FirstRand

'19

results presentation

for the year ended 30 June

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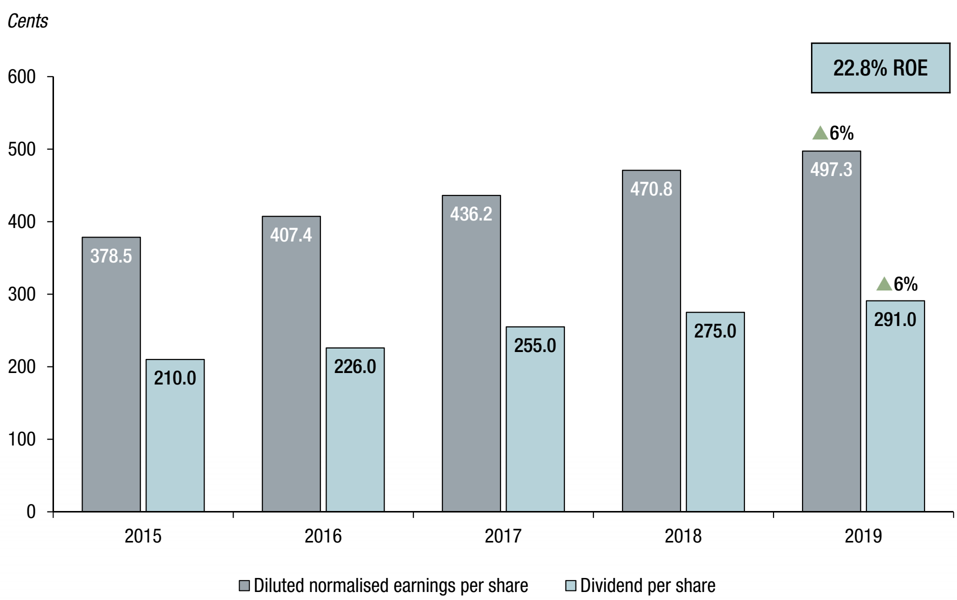
results presentation

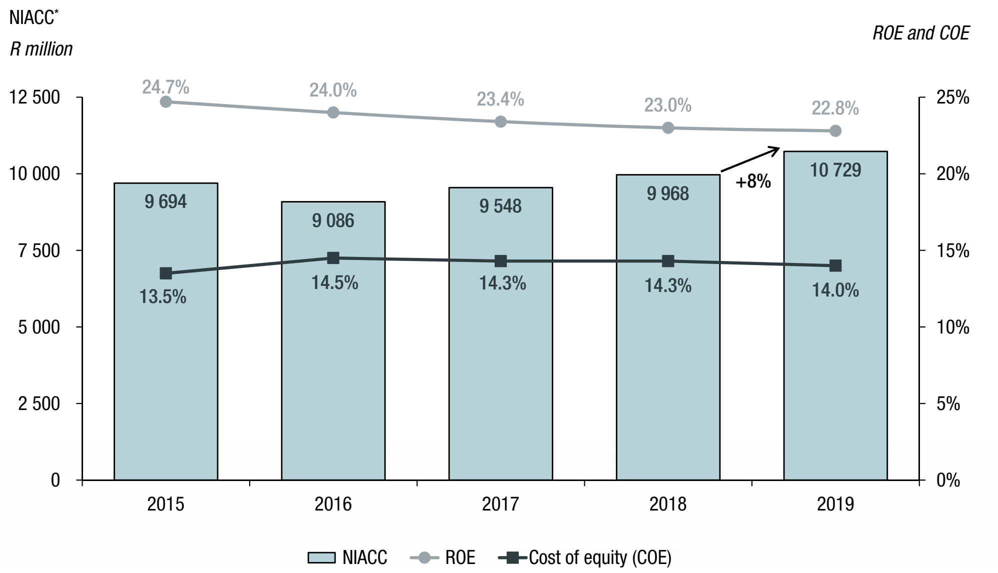
for the year ended 30 June

Introduction

The group delivered **premium returns** and **real growth in earnings** against a **tough macro** backdrop



Continued track record of **shareholder value creation** with NIACC of R10.7 billion



* *Net income after cost of capital.*

Key **take-outs**

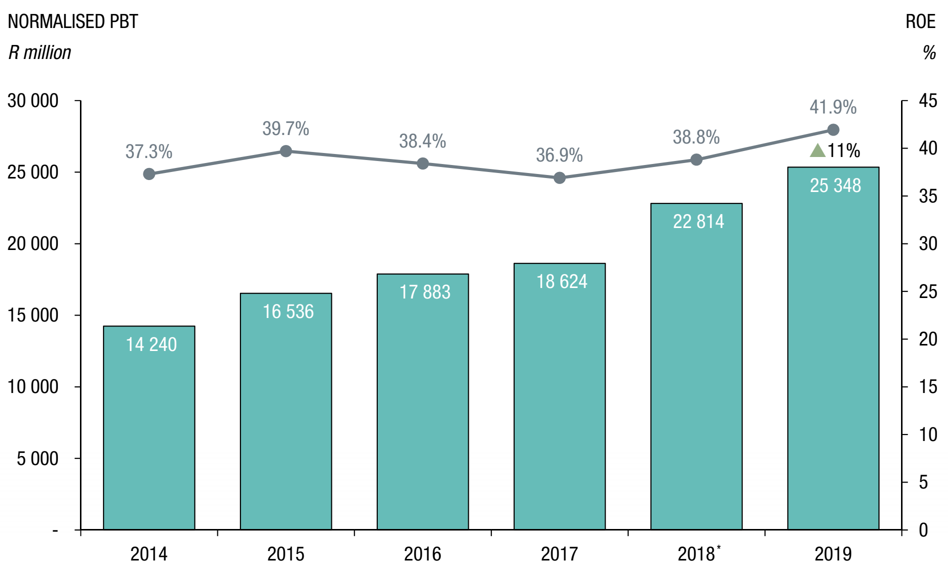
- Despite a year-on-year decrease of ±R1.5 billion in pre-tax private equity realisations:
  - Group grew earnings 6% in a market offering limited growth
  - Produced an ROE above its target range
- FNB outperformed on growth, returns and efficiencies
- RMB's portfolio excluding private equity grew 12%
- In a declining market, WesBank sacrificed growth to protect returns
- Aldermore remained earnings and ROE accretive (+20 bps)
- Credit noisy due to IFRS 9 but operational credit performance in line with risk appetite
- Strong capital rebuild, with CET1 ratio above 12%

Geographic and activity **diversification** underpins **portfolio performance**

NORMALISED EARNINGS *R million*	2019	2018	% change	ROE %
FNB	**17 637**	15 865	11 ▲	**41.9**
RMB	**7 086**	7 353	(4) ▼	**21.7**
WesBank	**1 808**	1 854	(2) ▼	**18.5**
Aldermore	**1 658**	276	>100 ▲	**13.1***

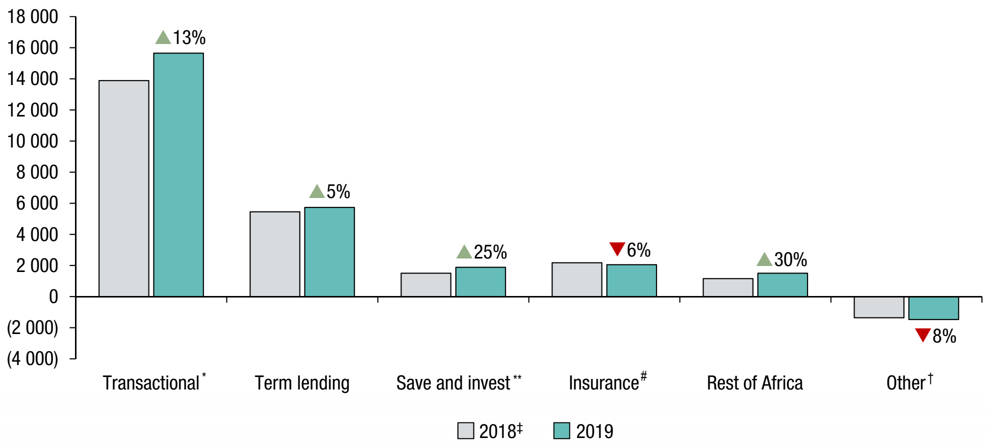
* *ROE excludes MotoNovo and upfront capital injection (12.9% in pound terms).*

FNB produced **strong growth** in profits and delivered **improved returns**



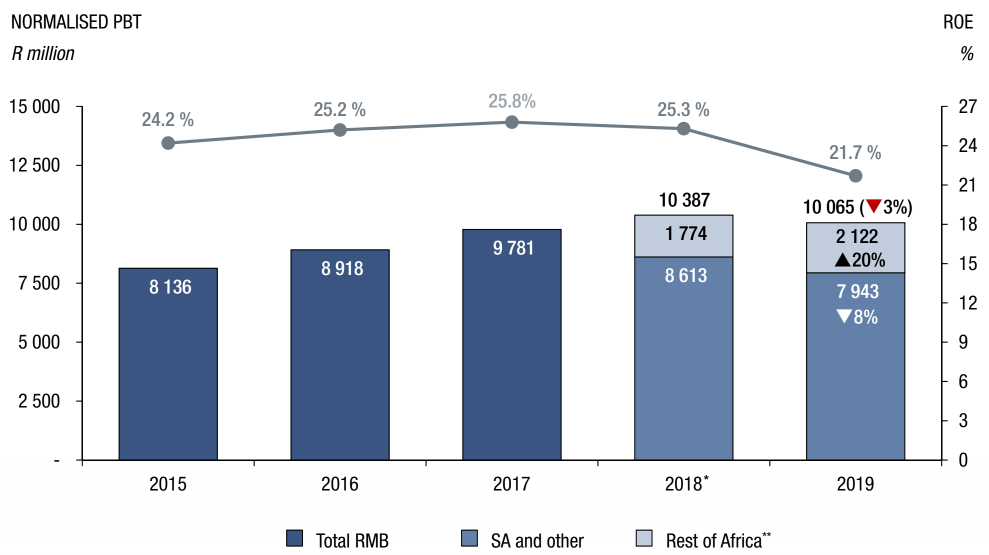
* *2018 figures have been restated for DirectAxis, Discovery card, WesBank rest of Africa and Group Treasury reallocations.*

Excellent domestic performance, strong recovery in the rest of Africa



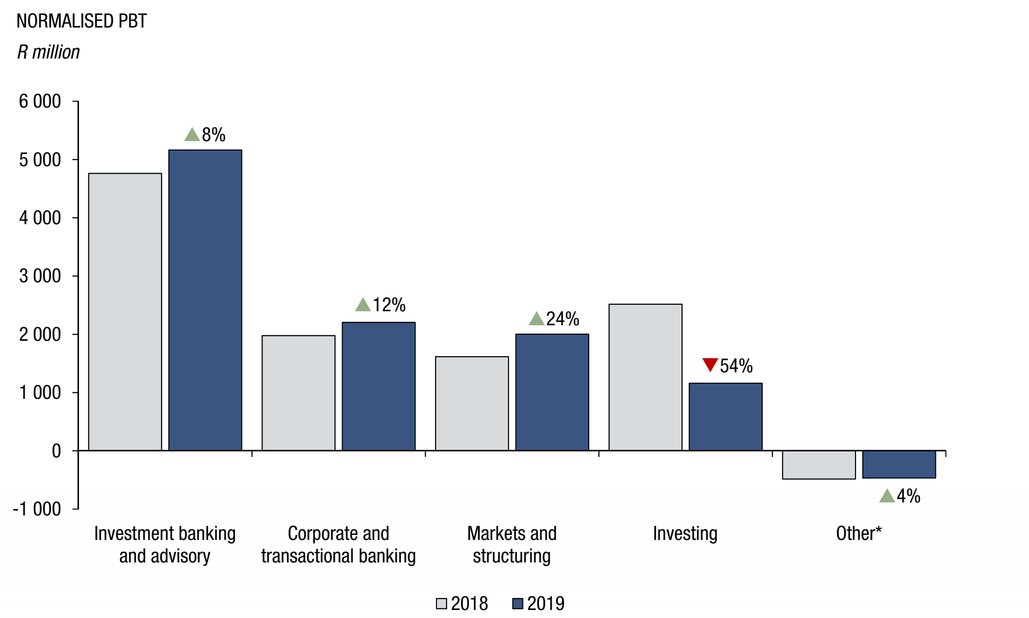
* Transactional includes transactional deposit products and deposit endowment, overdrafts and credit cards.
** Save and invest includes non-transactional deposits.
\# Insurance includes embedded credit life.
† Includes India (FNB activities in India have been discontinued).
‡ 2018 figures have been restated for DirectAxis, Discovery card, WesBank rest of Africa and Group Treasury reallocations.

RMB delivered a **resilient performance**…



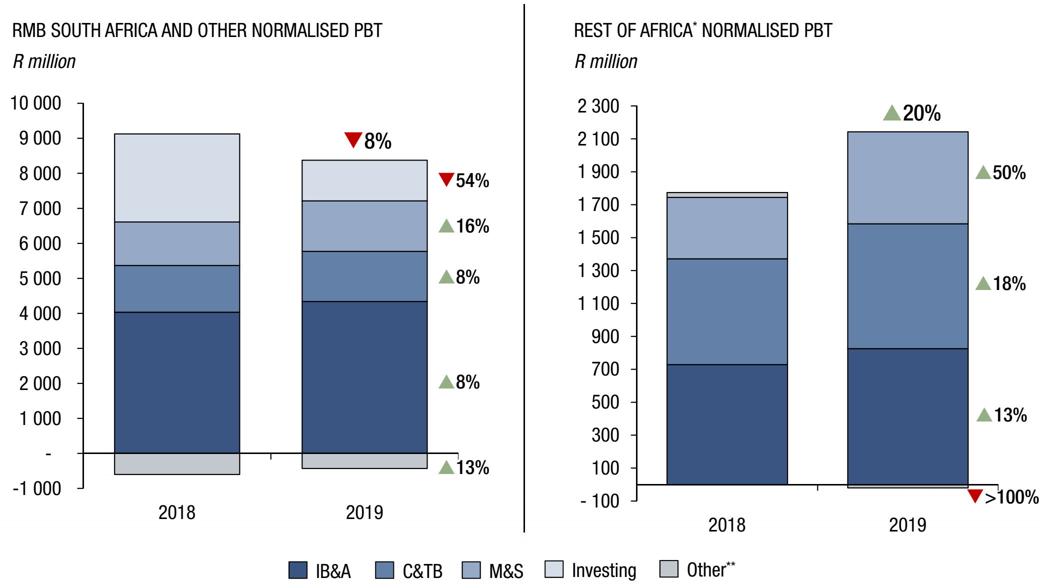
* 2018 figures have been restated for Group Treasury reallocations.
** Strategy view including in-country and cross-border activities.

…despite Private Equity **realisation rebase of R1.5 billion**



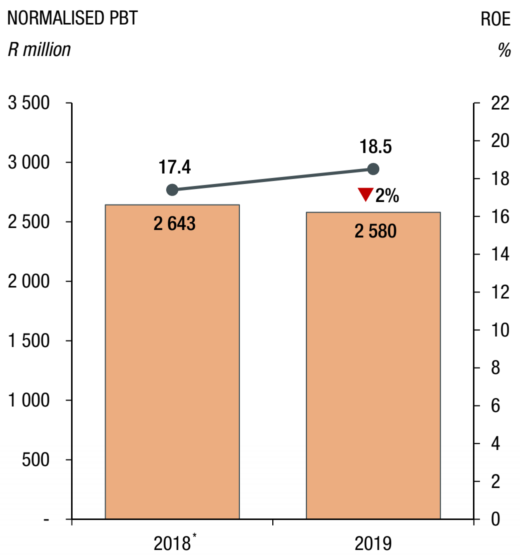
* *Includes investment management and other central portfolios.*

Solid domestic client performance, **strong growth** in the **rest of Africa**



* *Strategy view including in-country and cross-border activities.*
** *Includes investment management and other central portfolios.*

WesBank focused on **protecting origination franchise and returns** in tough market



- VAF performance reflects
  - Scorecard risk cuts in retail, and corporate and commercial
  - Difficult trading environment
  - ROE improvement primarily driven by capital optimisation and other initiatives

* 2018 figures have been restated for move of DirectAxis and WesBank rest of Africa to FNB, and MotoNovo to FCC/Group Treasury.

Aldermore **tracking investment case**

FINANCIAL HIGHLIGHTS	2019 total Aldermore Group (£ million)	2019 Aldermore Group excl. MotoNovo (£ million)
Normalised earnings	90	94
Normalised PBT	130	136
Total assets	12 530	12 054
Total liabilities	11 435	11 014
Net interest margin (%)	3.24	3.29
NPLs (%)	1.21	1.25
ROE* (%)		12.9

* ROE excludes MotoNovo and upfront capital injection.

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Unpacking performance against strategy

Group **strategic framework**

FirstRand commits to building a SHARED FUTURE of prosperity through enriching the lives of its customers, employees and the societies it serves. This is the foundation to a sustainable future and will preserve the group's enduring promise to create long-term value and superior returns for its shareholders.

