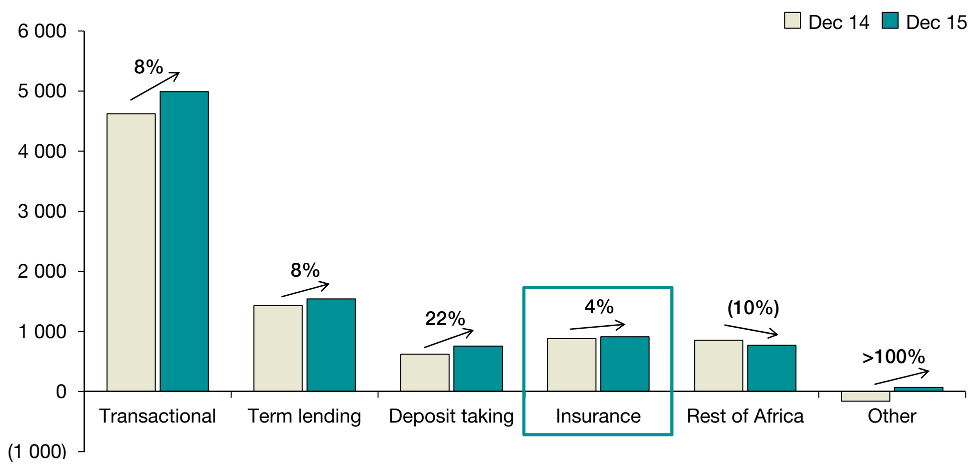
- Continued product innovation delivered strong growth in the upper end of retail and in commercial
- Focus on process efficiency and migration to digital platforms

Notice deposit functionality take-up	Dec 15	Dec 14
Digital	56%	18%
Physical	44%	82%

- Cross-sell into existing base

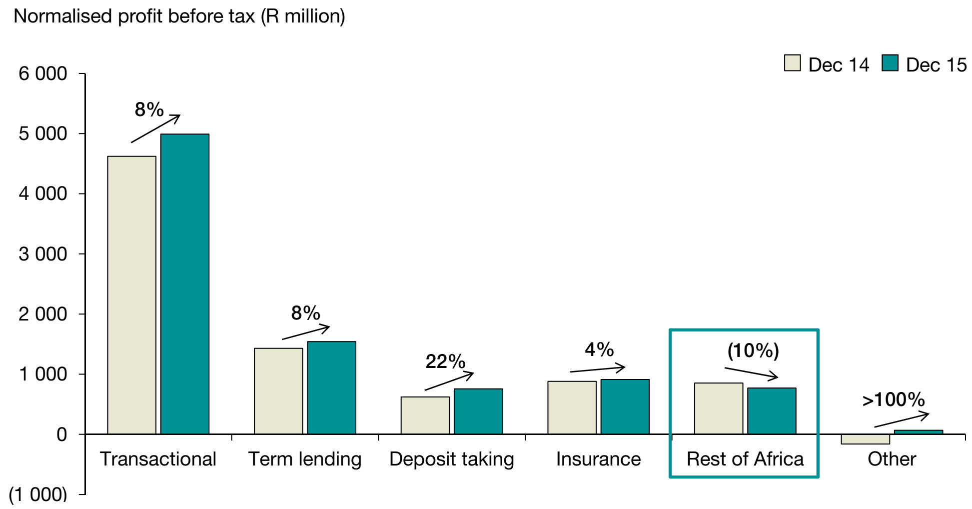
Early days, but insurance performance promising

Normalised profit before tax (R million)



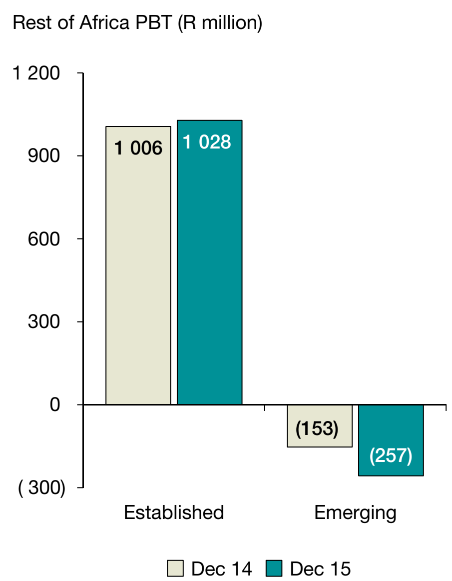
Transactional includes credit card, overdrafts and transactional deposit products and deposit endowment.
Insurance includes embedded credit protection.

FNB activity view



Transactional includes credit card, overdrafts and transactional deposit products and deposit endowment.
Insurance includes embedded credit protection.

Mixed picture from FNB's rest of Africa businesses



- Excellent performance from Namibia
- Higher liquidity costs and impairments impacted Botswana
- Swaziland and Zambia held up despite macros
- Negative commodity cycle impacted Mozambique growth and impairments
- Investment increased in Ghana and Tanzania

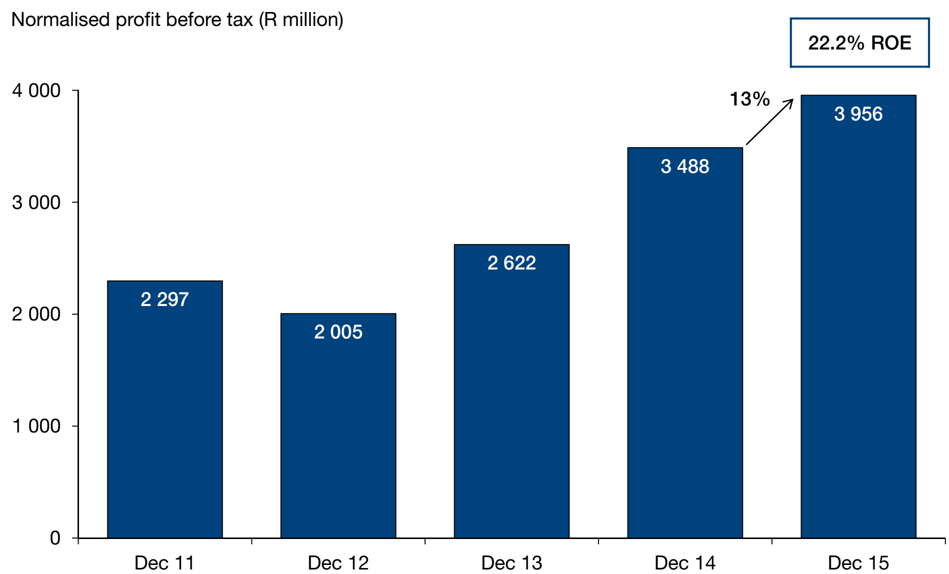
The group finalised its African segmentation in the current year, and at a total portfolio level the profit increased 5%.

