

Building blocks for “Testing Times”

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FNB

175 Years of Help

how can we help you?

Agenda

Succession update

Environment reflection

Differentiation as a key strategy

- part 1 - banking innovation
- part 2 - lifestyle innovation

Market share focus

Credit strategy

Final thoughts

**Strong team
throughout**

New CEO 12 years in FNB
EXCO experienced and stable
Management experienced and stable
Succession well received

**Environment
getting
tougher by the
day**

Macros deteriorating
Regulation intensifying
Competitor responses intensifying

**well
positioned**

**Differentiation
Part 1 –
innovating our
core banking
processes**

Core transactional led
Service differentiation
Innovation resulting in efficiencies



#1 - Innovative regulatory compliance

Need:

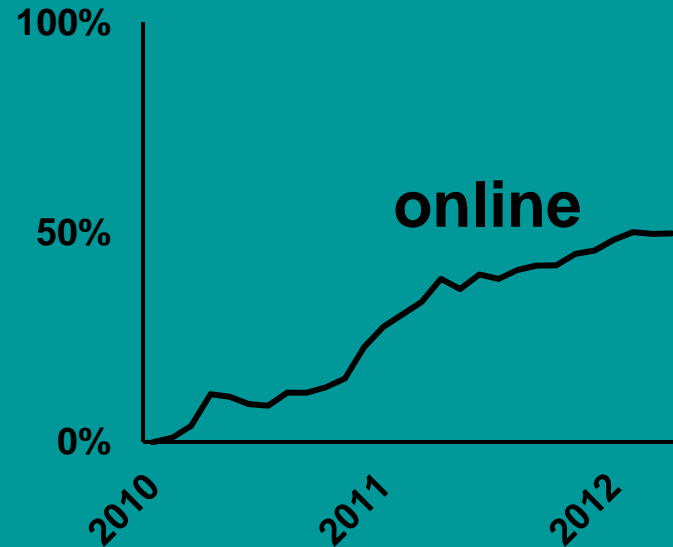
- differentiation
- efficiency

Opportunity:

- exchange control modernisation

Consumer cross-border outward payments

outward swift volume



scale to more customers & countries

#2 - Extract more value from existing

Need:

- differentiation
- move to 'front of wallet'
- 'cash to card' migration

Opportunity

- untraded 'fuel' related value proposition

Consumers buying fuel on cards

customers



scale to more customers & countries

#3 - Introduce new solutions

Need:

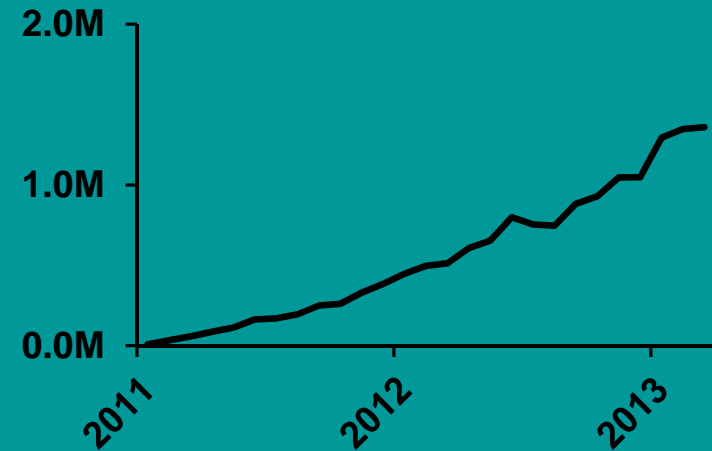
- differentiation
- efficiency

Opportunity:

