FIRSTRAND

RESULTS PRESENTATION

for the year ended 30 June 2017

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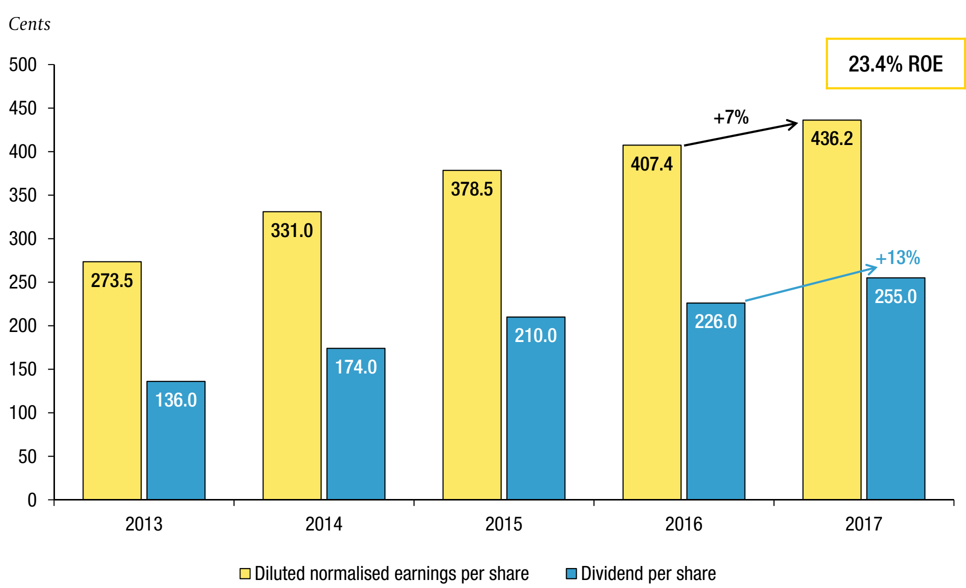
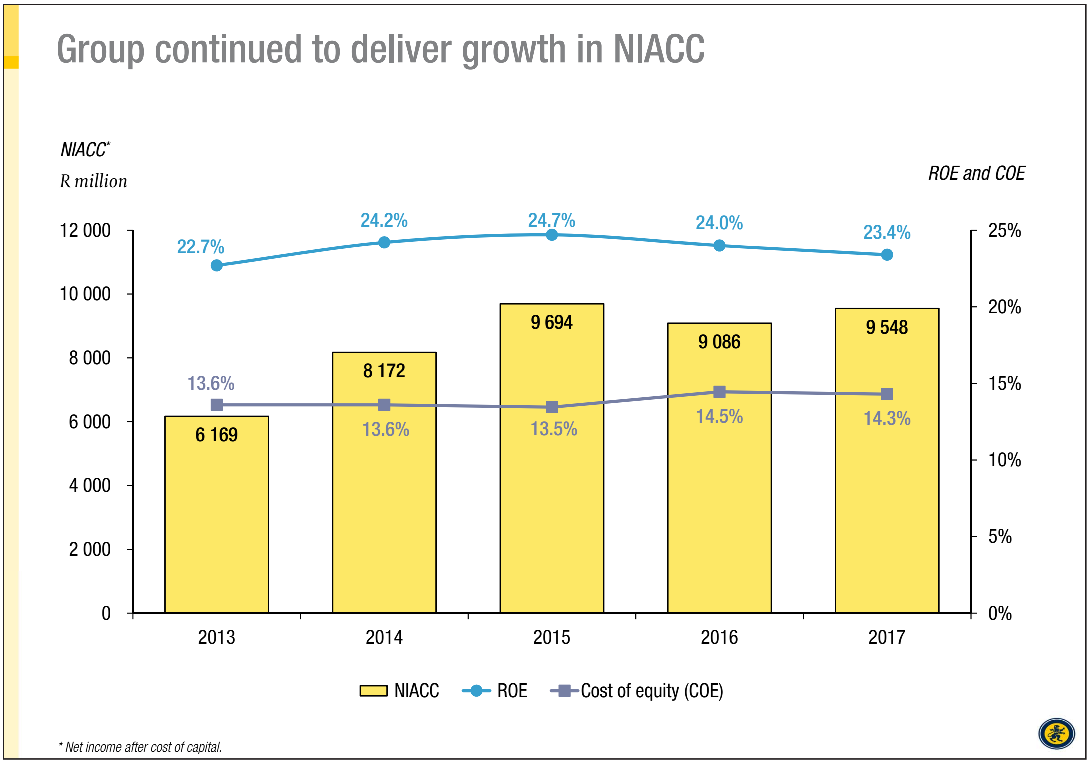
FIRSTRAND

RESULTS
PRESENTATION
for the year ended 30 June 2017

introduction

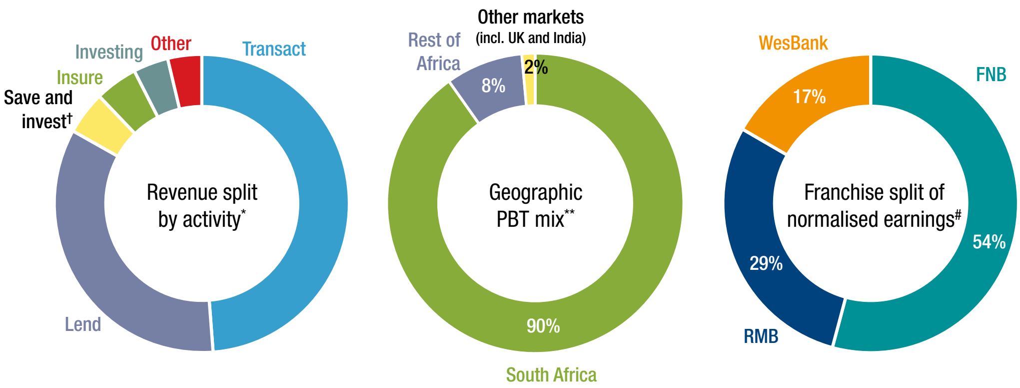
Continued track record of growth in earnings and superior returns




Group continued to deliver growth in NIACC
NIACC*
R million
ROE and COE
12 000
10 000
8 000
6 000
4 000
2 000
0
25%
20%
15%
10%
5%
0%
22.7%
24.2%
24.7%
24.0%
23.4%
13.6%
13.6%
13.5%
14.5%
14.3%
6 169
8 172
9 694
9 086
9 548
2013
2014
2015
2016
2017
NIACC
ROE
Cost of equity (COE)
* Net income after cost of capital.

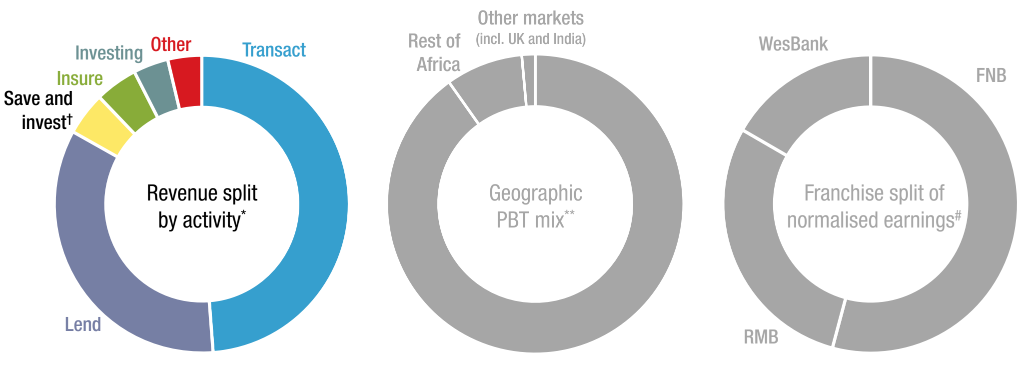

FIRSTRAND
RESULTS
PRESENTATION
for the year ended
30 June 2017
unpacking performance
against strategy

FirstRand's strategy is to diversify portfolio for growth and returns



* Based on gross revenue excluding consolidation adjustments.
** Based on PBT (incl. GTSY), excluding FCC, FirstRand company, consolidation adjustments and NCNR preference dividend.
\# Excludes FCC (incl. GTSY), FirstRand company, consolidation adjustments and NCNR preference dividend.
† Includes deposit taking and investment management.

FirstRand's strategy is to diversify activities for growth and returns



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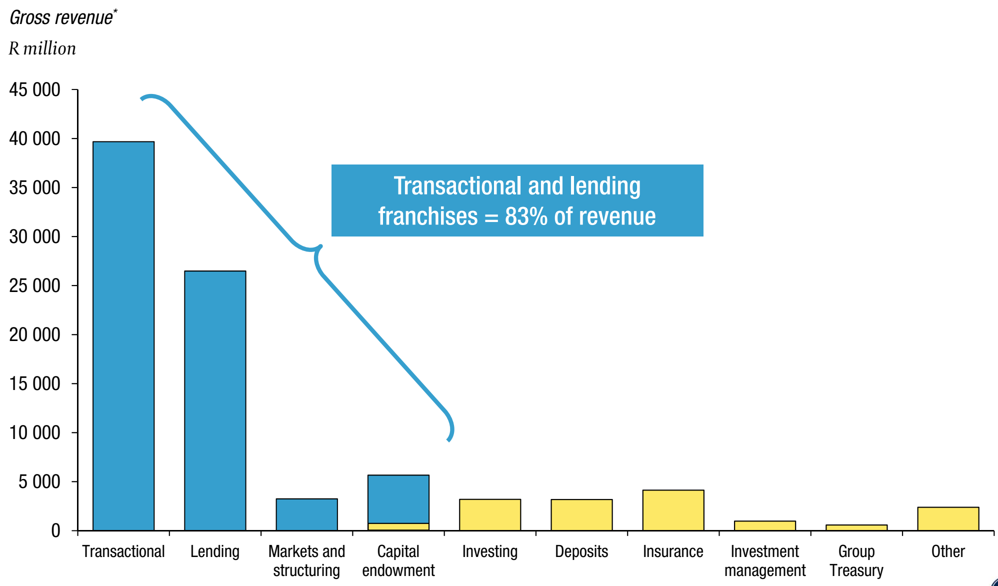
Transactional and lending franchises continue to be substantial contributors

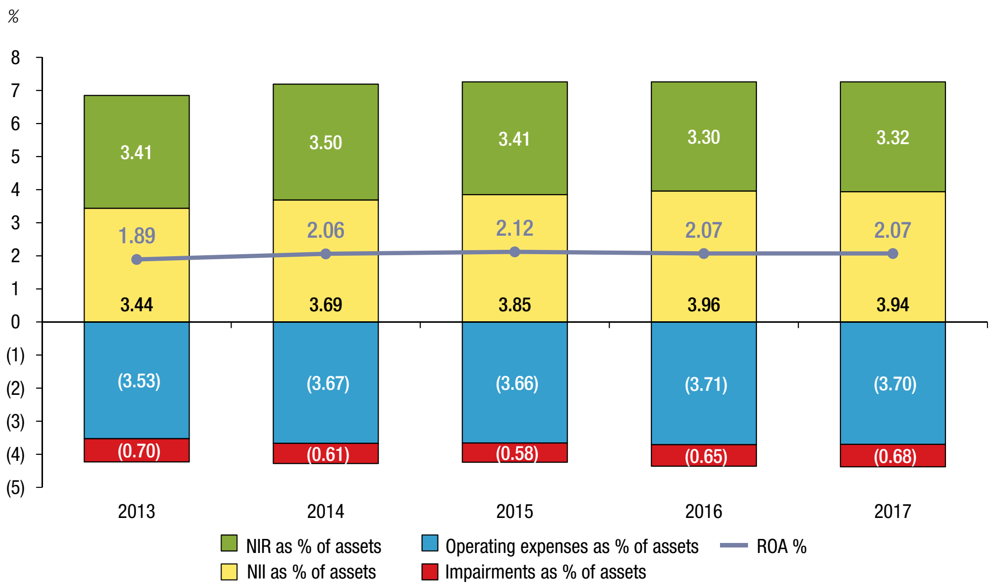


* Excludes consolidation adjustments.

Strategy to protect and grow banking franchises = high quality topline growth

- Core transactional customer acquisition (retail, commercial and corporate)
- Resultant increase in transactional volumes and deposit growth
- Ongoing momentum in cross-sell
- Segment focus delivered appropriate advances growth given the cycle and pricing anchored to protecting returns
- Leveraging market-leading advisory and structuring franchises
- Balance sheet prudency maintained
- Efficiencies achieved resulting in positive jaws

Quality reflected in sustainably higher ROA…



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.

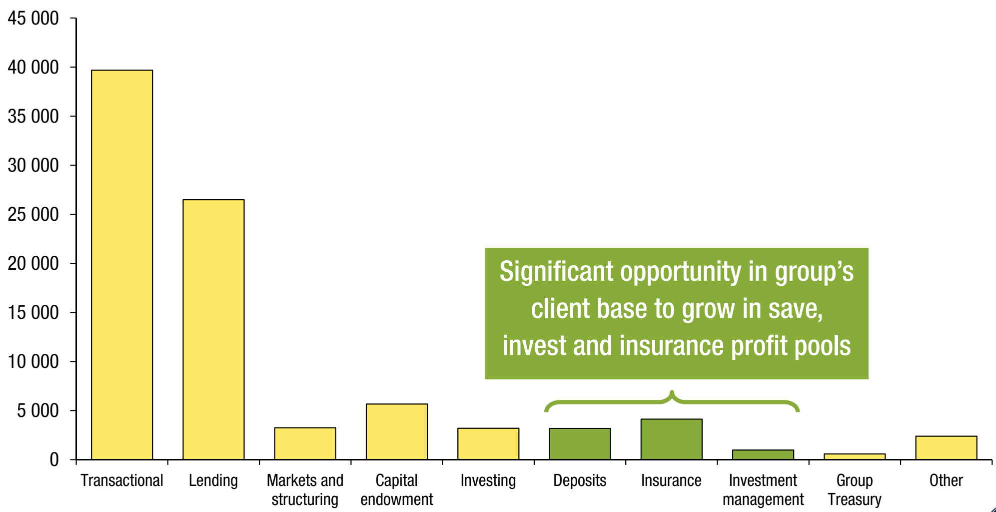
…structurally higher due to portfolio mix and strategic choices

- Relative size of transactional franchise (49% of gross revenue and 78% of NIR)
- Relative advances mix delivers higher risk-adjusted margins
  - VAF (37% of retail advances, average margin 4.34%)
  - Unsecured (16% of retail advances, average margin 12.31%)
  - Lower relative market share of lower-margin, lower-risk lending business (i.e. mortgages 47% of retail advances with average margin of 1.67%)
  - Discipline in generating appropriate returns in corporate lending
- 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 remained consistent generator of high returns
- Incremental benefit of insurance, and save and invest franchises
- Lowest cost-to-income ratio in the peer group

Average margins are net of funds transfer pricing.

Further growth opportunities lie in execution of diversification strategies

*Gross revenue**
R million

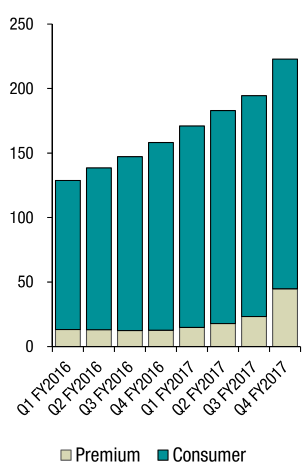


* Excludes consolidation adjustments.

Insurance – FNB increased penetration of customer base utilising all channels

Penetration

In-force annualised premium on standalone life products
R million

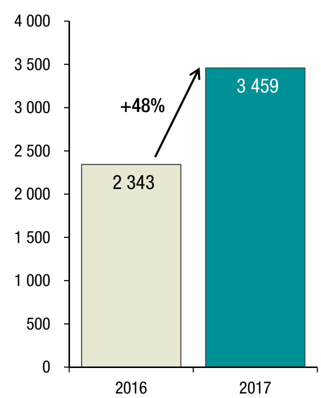


Sales channels

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

Value creation

Embedded value – life products
R million



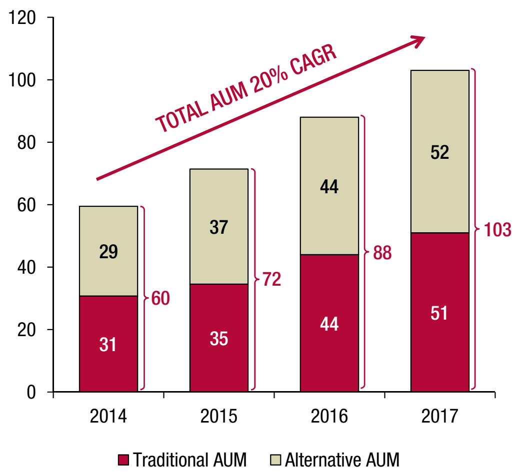
Save and invest – wealth and investment management (WIM) integrated into FNB from 1 July 2017

- WIM building blocks will be better leveraged inside FNB
  - Proven customer ecosystem of products, channels and rewards
- Significantly increase the penetration of investment products into FNB clients
- Necessary foundations for long-term sustainability have been built, but further investment in platforms and systems continues
- Pure asset management functions remain in Ashburton Investments

Ashburton Investments' AUM growth from good penetration of institutional and retail markets

*Assets under management**

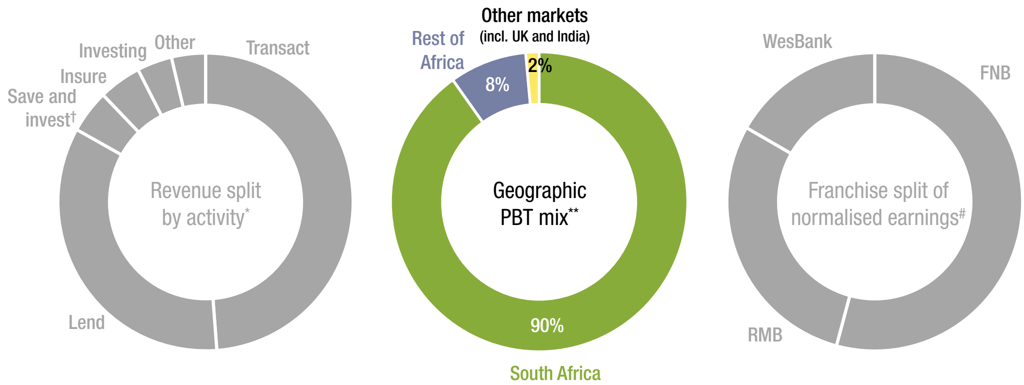
R billion



- 20% CAGR in AUM vs 0.4% CAGR of market return
- Good take-up in fixed income mandates of multi-asset credit
- Differentiated products and solid investment performance attracting flows from IFAs and FNB customers

