

UBS conference

Integrated financial services



FIRSTRAND

Integrated financial services

Matching demand (assets) and supply (liabilities)

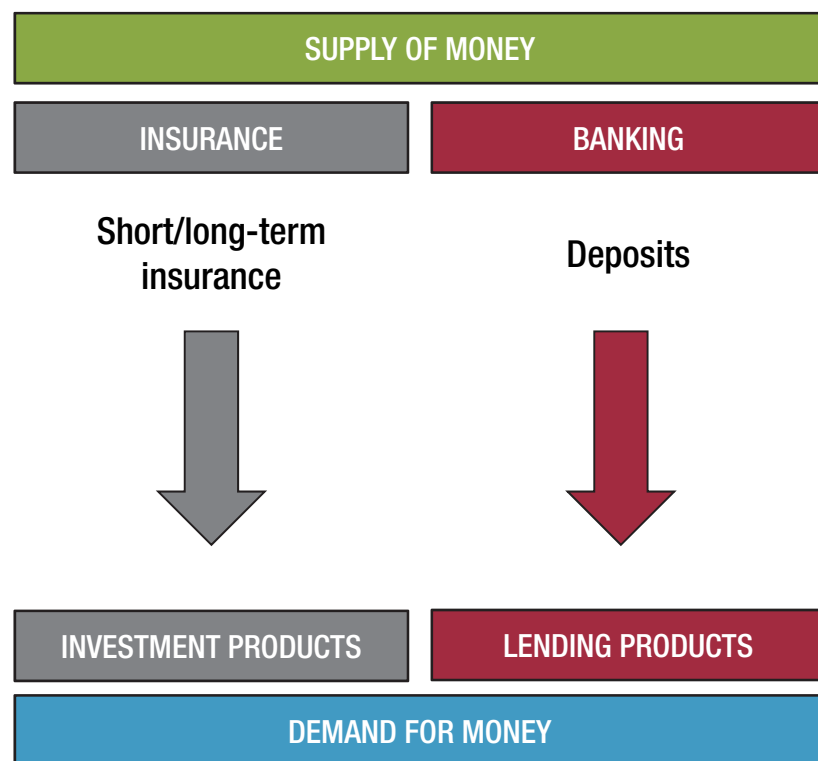
Right to compete

- Group model
- Asset management
- Insurance

Conclusion

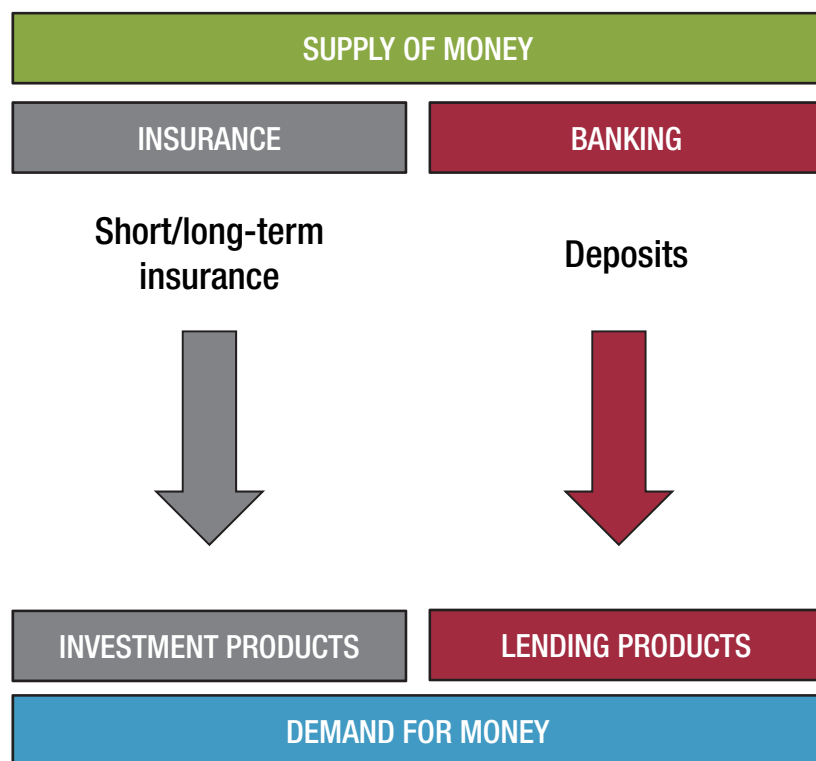
Existing models: banks vs insurers vs asset managers

