



# results

*presentation*



for the year ended 30 June 2023





FirstRand

# operating environment

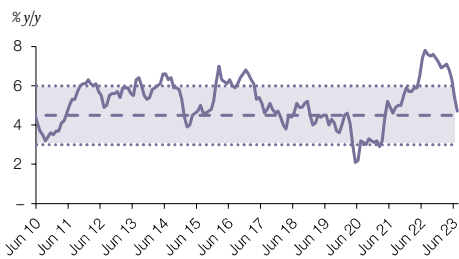
for the year ended 30 June 2023

## SA: Inflation and higher rates impact consumers; promising structural underpin to private sector investment

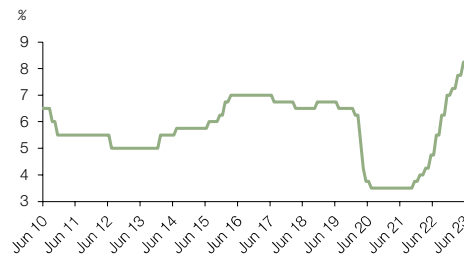


2

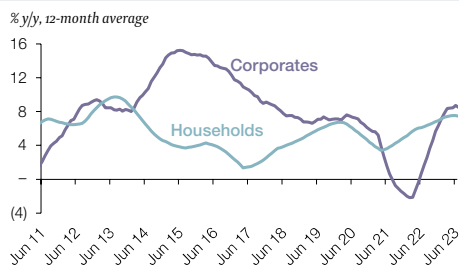
**Headline inflation rate (CPI)**



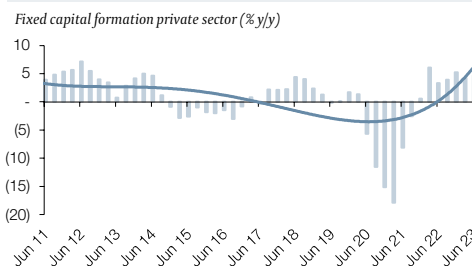
**Repo rate**



**Credit extended to the private sector**



**Private sector investment spend: actual and trend**

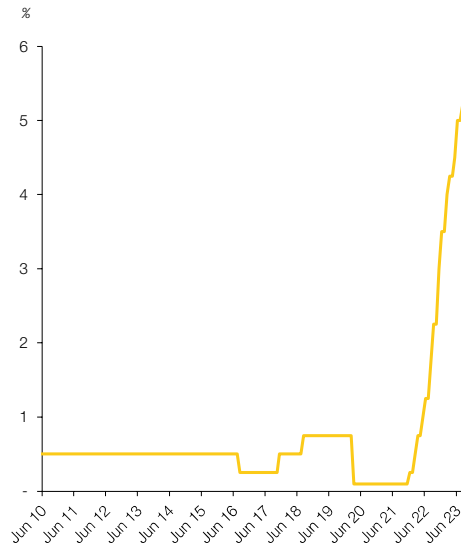


Sources: Stats SA, SARB, FirstRand.

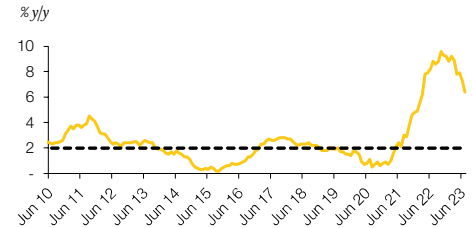
## UK: Whilst inflation turned, policy tightening has continued, resulting in softer housing market

A 3

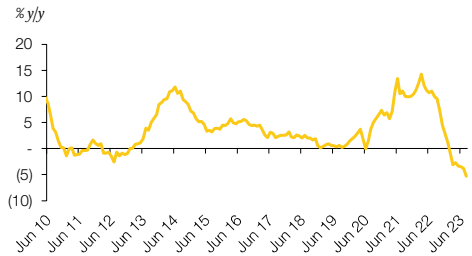
### Bank of England (BoE) policy rate



### Headline inflation rate



### UK Nationwide house price index

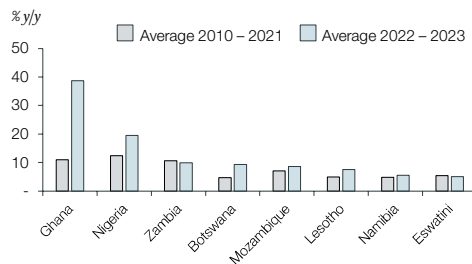


Sources: Bloomberg, FirstRand.

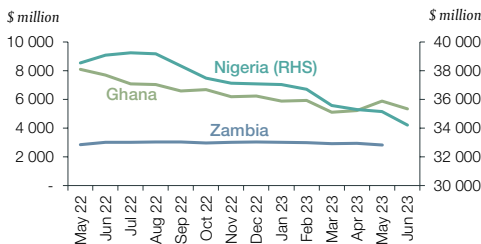
## Sovereign debt constraints, slowdown in capital flows and inflation posed a challenging backdrop for the broader Africa portfolio

4

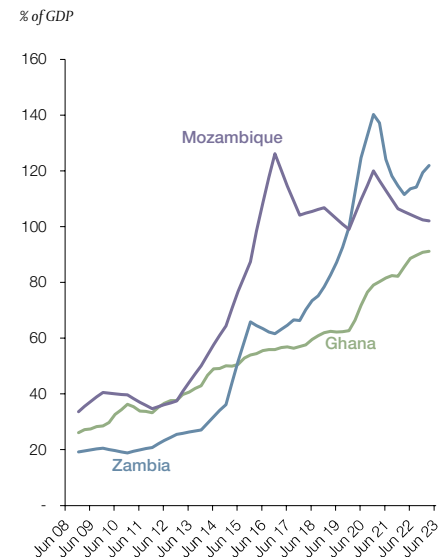
### Average inflation rates



### Foreign exchange reserves



### Government debt



Sources: IMF, IIF, Trading Economics, FirstRand.



FirstRand

# unpacking performance

—  
for the year ended 30 June 2023

## Attractive growth in earnings and superior returns



6

Normalised earnings

**R36.7bn**

(2022: R32.7bn) **↑12%**

Deposit franchise

**R1 443bn**

(2022: R1 260bn) **↑14%**

Ordinary dividend per share

**384 cents**

(2022: 342 cents) **↑12%**

Return on assets

**1.71%**

(2022: 1.69%) **↑2 bps**

Return on equity

**21.2%**

(2022: 20.6%) **↑60 bps**

Normalised net asset value

**R180.7bn**

(2022: R164.9bn) **↑10%**

Credit loss ratio\*

**0.78%**

(2022: 0.56%) **↑22 bps**

Cost-to-income ratio

**51.8%**

(2022: 52.5%) **↓70 bps**

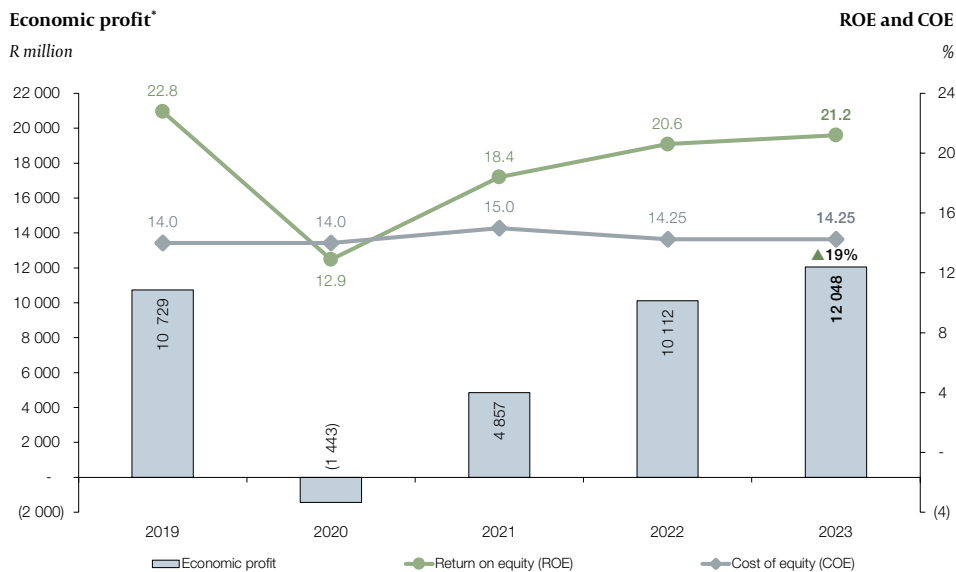
CET1 ratio

**13.2%**

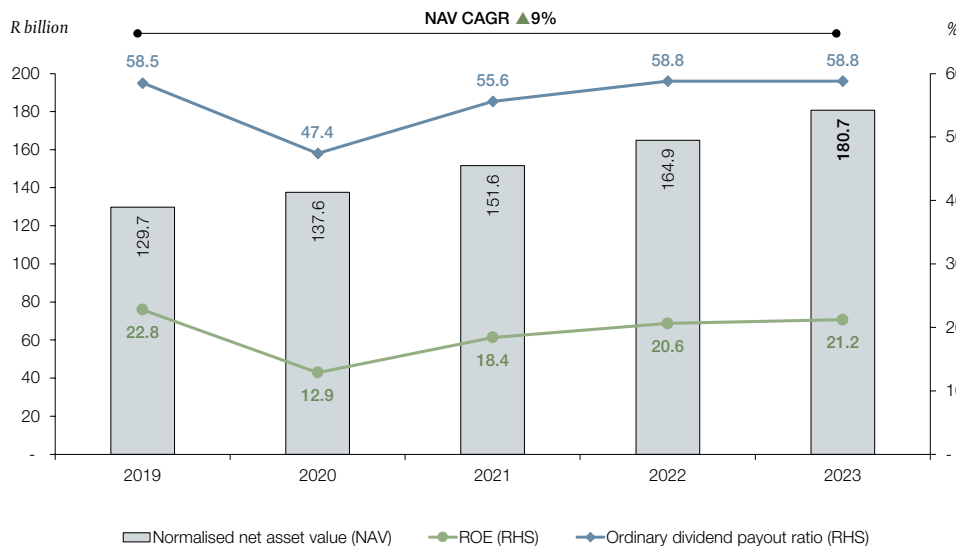
(2022: 13.9%) **↓70 bps**


\* As a percentage of core lending advances.

### Earnings growth and capital optimisation delivered strong economic profit



### Shareholder value creation captured in compound growth in earnings and NAV, superior returns and generous dividend payout



**FirstRand's shareholder value creation thesis**  9

- #1

**Liabilities**

- High-quality revenue
  - Quality of customer franchise
  - Trust
  - Ease of fulfilment, product development
- #2

**RWA optimisation**


- Discerning origination – credit outcomes through the cycle
  - Advances mix, ROA
  - Diversification (asset class, collateral, geography)
- #3

**Capital-light/  
non-bank  
revenues**

- Customer franchise strength
  - Mix – diversification
  - Sustainability
- #4

**Costs**

- Capture platform investment benefits
  - Drive efficiencies

**FirstRand's shareholder value creation thesis**  10

- #1

**Liabilities**

- High-quality revenue
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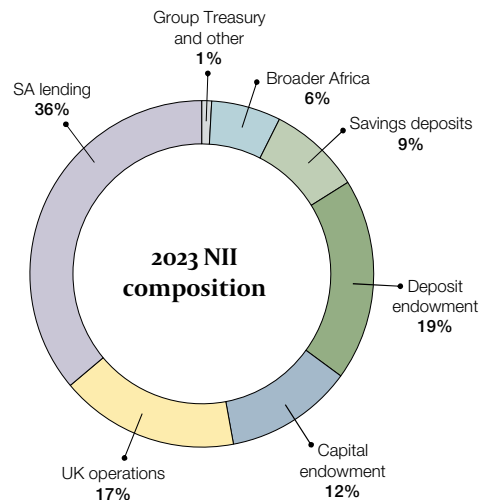
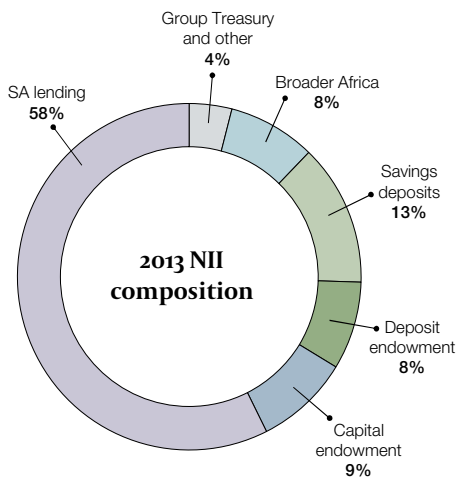
**Capital-light/  
non-bank  
revenues**

- Customer franchise strength
  - Mix – diversification
  - Sustainability
- #4

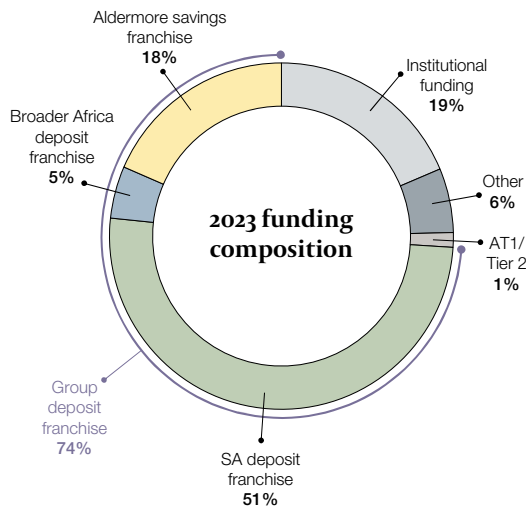
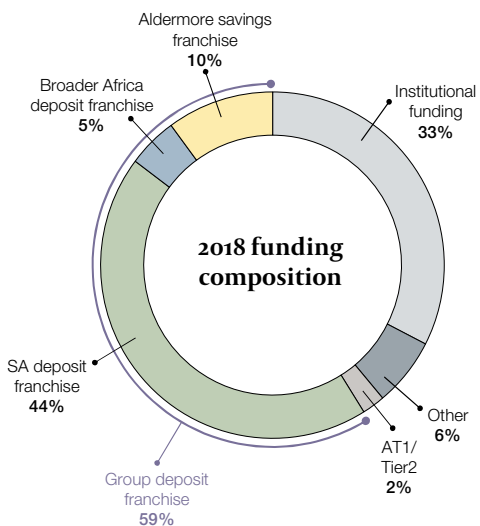
**Costs**

- Capture platform investment benefits
  - Drive efficiencies

### Balance sheet evolution – NII diversification



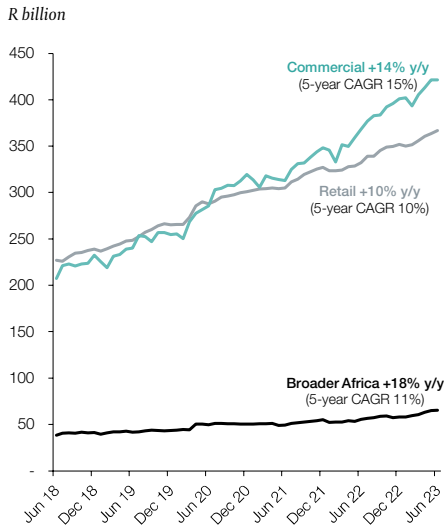
### Deposit growth drives improved funding mix





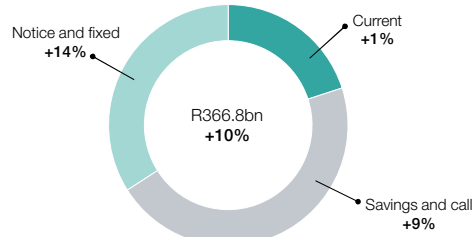
## FNB deposit franchise – customer growth and attractive propositions

### FNB deposit franchise growth

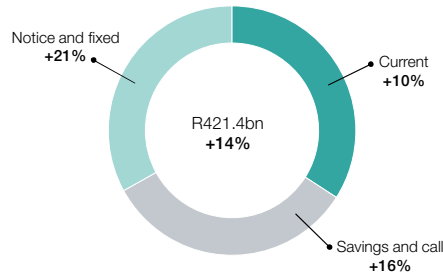


\* Based on month-end averages (SA only).