* *AUM excludes conduits, and is shown for pure asset management business.*

FirstRand's strategy is to diversify geographically for growth and returns



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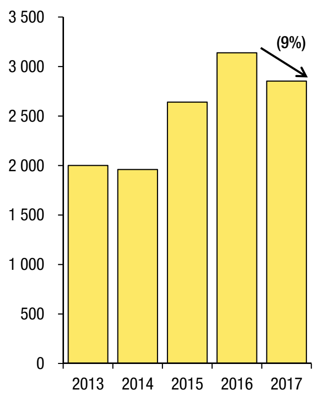
Unpacking the group's approach to the rest of Africa

- Committed to long-term opportunity
- Fundamentally organic – long-term payoff profile
- Focus on scaling and better leveraging existing portfolio
  - Need to disrupt in retail
  - Stronger focus on CCIB
  - Broadening financial services in mature markets, organically or through bolt-on acquisitions (e.g. Pointbreak in Namibia)

Group's rest of Africa performance reflects mixed picture between retail and CIB

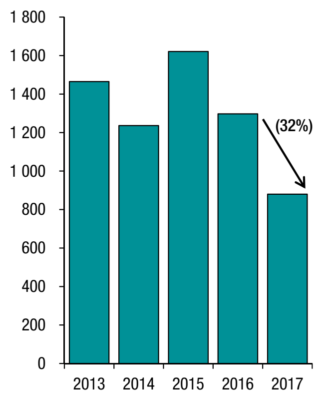
*Group rest of Africa PBT**

R million



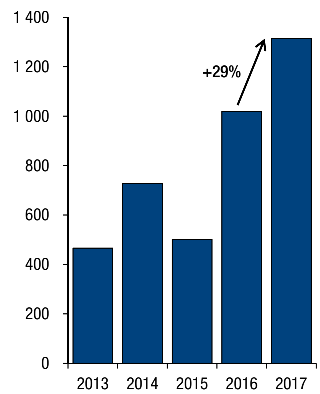
*FNB rest of Africa PBT**

R million



*RMB rest of Africa PBT**

R million



Overall subsidiaries ROE 12.0%, mature subsidiaries ROE ** 21.7%**

* *Strategy view – includes in-country and cross-border activities. Includes GTSY, but excludes FCC, FirstRand company, consolidation adjustments and NCNR preference dividend. GTSY profits were included in FNB numbers for years prior to 2015. FNB includes India.*

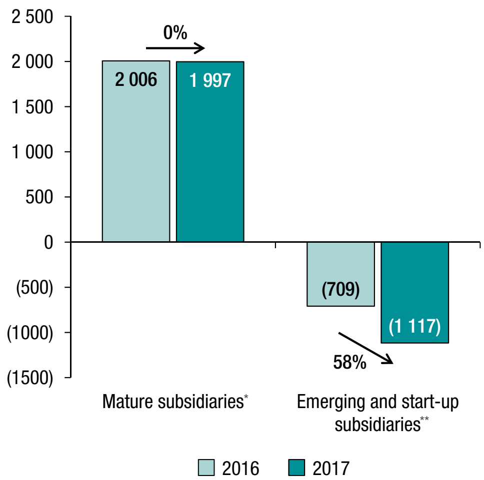
** *ROE based on legal entity (in-country) view.*

Note: RMB and consequently group comparatives have been restated for refinement in cross-border cost allocation methodology.

FNB Africa – macros, regulatory headwinds and investment drag impact performance

Normalised PBT

R million



Mature subsidiaries – return profile preserved despite flat PBT

- Good operational performance in Botswana
- Namibia – resilient topline growth offset by regulatory costs
- Swaziland – profits only slightly lower in spite of legislated removal of cash deposit fees

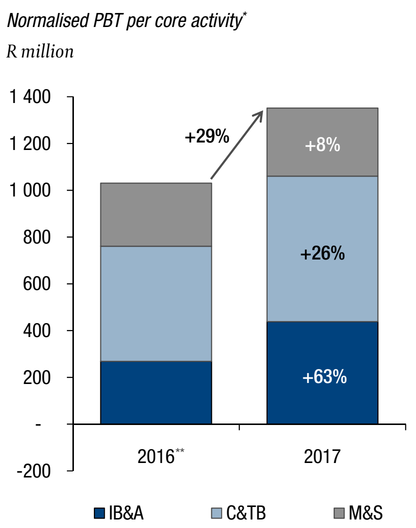
Emerging and start-up subsidiaries

- Higher bad debts due to tough macros, especially in Mozambique
- Ongoing investment drag (Tanzania, Ghana)

* *Mature subsidiaries: Botswana, Namibia, Swaziland.*

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

Rest of Africa key to RMB's strategy at 13% of total profits and growing strongly



- Rest of Africa delivered 29% growth year-on-year:
  - IB&A benefited from balance sheet growth and conservative credit provisioning in prior periods
  - C&TB driven by growth in deposits and increased demand for trade products
  - M&S results supported by strong structuring fee income and market volatility

* *Strategy view including in-country and cross-border activity. Excludes central portfolios.*
** *Comparatives have been restated for refinement in cross-border cost allocation methodology.*

Developed markets – building blocks for a sustainable business

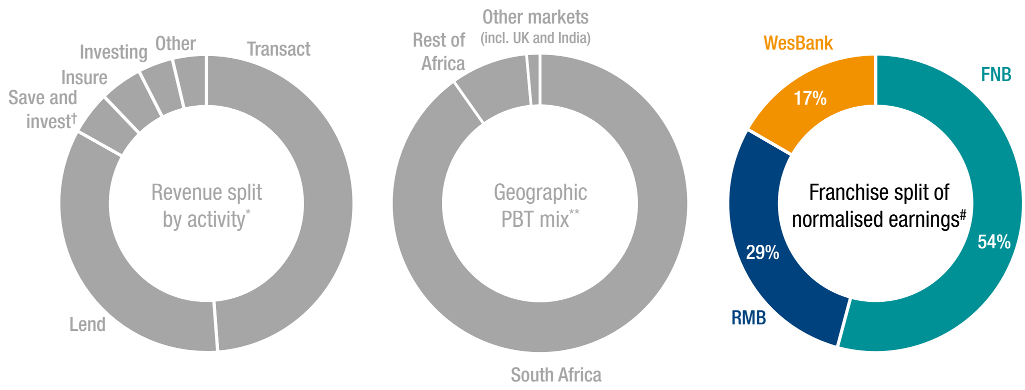
FUNDING

- Deposit franchise
- Hard-currency funding
- Client expansion and cross-border demand
- Counterparty status

PRODUCT AND SEGMENT DIVERSIFICATION

- Expand on the success of MotoNovo
- Further leverage FNB capabilities
- Scale

FirstRand's strategy is to diversify franchises for growth and returns



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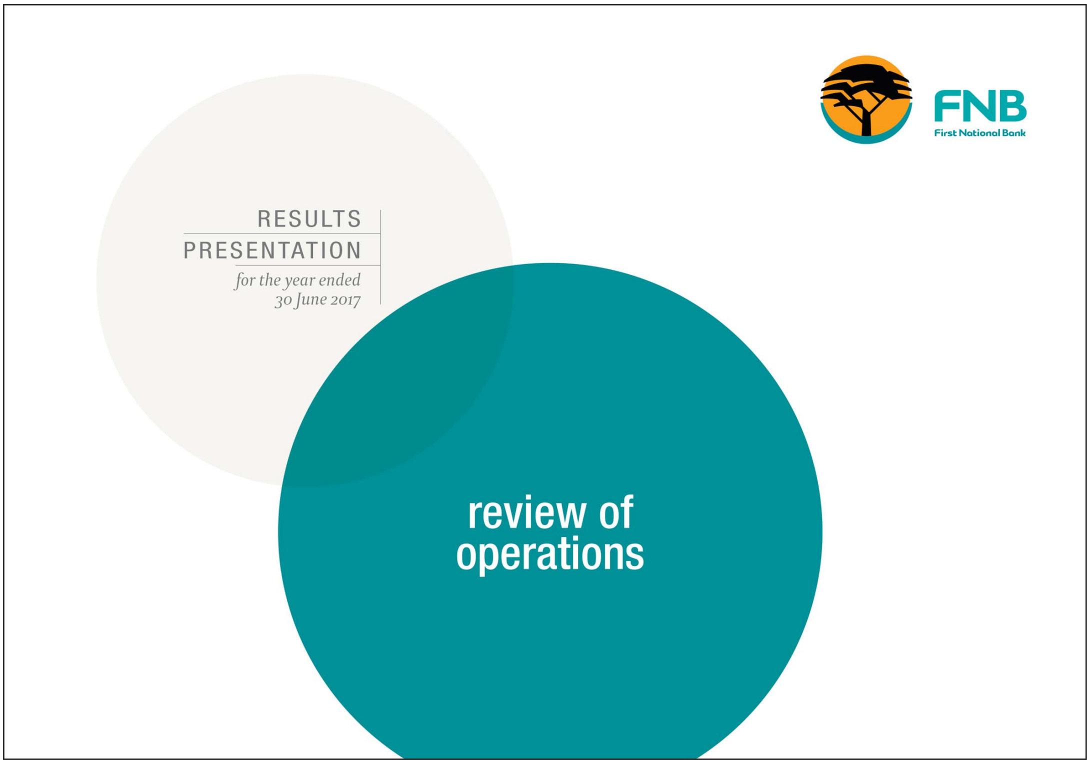
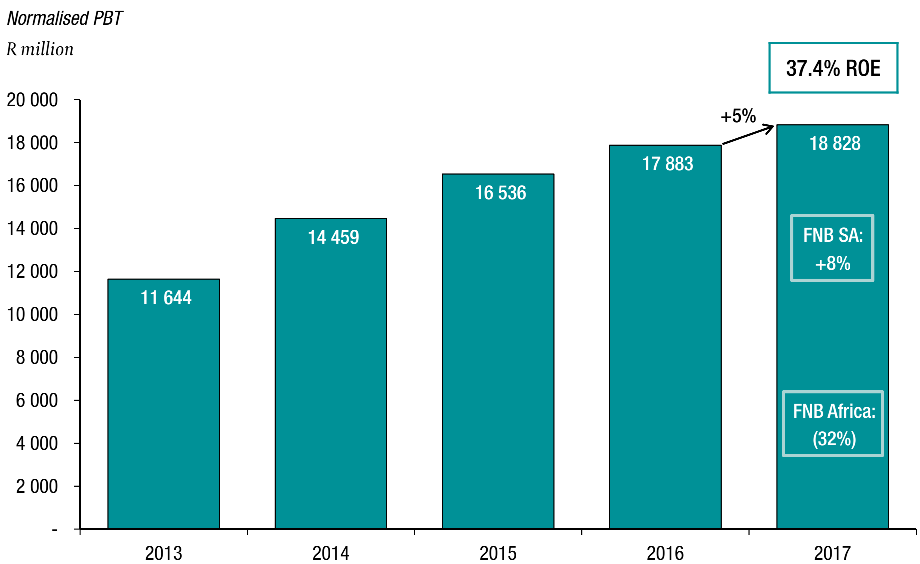
Franchises produced solid operational performances

Normalised earnings *R million*	2017	2016*	% change	ROE %
FNB	**12 947**	12 294	5 ▲	37.4
RMB	**6 955**	6 287	11 ▲	26.2
WesBank	**3 996**	3 927	2 ▲	20.0

* Comparatives were restated for segmentation changes.



Strong domestic franchise performance impacted by weak macros in the rest of Africa

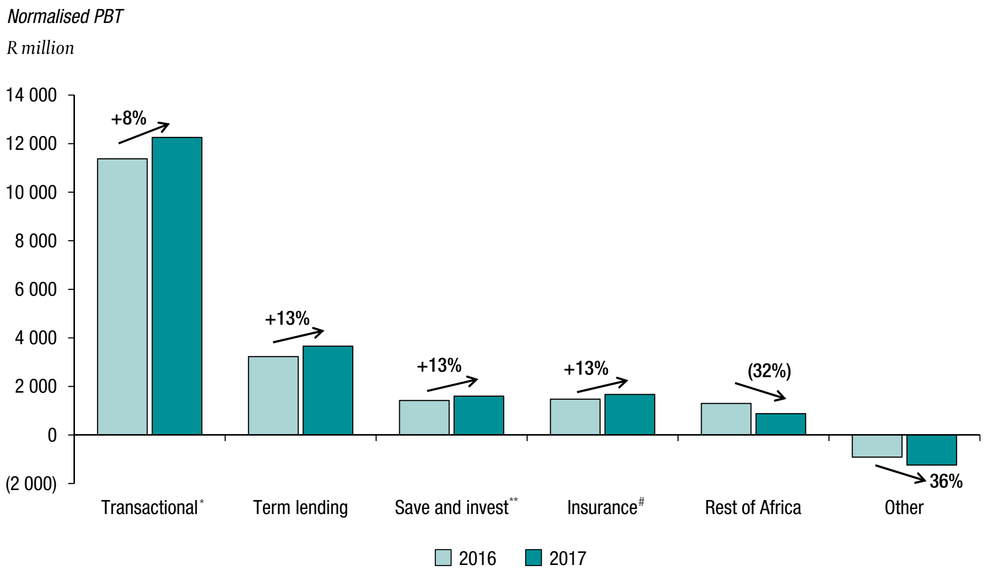


Years prior to 2015 have not been restated for refined rest of Africa segmentation. Years prior to 2014 have not been restated for allocation of FCC costs and return on capital.

Reflects success of consistent strategy

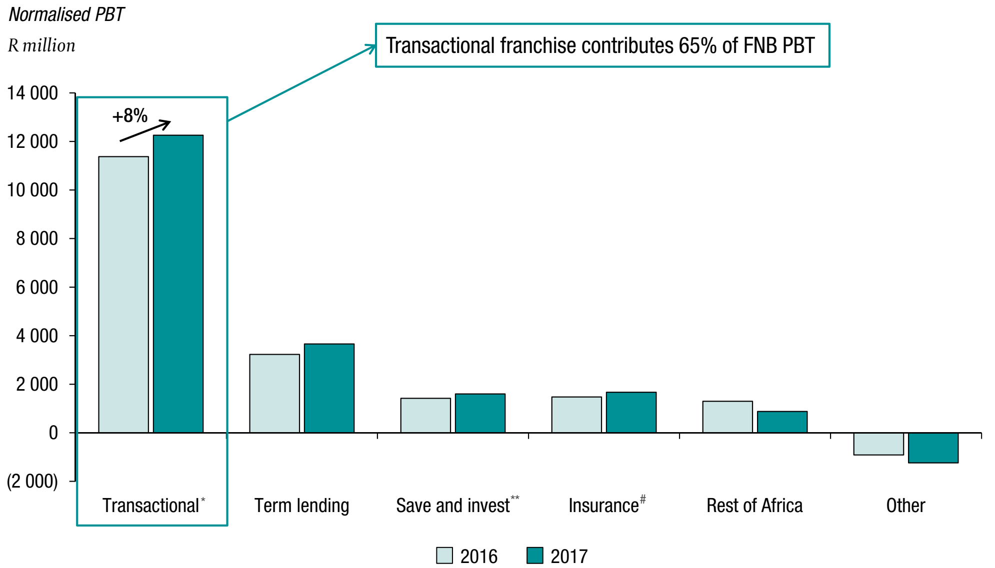
- Grow and retain core transactional accounts
- Digital platforms provide cost effective and innovative transactional volume propositions to customers
- Use rewards programme, customer relationships and data analytics to cross-sell and up-sell broad range of financial services products (particularly insurance and investment products)
- Apply disciplined origination strategies
- Provide innovative savings products to grow retail deposit franchise
- Right-size physical infrastructure to achieve efficiencies

Activity view of FNB performance



* Transactional includes transactional deposit products and deposit endowment, overdrafts and credit cards.
** Save and invest includes non-transactional deposits.
\# Insurance includes embedded credit protection.

Transactional franchise resilient despite headwinds



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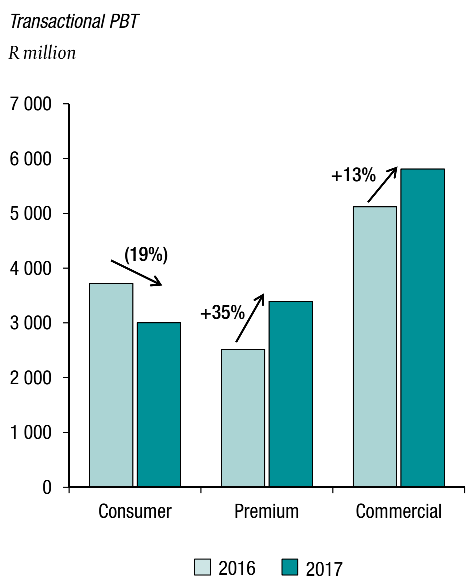
Transactional franchise in commercial and premium grew strongly, offset by impact of simplifying consumer offering



- Good customer growth: +3% in consumer, +7% in premium and +11% in commercial
- Good traction in cross-sell and up-sell in premium and commercial
- Consumer performance impacted by fee reductions and product simplification
- 10% growth in overall volumes and continued e-migration to cheaper channels
- Benefited from endowment impact

Transactional franchise benefiting from e-migration strategy despite short-term revenue squeeze

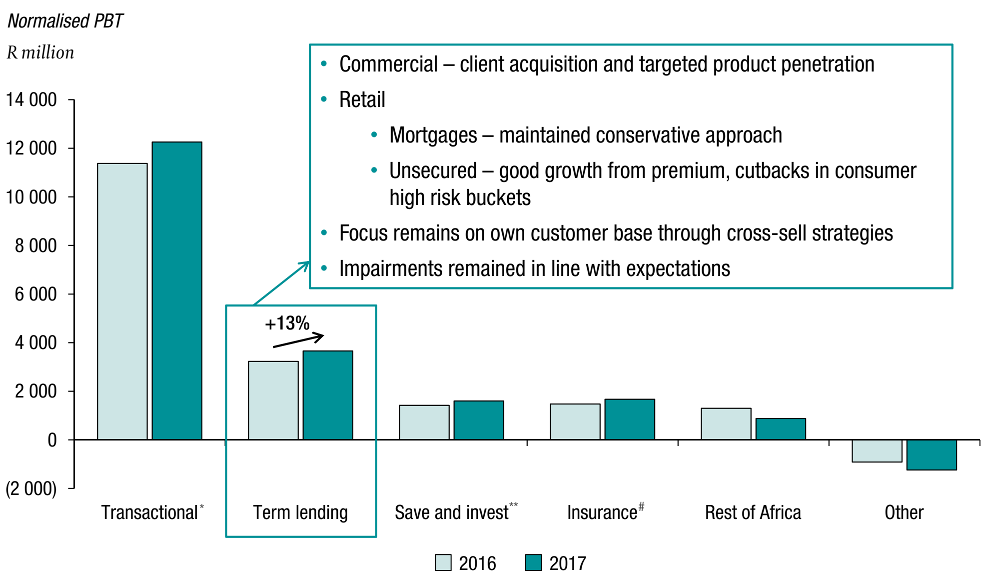
- Digitisation strategies support:
  - Customer acquisition and retention
  - Cross-sell
  - Shift in branch activity from service to sales
    - Volumes at tellers halved over past 5 years
    - Sales increased 25% over the same period
    - Over 5 years, branch cash deposits down 68% and ADT cash deposits up 85%
  - Sales through digital channels up 82% since 2015