Results presentation for the six months ended 31 December 2015

RMB OPERATING REVIEW

RMB

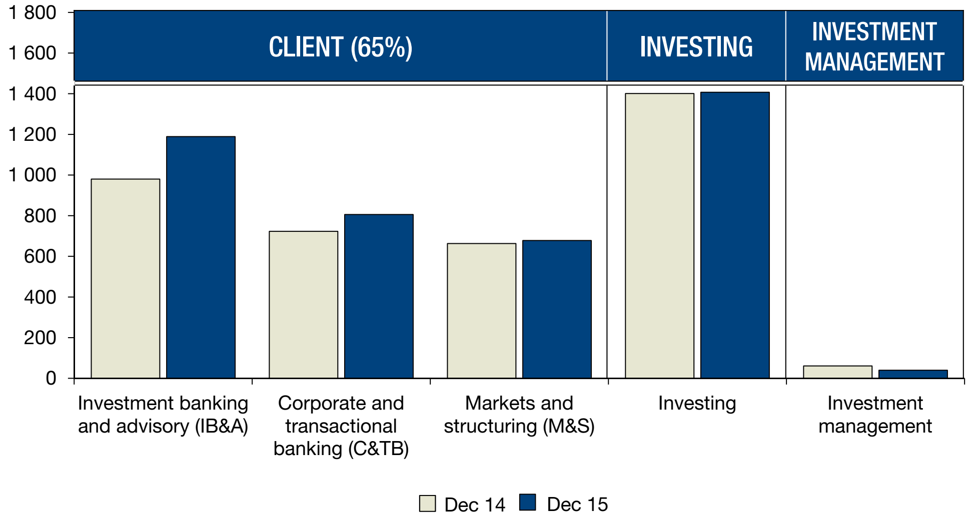
Solid results from a resilient and diversified portfolio



Periods prior to Dec 14 have not been restated for rest of Africa segmentation. Periods prior to Dec 13 have not been restated for the allocation of FCC cost and return on capital.

Integrated business delivers balanced performance

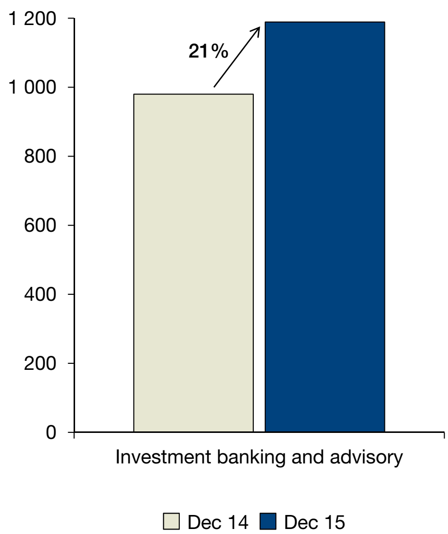
Normalised profit before tax* (R million)



** Excludes RMB Resources, legacy and head office portfolios.*

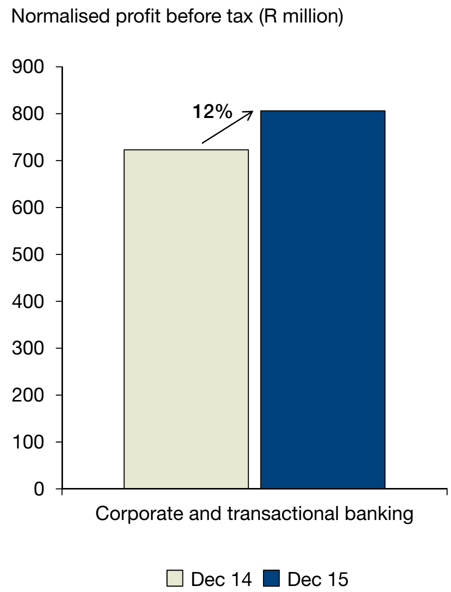
Continued resilience in the IB&A portfolio

Normalised profit before tax (R million)



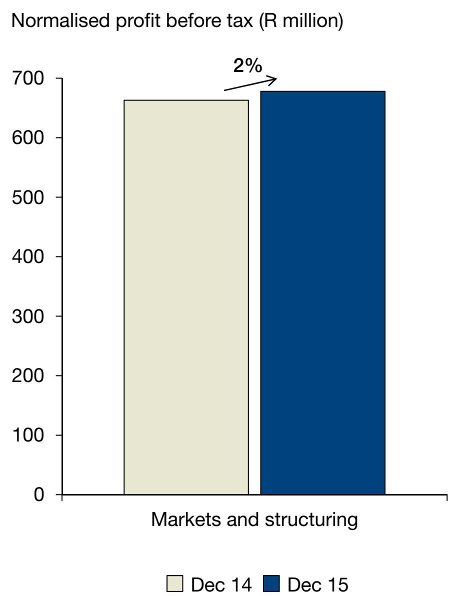
- Continued focus on leveraging superior origination capability
- Strong advisory and underwriting fees as clients seek offshore opportunities
- Disciplined resource allocation resulted in muted lending growth
- Year-on-year impairment charge reduced, but maintained strong portfolio coverage ratio

Solid performance from C&TB



- Liability raising strategy contributed to an enhanced liquidity profile
- Strong demand for structured trade advances
- Increased forex flows from key clients in African subsidiaries
- Traditional trade revenue negatively impacted by African macroeconomic environment

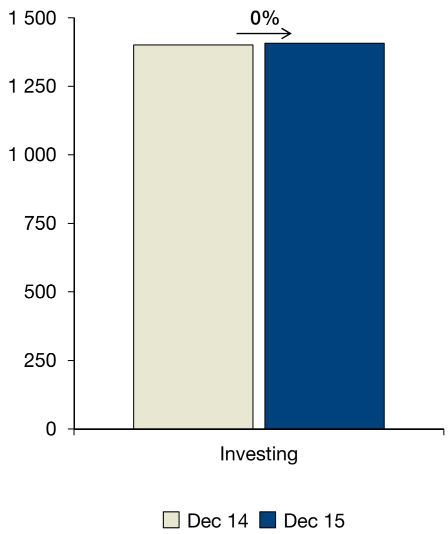
M&S supported by increased volatility



- Returns supported by increased deal flow and client risk management opportunities
- Standout performance from currency trading on the back of market volatility
- Offset by specific credit event and adverse MTM movements in fixed income portfolio