SEGREGATED PLATFORMS

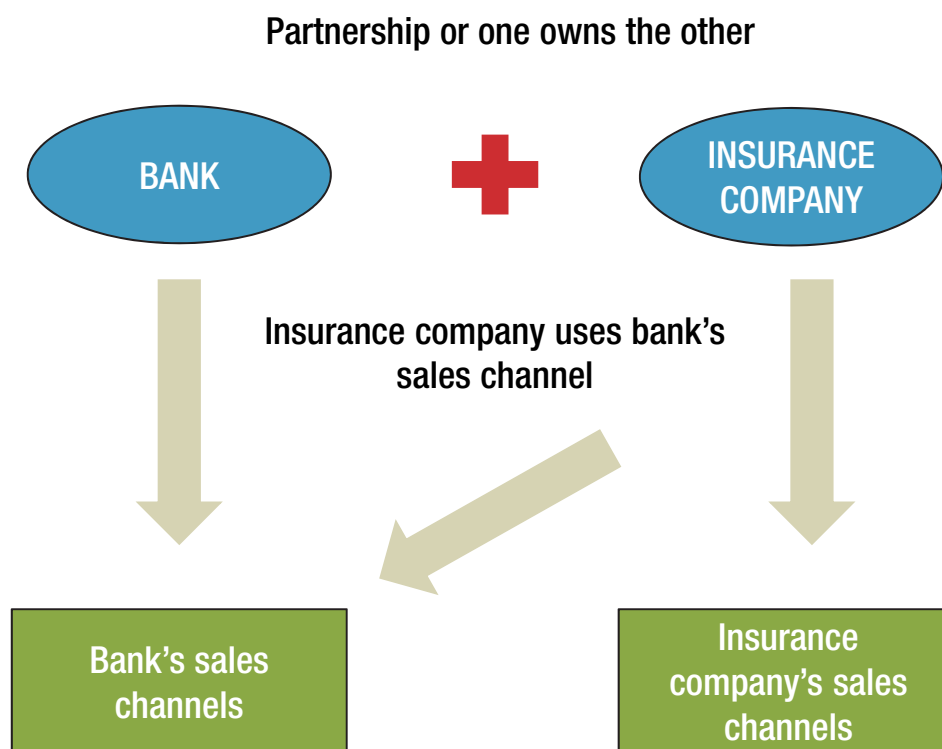


Existing models: banks vs insurers vs asset managers

SEGREGATED PLATFORMS

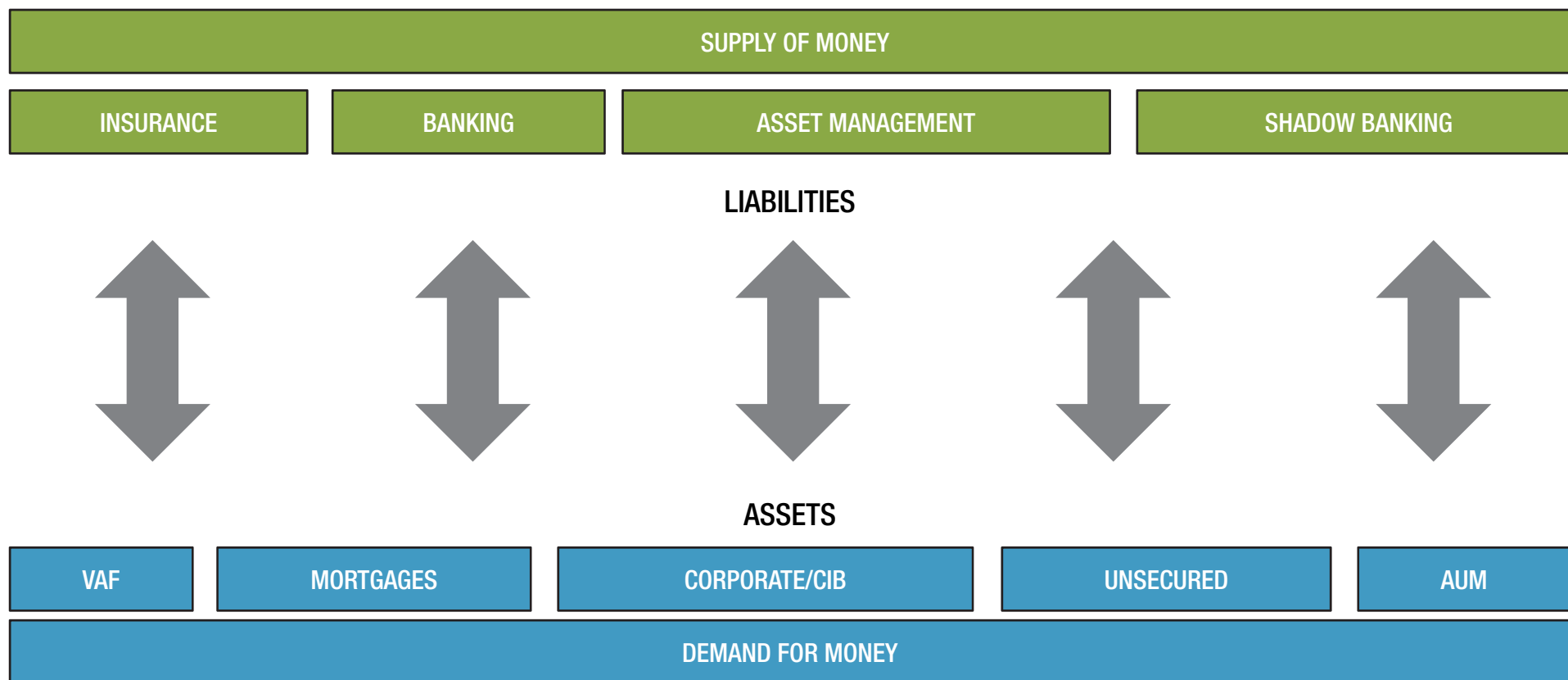