Faster-than-expected e-migration results in revenue squeeze

		Year-on-year change in transaction volumes %
Strong growth (lower fees)	Mobile	20
	Internet banking	7
	Point-of-sale	11
	Banking app	68
	ADT/ATM cash deposits	13
Volumes contracting (higher fees)	Branch	
	– Withdrawals	(19)
	– Deposits	(32)

Term lending performance reflects targeted origination strategies

- Commercial – client acquisition and targeted product penetration
- Retail
  - Mortgages – maintained conservative approach
  - Unsecured – good growth from premium, cutbacks in consumer high risk buckets
- Focus remains on own customer base through cross-sell strategies
- Impairments remained in line with expectations



* Transactional includes transactional deposit products and deposit endowment, overdrafts and credit cards.
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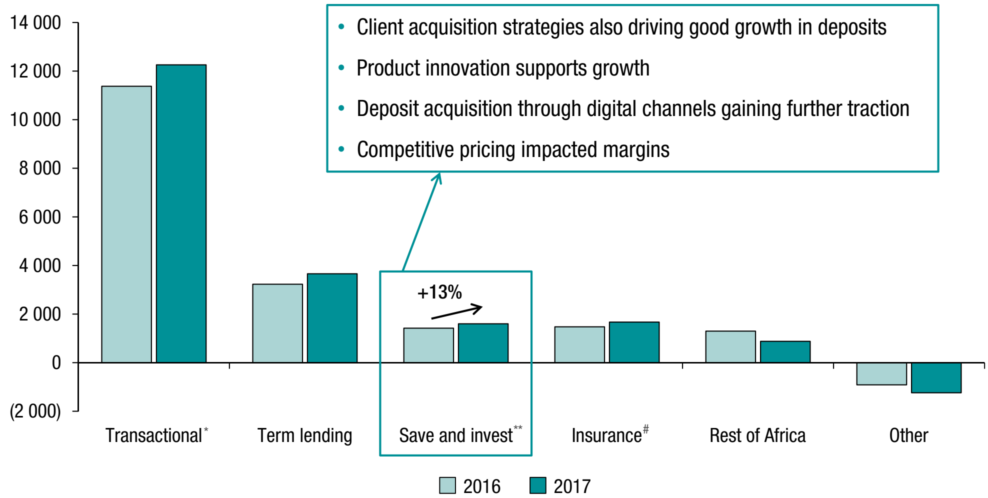
Strong growth in deposits of 12%, but at lower margins

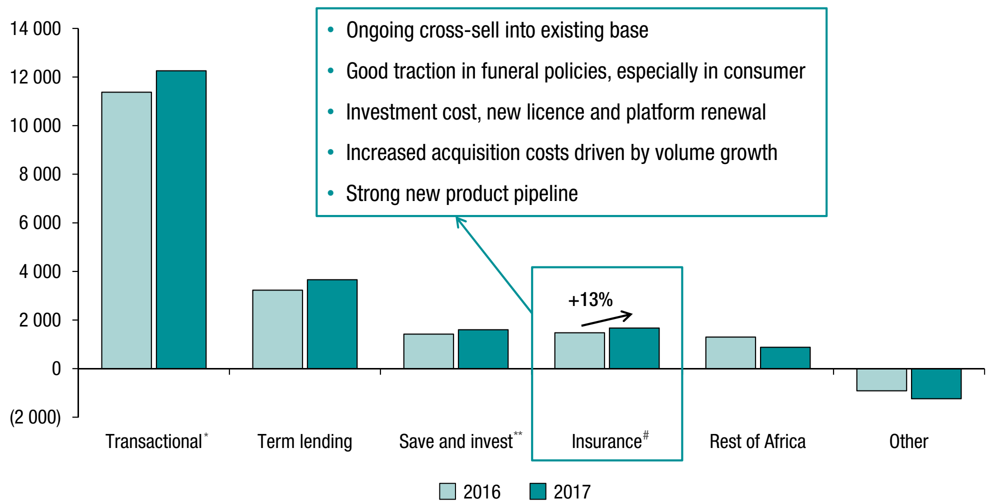
Normalised PBT
R million



* *Transactional includes transactional deposit products and deposit endowment, overdrafts and credit cards.*
** *Save and invest includes non-transactional deposits.*
# *Insurance includes embedded credit protection.*

Good traction in insurance revenues up 13% with 3.2 million policies now in issue

Normalised PBT
R million



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** *Save and invest includes non-transactional deposits.*
# *Insurance includes embedded credit protection.*

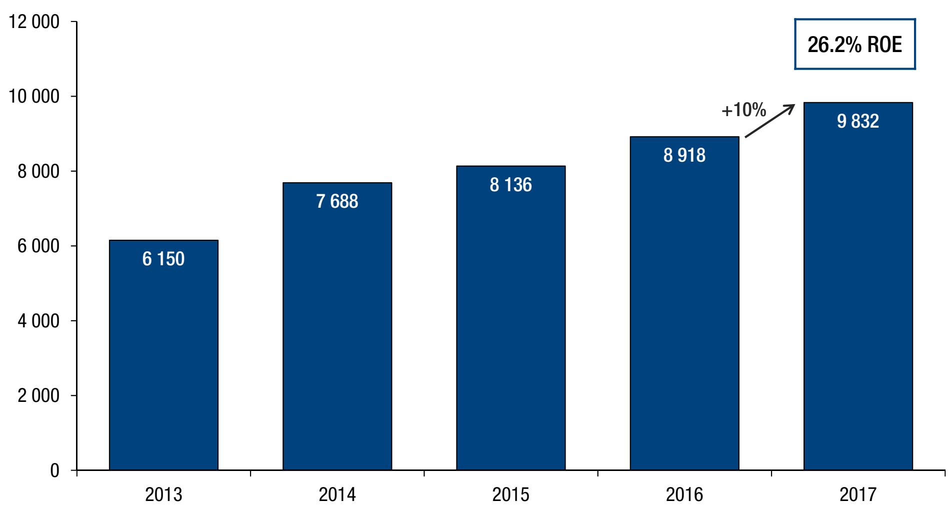
RMB

RESULTS
PRESENTATION
for the year ended 30 June 2017

review of operations

Solid operational performance sustained premium returns

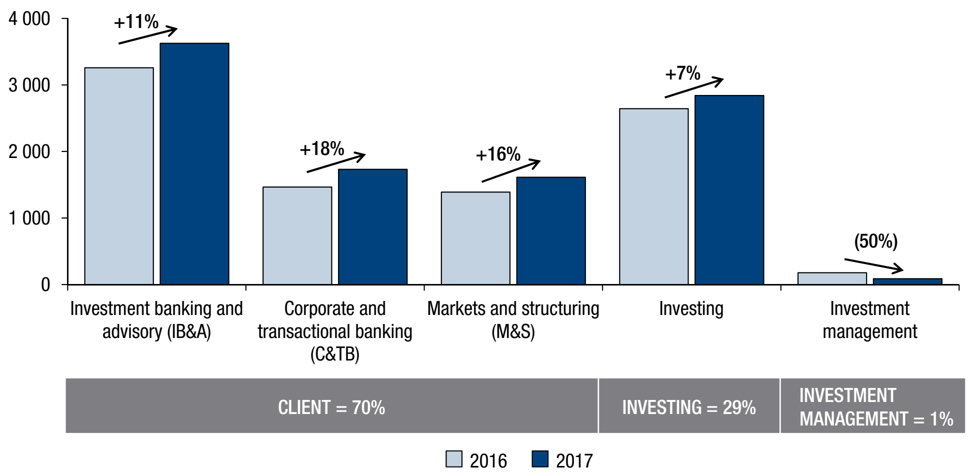
Normalised PBT
R million



Years prior to 2015 have not been restated for refined rest of Africa segmentation. Years prior to 2014 have not been restated for allocation of FCC costs and return on capital.

Focused client strategies and cost management underpinned performance

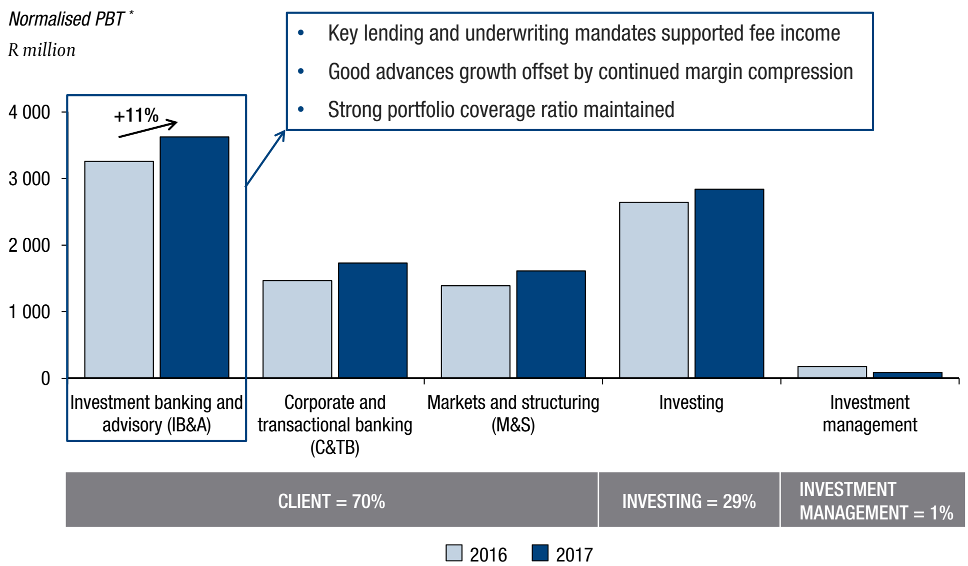
Normalised PBT *
R million



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

IB&A earnings remained resilient

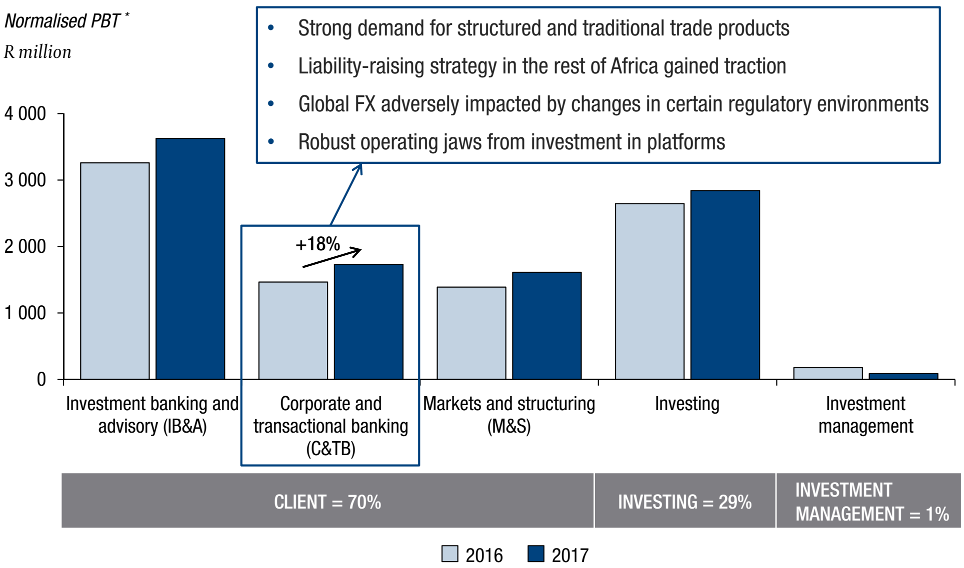
Normalised PBT *
R million



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

C&TB performance benefited from investment into rest of Africa strategy and platforms

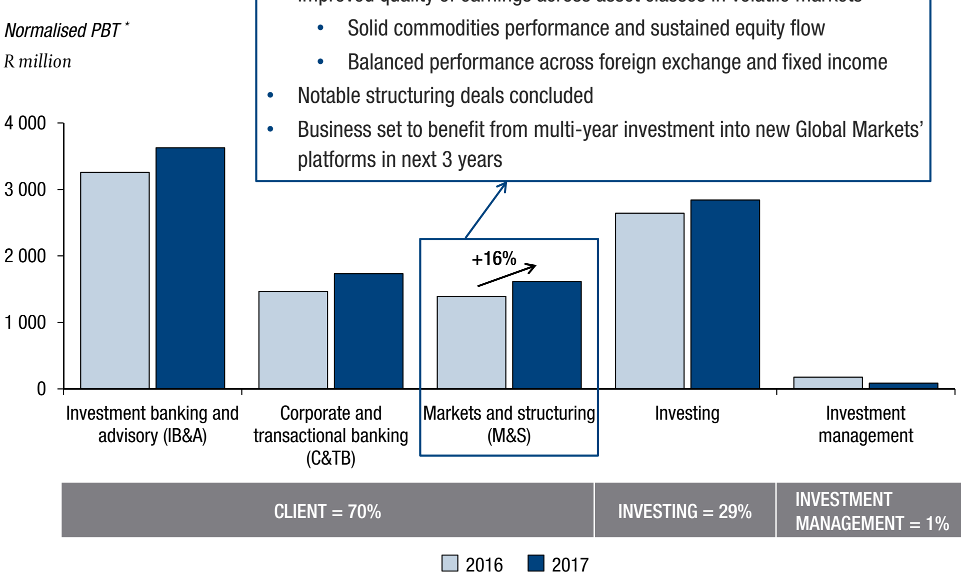
- Strong demand for structured and traditional trade products
- Liability-raising strategy in the rest of Africa gained traction
- Global FX adversely impacted by changes in certain regulatory environments
- Robust operating jaws from investment in platforms



* Excludes RMB Resources, legacy and head office portfolios.

Diversified M&S offering driven by strong client flows

- Improved quality of earnings across asset classes in volatile markets
  - Solid commodities performance and sustained equity flow
  - Balanced performance across foreign exchange and fixed income
- Notable structuring deals concluded
- Business set to benefit from multi-year investment into new Global Markets' platforms in next 3 years

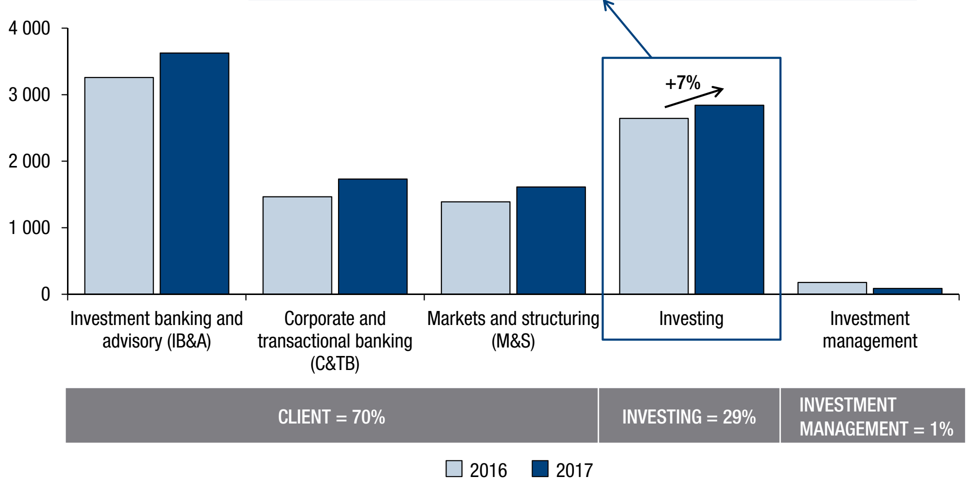


* Excludes RMB Resources, legacy and head office portfolios.

