11/12

interim results presentation

for the six months ended 31 December 2011

FIRSTRAND

11/
12

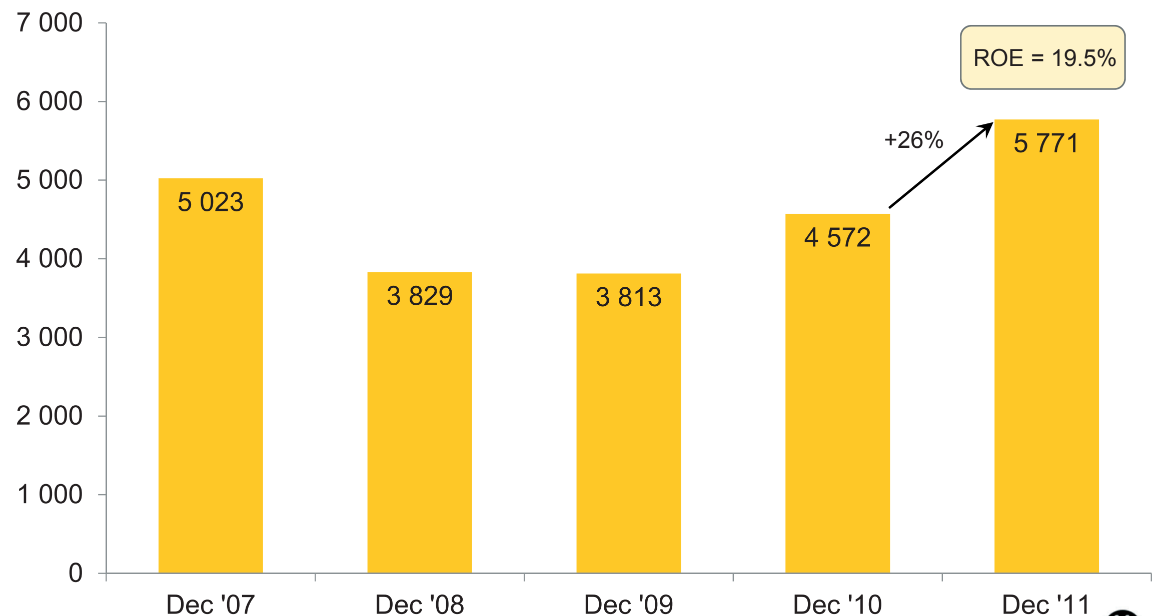
introduction

Sizwe Nxasana

Earnings growth reflects strong operational performance

Group continuing operations – normalised earnings*

R million



* Excludes contributions from Momentum, OUTsurance and Discovery.

Operating environment remained challenging

- − GDP growth moderated around 3%
- − Inflation continued rising, breaching 6% on a year-on-year basis in December
- − Employment growth was subdued
- − Rand strength reversed and currency volatility increased
- − Corporates cash flush (low corporate activity)
- ± Interest rates were maintained at historic lows
- + Real household income growth peaked but remained above GDP growth
- + House price growth picked up to mid-single digits
- + Consumer spending (especially on durables)

Franchises outperformed macros

Income before tax (R million)	Dec '11	Dec '10	Change
FNB	4 137	3 178	▲ 30%
FNB Africa	763	740	▲ 3%
RMB and GTS	1 980	2 297	▼ 14%
WesBank	1 688	1 069	▲ 58%

11/12

financial review

Johan Burger

Group actual and normalised performance

R million	Dec '11	Dec '10	Change
Earnings – Group actual	5 771	5 260	▲ 10%
Adjusted for:			
Earnings – OUTsurance*	–	(180)	
Earnings – Momentum†	–	(508)	
Earnings – Group continuing operations	5 771	4 572	▲ 26%

* *Dec '10 OUTsurance earnings include 6 months contribution*

† *Dec '10 Momentum earnings include 5 months contribution*

11/12

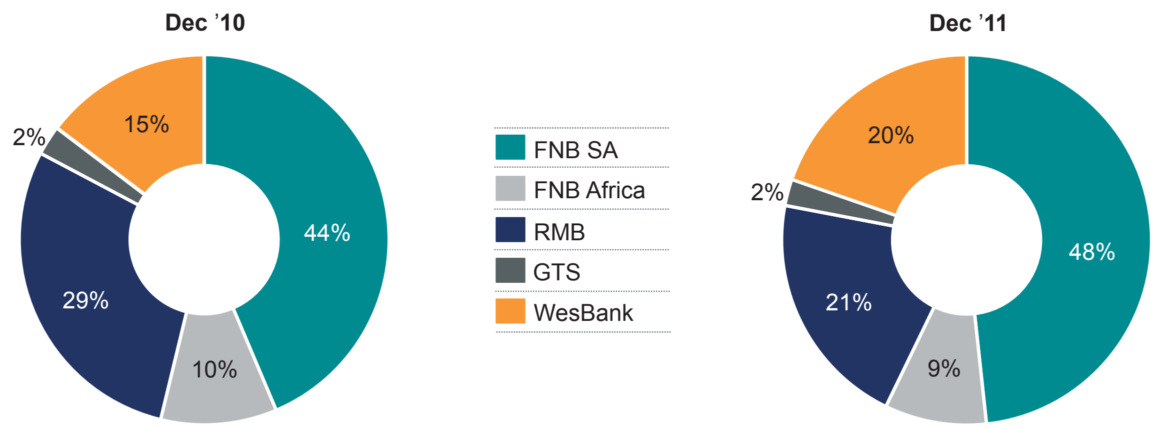
Performance highlights – Group's continuing operations

Normalised (R million)	Dec '11	Dec '10	Change
Earnings	5 771	4 572	▲ 26%
Diluted EPS – (cents)	102.4	81.1	▲ 26%
Return on equity (%)	19.5	18.0	▲
Net asset value per share (cents)	1 053.0	924.4	▲ 14%
Dividend per share (cents)	44	35	▲ 26%

Key ratios – Group's continuing operations

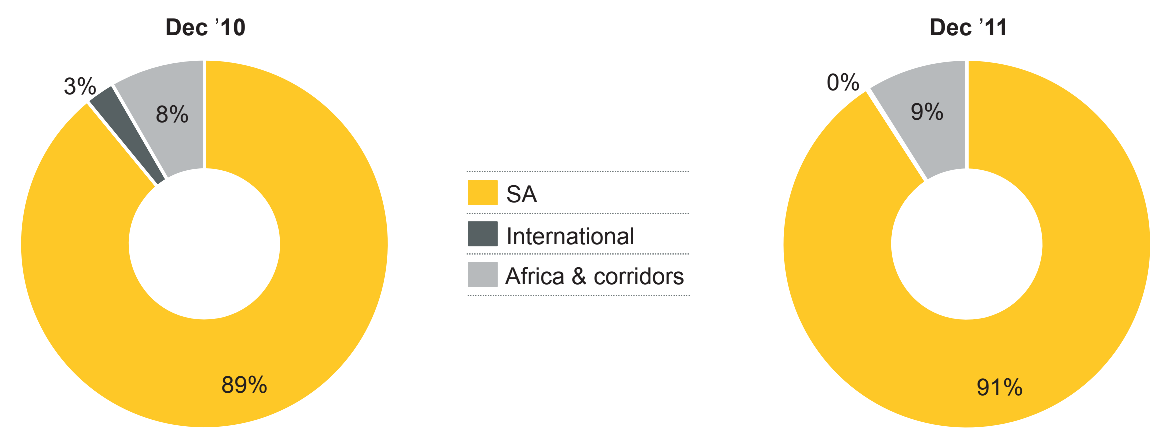
	Dec '11	Dec '10	Change
Return on equity (%)	19.5	18.0	▲
Return on average assets (%)	1.6	1.4	▲
Credit loss ratio (%)	0.80	1.00	▼
Cost-to-income ratio (%)	54.7	54.8	–
Tier 1 ratio (%)	14.0	13.6	▲
Core Tier 1 ratio (%)	12.9	12.4	▲
Net interest margin (%)	4.64	4.29	▲
Gross advances (R billion)	508	463	▲10%

Franchise and segment diversification underpins sustainability



Based on PBT, excluding Corporate Centre & consolidation adjustments

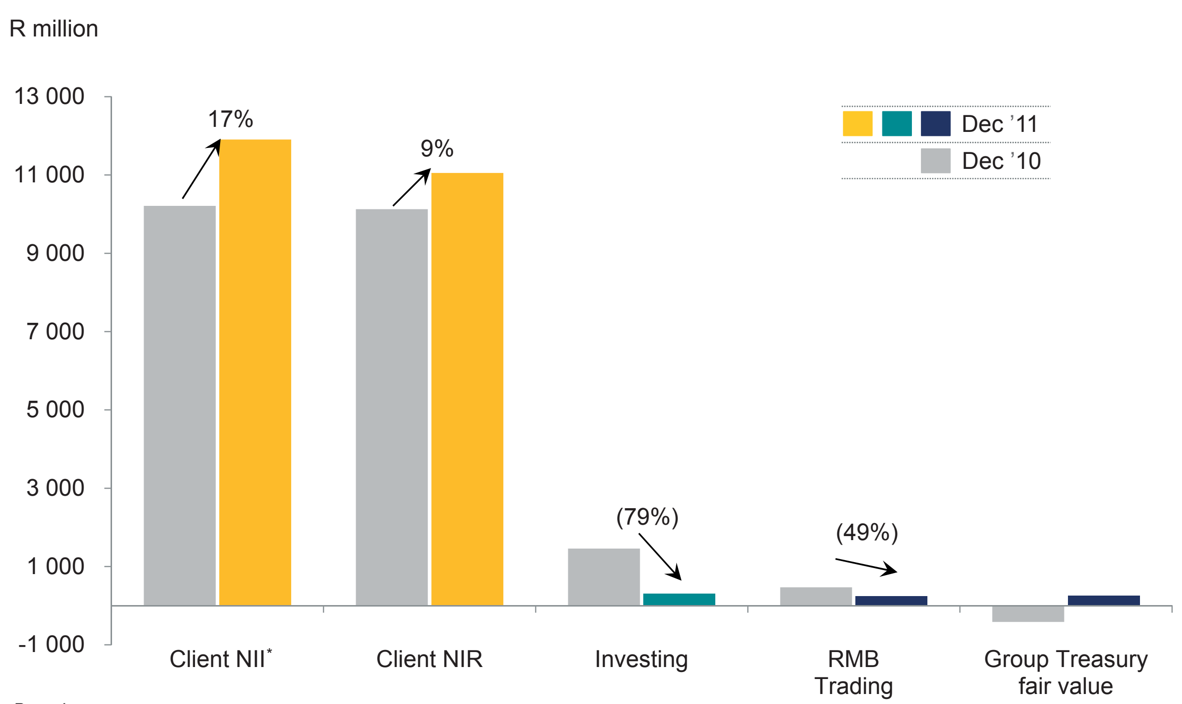
Geographic diversification remains a focus



… but South Africa still dominates

Based on gross revenue

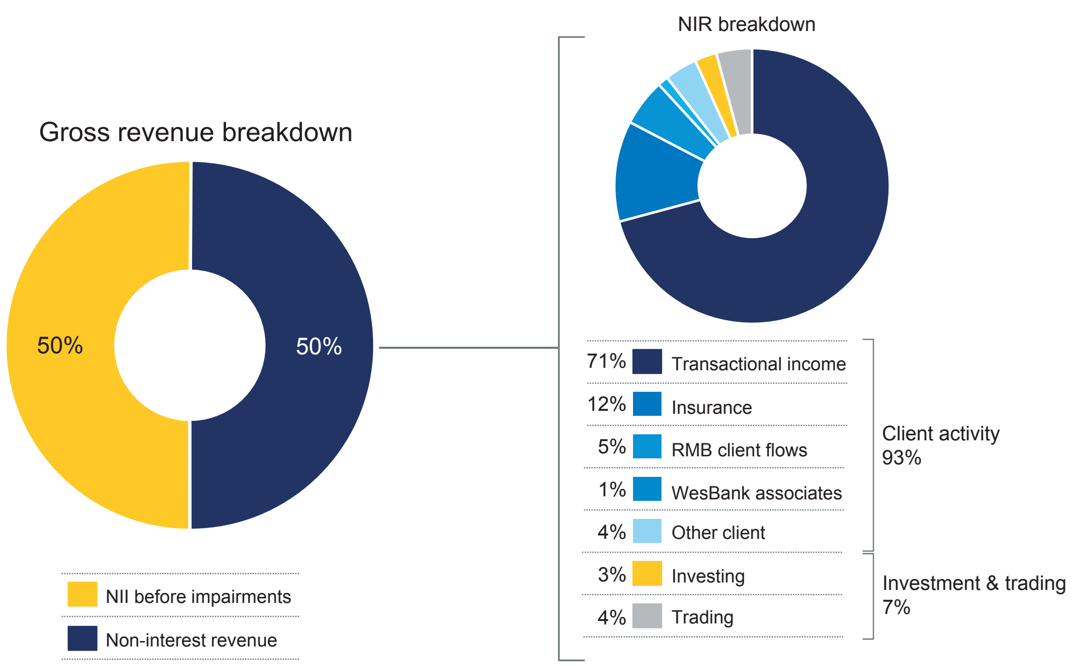
Strategy to grow client revenues paying off



Based on gross revenue

** Dec '10 client NII adjusted for mark-to-market losses. Actual y/y growth 22%.*

Client franchise contributes 97% of gross revenue



Income statement – Group's continuing operations

Normalised (R million)	Dec '11	Dec '10	Change
Net interest income before impairment of advances	11 905	9 771	22%
Impairment of advances	(1 961)	(2 277)	(14%)
Net interest income after impairment of advances	9 944	7 494	33%
Non-interest revenue*	11 856	12 077	(2%)
Income from operations	21 800	19 571	11%
Operating expenses	(12 995)	(11 963)	9%
Income before tax	8 805	7 608	16%
Indirect tax	(385)	(385)	–
Profit before direct tax	8 420	7 223	17%
Direct tax	(2 168)	(1 968)	10%
NCNR preference shareholders	(137)	(160)	(14%)
Headline and normalised earnings adjustments	42	(159)	>100%
Non-controlling interests	(386)	(364)	6%
FirstRand continuing operations	**5 771**	**4 572**	**26%**

** Includes share of profit from associates and joint ventures*

Income statement – Group's continuing operations

Normalised (R million)	Dec '11	Dec '10	Change
Net interest income before impairment of advances	11 905	9 771	22%
Impairment of advances	(1 961)	(2 277)	(14%)
Net interest income after impairment of advances	9 944	7 494	33%
Non-interest revenue*	11 856	12 077	(2%)
Income from operations	21 800	19 571	11%
Operating expenses	(12 995)	(11 963)	9%
Income before tax	8 805	7 608	16%
Indirect tax	(385)	(385)	–
Profit before direct tax	8 420	7 223	17%
Direct tax	(2 168)	(1 968)	10%
NCNR preference shareholders	(137)	(160)	(14%)
Headline and normalised earnings adjustments	42	(159)	>100%
Non-controlling interests	(386)	(364)	6%
FirstRand continuing operations	**5 771**	**4 572**	**26%**

