



FirstRand

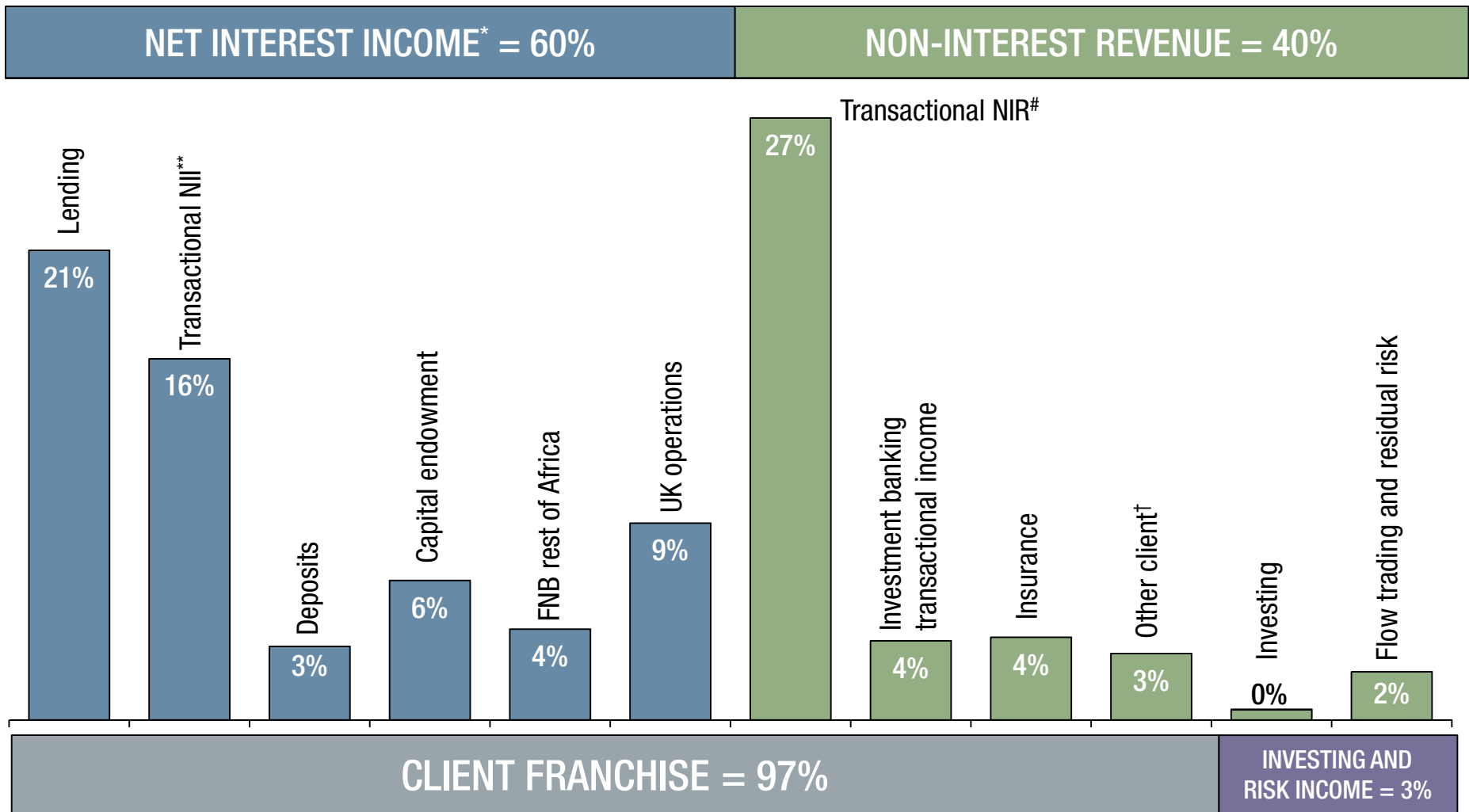
2020

RESULTS PRESENTATION  
*for the year ended 30 June*

supplementary  
slides



# Revenue split



\* Includes other net interest income not included in bar graph.

\*\* Includes transactional accounts and related deposit endowment, overdrafts and credit card.

# From retail, commercial and corporate banking.

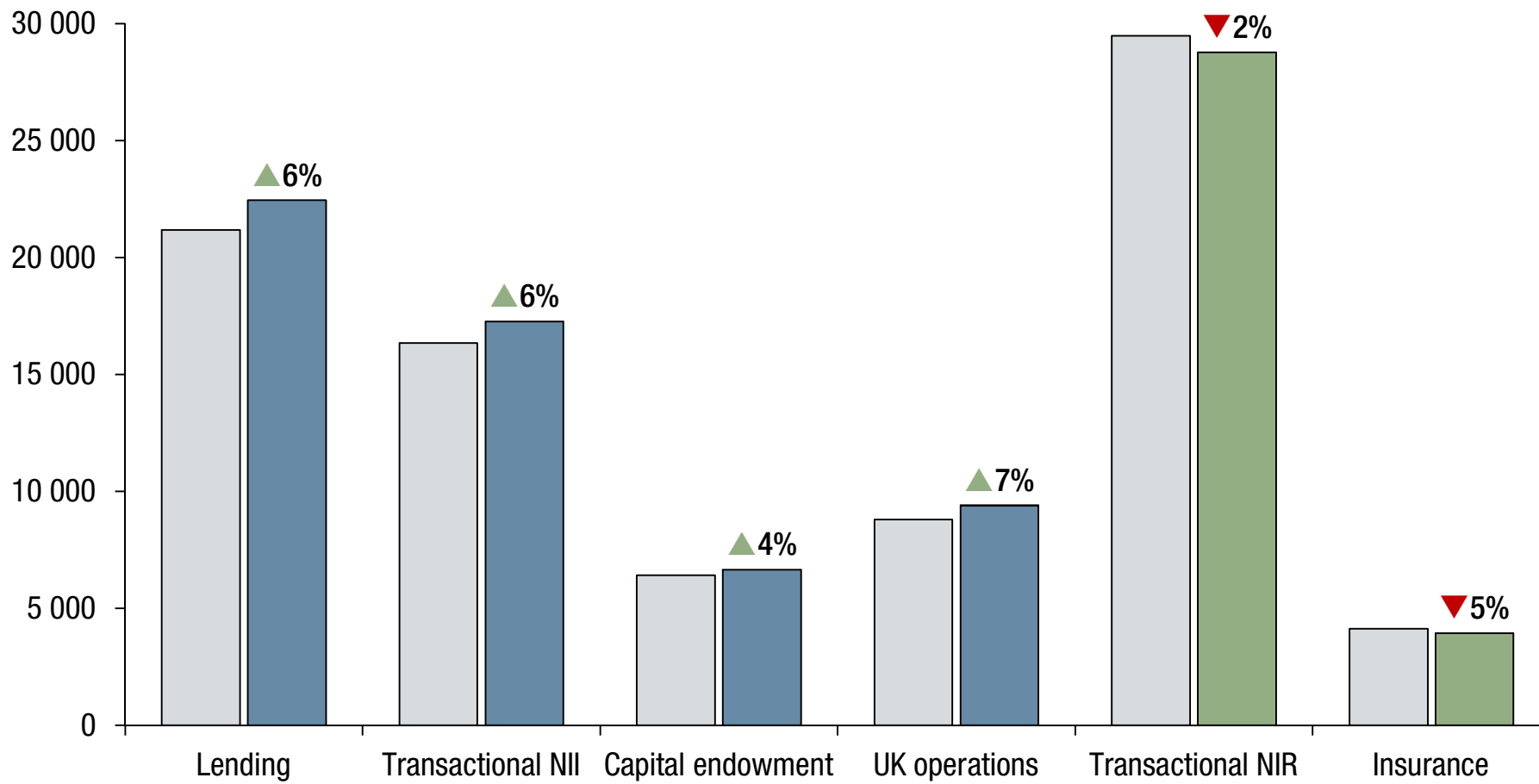
† Includes all associates other than those relating to Private Equity.