### Retail deposit mix

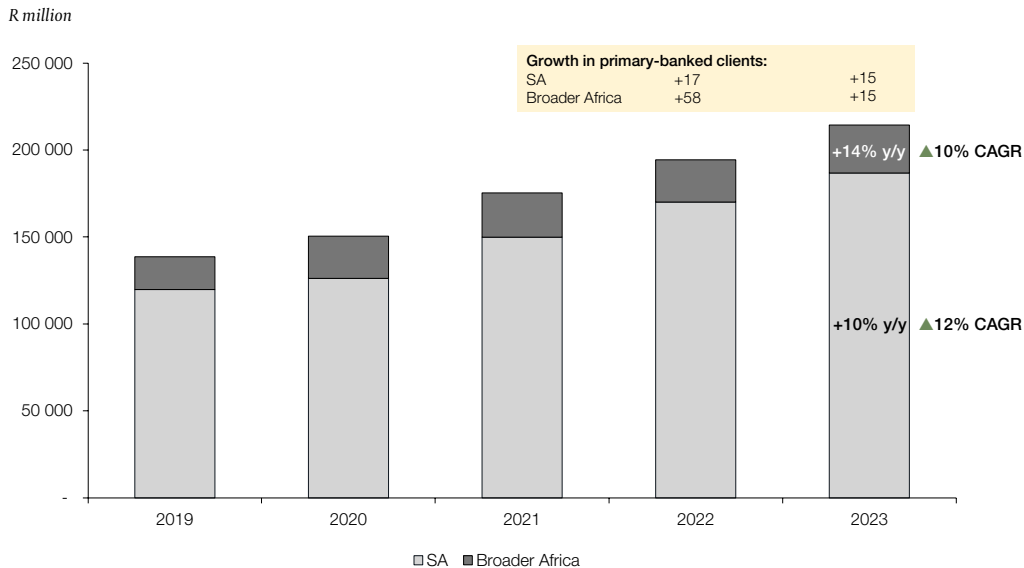


### Commercial deposit mix\*



## RMB corporate transactional deposit franchise benefiting from growth in primary-banked clients

### Average corporate transactional banking deposits

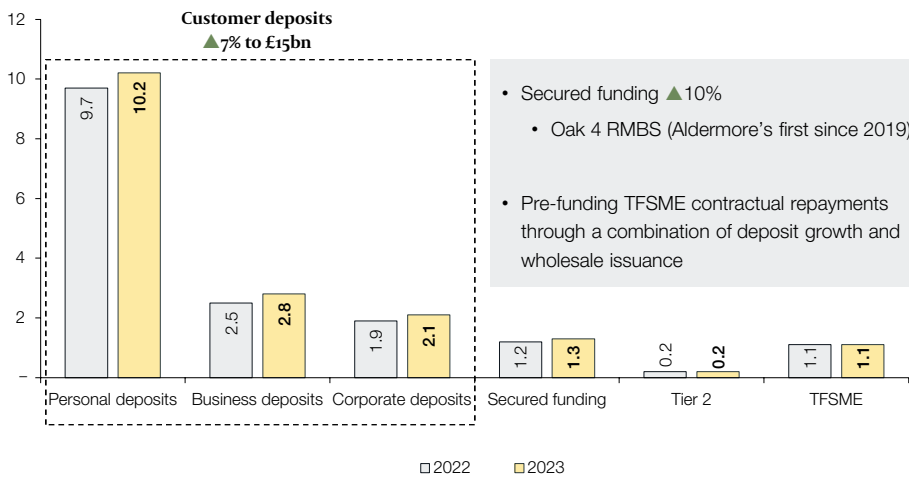


## Aldermore diversifying its funding base

A 15

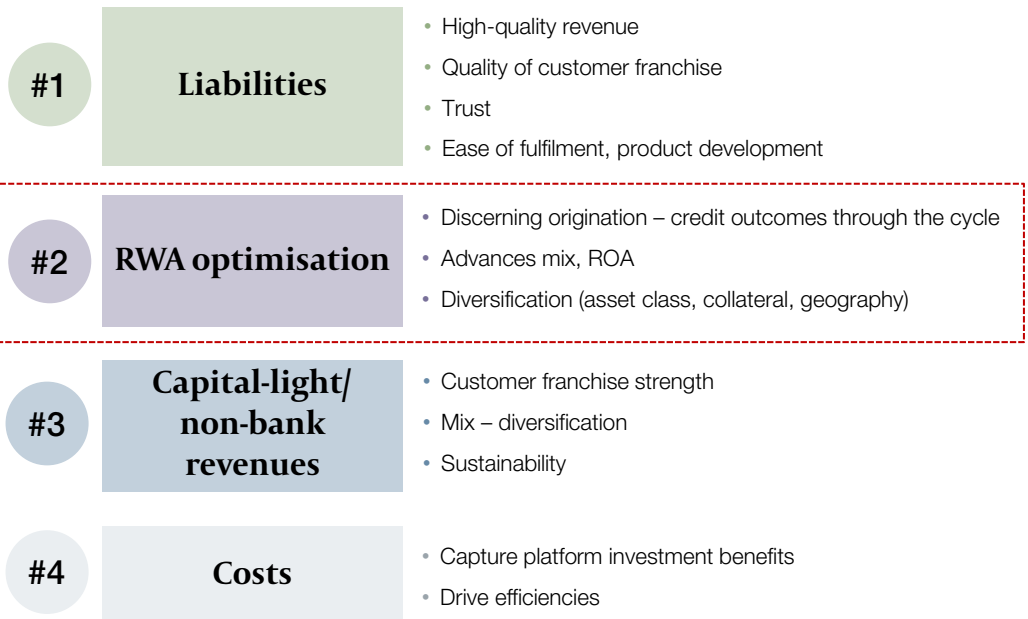
### Funding breakdown

£ billion



## FirstRand's shareholder value creation thesis

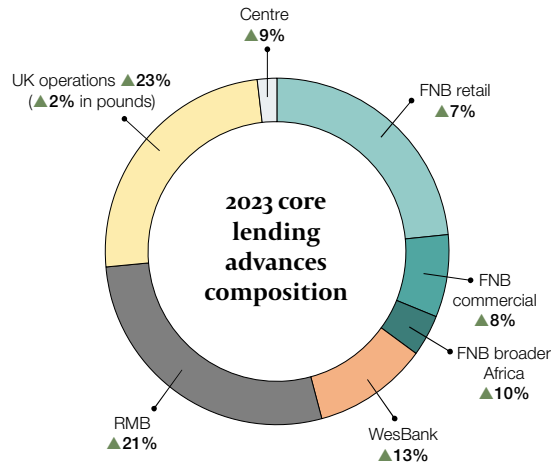
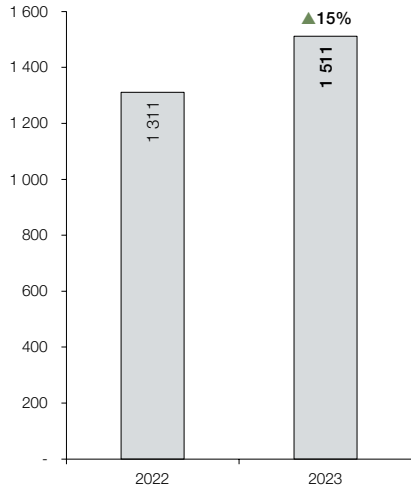
16



## Growth in advances across all portfolios

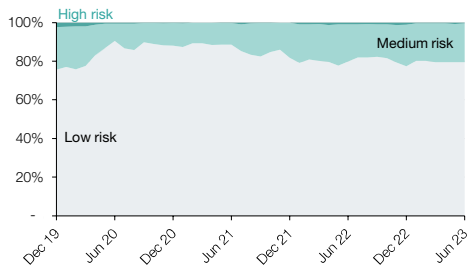
### Core lending advances

R billion

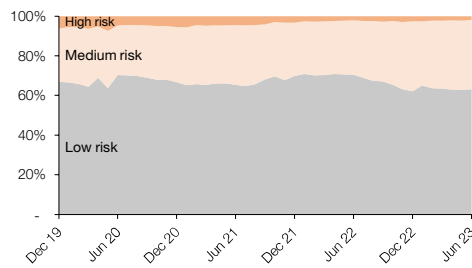


## Retail lending remains focused on better-rated customers

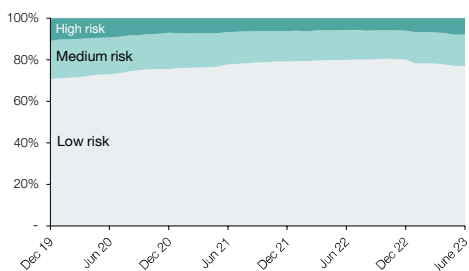
### FNB retail new business risk distribution



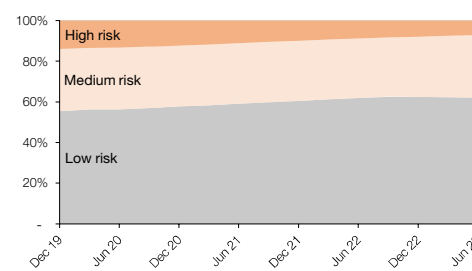
### WesBank new business risk distribution



### FNB retail total book risk distribution

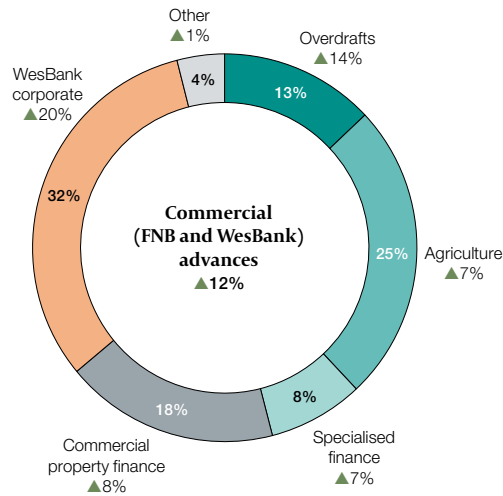


### WesBank total book risk distribution

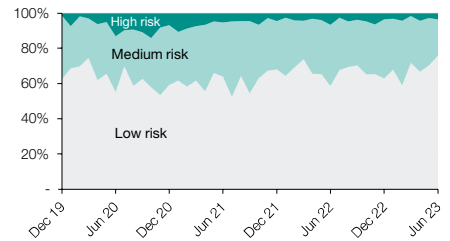


### Sector-specific origination approach in FNB commercial

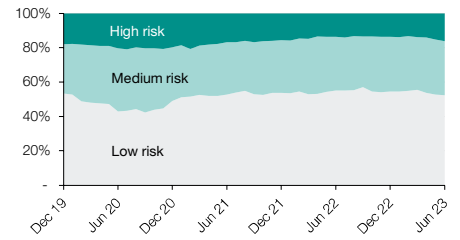
Commercial advances split



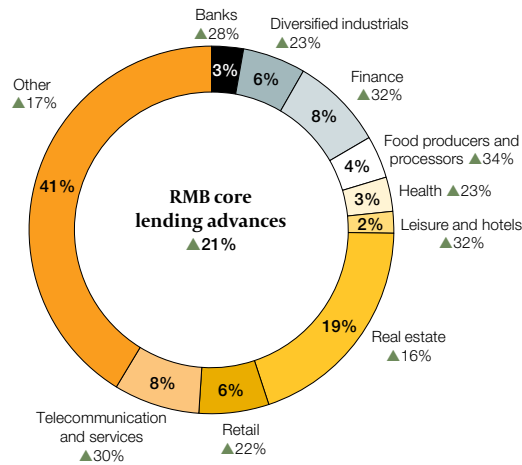
FNB commercial new business risk distribution



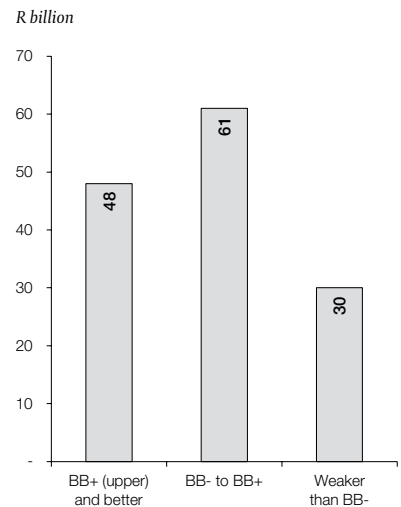
FNB commercial total book risk distribution



### RMB advances growth reflects private sector replacement cycle, energy and infrastructure



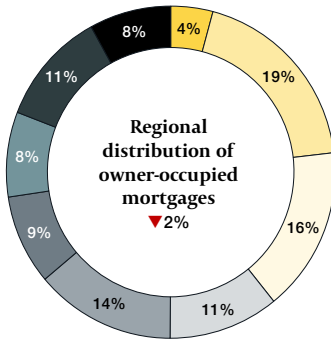
New origination – EAD by rating distribution



### UK operations: Owner-occupied portfolio regionally diversified

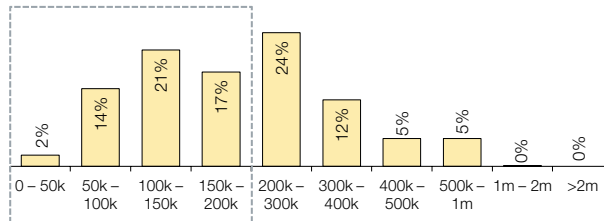
A 21

Book size >£2 billion

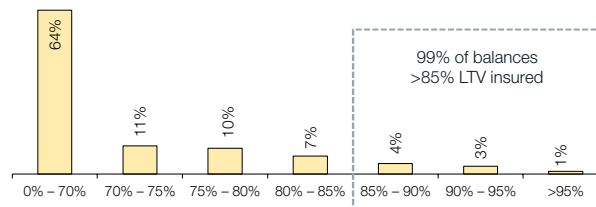


- Greater London
- South East
- Midlands
- East Anglia
- North West
- South West
- Yorkshire
- Scotland
- Other

54% of the portfolio has a balance <£200k



Average LTV\* of non-guarantee book is 53%



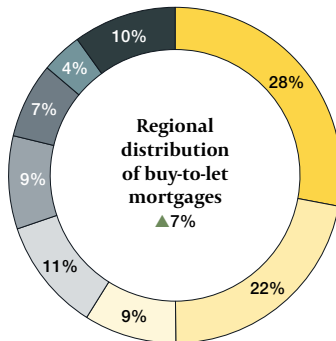
\* Loan to value on indexed origination.

99% of balances >85% LTV insured

### UK operations: Buy-to-let portfolio – highly secured

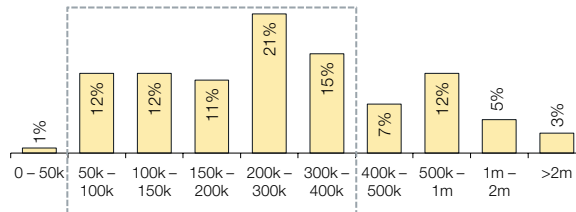
A 22

Book size >£5 billion

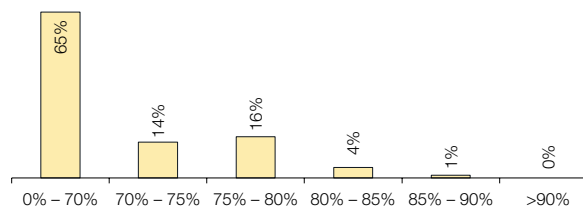


- Greater London
- South East
- Midlands
- East Anglia
- North West
- South West
- Yorkshire
- Other

71% of loans at £50k - £400k, with 8% above £1 million



Average LTV\* of 64%, with only 5% of balances >80% LTV



\* Loan to value on indexed origination.

## Unpacking the objectives and outcomes of the ALM strategies



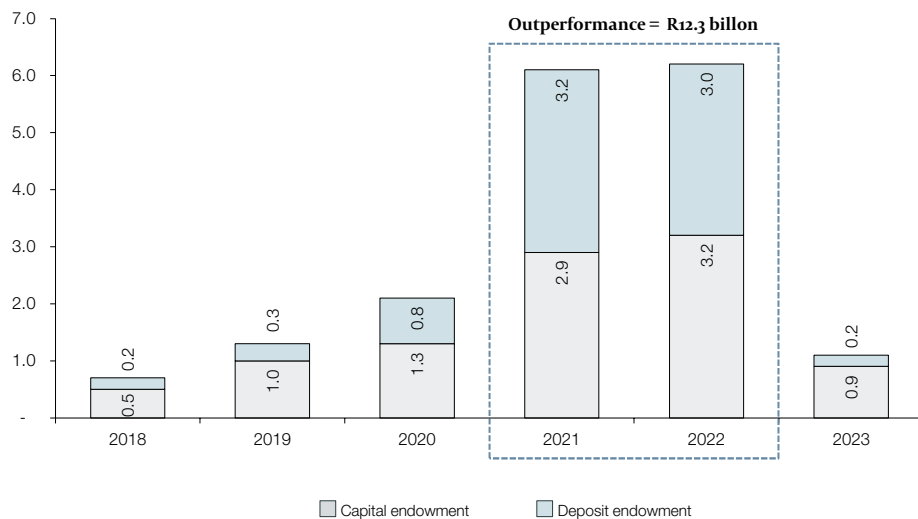
- Overarching objectives of group ALM strategies:
  - Actively manage the profile to protect and enhance earnings through the cycle
  - Earn the structural term premium for shareholders by investing along the yield curve
- Group balances its approach to investing the endowment
- Absolute year-on-year return on group's endowment for FY23 will therefore not reflect the full extent of the rise in interest rates
- However, converse was true in previous periods when rates were lower, as the endowment was protected and optimised by the ALM strategy

## Through-the-cycle ALM NII outperformance



### Additional endowment NII from ALM strategies relative to overnight (repo) profile

R billion

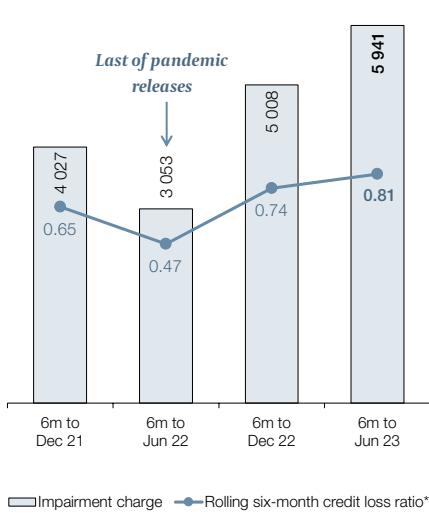


### Credit performance at a glance – fully expected, due to origination approach, coverage reflects macro outlook



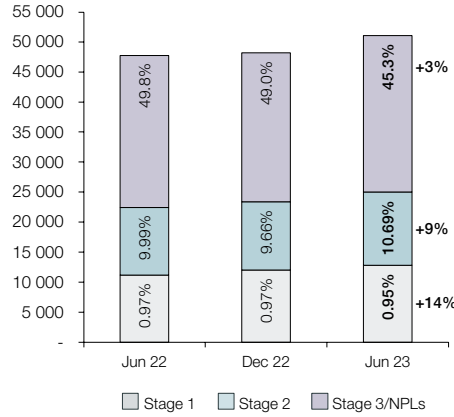
25

Impairment charge (R million) and credit loss ratio (%)



\* Annualised.  
Note: Growth rates are year-on-year (i.e. since June 2022).