** Includes share of profit from associates and joint ventures*

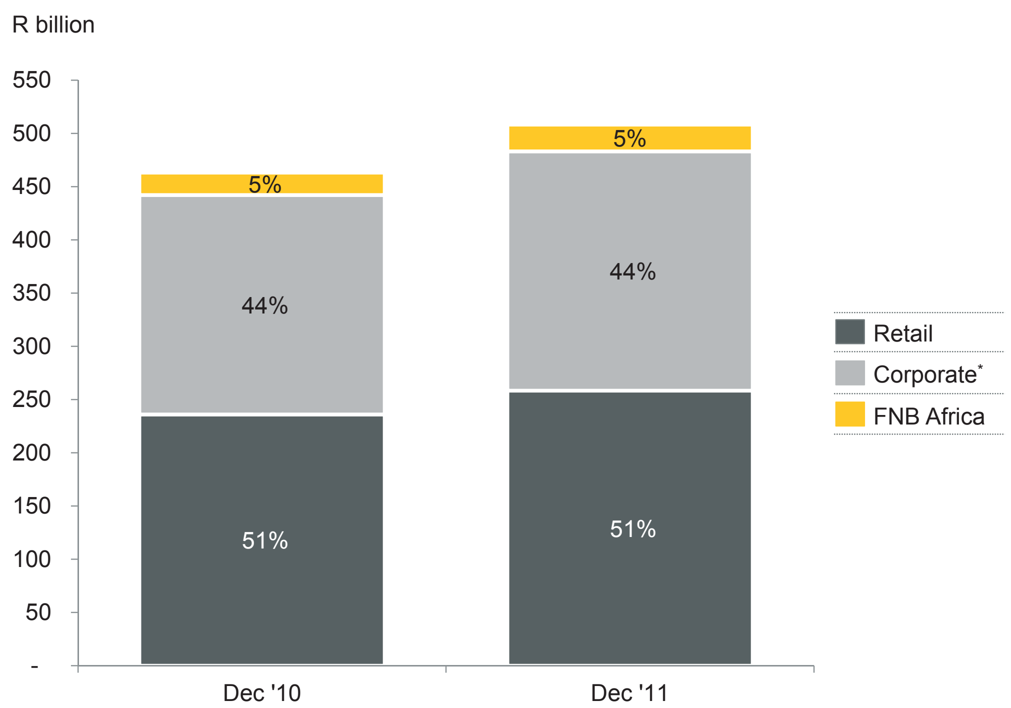
Unpacking net interest income

Normalised (R million)	Dec '11	Dec '10	Change	Dec '11 mix
- Lending	6 883	5 778	▲ 19%	58%
- Deposit taking	1 410	1 313	▲ 7%	12%
- Deposit endowment	1 171	1 143	▲ 2%	10%
- Capital endowment	1 137	1 093	▲ 4%	10%
- FNB Africa	1 022	913	▲ 12%	8%
- Group Treasury and other non-rate	282	(469)	▲ >100%	2%
NII before impairment of advances	11 905	9 771	▲ 22%	100%

Lending still dominates NII

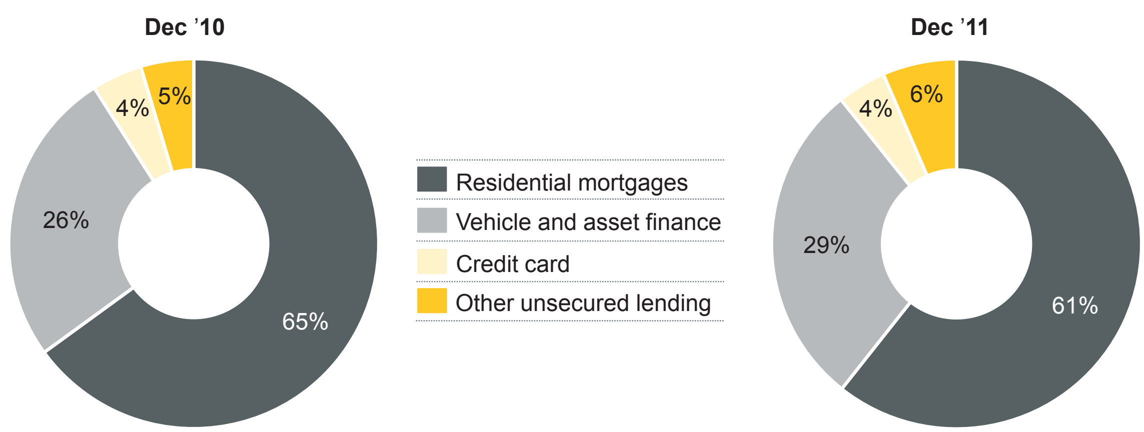
Normalised (R million)	Dec '11	Dec '10	Change	Dec '11 mix
- Lending	6 883	5 778	▲ 19%	58%
- Deposit taking	1 410	1 313	▲ 7%	12%
- Deposit endowment	1 171	1 143	▲ 2%	10%
- Capital endowment	1 137	1 093	▲ 4%	10%
- FNB Africa	1 022	913	▲ 12%	8%
- Group Treasury and other non-rate	282	(469)	▲ >100%	2%
NII before impairment of advances	11 905	9 771	▲ 22%	100%

Balanced advances portfolio…

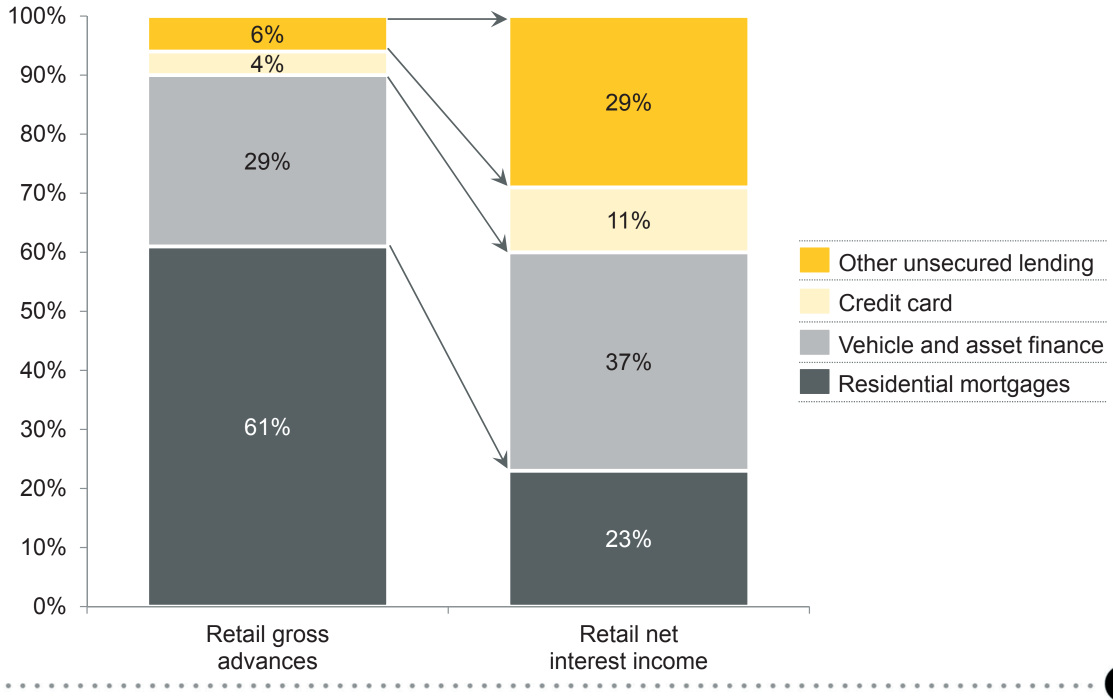


** Includes Corporate Centre and other gross advances*

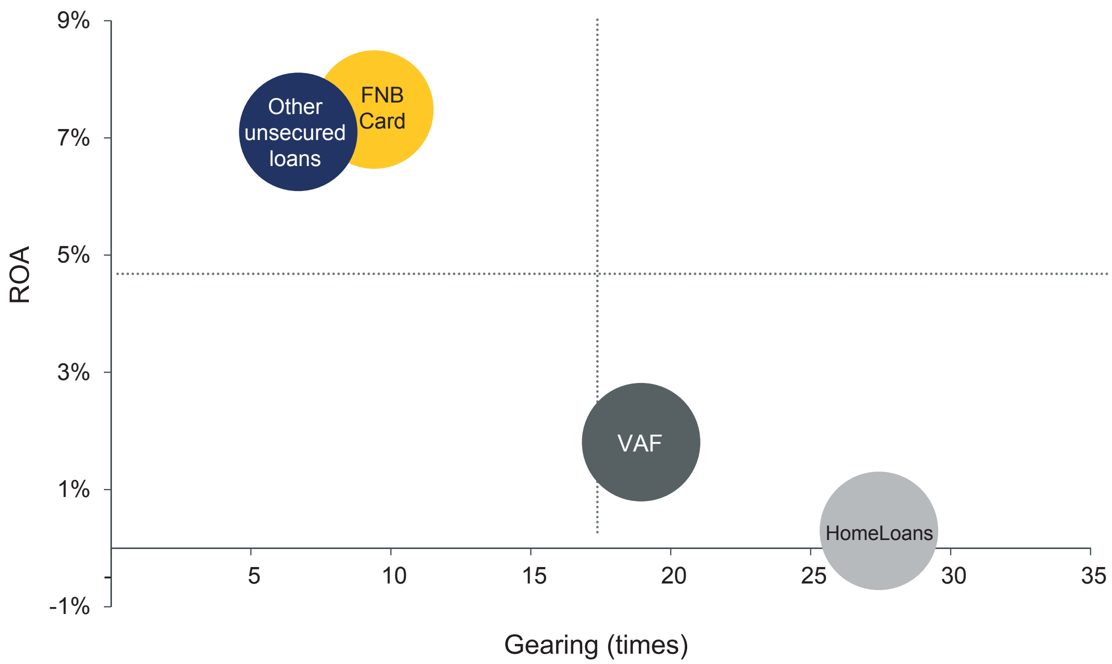
… however, shift in retail portfolio mix



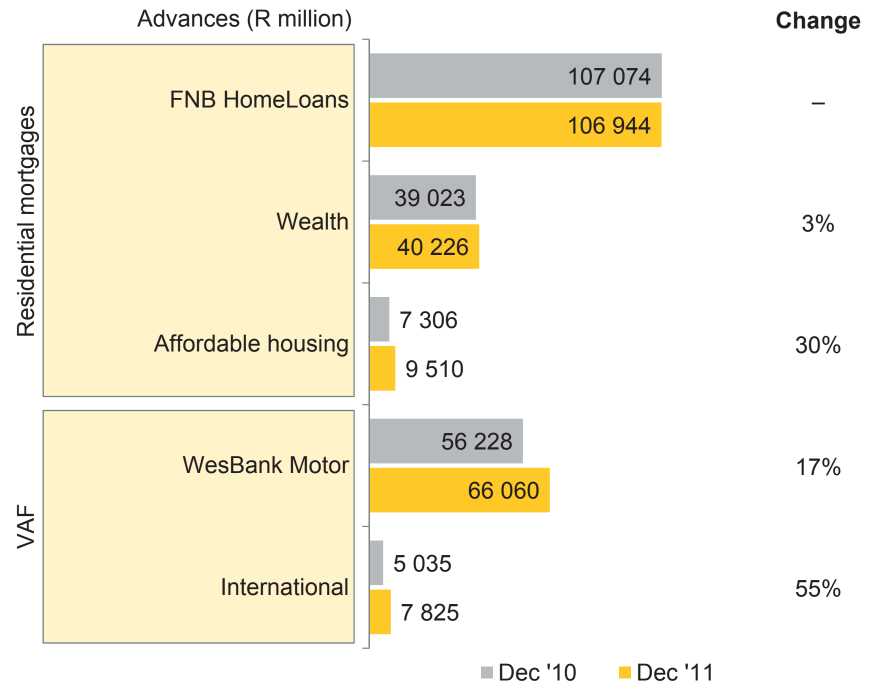
Change in mix generates better risk-adjusted margins



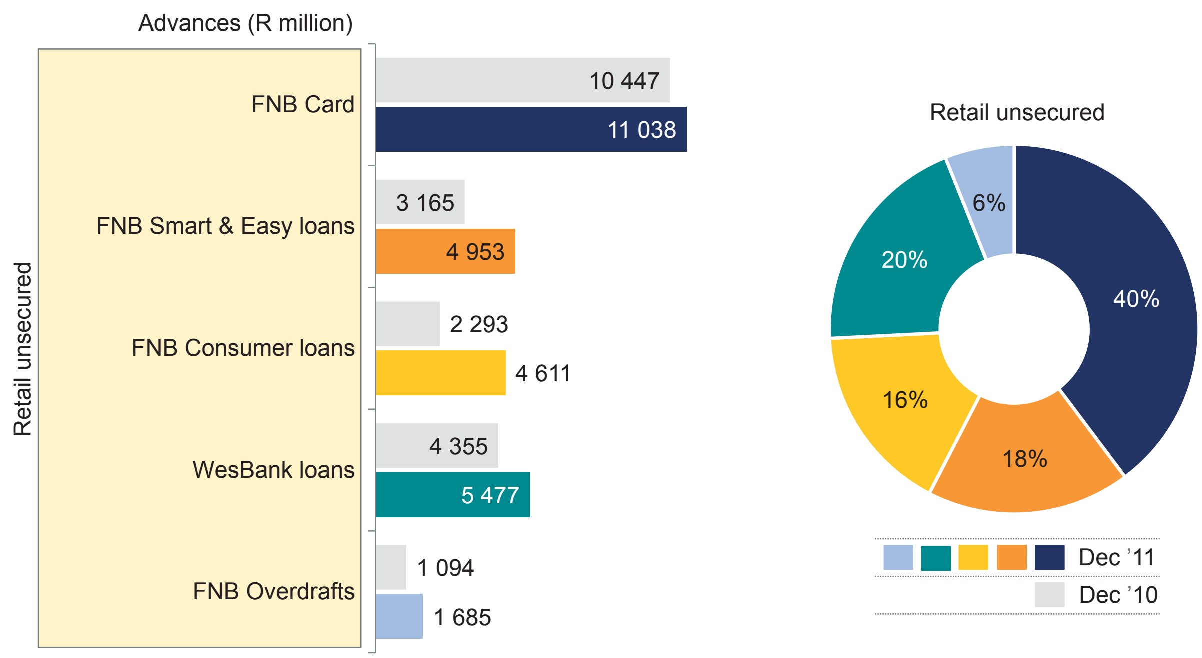
Mix also results in lower gearing and higher ROA



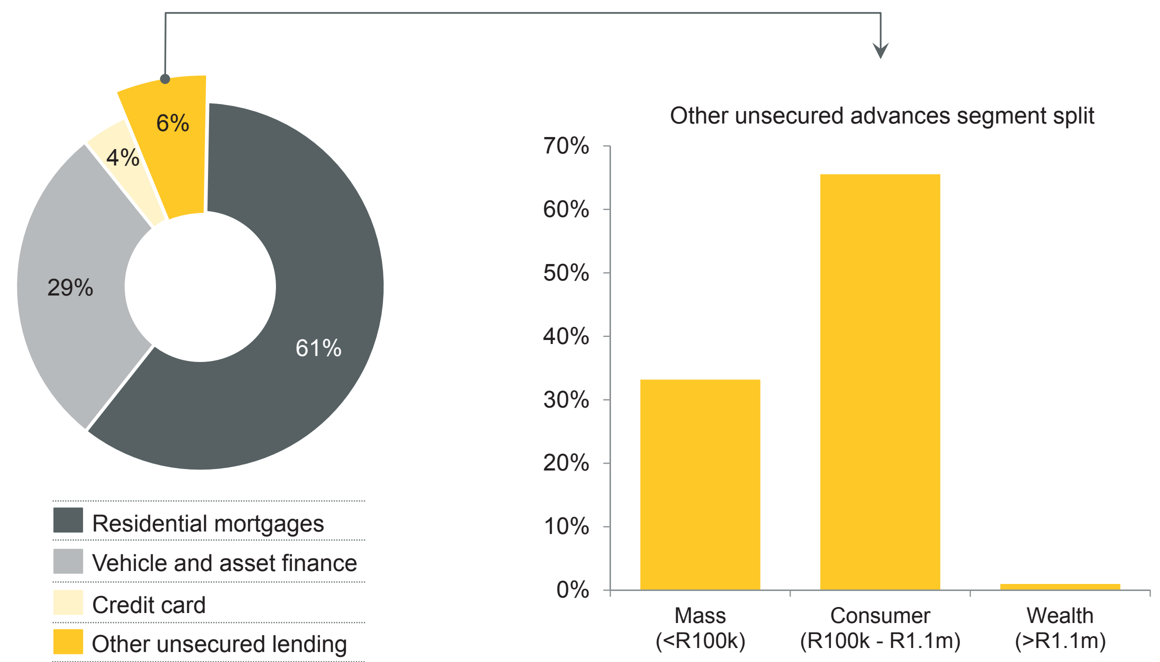
Retail secured lending +7% but better quality and higher margins