BANCASSURANCE MODEL

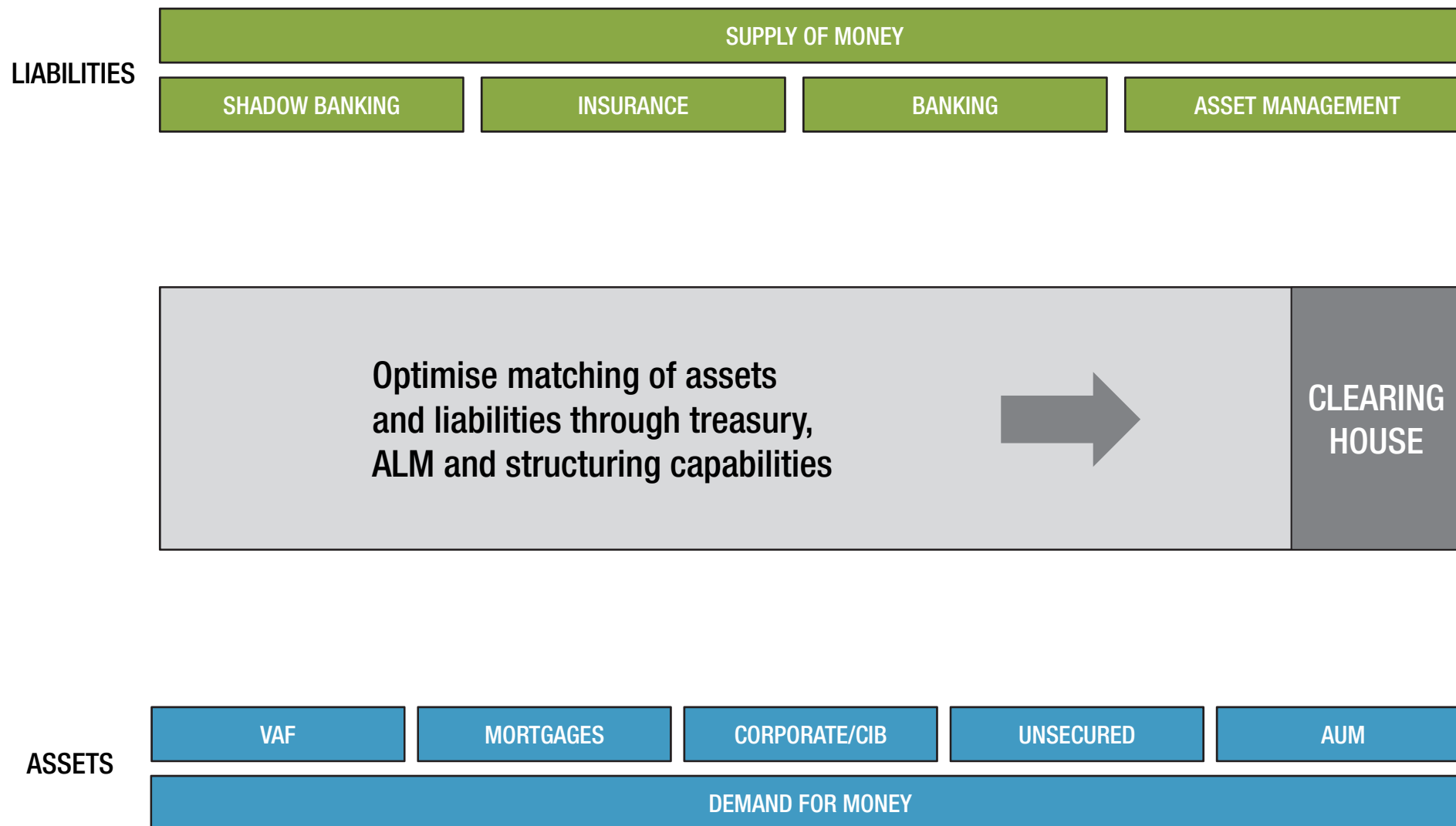


Integrated platforms required for customer-centric approach

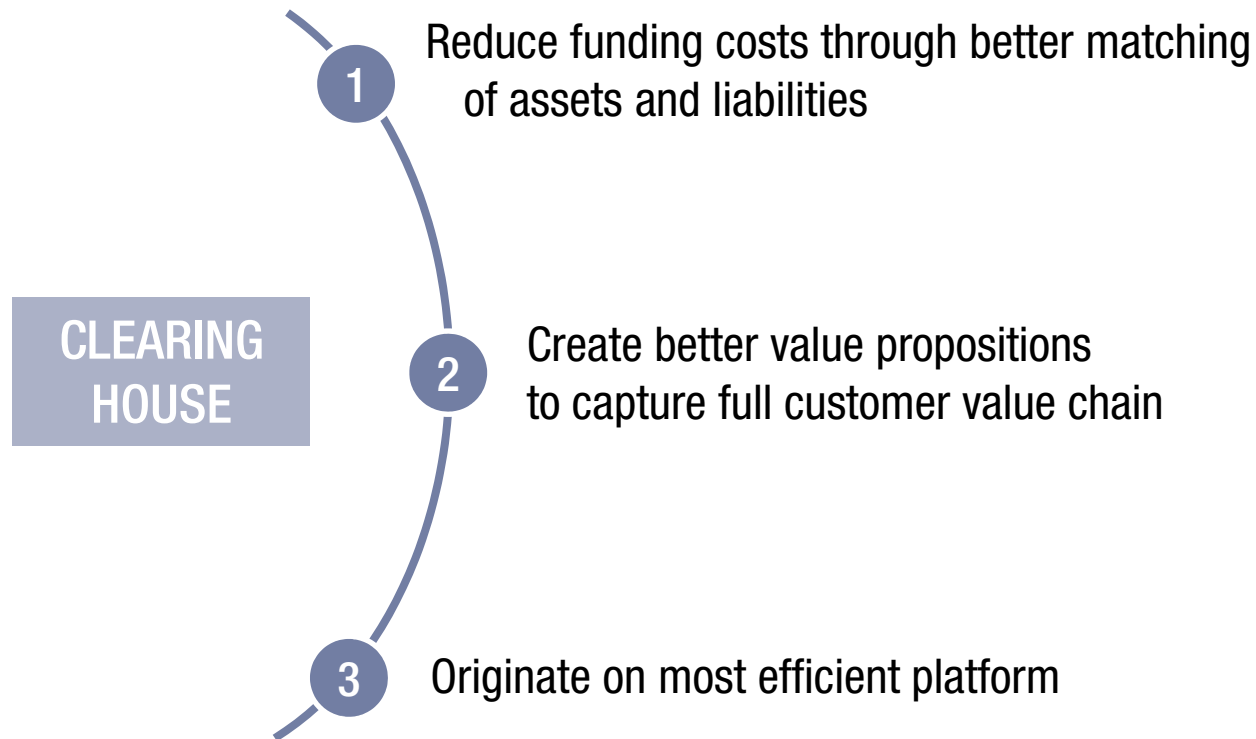
INTEGRATED PLATFORMS



