FIRSTRAND NORTH AMERICAN INVESTOR ROADSHOW

May 2015

FIRSTRAND

Introducing FirstRand – financial position and track record

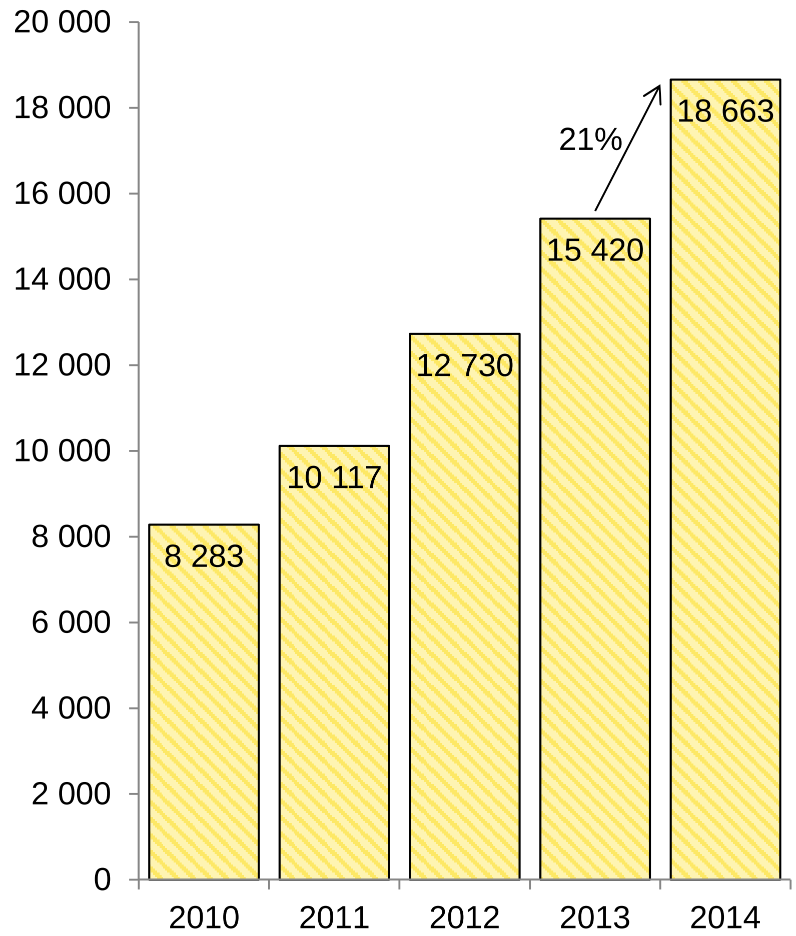
FINANCIAL HIGHLIGHTS for the year ended 30 June 2014	**ZAR million**	**USD million**
Total assets	945 535	88 950
Normalised net asset value	81 590	7 675
Normalised earnings	18 663	1 798
Normalised ROE	24.2%	
Capital adequacy – CET1 ratio	13.9%	

Conversion rates at 30 June 2014:
Income statement: USD1 = ZAR10.38, balance sheet: USD1 = ZAR10.63

KEY OPERATING STATISTICS for the year ended 31 December 2014	**Dec 2014**
Employees	39 508
Physical representation points	874
ATMs	7 089
Card-acceptance point-of-sale devices	125 960

NORMALISED EARNINGS – YEAR ENDED 30 JUNE

ZAR million



Sources: FirstRand, I-Net

Our growth strategy

BE THE AFRICAN FINANCIAL SERVICES GROUP OF CHOICE

- Broaden financial services proposition in South Africa (not only banking)
- Build meaningful in-country franchises in chosen markets in the rest of Africa

- Underpinned by our commitment to:

Create long-term franchise value	Deliver superior and sustainable economic returns within acceptable levels of volatility	Maintain balance sheet strength

Our unique operating model

FIRSTRAND

Listed holding company (FirstRand Limited, JSE: FSR)

FCC	FNB First National Bank	RMB	WesBank	ASHBURTON INVESTMENTS
Group-wide functions	Retail and commercial bank	Corporate and investment bank	Instalment finance	Investment management

How we operationalise FirstRand's strategic objectives

Execution through operating franchises

FNB First National Bank

RMB

WesBank

Ashburton Investments

Stratco

FCC

Custodianship mandate

STRATEGIC FRAMEWORK

Financial services in Africa	Franchise value	Superior returns	Balance sheet strength

FIRSTRAND PHILOSOPHY

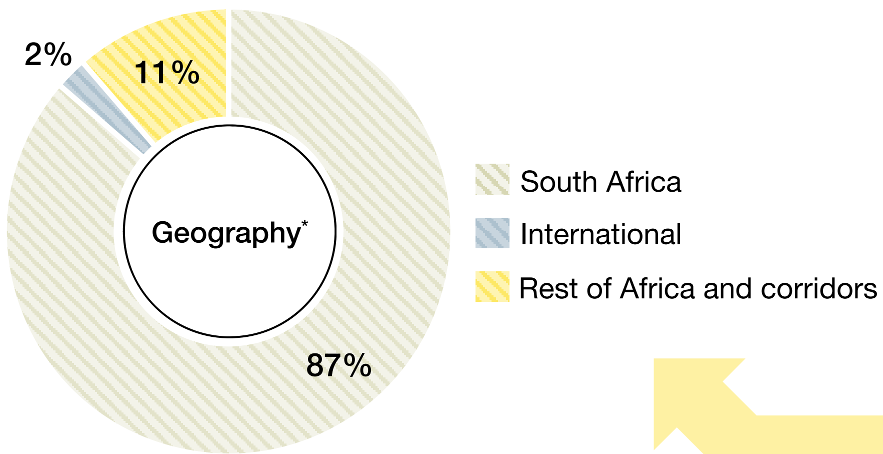
Owner-manager culture	Innovation	Entrepreneurship

