



FirstRand

Johannesburg, 6 September 2018 – FirstRand Limited (FirstRand) today reported results for year ended 30 June 2018.

Key financial highlights:

- Normalised earnings grew 8%
- Dividend per ordinary share up 8%
- Normalised return on equity (ROE) of 23%
- Normalised net asset per share (NAV) up 11%

Commenting, FirstRand CEO, Alan Pullinger, said:

“Despite a very challenging macroeconomic environment, especially in the first half of the financial year, FirstRand’s portfolio of businesses once again produced quality topline growth and a superior return on equity.

“Whilst WesBank had a tough year in a sector experiencing increased competition and declining volumes, posting a decrease in earnings of 9%, FNB delivered excellent earnings growth of 16%. This was driven by good growth in customers, volumes, advances and deposits, and successful cross-sell strategies.

RMB’s portfolio also delivered a solid performance, growing earnings 6%. It’s very pleasing that the three-month contribution from recently-acquired UK bank, Aldermore, enhanced group earnings and the business is performing in line with expectations.”

FNB’s South African business posted a strong operational performance. Highlights include:

- Customer growth of 4% to 8.15 million
- NII increase of 8%, driven by 7% growth in advances and 9% growth in deposits
- NIR growth of 10% as income from fees and commissions increased
- Banking app volumes increased 65%
- Insurance revenues increased 8%
- Assets under management increased 8%



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RMB grew pre-tax profits 6% in a difficult operating environment, highlighting the quality of its diversified portfolio. Highlights include:

- Increase of 31% in profits from rest of Africa activities, with 110 new clients
- Investment banking and advisory profits rose 21%
- Cost growth below inflation, due to investments in platform efficiency projects in previous years

WesBank's performance reflects a tough operating environment for its domestic vehicle and asset finance business, although the local personal loans business, DirectAxis, and the corporate VAF business delivered solid performances.

The acquisition of Aldermore was effective from 1 April, and for the three months to June, contributed R276 million to group earnings. Aldermore has separately published its results for the 18 months to June 2018, which can be found here:

<https://www.aldermore.co.uk/about-us/aldermore-to-bring-more-competition-to-uk-banking/>

Looking forward, Pullinger said:

“Given the structural nature of many of South Africa’s challenges, FirstRand believes that domestic fundamentals will not change quickly and the domestic economy will remain subdued in 2019, with corporate investment and household consumption remaining under pressure.

In the medium to longer term, given the market-leading positions of its businesses in South Africa and the growth strategies it is pursuing, FirstRand considers itself strategically well positioned to benefit from renewed system growth.”

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