Robust investing performance off a high base

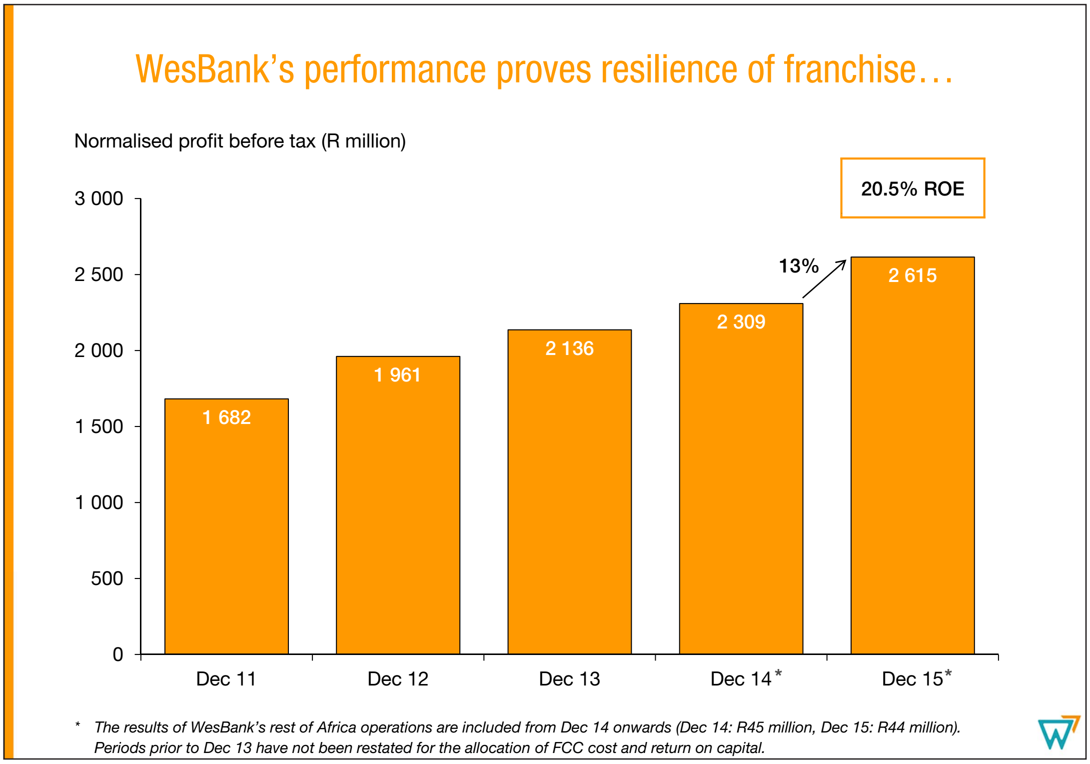
Normalised profit before tax (R million)

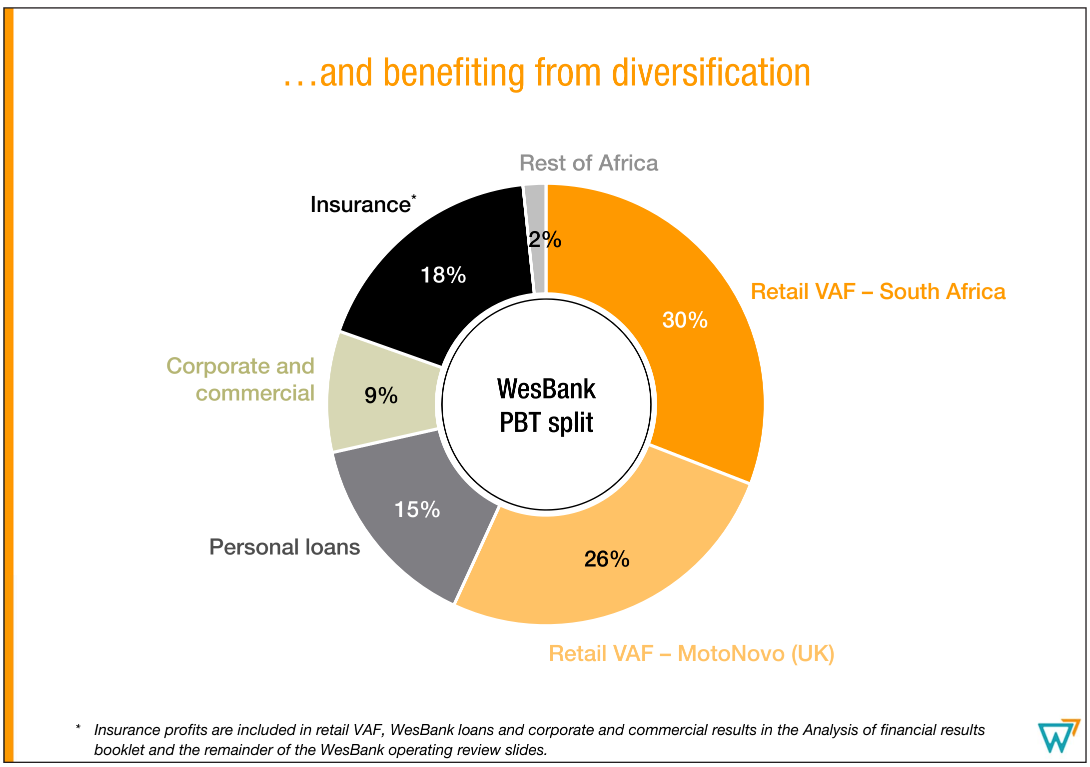


- Strong attributable earnings from investee companies
- Results continued to benefit from realisation cycle
- Marginal decrease in unrealised value to R4.5 billion (Jun 15: R4.9 billion) following significant realisations

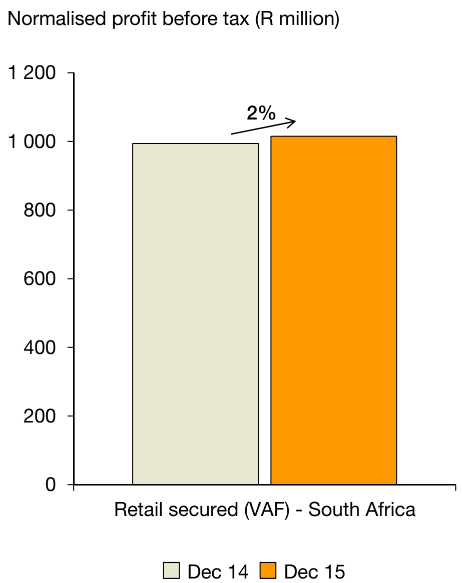
Results presentation for the six months ended 31 December 2015

WESBANK OPERATING REVIEW


WesBank's performance proves resilience of franchise…
Normalised profit before tax (R million)
20.5% ROE
3 000
2 500
2 000
1 500
1 000
500
0
1 682
1 961
2 136
2 309
2 615
13%
Dec 11
Dec 12
Dec 13
Dec 14*
Dec 15*
* The results of WesBank's rest of Africa operations are included from Dec 14 onwards (Dec 14: R45 million, Dec 15: R44 million). Periods prior to Dec 13 have not been restated for the allocation of FCC cost and return on capital.

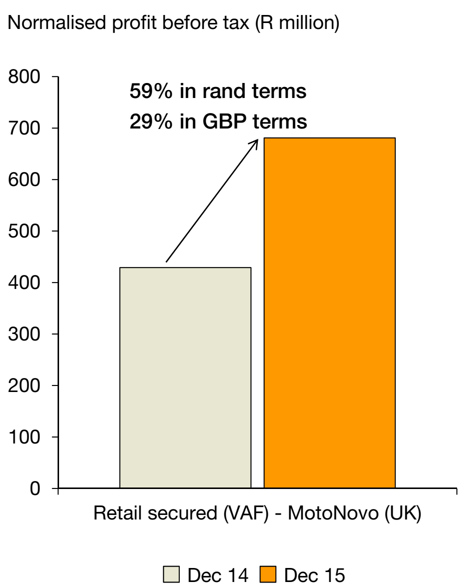

…and benefiting from diversification
WesBank PBT split
Rest of Africa
2%
Retail VAF – South Africa
30%
Retail VAF – MotoNovo (UK)
26%
Personal loans
15%
Corporate and commercial
9%
Insurance*
18%
* Insurance profits are included in retail VAF, WesBank loans and corporate and commercial results in the Analysis of financial results booklet and the remainder of the WesBank operating review slides.