Total provisions (R million) and coverage (% of core lending advances)



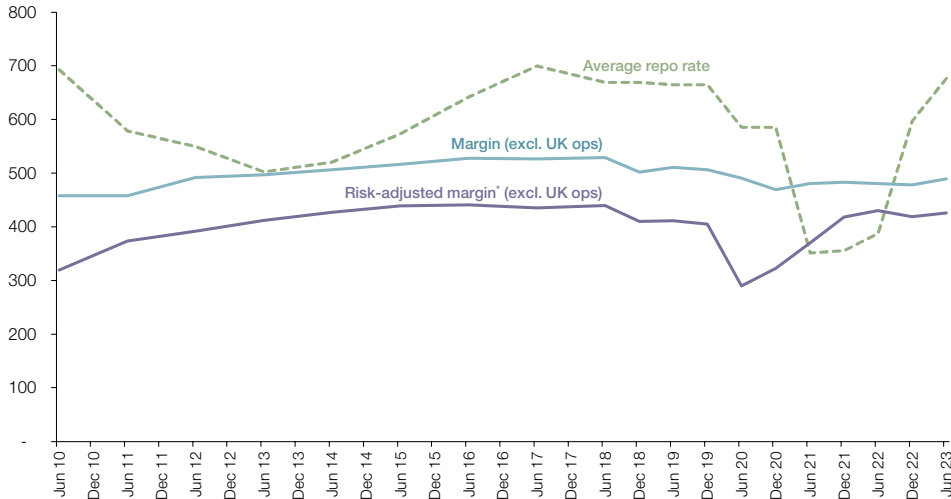
Total provisions (R million)		
47 734	48 216	51 072
		+7%

### Combination of origination tilt and ALM outcomes adds margin stability and superior risk-adjusted profile



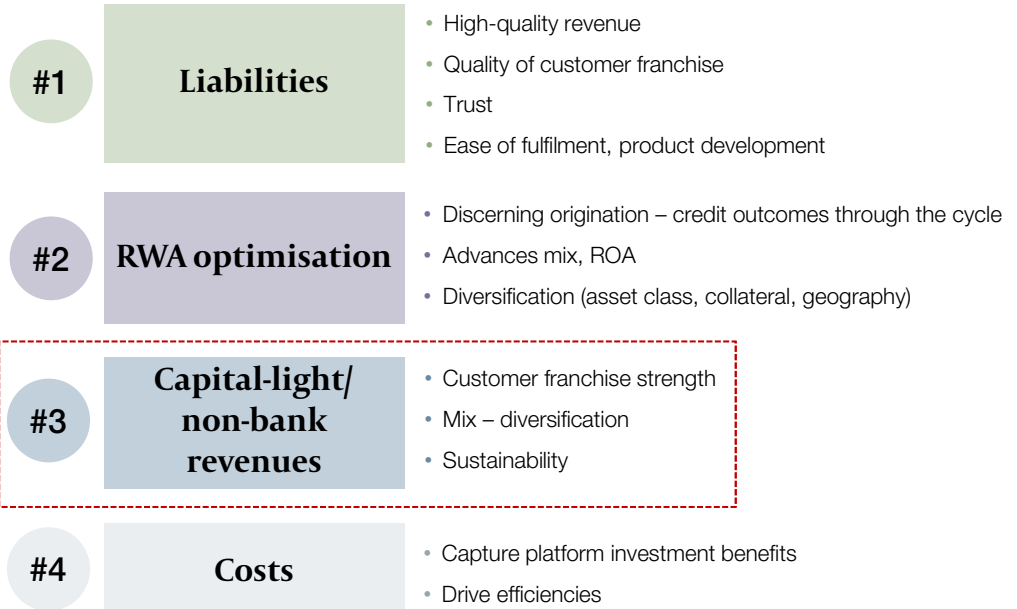
26

Basis points

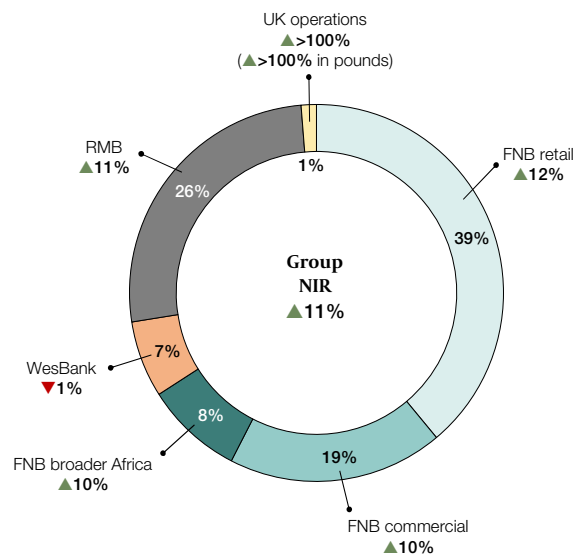


\* After impairments.

## FirstRand's shareholder value creation thesis



## Capital-light revenue streams captured in composition of group NIR



\* Excluding Centre (incl. Group Treasury).



## Fee and commission income reflects relative size and strength of transactional franchises



29

- **FNB**
  - Active customers +5% to 11.49 million
  - SA VSI at 2.98 (2022: 2.95)
  - Transactional volumes +12%
  - Fee reductions continued
  
- **RMB**
  - Growing corporate transactional franchise
    - Growth in primary-banked clients
    - SA merchant services volumes +62%, turnover +54%
  - Investment banking fee income benefited from continued book growth which bolstered structuring, arranging and commitment fees, and solid advisory fee income

## Trading delivered mixed outcome, strong investment income



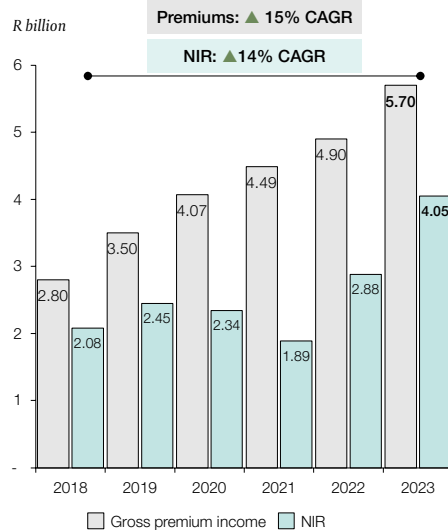
30

- **RMB markets = mixed picture**
  - Broader Africa
    - Strong performance driven by secured finance, client flows and structuring
  - South Africa
    - Equities experienced lower volumes
    - Commodities saw lower margins and lower volumes
    - Offset by double-digit FX growth
  
- **RMB private equity**
  - Significant private equity realisation of c. R1.2 billion and resilient annuity income growth at RMB

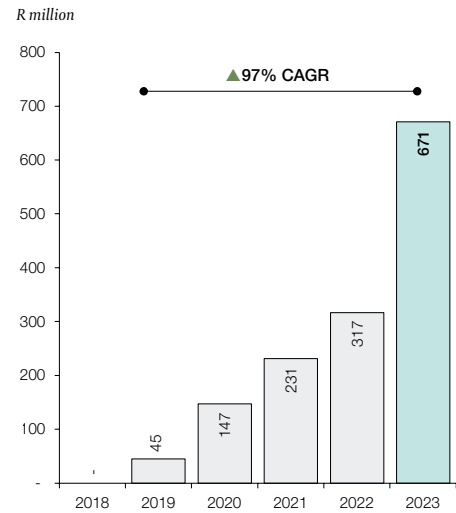
## Scaling insurance business provides NIR diversification



### Premium income and NIR – FNB Life\*



### Premium income – FNB Short Term



\* Premiums and NIR on licence.

## FirstRand's shareholder value creation thesis



#1

### Liabilities

- High-quality revenue
- Quality of customer franchise
- Trust
- Ease of fulfilment, product development

#2

### RWA optimisation

- Discerning origination – credit outcomes through the cycle
- Advances mix, ROA
- Diversification (asset class, collateral, geography)

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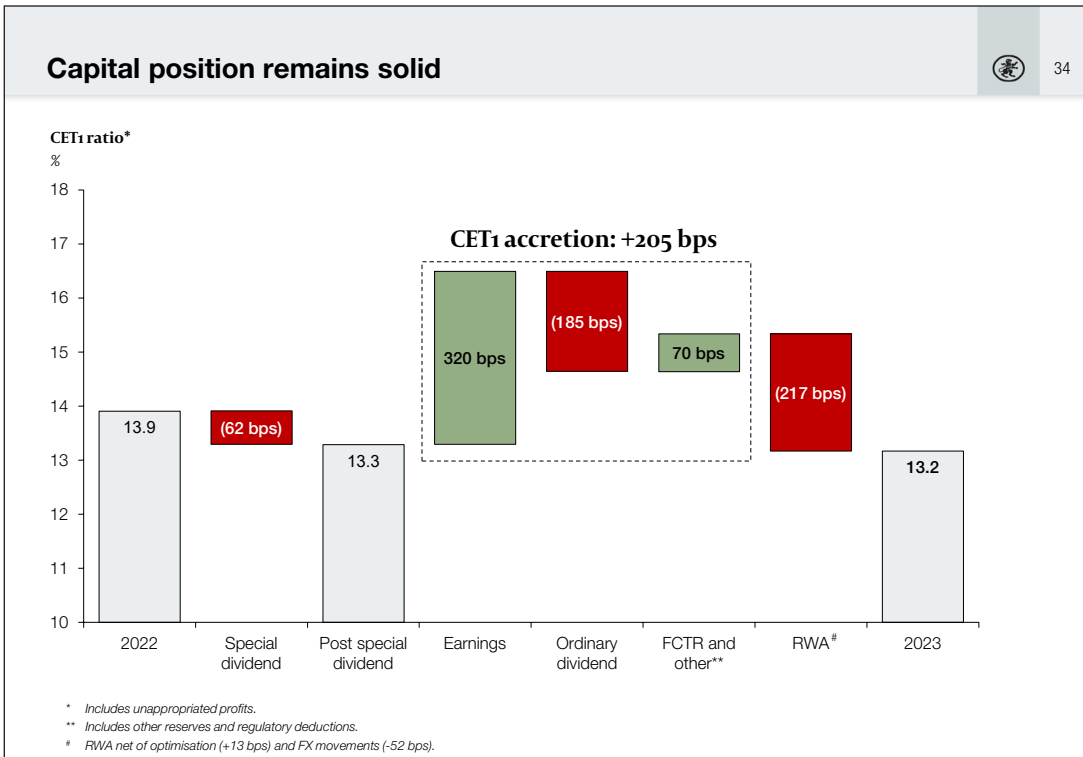
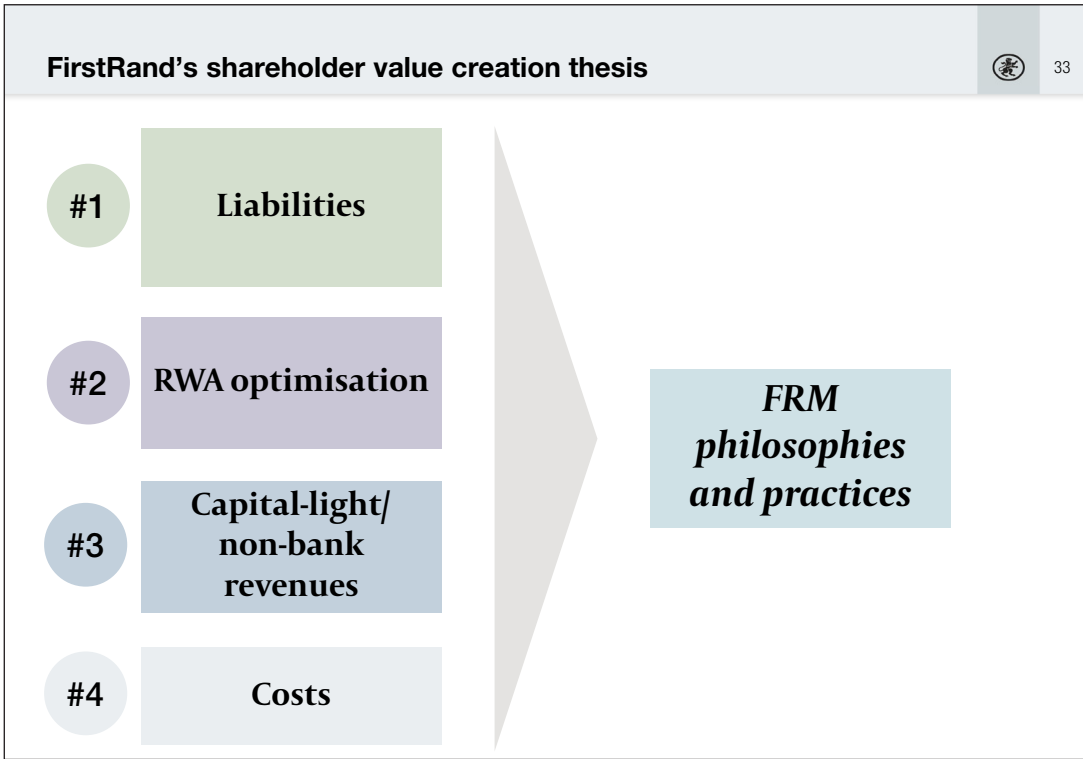
### Capital-light/ non-bank revenues

- Customer franchise strength
- Mix – diversification
- Sustainability

#4

### Costs

- Capture platform investment benefits
- Drive efficiencies

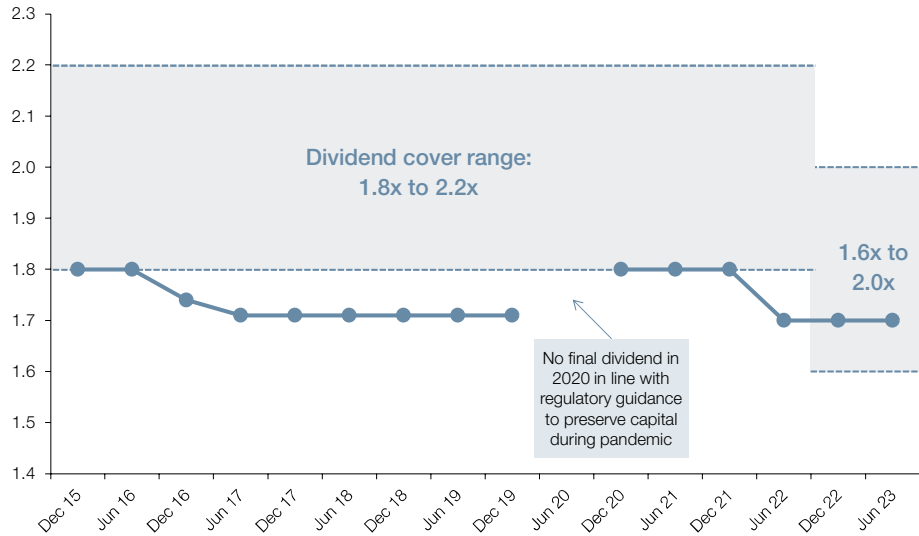


**Dividend cover maintained at 1.7 times**



**Dividend cover**

*Times*



financial  
review

for the year ended 30 June 2023

## Key performance metrics (normalised)



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	2023	2022	% change
Earnings per share (cents)	653.7	582.3	12 ▲
Dividend per share (cents)	384	342	12 ▲
Earnings (R million)	36 669	32 663	12 ▲
NIACC (R million)	12 048	10 112	19 ▲
Net asset value per share (cents)	3 221.3	2 938.9	10 ▲
Net interest margin (%)	4.47	4.40	▲
Credit loss ratio (%) – core lending advances	0.78	0.56	▲
Cost-to-income ratio (%)	51.8	52.5	▼
Return on equity (%)	21.2	20.6	▲
Return on assets (%)	1.71	1.69	▲
CET1 ratio* (%)	13.2	13.9	▼
Stage 3/NPL as a % of core lending advances	3.80	3.88	▼
Gross advances – core lending advances (R billion)	1 511	1 311	15 ▲
Deposits (R billion)	1 923	1 656	16 ▲
Number of employees (excluding FirstJobs)	49 697	47 105	6 ▲
FirstJob employees	796	954	(17) ▼

\* On an IFRS basis and includes unappropriated profits.