# Drivers of topline

## GROSS REVENUE

R million

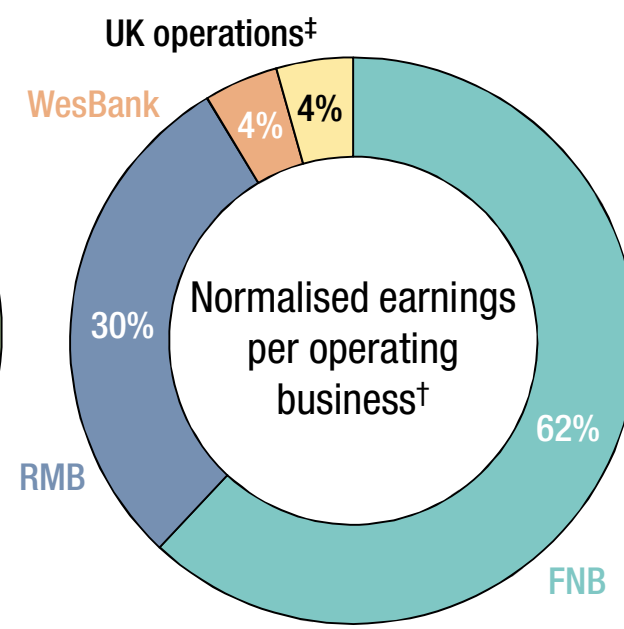
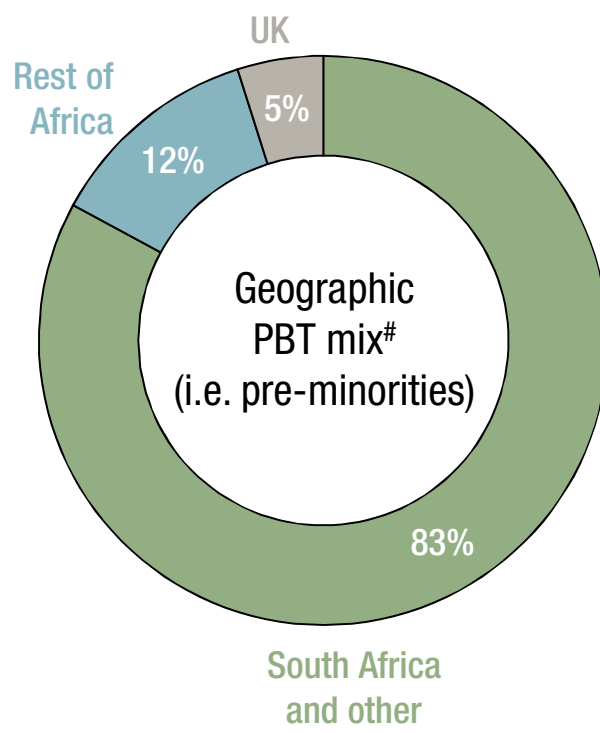
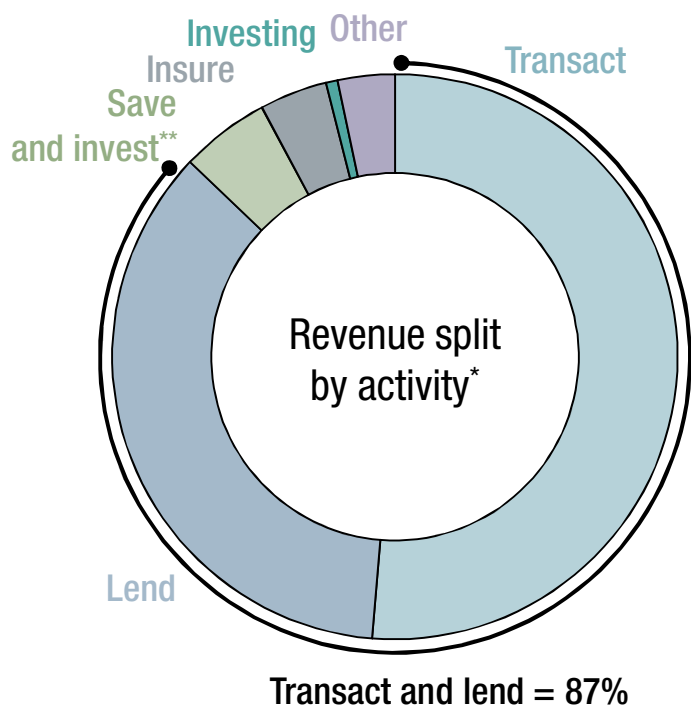


<b>NET INTEREST INCOME</b>	<b>NON-INTEREST REVENUE</b>
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2019 2020



# Current portfolio mix – activity, geography and business



\* Based on gross revenue excluding consolidation adjustments. Excludes Aldermore.

\*\* Includes deposit taking and investment management.