Domestic VAF business performed well, but not cycle proof



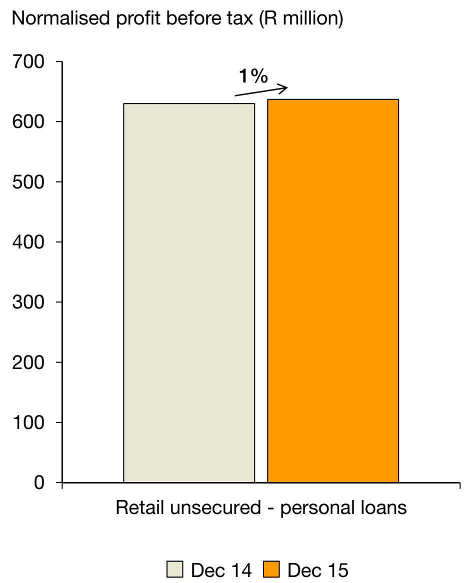
- Production growth increased 5% (Dec 14: 4%)
  - Industry new vehicle sales declined 4.2% year-on-year (passenger vehicle sales declined 7.6% year-on-year)
  - New business – used:new ratio = 2:1
- Margins impacted by funding pressures and mix between fixed- and floating-rate business
- Credit loss ratio increased from 1.04% to 1.28%
- Risk profile maintained

MotoNovo benefiting from alliances and strong UK economy



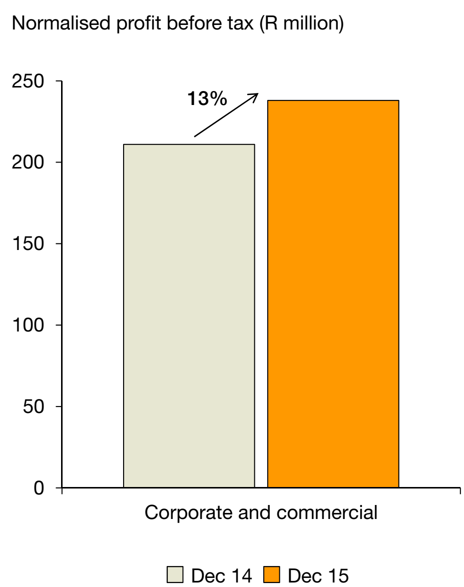
- Good organic growth continues – advances growth at good margins on the back of product and market share gains and geographic expansion
  - 2 937 supporting dealers (Dec 14: 2 551)
- Maintained asset quality
  - Continued originating in low-risk buckets resulting in low arrears and NPL levels
- Margins remained resilient despite competitive pressures and increased funding costs
- Cost management and economies of scale

Growth in personal loans business moderating



- New business volumes growth decreased to 7% from 9% year-on-year reflecting reduced credit appetite
- Good NIR growth from transactional and insurance activities
- Bad debts increased, but in line with expectations
- Continued focus on book quality and risk profile into the cycle

Corporate and commercial portfolio recovering



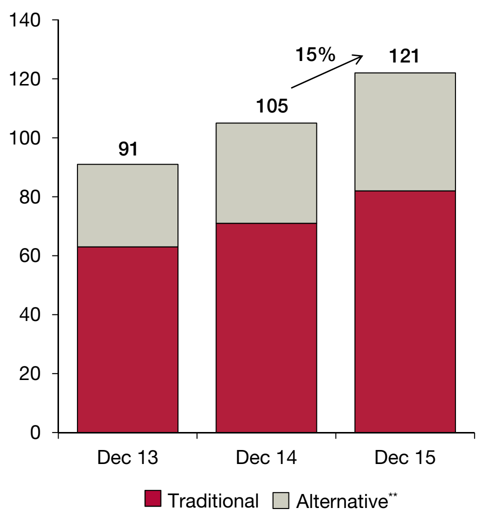
- Subdued demand resulting in declining book and competitive pressure impacting margins
- Prudent lending and tightening of credit policy
- Bad debts benefited from non-repeat of defaults in prior period
- 3% decline in new business production

Results presentation for the six months ended 31 December 2015

ASHBURTON INVESTMENTS OPERATING REVIEW

New products, platforms and internal distribution channels provide traction to investment management strategy

Assets under management* (R billion)



- Strong CAGR in AUM since launch:
  - Growth in both alternative (+20%) and traditional products (+14%)
  - Investment performance in top quartile across most products
- LISP a success with growth in customers and flows
  - 11 095 new clients added year-on-year (19 073 total clients at 31 Dec 15)
  - R6.7 billion new flows onto the platform since Dec 14

* *Excludes RMB conduits.*

** *Alternative products include RMB Westport, ETFs, credit funds, private equity fund and structured products.*

Results presentation for the six months ended 31 December 2015

STRATEGIC UPDATE

FIRSTRAND

Current strategic framework

- In South Africa
  - Protect and grow **lending and transactional franchises** through **disruption and differentiation**
  - Capture a larger share of profits from the broader financial services markets
- Establish meaningful in-country franchises in chosen markets in the rest of Africa

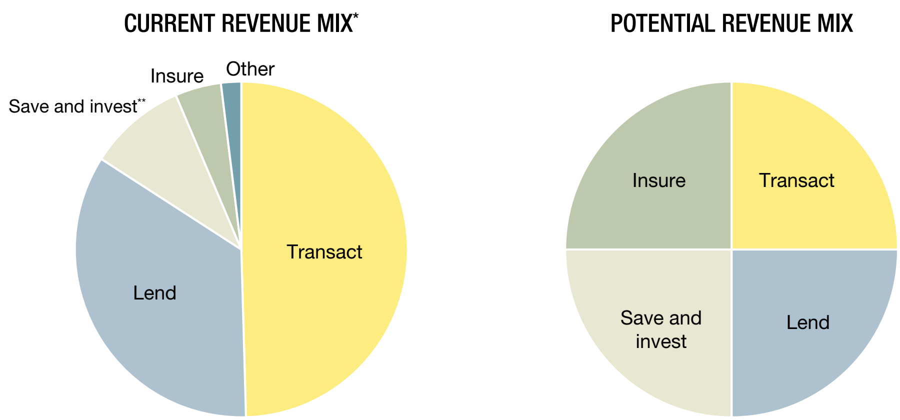
This was reviewed given significant structural and cyclical shifts in the operating environment

South Africa	Rest of Africa
• Low GDP growth • High inflation • Higher interest rates • Higher cost of funding • Increased unemployment • Risk of sovereign rating downgrade	• Negative commodity cycle • Undiversified markets susceptible to macro shocks often exacerbated by policy mistakes • Higher correlation between markets

Adjusted strategic framework looks to find protection and growth

- Greater balance in activities – broaden financial services offering
- Franchise- and platform-neutral business model
- Still aim to be dominant regional player
- Further geographic diversification