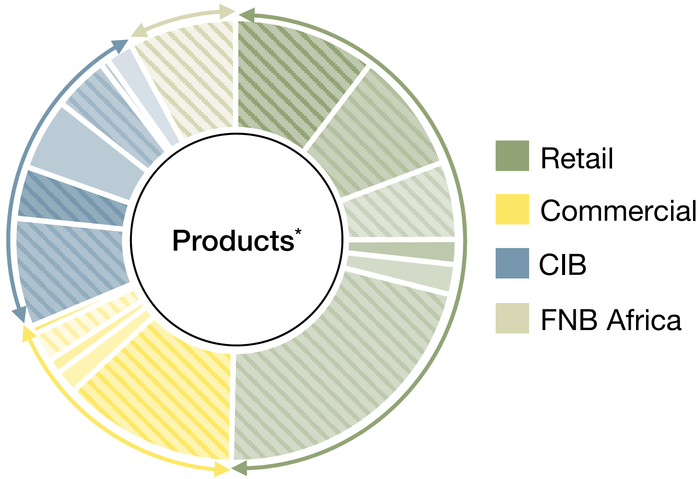
PERFORMANCE MANAGEMENT FRAMEWORK

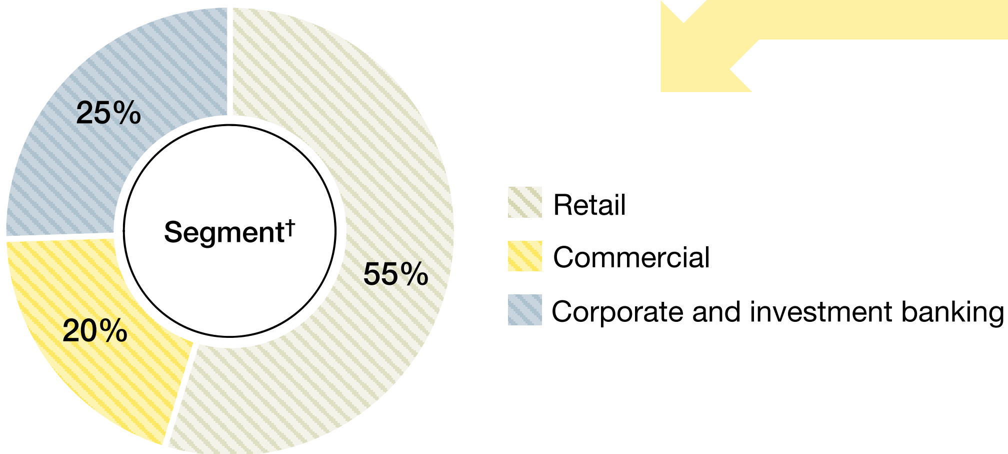
RISK MANAGEMENT FRAMEWORK

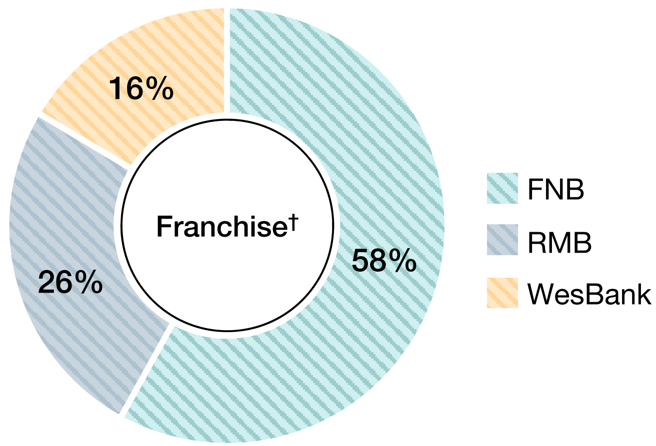
FINANCIAL RESOURCE MANAGEMENT FRAMEWORK

Portfolio provides sustainability through diversification





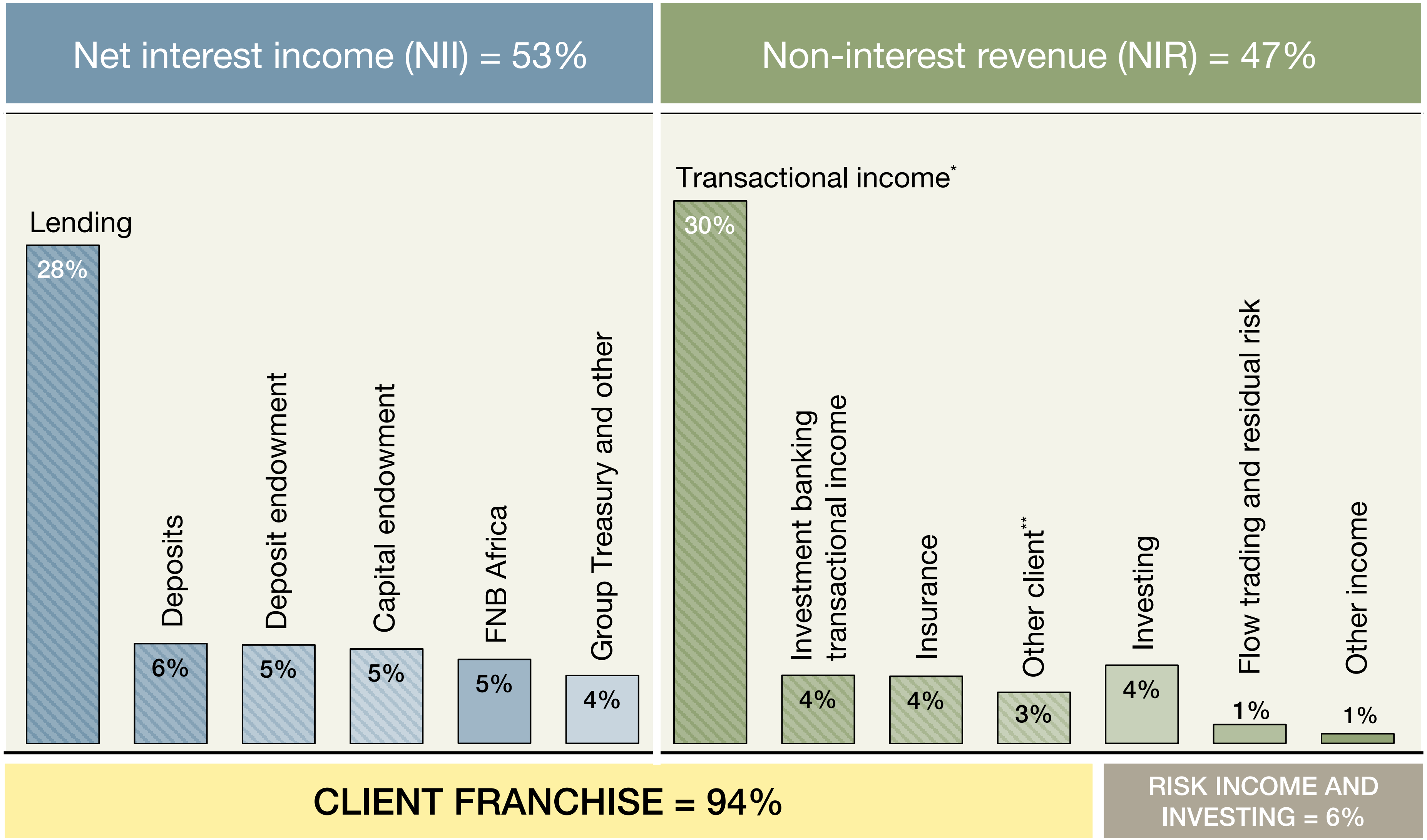




* Based on gross revenue (excl. FCC).