DELIVERED THROUGH CURRENT STRATEGIES:

- Protect and grow banking businesses
- Increase diversification – activity and geography
  - Broaden financial services offering
  - Portfolio approach to the rest of Africa
  - Grow a more valuable UK business

SOUTH AFRICA
Build a platform-based integrated financial services business

REST OF AFRICA
Better leverage existing portfolio

UK
Scale, disrupt and digitise

Enabled by disruptive digital platforms

Underpinned by disciplined management of financial resources and empowered people

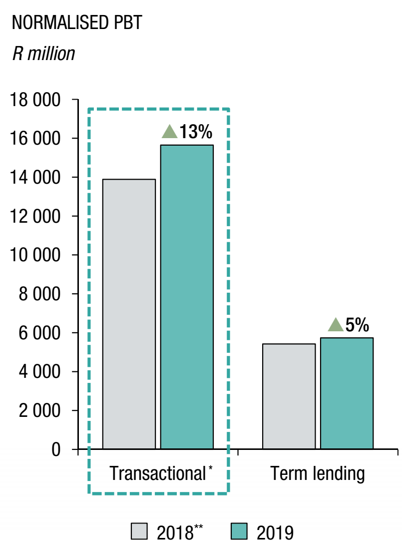
Measuring **execution on strategic priorities**

Protect and grow banking businesses	Broaden financial services offering	Portfolio approach to the rest of Africa	Grow a more valuable UK business
SOUTH AFRICA		REST OF AFRICA	UK

Enabled by disruptive digital platforms

Underpinned by disciplined management of financial resources

Strength of FNB's **transactional franchise** reflects consistent strategy



TRANSACT

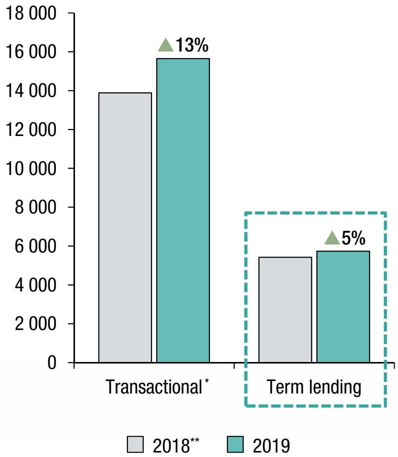
- Grow and retain core transactional accounts
- Behavioural analytics driving:
  - Cross-sell and up-sell
  - Origination scorecards
  - Rewards
- Rebase in vertical sales index (VSI) due to product rationalisation: Jun 18: 2.97, Dec 18: 2.69, Jun 19: 2.86

* *Transactional includes transactional deposit products and deposit endowment, overdrafts and credit cards.*
** *2018 has been restated for DirectAxis and Discovery card.*

FNB's lending activities benefit from **targeted origination strategies**

NORMALISED PBT

R million



LEND

- Strong unsecured credit growth from lending primarily to main-banked customers
- Growth in key commercial segments and product lines
- Secured and unsecured leveraging:
  - Digital platforms for origination
  - Customer behaviour analytics

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

** *2018 has been restated for DirectAxis and Discovery card.*

Volume growth supported by **successful digital strategy**

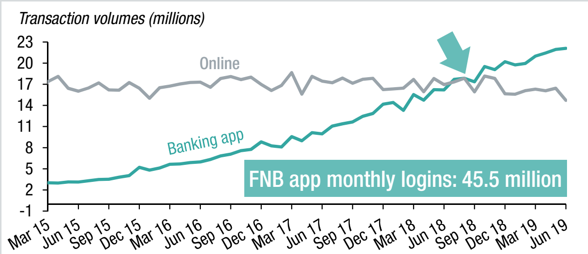
Customer* growth = +1%

Segment	% change
Consumer	(4)
Premium	+17
Commercial	+11

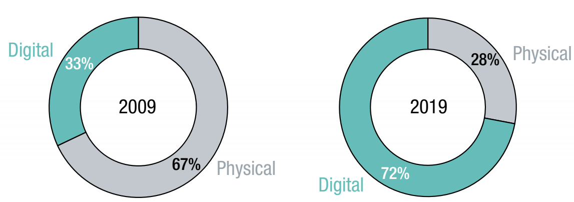
Volume growth

Channel	% change
ATM/ADT	+1
Internet	(4)
Banking app	+45
Mobile	(4)
Point-of-sale merchants	+17
Card swipes	+11

Digital platforms support volume growth



Successful strategy to migrate customers from physical to digital



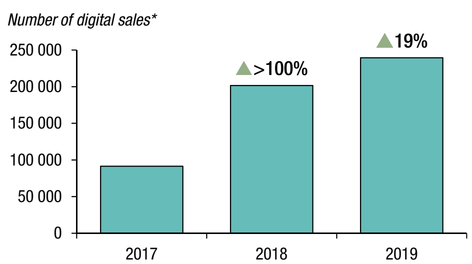
** Excludes DirectAxis non-banked customers.*

eWallet growth contributing to volumes and NIR

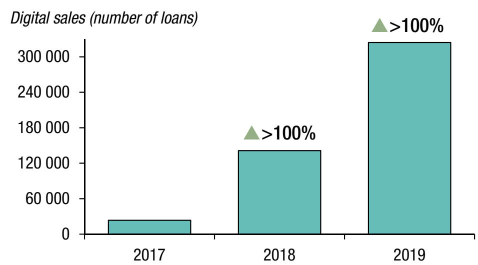
Active eWallet base:	**+5% to 6.4 million users** (2018: 6.1 million)
Send money volumes:	**+19% to 46.1 million transactions** (2018: 38.6 million)
Send money value:	**+23% to R25.9 billion** (2018: R21.1 billion)
Monthly senders (average):	**+11% to 1 million** (2018: 0.9 million)

Efficient fulfilment on **digital platforms** drives cross-sell

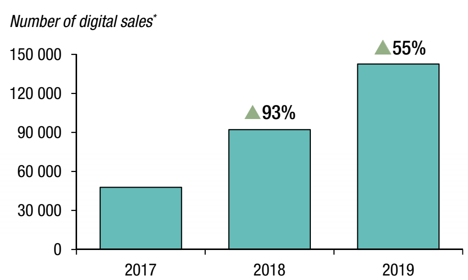
Card



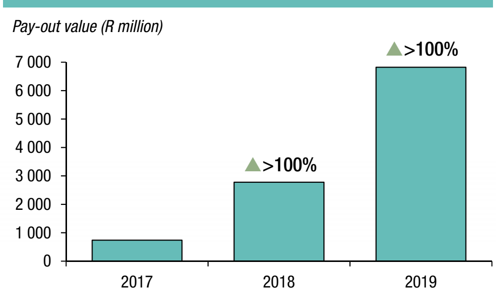
FNB Loans



Overdraft



nav» Home

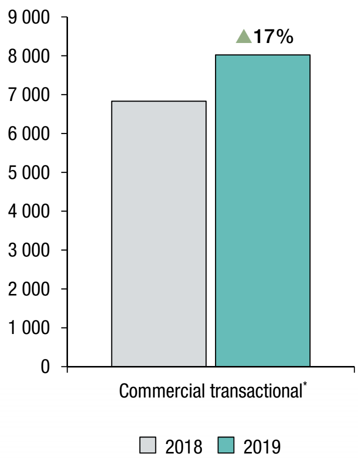


* *Includes new origination, upgrades and existing product limit increases.*

Ongoing **client acquisition** in FNB commercial

NORMALISED PBT

R million



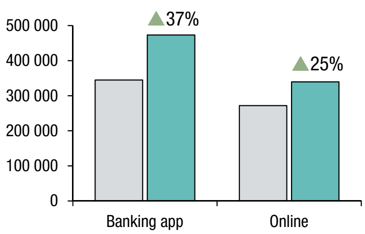
- Customer growth:
  - 11% year-on-year
  - Growth over last 5 years: 42%
- Customer retention:
  - Deepen relationship through targeted lending
  - Relationship pricing
  - Successful subsegment strategy
- Strong adoption of digital platforms and innovative value propositions
- Point-of-sale merchant volumes up 17%

* *Transactional includes transactional deposit products (including agric) and deposit endowment, overdrafts and credit cards.*

Growing platform adoption in commercial

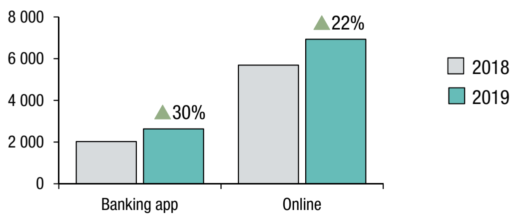
Active customer base

Number of customers



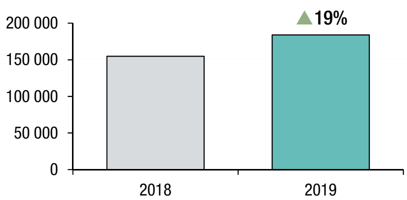
Platform adoption continues

Monthly logins (thousands)

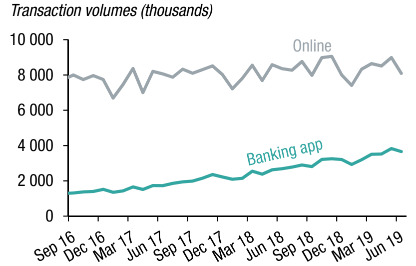


Merchant services

Turnover (R million)

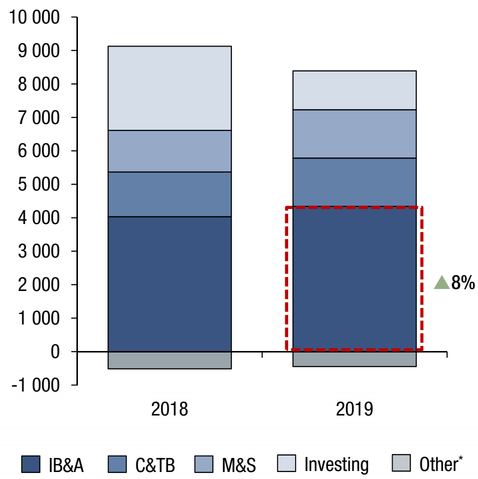


Transaction volumes (thousands)



SA investment banking and advisory activities continued to **grow off a high base**

RMB SOUTH AFRICA AND OTHER NORMALISED PBT
R million

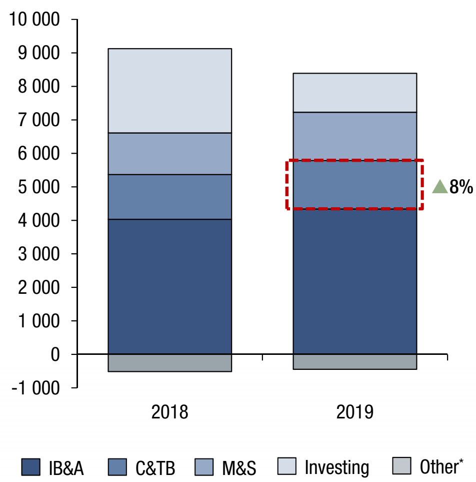


- Strong growth in NII
- Muted income from advisory and capital-raising activities
- Prudent portfolio coverage ratios maintained

* *Includes investment management and other central portfolios.*

SA corporate and transactional banking **delivered a solid performance**

RMB SOUTH AFRICA AND OTHER NORMALISED PBT
R million

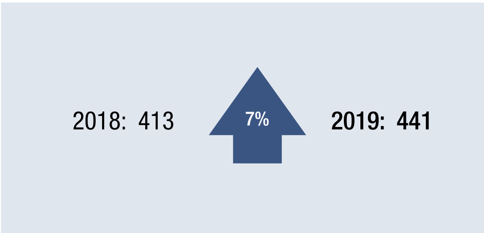


- Driven by:
  - Trade and working capital PBT growth of 13%
  - Transactional banking performance underpinned by higher revenues and good deposit growth
- Positive operating jaws despite investments

* *Includes investment management and other central portfolios.*

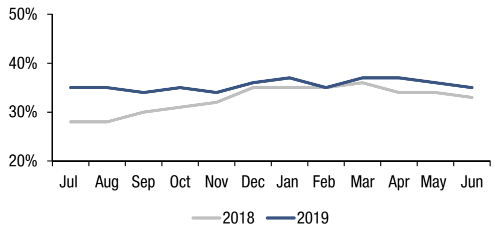
Corporate and transactional banking volumes demonstrate **strength of client proposition**

SA primary-banked relationships



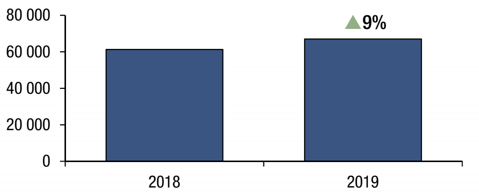
Rand general banking facility utilisation

Utilisation of limits (%)



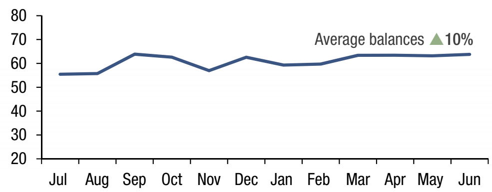
Merchant services

Turnover (R million)



Operational deposits

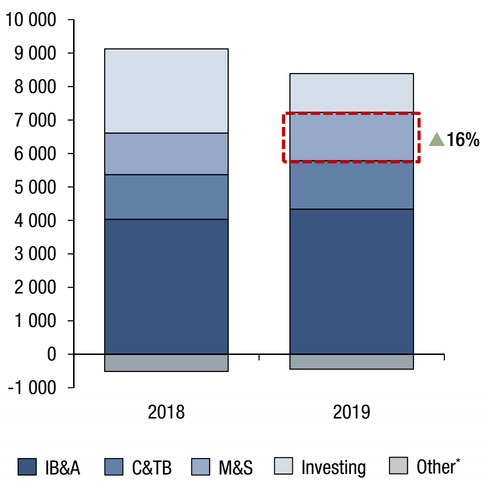
R billion



Excellent growth from SA markets and structuring activities

RMB SOUTH AFRICA AND OTHER NORMALISED PBT

R million

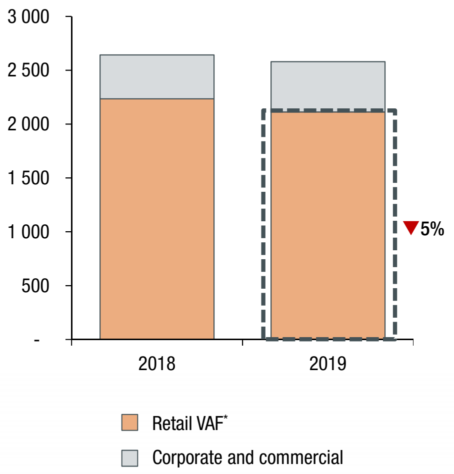


- FX benefited from currency volatility
- Fixed income had a strong close-out to the year
- Improved deal flow in credit trading
- Hard commodities increased on the back of higher client demand
- Base effect of prior year operational event
- Positive operating jaws

* *Includes investment management and other central portfolios.*

WesBank performance reflects **challenges in retail VAF**

WESBANK NORMALISED PBT
R million

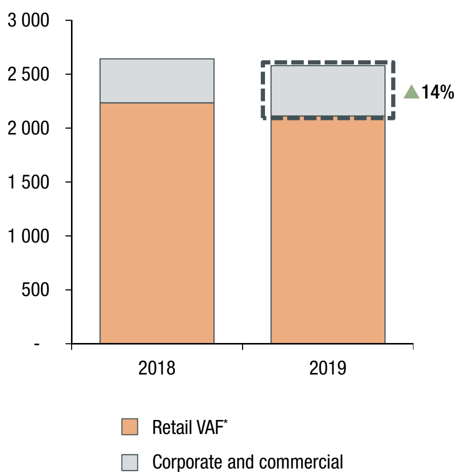


- Difficult trading environment
  - New car sales back to 2011 levels
  - Increased competitive pressure and pricing
  - Lengthening vehicle replacement cycle
- Pricing mix shift from fixed to floating
- Risk cuts constrained origination but protected returns
- Strong cost containment theme

** Retail VAF SA includes MotoVantage.*

Corporate and commercial **supported by FML**

WESBANK NORMALISED PBT
R million



- Strong growth in the FML** portfolio
  - Fleet units up 18% totaling ±14 000
- Weaker economic environment
  - Low growth in capital-intensive industries
  - Rising impairment levels in certain sectors
- Consequential risk cuts in high-risk areas
- Greater collaboration with FNB commercial

** Retail VAF SA includes MotoVantage.*
*** Full maintenance leasing.*

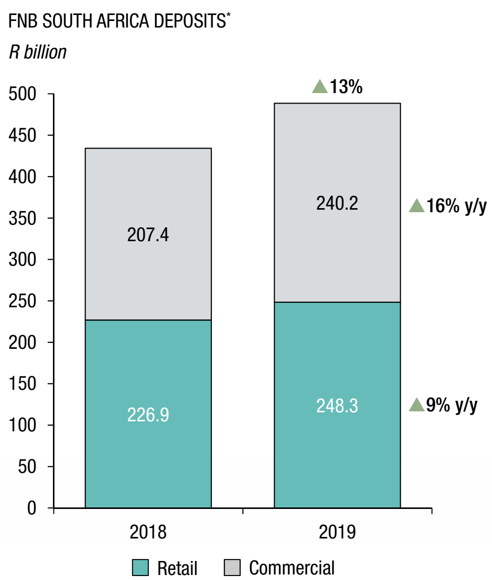
Measuring **execution on strategic priorities**

Protect and grow banking businesses	Broaden financial services offering	Portfolio approach to the rest of Africa	Grow a more valuable UK business
SOUTH AFRICA		REST OF AFRICA	UK

Enabled by disruptive digital platforms

Underpinned by disciplined management of financial resources

FNB's deposit growth driven by **innovative products** and **customer acquisition**



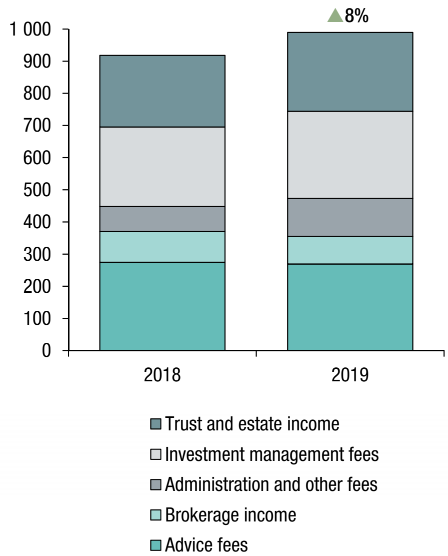
- SA's #1 household deposit franchise
- Driven by innovation in investment products
- Traction in deposits sourced through digital channels
- Continued cross-sell and up-sell to existing base, and growth in customers
  - Premium transactional deposits +12%
  - Islamic transactional deposits +35%
  - Commercial deposits +16%