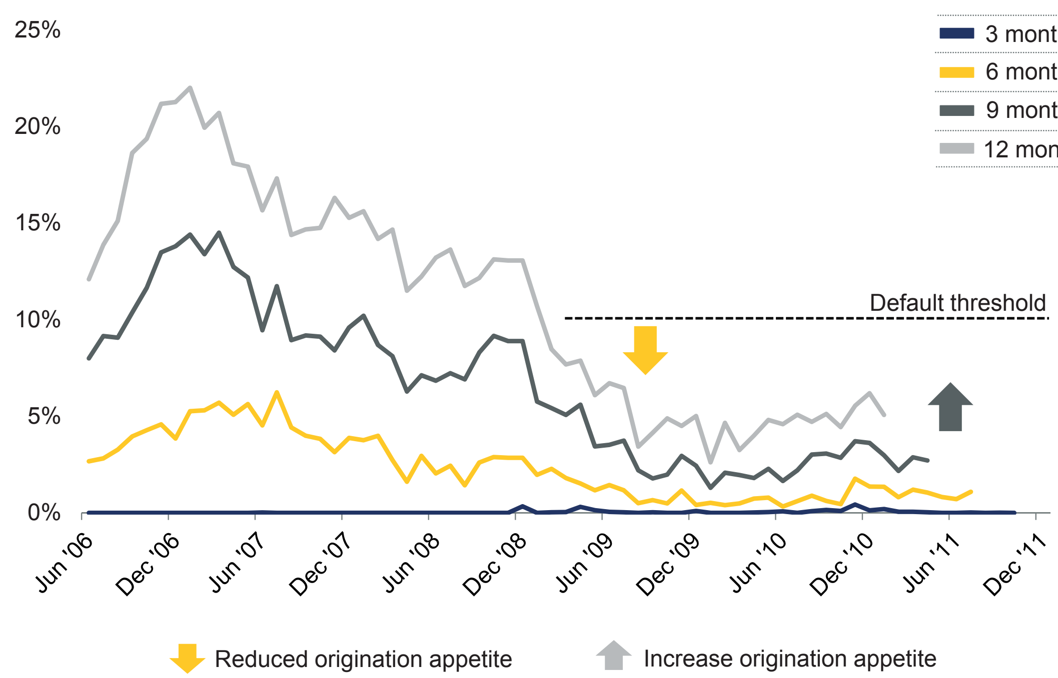
Retail unsecured lending +30% coming off a low base



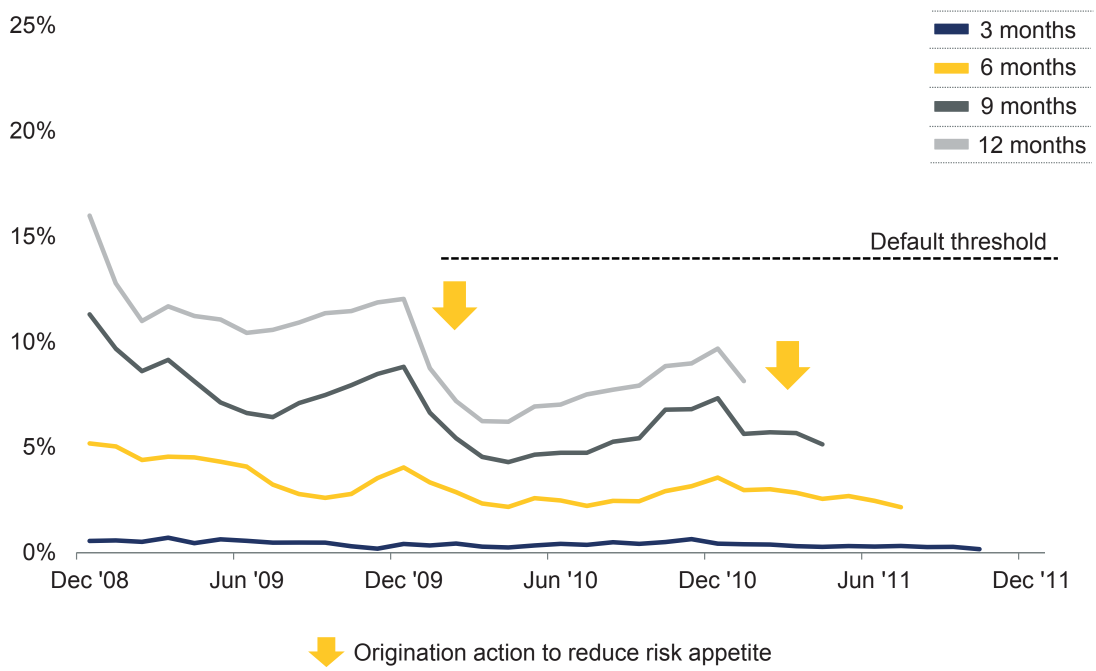
Highest growth in unsecured lending seen in Consumer segment



FNB Card vintages reflect capacity to increase risk appetite

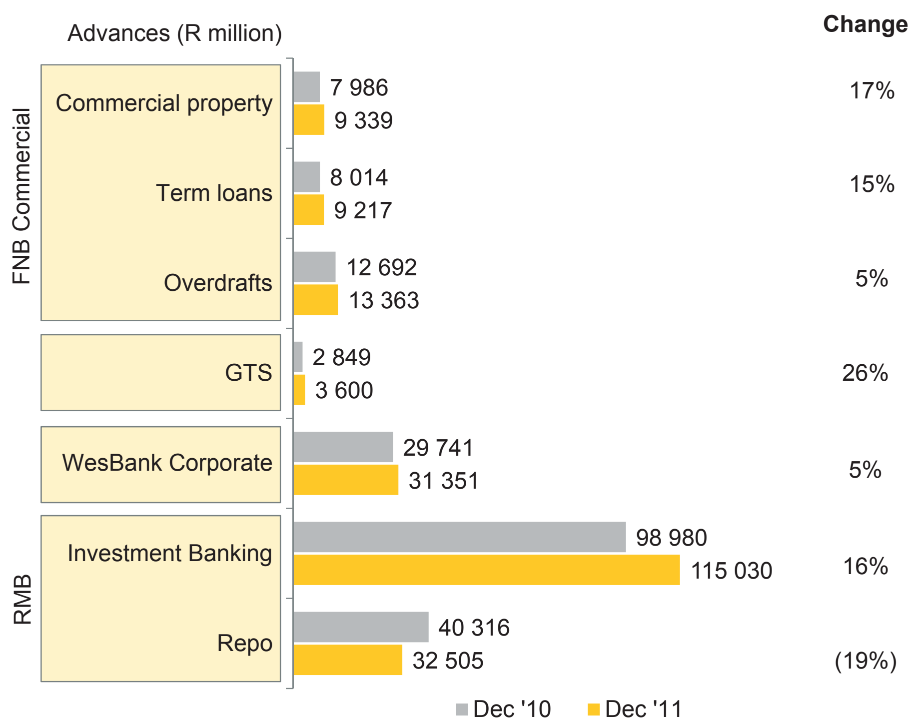


Ongoing risk management in unsecured portfolios



Unsecured includes Smart, Easy loans, Personal loans, WesBank loans and FNB Overdrafts

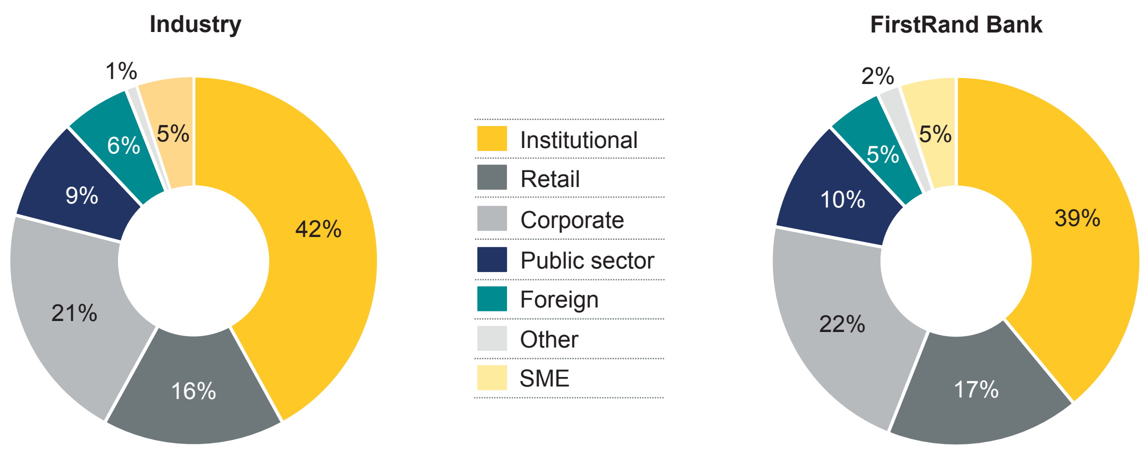
Good growth across corporate and commercial portfolios



Deposit franchise growing

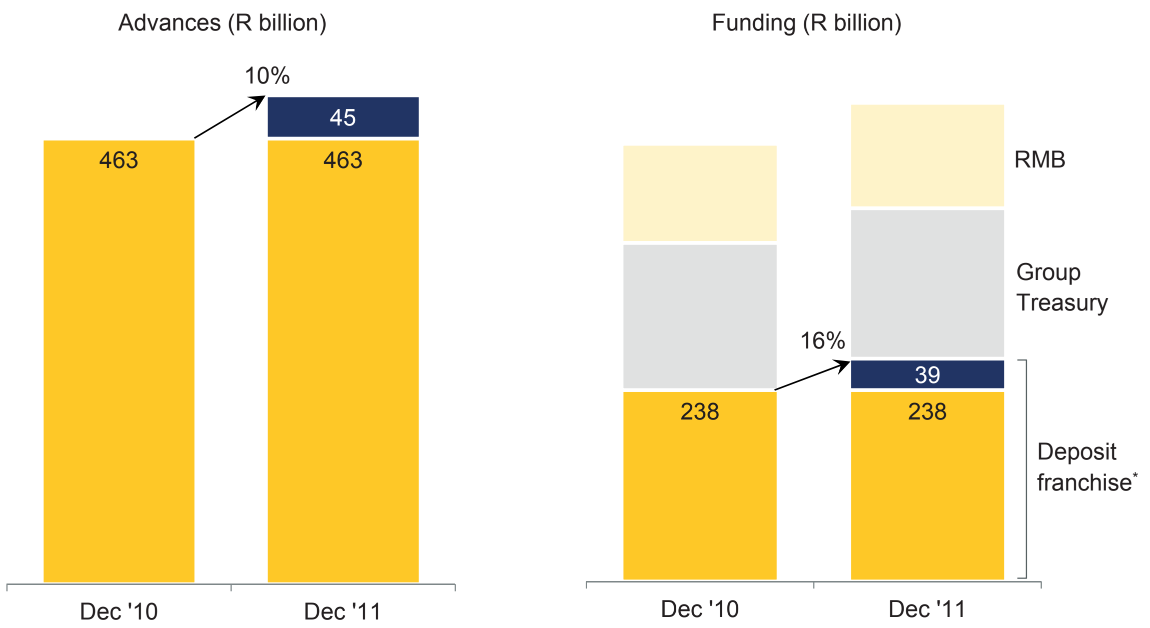
Normalised (R million)	Dec '11	Dec '10	Change	Dec '11 mix
- Lending	6 883	5 778	▲ 19%	58%
- Deposit taking	1 410	1 313	▲ 7%	12%
- Deposit endowment	1 171	1 143	▲ 2%	10%
- Capital endowment	1 137	1 093	▲ 4%	10%
- FNB Africa	1 022	913	▲ 12%	8%
- Group Treasury and other non-rate	282	(469)	▲ 100%	2%
NII before impairment of advances	11 905	9 771	▲ 22%	100%

Funding profile reflects SA structure, but institutional reliance reducing



Source: BA900 returns at 31 Dec '11

87% of advances growth funded by deposit franchise

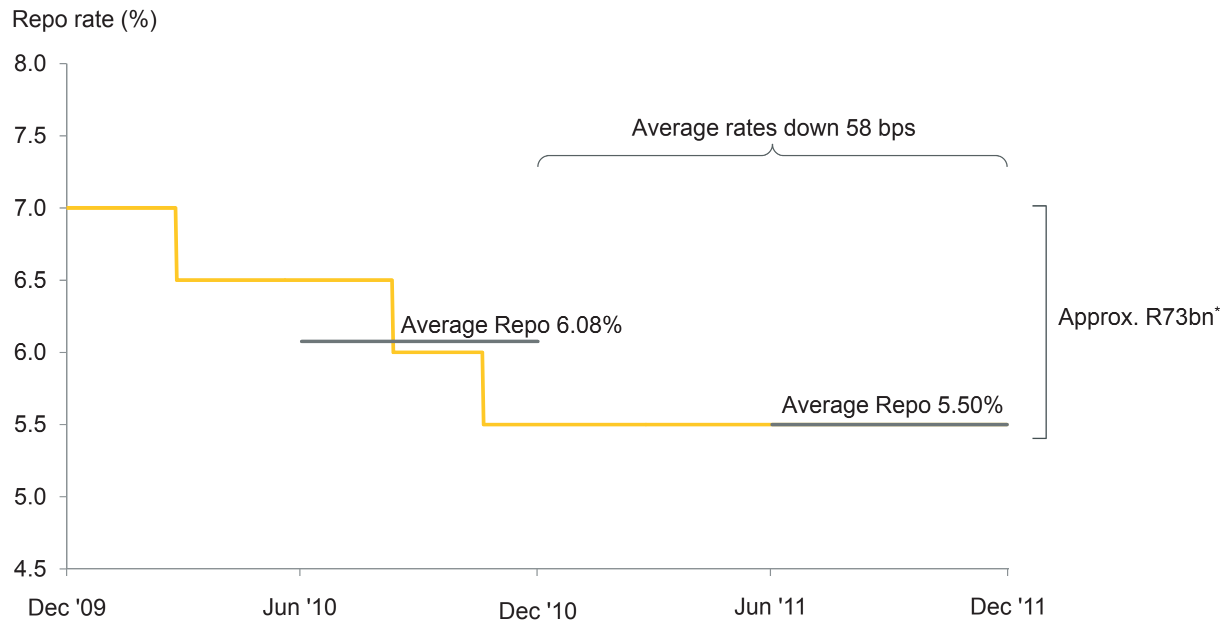


* Includes FNB Consumer and Mass, FNB Wealth, FNB Commercial, FNB Africa, GTS and other