† Based on normalised earnings (excl. FCC, FirstRand company, NCNR preference dividends and consolidation adjustments.)

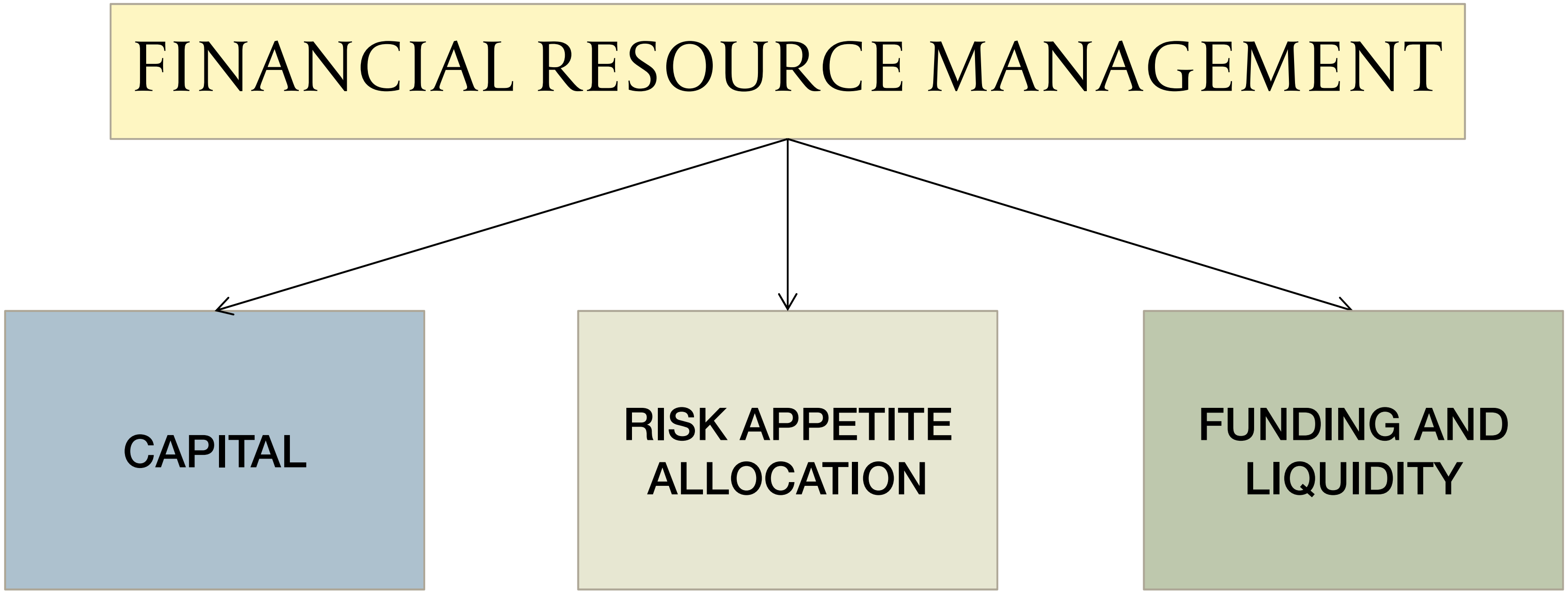
Client franchises are significant



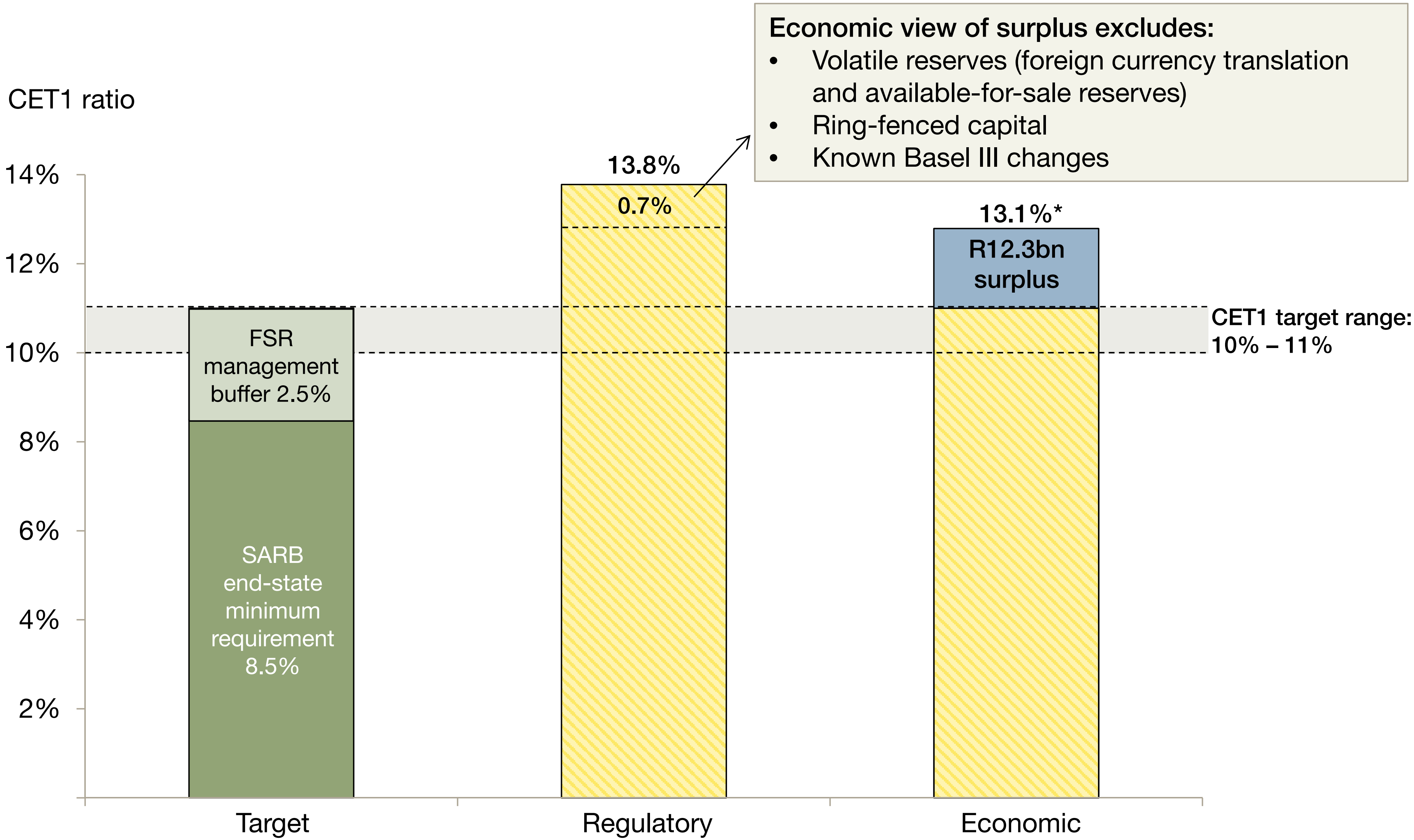
* *From retail, commercial and corporate banking.*