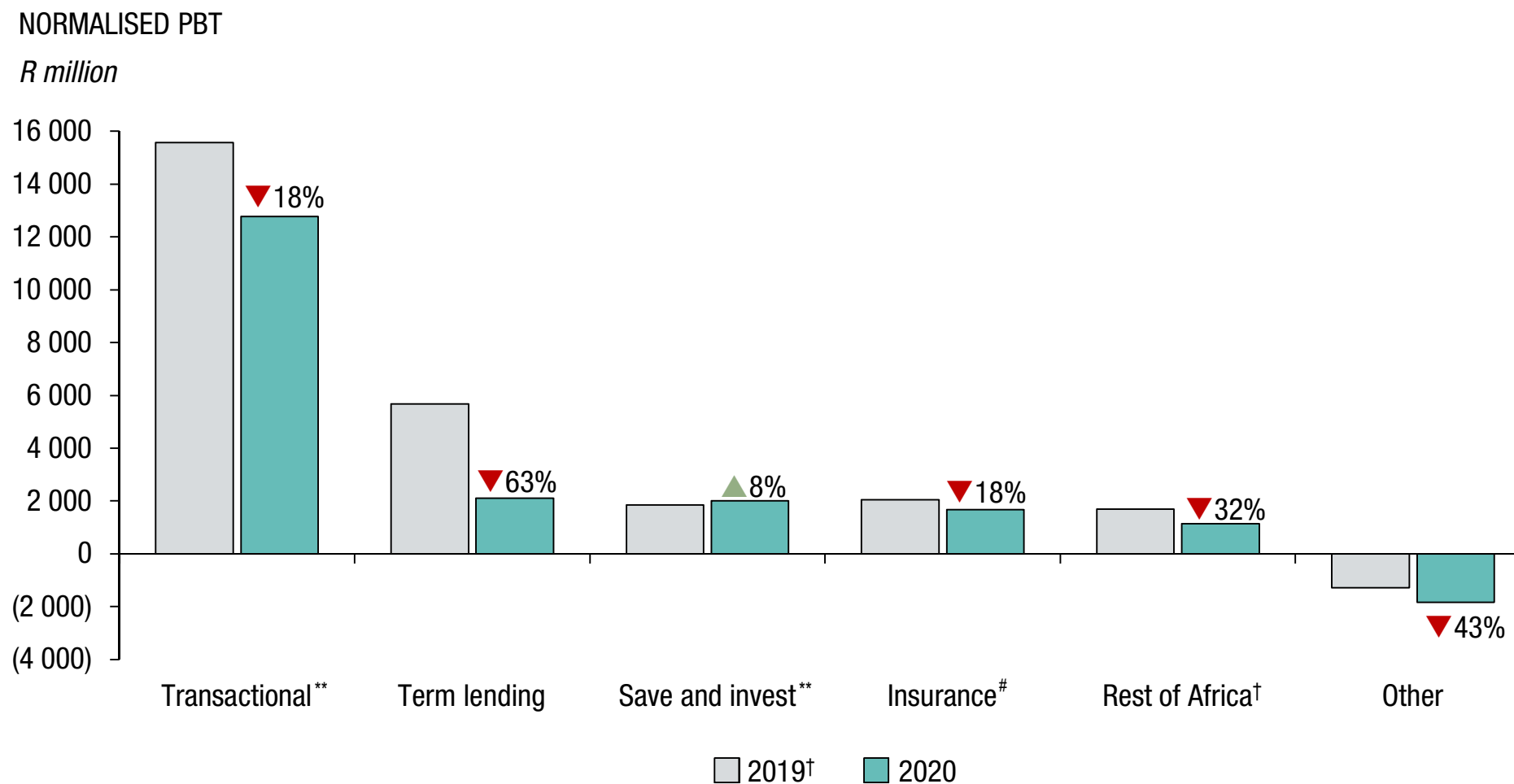
# Includes Group Treasury, Group Support and Ashburton, excludes remainder of FCC, FirstRand company and consolidation adjustments.

† Excludes FCC (incl. Group Treasury), FirstRand company, consolidation adjustments and dividends on other equity instruments.

‡ Includes Aldermore group and MotoNovo standalone (i.e. new and back book).



# Activity view of FNB performance



\* Transactional includes transactional deposit products and deposit endowment, overdrafts and credit cards.

\*\* Save and invest includes non-transactional deposits.

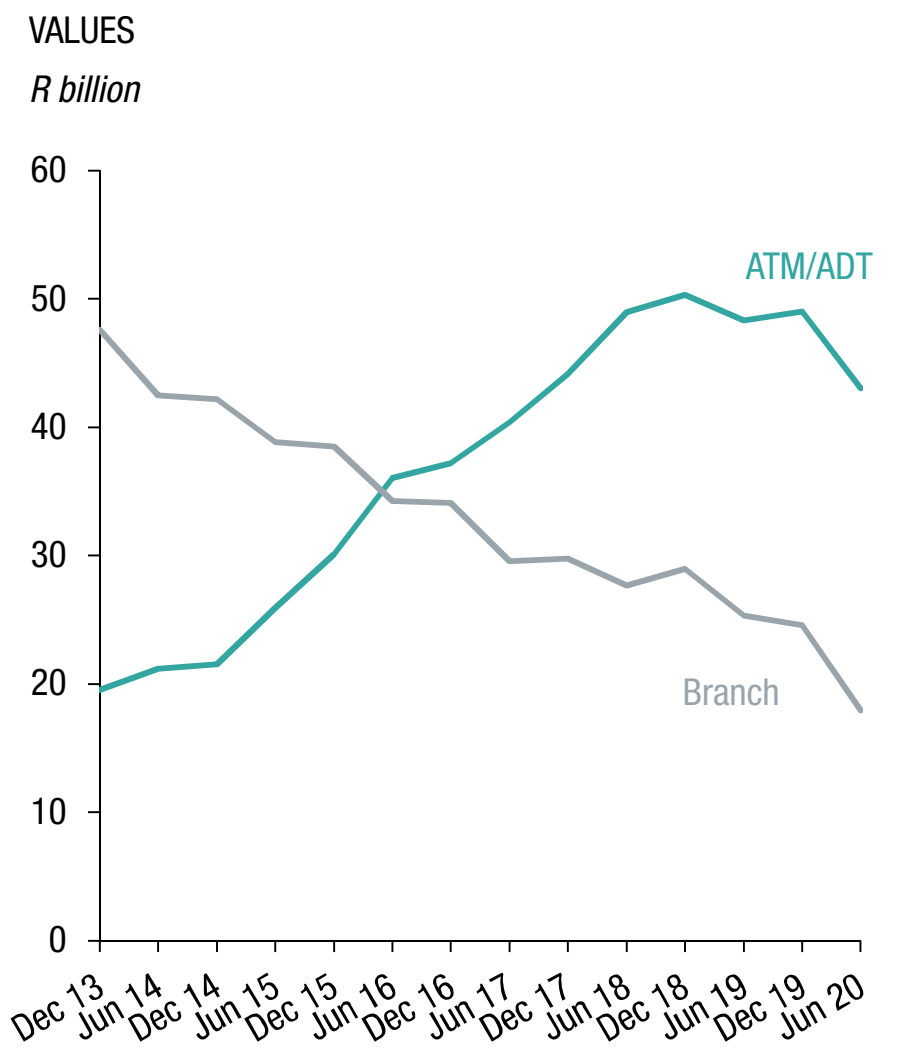
# Insurance includes embedded credit life.

† 2019 figures have been restated for intergroup reallocations.