Requires sophisticated asset and liability matching



Clearing house allows us to capture more of the value chain



Integrated financial services

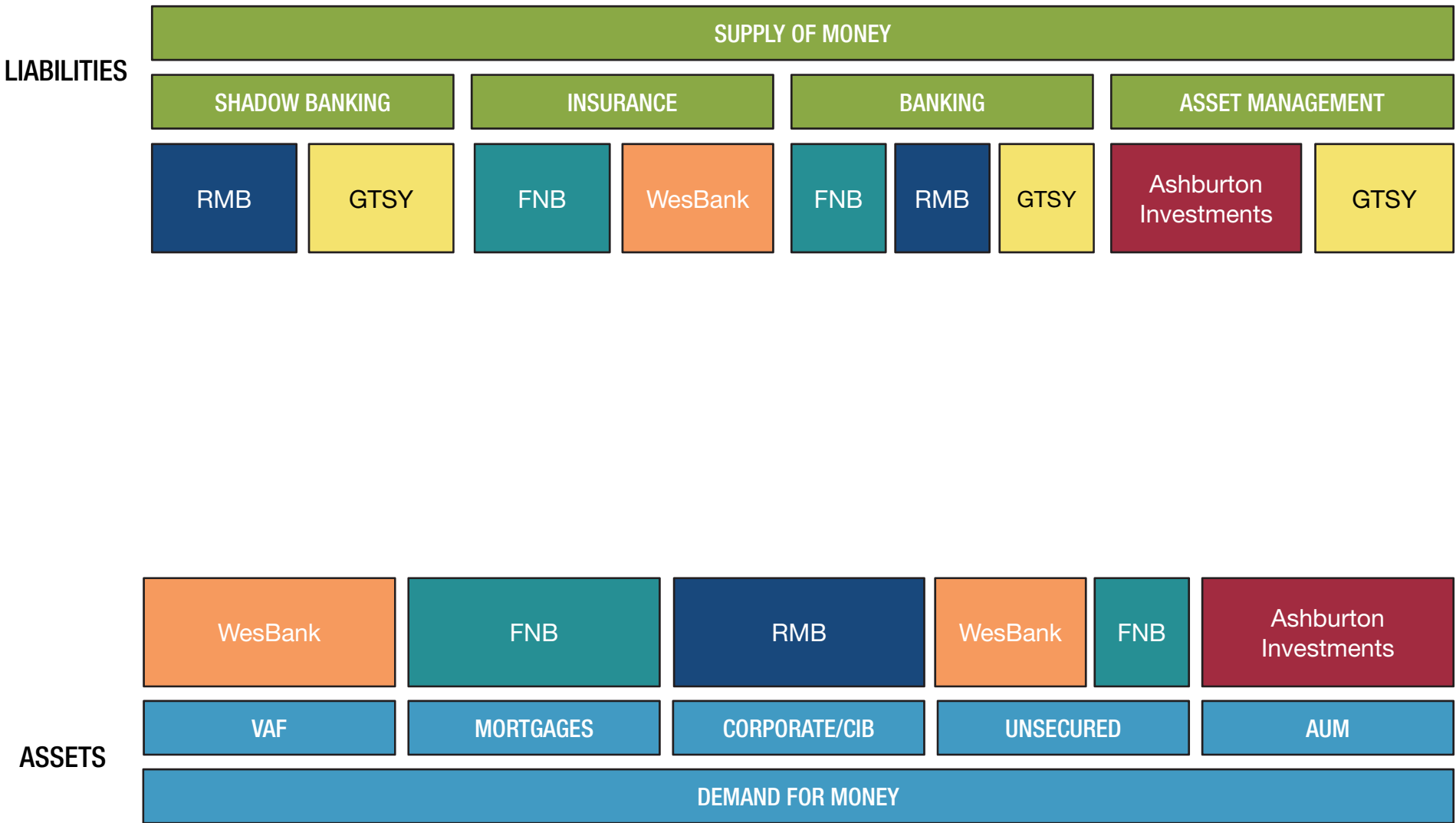