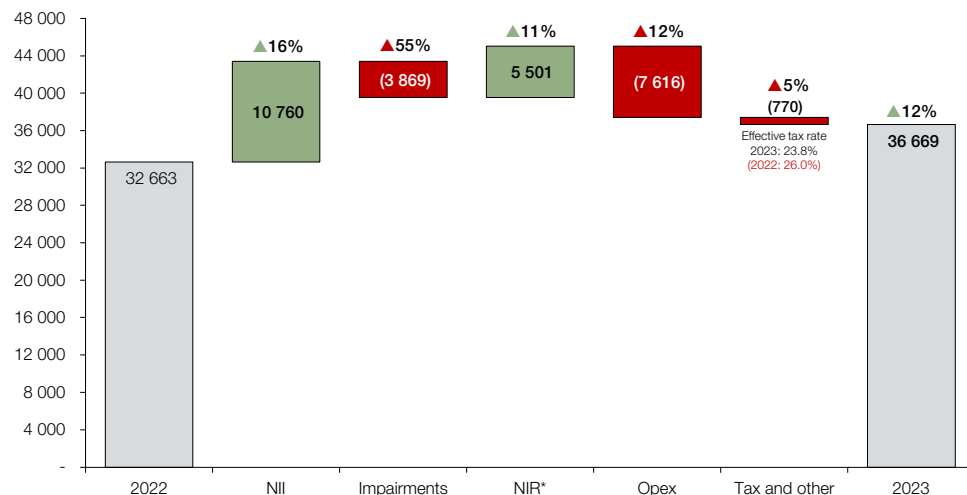
## Above inflation cost growth and credit normalisation more than offset by strong topline



38

## Normalised earnings

R million



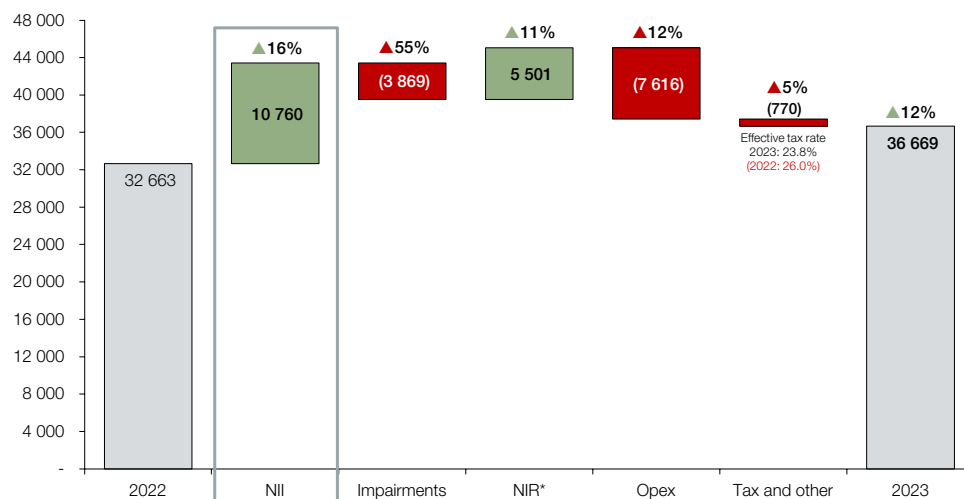
\* Includes share of profit from associates and joint ventures after tax.

### Net interest income driven by growth on both sides of the balance sheet



#### Normalised earnings

R million

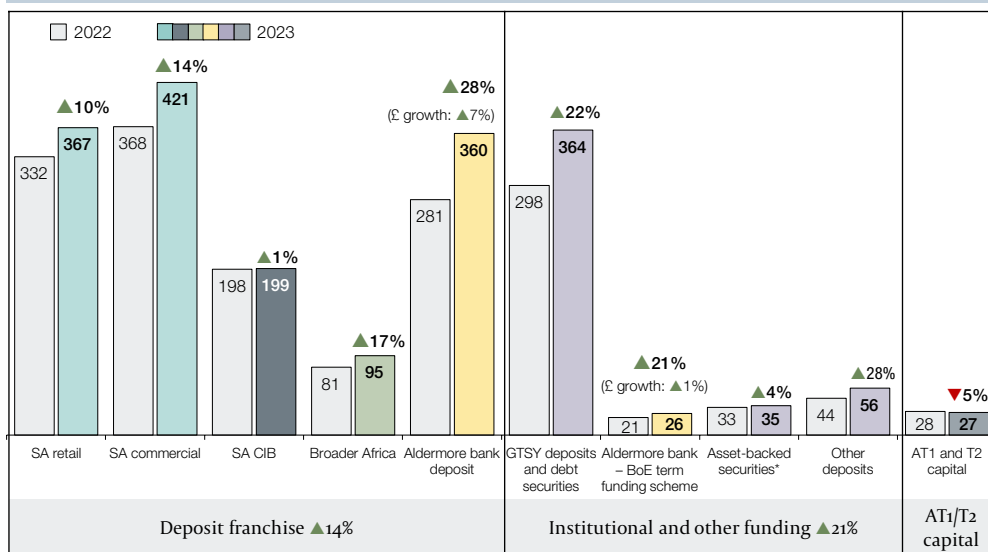


\* Includes share of profit from associates and joint ventures after tax.

### Deposit franchise outperformance continues



#### Funding liabilities ▲16%



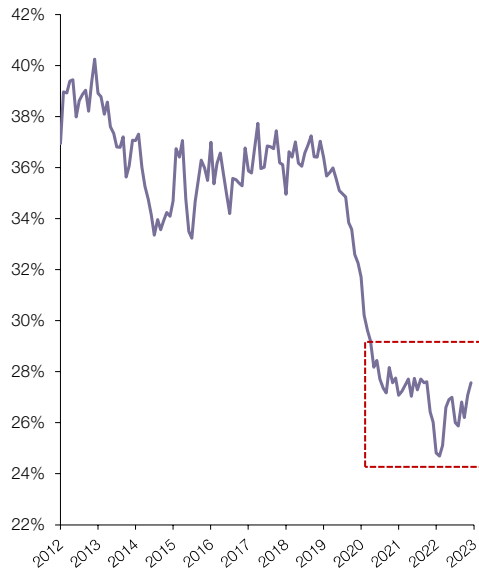
\* Include Aldermore securitisations.

Note: Percentage growth is based on actual rather than rounded numbers shown in the bar graphs.

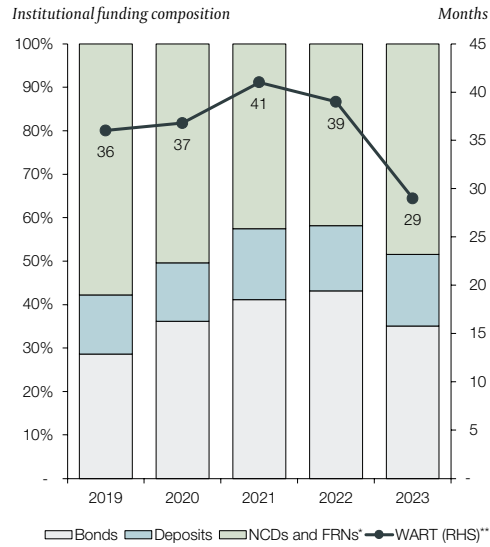
### Recent institutional increase in funding, however, overall relative composition still low

41

**Institutional funding as % of total funding**



**Diversified institutional funding mix and term profile**



\* Negotiable certificates of deposit (NCDs) and floating-rate notes (FRNs).  
 \*\* Weighted average remaining term (WART) is for institutional funding in SA.

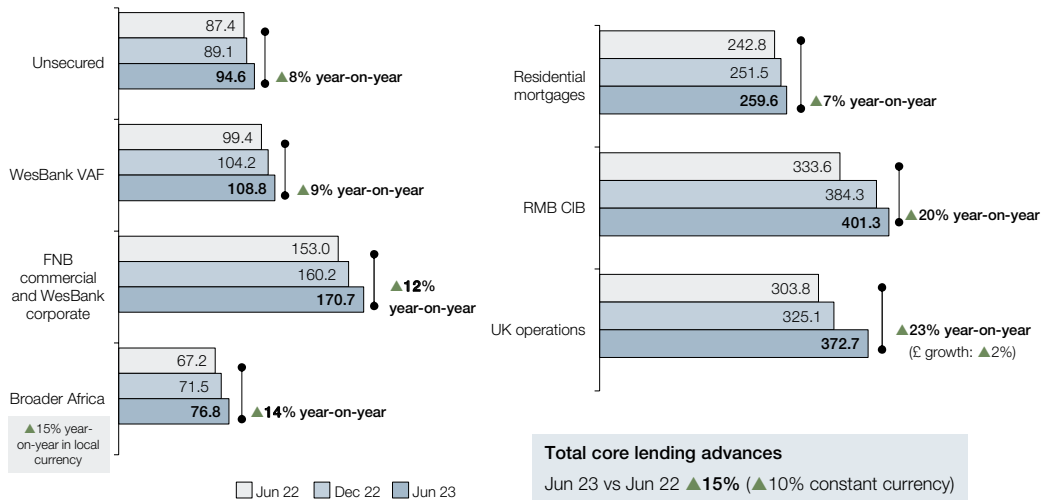
### Growth across lending portfolios with origination slow down in second half given environment

42

#### Core lending advances up 15% to R1 511bn

**Core lending advances**

R billion



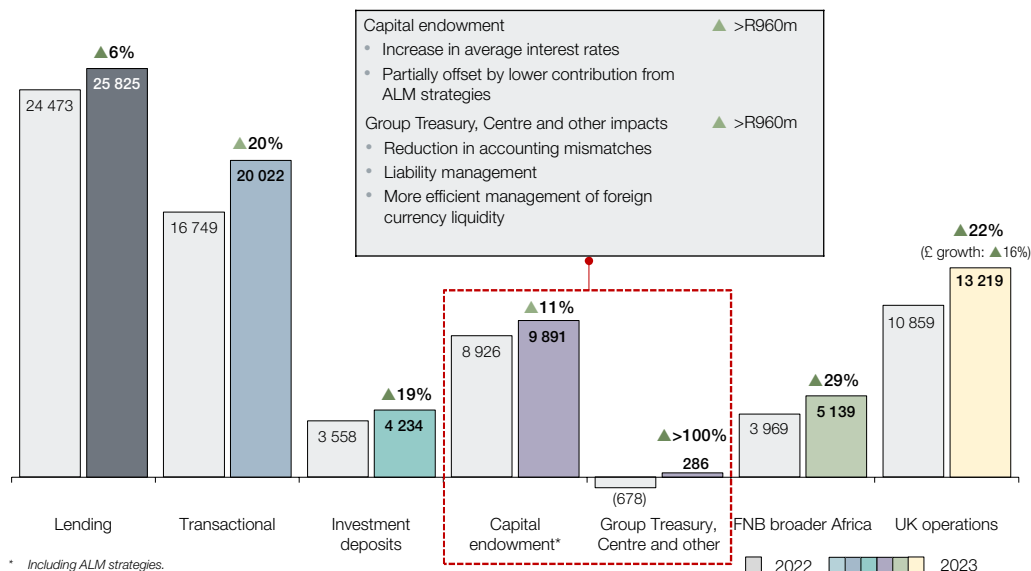
**Total core lending advances**  
 Jun 23 vs Jun 22 ▲15% (▲10% constant currency)

## Net interest income growth driven by transactional franchise, and endowment in both SA and broader Africa



### Net interest income

R million

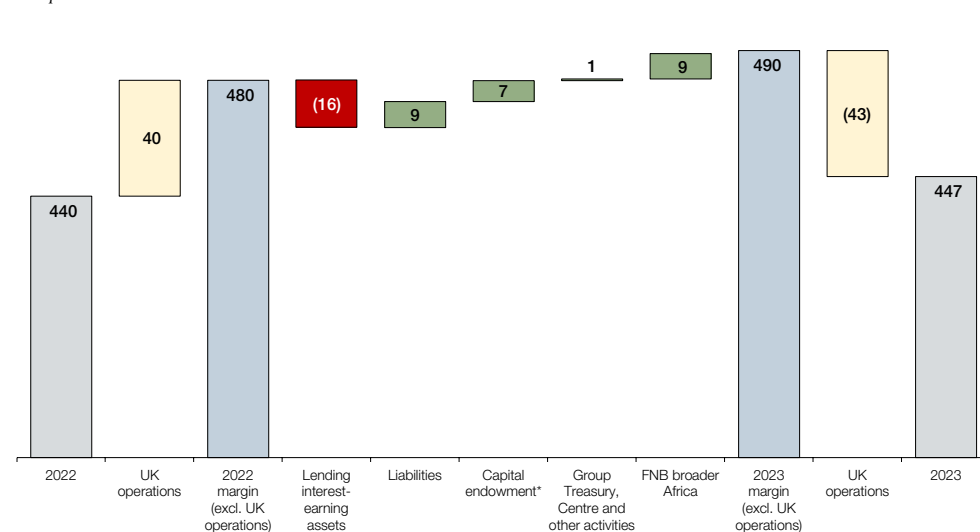


## Origination approach played out in lower NIM on assets, with positive offset from deposit franchise



### Normalised margin

Basis points



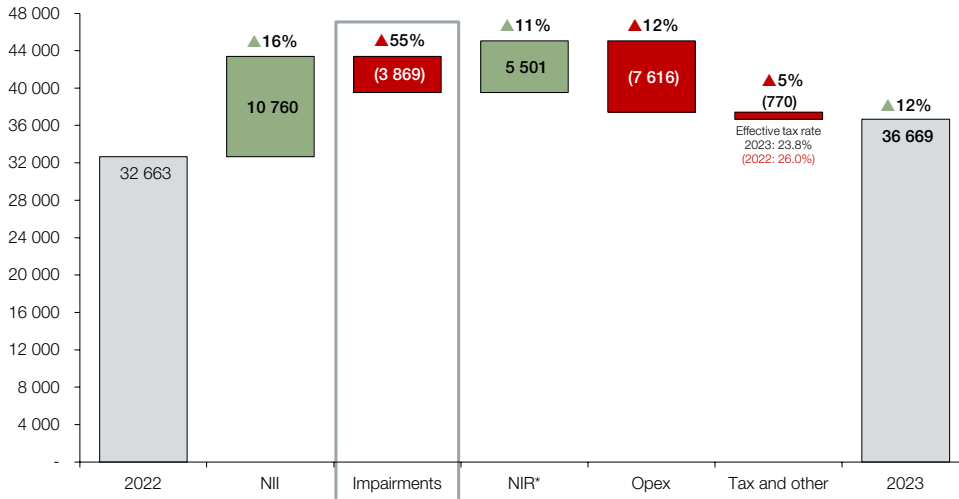


### Impairment charge as expected given origination approach

45

#### Normalised earnings

R million



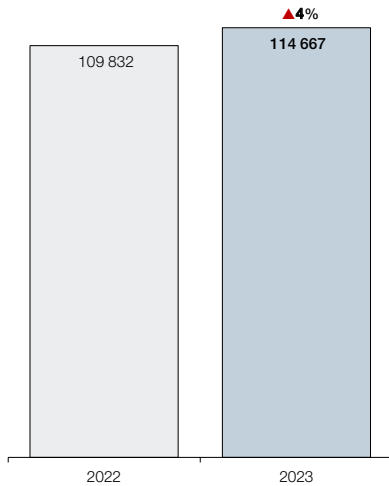
\* Includes share of profits from associates and joint ventures after tax.

### Weaker than expected environment driving arrears build-up

46

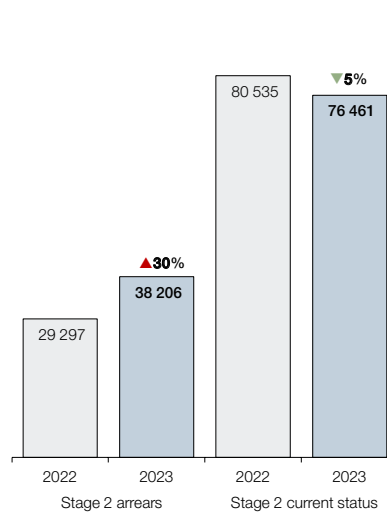
#### Stage 2\*

R million



#### Stage 2\* composition

R million



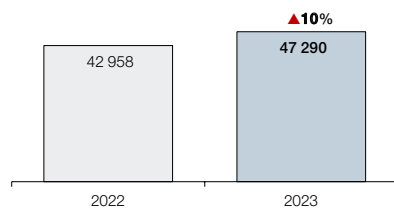
\* Amounts exclude temporary stress scenario.