Large realisation underpinned Investing performance

- Solid annuity earnings despite tough macros
- New acquisitions contributed towards replenishment of diversified portfolio
- Quality of portfolio underpins healthy R3.7 billion unrealised value

Normalised PBT *
R million



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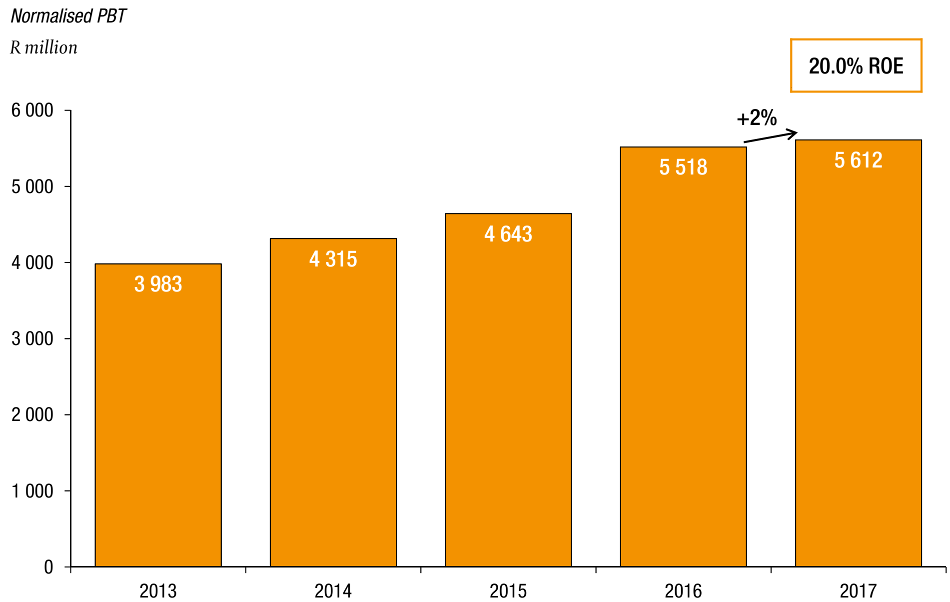
WesBank

RESULTS PRESENTATION
for the year ended 30 June 2017

review of operations

Resilient performance in difficult environment



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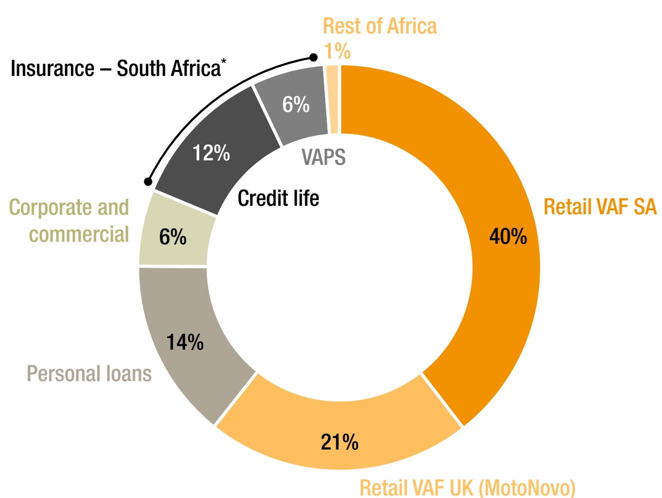
Diversity underpins resilience

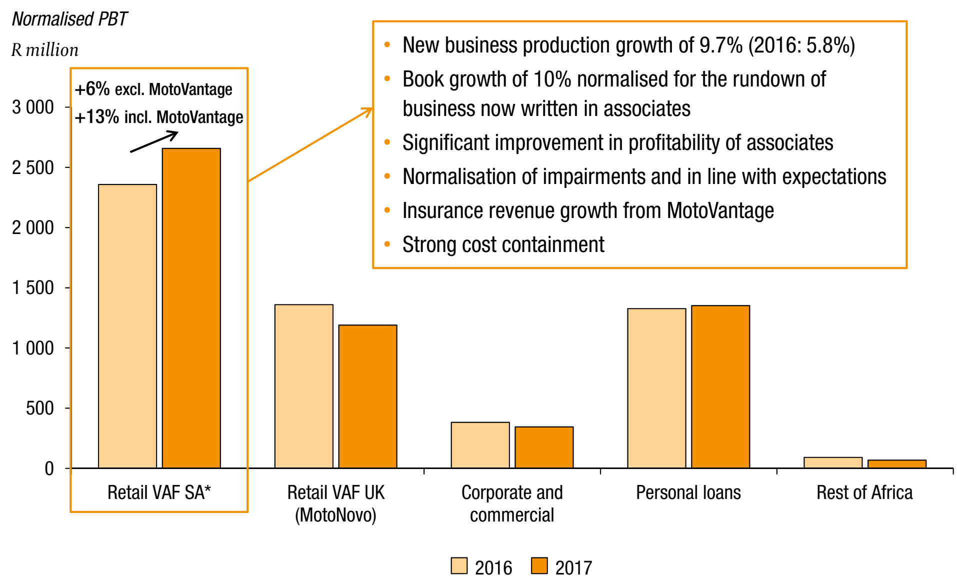
Normalised PBT split



* *Insurance profits are included in SA retail VAF, personal loans, and corporate and commercial results in the Analysis of financial results booklet and the remainder of the WesBank operating review slides.*

Operational performance from local VAF enhanced by MotoVantage acquisition

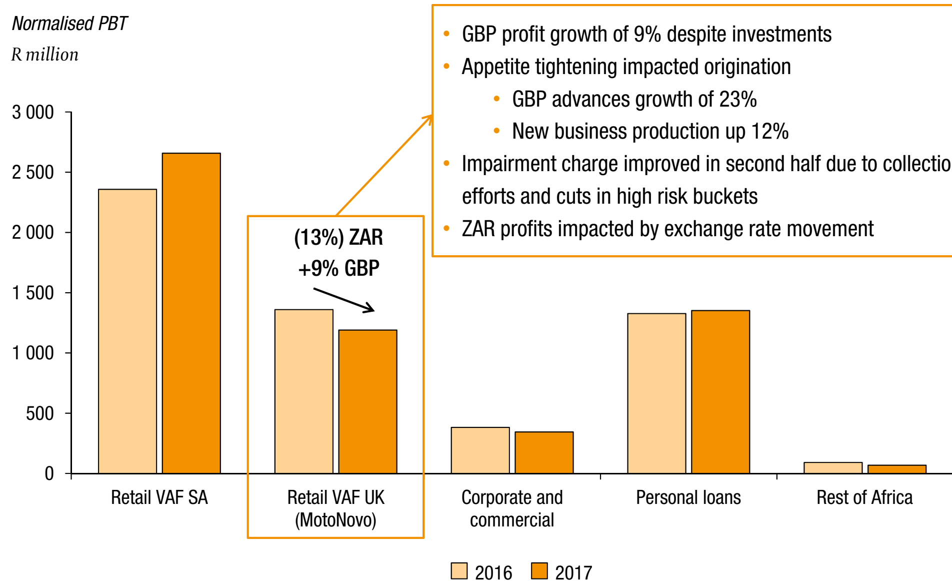
- New business production growth of 9.7% (2016: 5.8%)
- Book growth of 10% normalised for the rundown of business now written in associates
- Significant improvement in profitability of associates
- Normalisation of impairments and in line with expectations
- Insurance revenue growth from MotoVantage
- Strong cost containment



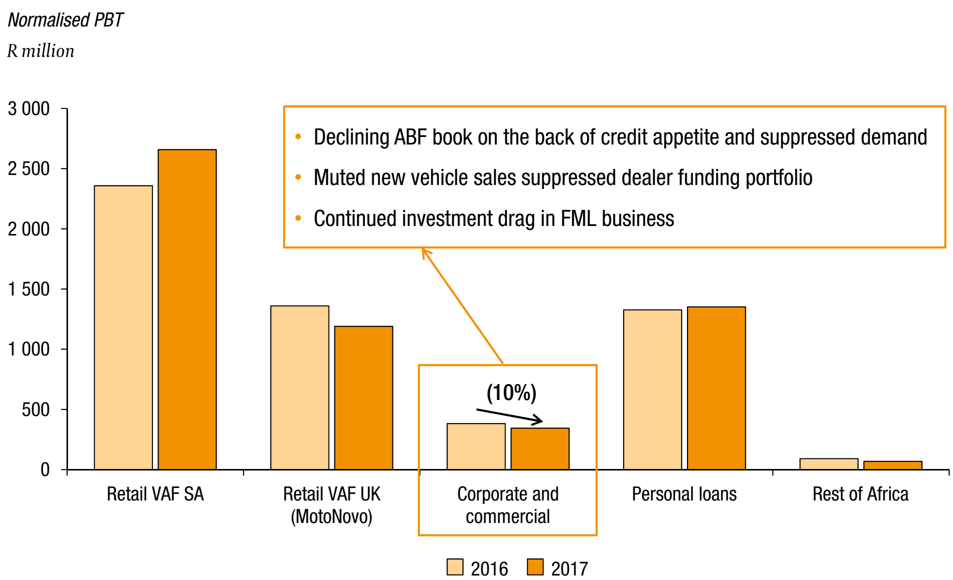
* Retail VAF SA includes MotoVantage.

MotoNovo performance reflects origination adjustments and currency impact

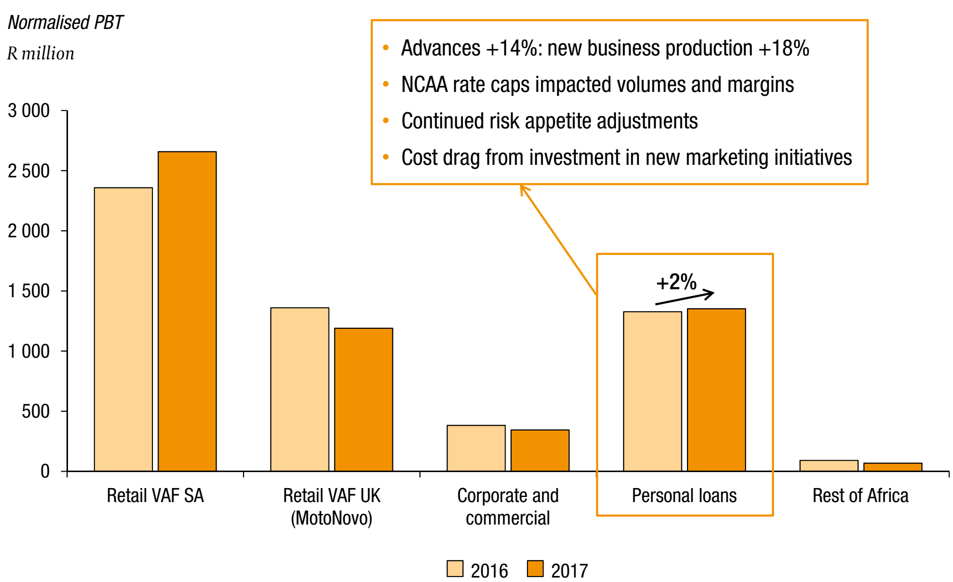
- GBP profit growth of 9% despite investments
- Appetite tightening impacted origination
  - GBP advances growth of 23%
  - New business production up 12%
- Impairment charge improved in second half due to collection efforts and cuts in high risk buckets
- ZAR profits impacted by exchange rate movement



Corporate and commercial impacted by lower demand and protection of returns



Personal loans impacted by investment drag and regulatory changes



FIRSTRAND

RESULTS PRESENTATION
for the year ended 30 June 2017

financial review

Performance highlights (normalised)

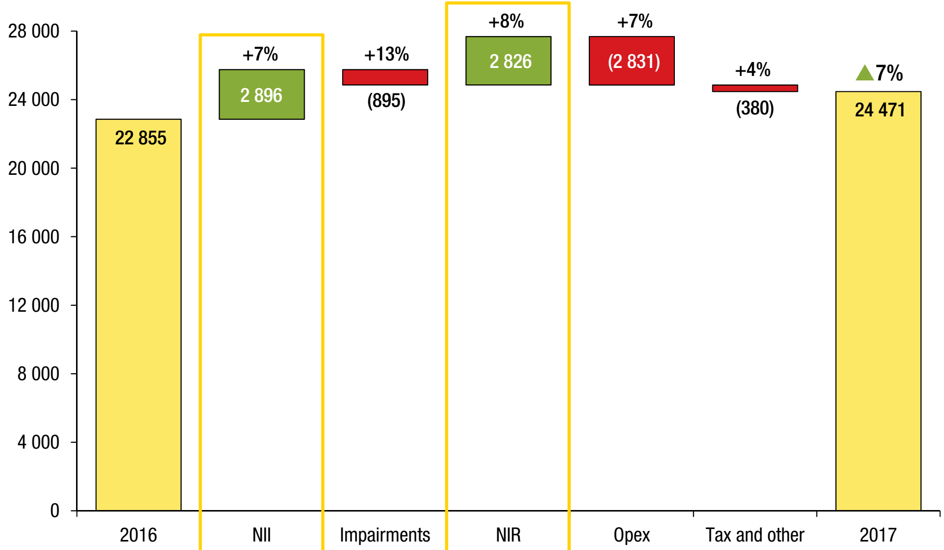
	2017	2016	% change
Diluted EPS (cents)	**436.2**	407.4	7 ▲
Dividend per share (cents)	**255.0**	226.0	13 ▲
Earnings (R million)	**24 471**	22 855	7 ▲
NIACC (R million)	**9 548**	9 086	5 ▲
Net asset value per share (cents)	**1 941.7**	1 779.0	9 ▲
Net interest margin (%)	**5.26**	5.28	▼
Credit loss ratio (%)	**0.91**	0.86	▲
Cost-to-income ratio (%)	**51.0**	51.1	▼
Return on assets (%)	**2.07**	2.07	–
Return on equity (%)	**23.4**	24.0	▼
CET1 ratio* (%)	**14.3**	13.9	▲

* *Includes unappropriated profits.*

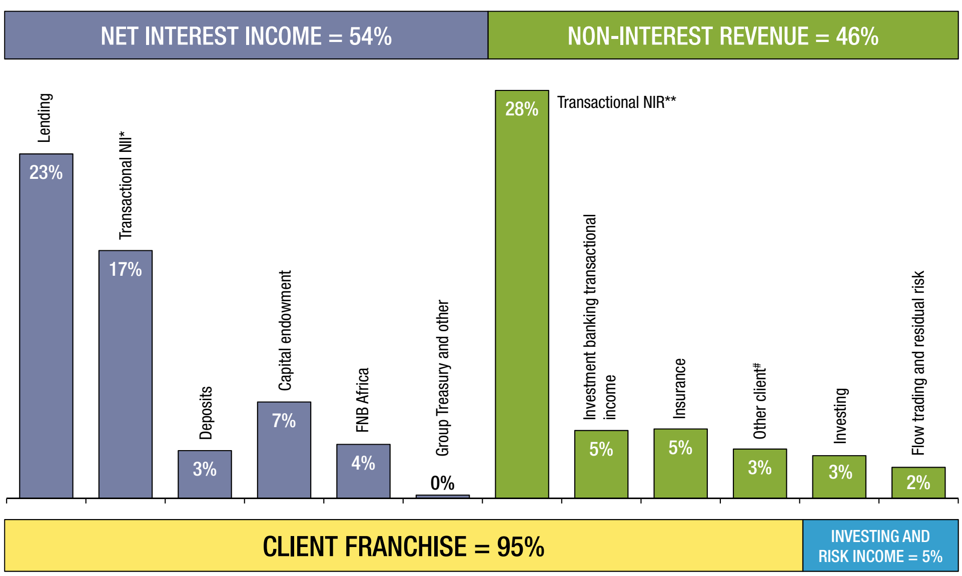
High quality topline growth

Normalised earnings

R million

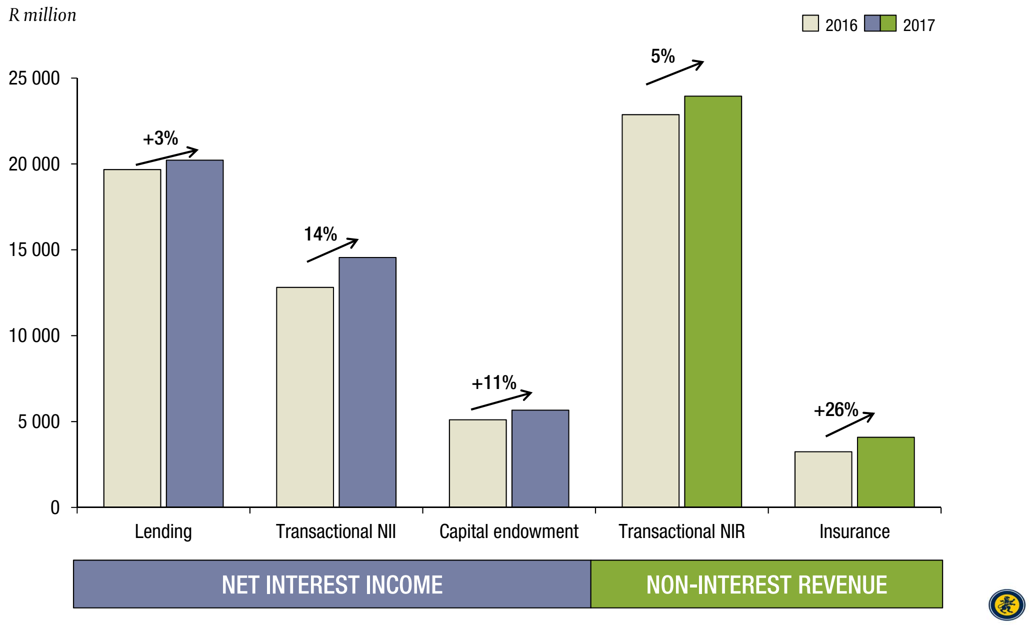


Revenue composition reflects strength of client franchise



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

Topline growth reflects execution of strategy



High quality topline growth

NII benefited from deposit strategy and endowment

*Net interest income** *R million*	2017	2016#	% change
Lending	**20 221**	19 674	3
Transactional NII**	**14 552**	12 812	14
Deposits	**2 811**	2 782	1
Capital endowment	**5 664**	5 104	11
Group Treasury	**583**	730	(20)
FNB Africa	**3 178**	2 730	16
Other NII in operating franchises	**(383)**	(102)	>100
Total net interest income	**46 626**	43 730	7

* *After taking funds transfer pricing into account.*
** *Includes NII relating to transactional deposit products and related deposit endowment, overdrafts and credit cards.*
\# *Numbers restated to reflect refined allocation methodology for lending. Refer to Analysis of financial results booklet for more detail.*

Unpacking Group Treasury NII

Capital endowment benefited from higher level of rates and capital

- Interest on capital endowment +>R560 million

Group Treasury activities

- Financial resource management activities +>R120 million
- ALM strategies, and interest rate and FX management (>R20 million)

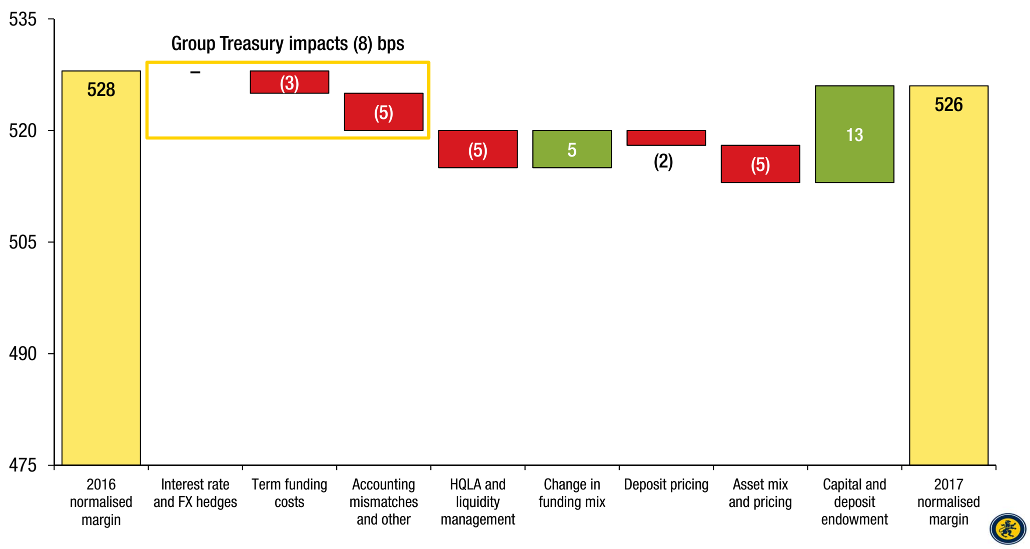
Accounting volatility in Group Treasury NII

- MTM on fair value of structured funding (>R360 million)
- Other* +>R100 million