Growth in deposits and capital generation limits negative endowment impact

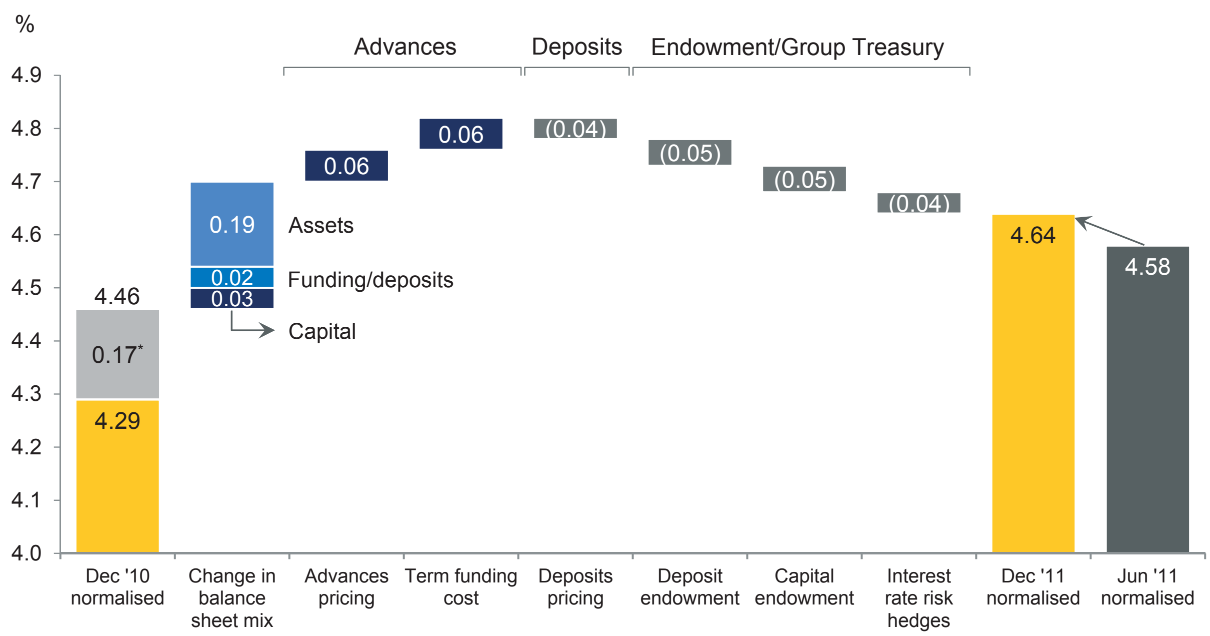
Normalised (R million)	Dec '11	Dec '10	Change	Dec '11 mix
- Lending	6 883	5 778	▲ 19%	58%
- Deposit taking	1 410	1 313	▲ 7%	12%
- Deposit endowment	1 171	1 143	▲ 2%	10%
- Capital endowment	1 137	1 093	▲ 4%	10%
- FNB Africa	1 022	913	▲ 12%	8%
- Group Treasury and other non-rate	282	(469)	▲ >100%	2%
NII before impairment of advances	11 905	9 771	▲ 22%	100%

Endowment impacts R360 million per 50 bps per annum



* Average endowment book for the current financial year. Sensitivity as at 31 Dec '11 for 12 months, assuming parallel shift in rates.

Margin benefits from mix and pricing



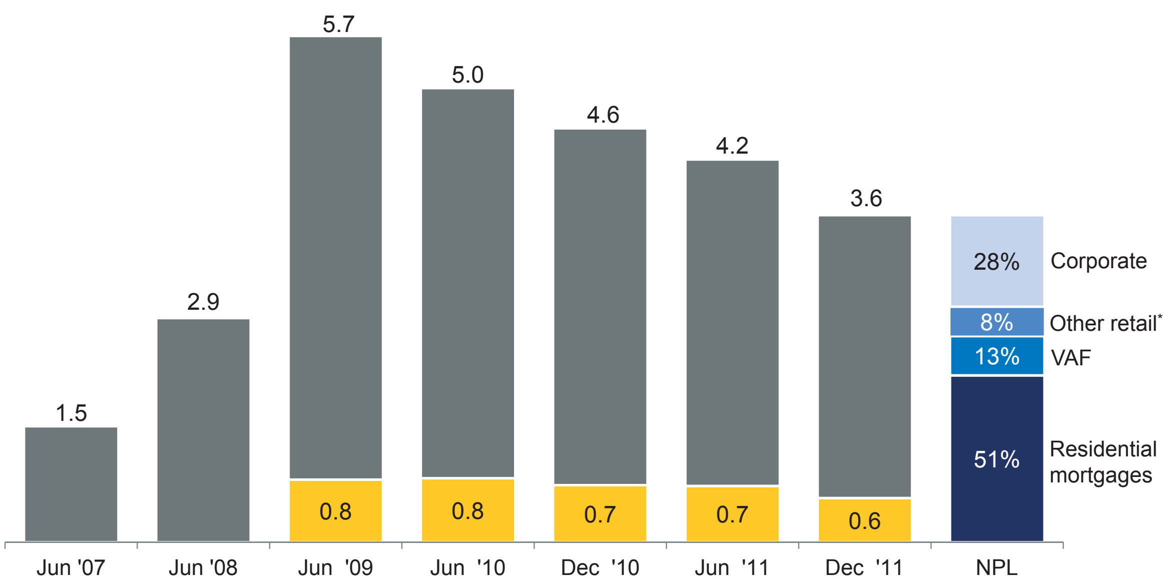
* Dec '10 includes 17 bps MTM versus accrual differences. 84% of institutional funding (Dec '10 = 40%) now designated as accrual.

Income statement – Group's continuing operations

Normalised (R million)	Dec '11	Dec '10	Change
Net interest income before impairment of advances	11 905	9 771	22%
Impairment of advances	(1 961)	(2 277)	(14%)
Net interest income after impairment of advances	9 944	7 494	33%
Non-interest revenue*	11 856	12 077	(2%)
Income from operations	21 800	19 571	11%
Operating expenses	(12 995)	(11 963)	9%
Income before tax	8 805	7 608	16%
Indirect tax	(385)	(385)	–
Profit before direct tax	8 420	7 223	17%
Direct tax	(2 168)	(1 968)	10%
NCNR preference shareholders	(137)	(160)	(14%)
Headline and normalised earnings adjustments	42	(159)	>100%
Non-controlling interests	(386)	(364)	6%
FirstRand continuing operations	**5 771**	**4 572**	**26%**

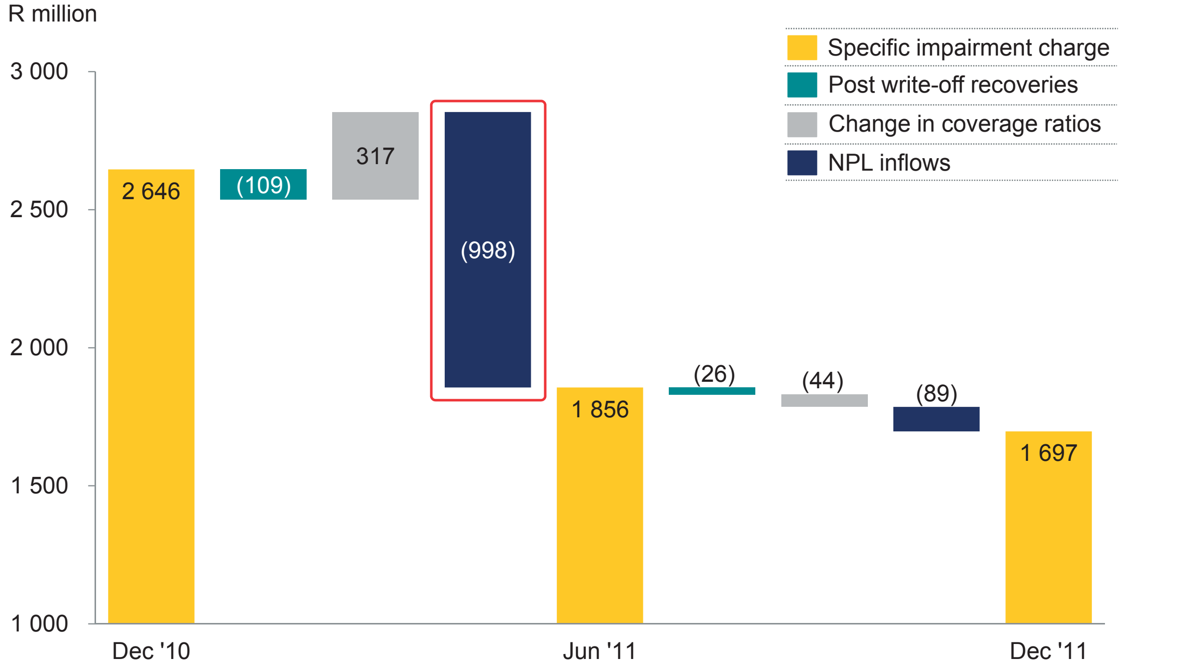
** Includes share of profit from associates and joint ventures*

Profile of NPLs causes stickiness

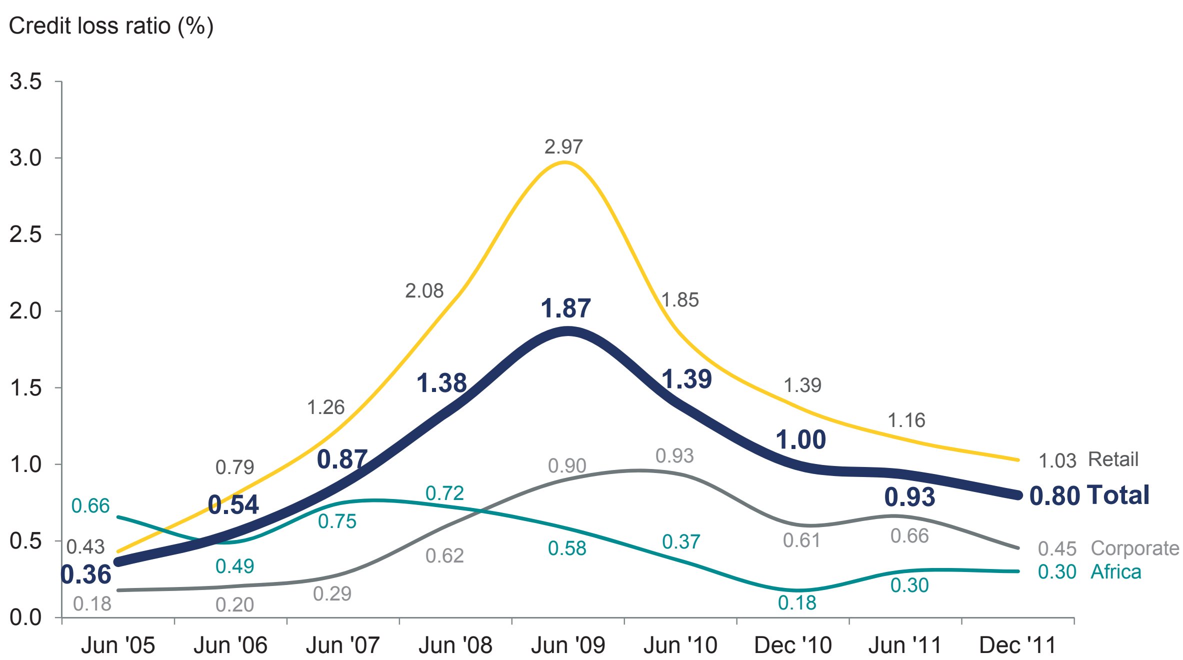


** Includes FNB Africa, Retail unsecured and Corporate Centre and other*

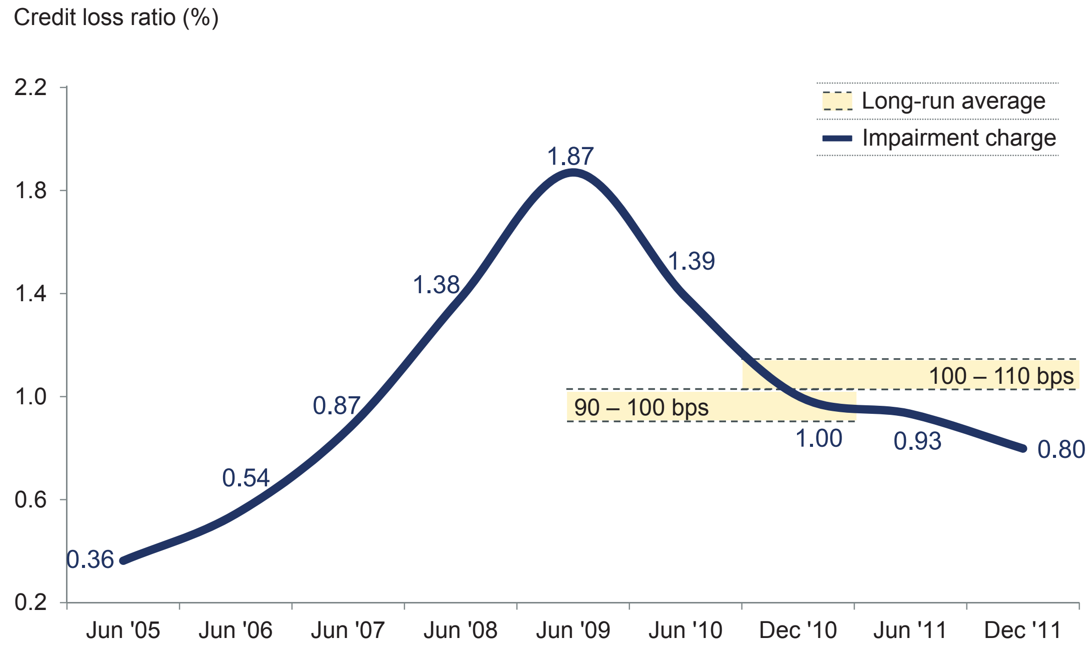
Reduction in bad debts reflects lower NPL inflows



Bad debts below long-run average



Long-run average reflects shift in portfolio mix



Income statement – Group's continuing operations

Normalised (R million)	Dec '11	Dec '10	Change
Net interest income before impairment of advances	11 905	9 771	22%
Impairment of advances	(1 961)	(2 277)	(14%)
Net interest income after impairment of advances	9 944	7 494	33%
Non-interest revenue*	11 856	12 077	(2%)
Income from operations	21 800	19 571	11%
Operating expenses	(12 995)	(11 963)	9%
Income before tax	8 805	7 608	16%
Indirect tax	(385)	(385)	–
Profit before direct tax	8 420	7 223	17%
Direct tax	(2 168)	(1 968)	10%
NCNR preference shareholders	(137)	(160)	(14%)
Headline and normalised earnings adjustments	42	(159)	>100%
Non-controlling interests	(386)	(364)	6%
FirstRand continuing operations	**5 771**	**4 572**	**26%**