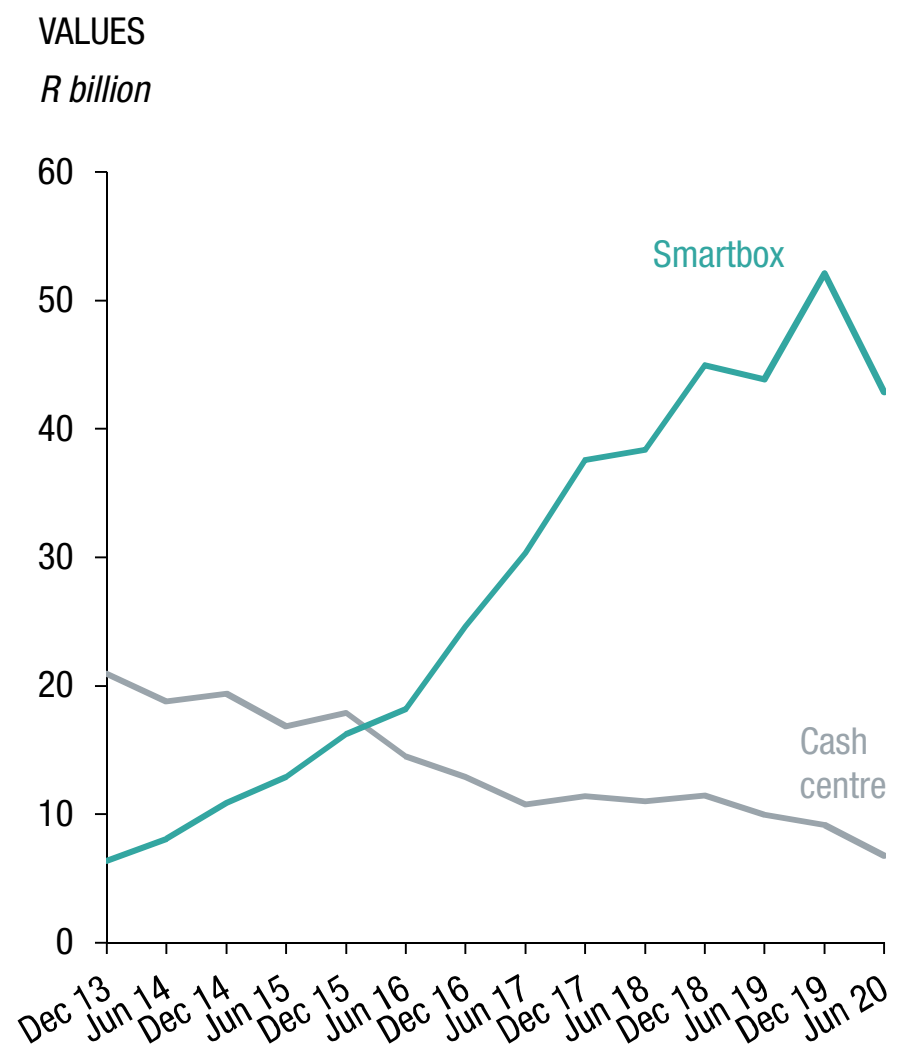


# Deposit values

Deposit values (excl. cheques) – branches vs ADTs



Deposit values – smartbox vs cash centres



# Recalibration of branch network continues

## INFRASTRUCTURE COST REDUCTION

- Branch costs (2%)
- Average branch m<sup>2</sup> (3%)
- Commitment to outcomes-based remuneration continues to pay off and allows the branch network to flex in line with market conditions
- Branch fitment is more cost-effective as the customer becomes more digitised allowing for a smaller footprint and more “tellerless” branches
- Average new branch configuration based on 200m<sup>2</sup> is R4.25m
- Leveraging branch footprint for commercial client engagement

## INVESTMENT TO TAKE OUT MORE COSTS

- Electronic channels
  - Automated teller minutes (5%)
  - Growth in ADT device cash value (2%)
  - Service related activities (26%)
  - Telling activities (13%)
  - Sales activities 6%
- Digital capabilities in branch activations
  - App +16%
  - Online (26%)
- There is an intended effort to ensure all customers are enabled via the app as the primary user interface

## FOCUS ON GROWTH IN LONG-TERM COSTS

- Staff costs +1%
- Long-term leases (1.9%)
- Rationalise:
  - Property portfolio
  - Operational processes across delivery channels
  - Moving towards more retail locations
  - Consolidation of cash related activities

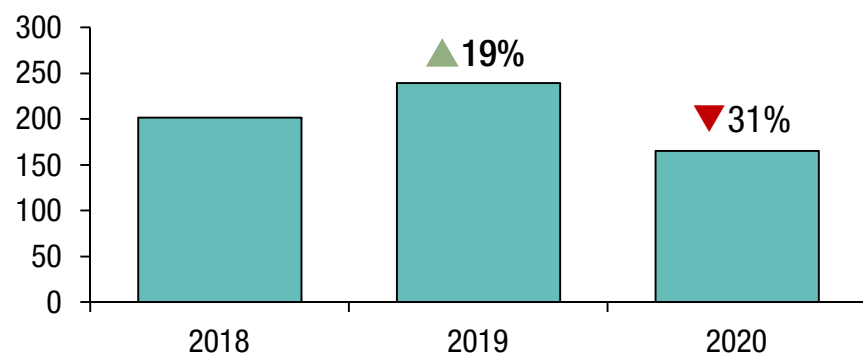
Percentages shown above relate to year-on-year changes for points of presence.



# Platform origination

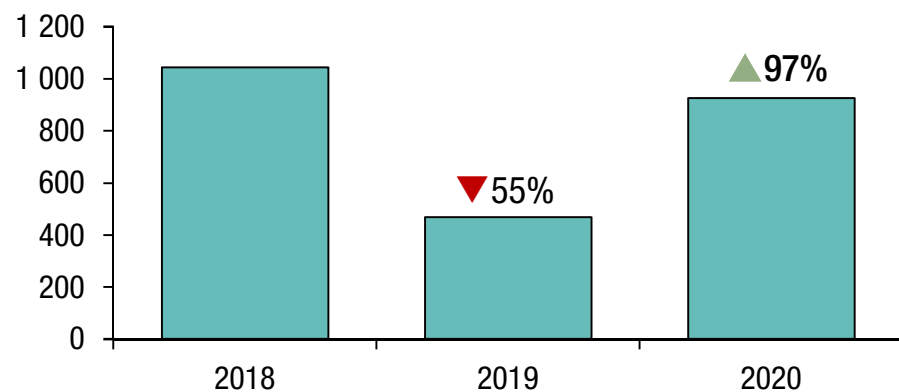
## Card

Number of digital sales (thousands)\*



## Investing

Number of accepted offers (thousands)\*\*

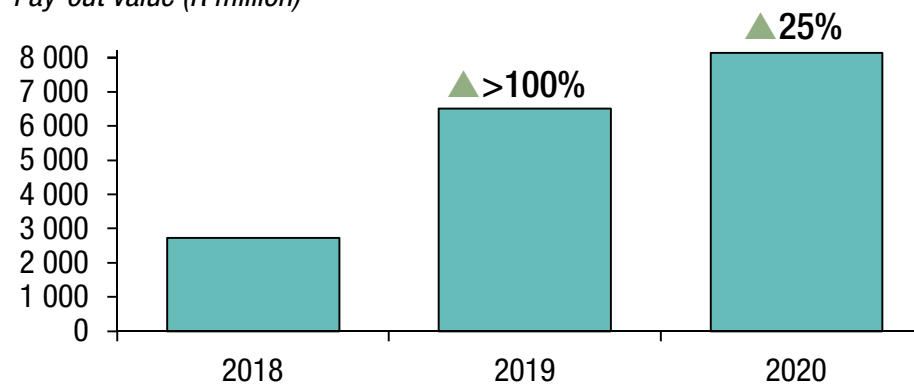


\* Includes new origination, upgrades and existing product limit increases.

\*\* Accepted offers may not have been fulfilled.