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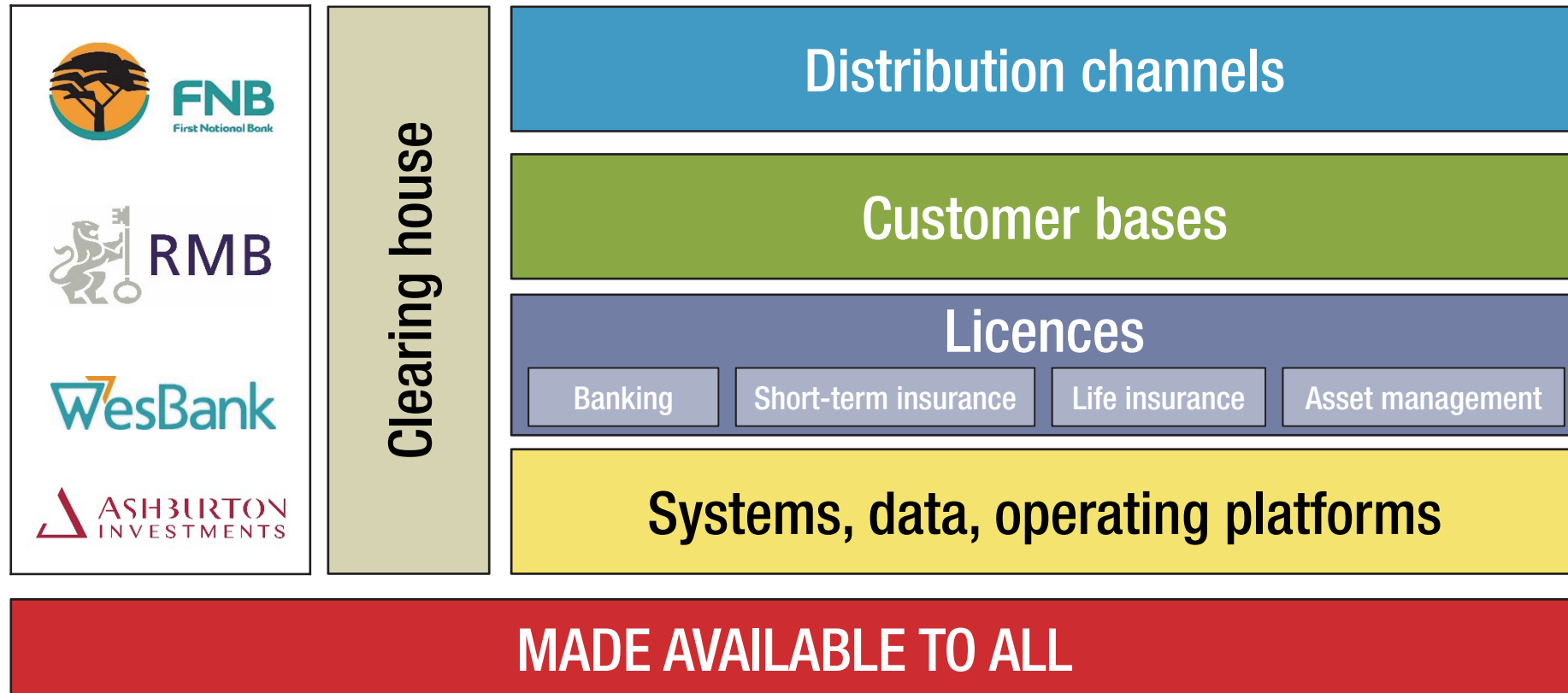
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FirstRand already a large player on both demand and supply sides