* *Include transactional and other deposits.*

WIM **product distribution** into FNB base **gains traction**

NON-INTEREST REVENUE

R million



- Creating investment solutions to meet customer needs
- Optimising channels
- Enabling digital channels for customer self-management
- Strong contributions from fiduciary and retail share investing products

FNB Life – scaling product set and **already a major player**

FNB LIFE PRODUCT SET

RETAIL

- Non-underwritten
  - Credit life
  - Funeral
  - Health cash product
  - Accidental death cover
  - Pay protect
- Underwritten
  - Individual life cover
  - Critical illness
  - Disability
  - Income protection

COMMERCIAL

- Key-person insurance cover
- Business credit protect
- Employer funeral plan
- Group schemes

INDEPENDENT BENCHMARK*

- Number **4** in life by sum insured
- Number **3** in life by APE
- Number **2** in life by number of policies
- Number **1** in life in terms of digital distribution

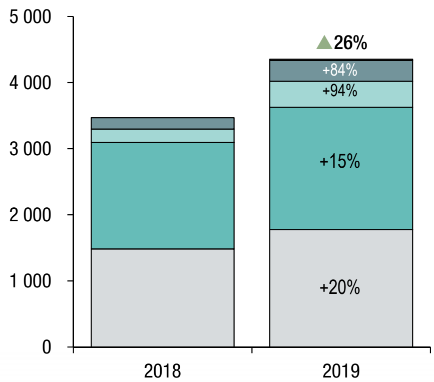
* *Swiss Re Individual Risk Market New Business Volume Survey 2018.*

Strong growth across all products in FNB Life

Annual premium equivalent (APE)

IN-FORCE APE ON LIFE PRODUCTS

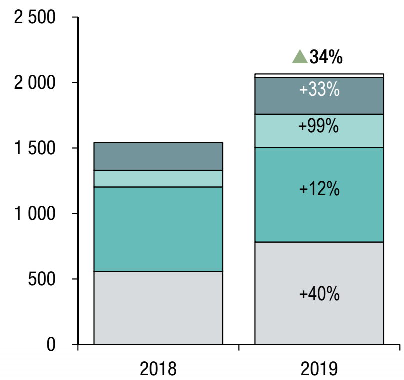
R million



New business APE

NEW BUSINESS APE ON LIFE PRODUCTS

R million



☐ Credit life ☐ Funeral ☐ Core life* ☐ Underwritten** ☐ Commercial#

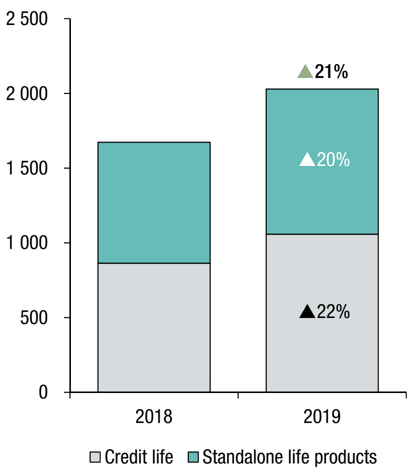
* *Core life includes accidental death, health cash and pay protect plans.*
** *Underwritten life includes individual life, critical illness, disability and income protection plans.*
\# *Commercial includes key-person insurance, business credit protect and employee funeral plans.*

Value creation continues

Value of new business

VALUE OF NEW BUSINESS – ALL LIFE PRODUCTS*

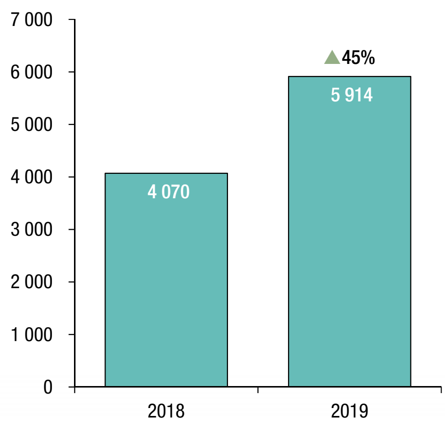
R million



Embedded value

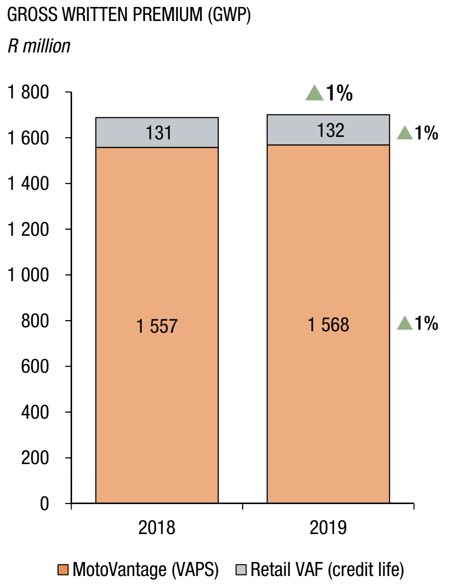
GROSS EMBEDDED VALUE** – ALL LIFE PRODUCTS

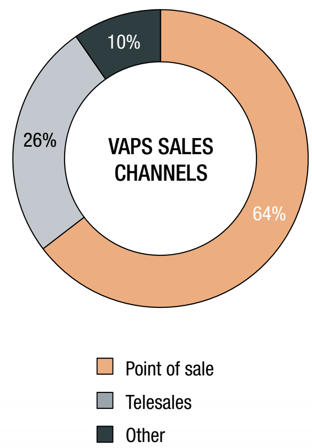
R million



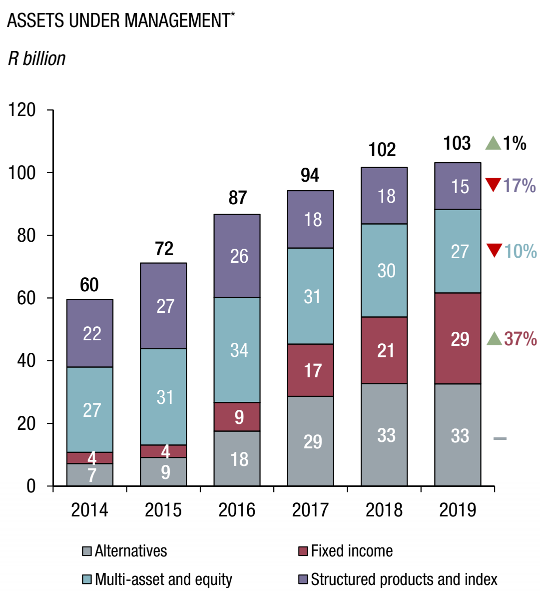
* *Defined as the present value of expected post-tax profits at point of sale for new business during the year.*
** *Gross embedded value is the amount before dividends declared.*

WesBank's insurance **tracking new unit volumes**





Ashburton AUM **held steady** in a **difficult market**



- Alternatives steady
  - Good new business flows into retail and institutional fixed-income products driven by:
    - Market cycle and FNB distribution
    - RMB credit origination
- Declines in structured products, multi-asset and equities

* *AUM excludes conduits and is shown for pure asset management business. Includes AUM distributed through FNB channels managed by Ashburton Investments.*

Measuring **execution on strategic priorities**

Protect and grow banking businesses	Broaden financial services offering	Portfolio approach to the rest of Africa	Grow a more valuable UK business

SOUTH AFRICA | REST OF AFRICA | UK

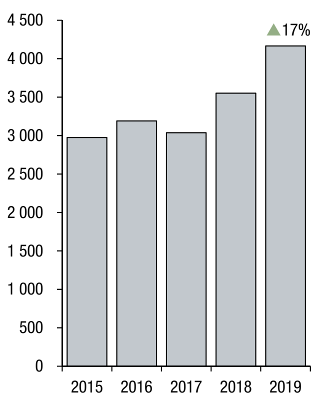
Enabled by disruptive digital platforms

Underpinned by disciplined management of financial resources

Recovery in FNB and **continued strong CIB performance** in the rest of Africa

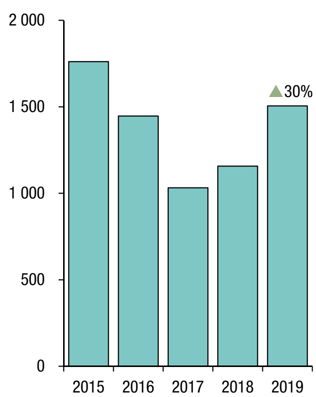
GROUP REST OF AFRICA NORMALISED PBT *

R million



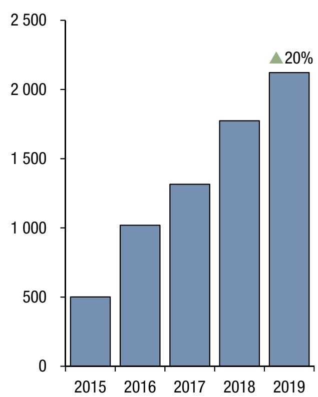
FNB REST OF AFRICA NORMALISED PBT**

R million



RMB REST OF AFRICA NORMALISED PBT #

R million



All subsidiaries' ROE† = 15.8%, mature subsidiaries' ROE† = 21.3%

* *Strategy view – includes in-country and cross-border activities. Includes GTSY, but excludes FCC, FirstRand company and dividends on other equity instruments. Comparatives have been restated to reflect the change in allocation of endowment and GTSY costs to the operating businesses.*

** *Excludes India. FNB rest of Africa includes performance of WesBank's rest of Africa activities from 1 July 2018. The comparative for 2018 has been restated accordingly.*

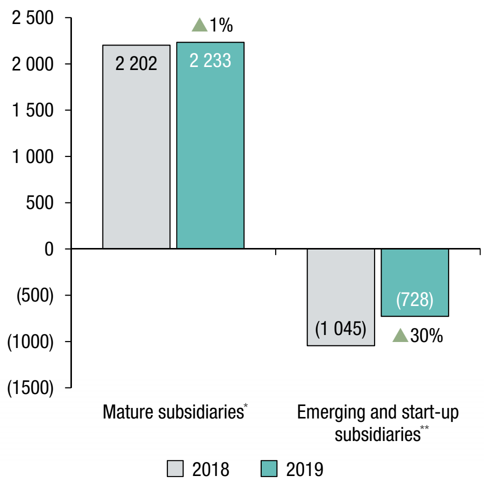
\# *Strategy view including in-country and cross-border activities.*

† *ROEs based on legal entity (in-country) view.*

FNB rest of Africa – improved performance despite ongoing macro headwinds

NORMALISED PBT

R million



- Mature subsidiaries
  - Constrained by credit provisions and macros
  - NIR recovered on the back of repricing and customer acquisition
  - Strong overall deposit growth of 8%, mainly from Botswana and Namibia
- Emerging and start-up subsidiaries
  - Benefited from proactive provisioning in previous periods
  - Historical poor credit performance working out – Mozambique and Tanzania

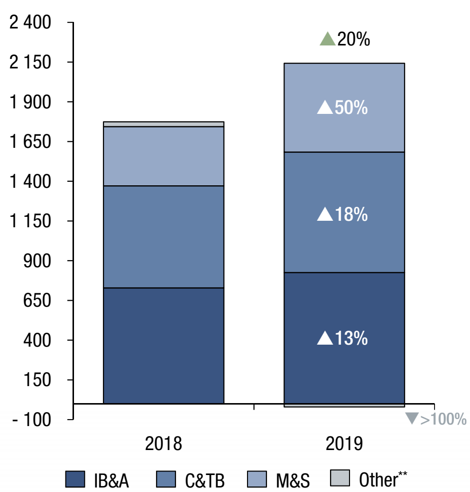
* *Mature subsidiaries: Botswana, Namibia, Swaziland (gross of minority interests).*

** *Emerging and start-up subsidiaries: Lesotho, Mozambique, Zambia, Tanzania, Ghana and support (excludes India).*

Rest of Africa strategy drives growth across RMB portfolio

REST OF AFRICA* NORMALISED PBT

R million



IB&A

- Solid asset growth
- Release in credit provisions given improvement in quality of the portfolio

C&TB

- Strong transactional banking performance
- Solid dollar asset growth of c.50%

M&S

- Strong flow income particularly in Nigeria

* *Strategy view including in-country and cross-border activity.*

** *Includes central portfolios.*

Measuring **execution on strategic priorities**

Protect and grow banking businesses	Broaden financial services offering	Portfolio approach to the rest of Africa	Grow a more valuable UK business

SOUTH AFRICA | REST OF AFRICA | UK

Underpinned by disciplined management of financial resources

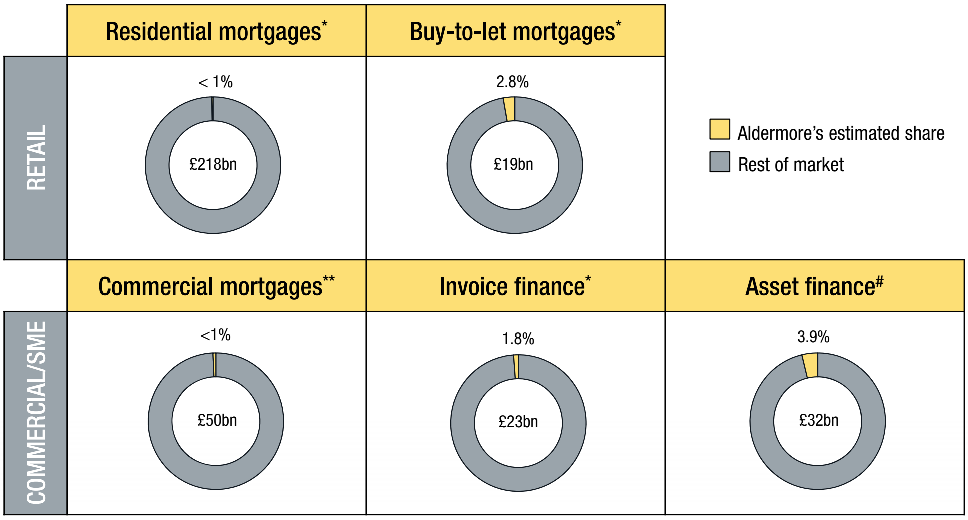
Enabled by disruptive digital platforms

Aldermore/MotoNovo **integration completed** – business now focused on scaling offerings and unlocking synergies

- Integration of MotoNovo into the Aldermore Group completed early May 2019
  - Back book remains in the London Branch (FCC/GTSY)
  - New book on Aldermore Group balance sheet funded by Aldermore deposit franchise
    - Funding benefit for MotoNovo of approximately 50 bps
- Strong loan growth of 18% (14% excl. MotoNovo new book) in pound terms
- Advances margins improved to 3.24% in pound terms
- Risk profile remains appropriate
- Introduced FirstRand’s financial resource management methodology

Aldermore is a specialist bank with a **small share** of **large profit pools in the UK**

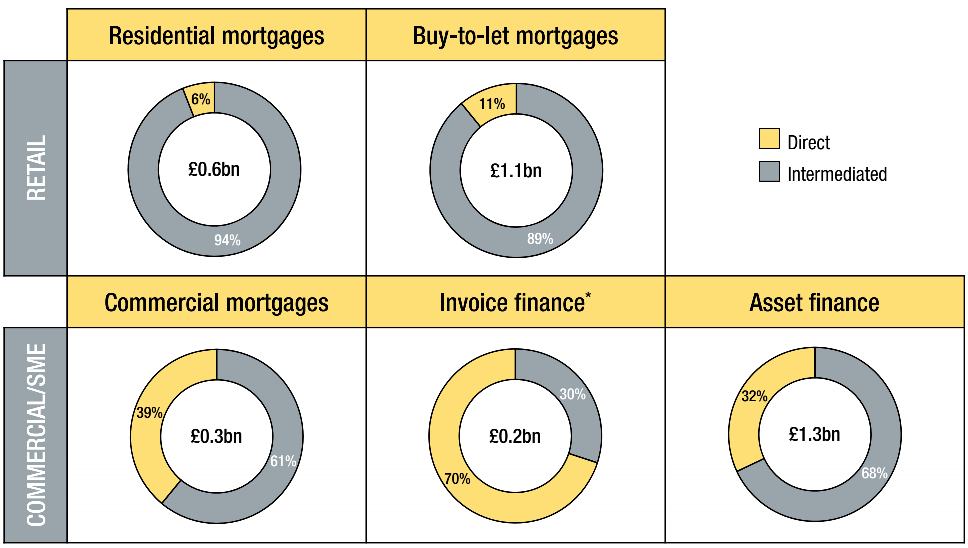
MARKET SIZE AND ALDERMORE'S ESTIMATED SHARE



* Sources: UK Finance, Aldermore estimates.
** Sources: CASS 2018 CRE Lending Survey, Aldermore estimates.
\# Sources: FLA, Aldermore estimates.

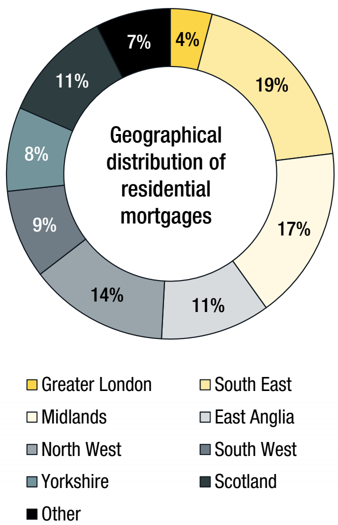
Current origination model **presents opportunities**

2019 ALDERMORE ORIGINATION BY CHANNEL

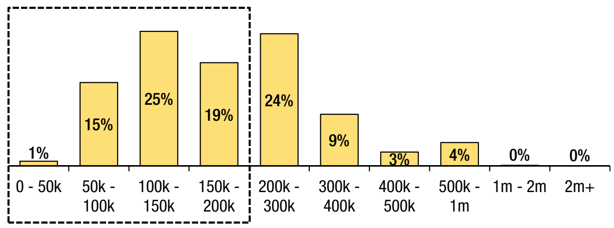


* Direct includes referral.