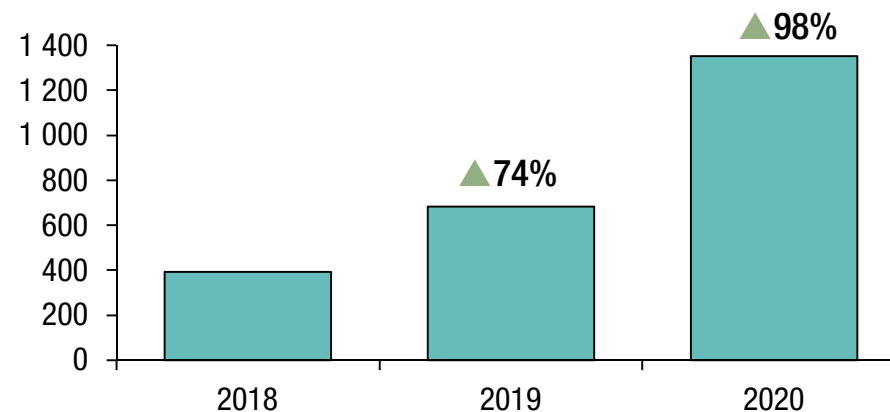
## nav» Home

Pay-out value (R million)



## Insurance

Number of accepted offers\*\*

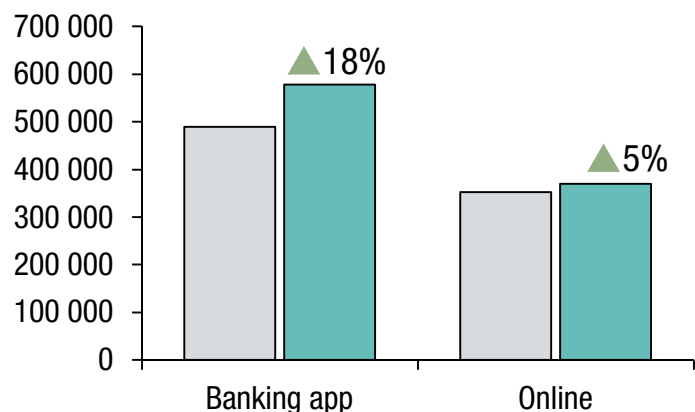




# Commercial

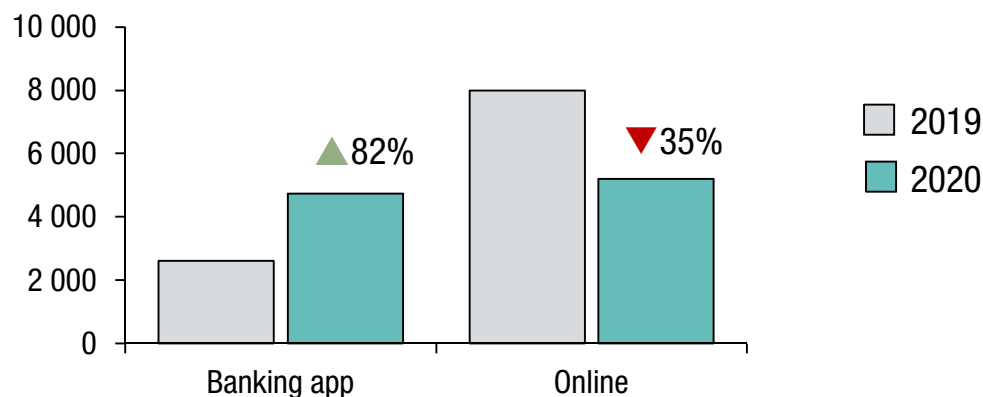
## Active customer base

Number of customers



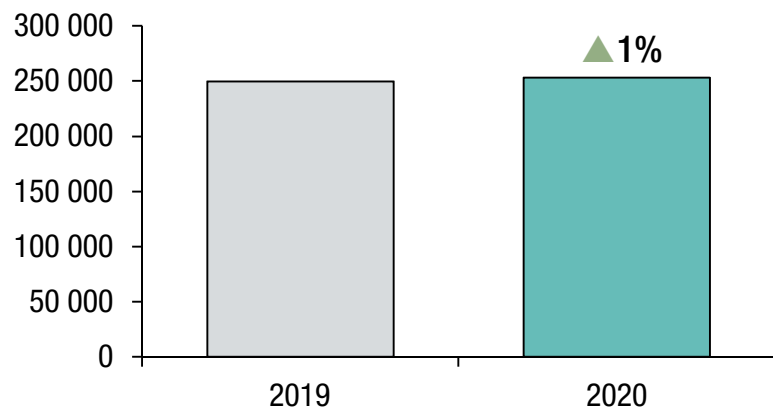
## Platform adoption continues

Monthly logins (thousands)



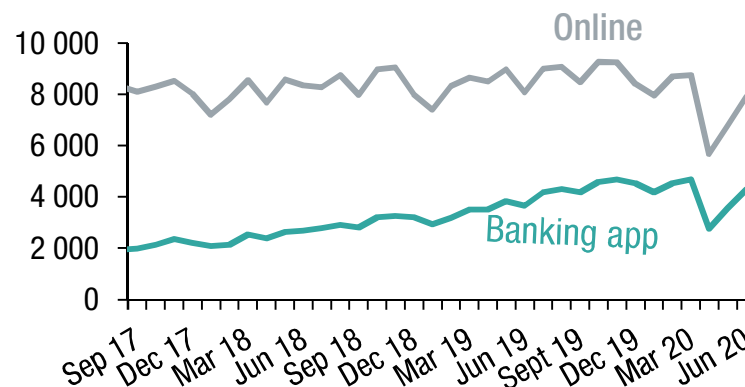
## Merchant services

Turnover (R million)



## Digital platforms support volume growth

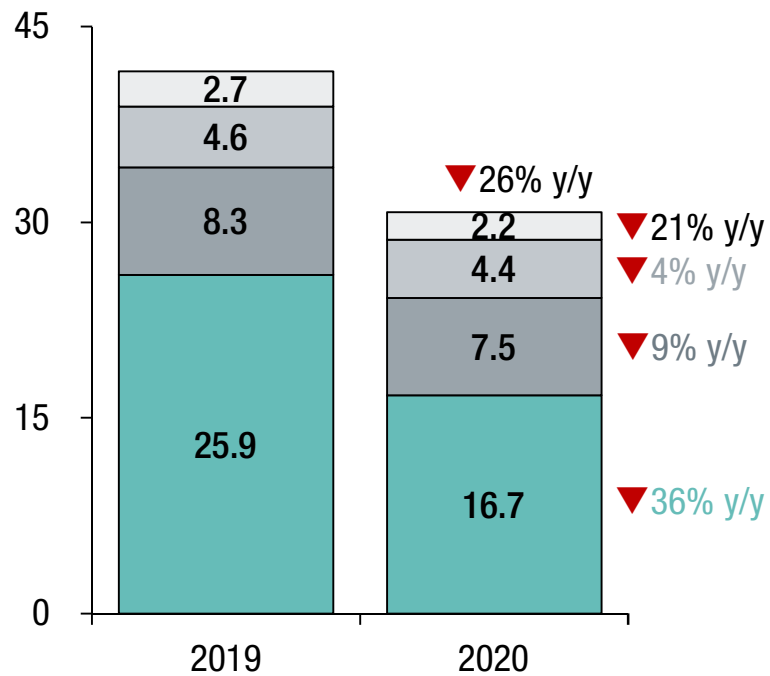
Transaction volumes (thousands)