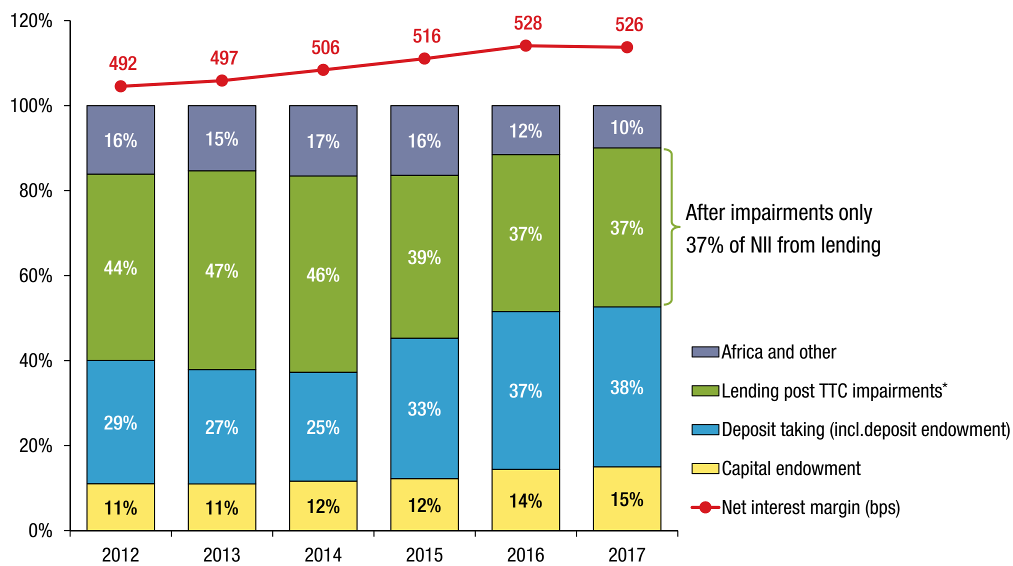
* *This includes London Branch and other mismatches in Group Treasury.*

Margin pressure from pricing and regulatory drag mitigated by funding strategies and endowment

Margin
Basis points

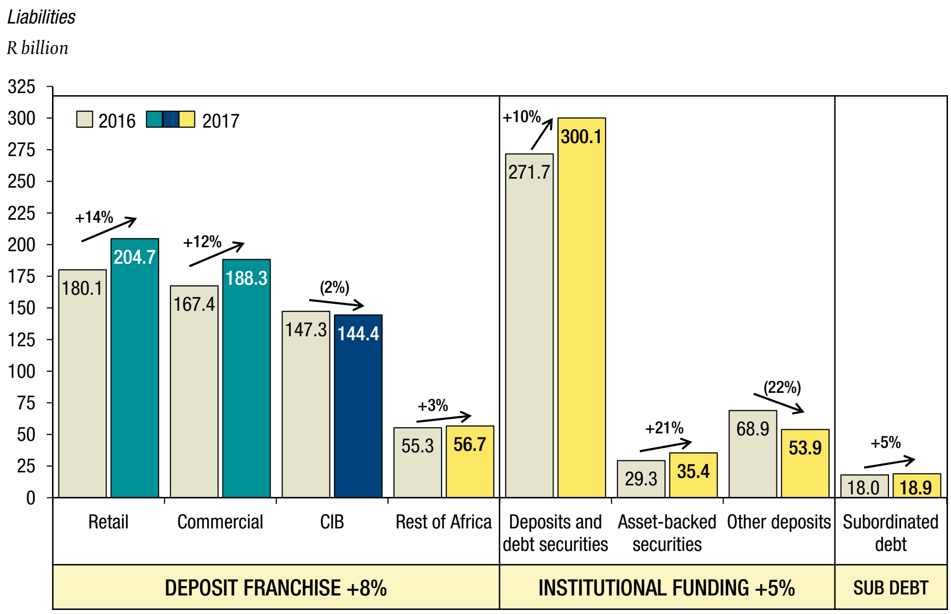


Margin reflects a structural shift in NII composition

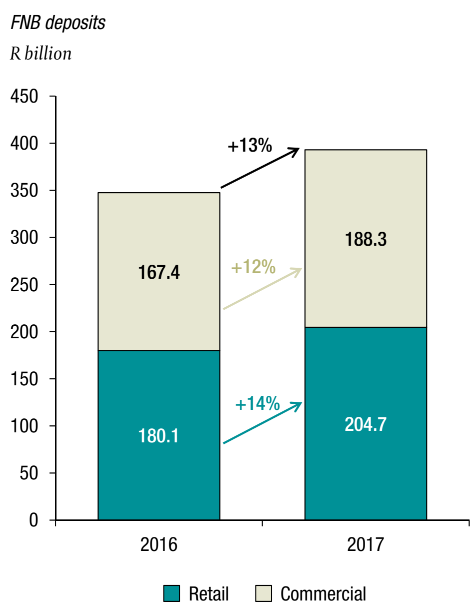


* Assuming a TTC impairment charge of 100 bps.

Retail and commercial deposit franchises showed strong growth

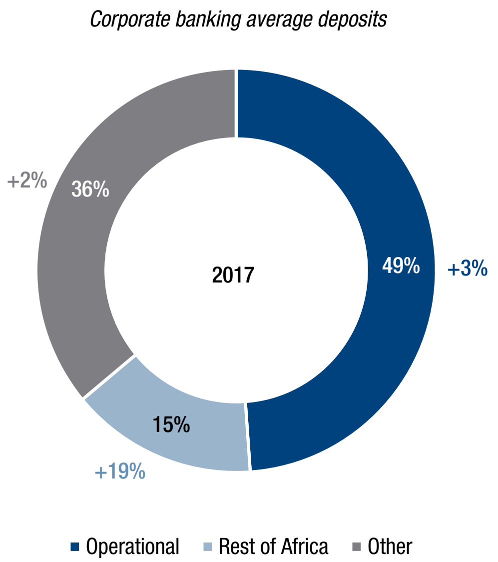


Growth in FNB deposits driven by compelling product set and customer acquisition



- Growth in premium and commercial segments
- Current and savings deposits grew well above market
- Cross-sell continues into existing base

Average deposit growth underpins quality NII

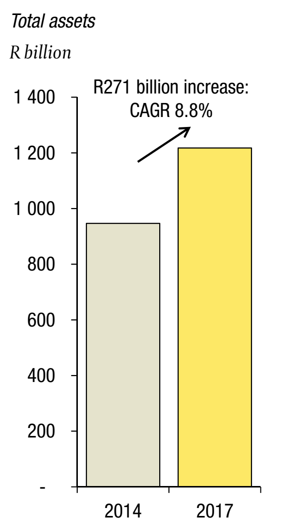


- CIB point-in-time balance cyclical – down 2%*
- Corporate banking average operational deposits up 3%, impacted by:
  - Tough client operating environment
  - Subdued activity in the FI sector
- Client acquisition and product rollout underpinned strong growth of 19% in the rest of Africa

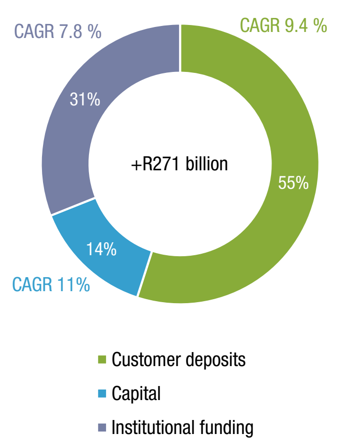
* Excludes cash collateral and deposits held under repurchase agreements and rest of Africa deposits.

The group benefits from consistent execution on sustainable balance sheet strategies

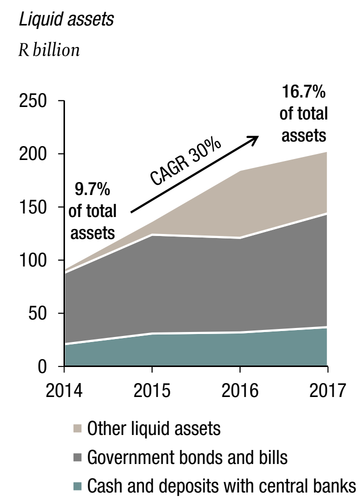
Balance sheet growth



How balance sheet growth was funded

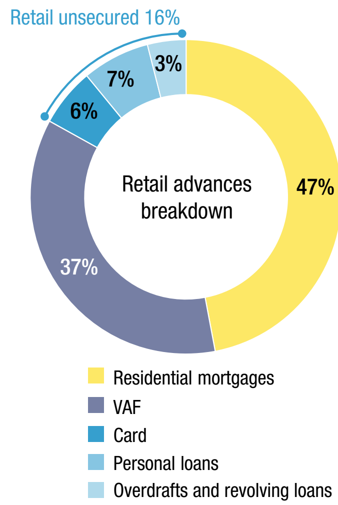


Liquid asset growth



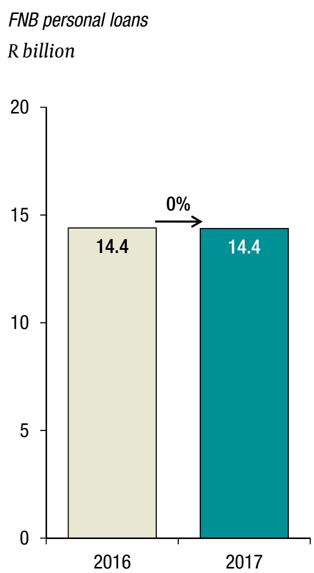
Retail advances growth reflects specific origination strategies

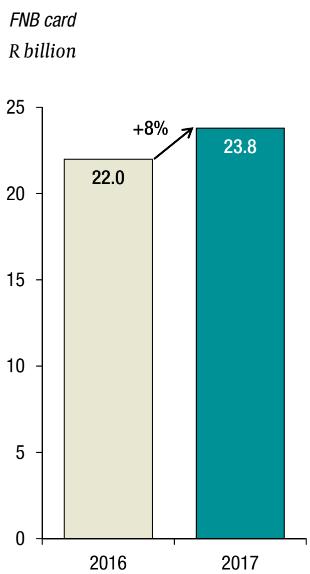
R million	2017	2016	% change
Residential mortgages	195 498	189 453	3
VAF	155 579	149 925	4
– SA	102 322	99 702	3
– MotoNovo*	53 257	50 223	6
Card	23 800	21 968	8
Personal loans	27 946	26 313	6
– FNB	14 372	14 443	-
– WesBank	13 574	11 870	14
Transactional account-linked overdrafts and revolving term loans	15 429	14 344	8
Retail advances	418 252	402 003	4
Retail VAF securitisation notes	19 223	14 641	31
FNB and WesBank rest of Africa advances**	52 842	51 901	2

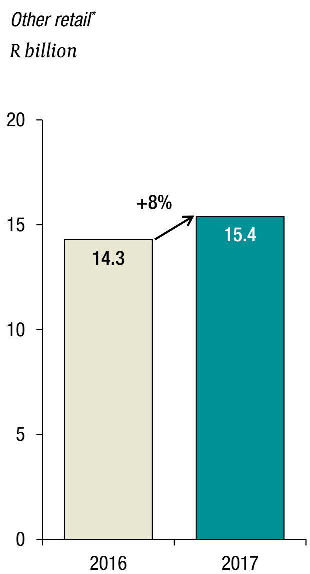


* 23% advances growth in GBP terms.
** Includes in-country advances of FNB and WesBank as well as FNB's activities in India.

Unsecured credit appetite differentiated across product set



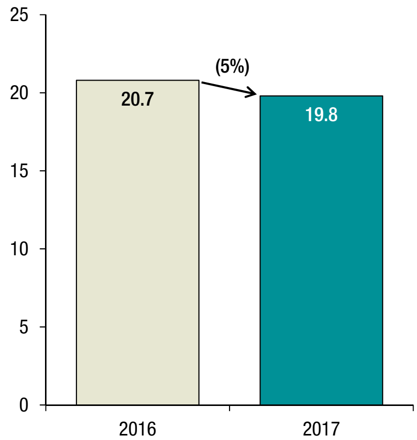




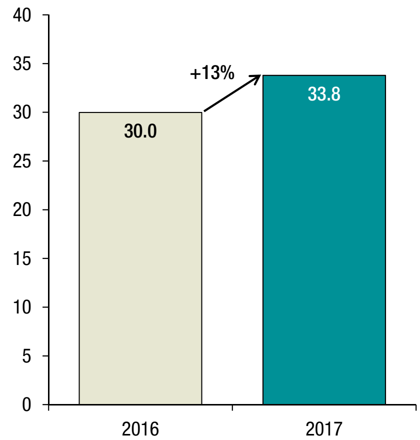
* Transactional account-linked overdrafts and revolving term loans.

On a segment view, advances growth driven by cross-sell in premium offset by appetite cutbacks in consumer

Consumer unsecured
R billion

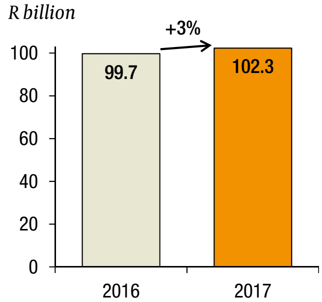


Premium unsecured
R billion



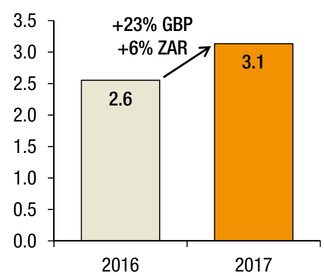
WesBank retail advances growth reflects appetite adjustments

Retail VAF SA advances
R billion



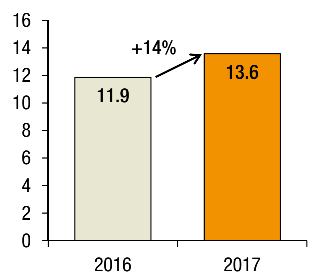
- New business production up 10%, however, not all advances reflected on balance sheet
- New vehicle sales down 9%
- Increased focus on secondhand car market

MotoNovo advances
£ billion



- New products and footprint expansion
- Cutbacks in risk appetite

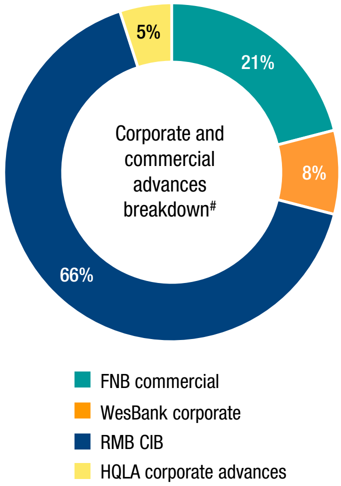
Personal loans advances
R billion



- New business production reflects:
  - High growth in low risk buckets
  - Cutbacks in high risk buckets
  - Implementation of NCAA

Corporate and commercial advances growth remained resilient

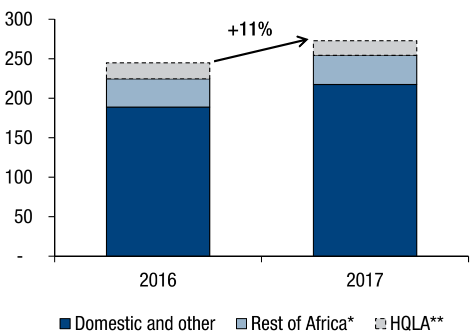
R million	2017	2016	% change
CIB core advances – South Africa	235 999	209 090	13
– Investment banking	185 625	162 671	14
– HQLA corporate advances	18 544	20 297	(9)
– Corporate banking*	31 830	26 122	22
CIB core advances – rest of Africa*, **	36 862	35 792	3
CIB total core advances	272 861	244 882	11
WesBank corporate	31 365	29 210	7
FNB commercial	83 580	77 957	7
RMB repurchase agreements	29 047	40 818	(29)
Total corporate and commercial advances	**416 853**	**392 867**	**6**



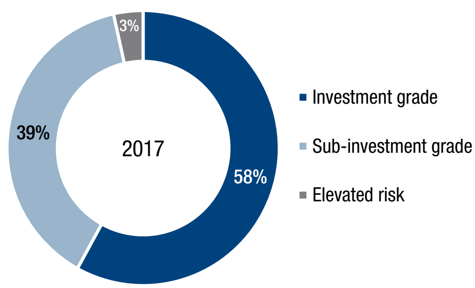
* *Comparatives restated for jurisdictional reallocations.*
** *Includes cross-border and in-country advances.*
\# *Excludes RMB repurchase agreements.*

Growth in CIB advances driven by advisory and structuring mandates

RMB CIB core advances
R billion



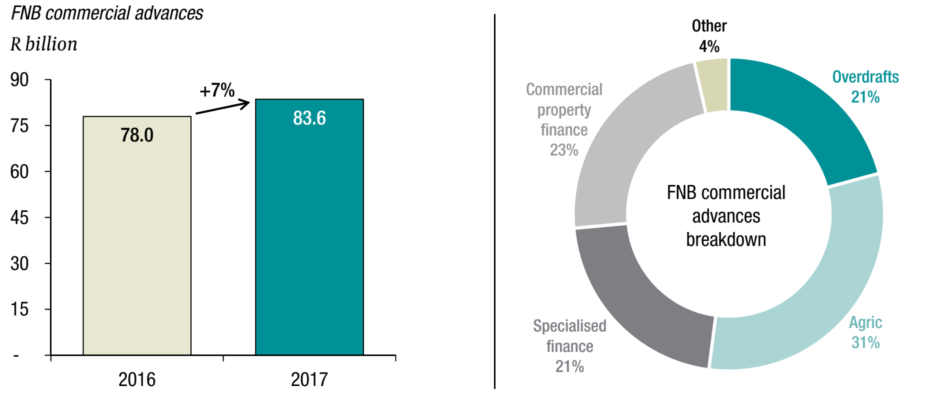
Wholesale credit performing book#



- Rest of Africa advances grew by 15% in constant-currency terms
- HQLA origination continued to assist the group's LCR strategy
- Strong coverage ratios maintained given weaker corporate credit environment

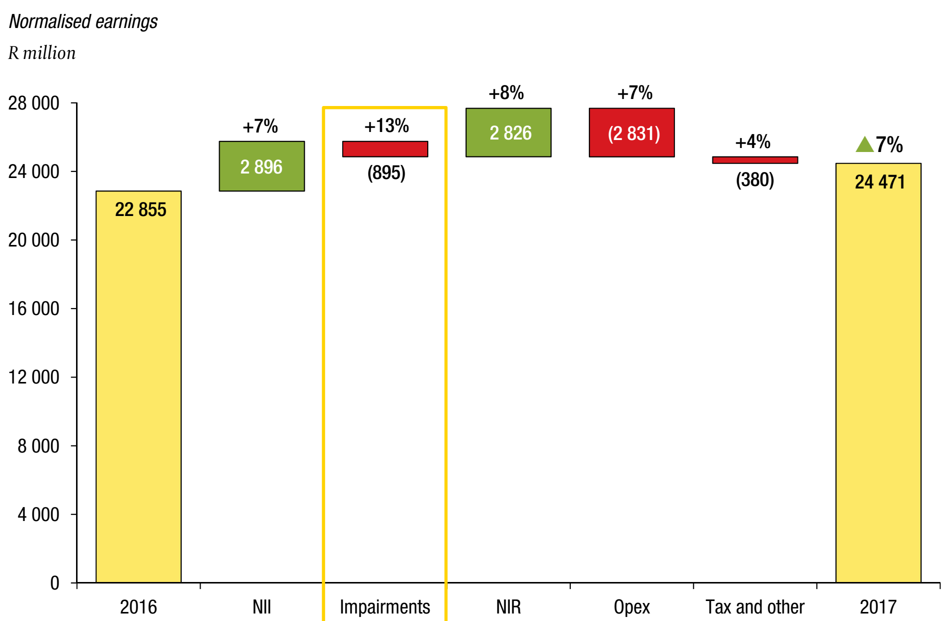
* *Includes cross-border and in-country.*
** *HQLA included in Group Treasury, but originated in RMB. Included for illustrative purposes.*
\# *International scale EAD.*