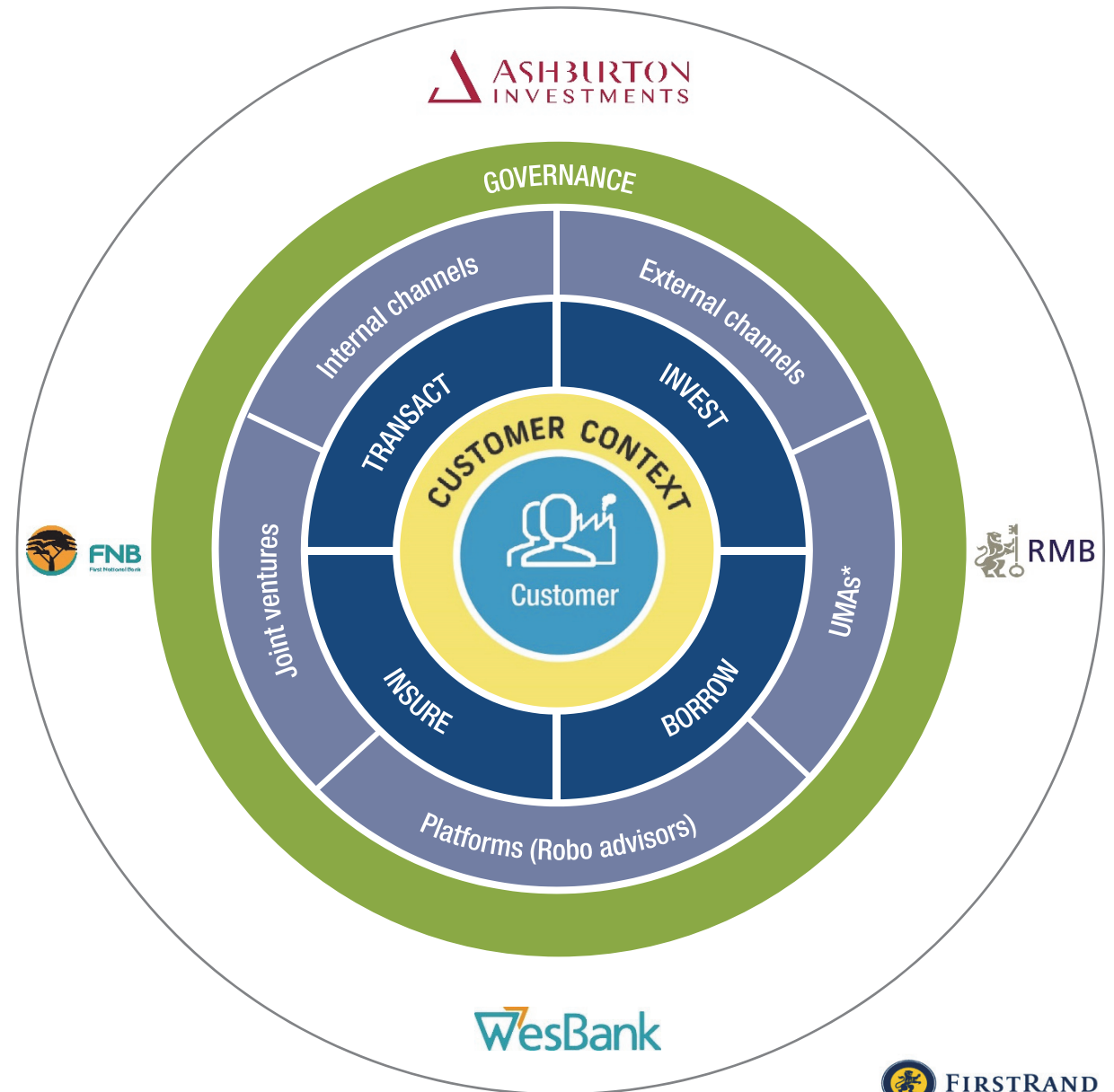


Enabled by platform- and franchise-neutral business model



Supports a customer-centric approach

- Single view of the customer
- Identifying and meeting needs
- Provide appropriate customer solutions and access
- Transparency and single point of accountability



* Underwriting management agencies

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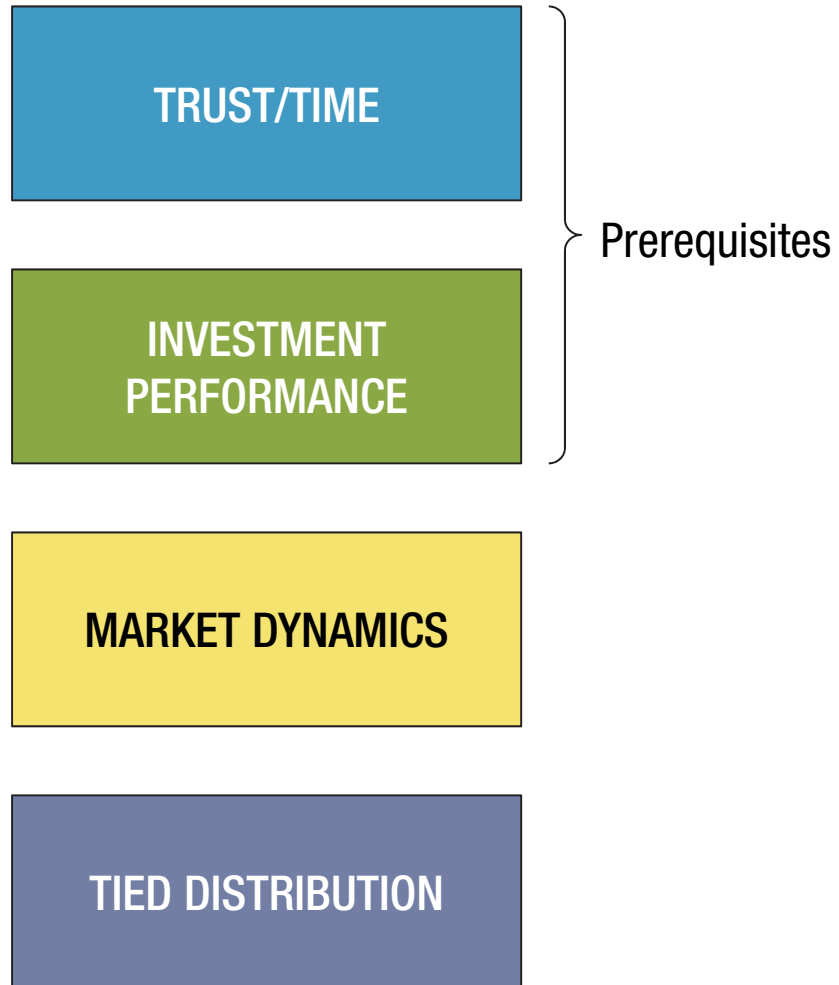
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Asset management strategy leverages innovative utilisation of existing building blocks

- Origination and structuring franchises supply attractive assets previously not available in fund format
- Customer base
- Distribution
- Balance sheet and liquidity
- Optimisation of asset liability matching and risk management

What drives growth in AUM?



What drives growth in AUM?

TRUST/TIME

INVESTMENT
PERFORMANCE

MARKET DYNAMICS

TIED DISTRIBUTION

- Regulatory changes
- Search for alternative sources of return
- Liability-driven investing
- All of the above have driven demand for alternative asset classes
 - RMB origination capabilities (credit, private equity, infrastructure, renewables, real estate)
 - Provides protection for RMB's origination franchise and leverages RMB's structuring capabilities