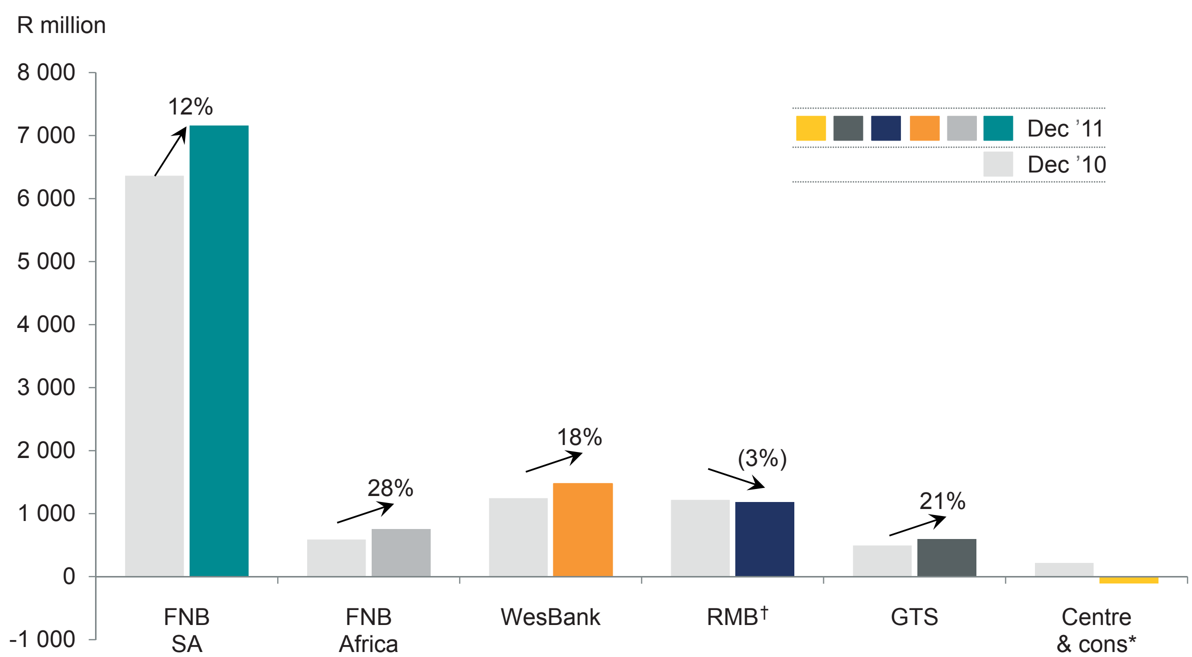
** Includes share of profit from associates and joint ventures*

Unpacking non-interest revenue

Normalised (R million)	Dec '11	Dec '10	Change	Dec '11 mix
- Client activities	11 053	10 128	▲ 9%	93.2%
- Private equity activities	333	218	▲ 53%	2.8%
- Other investment	(27)	1 239	▼ (>100%)	(0.2%)
- RMB trading	240	468	▼ (49%)	2.0%
- Group Treasury fair value	257	24	▲ >100%	2.2%
Non-interest revenue*	11 856	12 077	▼ (2%)	100%

* Includes share of profit from associates and joint ventures

Strong NIR growth at FNB and WesBank driven by client activities



* Includes Corporate Centre, consolidation and other adjustments

† Excluding any tax-related benefits

Equity and commodity markets impacted other investment NIR

Normalised (R million)	Dec '11	Dec '10	Change
- Resources	(217)	542	▼ (>100%)
- ELI returns	70	290	▼ (76%)
- Other*	120	407	▼ (71%)
Other investment NIR	(27)	1 239	▼ (>100%)

* Includes non-private equity dividends and realisations

Mixed performance from RMB trading activities

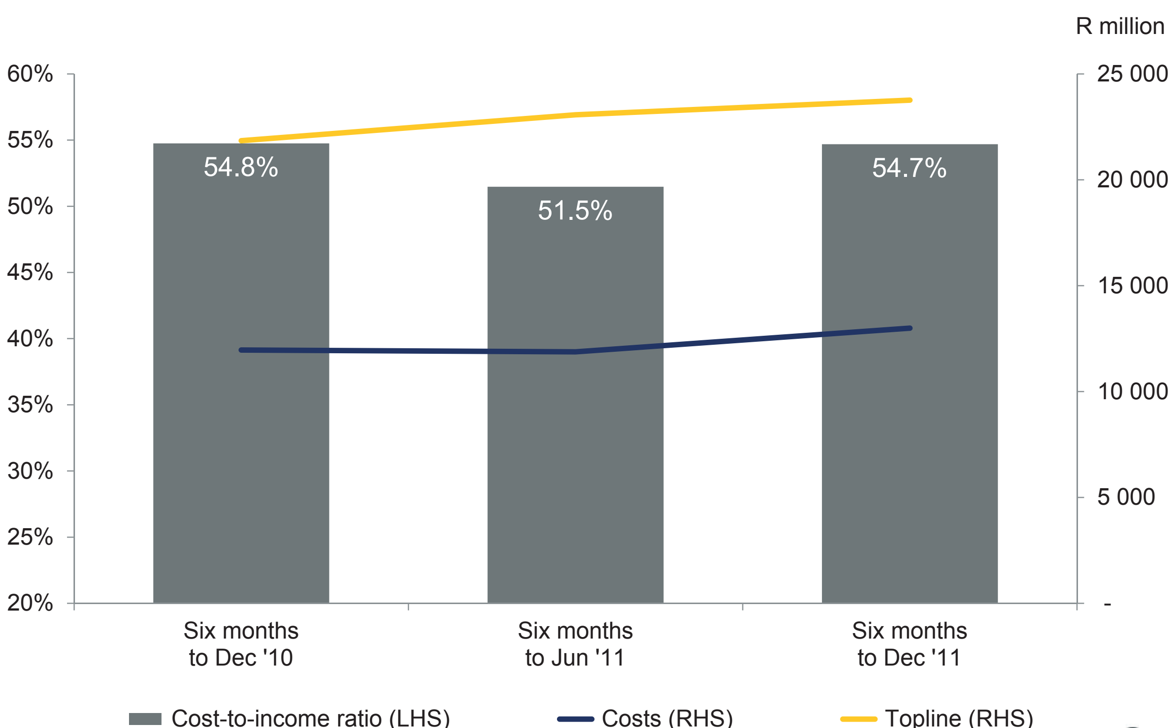
Normalised (R million)	Dec '11	Dec '10	Change
- Equities	(89)	227	▼ (>100%)
- Commodities	154	6	▲ >100%
- Interest rates	(39)	212	▼ (>100%)
- Credit	–	(7)	▲ (100%)
- Forex	214	30	▲ >100%
RMB trading	240	468	▼ (49%)

Income statement – Group's continuing operations

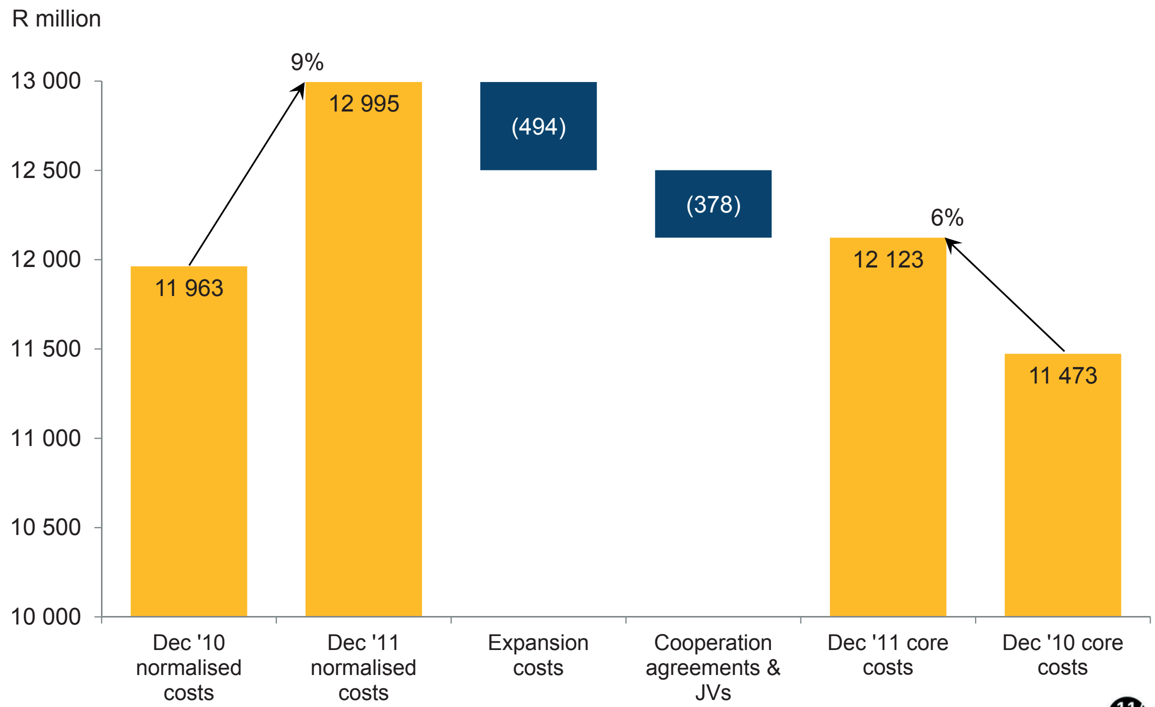
Normalised (R million)	Dec '11	Dec '10	Change
Net interest income before impairment of advances	11 905	9 771	22%
Impairment of advances	(1 961)	(2 277)	(14%)
Net interest income after impairment of advances	9 944	7 494	33%
Non-interest revenue*	11 856	12 077	(2%)
Income from operations	21 800	19 571	11%
Operating expenses	(12 995)	(11 963)	9%
Income before tax	8 805	7 608	16%
Indirect tax	(385)	(385)	–
Profit before direct tax	8 420	7 223	17%
Direct tax	(2 168)	(1 968)	10%
NCNR preference shareholders	(137)	(160)	(14%)
Headline and normalised earnings adjustments	42	(159)	>100%
Non-controlling interests	(386)	(364)	6%
FirstRand continuing operations	**5 771**	**4 572**	**26%**

** Includes share of profit from associates and joint ventures*

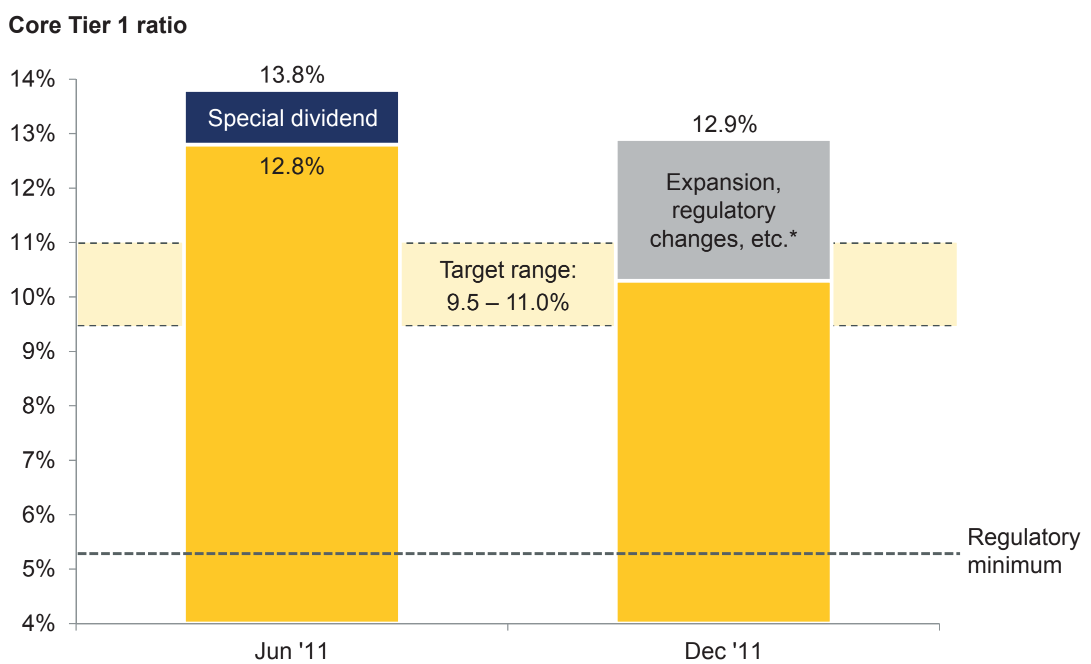
Cost-to-income ratio maintained



Core cost growth reflects management focus

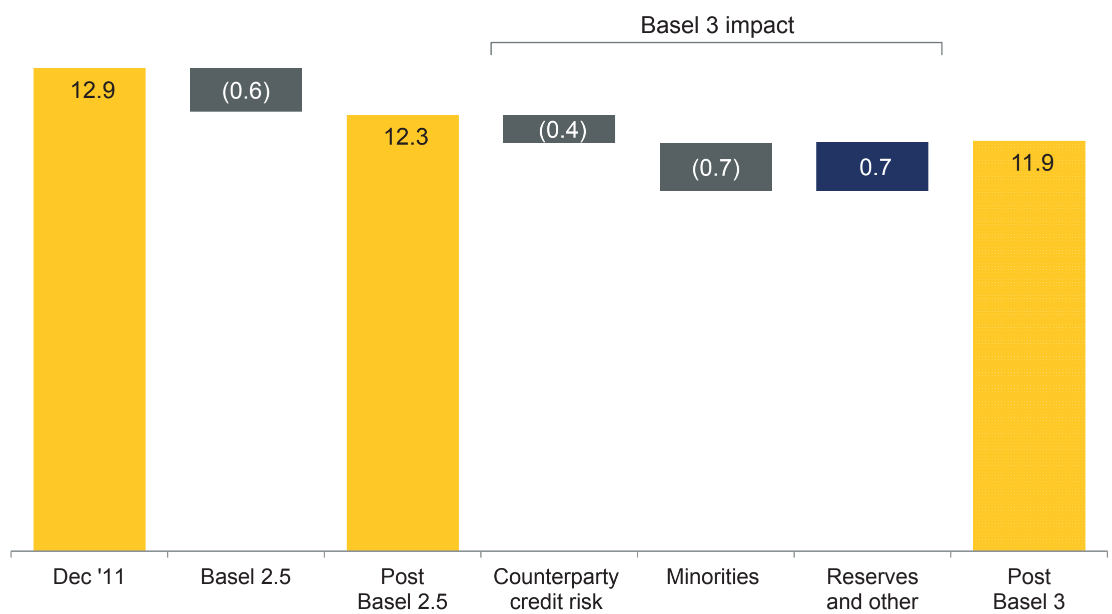


Strong capital position…



* Illustrative

…and sufficient to deal with impact of Basel 2.5 and 3



Group ROE maintained but shift at franchise-level

ROE (%)	Dec '11* per circular	Pre-Basel 2.5†	Directional impact of Basel 3
- FNB SA	37.7	38.4	▼
- FNB Africa#	21.7	21.7	▼
- RMB (including Africa)	17.5	18.3	▼
- GTS	26.0	26.6	▲
- WesBank	29.8	30.4	▼
- Centre	(2.7)	(2.5)	
Total FirstRand	19.5	19.5	**19.5**
Core Tier 1 %	12.3	12.9	11.9

* *ROEs disclosed in the Analysis of financial results booklet were calculated on average allocated equity adjusted for Basel 2.5 as if effective 31 Dec '11*

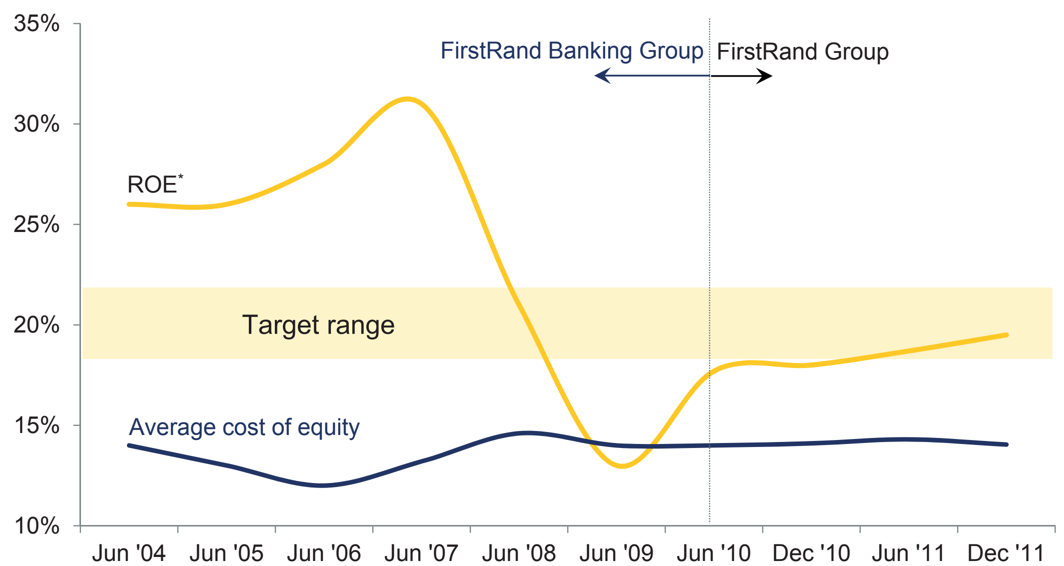
† *ROEs calculated prior to any impact of Basel 2.5 (i.e. on a pure Basel 2 basis)*