### NPLs benefited from collections efforts captured in curing NPLs



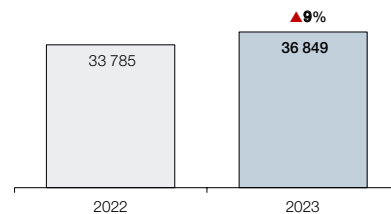
#### NPLs (excluding UK operations)

R million



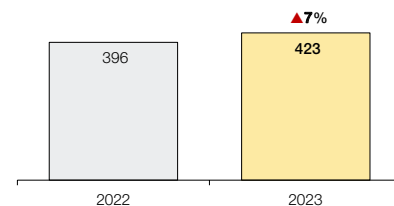
#### Operational NPLs (excluding UK operations)

R million



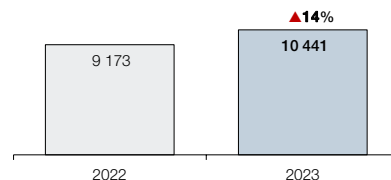
#### UK NPLs

£ million



#### Paying NPLs (excluding UK operations)

R million

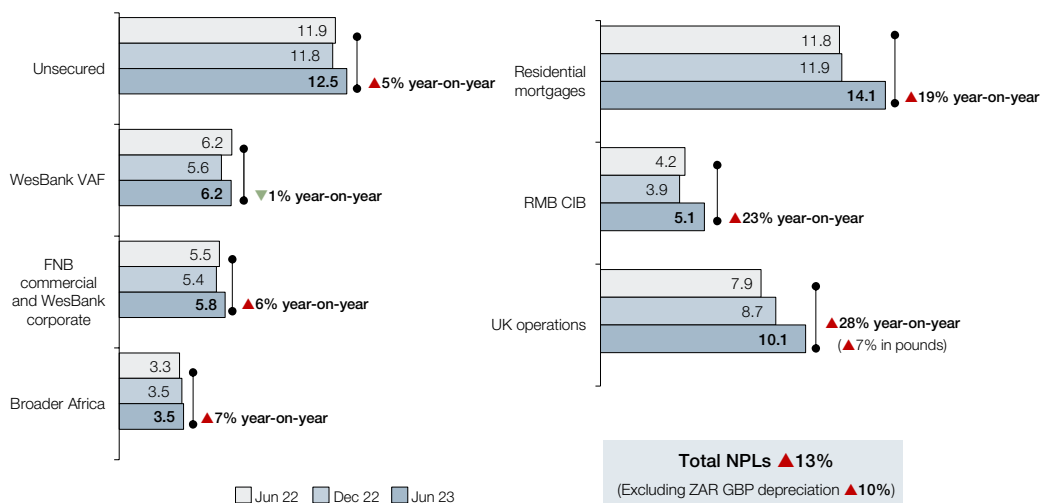


### NPL formation within expectation given origination strategies



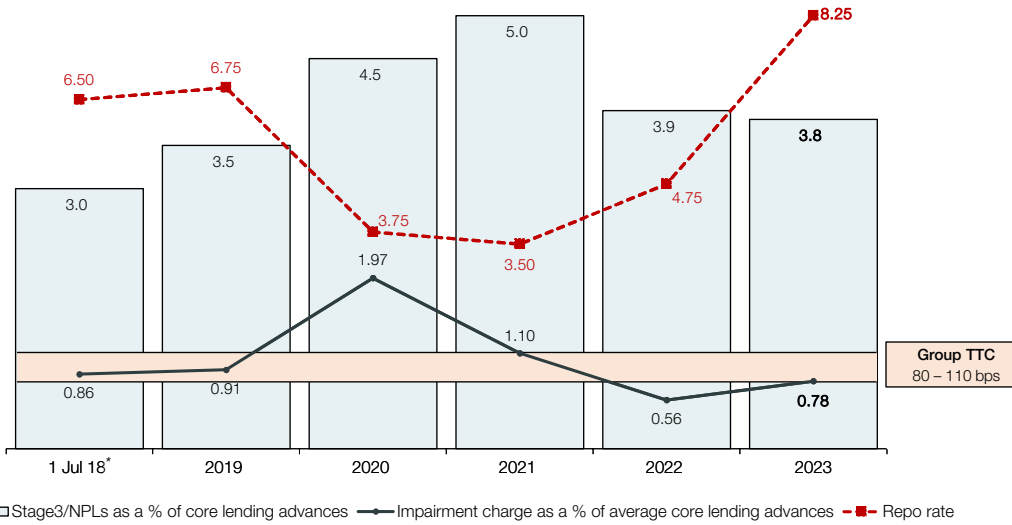
#### NPLs

R billion



### CLR remains below TTC range – pleasing given the environment

49



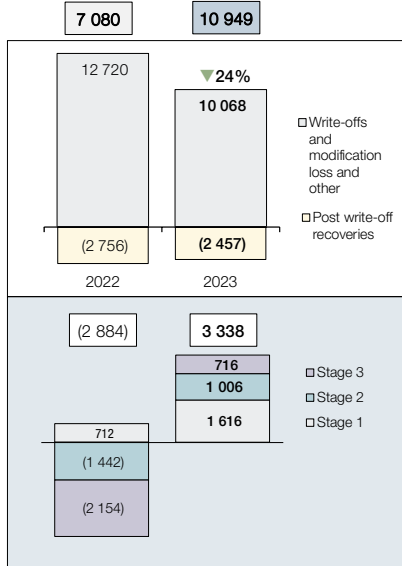
\* NPLs as a percentage of advances and NPL coverage ratio are based on IFRS 9. Impairment charge is based on IAS 39 as at 30 June 2018.

### Performing charge normalising

50

#### Impairment charge decomposition

R million



#### Total charge ▲ R3.87 billion

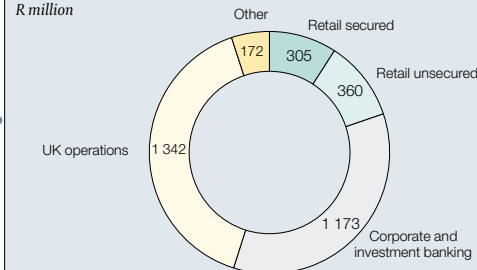
Write-offs and post write-off recoveries ▼ R2.35 billion

NPL charge ▲ R2.87 billion

Performing charge ▲ R3.35 billion

#### Performing charge year-on-year

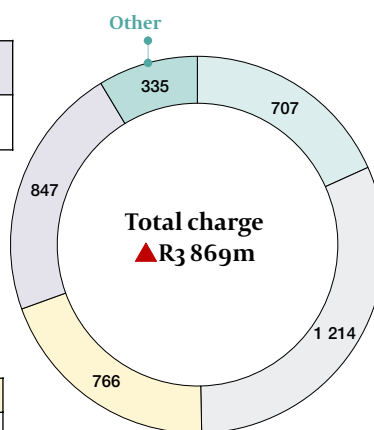
R million



### Book growth in large lending portfolios driving charge

RMB corporate and investment banking	CLR
Total	12 bps (2022: (14 bps))

UK operations	CLR
Total	57 bps (2022: 39 bps)



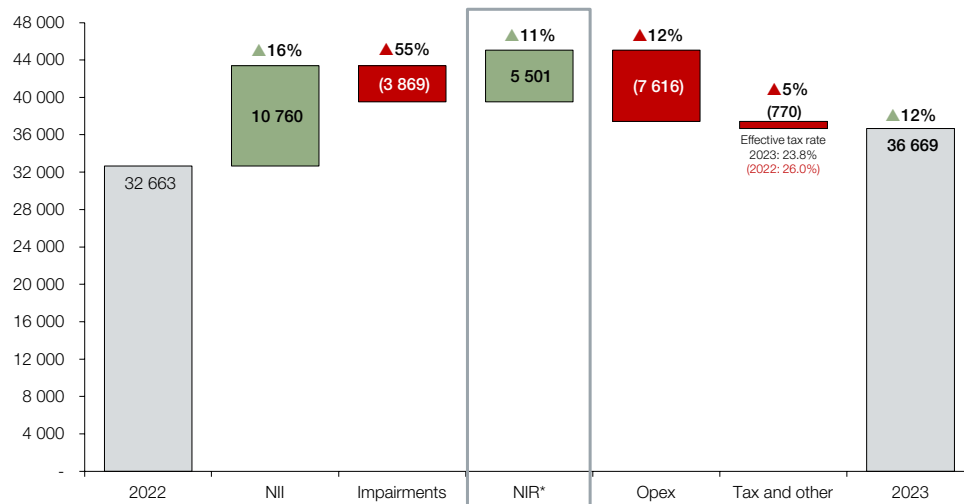
Retail secured	CLR
Residential mortgages	18 bps (2022: 2 bps)
WesBank VAF	165 bps (2022: 142 bps)

Retail unsecured	CLR
FNB card	433 bps (2022: 334 bps)
Personal loans	763 bps (2022: 555 bps)

### Resilient NIR reflecting customer and transaction volume growth, strong insurance income and private equity realisation

#### Normalised earnings

R million

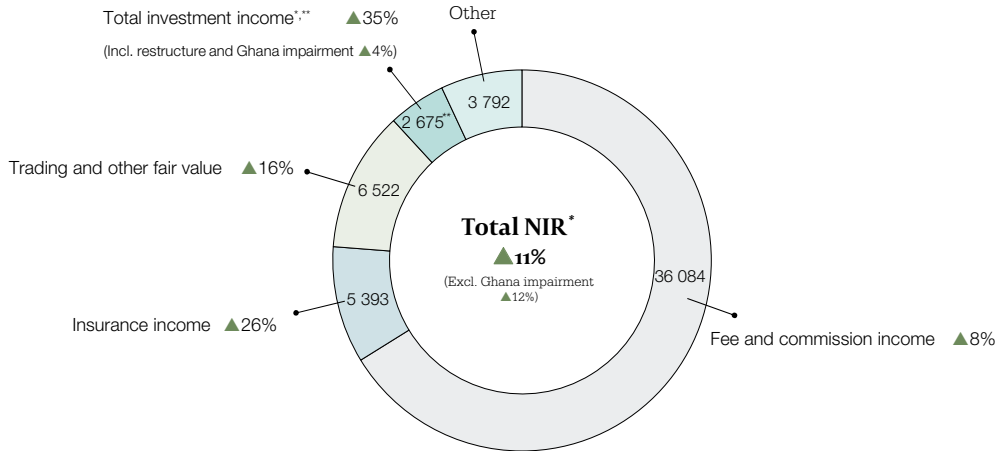


\* Includes share of profit from associates and joint ventures after tax.

### Fee and commission still the most significant component of non-interest revenue

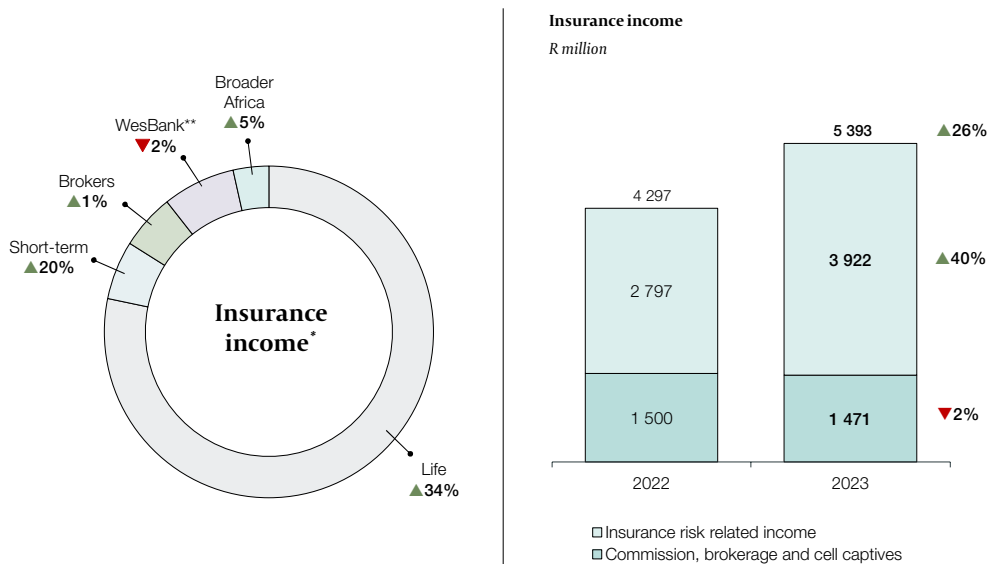
#### Non-interest revenue

R million



\* Includes share of profit from associates and joint ventures after tax.  
 \*\* Excluding restructure and Ghana impairment.

### Integrated insurance strategy a growing component of non-interest revenue



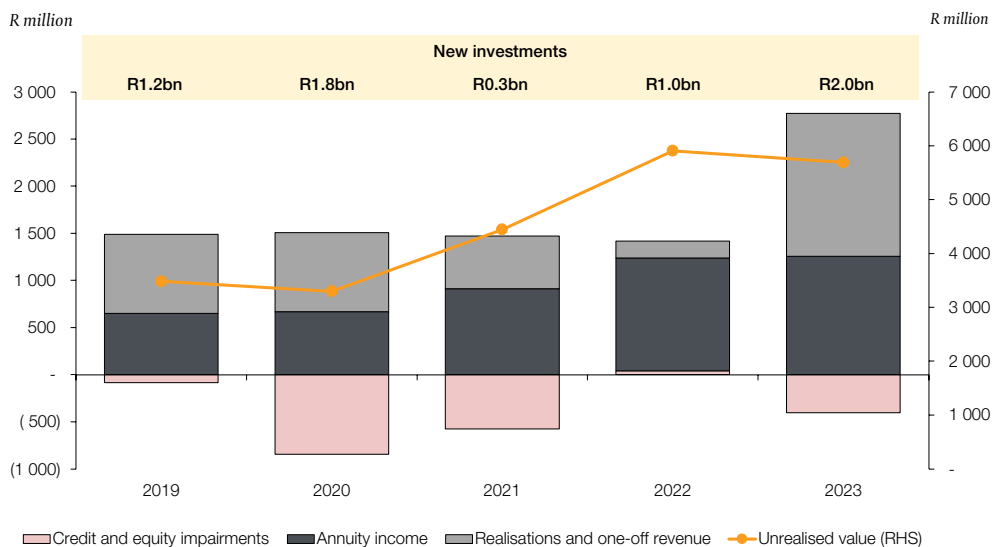
\* Excludes Centre and other insurance income of -R146 million (2022: -R90 million).  
 \*\* WesBank includes MotoVantage and Life includes DirectAxis.