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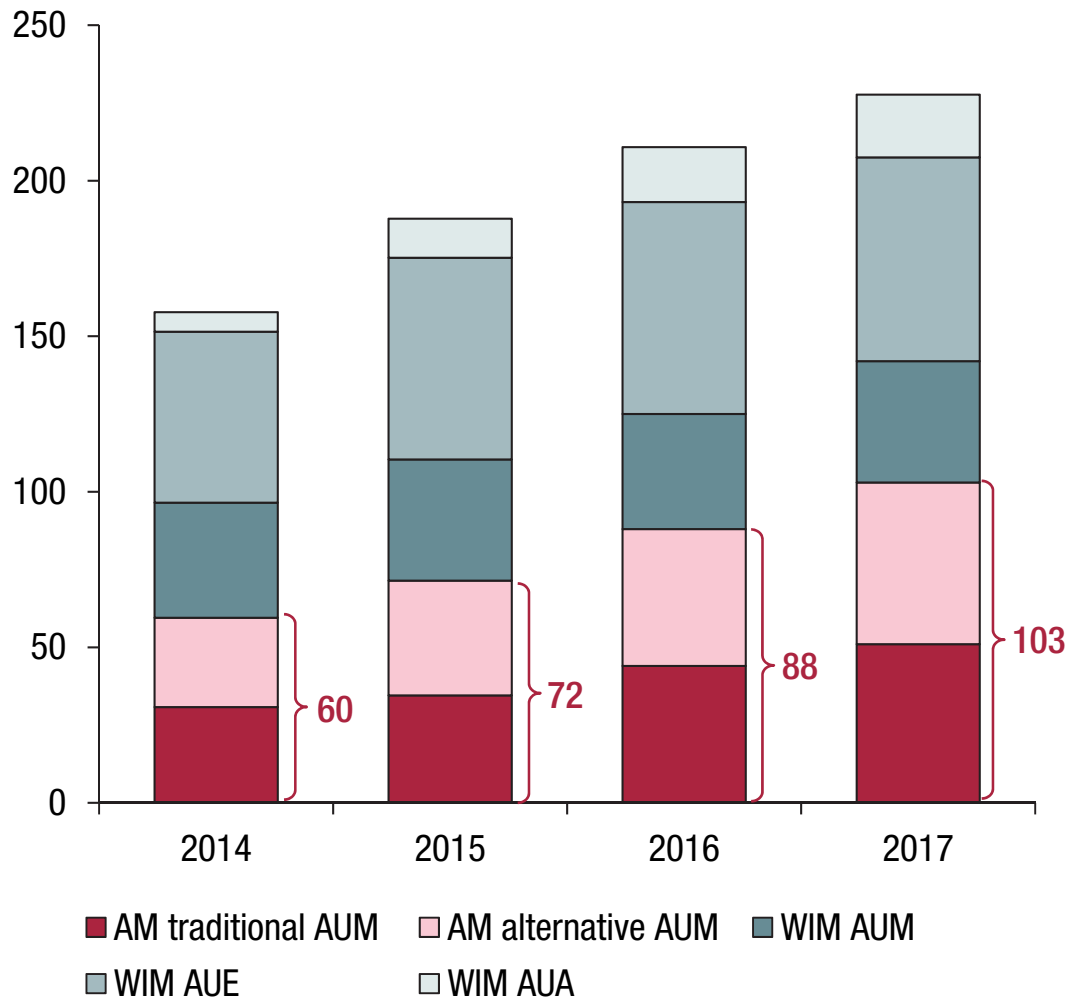
- Ability to distribute is key
- Tied distribution forces provide distinct advantage
- FNB channels
 - Digital
 - Face-to-face

WIM business has now been integrated into FNB

- Distribution
- Building own solutions for customers
 - Capture flows currently going to third parties
 - Protecting customer franchise
- Cost-effective for FNB and client
- Positions the group for new retail distribution review (RDR) regulations

Traction in AUM reflects success

R billion



* AUM excludes conduits.

- FNB distribution channels
- Alternatives – R52 billion AUM
 - Credit funds
 - Structured notes (GMFS)
 - LDI
 - Westport (African real estate)
 - Private equity, renewables
- Traditional – R51 billion AUM
 - Fixed income
 - Equity
 - Multi-asset

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Our right to compete in the insurance space