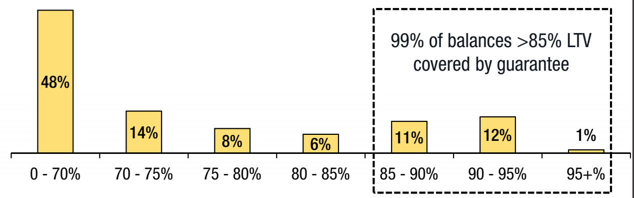
Residential mortgage portfolio **geographically diversified**



60% of the portfolio has a balance <£200k



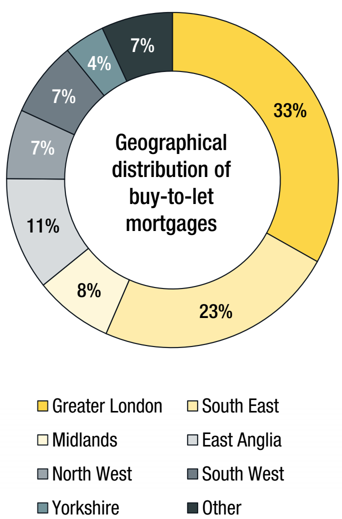
Average LTV* of non-guarantee book is 59%



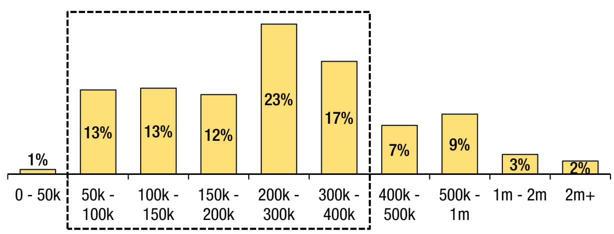
* Loan to value on indexed origination.

A

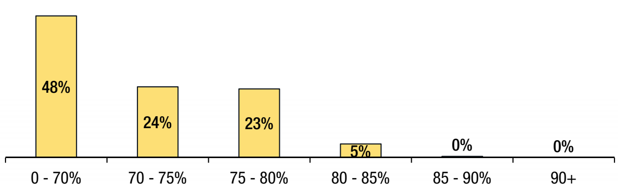
Buy-to-let portfolio – **highly secured**



c.80% of loans at £50k – £400k, with only 5% above £1 million



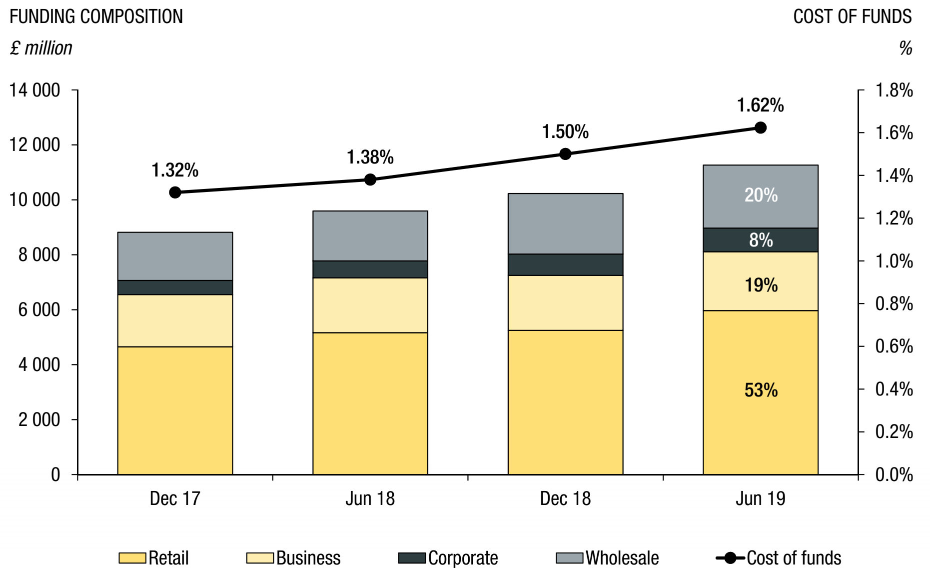
Average LTV* of 67%, with only 5% of balances over 80% LTV



* Loan to value on indexed origination.

A

Aldermore funding strategy **anchored** to its **deposit franchise**



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Measuring **execution on strategic priorities**

Protect and grow banking businesses	Broaden financial services offering	Portfolio approach to the rest of Africa	Grow a more valuable UK business
SOUTH AFRICA		REST OF AFRICA	UK

Enabled by disruptive digital platforms

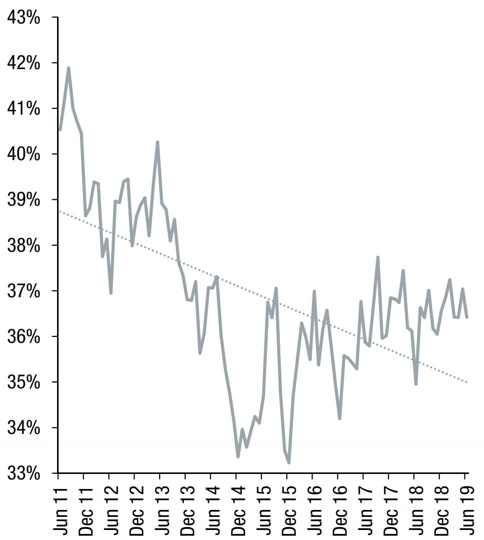
Underpinned by disciplined management of financial resources

Building a **stronger balance sheet**

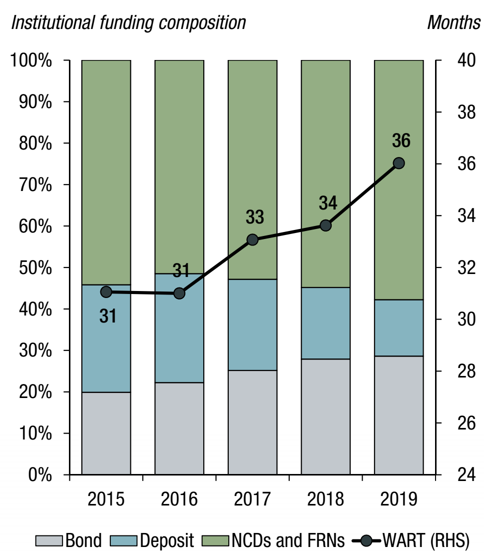
	ACTUAL	TREND
Assets in marketable format	>R220 billion	Increased
HQLA as % total assets	15%	Improved
Credit quality of assets	BB/BB-	Stable
Institutional funding term	36 months	Improved duration
Deposit franchise	64% core deposit funding	Increased
ROE	22.8%	Continues to exceed long-term target range of 18% to 22%
RWA risk density	60.3%	Stable
Group CET1 ratio	>12%	Improved
Standalone bank credit rating	Highest-rated bank in SA	Maintained

Group continues to **optimise institutional funding profile**

Institutional funding as % of total funding

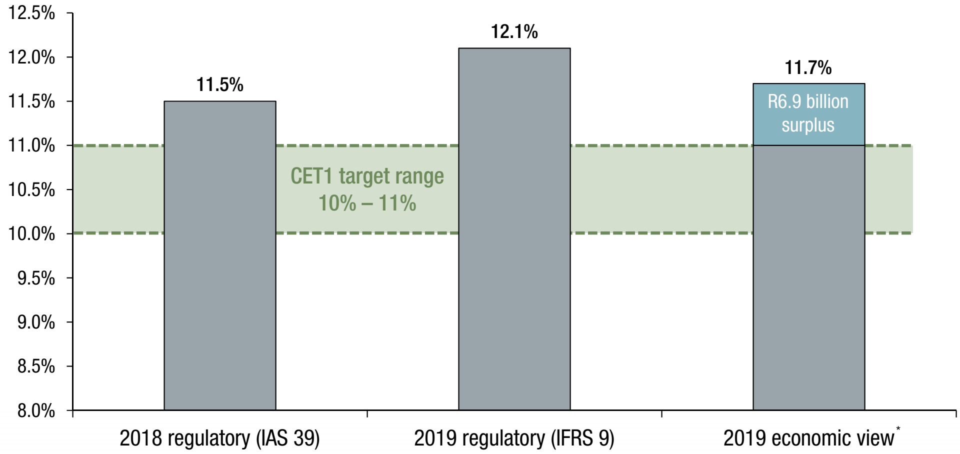


Diversified institutional funding mix and term profile



Strong recovery in CET1 leaves group well in excess of internal target

CET1 RATIO

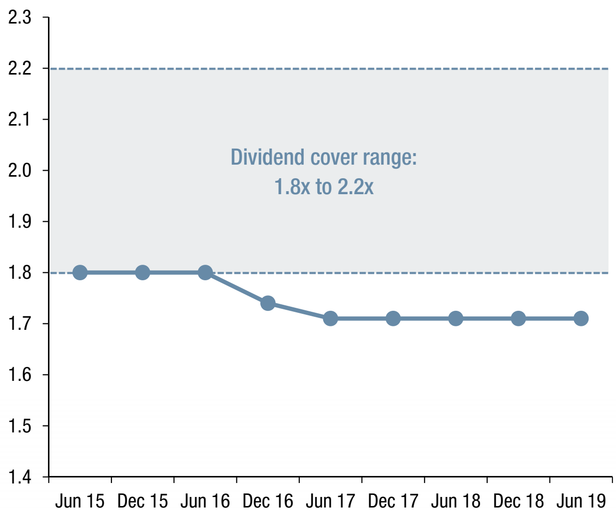


Driven by net internal capital generation and R2.3 billion from Discovery transaction

* *The economic view of CET1 is reduced by the foreign currency translation reserve and the transitional impact of IFRS 9 for the 2020 financial year.*

Payout continues to reflect **high ROE** and **strong capital generation**

DIVIDEND COVER (TIMES)



- Third consecutive year dividend cover below long-term range
- Board will revisit cover should capital demand increase:
  - To support sustainable growth; and/or
  - Macro risks worsen against core view

FirstRand

'19

results presentation
for the year ended 30 June

Financial review

Performance **highlights** (normalised)

	30 Jun 19 (IFRS 9)	30 Jun 18 (IAS 39)	% change
Diluted EPS (cents)	497.3	470.8	6 ▲
Dividend per share (cents)	291	275	6 ▲
Earnings (R million)	27 894	26 411	6 ▲
NIACC (R million)	10 729	9 968	8 ▲
Net asset value per share (cents)*	2 311.3	2 157.9	7 ▲
Net interest margin (%)	4.75	4.89	▼
Credit loss ratio (%)	0.88	0.84	▲
Credit loss ratio (excluding Aldermore) (%)	0.99	0.90	▲
Cost-to-income ratio (%)	51.8	51.2	▲
Return on assets (%)	1.75	1.92	▼
Return on equity (%)	22.8	23.0	▼
CET1 ratio** (%)	12.1#	11.5	▲

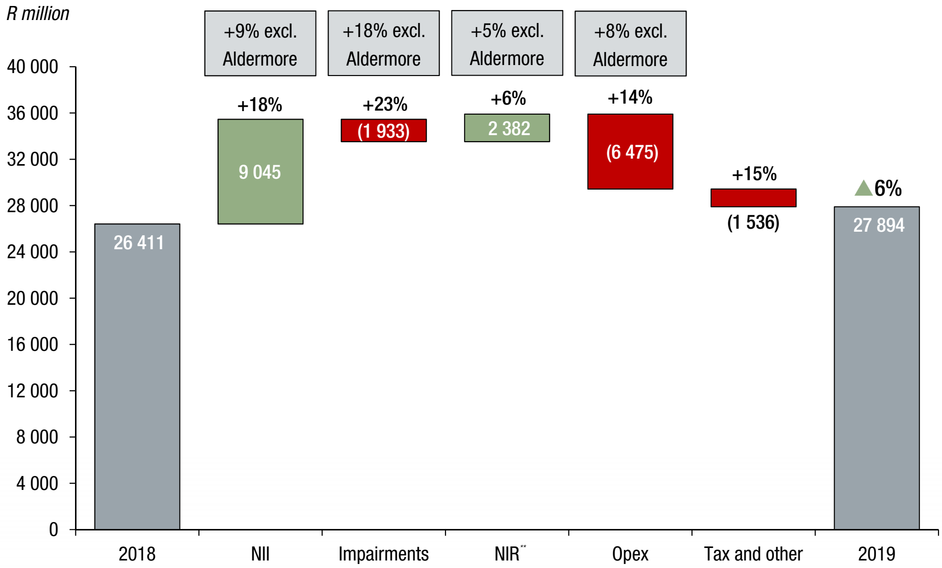
* R5 485 million reduction in net asset value as at 1 July 2018 due to IFRS 9 and IFRS 15 resulted in a reduction of R0.98 net asset value per share, hence NAV up 12% since 1 Jul 18.
** Includes unappropriated profits.
# IFRS 9 transitional CET1 ratio.

Unpacking Aldermore's total **contribution to group earnings**

R million	2019	2018	% change
Normalised earnings reported	27 894	26 411	5.6 ▲
Less: net impact of Aldermore	239	(123)	
– Attributable earnings (excluding MotoNovo)	1 722	276	
– Forgone interest on capital deployed (post-tax)	(1 044)	(297)	
– Amortisation of intangibles	(439)	(102)	
Normalised earnings (excluding Aldermore)	27 655	26 534	4.2 ▲

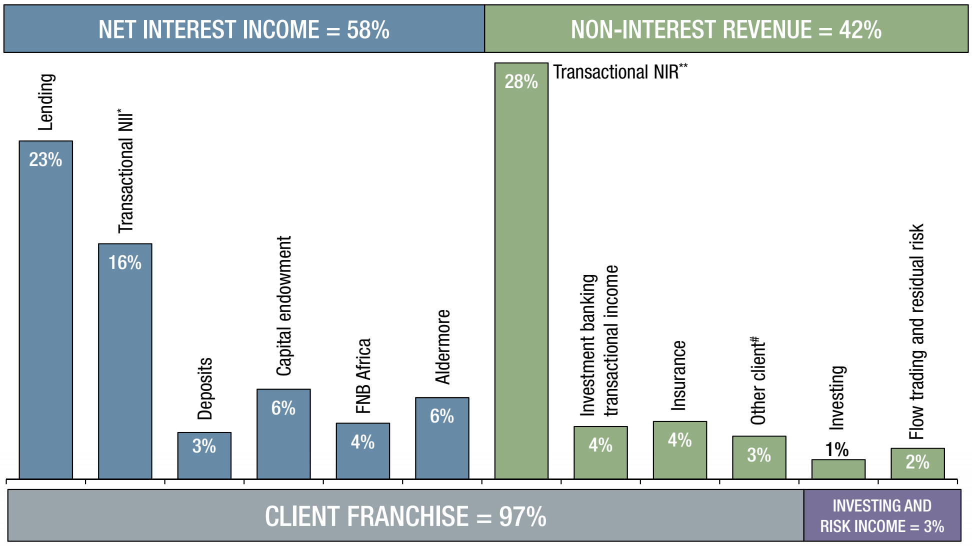
Quality **topline growth maintained**

NORMALISED EARNINGS*
R million



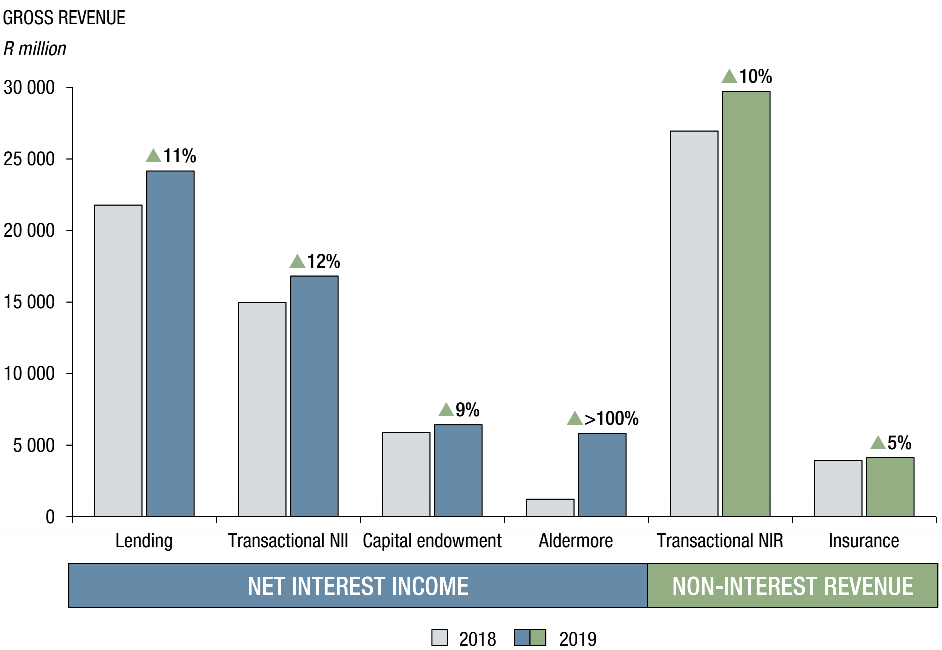
* *Including Aldermore.*
** *Including income from associates and joint ventures.*

Revenue mainly generated by large **lending** and **transactional franchises**



* Includes transactional accounts and related deposit endowment, overdrafts and credit card.
** From retail, commercial and corporate banking.
\# Includes all associates other than those relating to Private Equity.