### Sustained private equity annuity income despite significant realisation



#### Private equity gross income

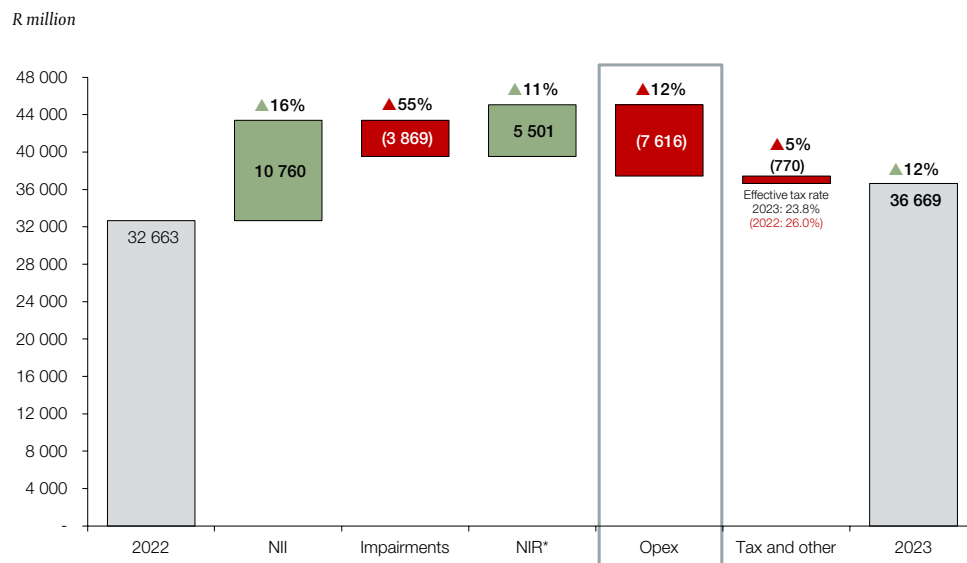
#### Unrealised value



### Above-inflation cost growth driven by continued investment spend and staff costs...

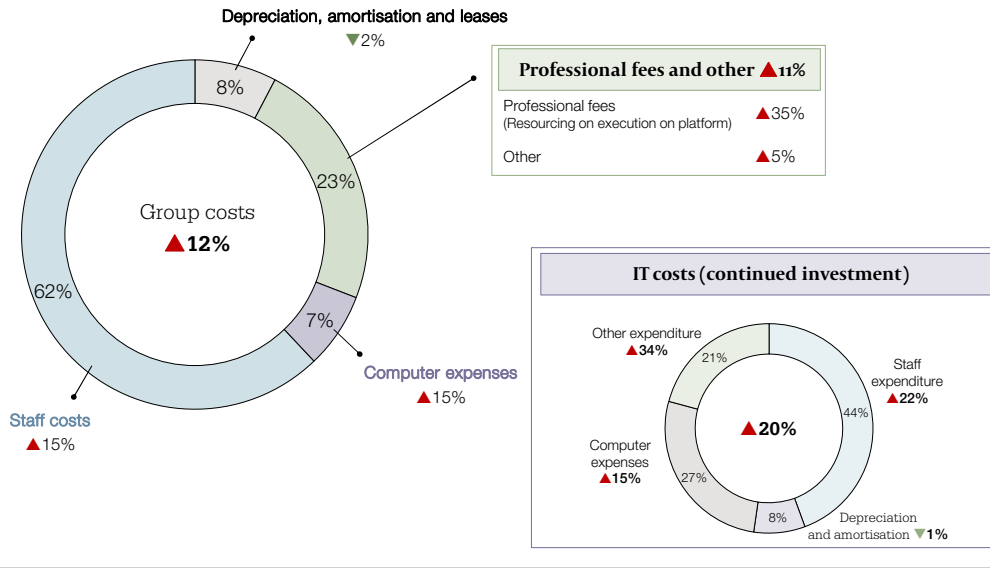


#### Normalised earnings

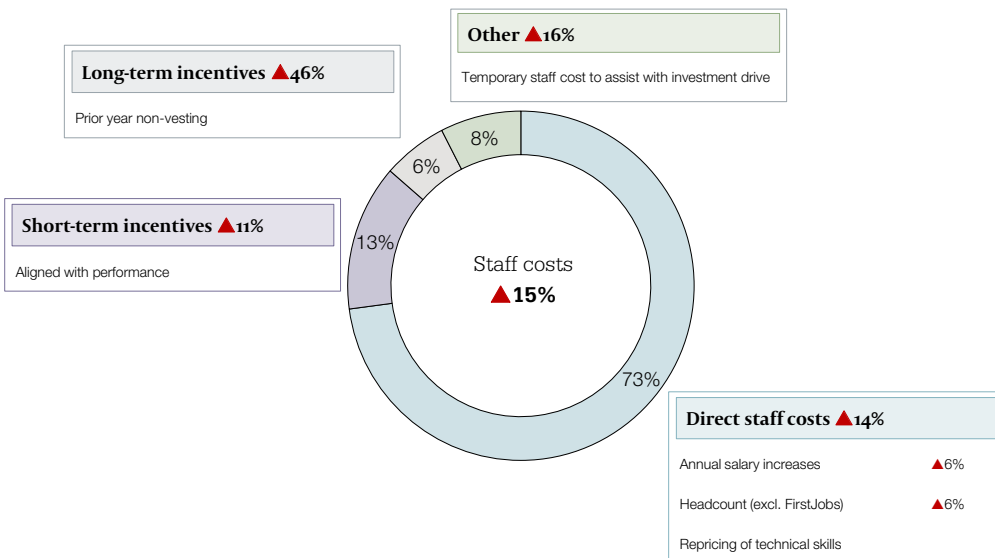


\* Includes share of profit from associates and joint ventures after tax.

### Unpacking largest cost drivers



### Investment in skills to support long-term growth and inflation drive staff costs



## Solid operational performance testament to quality of franchise



### Net interest income ▲16%

- Deposit franchise ▲14%
- Endowment benefit
- Advances ▲15%
- Group margin ▲7 bps

### Non-interest revenue\* ▲11%

- Strong growth in fee and commission income
- Private equity and principal investments realisation income and resilient annuity income
- Solid insurance income with some benefit from reserve releases

### Impairment charge ▲55%

- Pleasingly below through-the-cycle range at 78 bps
- Charge normalising with appetite and advances growth
- Growth driven by performing charge
- NPLs ▲13%, stage 2 ▲2%
- Balance sheet provisions remain conservative

### Operating expenses ▲12%

- Inflation impact being felt
- Headcount and staff cost growth, low LTI base
- Investment continues
- Cost momentum will require additional focus

\* Includes share of profit from associates and joint ventures after tax.



FirstRand

looking  
ahead



## Looking ahead – macros and expected operational outcomes



61

- **Macros remain uncertain but more constructive**
  - Disinflation trend will continue
  - Rate cuts expected in SA in H2 FY24
  - UK rates may not have peaked
- Will result in softer retail advances and deposit growth in SA and broader Africa
- Modest growth in UK
- Credit losses move into the TTC range but close to peak by end of financial year

## Looking ahead – macros and expected operational outcomes



62

- **Beyond the cycle**, promising underpin to private sector investment continues
  - FNB commercial expected to grow advances
  - RMB corporate advances will moderate but remain resilient
- Cost lever expected to lower cost growth
- ROE will remain at upper end of range
- Growth in earnings expected to land within the group's long-term target band of real GDP plus CPI plus >0% to 3%



FirstRand

# annexures

for the year ended 30 June 2023

## Group strategic framework



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*FirstRand commits to building a future of SHARED PROSPERITY through enriching the lives of its customers, employees and the societies it serves. This is the foundation to a sustainable future and will preserve the group's enduring promise to create long-term value and superior returns for its shareholders.*

### DIVERSIFIED PORTFOLIO WITH UNIQUE STRATEGIES:

SOUTH AFRICA	BROADER AFRICA	UK
Platform-enabled integrated financial services providing ecosystems that create long-term value for clients and shareholders	Build competitive advantage and scale to deliver economic profit and dividends	Modernise, digitise and scale to a more valuable UK business that delivers economic profit and dividends

Enabled by digital platforms

Disciplined management of financial resources (capital, funding, liquidity and risk capacity) to deliver on financial commitments

Committed, accountable and empowered people key to delivering continued outperformance

### Structural underpins ensure sustainability of superior ROE

**Relative size of:**

- **Transactional franchise** which contributes approximately half of gross revenue
- **Deposit franchise** and resultant lower reliance on institutional funding

Sizeable, long-standing, return-generative **private equity** franchise

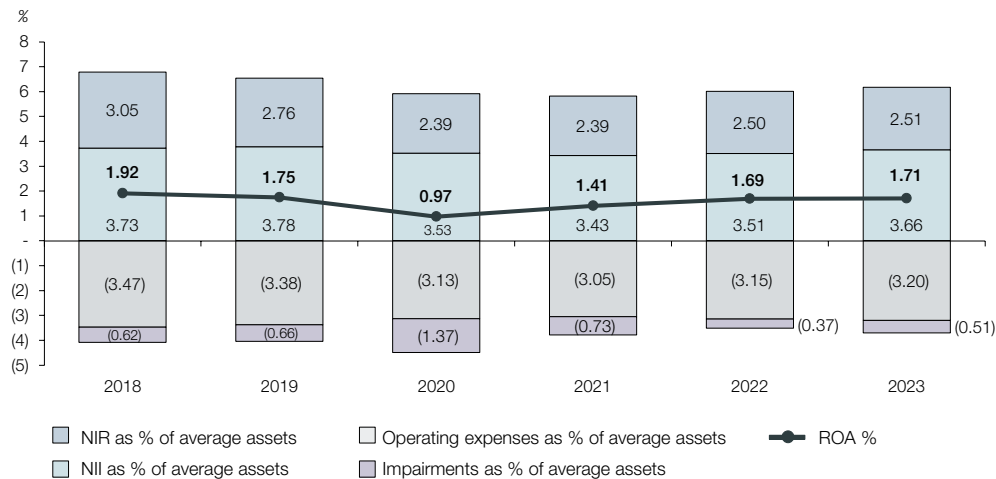
**Relative advances mix** delivers higher **risk-adjusted margins** – credit appetite, underwriting and pricing **anchored to preserve return profile**

Strategies to **diversify sources of NIR** – scaling **insurance** and **investment management** (already contribute c. R7 billion to NIR annually)

*Underpinned by the disciplined allocation and pricing of financial resources (capital, funding and liquidity, and risk capacity) and ALM strategies*

### ROE decomposition unpacks drivers of operational performance

ROE (%)	23.0	22.8	12.9	18.4	20.6	21.2
Gearing (times)	12.0	13.0	13.3	13.0	12.2	12.4



## Group has strengthened its balance sheet



67

	ACTUAL	TREND
Assets in marketable format	<b>R571 billion</b>	Marketable liquid assets grew marginally
Liquid assets as % of total assets	<b>24.8%*</b>	Marginally lower following balance sheet growth
LCR and NSFR	<b>LCR: 124% (group), 129% (bank) NSFR: 121% (group), 120% (bank)</b>	The group's liquidity position remains healthy, with prudential ratios well above regulatory minimums
Credit quality of assets	<b>BB-/B+</b>	Stable
Institutional funding term**	<b>29 months</b>	Lower due to increased money market funding relative to long-dated senior issuance
Deposit franchise**	<b>74% core deposit funding</b>	Funding strategy favours client deposits, creating an improved liquidity risk profile coupled with deeper client engagement
RWA risk density	<b>57.4%</b>	Higher given balance sheet mix
CET1 ratio	<b>13.2% (group), 12.6% (bank)</b>	Well above internal target range
Standalone bank credit rating	<b>Highest in SA</b>	Maintained

\* Reflects internal economic view.

\*\* For South African operations only.

## Portfolio performance reflects quality of customer-facing businesses



68

### Normalised earnings

R million	2023	2022	% change
FNB	<b>21 915</b>	19 636	12 ▲
WesBank	<b>1 859</b>	1 604	16 ▲
RMB	<b>9 152</b>	8 196	12 ▲
UK operations	<b>3 345</b>	2 983	12 ▲
UK operations (£ million)	<b>158</b>	149	6 ▲
Centre*	<b>398</b>	244	63 ▲
<b>Total group</b>	<b>36 669</b>	32 663	12 ▲

\* Includes Group Treasury and other equity instrument holders.

## UK performance highlights

A 69

Normalised earnings

**£158m**

(2022: £149m)

↑6%

Normalised PBT

**£215m**

(2022: £203m)

↑6%

Net interest margin

**3.13%**

(2022: 3.05%)

↑18 bps

Return on assets

**0.82%**

(2022: 0.82%)

↔

Return on equity

**11.6%**

(2022: 11.8%)

↓20 bps

NPLs as a % of advances

**2.72%**

(2022: 2.61%)

↑11 bps

Credit loss ratio

**0.59%**

(2022: 0.39%)

↑20 bps

Cost-to-income ratio

**50.8%**

(2022: 50.6%)

↑20 bps

Advances

**£15 561m**

(2022: £15 232m)

↑2%

## Unpacking UK operations and Aldermore Bank operational performance

A 70

## Normalised PBT

£ million

	2023	2022	% change
Property finance	98	131	25 ▼
Structured and specialist finance	109	159	31 ▼
Central functions	(7)	(120)	94 ▼
<b>Aldermore Bank operational</b>	<b>200</b>	<b>170</b>	<b>18 ▲</b>
Motor finance (excl. fair value hedge gains)	24	26	8 ▼
Strategic technology spend	(35)	(1)	>100 ▼
Fair value hedge gain*	26	8	>100 ▲
<b>UK operations PBT</b>	<b>215</b>	<b>203</b>	<b>6 ▲</b>

UK operations ROE

**11.6%**

(2022: 11.8%)

Aldermore Bank ROE\*\*

**12.7%**

(2022: 11.9%)

Aldermore Bank CET 1

**18.5%**

(2022: 17.0%)

\* £9.5 million (2022: £6.5 million) of the fair value hedge gain relates to motor finance.

\*\* Based on operational performance.

## Aldermore acquisition – value accretive

A 71

	£ million	R million (rand equivalent)
<b>Investment at acquisition (March 2018) @ spot rate (£1 = R16.68)</b>	<b>1 098</b>	<b>18 311</b>
Aldermore excluding MotoNovo: earnings for the three months ended 30 June 2018	16	
<b>June 2018 adjusted NAV @ spot rate (£1 = R18.18)</b>	<b>1 114</b>	<b>20 253</b>
Aldermore excluding MotoNovo: earnings for the year ended 30 June 2019	95	
<b>June 2019 adjusted NAV @ spot rate (£1 = R17.98)</b>	<b>1 209</b>	<b>21 738</b>
Aldermore excluding MotoNovo: earnings for the year ended 30 June 2020	52	
<b>June 2020 adjusted NAV @ spot rate (£1 = R21.43)</b>	<b>1 261</b>	<b>27 023</b>
Aldermore excluding MotoNovo: earnings for the year ended 30 June 2021	85	
<b>June 2021 adjusted NAV @ spot rate (£1 = R19.72)</b>	<b>1 346</b>	<b>26 543</b>
Aldermore excluding MotoNovo: earnings for the year ended 30 June 2022	125	
<b>June 2022 adjusted NAV @ spot rate (£1 = R19.95)</b>	<b>1 471</b>	<b>29 347</b>
Aldermore excluding MotoNovo: earnings for the year ended 30 June 2023	136	
<b>June 2023 adjusted NAV @ spot rate (£1 = R23.95)</b>	<b>1 607</b>	<b>38 488</b>
<b>Aldermore excluding MotoNovo return on investment over 63 months</b>	<b>46.4%</b>	<b>110.2%</b>
<b>Compound annual growth rate (CAGR)</b>	<b>7.5%</b>	<b>15.2%</b>

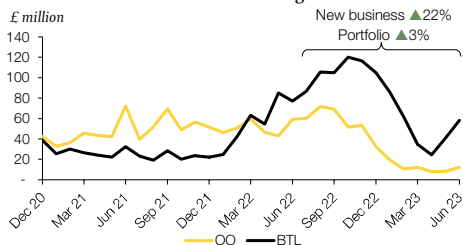
FirstRand excess capital could have been invested at 3-month JIBAR: **5.88%** (FY18 – FY23 average)

## UK operations continue to deliver portfolio growth and improved NIM despite a more muted domestic market

A 72

## Residential mortgages

## Amount disbursed on new and existing business

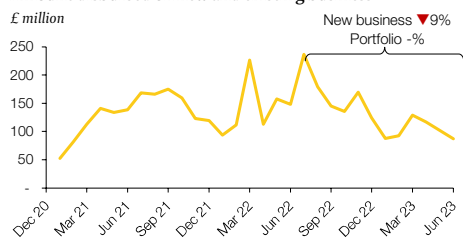


- Buy-to-let market driving a 22% increase in new business and offsetting the impact of a more muted owner-occupied market

- New business volumes declined in 2023, reflecting a market-wide slowdown in demand for new lending. Against this backdrop, both divisions applied FRM discipline to ensure loan growth was achieved at appropriate returns

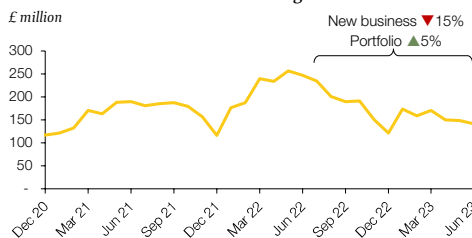
## Business finance

## Amount disbursed on new and existing business



## MotoNovo

## Amount disbursed on new and existing business





## Quality of FNB transactional franchise supported by platform strategy and unique customer propositions



75

Customers			Digital (app, online and USSD)		eBucks	
Retail	8.25m	+5%	Volumes	+9%	Rewards earned	R2.3bn
Commercial	1.21m	+1%	Logins	1.7bn	Rewards earned since inception	R19.8bn
Broader Africa	2.03m	+7%	Digital transactions	737m	eB travel sales (+57%)	R934m
<b>Total active customers</b>	<b>11.49m</b>	<b>+5%</b>	Smart device payments (up >100%)	>R37bn	<b>FNB Connect</b>	
eWallets*	6.13m	+3%	Virtual cards on app	4.6m	Active MVNO SIMs	879k ↔
<b>Total platform users</b>	<b>17.62m</b>	<b>+4%</b>	<b>Sales</b> >4 770 transactional accounts daily		Data used (MB)	9.19bn +17%
<b>Customer solutions engine (offers on platform)</b>					Representation points**	Lotto, electricity, airtime sales
Loaded	1.29bn	+83%			Branches	748 +2%
Taken up	12.1m	+16%			ATMs (incl. ADTs)	5 727 ↔
					CashPlus (agents)	3 581 +32%

\* Represent all SA eWallets without another FNB relationship/product that had at least one transaction in the past six months. Total eWallets including other FNB relationships = 7.9 million.  
 \*\* Include broader Africa (excluding Tanzania).