- smartphones

Consumer mobile banking smart phone app

transaction volume



scale to more customers & countries

#4 - Reinvent old core capability

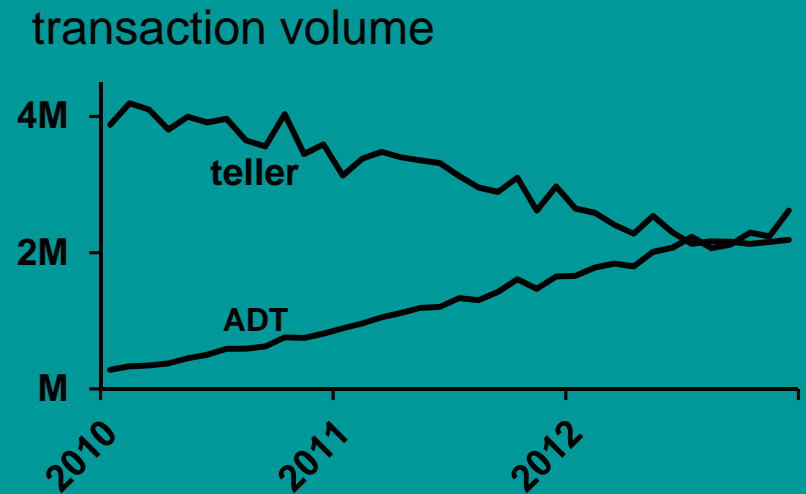
Need:

- differentiation - 24x7 cash deposits
- efficiency – migrate high volume low value manual transactions to self service devices

Opportunity:

- innovative technology

Cash deposit at ADT



**scale to more
customers &
countries**

#5 – Leveraging excess capacity

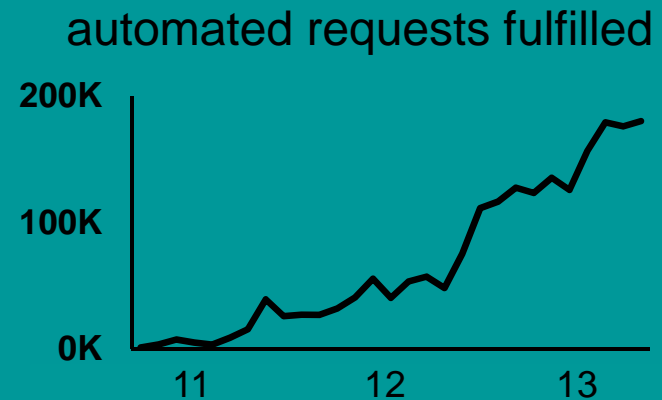
Need:

- VSI

Opportunity:

- innovative leverage of data & technology

Proactive sales and service



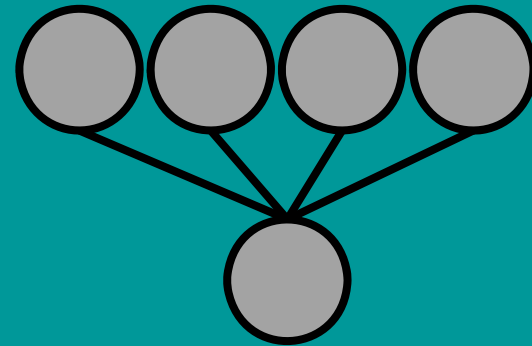
**scale to more
customers &
countries**

#6 - Business architecture to support

Need:

- multiple channels
- conversion rates
- differentiated service
- Efficiency

Integrated, channel agnostic sales and service



scale to more
customers &
countries

**Differentiation
Part 2 -
leveraging
lifestyle value
propositions**

- Airtime - R350m top-ups pm
- Devices - 180k devices
- Air travel - 35k lounge visits pm
- Road travel - 15k assistances pa
- Spoil - R50m eB pm
- Fuel - 300k tanks
- ...

Lifestyle offerings integrated into 'core'

Need:

- differentiation
- VSI
- conversion rates
- profitable behaviour
- retention

Relevant categories
Sufficiently generous
Simple to access/fulfil

**behavioural
economics**

**scale to more
customers &
countries**

**Switching is
delivering
market share
growth**

Retail & Commercial
Clear value differentiation

**effective
distribution &
marketing**

**scale to more
customers &
countries**

**Core
relationship
based asset
growth**

NPL workout impressed
Support core transactional strategy
Better quality
Appropriate pricing
Well positioned for regulatory
changes

**open for
business**

**Focussed on
delivering
superior
shareholder
returns**

Recognise tougher climate ahead
Innovation has become core
Energized, stable experienced team
Building on strong momentum
Significant upside left in 'e'-ing

- engineering
- data

Controlled healthy cost base
Positioned well in SA, Africa, India

**only getting
started**