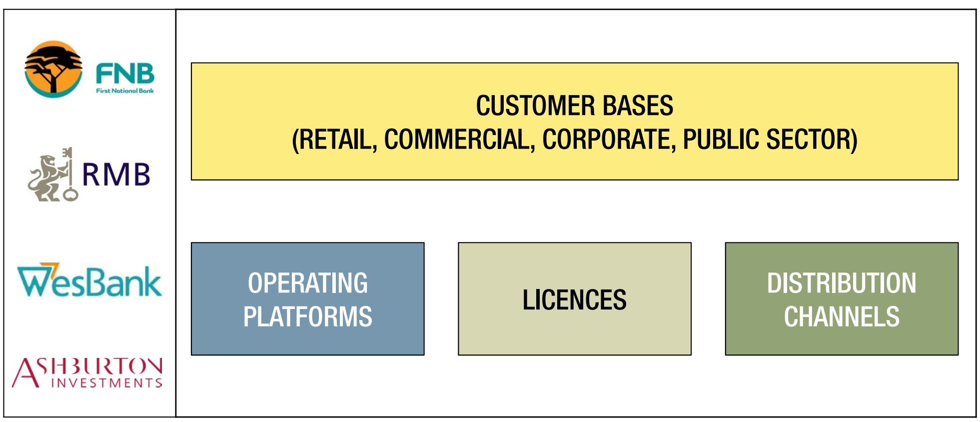
Ultimately create more balanced revenue mix



Large opportunity given our market share

* *Current revenue mix is based on gross revenue excluding consolidation adjustments.*
** *Includes private equity, deposit taking, and investment management.*

Fully leverage portfolio of franchises and platforms



New initiatives already utilising group building blocks

	TRANSACT	LEND	INVEST	DEPOSITS	INSURANCE	INVESTMENT MANAGEMENT
FNB	✓	✓		✓	✓	✓
RMB	✓	✓	✓	✓		✓
WesBank		✓			✓	
Ashburton Investments					✓	✓

Adjusted strategic framework looks to find protection and growth

- Greater balance in activities – broaden financial services offering
- Franchise- and platform-neutral business model
- Still aim to be dominant regional player
- Further geographic diversification

Objective remains to be a dominant regional player

Rest of Africa

- Chosen markets remain attractive
- Elevated risk means execution time frames extended
- Portfolio view will inform approach
- Not necessarily universal banking
- Discipline in capital allocation

Adjusted strategic framework looks to find protection and growth

- Greater balance in activities – broaden financial services offering
- Franchise- and platform-neutral business model
- Still aim to be dominant regional player
- Further geographic diversification

Look for protection, growth and diversification in other markets

Other markets

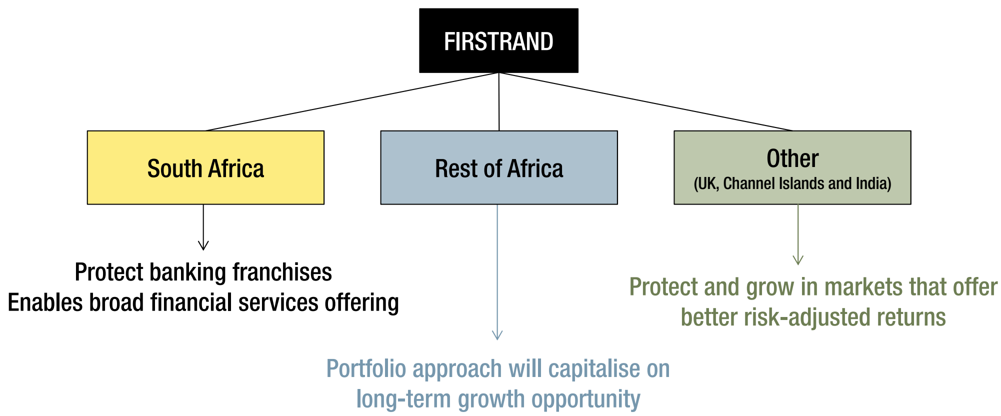
Protection

- Access to hard currency will enable rest of Africa strategy
- Protect counterparty status in order to access financial markets

Growth and diversification

- i.e. UK and Channel Islands
- Initial focus
  - Expand MotoNovo product set
  - Build a deposit franchise

The updated strategic framework provides broader opportunities for growth



Resulting in a revised statement of intent…

- FirstRand's **portfolio** of **leading financial services** franchises:
  - provides a universal set of **transactional, lending, investment and insurance** products and services
  - seeks to **operate in markets and segments** where franchises can deliver **competitive** and **differentiated client-centric value propositions**…
  - …by **leveraging** the relevant **distribution channels, product skills, licences and operating platforms** of the wider group
- Strategy is executed on the back of **disruptive and innovative thinking** underpinned by:
  - **owner-manager culture**
  - **disciplined allocation of financial resources**

…which will underpin delivery of…

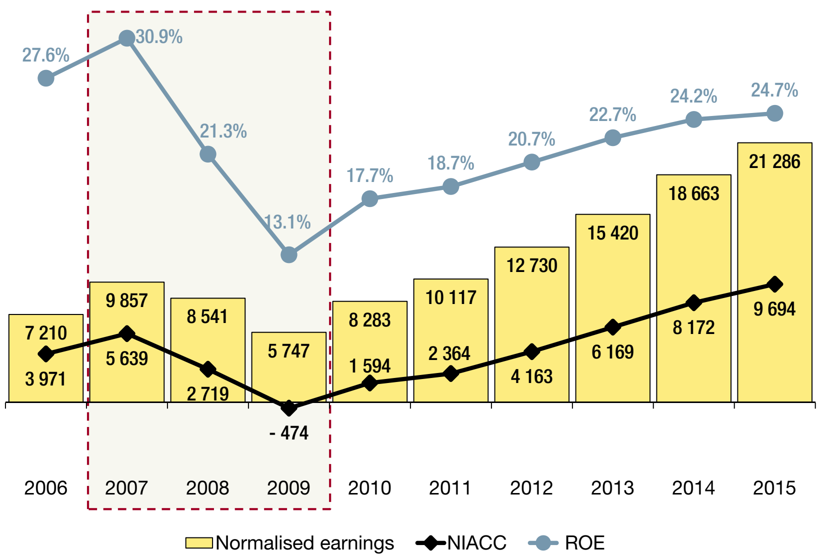
…superior and sustainable economic returns to shareholders within acceptable levels of volatility and maintain balance sheet strength

PROSPECTS

How is the group positioned for tough cycle?