Customer acquisition and cross-sell strategies drive advances in commercial

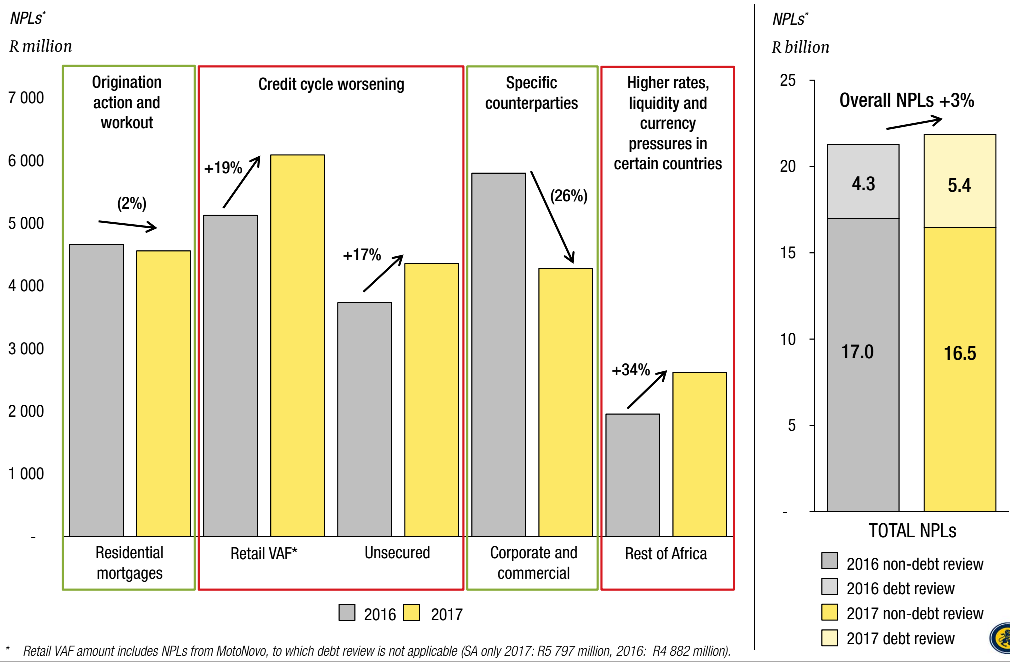


- Reflects targeted new client acquisition in the business segment
- Expanded term lending product offering to existing client base
- Rebounding agric sector

High quality topline growth



NPLs trending in line with expectations



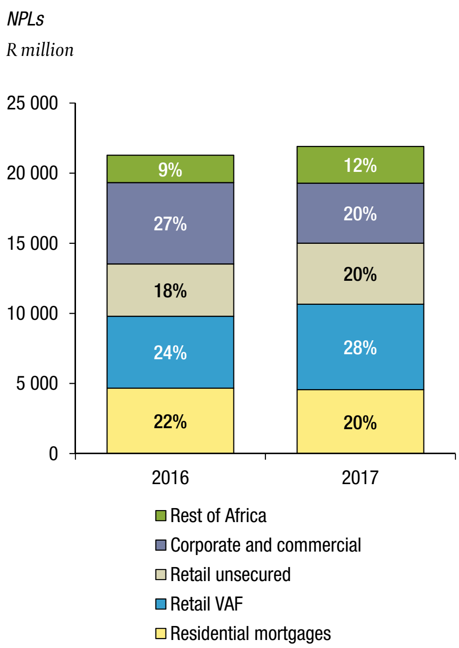
* Retail VAF amount includes NPLs from MotoNovo, to which debt review is not applicable (SA only 2017: R5 797 million, 2016: R4 882 million).

Paying debt-review customers require lower coverage

Coverage ratios %	NON-DEBT REVIEW 2017	NON-DEBT REVIEW 2016	DEBT-REVIEW COVERAGE 2017	DEBT-REVIEW COVERAGE 2016	TOTAL NPL COVERAGE 2017	TOTAL NPL COVERAGE 2016
FNB credit card	**74.2**	76.0	**45.1**	43.0	**67.0**	67.3
FNB retail other	**75.5**	75.6	**37.9**	43.0	**67.1**	70.4 ▼
FNB loans	**69.2**	70.1	**48.2**	66.7	**61.9**	71.3 ▼
WesBank loans	**71.3**	70.2	**31.6**	32.6	**38.1**	41.2 ▼
SA retail VAF	**44.1**	40.5	**15.5**	18.3	**29.3**	29.5

Coverage appropriate given higher payment profile of reclassified NPLs

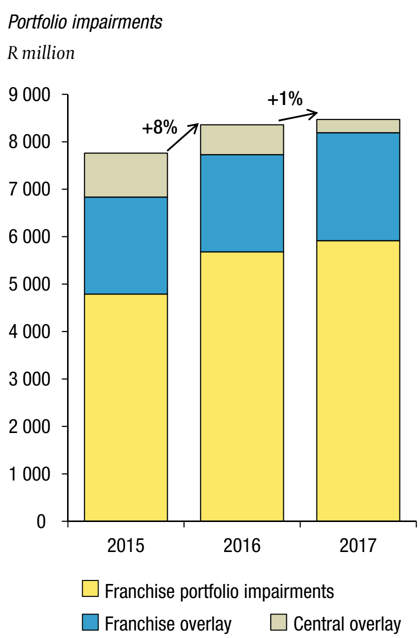
Overall coverage remains appropriate



Coverage ratios %	2017	2016
Retail – secured	**26.9**	26.6
Residential mortgages	**21.8**	21.8
VAF	**30.7**	31.0
– SA	**29.3**	29.5
– MotoNovo	**58.5**	60.7
Retail – unsecured	**56.6**	61.2
Credit card	**67.0**	67.3
Personal loans*	**49.4**	55.8
Retail – other	**67.1**	70.4
Corporate and commercial	**48.0**	45.1
Rest of Africa	**42.2**	36.1
Specific impairments	**38.8**	38.6
Portfolio impairments**	**38.6**	39.3
Total coverage ratio	**77.4**	77.9

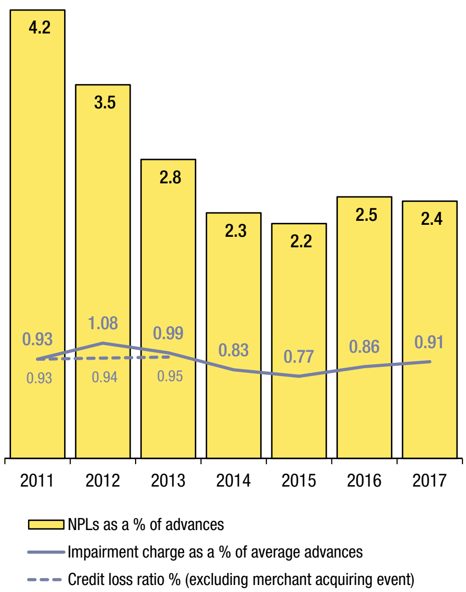
* Includes FNB and WesBank loans.
** Includes portfolio overlays.

Total portfolio provisions and franchise overlays increased



	2017	2016	2015
Portfolio impairments as % of performing book	**0.95**	0.99	1.00
Credit loss ratio (%)	**0.91**	0.86	0.77
Portfolio impairments (R million)	**8 471**	8 359	7 760

Credit performance reflects macros but remains below TTC



Credit loss ratio %	2017	2016
Retail – secured	**0.74**	0.72
Residential mortgages	**0.15**	0.22
VAF	**1.49**	1.38
– SA	**1.54**	1.39
– MotoNovo	**1.38**	1.35
Retail – unsecured	**5.92**	5.71
Credit card	**3.05**	2.73
Personal loans	**7.66**	8.24
– FNB	**7.43**	7.84
– WesBank	**7.91**	8.73
Retail – other	**7.14**	5.66
Total retail	**1.56**	1.48
Corporate and commercial	**0.27**	0.30
Rest of Africa	**1.60**	1.17
FCC (incl. Group Treasury)	**(0.04)**	(0.04)
TOTAL	**0.91**	0.86

Credit performance as expected given origination strategies, and prudent provisioning maintained

Asset class	Contribution to I/S impairment charge	Credit loss ratio	Specific coverage	Portfolio coverage	Commentary
Residential mortgages	4%	0.15% ▼	⬌	⬌	• Charge benefiting from lower NPLs
VAF SA	19%	1.54% ▲	⬌	⬌	• Increase in charge driven by the cycle, book growth and debt review driving NPLs • Normalisation as expected
MotoNovo	9%	1.38% ▲	⬌	⬆	• NPL formation in line with historic book growth • Portfolio provision reflects increased prudency

Credit performance as expected given origination strategies, and prudent provisioning maintained

Asset class	Contribution to I/S impairment charge	Credit loss ratio	Specific coverage	Portfolio coverage	Commentary
Card	9%	3.05% ▲	↔	↑	• Charge below TTC with balance sheet provision bias maintained given cross-sell/up-sell
Personal loans	25%	7.66% ▼	↓	↑	• Charge down on back of appetite cuts • Specific coverage declining (increase in debt review) • Portfolio provisions increased given sensitivity to cycle
Retail other	13%	7.14% ▲	↓	↑	• Growth in charge expected given customer acquisition • Debt review impacts specific coverage

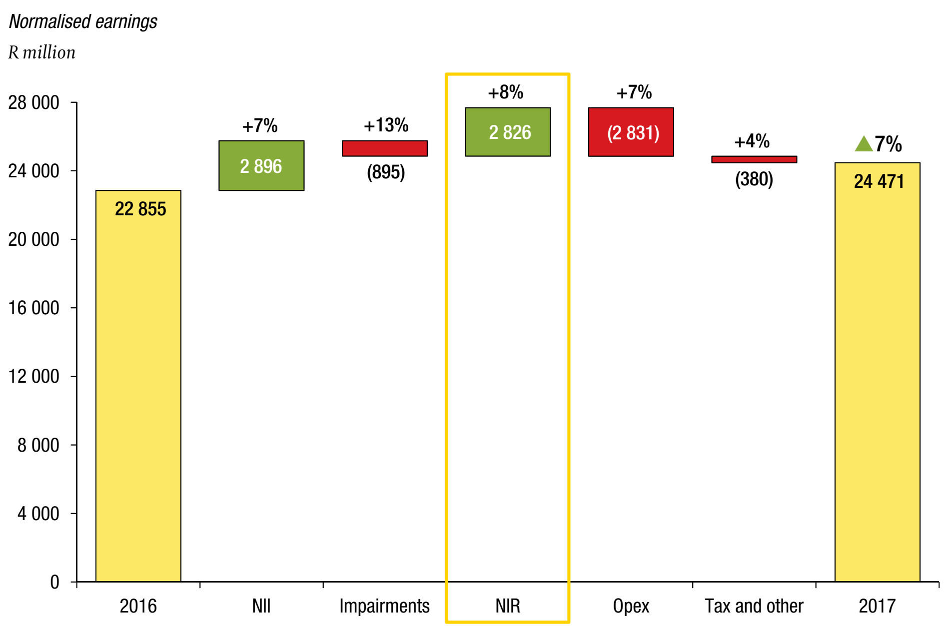
Credit performance as expected given origination strategies, and prudent provisioning maintained

Asset class	Contribution to I/S impairment charge	Credit loss ratio	Specific coverage	Portfolio coverage	Commentary
CIB	6%	0.18% ▼	↑	↓	• NPLs and portfolio coverage down on write-offs and work-outs • The portfolio charge benefited from prior year proactive provisioning
Commercial	7%	0.66% ▲	↓	↓	• Increase in charge in line with expectation given book growth, especially in small business overdrafts • As expected, NPL growth driven by agric with coverage impacted by mix
Rest of Africa	12%	1.60% ▲	↑	↑	• Macros in sub-scale subsidiaries driving substantial increase in charge • Portfolio provisions increased as continued stress is expected

Credit metrics in line with risk appetite and cycle

PORTFOLIO PROVISION	+1% to R8.5 billion	Still prudent
SPECIFIC PROVISION	+3% to R8.5 billion	Appropriate coverage
INCOME STATEMENT CHARGE	91 bps (still below TTC)	In line with expectations

High quality topline growth

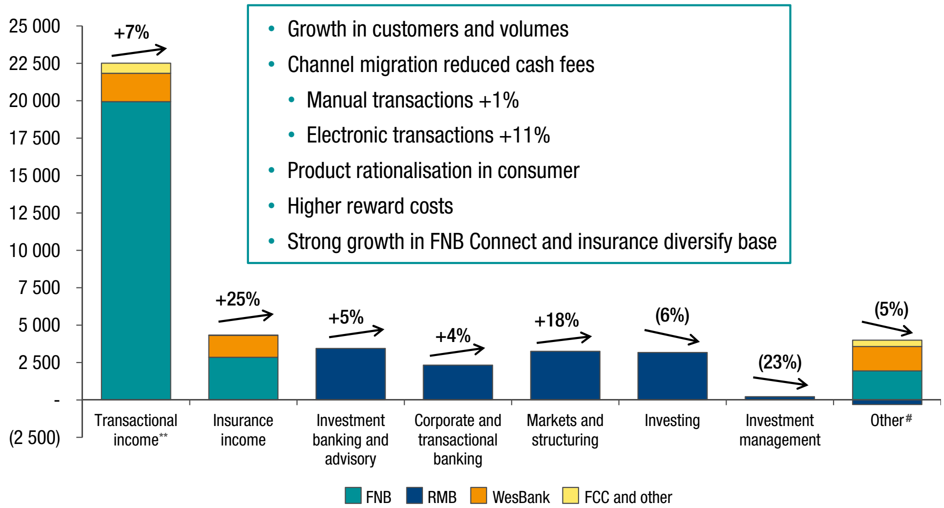


FNB's NIR benefited from customer acquisition and volumes

*Non-interest revenue**
R million

FNB NIR +6%

- Growth in customers and volumes
- Channel migration reduced cash fees
  - Manual transactions +1%
  - Electronic transactions +11%
- Product rationalisation in consumer
- Higher reward costs
- Strong growth in FNB Connect and insurance diversify base



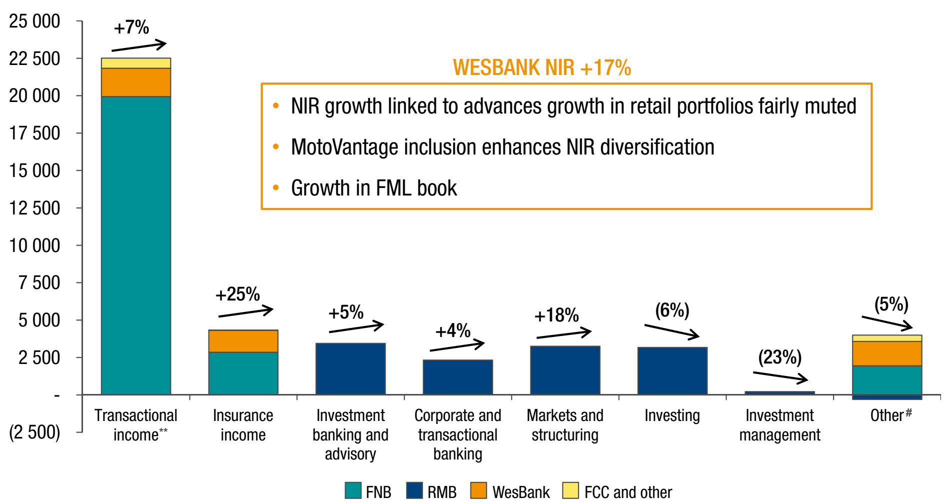
* Excludes consolidation adjustments.
** Excludes RMB transactional income.
\# Other includes FCC (including Group Treasury) and other.

WesBank NIR driven by FML and insurance initiatives

*Non-interest revenue**
R million

WESBANK NIR +17%

- NIR growth linked to advances growth in retail portfolios fairly muted
- MotoVantage inclusion enhances NIR diversification
- Growth in FML book

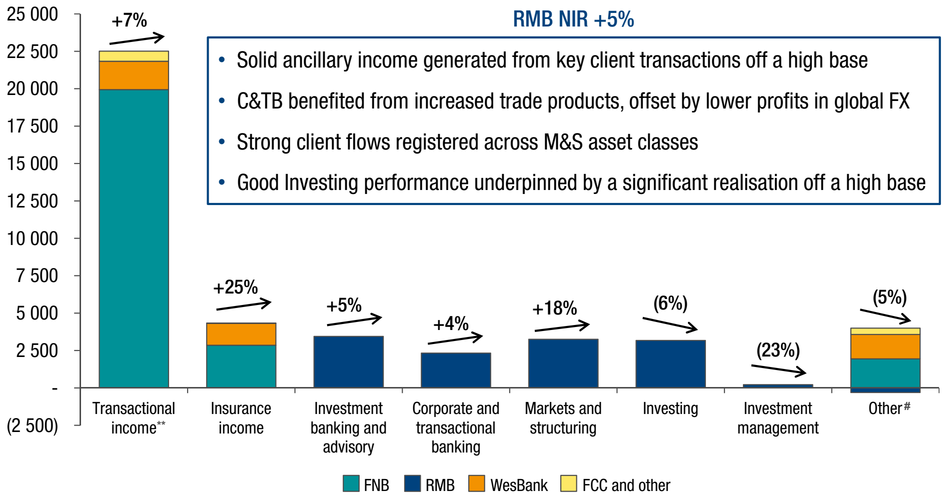


* Excludes consolidation adjustments.
** Excludes RMB transactional income.
\# Other includes FCC (including Group Treasury) and other.