** *Includes WesBank associates.*

Balance sheet strength and disciplined financial resource allocation

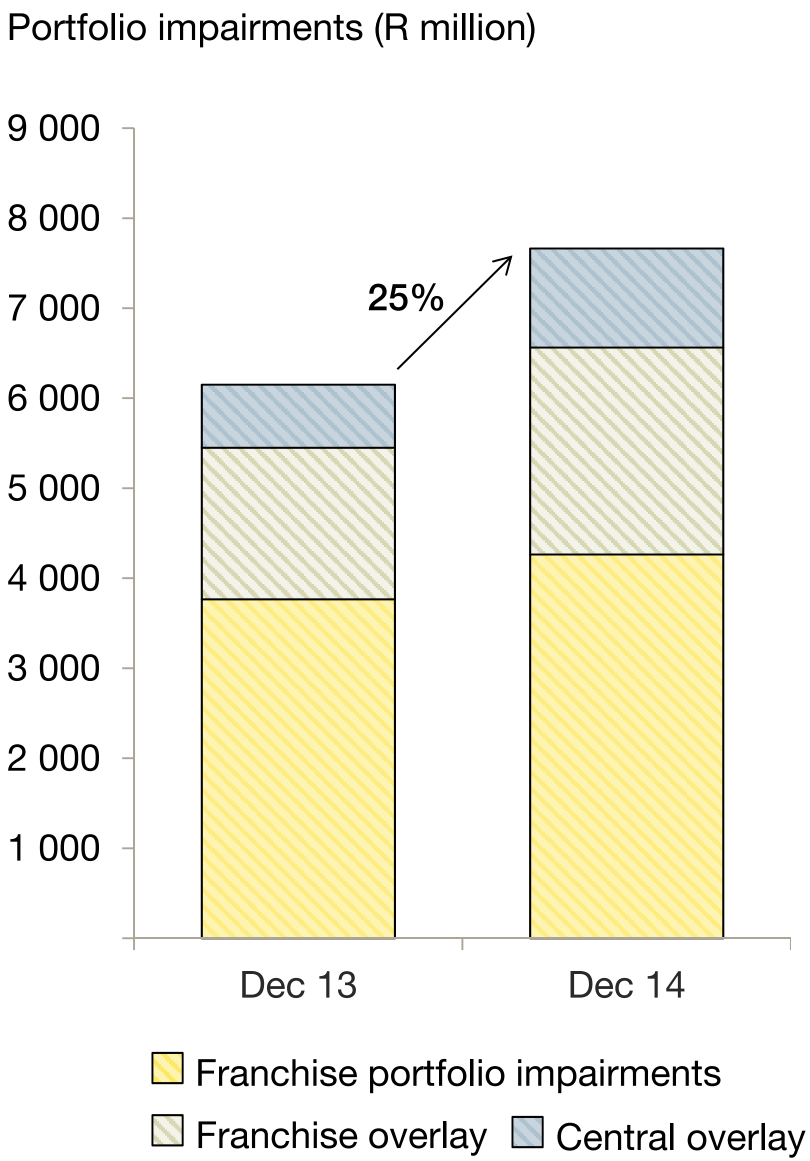


Strong capital position and expansion buffer



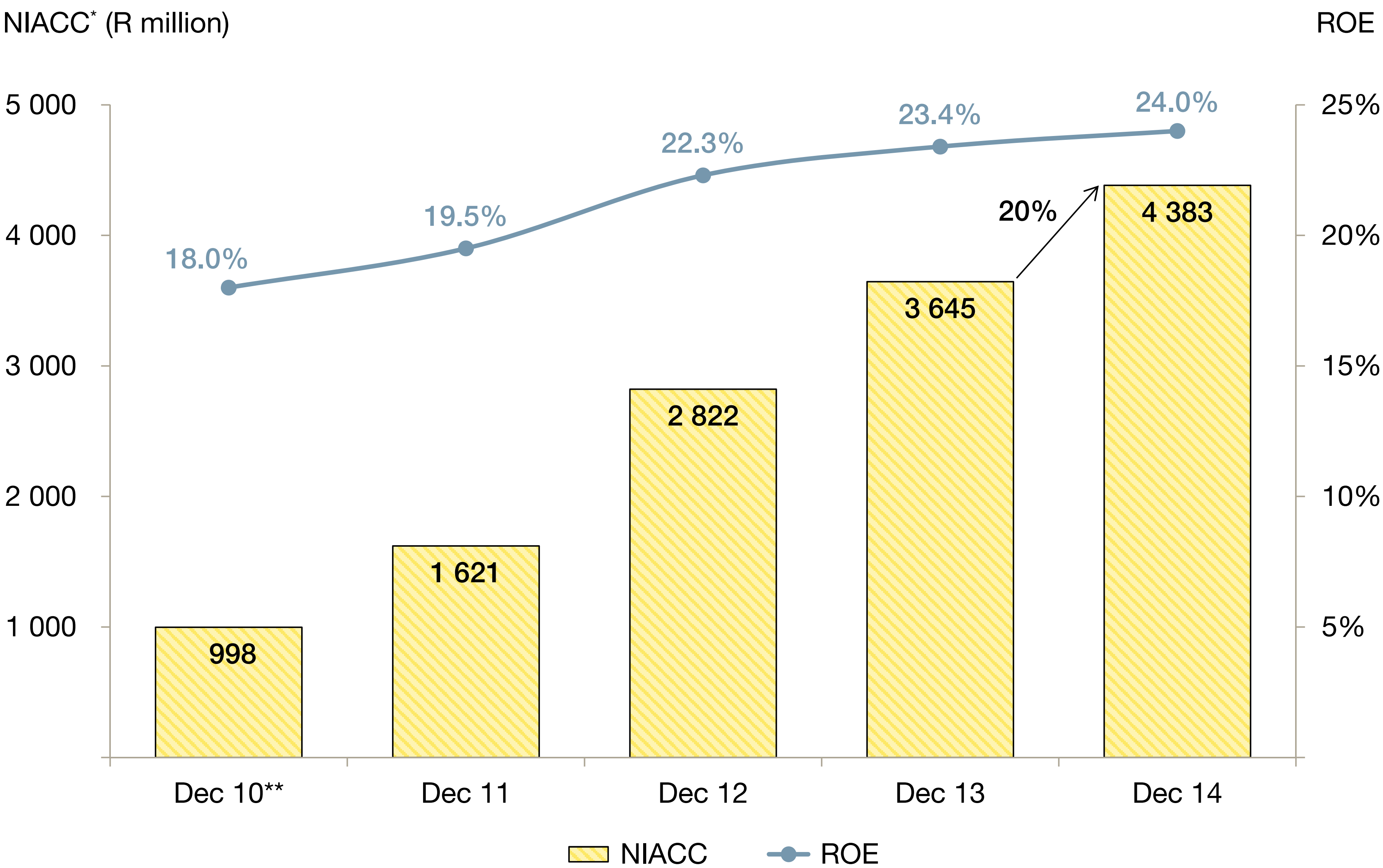
* *Includes reissue of BEE shares in January 2015.*