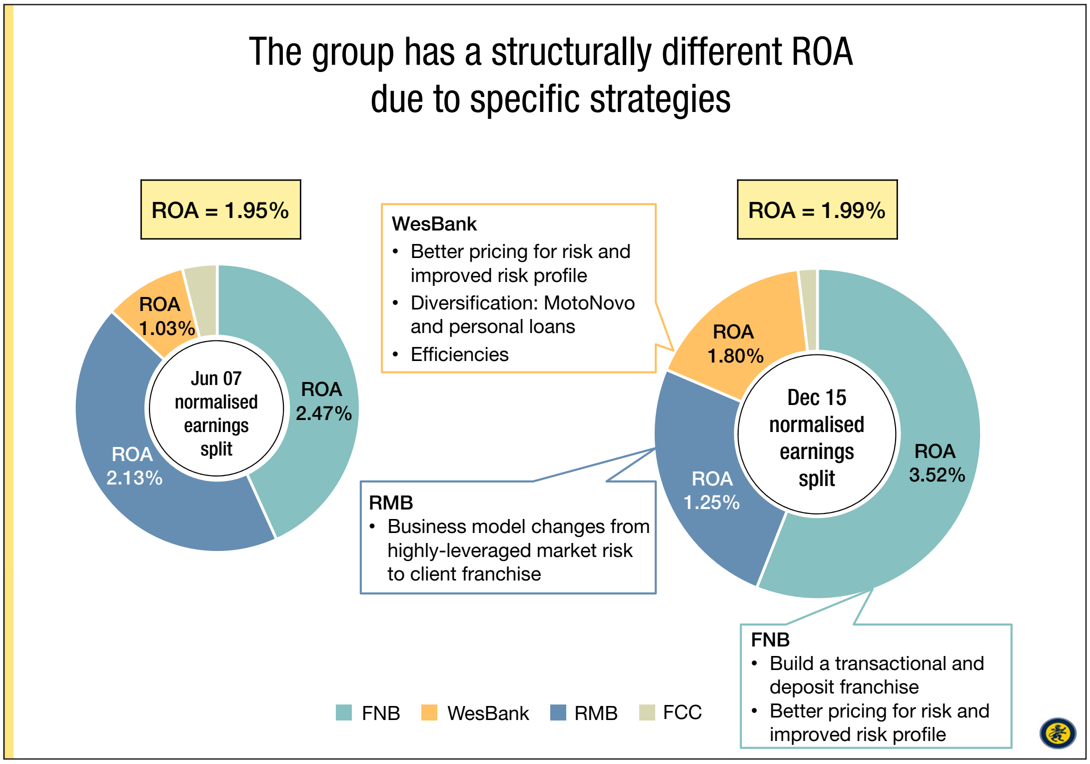
FIRSTRAND

What has changed since the previous cycle?

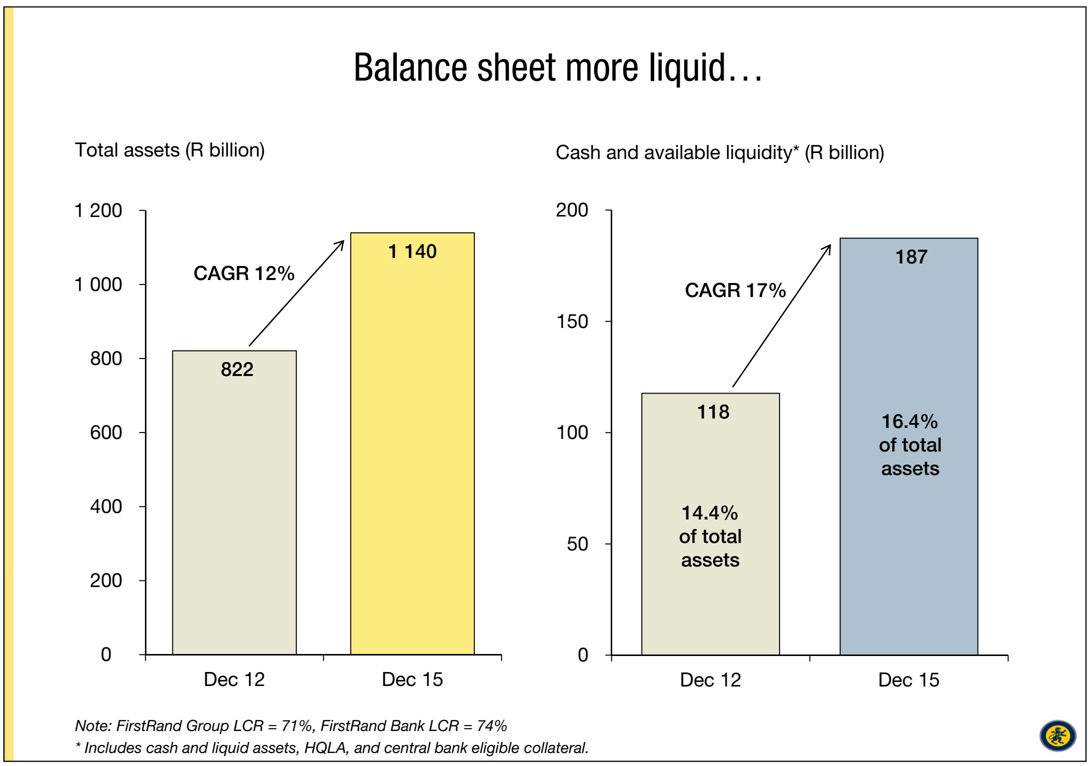


We believe the business is more resilient

Figures above are for the financial years ending 30 June. Comparatives prior to 2011 are for FirstRand Banking Group.

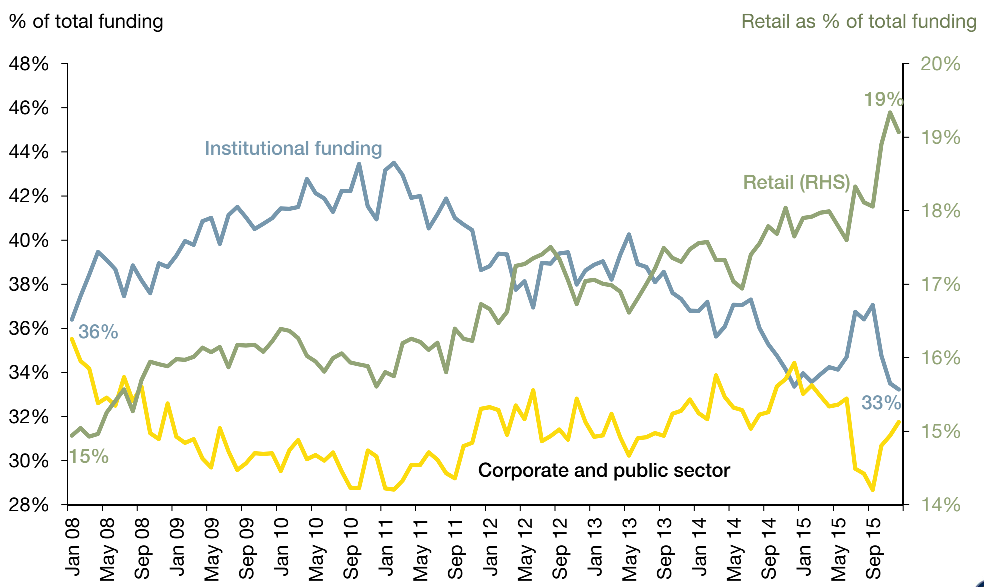


The group has a structurally different ROA due to specific strategies
ROA = 1.95%
ROA 1.03%
ROA 2.47%
ROA 2.13%
Jun 07 normalised earnings split
WesBank
• Better pricing for risk and improved risk profile
• Diversification: MotoNovo and personal loans
• Efficiencies
RMB
• Business model changes from highly-leveraged market risk to client franchise
ROA = 1.99%
ROA 1.80%
ROA 3.52%
ROA 1.25%
Dec 15 normalised earnings split
FNB
• Build a transactional and deposit franchise
• Better pricing for risk and improved risk profile
FNB
WesBank
RMB
FCC

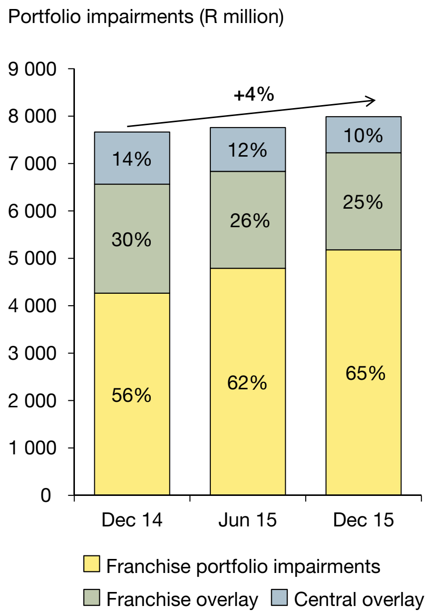


Balance sheet more liquid…
Total assets (R billion)
1 200
1 000
800
600
400
200
0
CAGR 12%
822
1 140
Dec 12
Dec 15
Cash and available liquidity* (R billion)
200
150
100
50
0
CAGR 17%
118
14.4% of total assets
187
16.4% of total assets
Dec 12
Dec 15
Note: FirstRand Group LCR = 71%, FirstRand Bank LCR = 74%
* Includes cash and liquid assets, HQLA, and central bank eligible collateral.