\# *Statutory view*

Potential levers to mitigate decline in franchise ROEs

- Capital optimisation
- Increasing scale and growth can enable franchises to improve performance
- Business model and pricing options
- Cost management

ROE in target range and business/capital actions could further improve returns



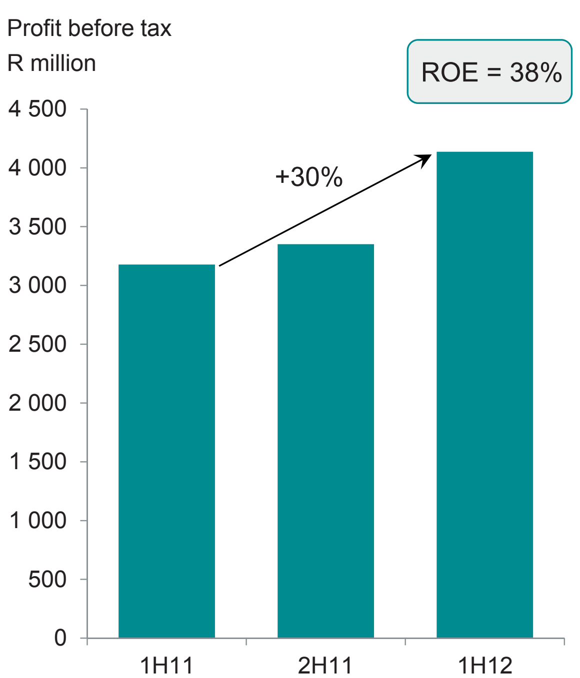
* ROE from Jun '10 onwards is on a continuing basis for FirstRand Ltd

11/12

franchise review

Sizwe Nxasana

Excellent performance from FNB's strong and growing SA franchise



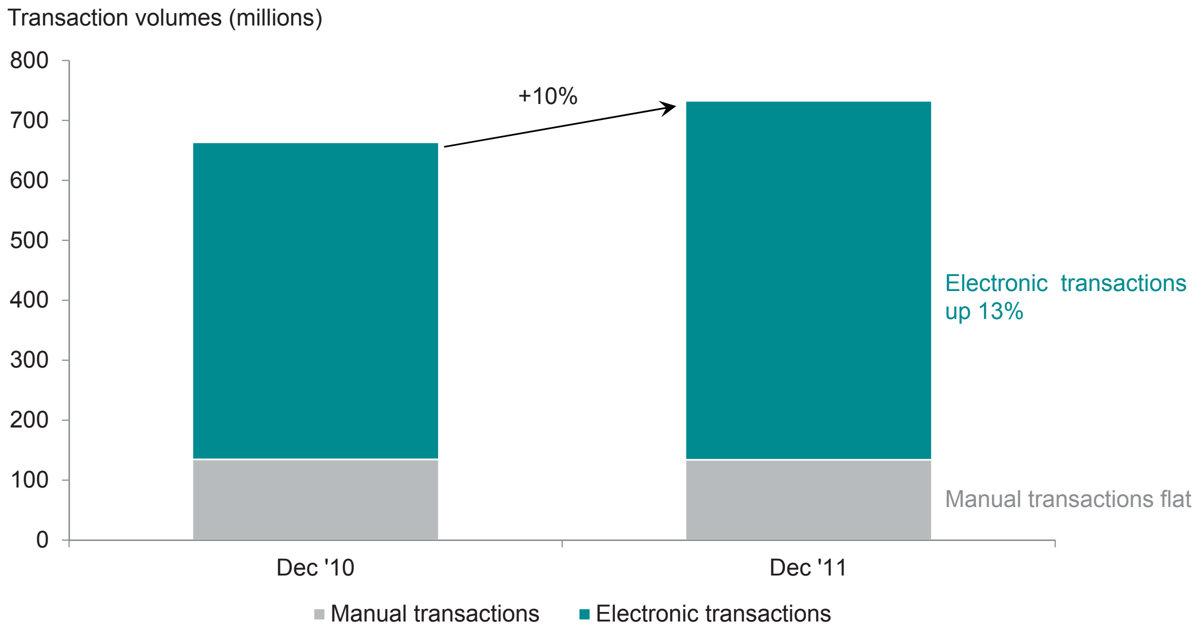
Characterised by:

+ Strong topline growth
  + NII +13%
  + NIR +14%
+ Transactional volumes still growing, mix changing to more electronic
+ Substantial growth of retail deposits
+ Improved quality of new business and credit repricing
+ Bad debts improved 17%

– Slight negative endowment effect particularly in Commercial

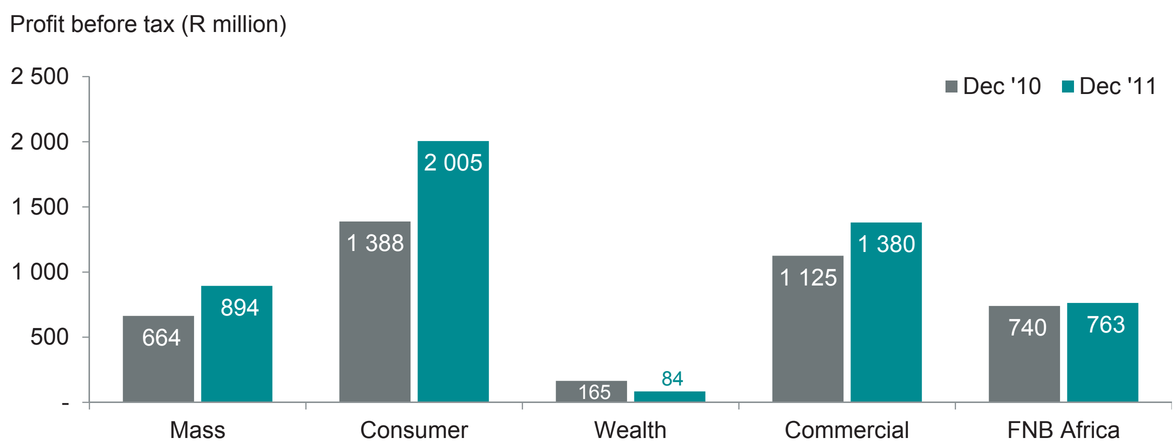
11/12

NIR driven by robust growth in volumes

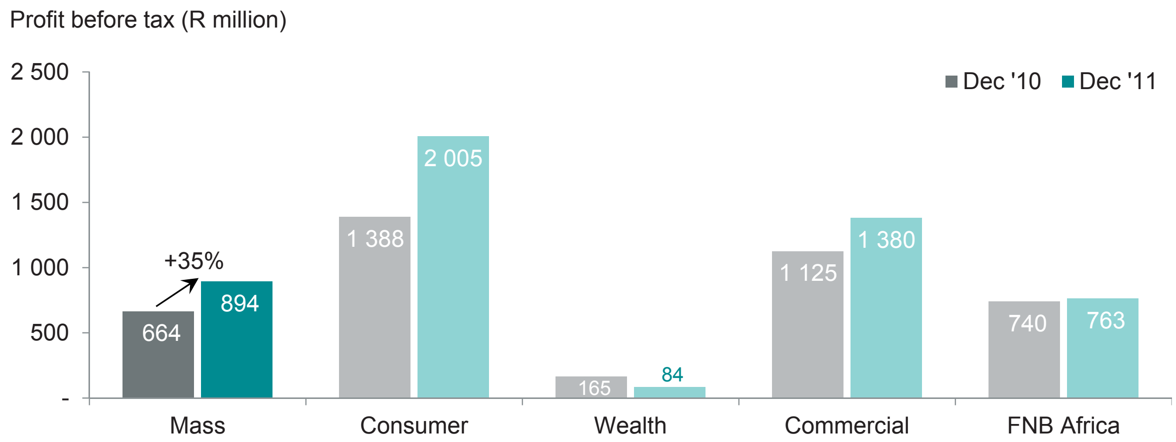


Manual transactions – cash, cheques
Electronic transactions – online, card, mobile, etc.

Growth across diversified FNB portfolio



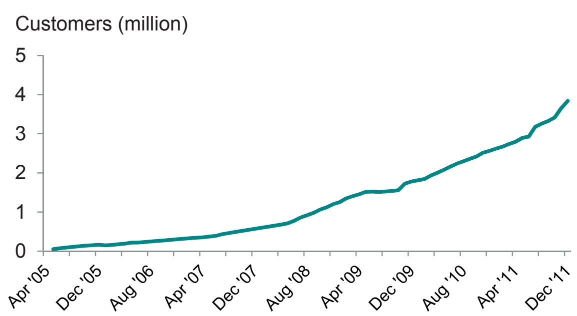
Mass segment continues to deliver



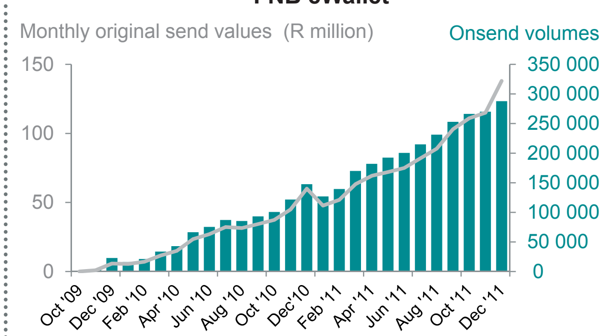
- Profitability driven by topline growth
  - NII growth from lending activities
  - NIR reflects growth in customer transactional volumes
- EasyPlan rollout continued with 151 points of presence (Dec '10: 67, Jun '11:117)
- Growth in unsecured lending on the back of improved distribution
- Unsecured portfolio still <R5 billion (representing 34% of total mass advances)

Innovation key to customer acquisition and retention

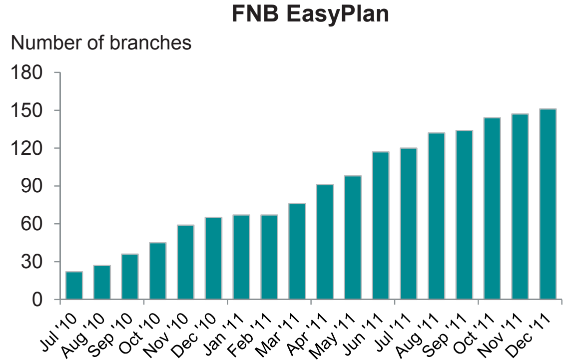
Cellphone Banking



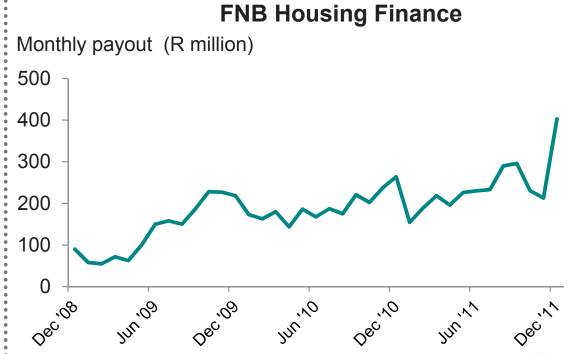
FNB eWallet



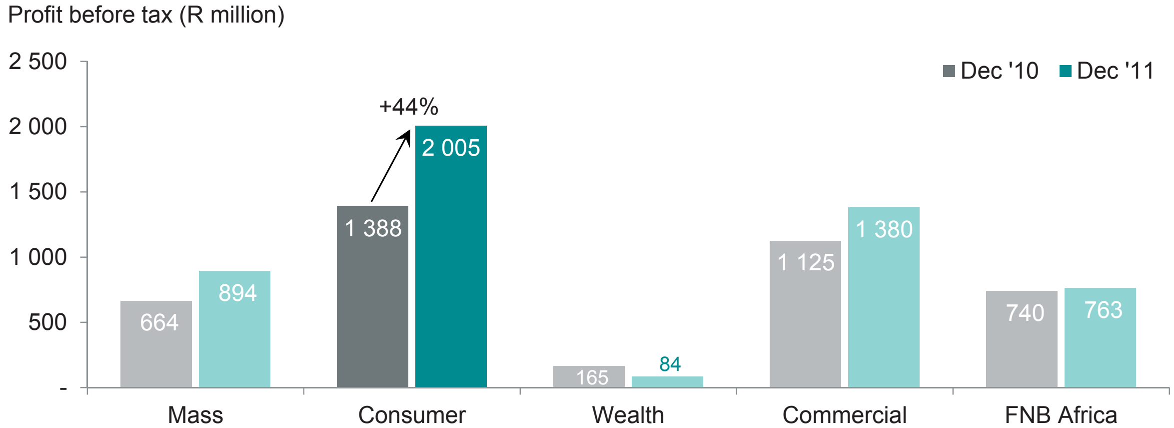
FNB EasyPlan



FNB Housing Finance



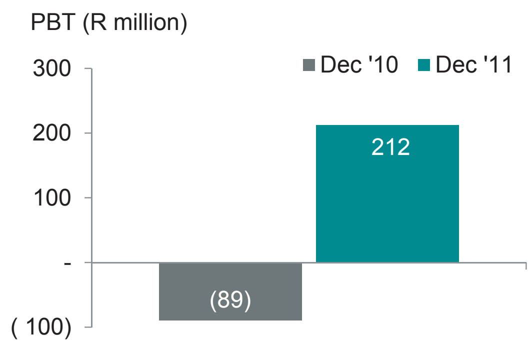
Consumer segment switching record number of customers



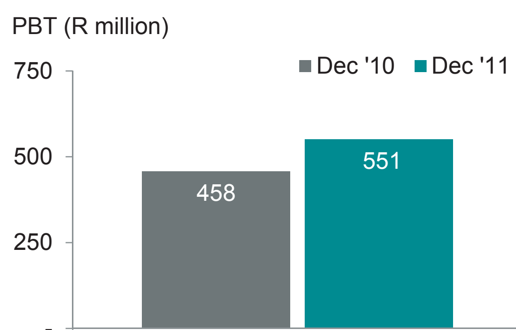
- Strong topline growth
  - NII +14% driven by improved lending margins and deposits growth
  - NIR +16% on the back of transactional revenues and new customers
- Improving performances from HomeLoans and Card

Turnaround in HomeLoans on track; Card posts good performance

- HomeLoans
  - Better quality of new business
  - Improved margins
  - Lower bad debts
  - FNB PIP portfolio only R195 million

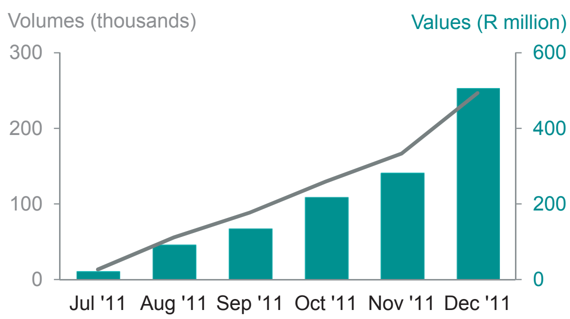


- Card
  - Declining NPLs
  - Further benefit from post write-off recoveries
  - Card turnover remained robust +15%