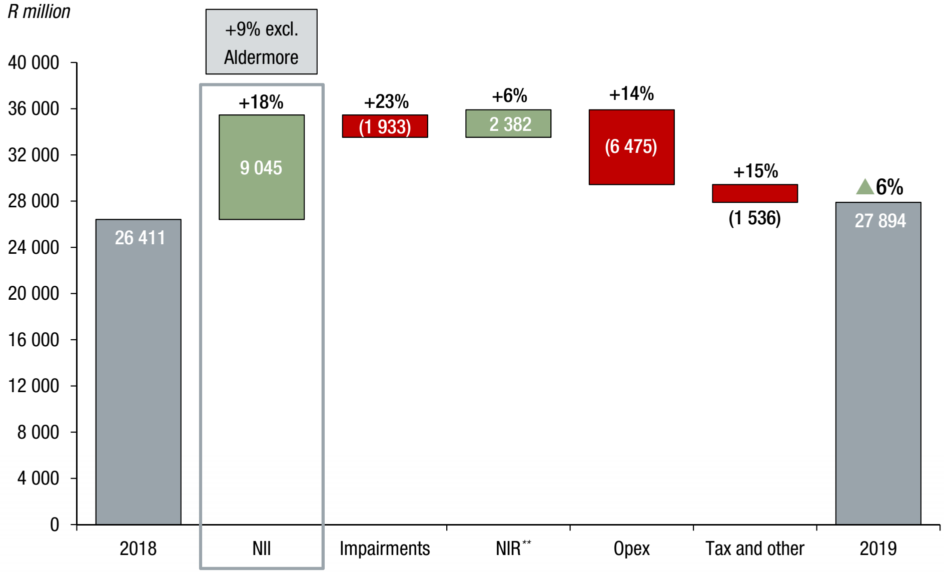
Good growth **across all drivers** of topline



Quality **topline growth maintained**

NORMALISED EARNINGS*

R million



* *Including Aldermore.*

** *Including income from associates and joint ventures.*

NII driven by **lending** and **transactional deposit growth**

NET INTEREST INCOME *R million*	2019	2018*	% change
Lending	**24 160**	21 774	11
Transactional**	**16 818**	14 975	12
Deposits	**3 340**	3 034	10
Capital endowment	**6 425**	5 895	9
Group Treasury	**(1 095)**	311	(>100)
FNB Africa	**4 002**	3 728	7
Other NII in operating businesses	**819**	313	>100
Total NII excluding Aldermore	**54 469**	50 030	9
Aldermore#	**5 830**	1 224	>100
Total NII including Aldermore	**60 299**	51 254	18

* *2018 numbers were restated in order to provide better attribution of NII by nature of activity.*

** *Includes NII related to credit cards, overdrafts and transactional deposit products, and deposit endowment.*

\# *The prior year relates to three months NII for Aldermore.*

Unpacking **Group Treasury NII**

Interest rate and FX management

- Interest rate risk and FX management — <R100 million

Group Treasury activities

- Incremental forgone interest on capital deployed — (>R1 billion)
- Higher level of HQLA — (>R600 million)
- Term funding costs — (>R300 million)

Accounting volatility in Group Treasury NII

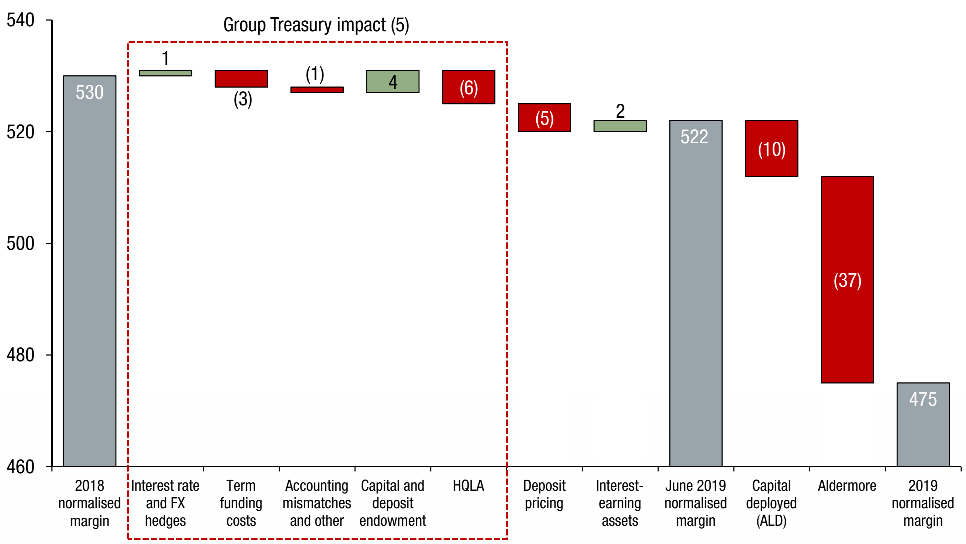
- MTM on fair value of term and structured funding — >R110 million
- Other* — >R50 million

** Includes London Branch and other mismatches in Group Treasury.*

Deposit pricing and HQLA build-up impacted operational margin, Aldermore structurally lower

MARGIN

Basis points



Structure of **Aldermore** balance sheet **changes the group's overall margin**

Basis points	FirstRand excl. Aldermore	Aldermore*
Advances margin	363	328
Deposit margin	224	-
Total margin	512	283
Overall weighting of average assets	84%	16%

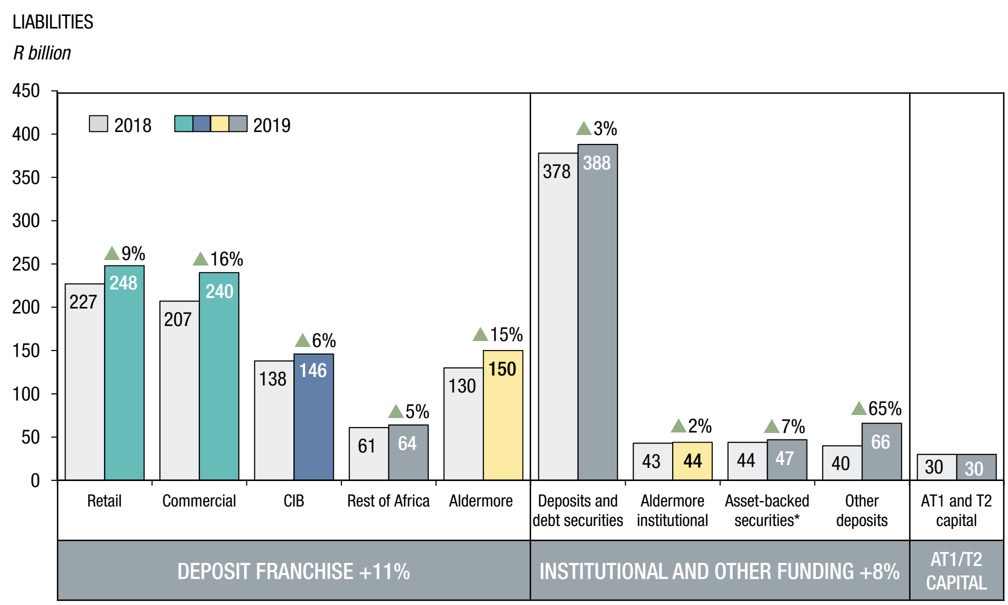
Aldermore margin:

- Relatively weighted to secured advances
- Funding margin set off against advances
- No transactional NII
- Deposits are more rate sensitive
- No deposit endowment

Group margin reset to 475 bps, at a better risk-adjusted return

* *2018 basis for Aldermore restated. Margins in the above table are on a rand basis.*

Strong growth in deposit franchise across all segments

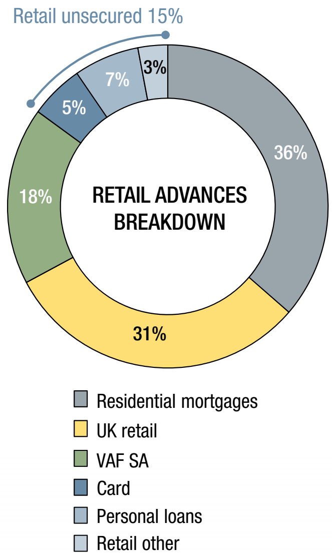


* *Asset-backed securities include Aldermore's securitisations.*

Note: Percentage growth is based on actual rather than rounded numbers shown in the bar graphs.

Retail advances growth **reflects targeted origination strategies**

R million	30 Jun 19 IFRS 9	1 Jul 18 IFRS 9	% change
Residential mortgages	217 164	205 630	6
WesBank VAF (SA)	106 142	104 884	1
MotoNovo VAF (UK)*	54 561	60 347	(10)
FNB card	28 115	22 805	23
Discovery card	4 328	4 350	(1)
Personal loans	39 947	33 222	20
– FNB	23 357	17 200	36
– DirectAxis loans	16 012	14 985	7
– MotoNovo (UK)	578	1 037	(44)
Retail other	17 908	15 904	13
Retail advances excluding Aldermore	**468 165**	**447 142**	**5**
Aldermore – retail**	129 072	107 734	20
Retail VAF securitisation notes	27 854	23 674	18
Rest of Africa advances	55 100	53 765	2



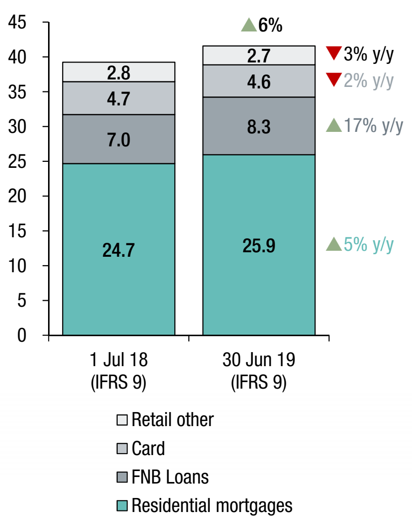
* Total MotoNovo VAF = £3.4 billion (from 1 July 2018, +3% in £ terms, +1% R60.3 billion).
MotoNovo back book = £3.03 billion (-9% from 1 July 2018 £3.32 billion).

** Aldermore retail advances = £7.18 billion (+21% from July 2018). Aldermore (excl. MotoNovo VAF) = £6.81 billion (from 1 July 2018, +15% £5.93 billion).

Advances growth in consumer and premium reflects **different product and segment strategies**

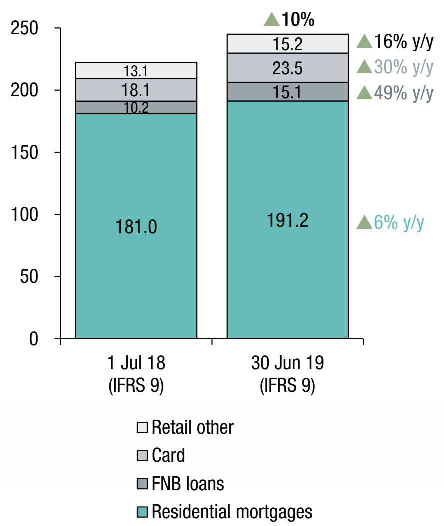
FNB CONSUMER ADVANCES*

R billion



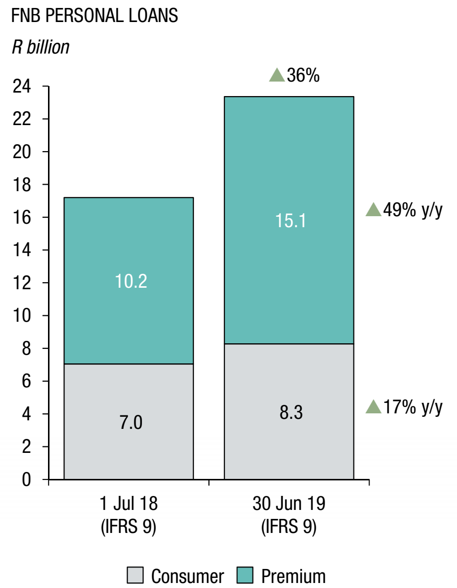
FNB PREMIUM ADVANCES

R billion



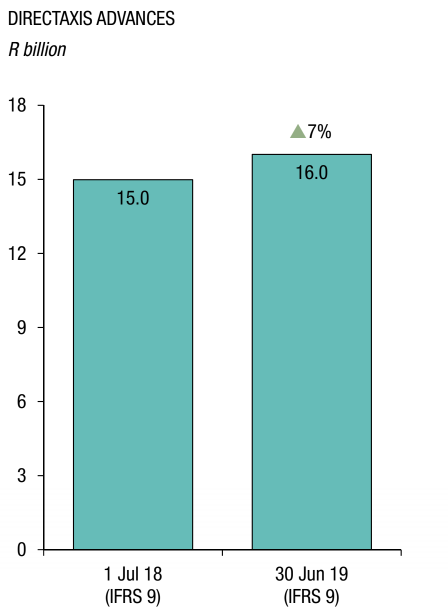
* Excluding DirectAxis. Prior periods have been restated for move of Discovery card to Group Treasury (FCC).

Growth **reflects platform activation** and is underpin to transactional strategy



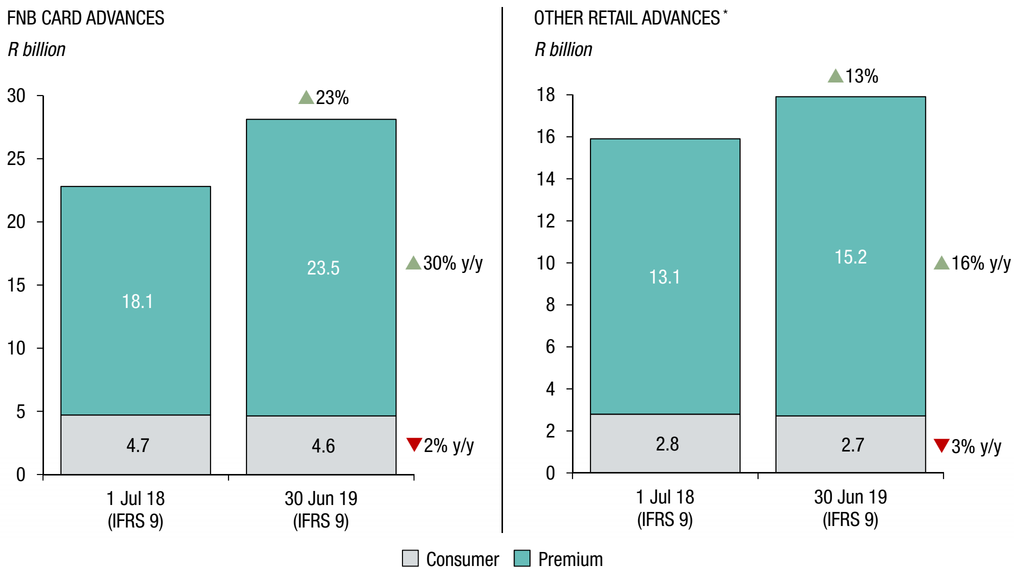
- Lengthening of write-off period contributed 10% of growth
- Upward migration of customers from consumer to premium (incl. up-sell)
- Displacement of other providers of credit
- Cross-sell
- Leveraging digital platforms

DirectAxis advances growth slowed marginally



- 4% growth, excluding the impact of lengthening of write-off period
- Effective open market strategy
- Continued optimisation of direct marketing channels
- Increased market competition

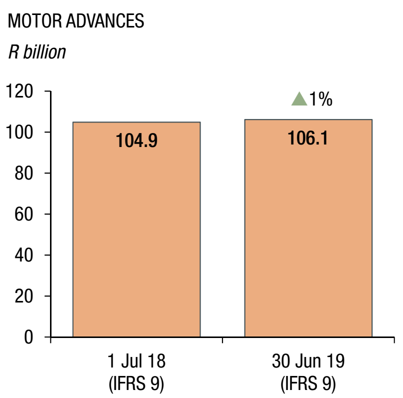
Growth **reflects platform activation** and is underpin to transactional strategy



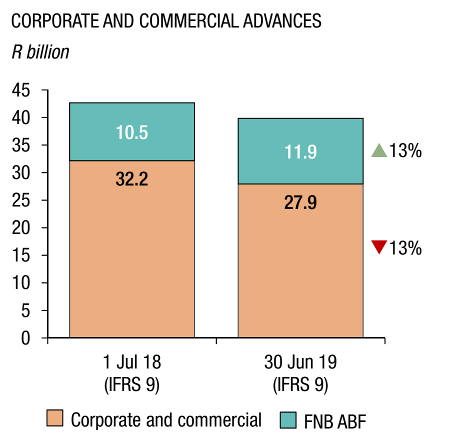
* *Transactional account-linked overdrafts and revolving term loans.*

Note: Prior year advances figures have been restated for Discovery card.