Pro-active countercyclical provisioning approach



	Dec 14	Dec 13
Portfolio impairments as % of performing book	**1.07%**	0.97%
Bad debt charge (%)	**0.86%**	0.77%
Portfolio impairments (R million)	**7 665**	6 152

Franchise has delivered superior shareholder value creation

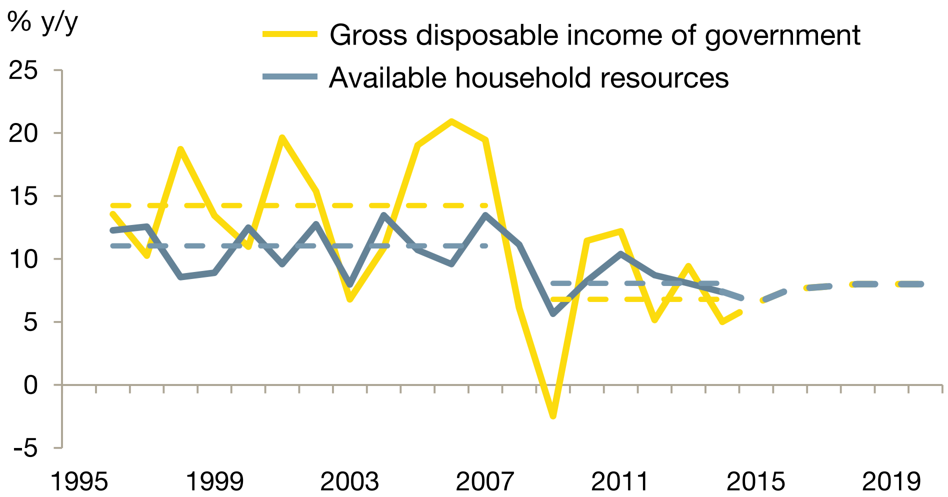


* *Net income after capital charge.*

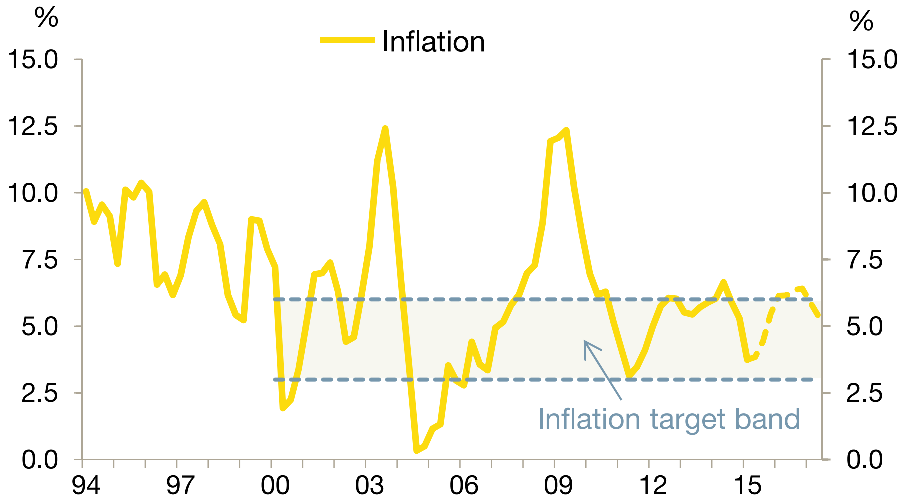
** *2010 comparatives are for FirstRand Banking Group.*