…with reduced reliance on institutional funding and improved funding mix

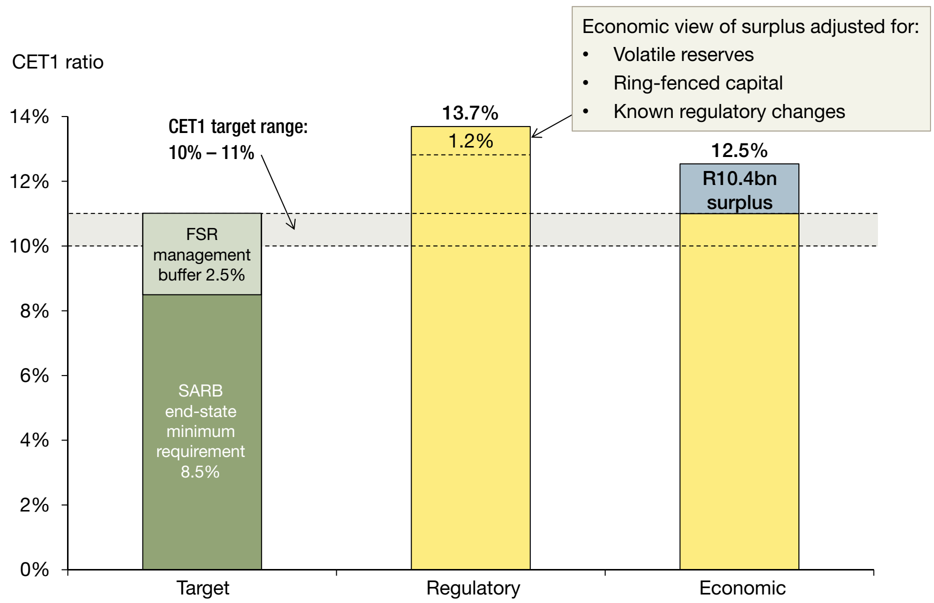


Started early with proactive provisioning – prudently positioned for credit cycle



	Dec 15	Dec 14	Jun 15
Portfolio impairments as % of performing book	**0.97**	1.04	1.00
Bad debt charge %	**0.77**	0.84	0.77
Portfolio impairments (R million)	**7 988**	7 665	7 760

Stronger capital position despite more punitive RWA requirements



Cycle will place pressure on growth rate, however…

EARNINGS RESILIENCE

- Quality franchises with sustainable value propositions
- Investing in medium- and long-term growth opportunities
- Increasing focus on cost management

BALANCE SHEET STRENGTH

- Strong capital position
- Appropriate funding and liquidity strategies
- Prudent provisioning
- Origination strategies

…returns will remain resilient

Results presentation for the six months ended 31 December 2015

APPENDIX

FIRSTRAND

Retail advances growth reflects appropriate origination strategies

RETAIL ADVANCES			
Mortgages	**Affordable housing**	**SA VAF**	**UK VAF (MotoNovo)**
Further tightening with focus on low-risk FNB customers.	Credit demand and performance remains strong, but more conservative appetite introduced.	Volumes declining with vehicle sales and appetite reduced marginally for higher-risk customers.	Strong market position and performance still supported by UK market conditions.
Card	**Personal loans**	**Rest of Africa**	**Transactional facilities**
Growth following FNB customer cross-sell strategy and transactional spend growth, but appetite reduced.	Automated processes and customer cross-sell driving growth, but appetite reduced.	Moderating growth and appetite with focus on FNB-banked customers.	Ongoing cross-sell and lending activation, but growth moderating and appetite reduced.

Targeted lending strategies in corporate and commercial

COMMERCIAL ADVANCES

Working capital	Commercial property finance	Agri finance	Asset-backed finance	Small businesses (SMEs)	Rest of Africa and India
Organic growth to existing clients with increasing utilisation levels. Selective acquisition of new clients.	Remain focused on banked owner-occupied. Selective acquisition of multi-tenanted deals.	Continue to diversify exposure across commodities and geographically. Proactive drought impact management.	Growth focus on customers across targeted industries. Cross-sell to banked clients.	Continue to cross-sell to relationship base with some tightening on new-to-bank and higher risk business.	Continue to target Africa-India corridor clients and introduce specialised product offerings.

CORPORATE ADVANCES

Domestic working capital and term lending	Domestic and rest of Africa infrastructure finance	Cross-border rest of Africa (excl. ZAR depreciation impact)	Acquisition finance (bridge) to strategic South African corporates
Tracking nominal SA GDP.	Projects drawing down.	Moderated appetite and activity.	Lead arranger to a number of larger foreign acquisitions by SA corporates.

Commercial includes all advances to commercial clients across FNB and WesBank. Corporate includes advances to corporate and public sector customers across RMB, FNB and WesBank.

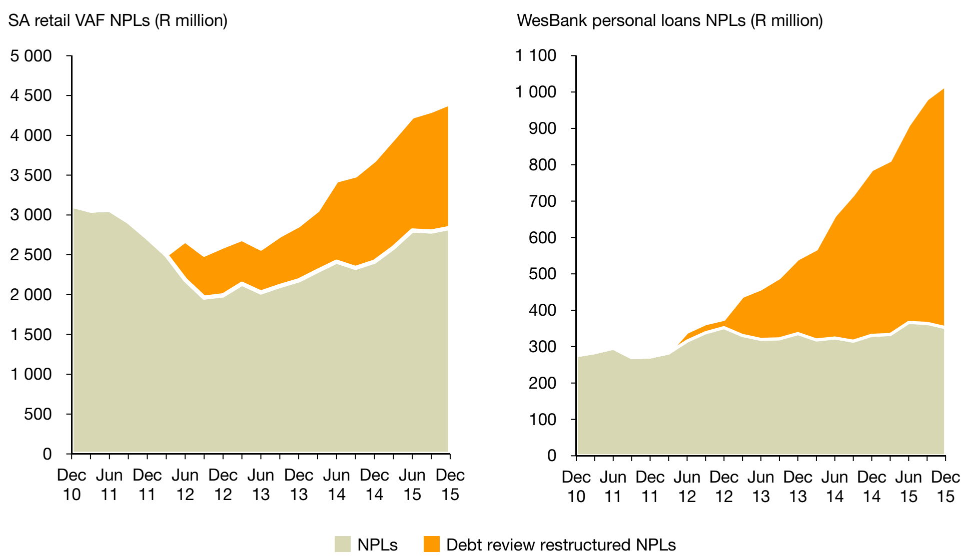
Coverage breakdown: residential mortgages