# Advances

## FNB CONSUMER ADVANCES\*

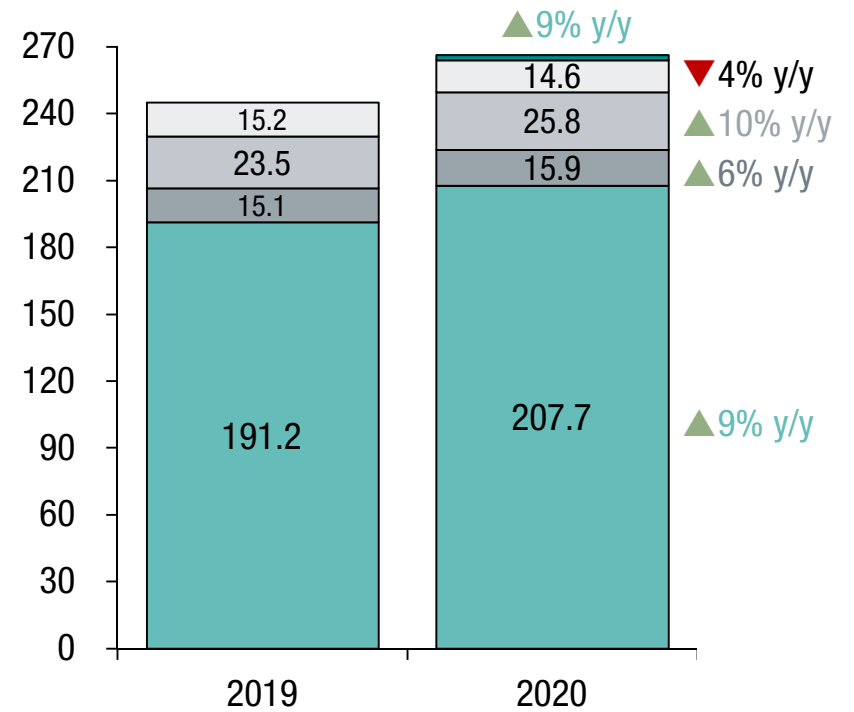
R billion



- Retail other
- Card
- FNB loans
- Residential mortgages

## FNB PREMIUM ADVANCES

R billion



- Debt relief loans
- Retail other
- Card
- FNB loans
- Residential mortgages

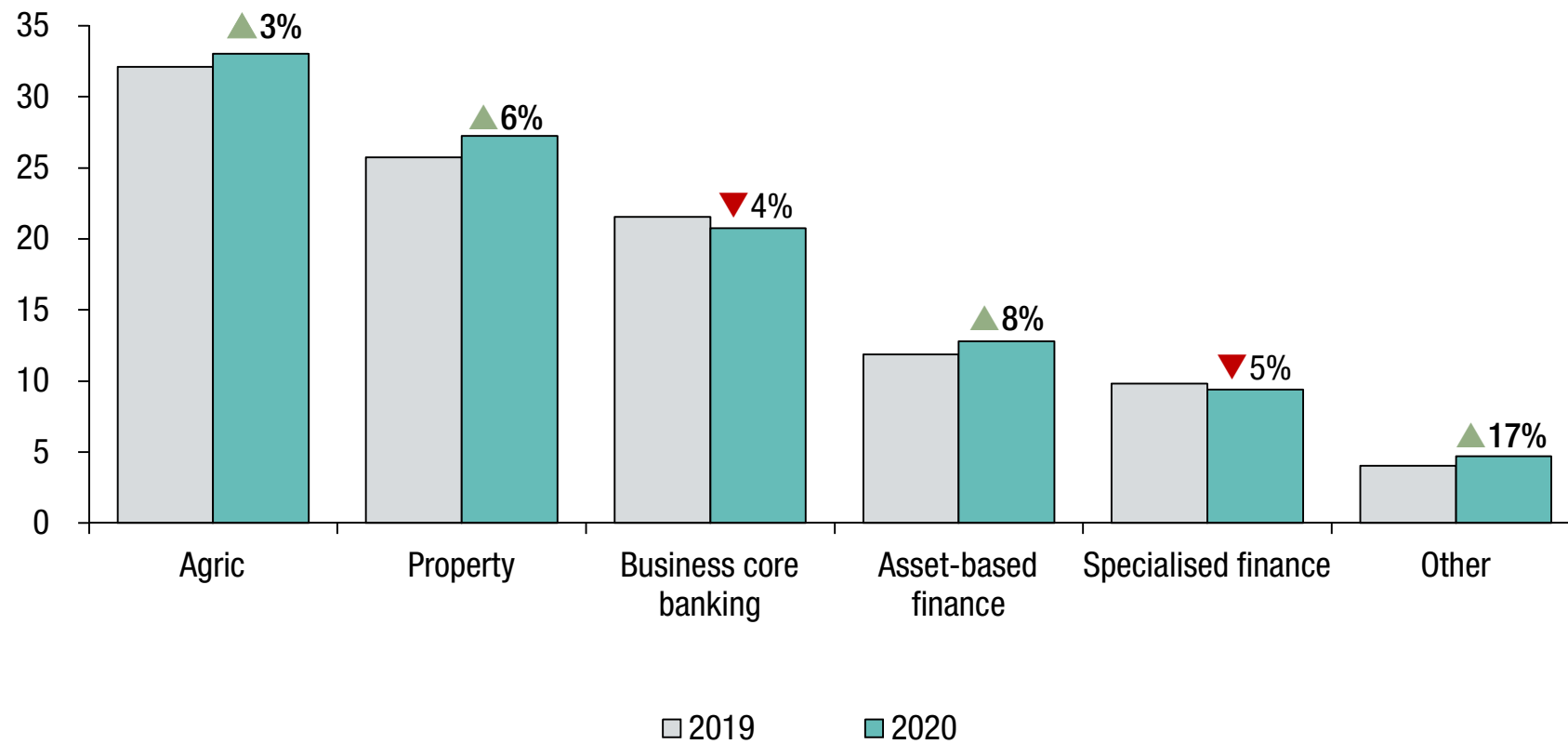
\* Excluding DirectAxis.