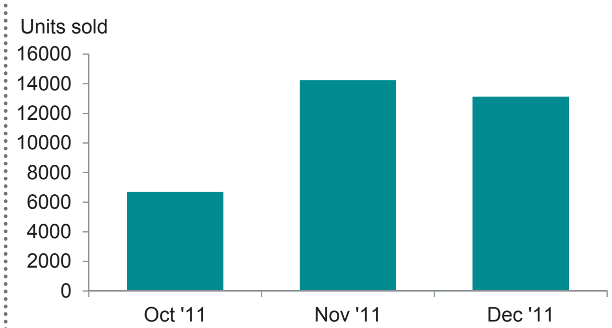


Innovation also attracting new customers in this segment

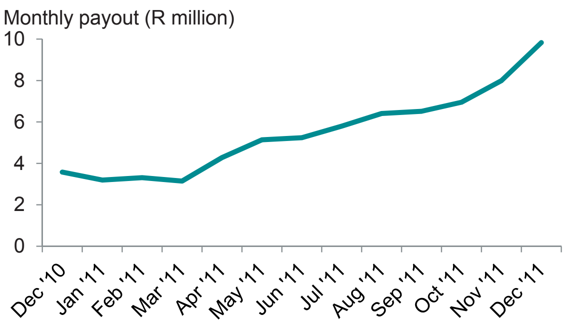
FNB banking app transactions



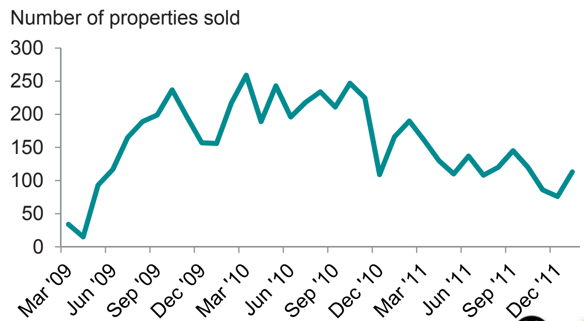
FNB smartphone/tablet device sales



Fuel Rewards

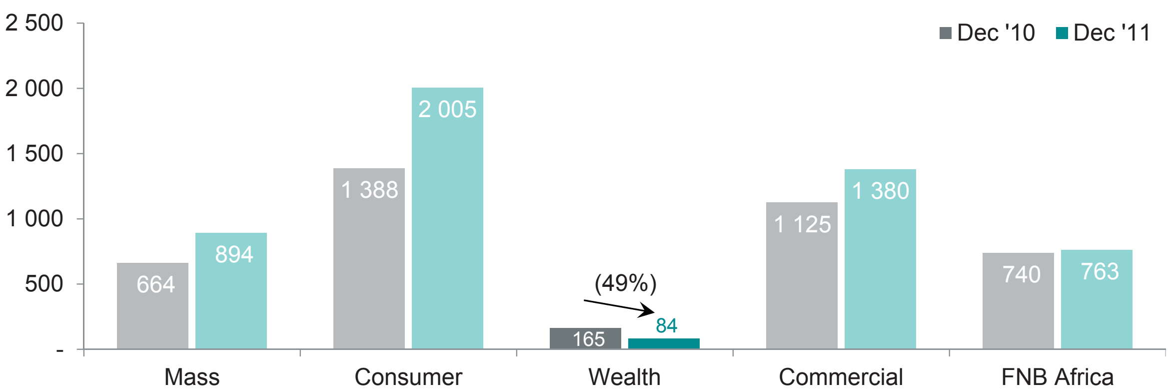


FNB QuickSell



Wealth performance impacted by bad debts

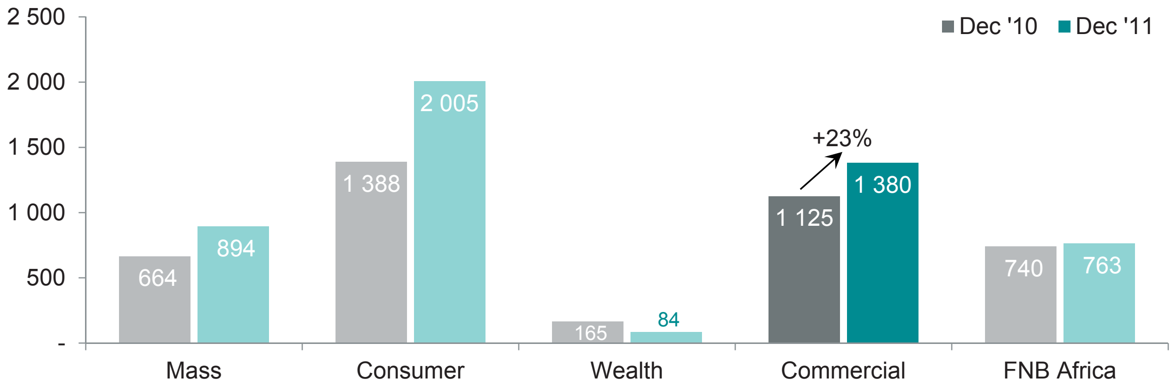
Profit before tax (R million)



- Although bad debts up y/y, down 55% on a rolling 6 month basis
- Strong deposit growth of 42%
- Healthy NIR growth at 31% (including BJM)

Commercial performance driven by solid topline

Profit before tax (R million)

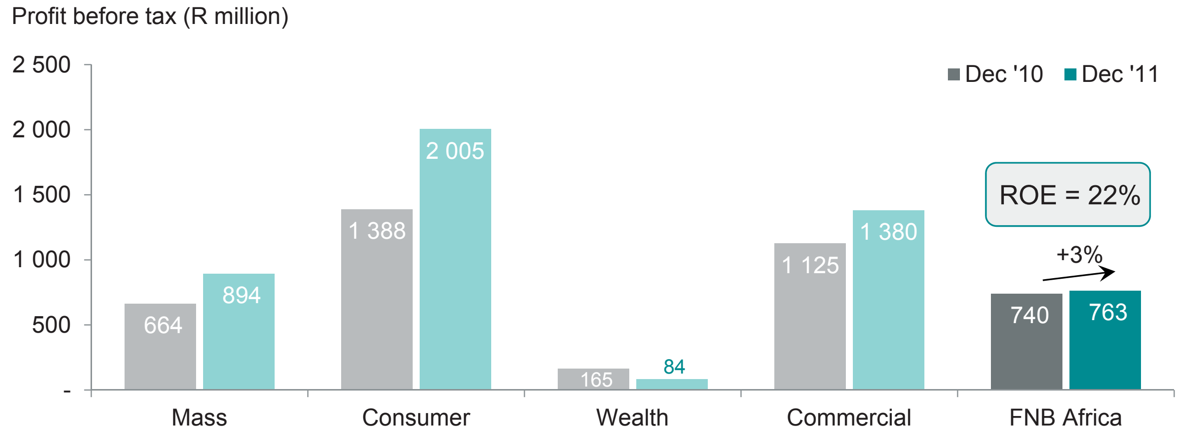


- Strong NIR growth at 12%
- NII increased 8% despite endowment pressure due to good growth in deposits and commercial property finance
- Slight benefit from reduction in bad debts

Ongoing cost management focus whilst investing for growth

- Core costs up 7%
  - Maintaining the benefit from lower cost base of core operations
  - Union agreement above 8%
- Cost reductions
  - Emphasis on footprint efficiency resulted in cost increase of only 1% in banking channels (which include the traditional branch network, ATMs, and cash centres)
- Investments
  - Significant investment in infrastructure (EasyPlan, Cellphone banking, product development)
  - Continued investment in innovation
- Despite overall costs growing 10%, cost-to-income ratio declined 1.4 percentage points to 56.1% (Dec '10: 57.5%)

Strong performance from FNB Africa despite continued investment

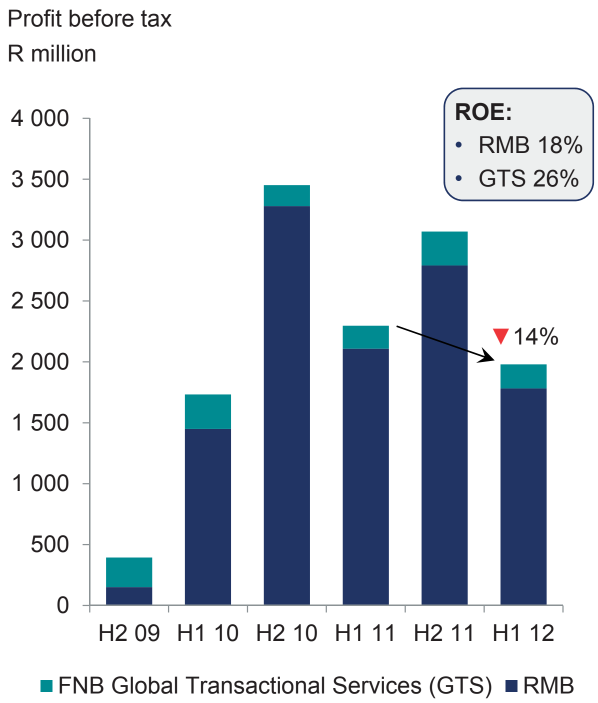


- Good performances from Namibia, Botswana and Swaziland
- Ongoing investment in newer subsidiaries (Zambia, Mozambique and Tanzania)
- Success of credit strategies

Progress on strategy

- Executing growth strategies in
  - Mass (eWallet, cellphone banking, unsecured lending)
  - Wealth (Ashburton positioned as FNB's wealth manager)
  - Commercial (property finance, niches)
- Continued investment in South African infrastructure
  - Repositioning footprint
  - All electronic channels
- Creating value for consumers via innovative platforms, products and services
  - e.g. FNB banking app, eBucks, Fuel Rewards, FNB smartphone/tablet offering
- Origination strategy focused on maximising risk-adjusted margins and not balance sheet growth
- Steady expansion of operating platform in Africa and India

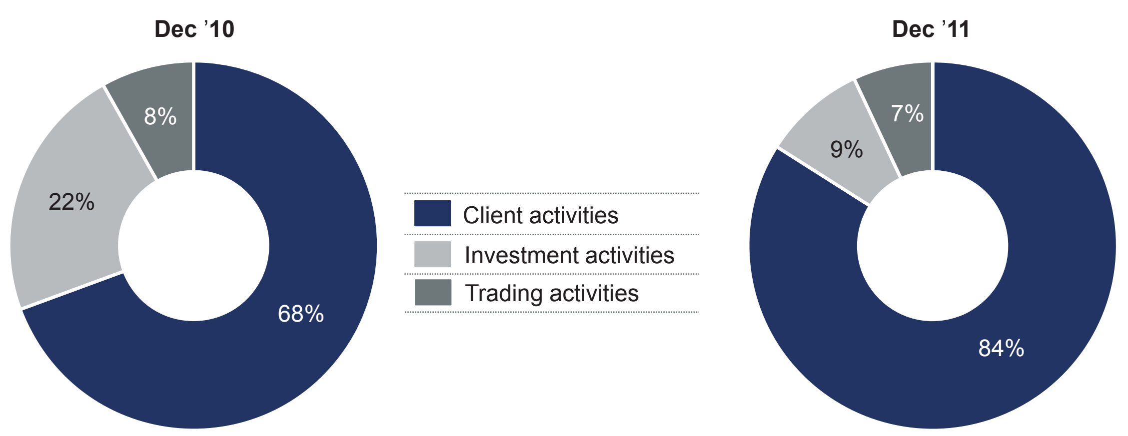
Acceptable performance given the base



Characterised by:

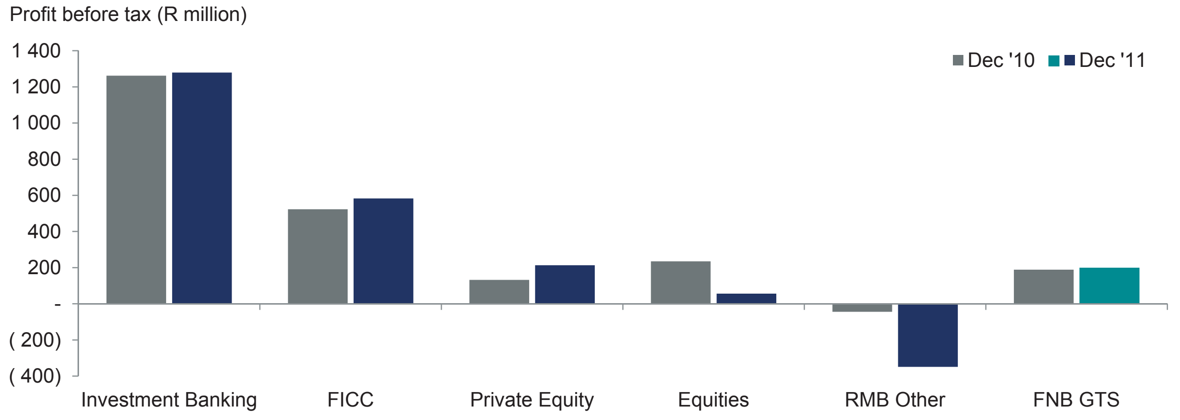
+ Strong balance sheet growth
+ Good performance from Investment Banking, FICC, Private Equity and GTS
+ Excellent growth in African business particularly FICC
– Poor performance from Resources and Equities due to weaker markets

Appropriate portfolio mix



Based on RMB gross revenue excluding legacy portfolios and GTS

Improved performance across most units



11/12
RMB

Investment Banking remains market leader

Investment Banking

- Maintained market leading position
- Good growth in advisory and structuring revenue
- Growth in financing revenue on back of 12% growth in advances

11/12
RMB

Client flows drive FICC performance

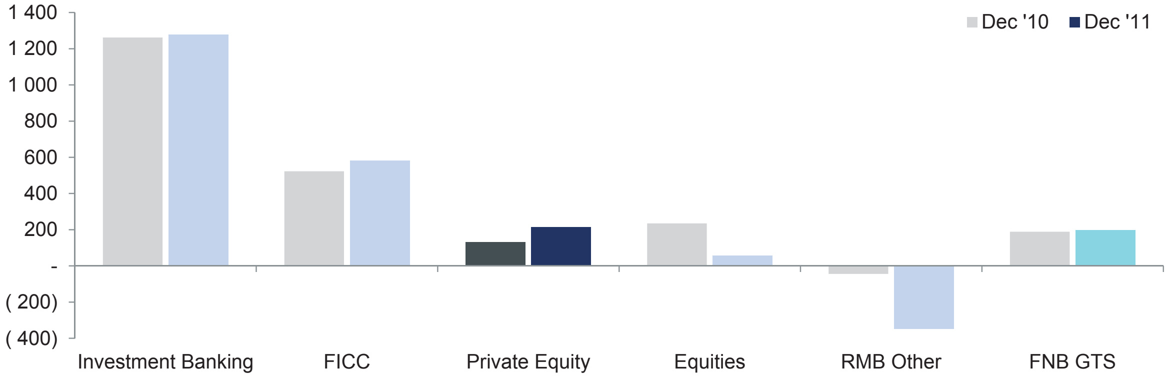
Profit before tax (R million)

FICC

- Growth despite pressure on domestic deposit margins
- Strong performance from client flow and structuring businesses
- Trading revenues up year-on-year
- African business produced excellent results particularly Botswana

Private Equity benefits from quality of portfolio

Profit before tax (R million)