VAF advances reflect **disciplined origination** in tough market



- Extension of average term to 46.5 months (2016: 39.6 months)
- Implemented risk cuts
- Weaker economy driving sales down – NAAMSA new vehicle sales down 4%

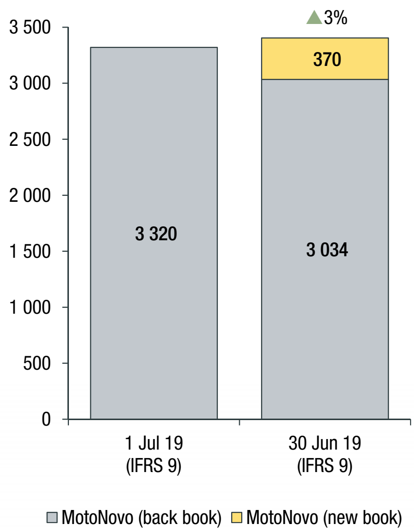


- Cuts in high-risk categories
- Focus on SMEs, lowering average loan values
- Impacted by Velocity securitisation
- Collaboration with FNB ABF +13%

MotoNovo growth reflects risk appetite adjustments

MOTONOVO ADVANCES

£ million

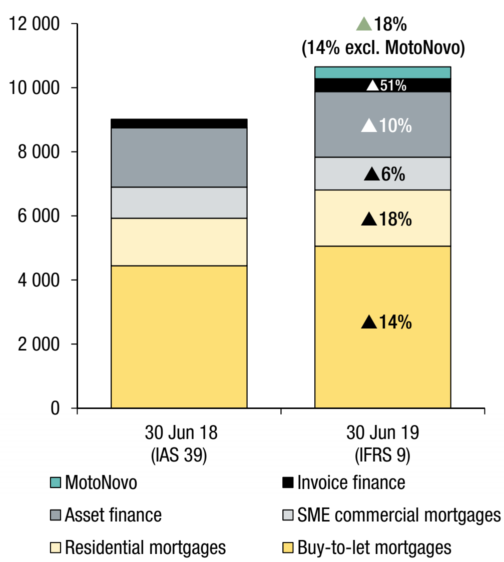


- Volumes broadly flat year-on-year
- Reflecting cutbacks in risk appetite in prior periods
- Projected credit profile of new business improved

Growth in **Aldermore advances** across all product lines

ADVANCES BREAKDOWN

£ million

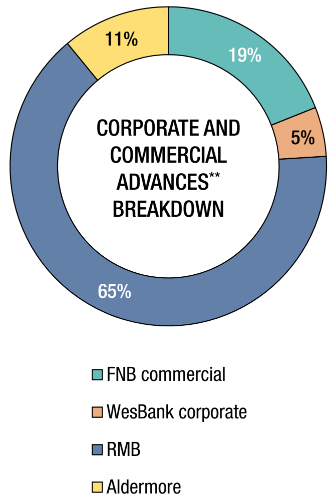


Growth driven by:

- Increased focus on specialist buy-to-let
- Growth in residential mortgages driven by loyalty propositions and new products
- Retained broker market leadership in asset finance
- SME commercial mortgages repositioned to focus on larger deals
- Two months' contribution from MotoNovo

RMB corporate and FNB commercial advances growth reflect **strength of client franchises**

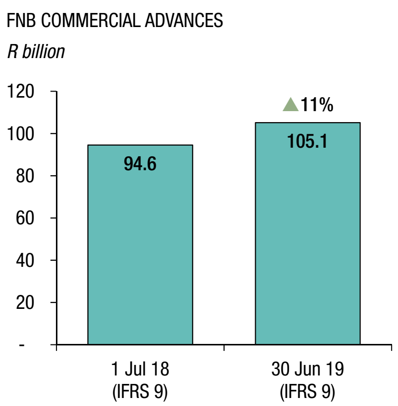
R million	30 Jun 19 IFRS 9	1 Jul 18 IFRS 9	% change
CIB core advances – South Africa	259 510	246 916	5
– Investment banking	198 998	190 107	5
– HQLA corporate advances	17 155	18 634	(8)
– Corporate banking	43 357	38 175	14
CIB core advances – rest of Africa*	52 660	43 818	20
CIB total core advances**	312 170	290 734	7
FNB commercial	105 131	94 558	11
WesBank corporate	27 945	32 164	(13)
RMB repurchase agreements	41 117	23 233	77
Corporate and commercial advances	486 363	440 689	10
Aldermore corporate advances	62 418	56 142	11

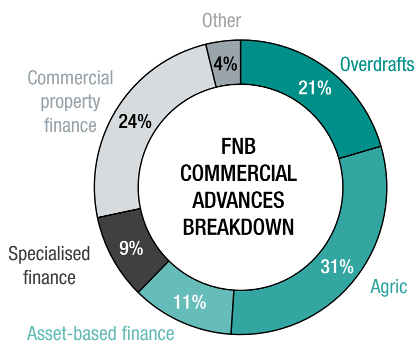


* Include cross-border and in-country advances.

** Exclude RMB repurchase agreements.

Targeted **customer acquisition** and **cross-sell** drive advances in FNB's commercial segment

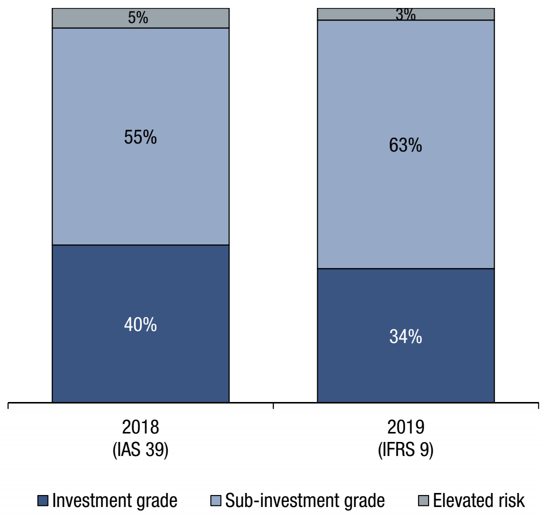




- Targeted cross-selling in the small business segment
- Expanded term-lending product offering to existing client base
- Strong growth in agric and property sectors
- Consistent market share gains in key subsegments

CIB rating profile reflects origination strategy

WHOLESALE CREDIT PERFORMING BOOK*



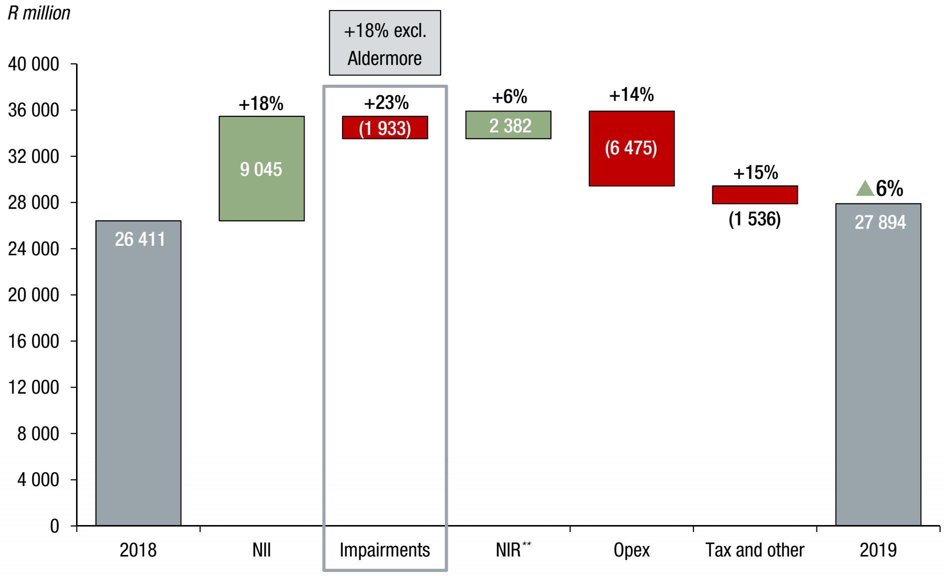
- Underlying quality of portfolio remains unchanged
- Prudent portfolio coverage ratios maintained at 108 bps
- Cross-border up 18% in dollar terms off a low base

* *International scale based on EAD.*

Quality **topline growth maintained**

NORMALISED EARNINGS*

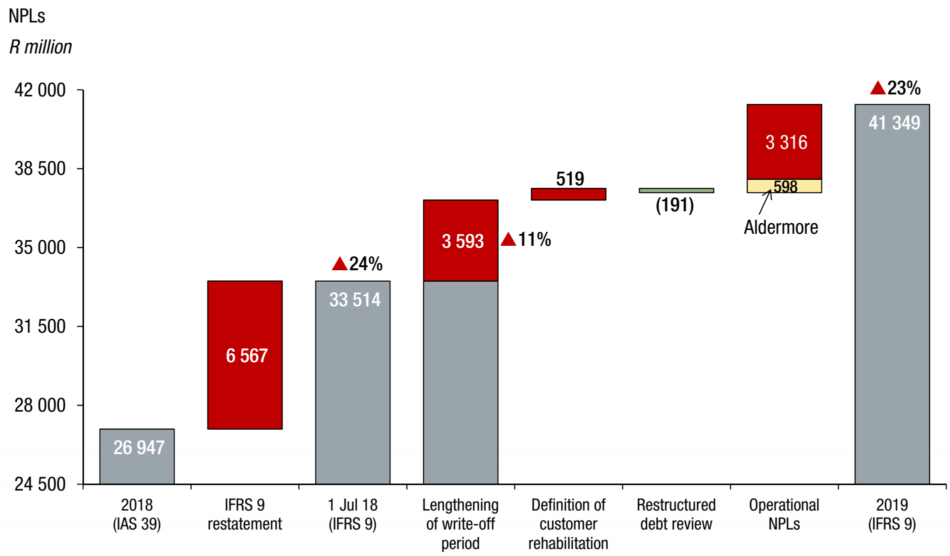
R million



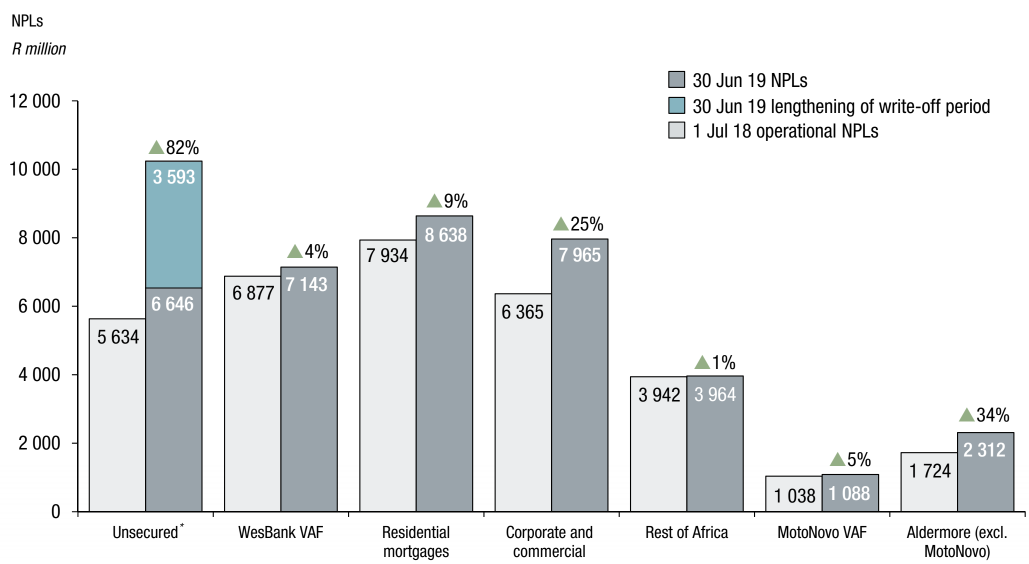
* *Including Aldermore.*

** *Including income from associates and joint ventures.*

Operational NPL growth **in line with expectations**, IFRS 9 impacted overall growth



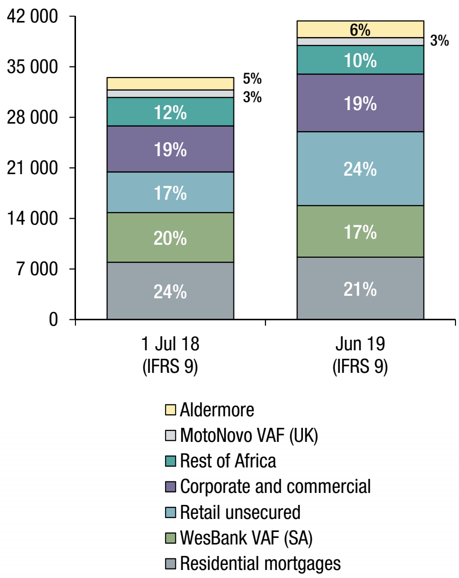
Increase in **operational NPLs within expectations** and trend rate given underlying book growth



* *Unsecured includes NPLs relating to MotoNovo personal loans (amounts immaterial).*

Specific coverage increase reflects **change in NPL mix**

NPLs
R million



SPECIFIC COVERAGE RATIOS %	30 Jun 19 IFRS 9	1 Jul 18 IFRS 9
Retail – secured	26.7	27.5
Residential mortgages	19.3	21.6
VAF	34.5	33.3
– WesBank (SA)	33.8	32.0
– MotoNovo (UK)	39.0	41.9
Retail – unsecured	76.6	76.0
Card*	77.6	85.9
Personal loans**	75.8	71.4
Retail – other	77.5	80.2
Corporate and commercial	41.4	51.6
Rest of Africa	59.3	55.5
Specific impairments excl. ALD	46.3	44.4
Aldermore	18.8	13.5
Specific impairments incl. ALD	44.7	42.8

* *Including Discovery card.*
** *Including FNB and WesBank loans, and MotoNovo personal loans.*

Portfolio provision **coverage remains conservative**

	30 Jun 19 IFRS 9		1 Jul 18 IFRS 9	
	Including Aldermore	Excluding Aldermore	Including Aldermore	Excluding Aldermore
Portfolio impairments as % of performing book	1.31	1.50	1.33	1.51
Stage 1 (%)	0.71	0.80	0.68	0.77
Stage 2 (%)	8.98	11.35	8.95	9.95
Portfolio impairments (R million)	15 667	15 135	14 735	14 330
Stage 1 (R million)	7 916	7 544	6 988	6 715
Stage 2 (R million)	7 751	7 591	7 747	7 615
Credit loss ratio (%)	0.88	0.99	0.84*	0.90*

* *IAS 39 credit loss ratio.*

Credit charge **decomposition**

+23%

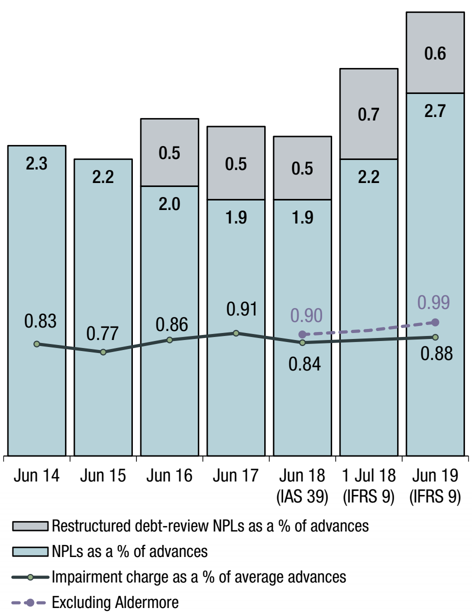
R8 567m	R10 500m
30 Jun 18 (IAS 39)	30 Jun 19 (IFRS 9)

Operational NPLs up 15% with mix weighted to unsecured: with its charge up 29%

IFRS 9 not material on a net basis, however, directionally impacted as follows:

Performing book: higher coverage	Credit charge front-loaded on origination	
– Unsecured: 3 months increased to 12 months		▲
– Secured: 6 months increased to 12 months		▲
Arrears changed to lifetime losses		▲
Lengthening of write-off period		▼
– Conservatism built into the charge		▲
Definition of customer rehabilitation		–

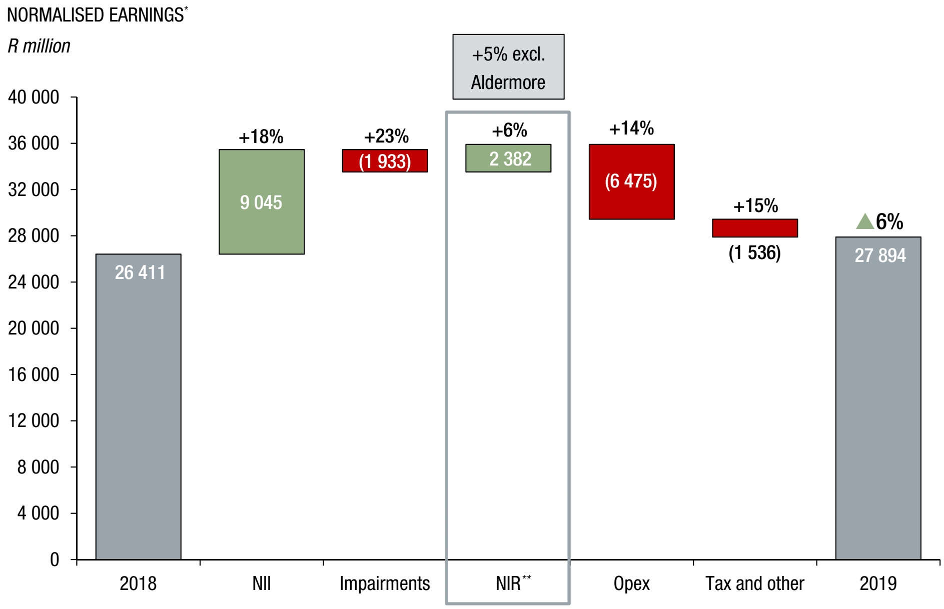
Credit charge **in line with expectations**



CREDIT LOSS RATIO (%)	30 Jun 19 IFRS 9	Jun 18 IAS 39
Retail – secured	0.78	0.81
Residential mortgages	0.11	0.07
VAF	1.64	1.73
– WesBank (SA)	1.80	1.88
– MotoNovo (UK)	1.35	1.46
Retail – unsecured	5.97	5.38
Card*	3.45	2.63
Personal loans	7.27	6.53
– FNB	6.39	5.03
– DirectAxis loans	8.94	8.20
– MotoNovo (UK)	(2.85)	6.41
Retail – other	7.60	7.62
Total retail	1.72	1.57
Corporate and commercial	0.27	0.23
Rest of Africa	1.41	1.71
FCC (incl. Group Treasury)	0.17	(0.02)
Total excluding Aldermore	0.99	0.90
Aldermore	0.24	0.12
Total including Aldermore	0.88	0.84

* *Includes Discovery card.*

Quality **topline growth maintained**



* Including Aldermore.