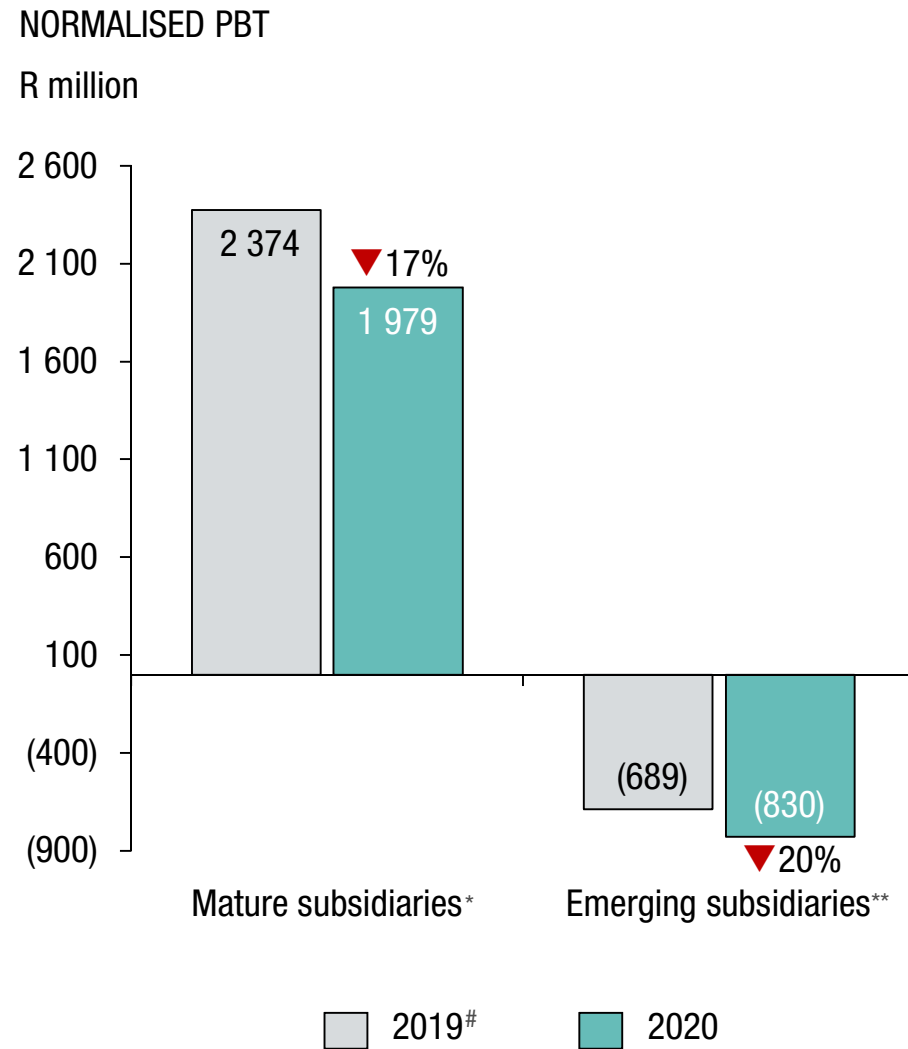
# Commercial advances

## FNB COMMERCIAL ADVANCES

R billion



# FNB rest of Africa



\* Mature subsidiaries: Botswana, Namibia, Eswatini (mature subsidiaries' performance shown gross of minority interests).

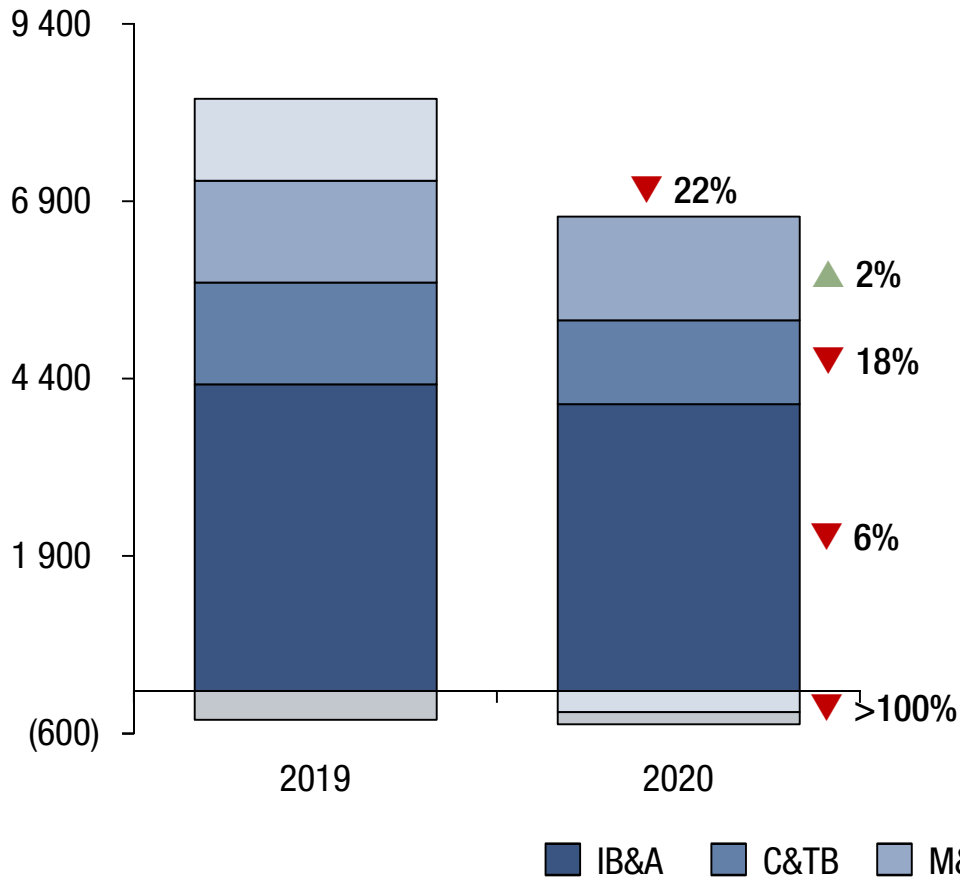
\*\* Emerging and start-up subsidiaries: Lesotho, Mozambique, Zambia, Tanzania, Ghana and support (excludes India).