Type	R million	Specific coverage ratio
Property sold	87	23.1%
Litigation	1 861	20.8%
Debt review	976	21.8%
Deceased	262	22.0%
Non-debt review paying	866	17.3%
Other (new NPLs)	201	20.9%
Total	**4 253**	**22.0%**

Coverage breakdown: VAF

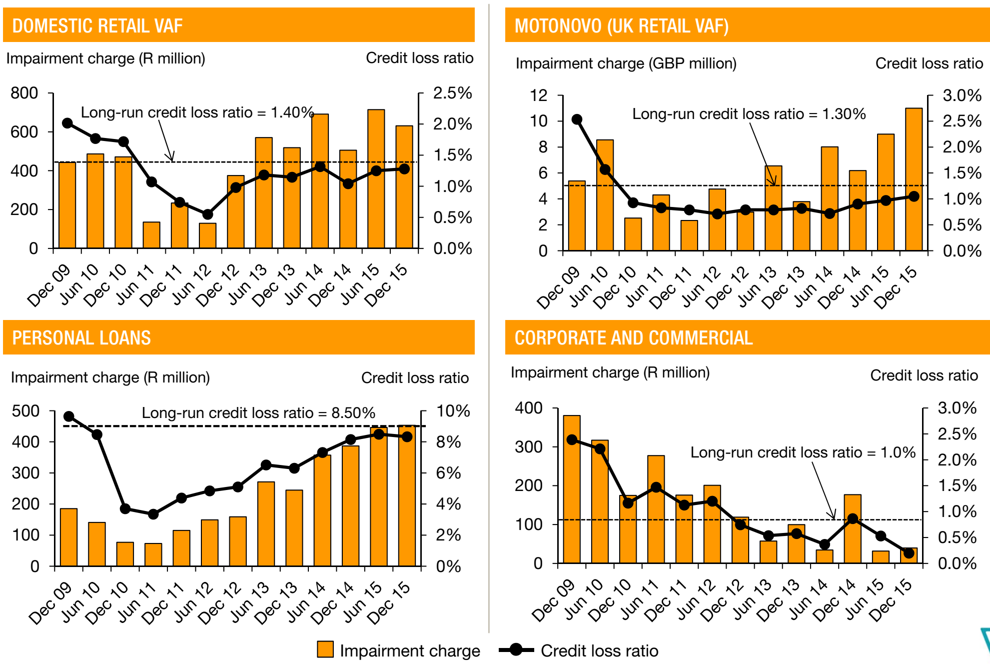
Type	R million	Specific coverage ratio
Other (includes absconded, insurance and alienations)	**419**	64.3%
Repossession	**195**	53.2%
Legal action for repossession	**505**	43.2%
Not restructured debt review	**680**	38.7%
Arrears 3+ months	**1 200**	33.3%
Restructured debt review	**1 560**	11.9%
Total	**4 559**	**34.7%**

Debt review inflows reflects continued pressure on consumers



Paying customers in debt review result in lower coverage ratio

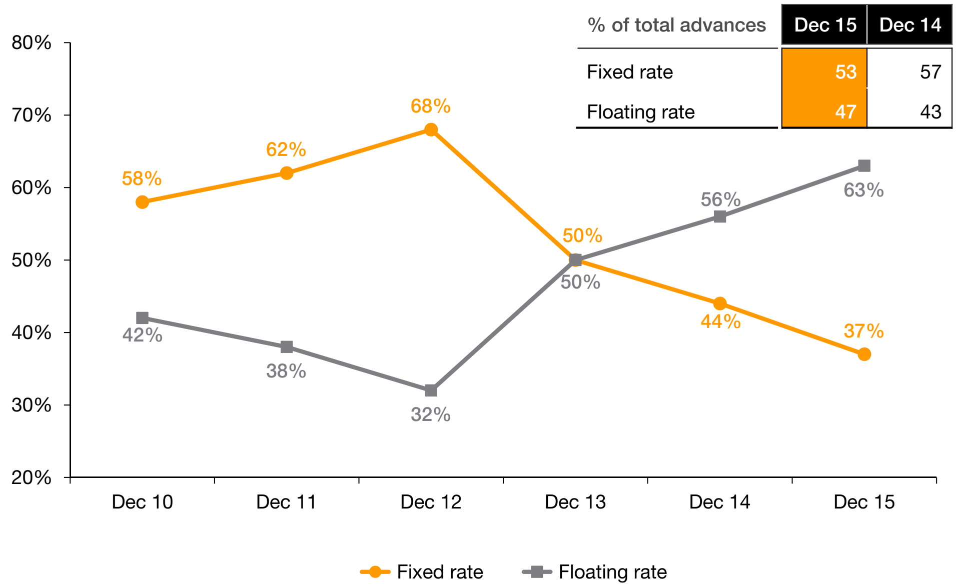
WesBank – all portfolios trending in line with expectations



Margin pressure from shift in rate mix in WesBank's VAF book

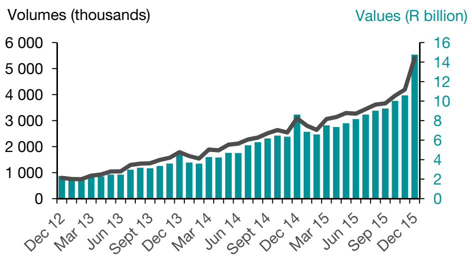
Proportion of SA retail VAF new business

% of total advances	Dec 15	Dec 14
Fixed rate	53	57
Floating rate	47	43

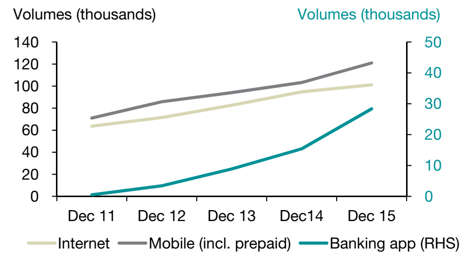


Innovation driving growth in volumes and value

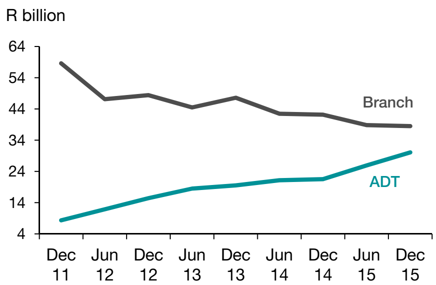
FNB banking app transactions



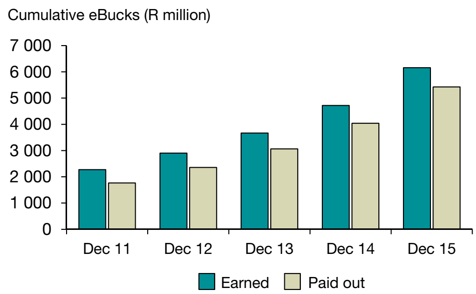
Digital platforms



Deposit values (excl. cheques) – branches vs ADTs



eBucks spend



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