SA's economy facing headwinds

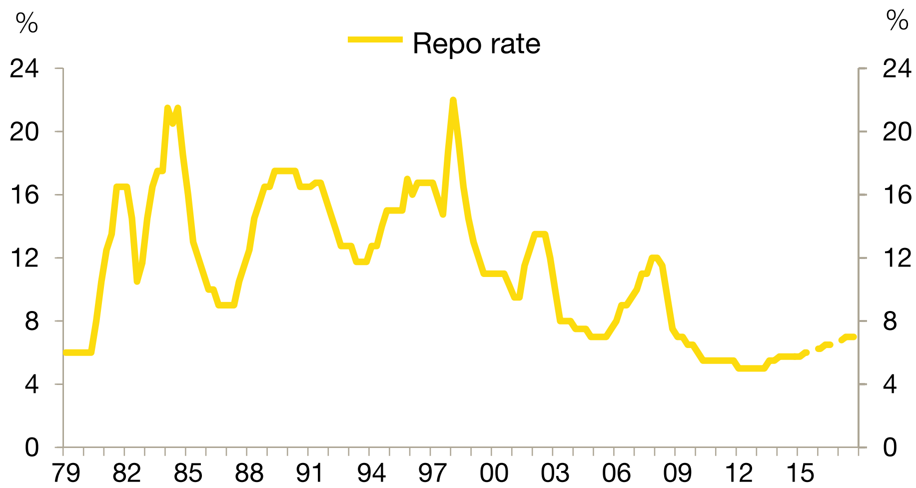
Household and government income growth



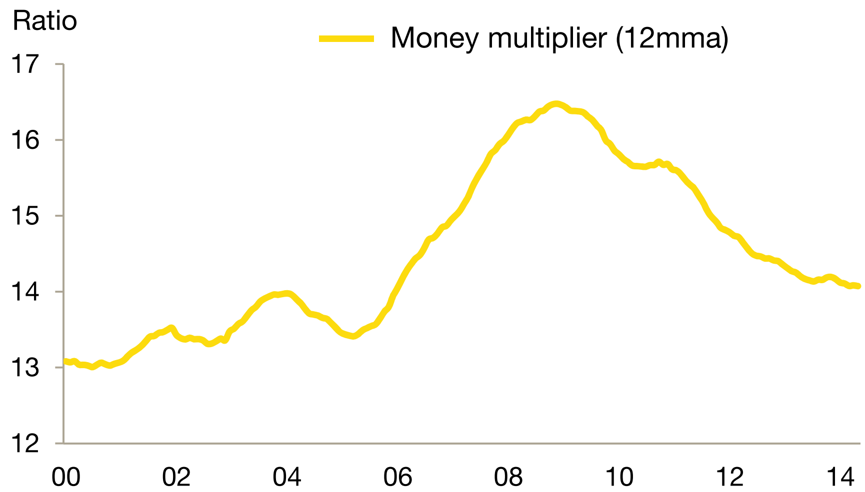
Inflation lifting from cyclical lows



Pro-cyclical monetary policy



Constrained credit growth



Sources: South African Reserve Bank, Bloomberg, FirstRand

Key themes for South Africa's macroeconomic outlook

- Sub-par growth
  - Structural constraints (incl. electricity, skills shortage, labour market rigidities)
  - Faded commodity price tailwind
  - Indebtedness
- Inflation lifting from cyclical lows
- Limited room for policy support
  - Monetary policy constrained by inflation and (foreign) funding pressure
  - Fiscal policy constrained by government indebtedness and ratings pressure
- Expect a gradual lift in interest rates
- Sovereign rating under pressure
- Tail risks remain high

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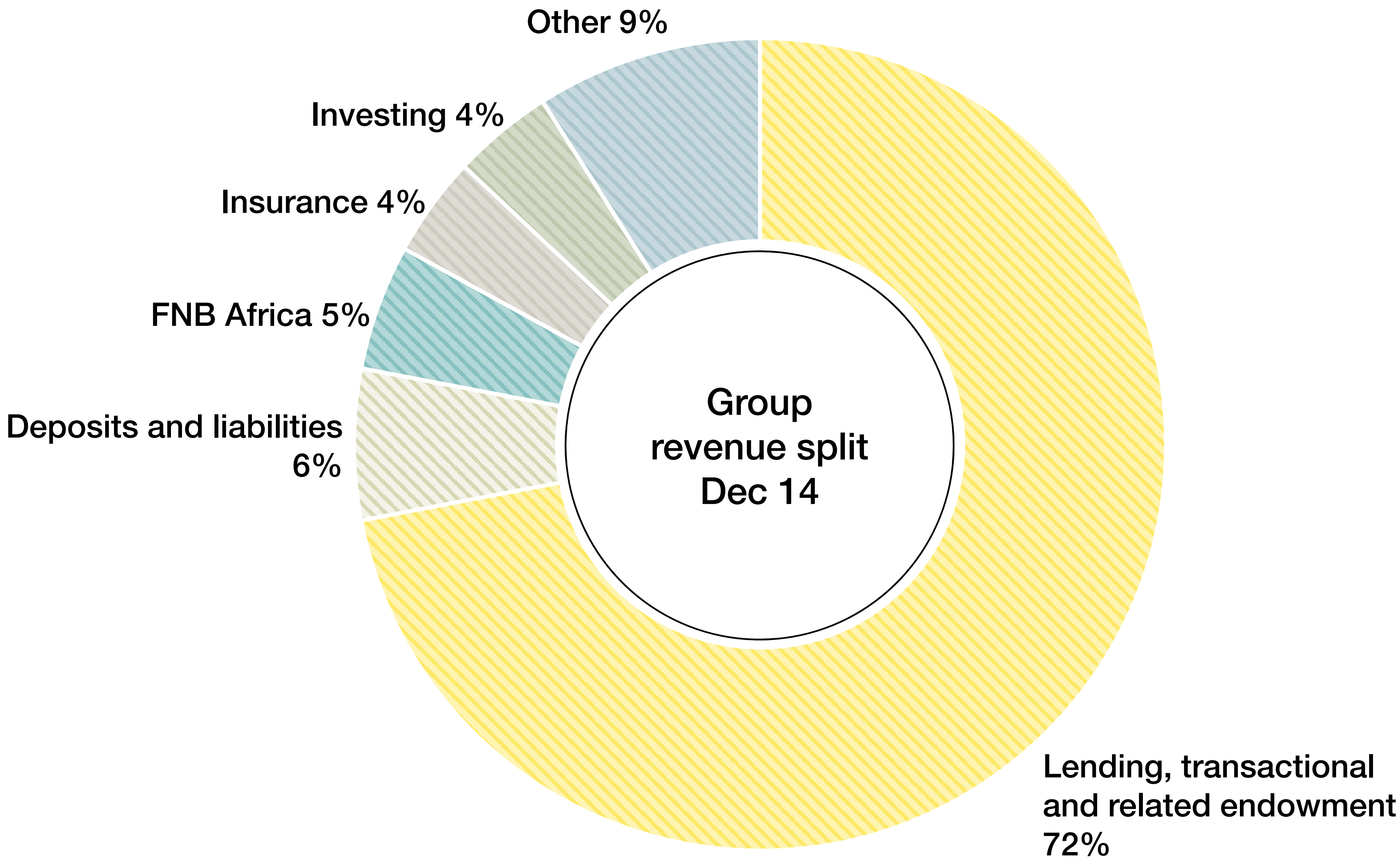
Banking revenues dominate mix – therein lies the growth opportunity…



… especially given dominant position of domestic banking franchise

SOUTH AFRICA

CHALLENGE
Dominant domestic position constrains ability to significantly outperform nominal GDP and regulatory pressures