## WesBank performance highlights



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<i>Normalised earnings</i> <b>R1 859m</b> (2022: R1 604m)      ↑16%	<i>Normalised PBT</i> <b>R2 451m</b> (2022: R2 270m)      ↑8%	<i>FNB main-banked customers as % of base</i> <b>60%</b> (2022: 58%)      ↑200 bps
<i>Return on assets</i> <b>1.20%</b> (2022: 1.11%)      ↑19 bps	<i>Return on equity</i> <b>22.0%</b> (2022: 18.6%)      ↑340 bps	<i>Advances</i> <b>R163.0bn</b> (2022: R144.5bn)      ↑13%
<i>NPLs as a % of advances</i> <b>4.44%</b> (2022: 4.92%)      ↓48 bps	<i>Credit loss ratio</i> <b>1.12%</b> (2022: 0.98%)      ↑14 bps	<i>Cost-to-income ratio</i> <b>52.6%</b> (2022: 57.5%)      ↓490 bps

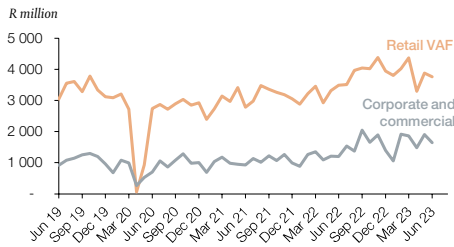


## WesBank – operational trends

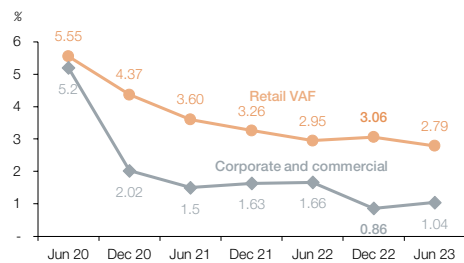
W 77

### Good growth in production

#### Amount disbursed on new and existing business



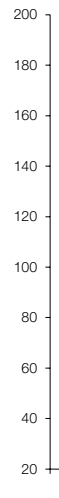
### Early arrears



### NPL trends

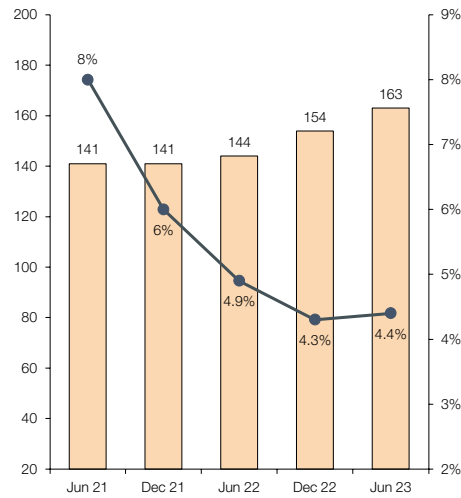
#### Advances

R billion



#### NPLs

% of advances



## RMB's performance benefited from a diversified portfolio

W 78

### Normalised earnings

**R9.2bn**

(2022: R8.2bn) **↑12%**

### Normalised PBT

**R12.6bn**

(2022: R11.6bn) **↑9%**

### Deposits

**R306.6bn**

(2022: R287.4bn) **↑17%**

### Return on assets

**1.36%**

(2022: 1.35%) **↑11 bp**

### Return on equity

**21.2%**

(2022: 22.1%) **↓90 bps**

### Core lending advances

**R419.6bn**

(2022: R347.9bn) **↑21%**

### Credit loss ratio\*

**0.14%**

(2022: (0.13%)) **↑27 bps**

### Cost-to-income ratio

**49.5%**

(2022: 49.9%) **↓40 bps**

### Primary-banked clients

**942**

(2022: 912) **↑3%**

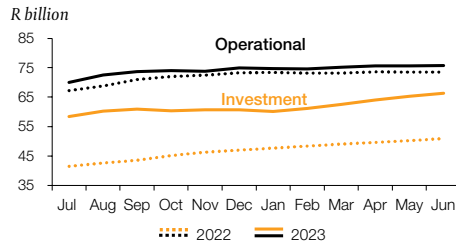
\* As a percentage of core lending advances.

## RMB corporate transactional banking's deposit growth and volumes supported by client acquisition

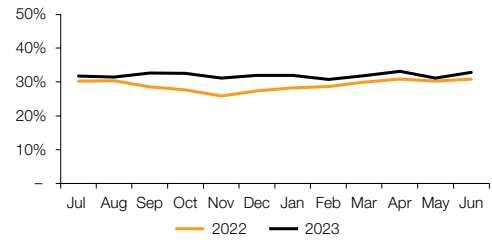


79

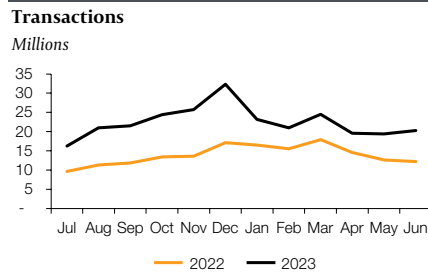
### Average deposits



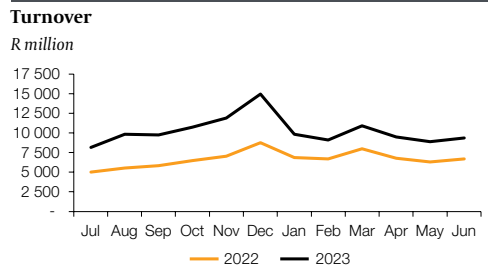
### Rand general banking facility utilisation



### Merchant services volumes (SA)



### Merchant services turnover (SA)



## Strong performance from broader Africa performance



80

### Normalised earnings

**R4 141m**

(2022: R2 892m) **↑43%**

### Normalised PBT

**R7 471m**

(2022: R5 650m) **↑32%**

### Deposit franchise

**R94.8bn**

(2022: R81.3bn) **↑17%**

### Return on equity

**20.9%**

(2022: 16.5%) **↑440 bps**

### Cost-to-income ratio

**53.1%**

(2022: 58.2%) **↓510 bps**

### Credit loss ratio\*

**0.50%**

(2022: 0.23%) **↑27 bps**

### Retail and commercial customers

**2.03m**

(2022: 1.9m) **↑7%**

### App penetration\*\*

**45.5%**

(2022: 39.3%) **↑620 bps**

### CashPlus agents

**3 581**

(2022: 2 707) **↑32%**

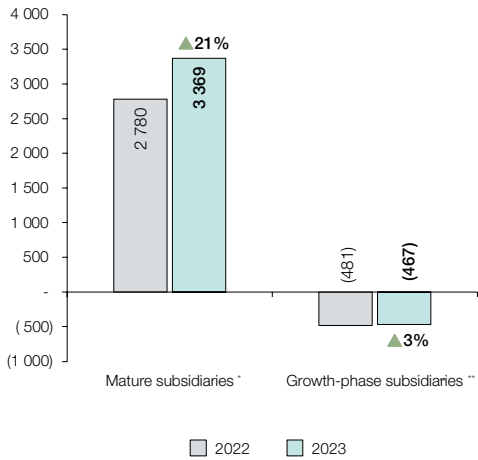
\* As a percentage of core lending advances.

\*\* Registered app users (with an active account) as a percentage of the total active customer base.

## Strong performance from FNB broader Africa

### Normalised PBT

R million



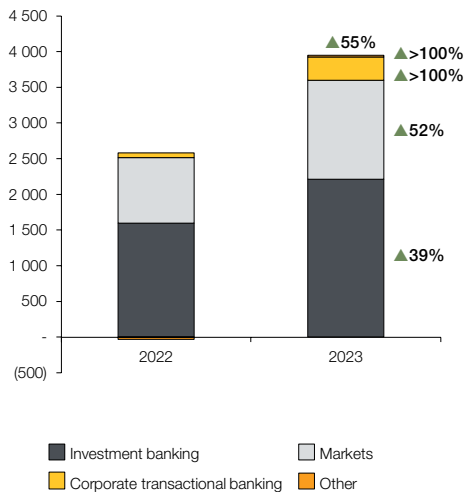
- FNB broader Africa PBT increased 26%
- Endowment NII benefit from high rates
- Increase in customer base and transactional volumes drive NIR growth
- Cost increase on high inflation, exchange rate and platform build-out
- Significant increase in impairments
  - Increase in NPLs
  - Higher impairments in Ghana
  - Lower recoveries
- Continued growth in advances and deposits

\* Mature subsidiaries: Botswana, Namibia, Eswatini (mature subsidiaries' performance shown gross of minority interests).  
 \*\* Growth-phase subsidiaries: Lesotho, Mozambique, Zambia, Ghana and support.

## RMB broader Africa PBT increased 55%

### Broader Africa' normalised PBT

R million



#### Investment banking

- Strong cross-border advances growth
- Good in-country advances growth across the portfolio with Nigeria, Botswana and Namibia largely contributing to the increase
- Decrease in advances margin, impacted by high-yielding deals rolling off and pricing pressures across the various jurisdictions

#### Corporate transactional banking

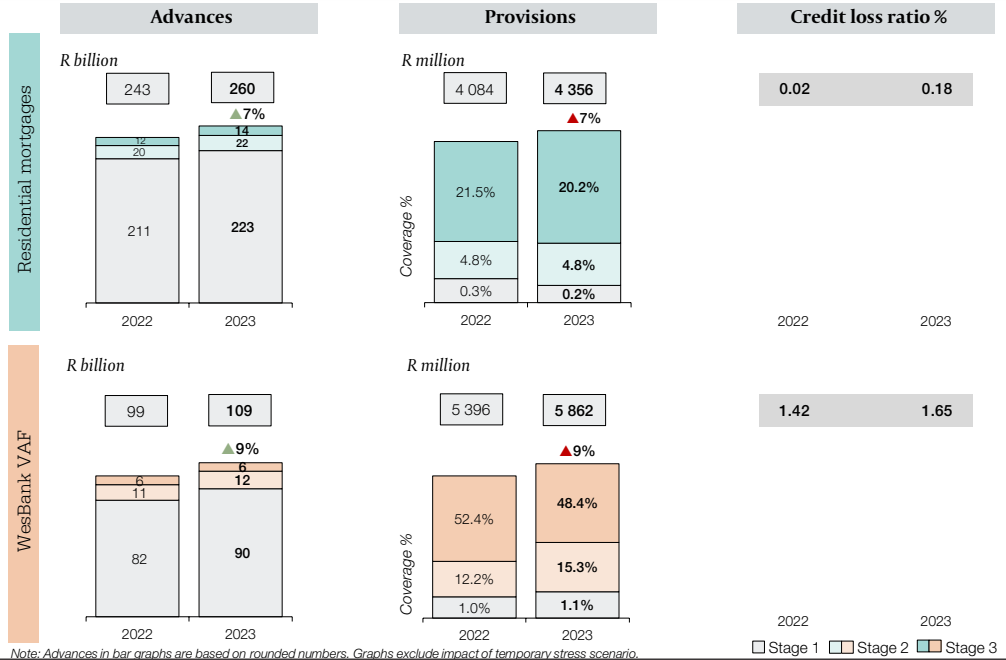
- Deposit margins benefited from a rising rate cycle across multiple jurisdictions
- Results negatively impacted by increased cross-border provisions, particularly in Ghana

#### Markets

- Good performance on the back of increased client flow, notably in Nigeria, Mozambique, Ghana and Namibia
- Cross-border revenue growth benefiting from favourable fixed-income and foreign exchange result

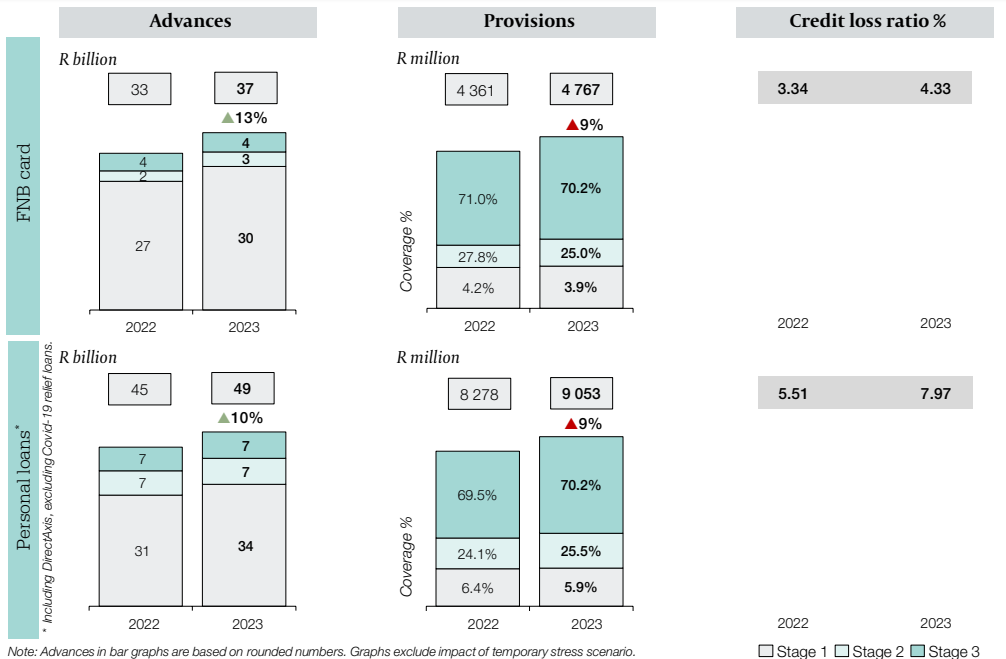
\* Strategy view including in-country and cross-border activity.

### Breakdown of core lending advances and provisions



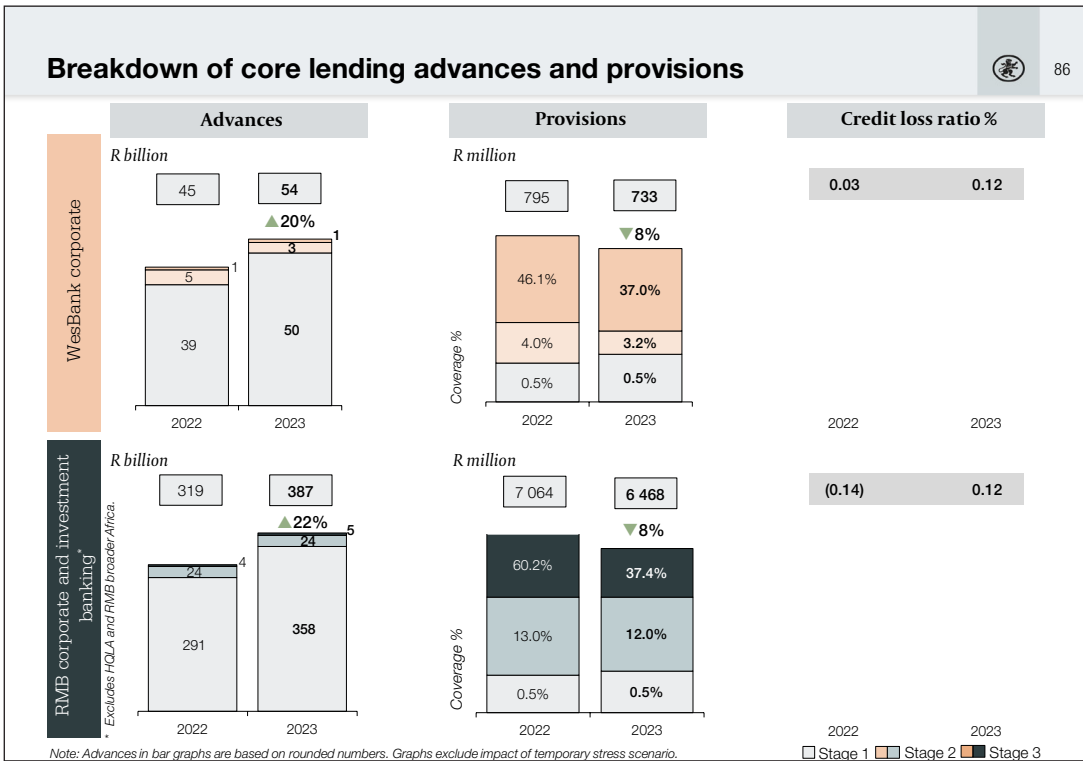
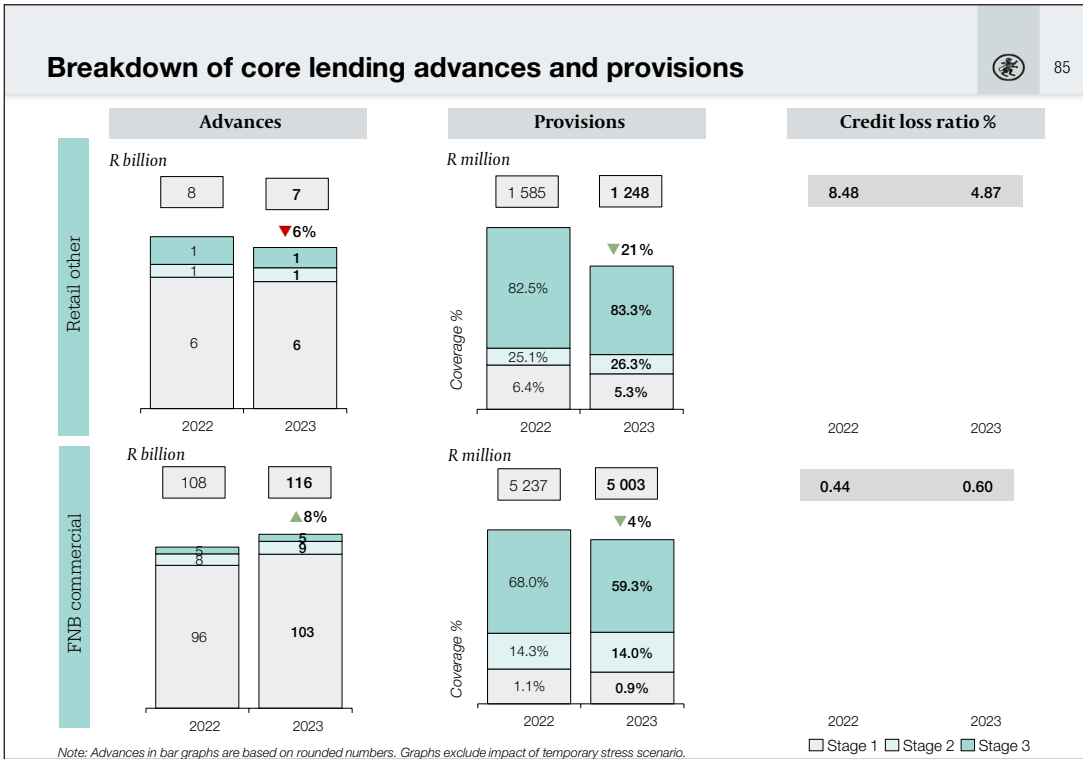
Note: Advances in bar graphs are based on rounded numbers. Graphs exclude impact of temporary stress scenario.