** Including income from associates and joint ventures.

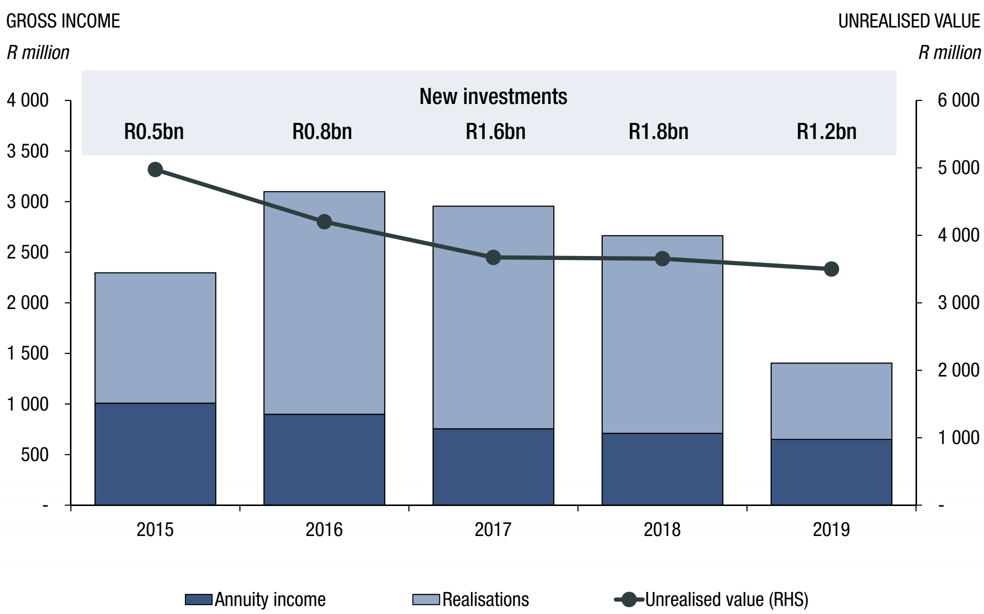
NIR growth underpinned by resilient client franchise performance, despite significant **rebase in private equity**

NIR *R million*	2019	2018	% change
Total fee and commission income, insurance, markets and other	**39 834**	36 612	9
Fee and commission income	**30 971**	28 529	9
Insurance income	**4 128**	3 918	5
Markets, client and other fair value income	**4 735**	4 165	14
Other	**2 598**	2 441	6
Total investment income	**1 876**	2 873	(35)
Investment income	**619**	1 959	(68)
Equity-accounted earnings	**1 257**	914	38
Total non-interest revenue	**44 308**	**41 926**	**6**

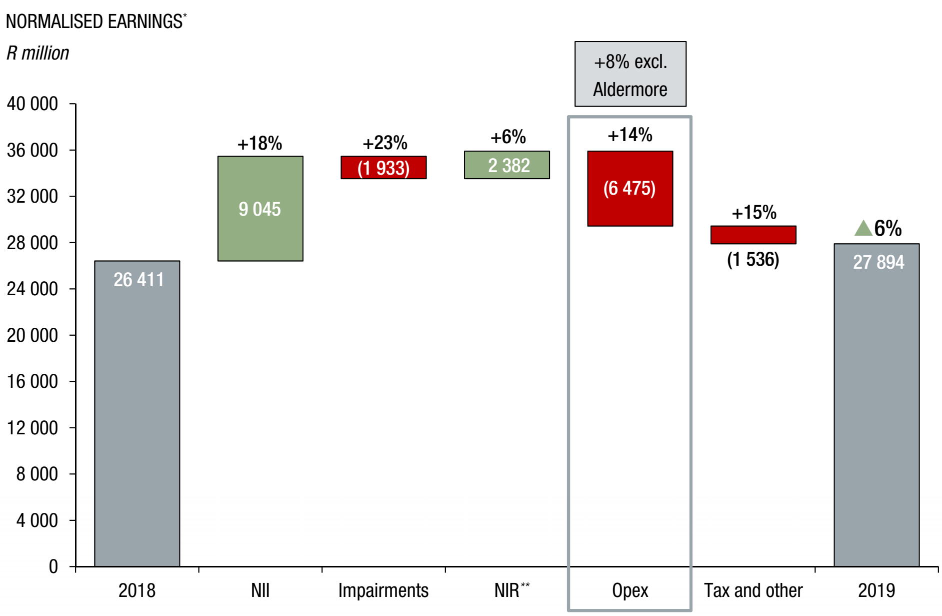
Driven by pricing review, client and volume growth

Reflects lower equity earnings

Private equity now in an **investment cycle**



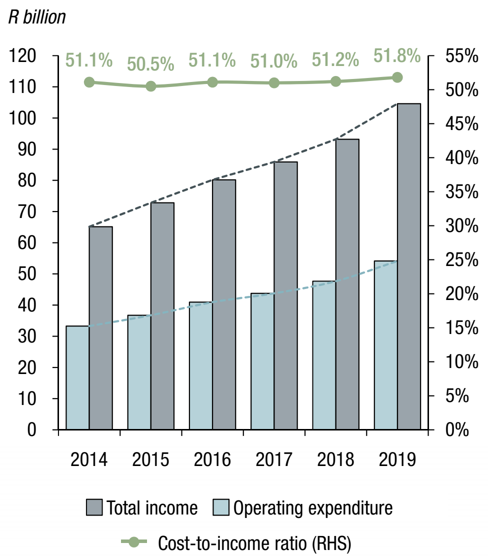
Quality **topline growth maintained**



* Including Aldermore.

** Including income from associates and joint ventures.

Core cost growth reflects **continued investment for growth**



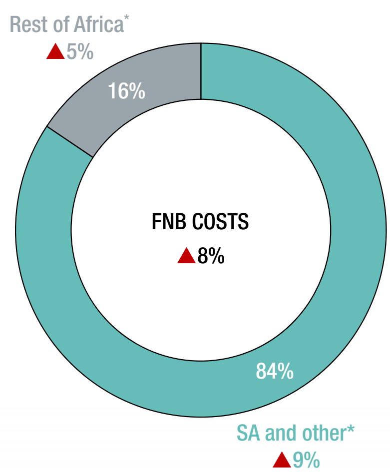
Cost increase driven by:

- Direct staff costs up 11% impacted by unionised increases in SA of 7.8% and headcount up 5% (2% excl. FirstJob)
- Continued investment in growth strategies, systems and platforms

Overall costs up 14%:

- Excl. Aldermore being consolidated for 12 months, costs up 8%
- Amortisation of Aldermore intangible assets adds +0.6%

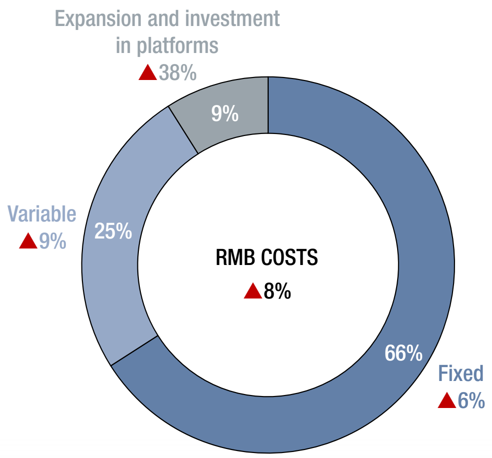
Good efficiencies in SA, however, investment drag from growth initiatives continues



- FNB SA cost-to-income ratio below 50%
- Cost-to-income ratio improved to 50.9% (2018: 52.0%), despite investments
- Growth initiatives
  - Insurance and WIM build-out
  - Card acquiring (PowerCARD)
  - Branch digitisation
  - Technology infrastructure
- Majority of development costs are expensed

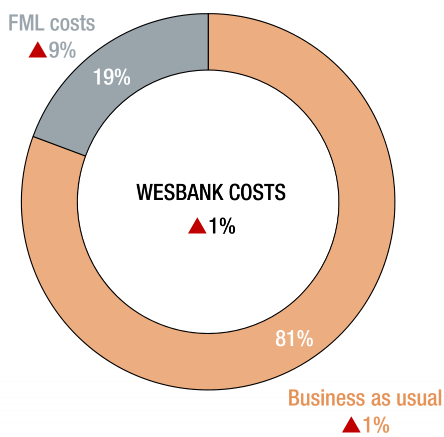
* *Rest of Africa excludes India, which is shown as part of SA and other in the chart. FNB discontinued its activities in India in 2017.*

RMB's fixed cost growth contained, **ongoing investment in platforms**



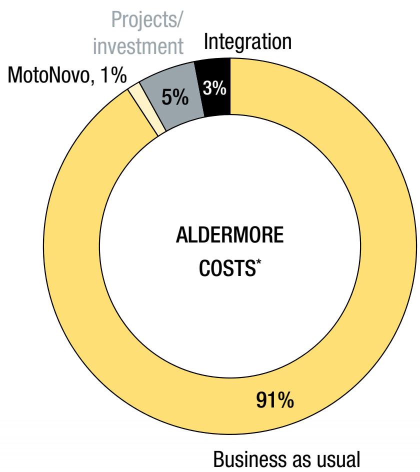
- Investment spend targeted at:
  - Africa expansion
  - Global Markets infrastructure programme
  - Ongoing platform enhancements
  - Digital and data capabilities
- Inflationary growth in fixed costs
- Increase in cost-to-income ratio to 46.4%

Despite **efficiencies,** WesBank cost-to-income ratio reflects **topline pressures**



- Operating expenses + 1%
  - FML costs up due to depreciation linked to volume growth
- Operating efficiencies achieved due to cost containment and efficiency focus
- Continued investment in IT and data analytics capabilities
- Cost-to-income ratio increased to 47.4% (2018: 46.6%), due to topline pressures

Aldermore costs driven by **integration** and **investment in systems and processes**



Total cost base of £178 million:

- Including MotoNovo operating costs since May 2019
- Headcount increased to support growth
- BAU spend reflects ongoing investment to support continued growth
- Cost-to-income ratio at 52.1%

* *Year-on-year impact not shown due to Aldermore only included for 3 months for June 2018.*

Summing up

Revenue growth ▲7% (12% incl. Aldermore)

- Deposit growth +10%
- Advances growth +9%
- Resilient NIR growth benefiting from volume and customer growth despite lower private equity realisations compared to the prior year

Bad debts ▲18% (23% incl. Aldermore)

- At 99 bps (88 bps incl. Aldermore), in line with expectations
- IFRS 9 had a structural impact on NPLs
- Portfolio provisions remained conservative
- NPLs up 23% (lengthening of write-off almost half of this growth)

Opex growth ▲8% (14% incl. Aldermore)

- Continued investments
- Negative jaws (1.3%) impacted cost-to-income ratio

Dividend ▲6%

- Year-end dividend cover maintained
- Payout ratio of 58.5%
- Dividend growth in line with earnings growth

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results presentation
for the year ended 30 June

Prospects

Prospects

- Group executing on strategies for ongoing growth
  - SA businesses expected to maintain current growth momentum
    - FNB – customer growth, cross-sell, targeted origination and platform execution will drive balance sheet and transactional volumes, efficiencies will continue
    - RMB – client franchises and rest of Africa will drive growth, rebase will assist
    - WesBank – likely to remain subdued
  - Rest of Africa will incrementally improve
  - Aldermore growth trajectory also expected to continue, although heightened Brexit risk

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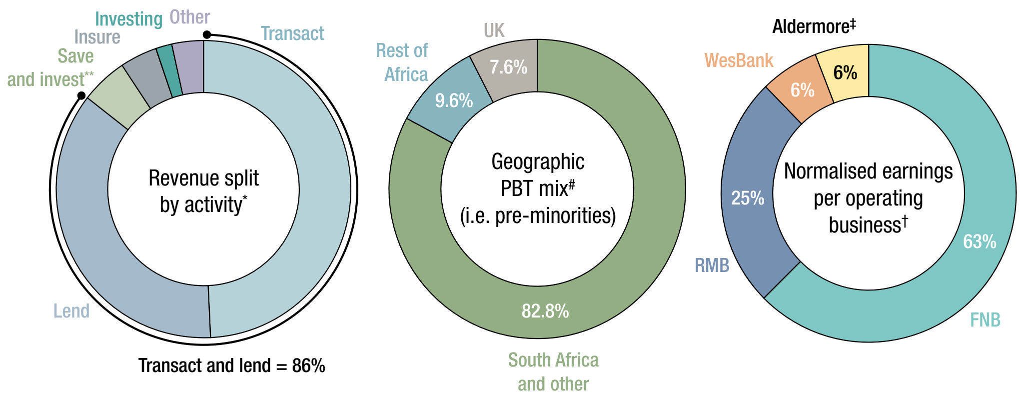
results presentation
for the year ended 30 June

Appendix

Group's **ROE is sustainable**

- Relative size of transactional franchise
- Advances mix delivers higher risk-adjusted margins
- Credit underwriting and pricing anchored to preserve return profile
- Disciplined allocation and pricing of capital, funding and liquidity, and risk capacity
- Market-leading private equity franchise has contributed to high returns, although currently in an investment cycle
- Aldermore is ROE accretive
- Recognise the need to further diversify NIR
  - Potential disruption from regulatory intervention and new competitors
  - Therefore, strategies to broaden financial services offering (insurance, and save and invest) remain key to maintaining return profile

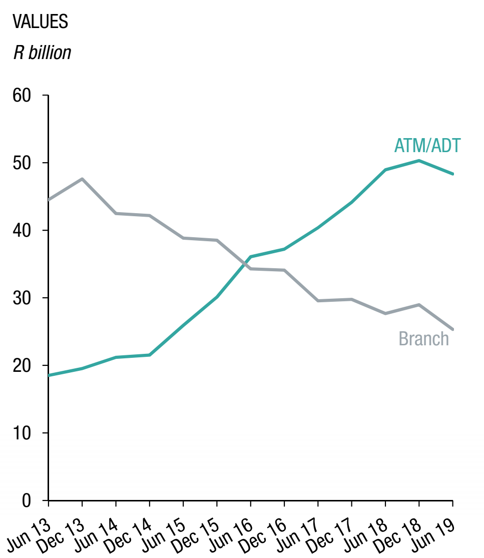
Current portfolio mix – activity, geography and business



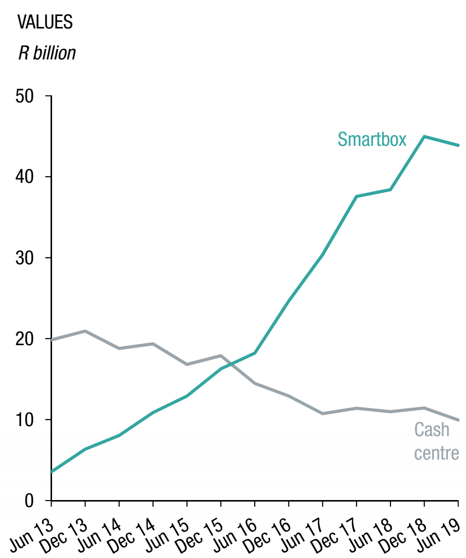
* Based on gross revenue excluding consolidation adjustments. Excludes Aldermore.
** Includes deposit taking and investment management.
\# Includes Group Treasury, excludes remainder of FCC, FirstRand company, consolidation adjustments and dividends on other equity instruments.
† Excludes FCC (incl. Group Treasury), FirstRand company, consolidation adjustments and dividends on other equity instruments.
‡ Includes MotoNovo new book (originated since May 2019).

FNB's shift in physical platforms drives **customer behaviour**

Deposit values (excl. cheques) – branches vs ADTs



Deposit values – smartbox vs cash centres



Recalibration of branch network continues

INFRASTRUCTURE COST REDUCTION

- Branch costs (1%)
- Branch m² (11%)
- Outcomes-based remuneration paying off and becoming more pervasive
- Branch fitment is more cost-effective and aids digitisation
- Average new branch configuration reduced to R4.0 million

INVESTMENT TO TAKE OUT MORE COSTS

- Electronic channels
  - Growth in ADT device cash value 7%
  - Service minutes (25%)
  - Telling minutes (16%)
  - Sales minutes Flat
- Digital capabilities in branch activations
  - App +31%
  - Online (19%)

FOCUS ON GROWTH IN LONG-TERM COSTS

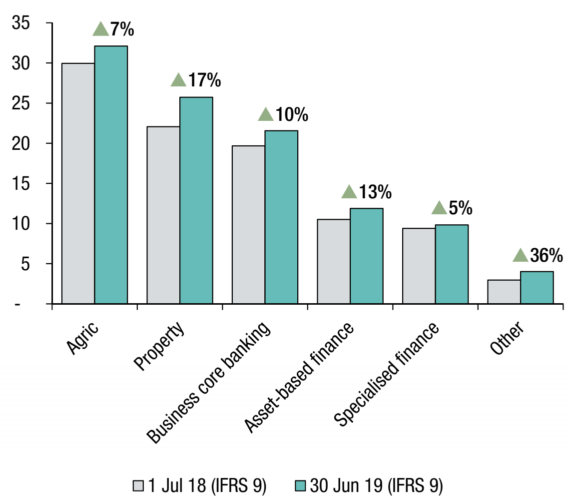
- Staff costs +1.6%
- Long-term leases (0.2%)
- Rationalise:
  - Property portfolio
  - Operational process
  - Location

Percentages shown above relate to year-on-year changes for points of presence.