Group customers are buying insurance products

Through FNB Insurance
brokers – third party
products

Debit orders to
product providers

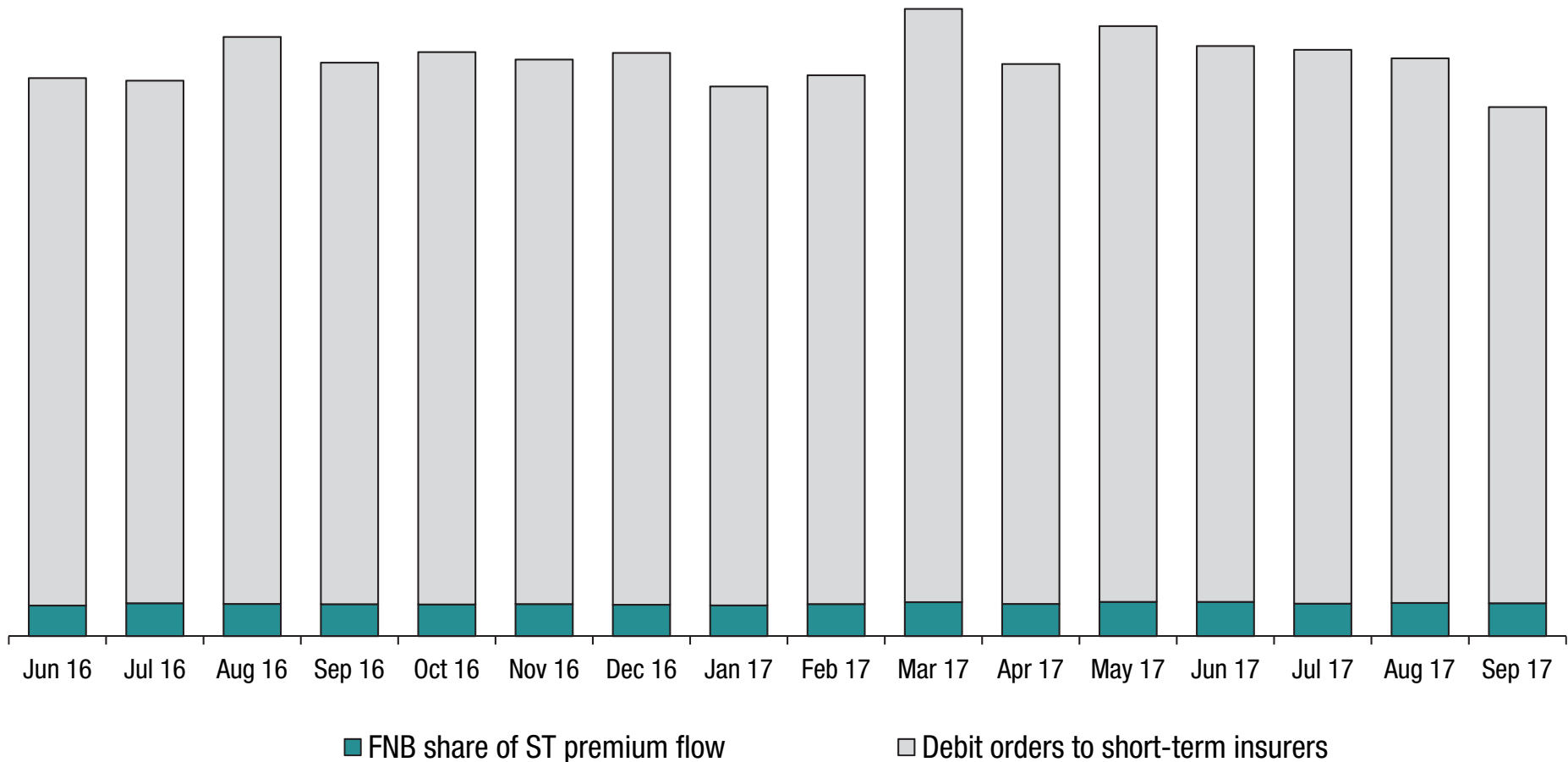
Sell own products to our customers

Use data analytics to offer product to customer when required

Offer better products at better price

Supported by rewards programme

Significant opportunity in our own customer base



Short-term insurance: the real opportunity is in comprehensive (underwriting)

How do we capture the opportunity in this space?

ORGANIC

BUY

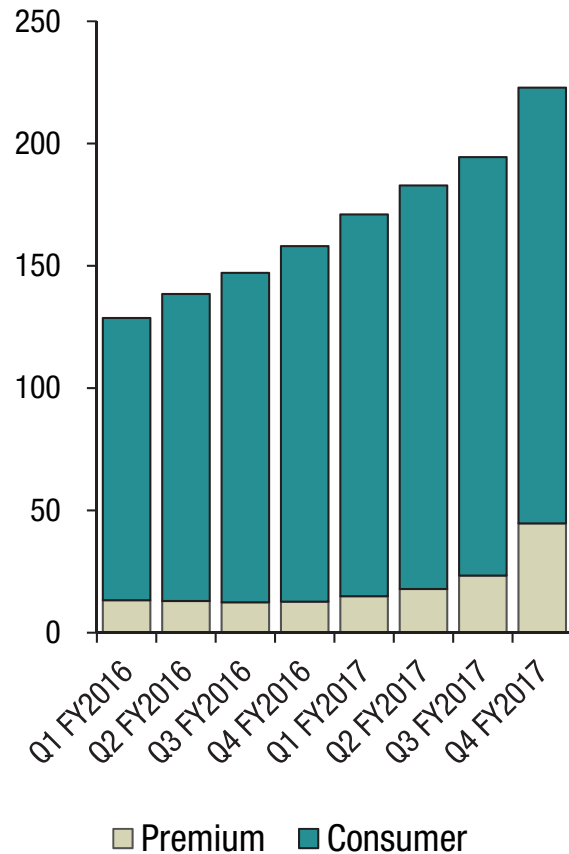
PARTNER

Good traction in FNB insurance –increased penetration of customer base utilising all channels

Penetration

In-force annualised premium on standalone life products

R million



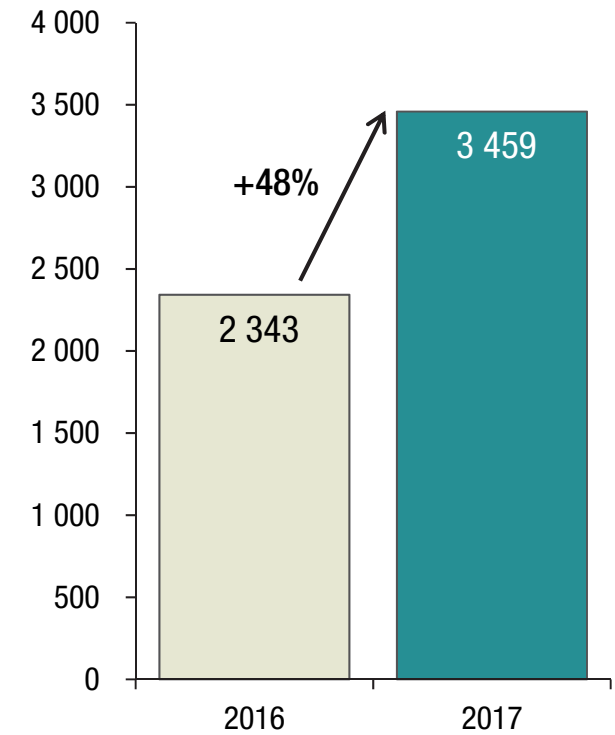
Sales channels

Channel	% of sales
Branch	75
Call centres	13
Digital	8
Other	4

Value creation

Embedded value – life products

R million



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- We have the building blocks:
 - Customer base
 - Distribution channels
 - Product manufacturing capabilities/skills
 - Data analytics
 - Platforms
- Sizeable profit pools
 - Group's current revenue contribution from these activities is small
 - Presents opportunity for growth and diversification
- ROE enhancing
 - Asset management business – capital light
 - Attractive returns in insurance

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