### Breakdown of core lending advances and provisions



Note: Advances in bar graphs are based on rounded numbers. Graphs exclude impact of temporary stress scenario.

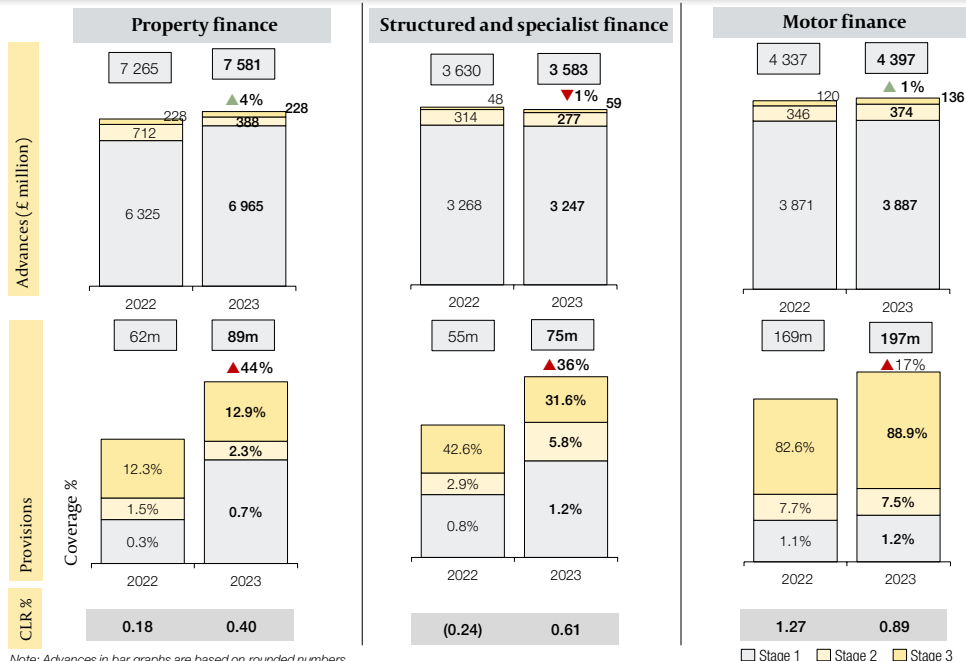
\* Including DirectAsis, excluding Covid-19 relief loans.



### Breakdown of core lending advances and provisions



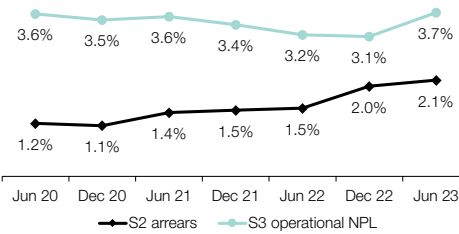
### Breakdown of UK operations core lending advances and provisions



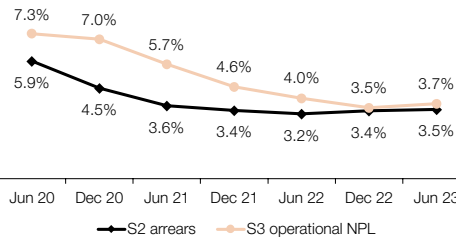
### SA retail and commercial stage 2 arrears, and stage 3 operational NPLs

89

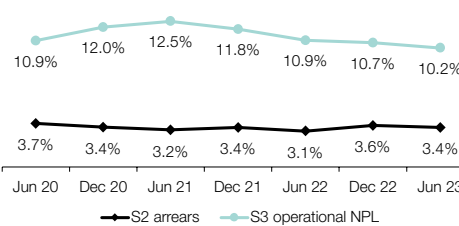
#### Retail mortgages



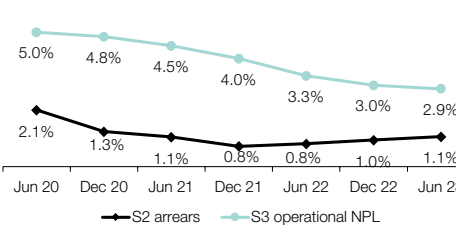
#### WesBank VAF



#### Retail unsecured



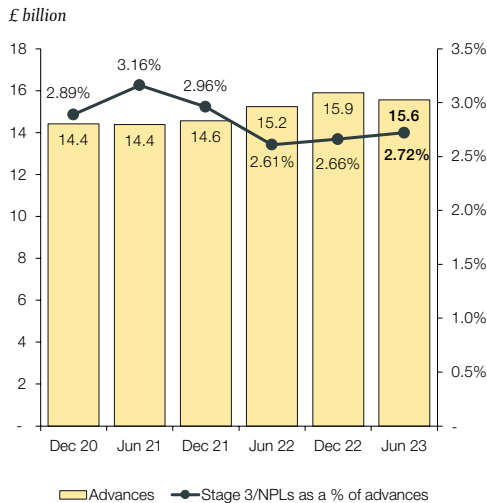
#### FNB commercial and WesBank corporate



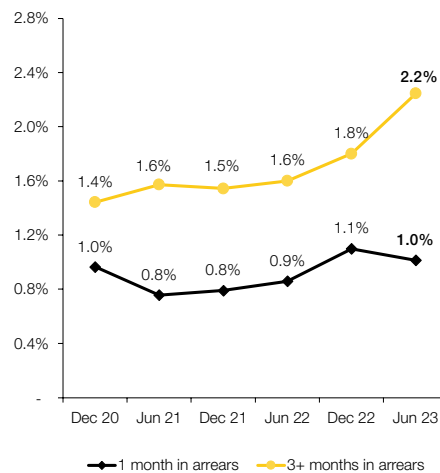
### UK credit performance resilient despite a challenging economic outlook

A 90

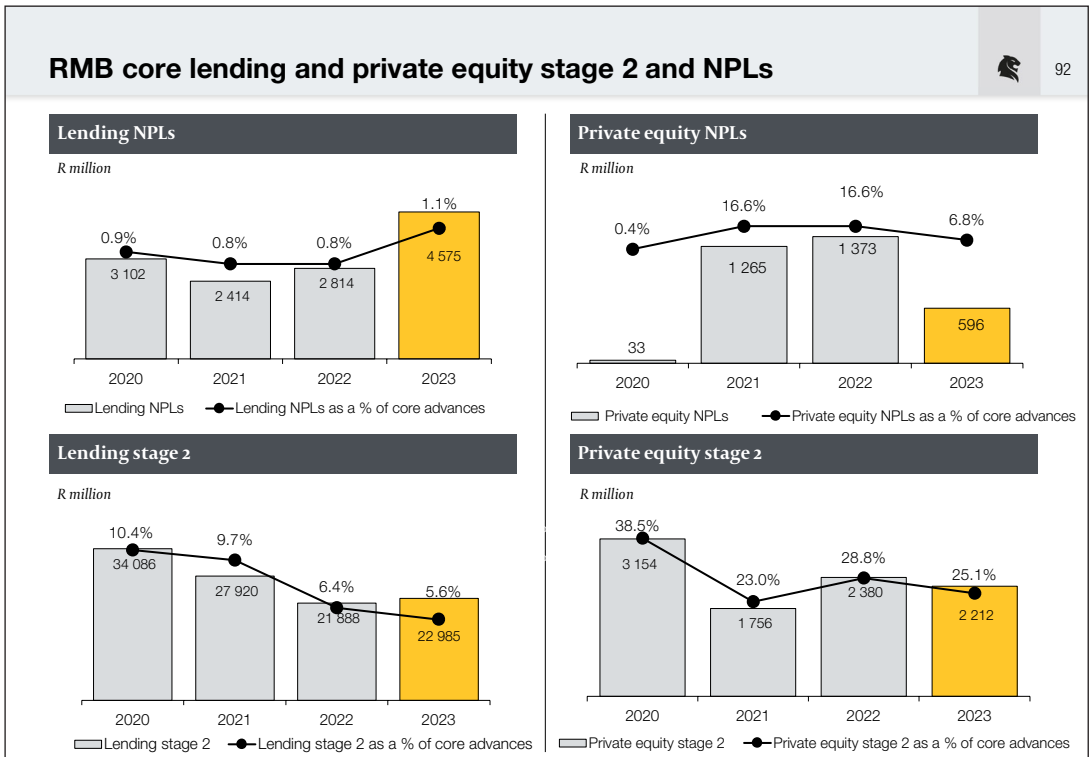
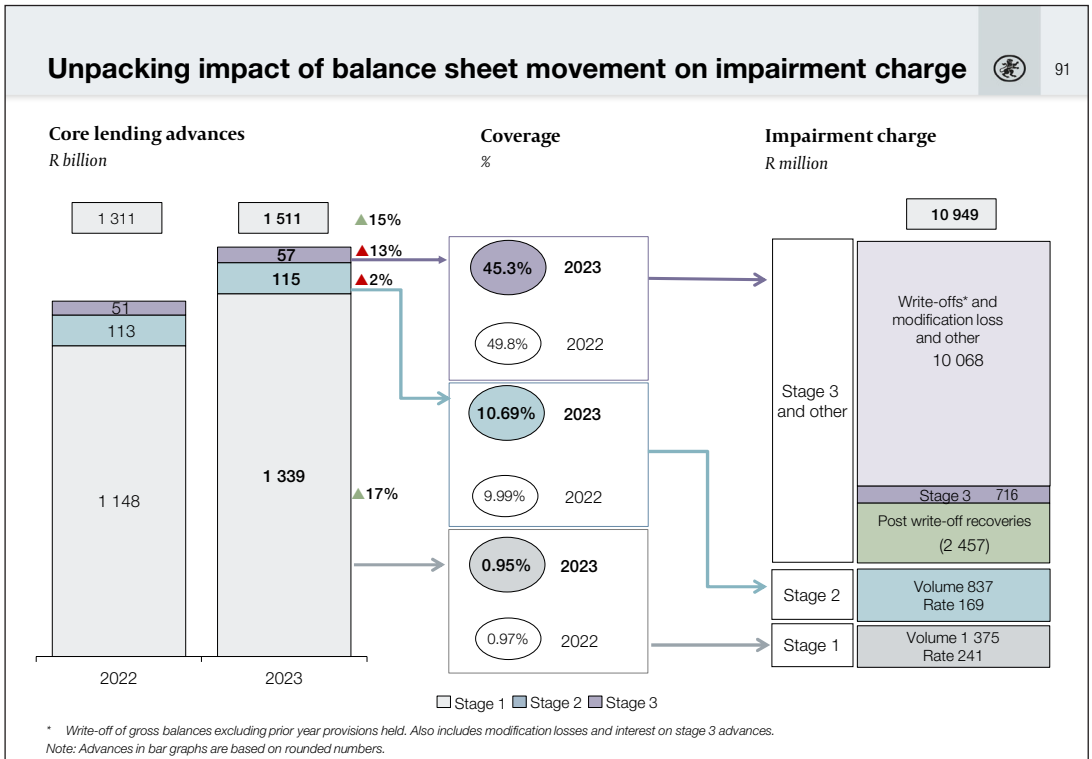
#### Gross advances and NPLs



#### Arrears levels



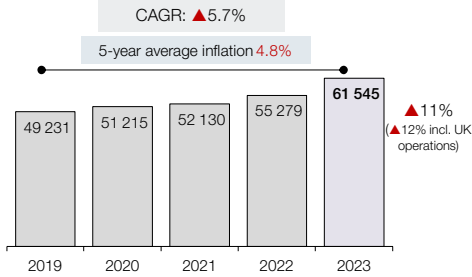
Note: Following resumption of repayments after >6 months' relief customers are held in stage 3 for up to 12 months' probation, depending on product.



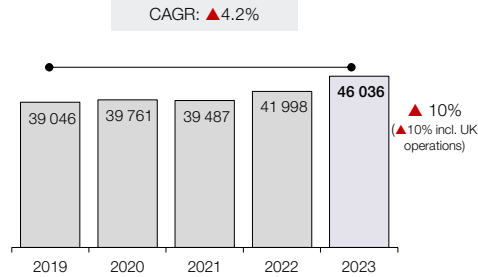


### Faster IT cost growth highlighting continuing platform journey

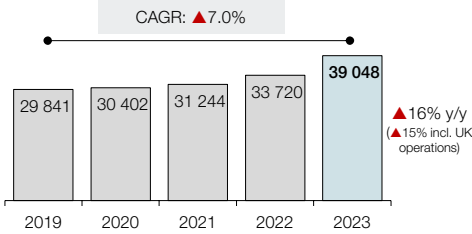
#### Operating expenses\*



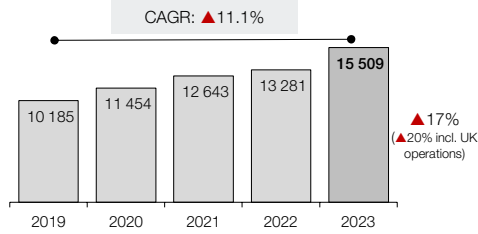
#### Operating expenses excluding IT costs\*



#### Staff costs\*



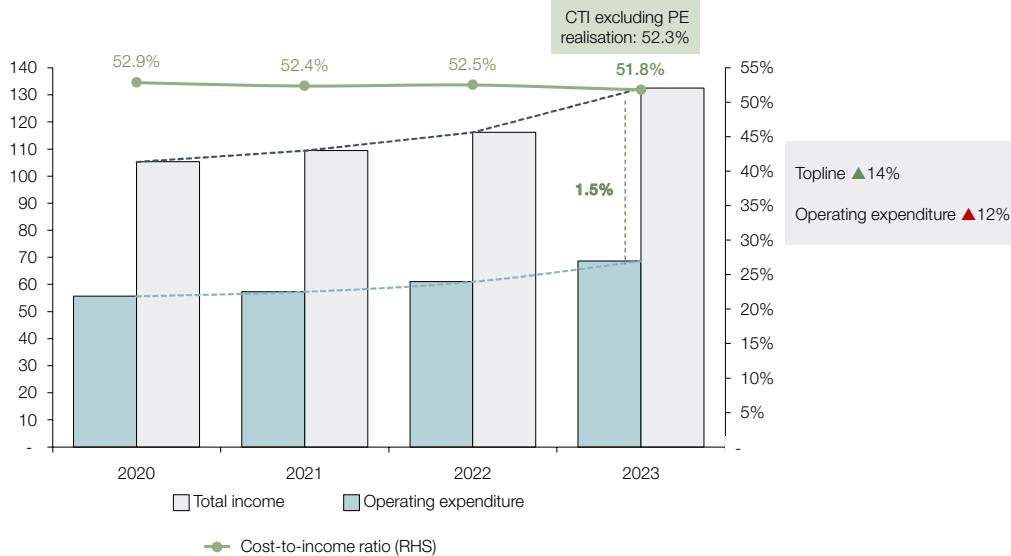
#### IT costs\*



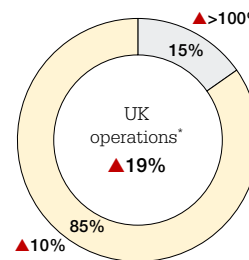
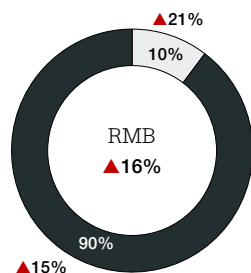
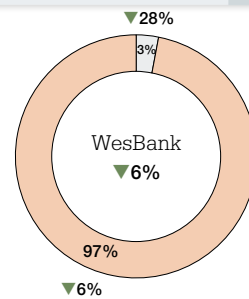
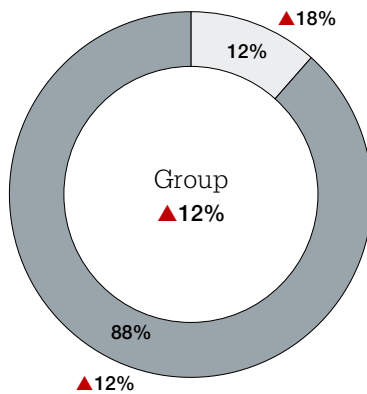
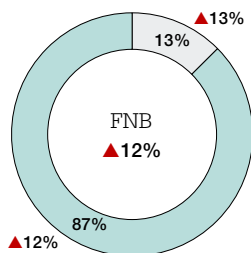
\* Excluding UK operations.

### Topline growth benefited jaws

R billion



### Run and grow cost growth – staff costs and investment spend



Run Change

Note: Run costs include fixed, variable and prior year investment spend which has transitioned into run.

\* Calculated in pound terms.





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