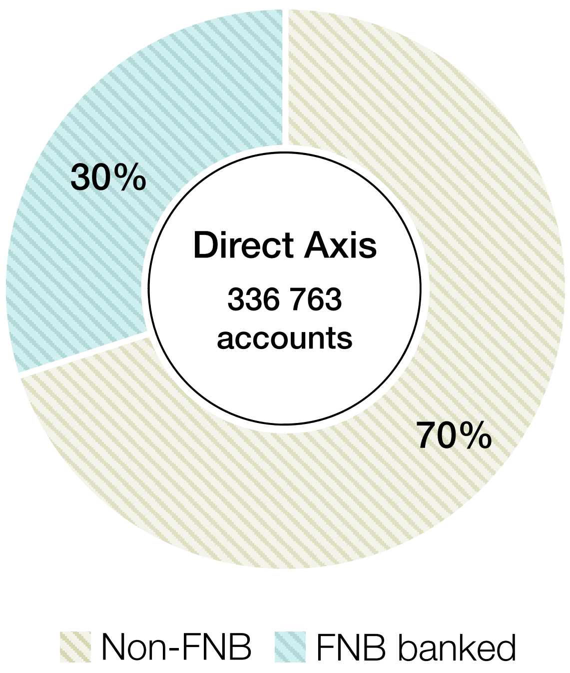
RESPONSES
Attack new profit pools, diversify, disrupt through innovation, cross-sell, fix underperformers, efficiencies

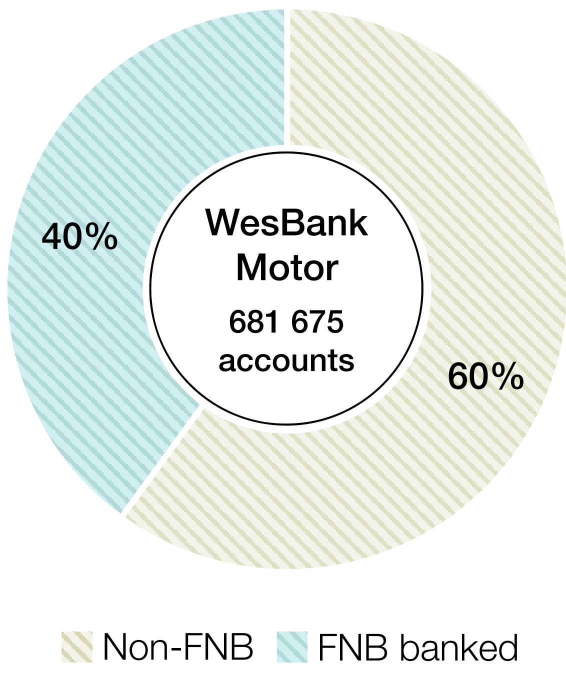
Investment taking place now for medium- to long-term growth

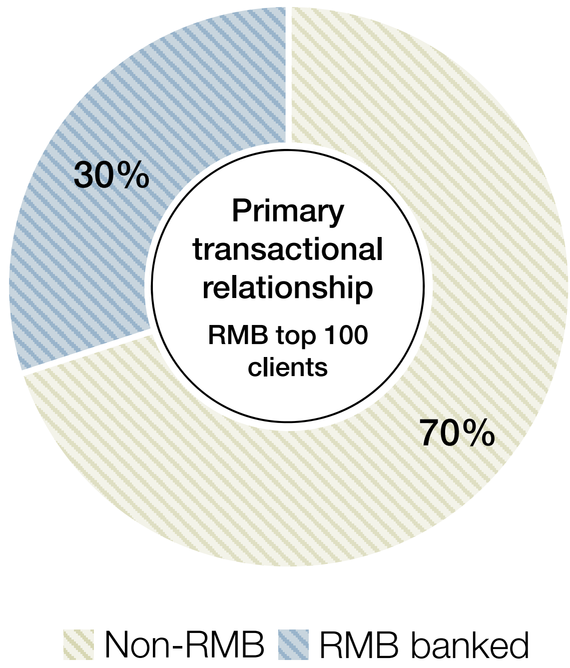
Insurance	Asset management	Corporate transactional