RMB's client franchises deliver solid NIR growth

*Non-interest revenue**

R million



RMB NIR +5%

- Solid ancillary income generated from key client transactions off a high base
- C&TB benefited from increased trade products, offset by lower profits in global FX
- Strong client flows registered across M&S asset classes
- Good Investing performance underpinned by a significant realisation off a high base

* *Excludes consolidation adjustments.*

** *Excludes RMB transactional income.*

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

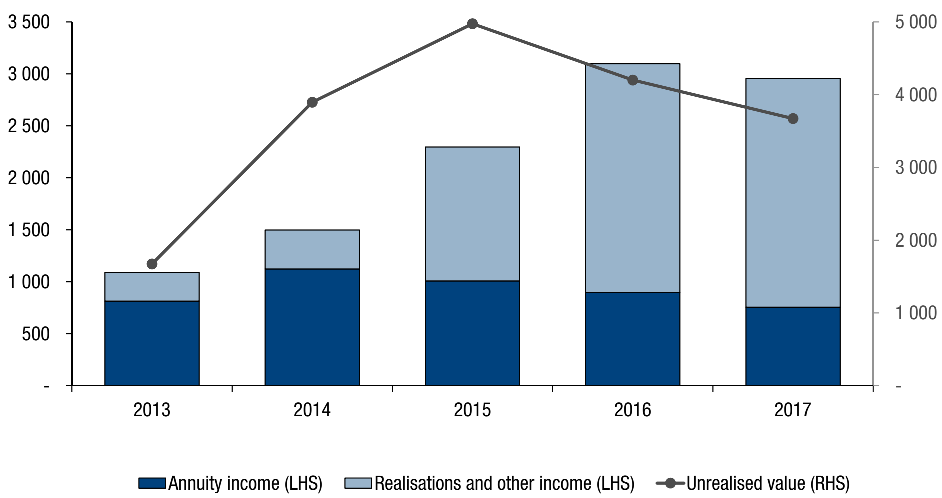
RMB Private Equity entering investment cycle and unrealised value remains conservatively struck

Gross income

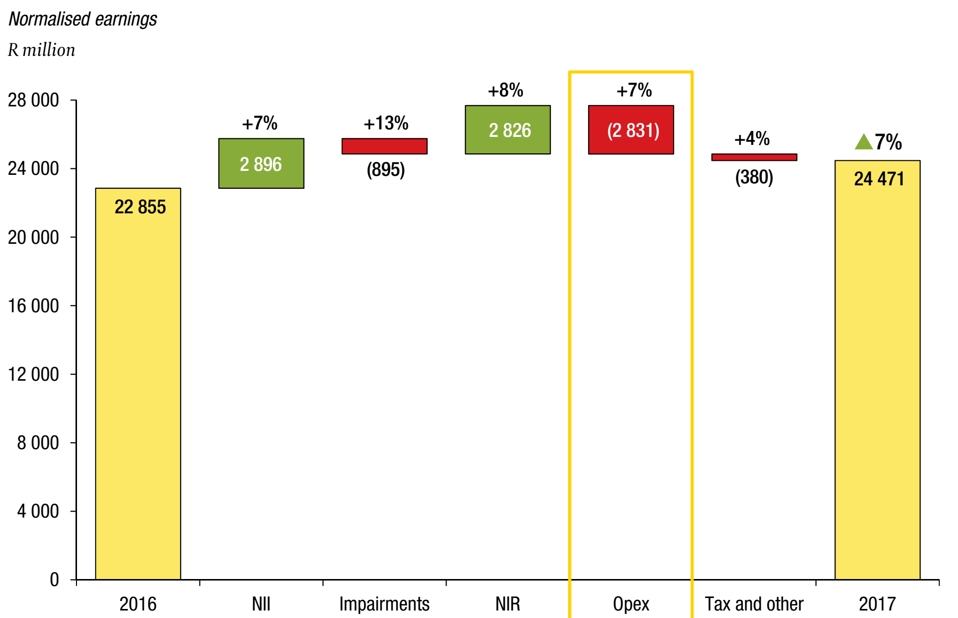
R million

Unrealised value

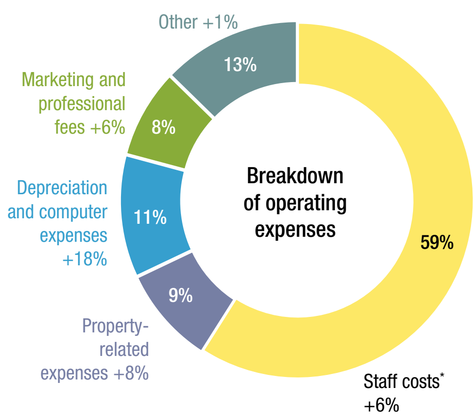
R million

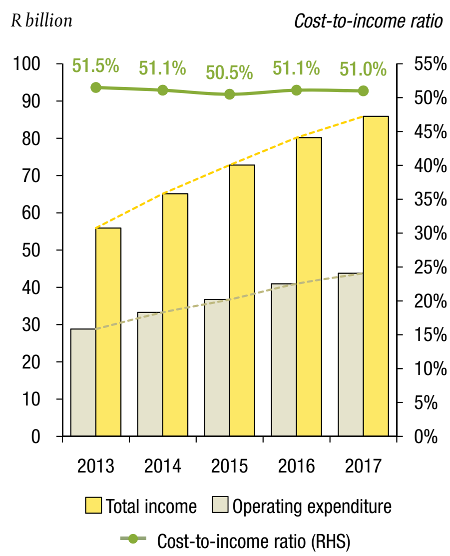


High quality topline growth



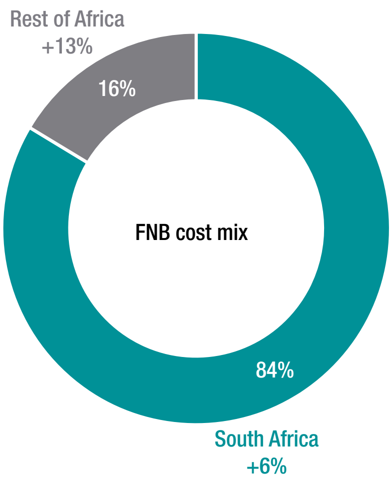
Good cost containment





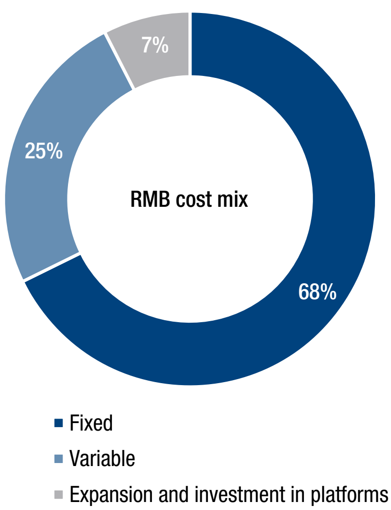
** Staff cost growth moderated through lower variable costs linked to lower levels of income generation.*

FNB SA costs well contained despite investment drag



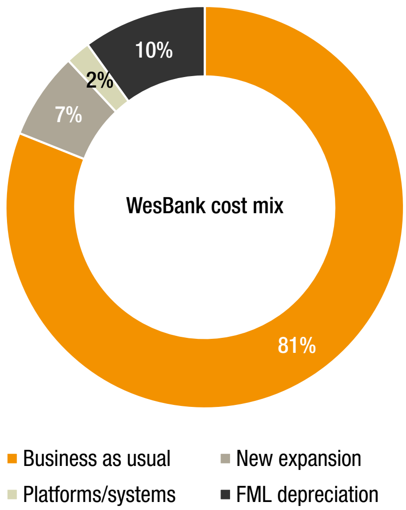
- Overall cost growth of 7%
- Cost-to-income ratio slightly down to 54.0% (2016: 54.1%)
- Domestic growth initiatives:
  - Insurance
  - Investment businesses
  - Card acquiring (Power Card)
  - Enhancements to FNB app
- Continued investment in the rest of Africa
- Regulatory pressures impact cost trajectory, especially in the rest of Africa

RMB's fixed costs benefiting from ongoing platform investments



- Good cost containment (+1%)
  - Despite investment in Global Markets' platforms and continued regulatory and compliance spend
  - Benefiting from prior investments in platforms and ongoing automation

WesBank's costs reflect operational efficiencies in core business, offset by investment in growth initiatives



- Operating expenses +11%
  - New expansion +19%
  - Platform investment +23%
  - FML depreciation +18%
- Operating efficiencies achieved locally due to cost containment focus
- Cost-to-income ratio 40.2% (2016: 39.1%)

Summing up

Revenue growth +7.1%

- Deposit franchise growth +8%
- Muted advances growth +5%
- NIM declined marginally
- NIR benefited from customer growth
- Private equity realisations held up

Bad debts +12.5%

- Below through-the-cycle charge
- Retail NPLs impacted by growing debt review
- Portfolio provision maintained
- Charge anchored to origination strategies and in line with expectations

Opex growth +6.9%

- Includes continued investments
- Marginally positive jaws

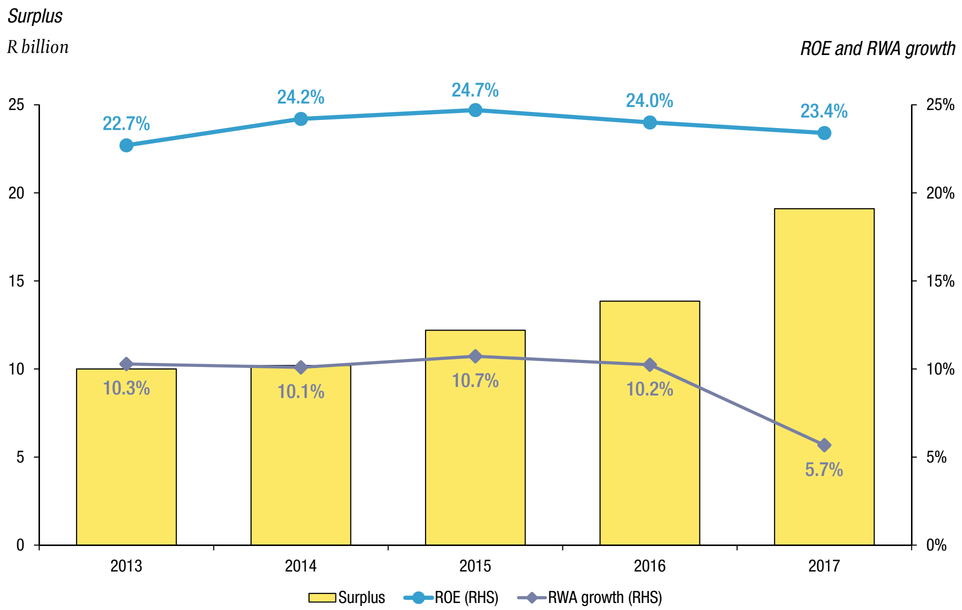
Earnings growth above real GDP

FIRSTRAND

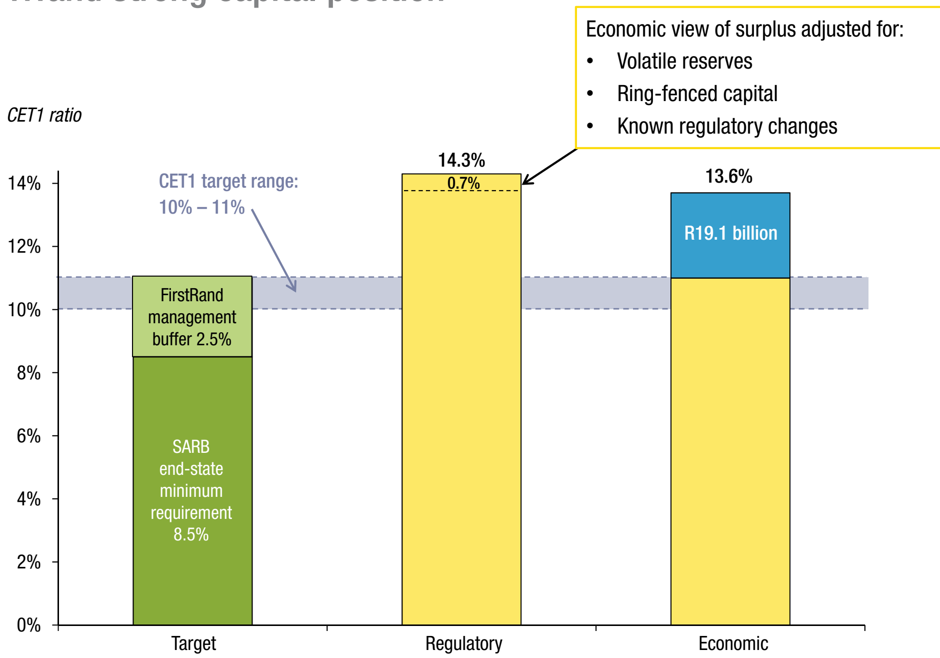
RESULTS PRESENTATION
for the year ended 30 June 2017

capital and dividend

High return profile against a backdrop of low RWA growth…



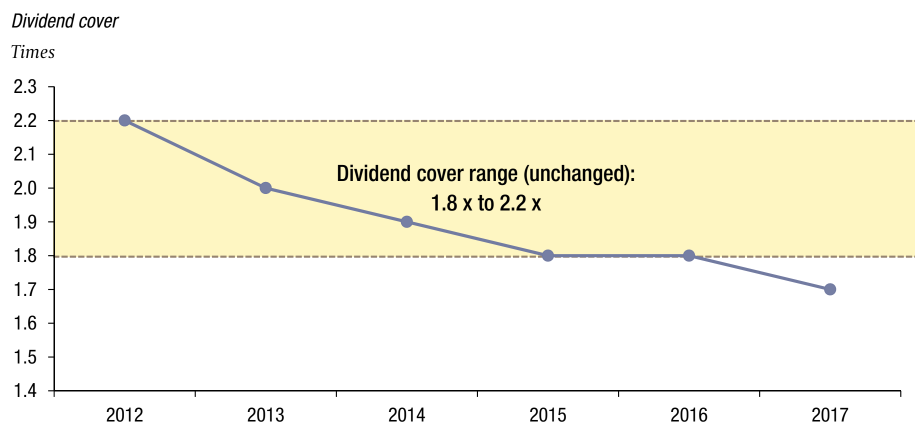
…and strong capital position



…enabled the group to pay dividend outside the cover range

- Appropriately capitalised
- Expect to maintain high return
- Low RWA growth anticipated to continue over the forecast horizon

- Dividend payment outside cover range
- Ability to reward shareholders in a low growth environment
- Sustainable in the short to medium term



Surplus appropriate for growth initiatives and uncertain macros

2.0	Capture larger share of profits from broader financial services markets in SA • Insurance, asset management and other
2.0	Incremental dividend growth above expected net capital generation (3 months)
2.7	Existing organic strategy in the rest of Africa
12.4	• Discretionary capital to deal with inorganic and organic opportunities • Significant macroeconomic uncertainty • Supports further accounting, regulatory and tax changes

FIRSTRAND

RESULTS
PRESENTATION
for the year ended
30 June 2017

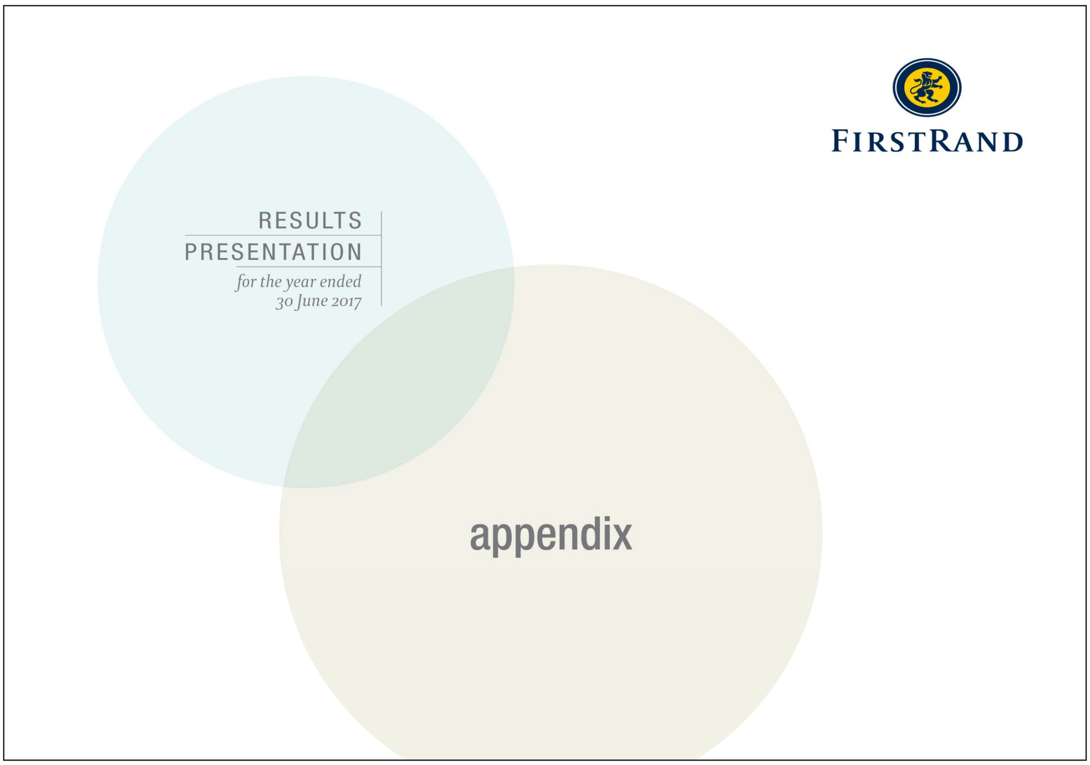
prospects

Macros remain challenging, but…

…group is committed to:

- investing for growth and diversification (activities and geographies)
- allocating financial resources to maximise economic profits
- maintaining a strong and prudently positioned balance sheet
- delivering superior returns

- Short term – quality of portfolio will ensure resilience
- Medium to long term – growth strategies should deliver outperformance



Unpacking the 8% increase in total NIR

Non-interest revenue R million	2017	2016	% change
Fee and commission income	**29 681**	27 681	7
Markets, clients and other fair value	**4 255**	3 361	27
Other	**2 113**	2 583	(18)
Investment income	**2 178**	1 364	60
Share of associates and JVs*	**1 041**	1 453	(28)
Total non-interest revenue	**39 268**	36 442	8

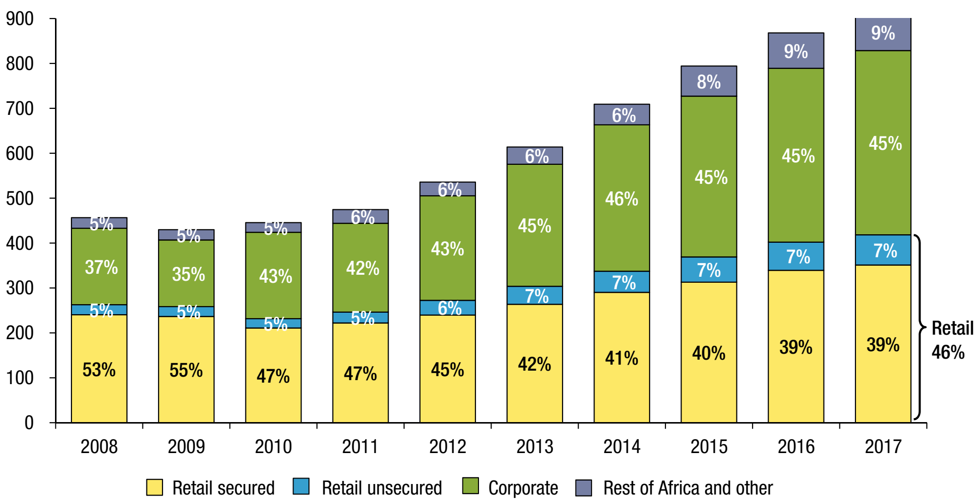
+7% reflects strength of transactional franchises

Realisations across categories

* Includes growth of 45% in WesBank associates and JVs.