Targeted lending strategy driving advances growth in commercial segment

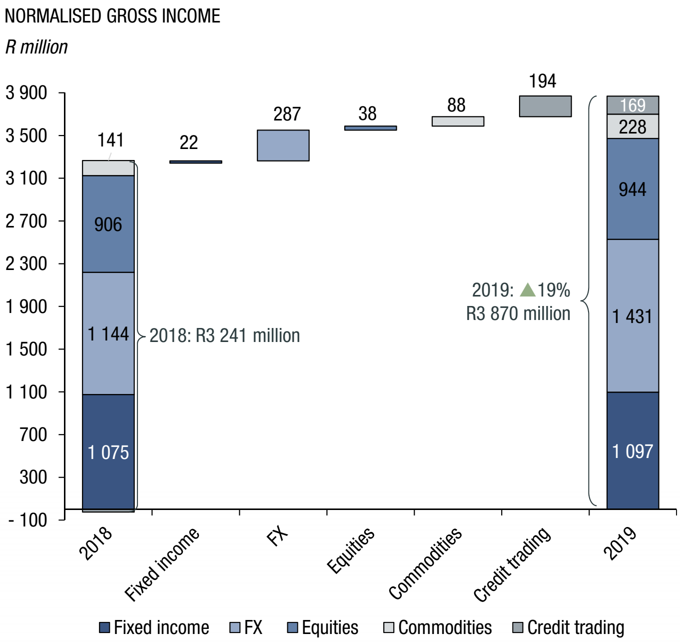
FNB COMMERCIAL ADVANCES

R billion



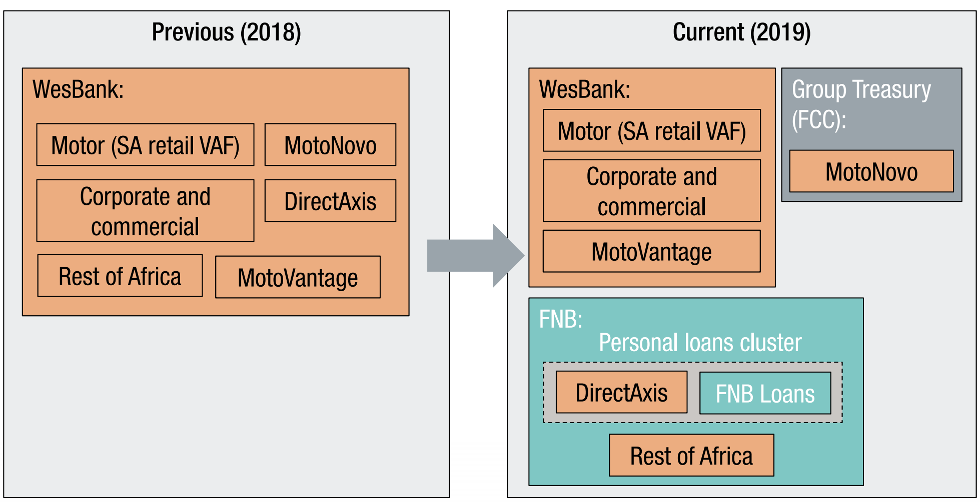
- Targeted lending to key customer segments
- Property-driven targeted strategy (predominantly owner occupied)
- ABF benefits from leveraging existing relationships

Unpacking **markets and structuring performance**



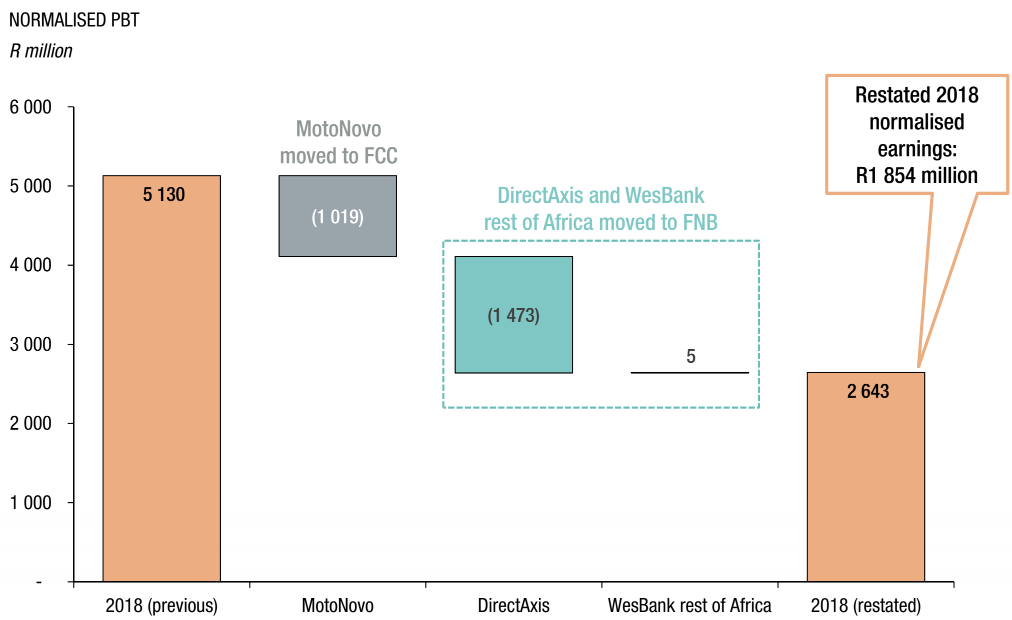
- FX benefited from currency volatility
- New capabilities in credit trading and equities paying off
- Fixed income had a strong close-out to the year

Actions to expedite execution of strategy resulted in the **rearrangement of certain businesses**



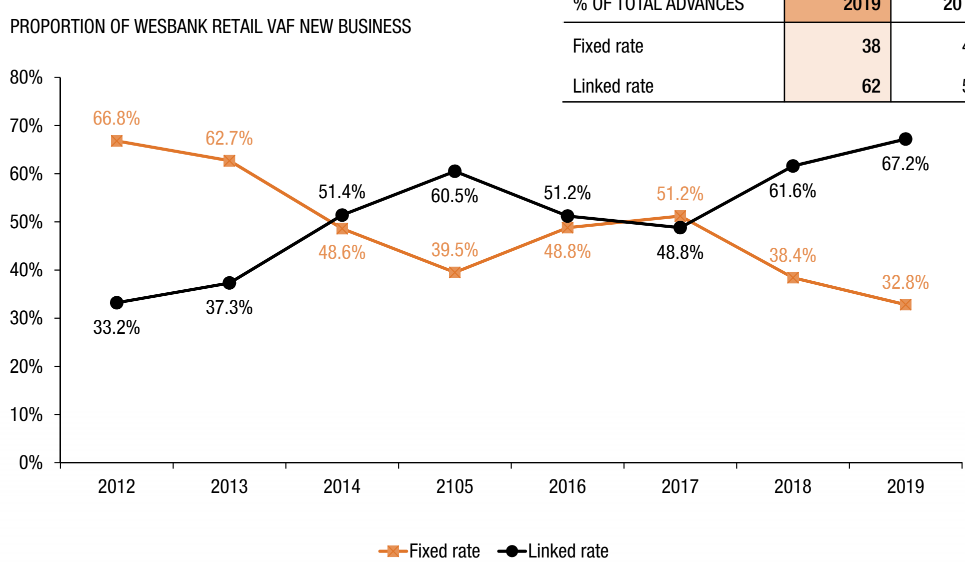
Comparatives have been restated at operating business level

Impact of internal changes on **WesBank**



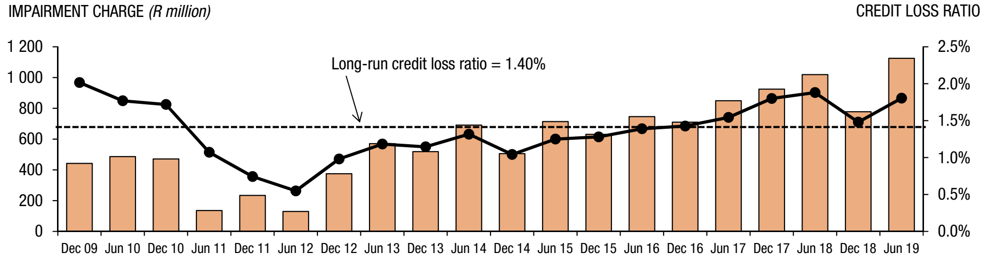
Continued margin pressure from **shift in rate mix** in WesBank's VAF book

% OF TOTAL ADVANCES	2019	2018
Fixed rate	38	44
Linked rate	62	56

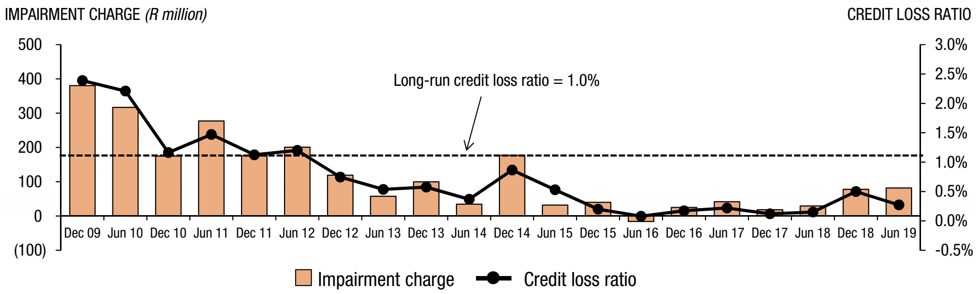


WesBank **credit portfolios**

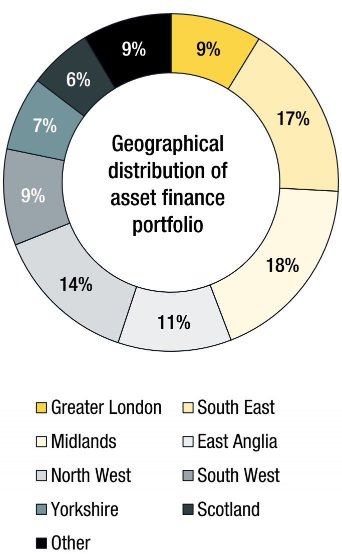
RETAIL VAF



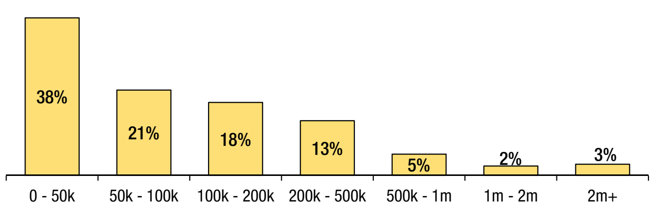
CORPORATE AND COMMERCIAL



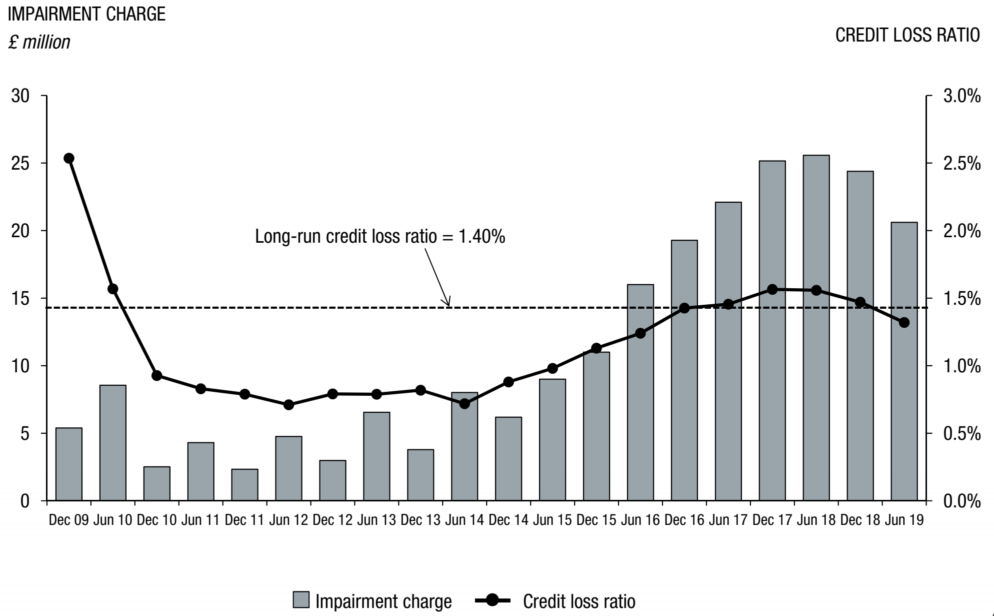
Aldermore **asset finance** – diverse UK coverage, strong collateral, robust secondary market



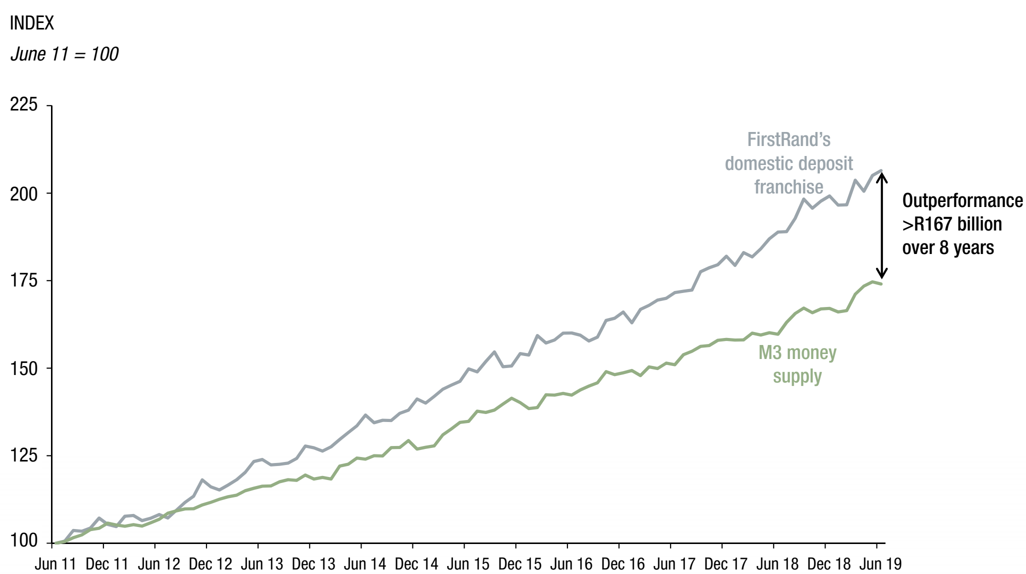
Majority of portfolio has an average balance of <£100k



MotoNovo (UK) credit portfolio



Local **deposit franchise outperforms market** due to success of save and invest strategy



1 July 2018 IFRS 9 restatement **impact on equity**

Affected balance *R million*	Day 1 adjustment (actual)
Provision increase (ECL)	(8 598)
Stage 1	(2 440)
Stage 2	(3 452)
Stage 3	(2 706)
Current and deferred tax	2 161
Remeasurement	896
ISP due to difference in coverage ratio	430
Other	(300)
Net impact on equity	**(5 411)**

Lift in total impairment coverage ratio and reduction in CET1 ratio

IFRS 9 **structurally rebases** NPLs and provisions upwards

	1 July 2018 impact	
	Provision balance	**NPLs balance**
Interest in suspense	▲ > R2.1 billion	▲ > R2.1 billion
Customer rehabilitation	▲ > R2.0 billion	▲ > R4.0 billion
Forward-looking – Performing book – Arrears: lifetime losses	▲ > R6.6 billion	N/A
Lengthening of write-off period	Only impacted post 1 July 2018	

Adoption of IFRS 9 on 1 July 2018 impacts NPLs and provisions – so 1 July 18 and 30 Jun 19 comparable

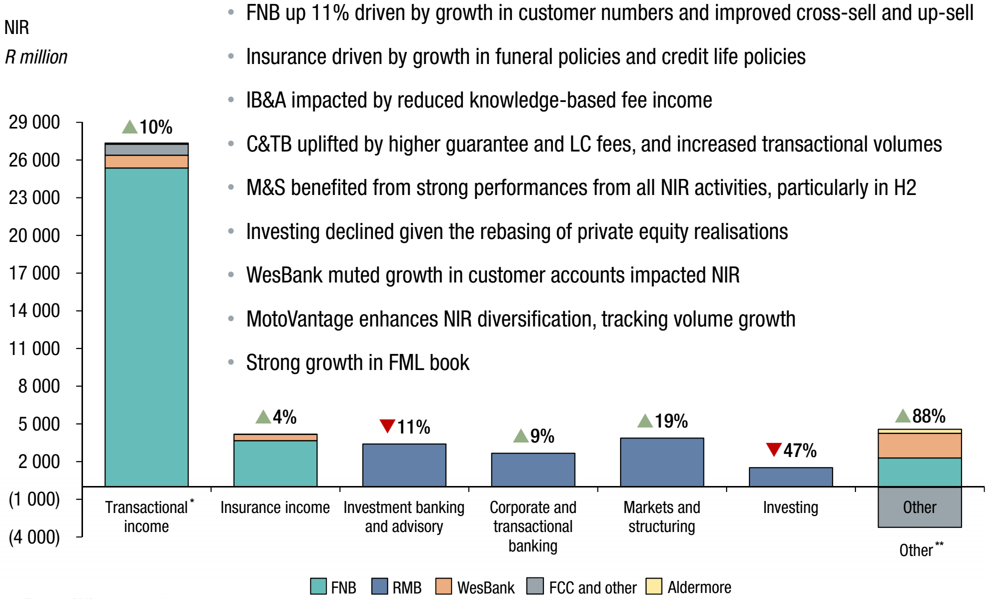
Coverage breakdown: **residential mortgages**

Type	R million	Specific coverage ratio
Sold property awaiting registration	234	18.5%
Deceased	263	25.7%
Debt review – mostly paying per agreement	1 104	20.7%
Insolvencies and litigation	3 066	26.8%
Non-debt review – payments being made	616	20.4%
Tech cures	2 503	8.2%
Other	852	20.8%
Total	8 638	19.3%

Coverage breakdown: **WesBank retail VAF**

Type	R million	Specific coverage ratio
Technical NPL – debt review	486	19.2%
Technical NPL – arrears	1 405	10.7%
Restructured debt review	804	27.9%
Non-restructured debt review	463	45.3%
>3 months missed instalments	2 182	45.4%
Repossession	246	45.6%
Legal action for repossession	1 065	45.5%
Other (includes absconded, insurance and alienations)	492	45.5%
Total	7 143	33.8%

Unpacking NIR per operating business



- FNB up 11% driven by growth in customer numbers and improved cross-sell and up-sell
- Insurance driven by growth in funeral policies and credit life policies
- IB&A impacted by reduced knowledge-based fee income
- C&TB uplifted by higher guarantee and LC fees, and increased transactional volumes
- M&S benefited from strong performances from all NIR activities, particularly in H2
- Investing declined given the rebasing of private equity realisations
- WesBank muted growth in customer accounts impacted NIR
- MotoVantage enhances NIR diversification, tracking volume growth
- Strong growth in FML book

* *Excludes RMB transactional income.*

** *Includes FCC (including Group Treasury) and other.*

STUDIO 5

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