Grow capital-light business lines ⇨ ROE

Opportunity to further grow transactional franchise





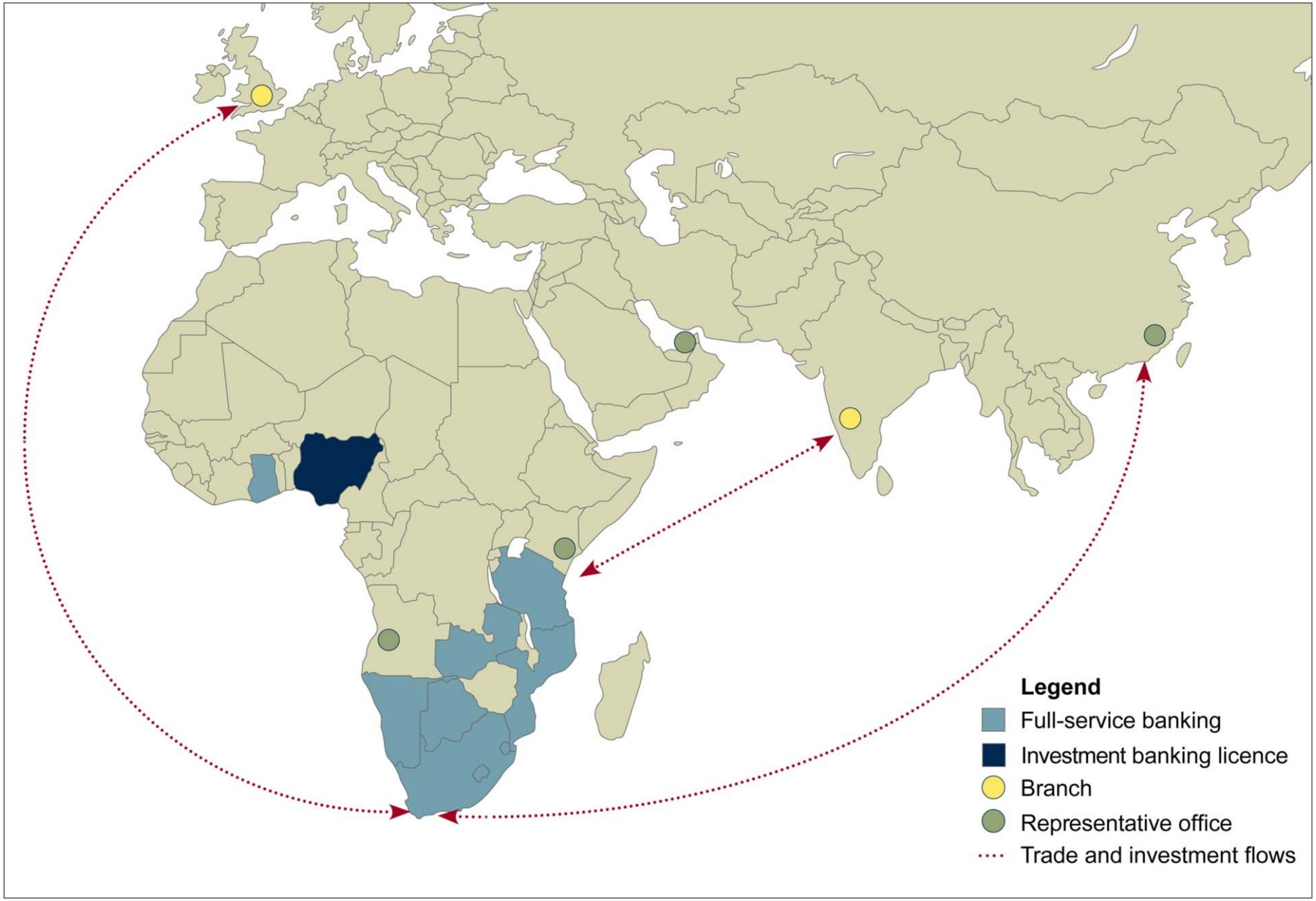


Growing in new markets – focus on rest of Africa

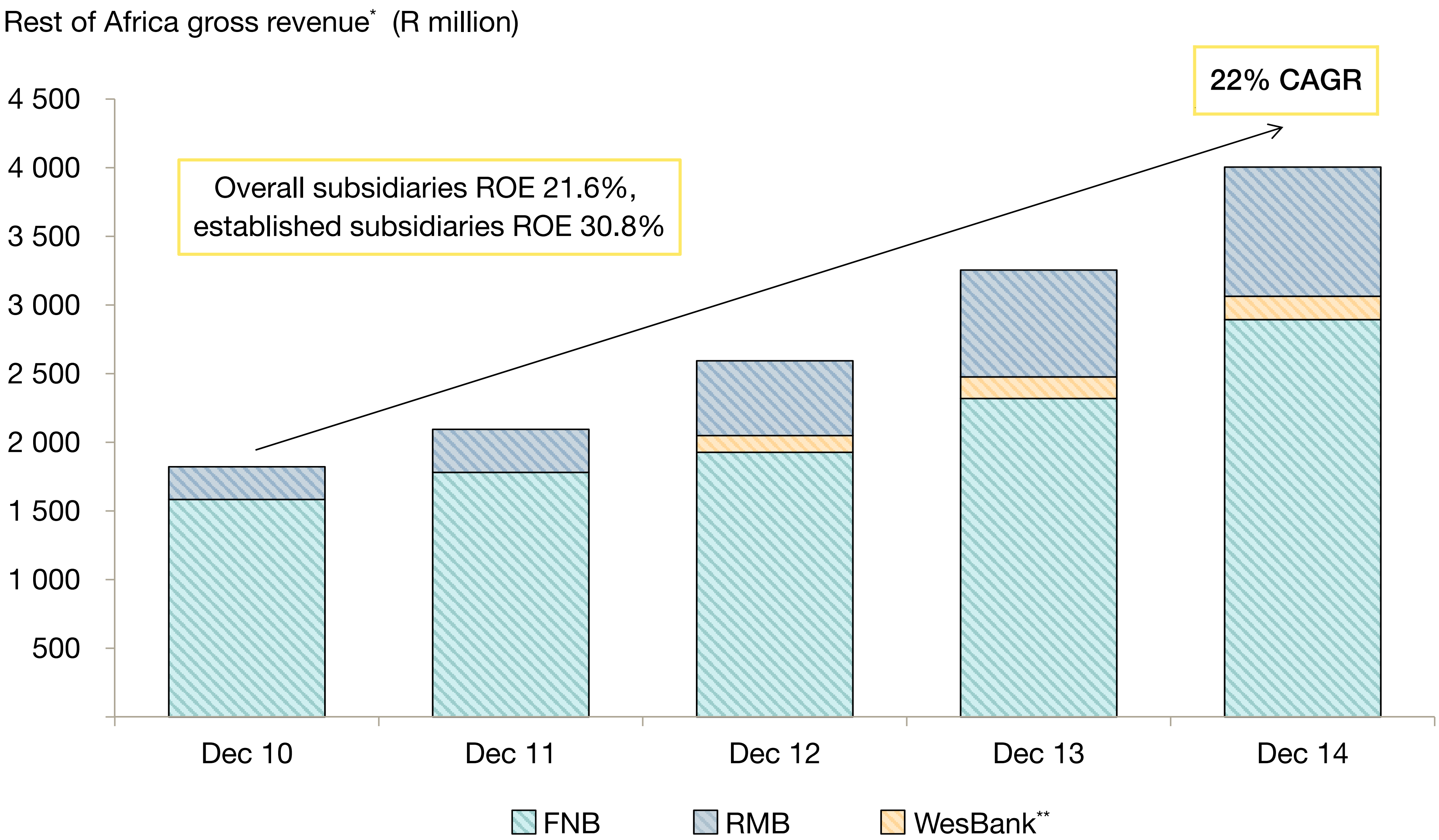
Three pillars to execution

- **Utilise the capabilities of the South African franchise, particularly the domestic balance sheet, intellectual capital, international platforms and the existing operating footprint in the rest of Africa**
  - Effective in territories where a physical presence not yet established, e.g. RMB cross-border lending
  - Rolling out RMB (CIB offering) in the established FNB subsidiaries
- **Start an in-country franchise and grow organically (i.e. greenfields)**
  - Rolling out FNB SA innovations a priority
  - RMB's merchant banking licence in Nigeria providing some corporate and commercial banking opportunities
- **Acquisitions where it makes commercial sense**

Growing regional presence



Rest of Africa revenues growing across all franchises



** WesBank 2010 and 2011 rest of Africa revenues included in FNB figures in the graph above.

* *Excludes FCC (including Group Treasury).*

***Note:** All WesBank rest of Africa profits reported under FNB Africa in Analysis of financial results booklet.*

Rest of Africa still requires meaningful investment to build in-country franchises

International

Using home-country resources to conduct cross-border activity

Multi-national

In-country balance sheets and franchises

Execution needs to shift given limited runway

Remain disciplined in deployment of capital

QUESTIONS?

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