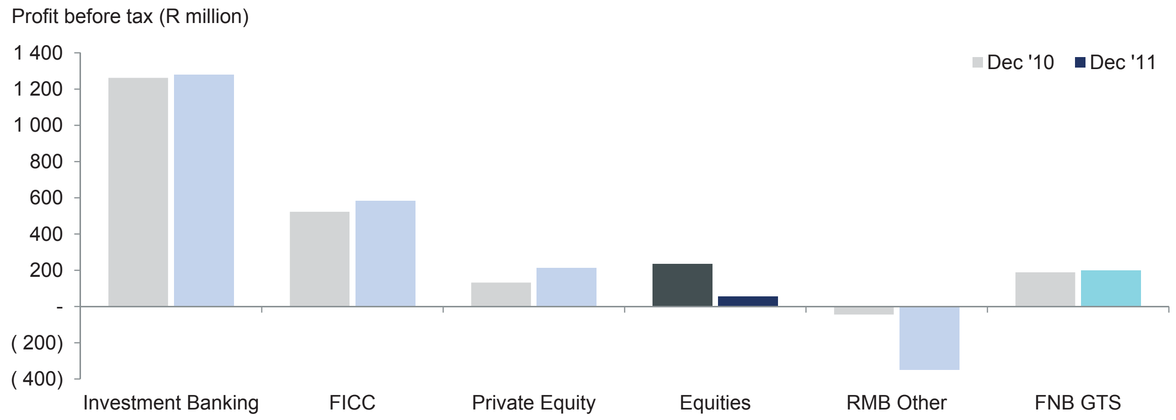


Private Equity*

- Income from Private Equity investments** grew to R274 million (Dec '10: R207 million) aided by lower impairments
- No significant realisations in the period
- Unrealised value remains at R1.2 billion
- New investments of R949 million during the period

** Figures shown are for the RMB Private Equity divisional performance*
*** Includes associates (net of impairments), subsidiaries and dividend income*

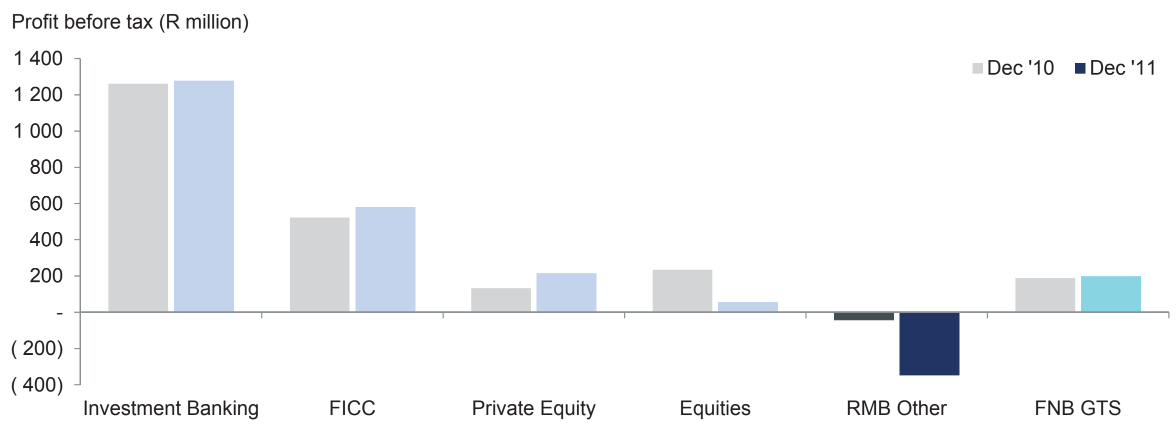
Mixed performance from Equities



Equities

- Poor performance from trading activities, long-term trading positions reduced
- Strong contribution from client and structuring activities up 6%

Tough commodity markets impact Resources



Other

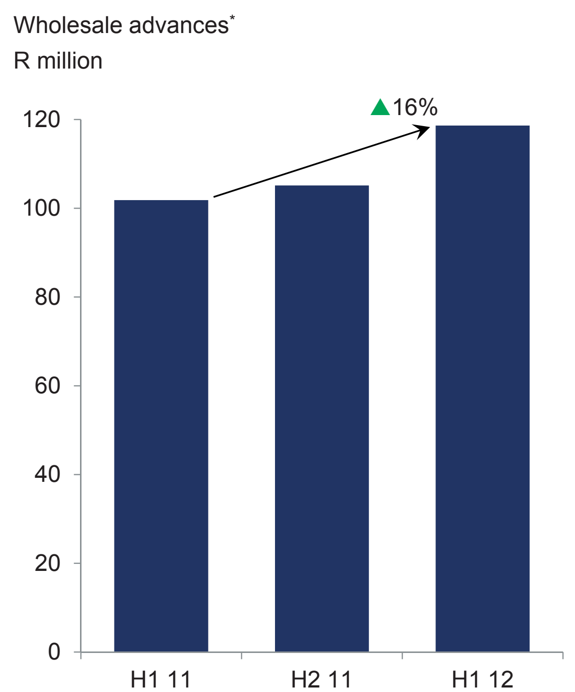
- RMB Resources mark-to-market losses on resources equity exposures
- Legacy losses insignificant

GTS grows profits despite continued investment

FNB Global Transactional Services (GTS)

- Good performance given ongoing significant investment in platforms
- Fee revenue grew marginally on back of higher volumes
- Programme of significant investment in platforms continues

Progress on strategy – corporate advances above market



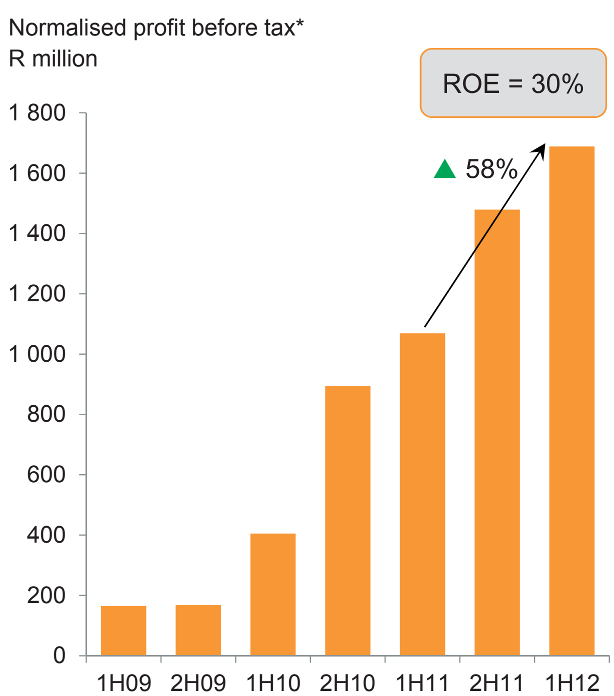
- Continued to grow client franchise and maintained market-leading position
- Strong growth in balance sheet
  - Portfolio (+16%) grew above market
- Asset quality maintained

* *Excluding repos.*

Progress on strategy – growing CIB revenues, Africa and the corridors

- Corporate and Investment Banking (CIB)
  - Benefiting from integrated client coverage across CIB
  - Refined transactional banking strategy
  - Significant investment in GTS platforms underway
- African and Asian corridors
  - Leveraging off FNB's African franchises
    - FICC revenues in African subsidiaries up
    - Period saw opening of operation in Namibia, Tanzania and Kenya
  - Asian corridors
    - Increase in India/African corridor revenue
    - Key mandates in China/Africa corridor

WesBank: strong growth in earnings



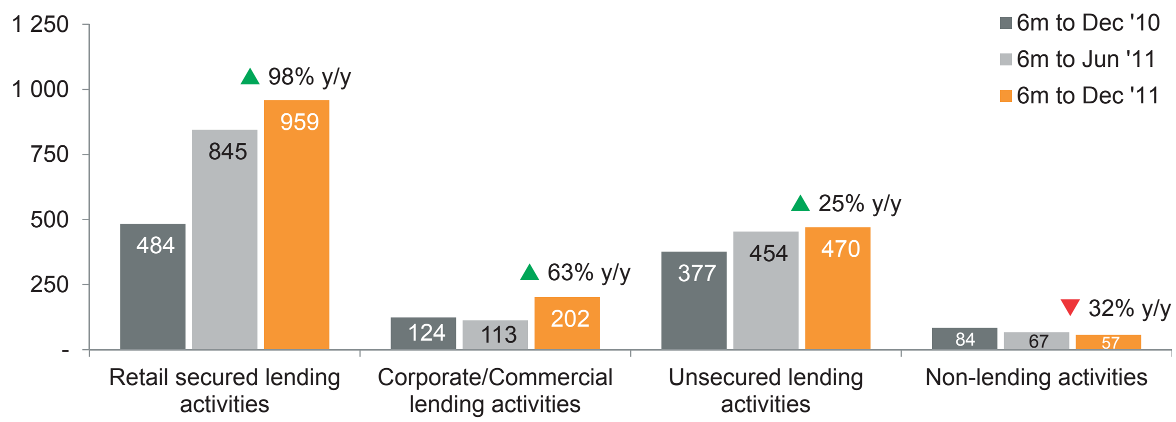
Characterised by:

+ Excellent new business origination
+ Improved margins due to pricing strategies and product mix
+ Bad debt provisions continued downward trend
+ Good NIR flows as consequence of book growth
+ Strong performances from Personal Loans and MotoNovo (previously Carlyle Finance)

** Excludes R203 million loss on sale of Motor One Finance in Dec '08, goodwill impairments and profit on sale of Tracker.*

Where the profits came from

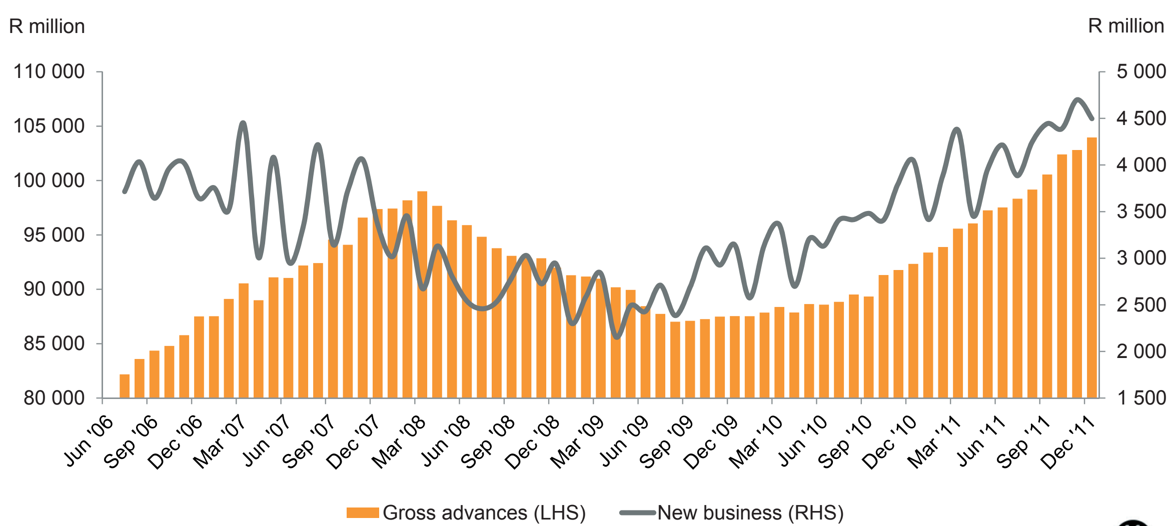
Profit before tax (R million)



- Retail secured lending reflects strong advance growth and good risk profile
- Corporate/Commercial lending also gathering momentum
- Unsecured lending a combination of good growth and margins

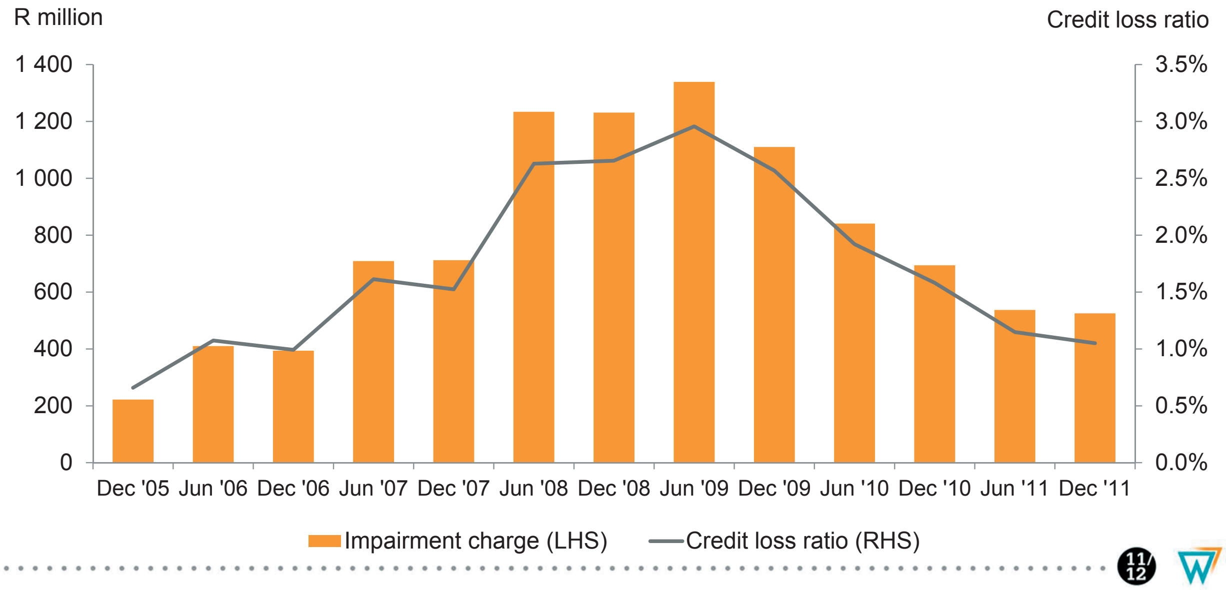
Advances growth trending strongly

- Advances increased 16% y/y – new business up 20%
- Market share growth in motor business
- Corporate origination strategies gaining traction
- Risk profile within appetite



Provisions… approaching the bottom

- Retail arrears and repossession volumes continue to decline
- Corporate arrears also trending downwards
- Levelling off of bad debts anticipated



Cost management

- Core operating costs in local finance operations increased by 8%
- Headcount decline of 2% y/y, down 30% since 2009
- High cost increases in growth areas
  - Profit shares payable to partners due to new business and profit growth
  - Full maintenance depreciation aligned to growth in this revenue stream
  - Direct marketing costs in personal loans business
  - Commission payable on origination volumes

Progress on strategy

- Retail motor alliance strategy generates excellent volume and quality
- Good traction in fleet management and corporate initiatives
- Discipline around credit appetite
- Back office efficiencies still a major focus area
- Increased intervention in operations on FNB Africa platforms

11/
12

strategy & prospects

Sizwe Nxasana

FirstRand's strategy

- Objectives
  - To be the African financial services group of choice
  - By creating long-term franchise value
  - Through delivering superior and sustainable returns
  - Within acceptable levels of earnings volatility
  - Underpinned by alignment of shareholder value creation and management remuneration
- ... driven by two growth strategies
  - In South Africa, focus on existing markets and areas currently under-represented
  - Further grow African franchises in key markets and mine the Africa/Asia corridors

Strategy executed through operating franchises and appropriate platforms

Prospects

- Economic conditions to remain subdued for the second half
- This will continue to place pressure on topline and balance sheet growth
- We continue to manage the business and adjust strategies accordingly
  - Looking at growth markets
  - Innovation becomes even more important
  - Adjust origination strategies to take advantage of changing market dynamics
  - Risk-adjusted returns remain the focus
  - Cost continues to be a priority

Franchises aim to outperform

www.firstrand.co.za