Advances portfolio mix between corporate and retail remains appropriate

Gross advances
R billion



* Years prior to 2015 have not been restated for refined rest of Africa segmentation.

Retail advances growth reflects appropriate origination strategies

RETAIL ADVANCES			
Mortgages	**Affordable housing**	**SA VAF**	**UK VAF (MotoNovo)**
Continued focus origination quality. Tracked industry trend.	Credit demand and performance remain robust.	Volumes resilient and appetite reduced for higher-risk customers.	Market position and performance remain strong. Risk appetite conservatism.
Card	**Personal loans**	**Rest of Africa**	**Transactional facilities**
Growth following FNB customer cross-sell strategy and transactional spend growth.	Customer cross-sell driving growth, appetite reduced with focus on low/medium risk. Automated processes and customer cross-sell driving growth, risk appetite reduced with focus on low/medium risk.	Moderating growth and appetite with focus on FNB-banked customers.	Ongoing cross-sell and lending activation, but growth moderating and appetite reduced.

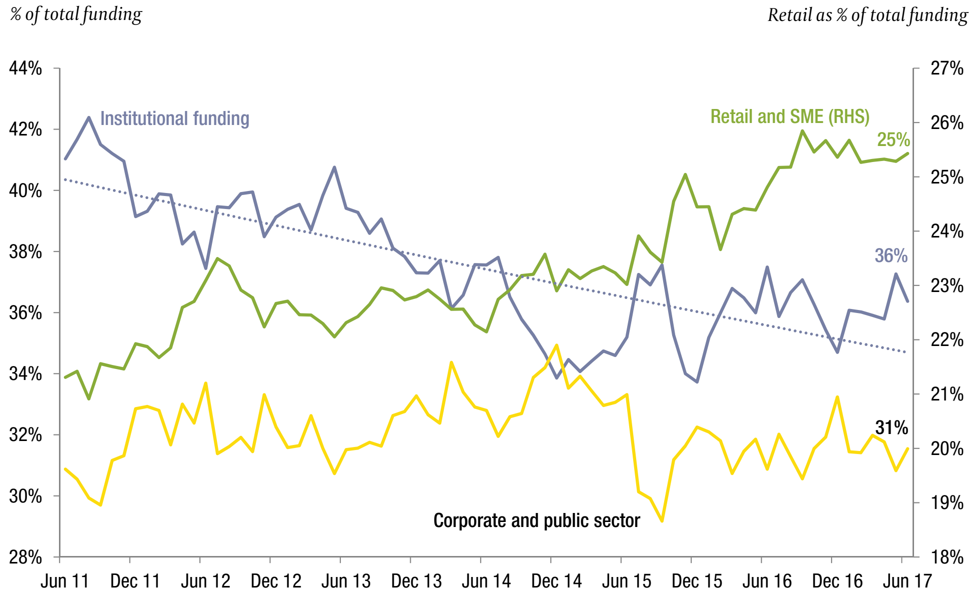
Targeted lending strategies in corporate and commercial

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.

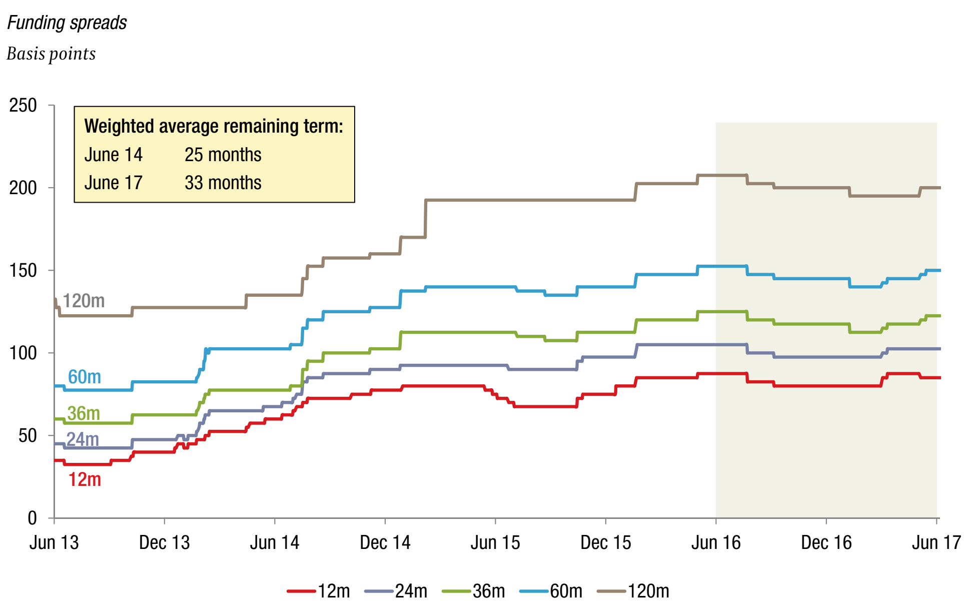
CORPORATE ADVANCES			
Domestic short-term lending	**Domestic long-term lending**	**Acquisition finance**	**Rest of Africa strategy**
Increase in utilisation of working capital facilities.	Tracking nominal GDP.	SA corporates expanding to developed markets. Delivering large multi-product solutions.	Driven by infrastructure and resource finance in presence jurisdictions.

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.

Continue to improve funding profile and mix



Cost of funding remains elevated following SA downgrade



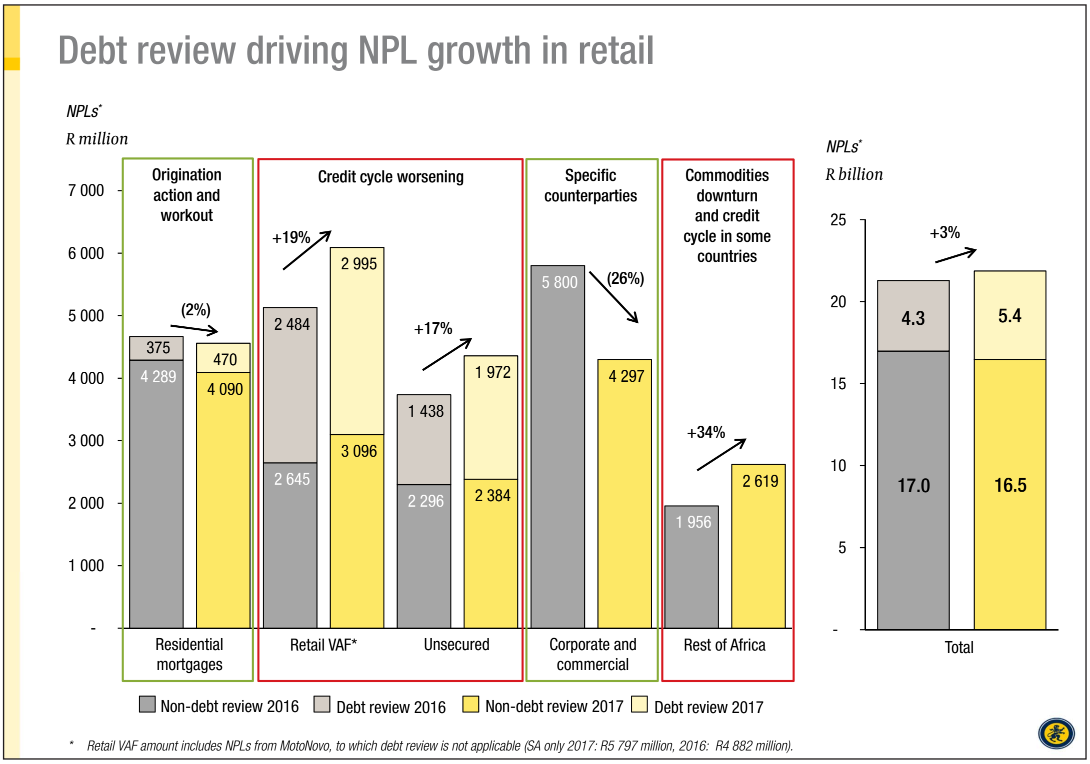
Source: Bloomberg (RMBP screen).

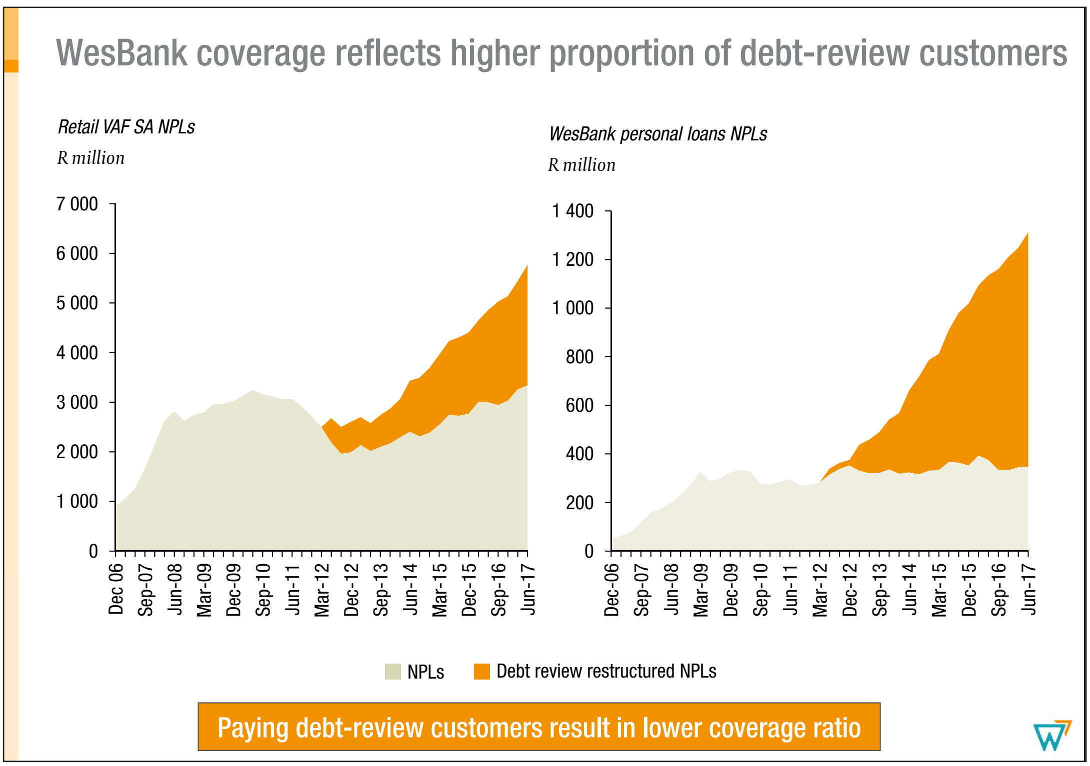
Coverage breakdown: residential mortgages

Type	R million	Specific coverage ratio
Sold property awaiting registration	116	17.7%
Deceased	216	17.3%
Debt review – mostly paying per agreement	845	18.7%
Insolvencies and litigation	1 255	23.6%
Non-debt review – payments being made	1 308	16.9%
Other	820	31.8%
Total	4 560	21.8%

Coverage breakdown: retail VAF (SA and UK)

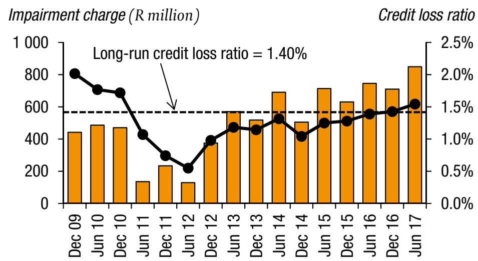
Type	R million	Specific coverage ratio
Other (includes absconded, insurance and alienations)	394	57.9%
Repossession	248	58.1%
Legal action for repossession	631	42.6%
Not restructured debt review	618	38.9%
Arrears 3+ months	1 822	42.0%
Restructured debt review	2 377	9.4%
Total	6 091	30.7%


Debt review driving NPL growth in retail
NPLs*
R million
Origination action and workout
Credit cycle worsening
Specific counterparties
Commodities downturn and credit cycle in some countries
7 000
6 000
5 000
4 000
3 000
2 000
1 000
-
(2%)
375
470
4 289
4 090
+19%
2 484
2 995
3 096
2 645
+17%
1 438
1 972
2 296
2 384
5 800
(26%)
4 297
+34%
1 956
2 619
Residential mortgages
Retail VAF*
Unsecured
Corporate and commercial
Rest of Africa
NPLs*
R billion
25
20
15
10
5
-
+3%
4.3
5.4
17.0
16.5
Total
Non-debt review 2016
Debt review 2016
Non-debt review 2017
Debt review 2017
* Retail VAF amount includes NPLs from MotoNovo, to which debt review is not applicable (SA only 2017: R5 797 million, 2016: R4 882 million).

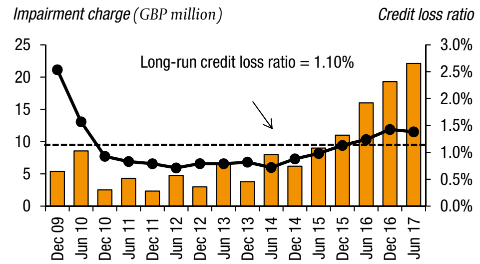

WesBank coverage reflects higher proportion of debt-review customers
Retail VAF SA NPLs
R million
7 000
6 000
5 000
4 000
3 000
2 000
1 000
0
Dec 06
Sep-07
Jun-08
Mar-09
Dec-09
Sep-10
Jun-11
Mar-12
Dec-12
Sep-13
Jun-14
Mar-15
Dec-15
Sep-16
Jun-17
WesBank personal loans NPLs
R million
1 400
1 200
1 000
800
600
400
200
0
Dec-06
Sep-07
Jun-08
Mar-09
Dec-09
Sep-10
Jun-11
Mar-12
Dec-12
Sep-13
Jun-14
Mar-15
Dec-15
Sep-16
Jun-17
NPLs
Debt review restructured NPLs
Paying debt-review customers result in lower coverage ratio

WesBank credit – all portfolios trending in line with expectations

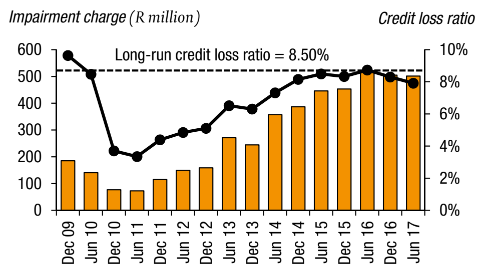
DOMESTIC RETAIL VAF



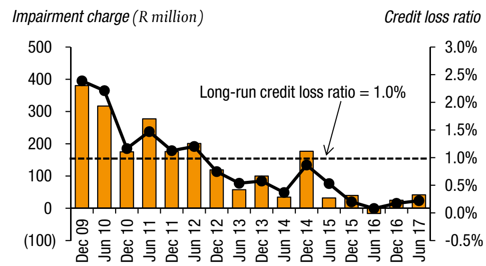
MOTONOVO (UK RETAIL VAF)



PERSONAL LOANS



CORPORATE AND COMMERCIAL

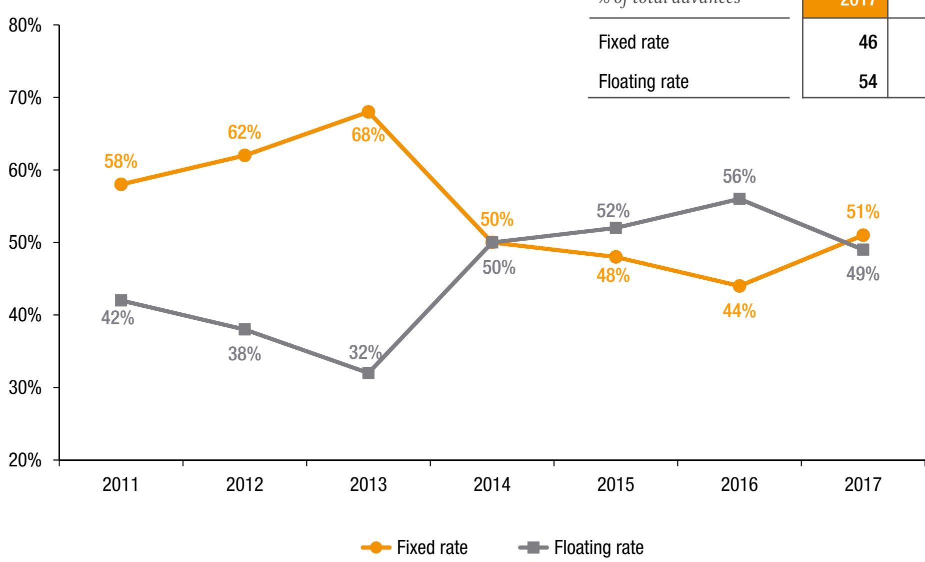


Impairment charge — Credit loss ratio

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

Proportion of SA retail VAF new business

% of total advances	2017	2016
Fixed rate	**46**	50
Floating rate	**54**	50



Recalibration of branch network underway, but there is a lag

SOME EARLY COST REDUCTION WINS	INVESTMENT TO TAKE OUT MORE COSTS	LONG-TERM STICKY COSTS

• Branch costs (3%)
• Staff costs (6%)
• Reduced fit-out cost per branch (modular) (29%)
• Outcomes-based remuneration paying off
	• Electronic channels
	  • Growth in ADT device +9%
	  • Smartbox devices (business cash processing) +25%
	• Digital capabilities in branch – coverage increased from 27% of branches to 73%, with plans to increase to 80%
	• Dedicated migration agents continue to grow
		• Long-term leases +6%
		• Rationalise:
		  • Property portfolio
		  • Operational process

* *Percentages shown above relate to year-on-year changes.*

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