# 2019 figures have been restated for intergroup cost recoveries and funding.

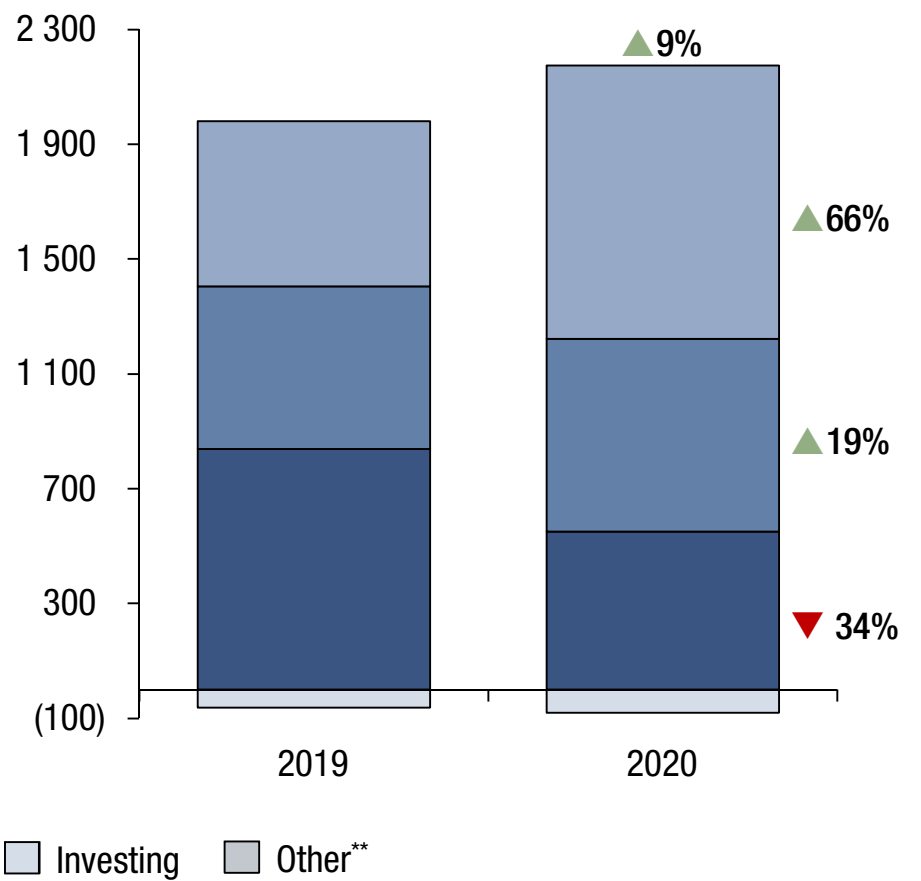


# RMB performance split between SA and rest of Africa

RMB SOUTH AFRICA AND OTHER NORMALISED PBT  
R million



REST OF AFRICA\* NORMALISED PBT  
R million



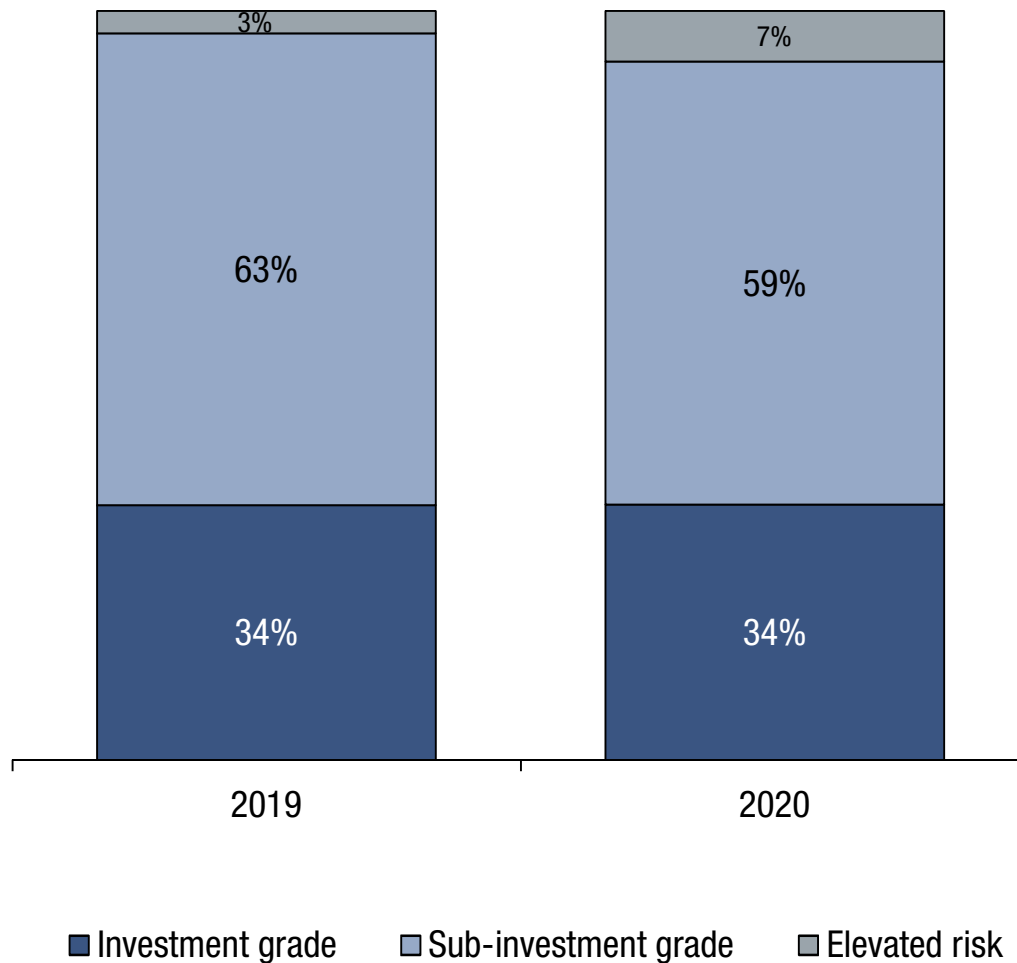
\* Strategy view including in-country and cross-border activities.

\*\* Includes investment management and other central portfolios.



# CIB rating profile

## WHOLESALE CREDIT PERFORMING BOOK



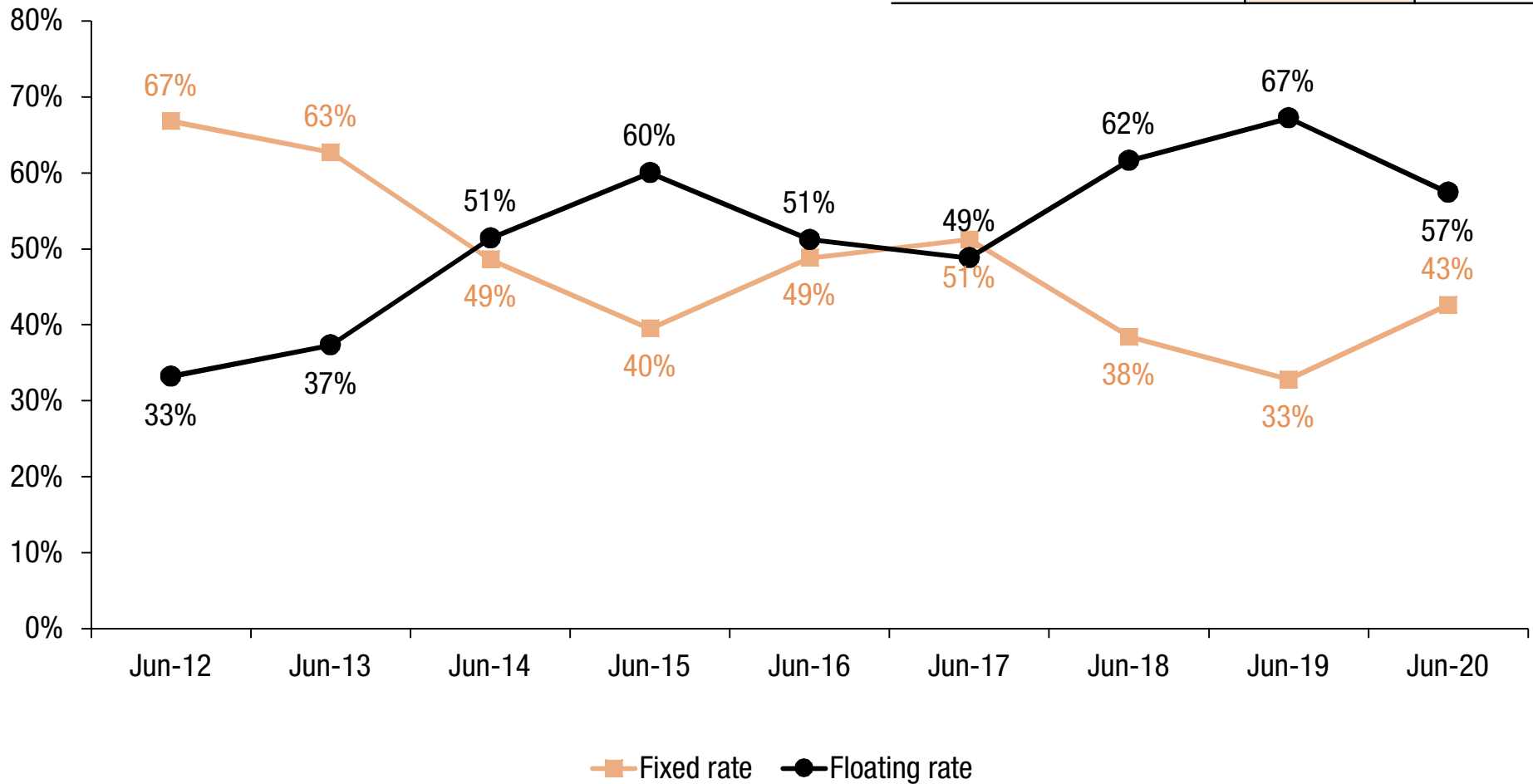
- Proactive migration of counters based on expected adverse impact of COVID-19
- Increased portfolio coverage ratio of 175 bps reflects COVID-19 impact
- Cross-border up 12% in dollar terms



# Rate mix in WesBank retail VAF book

% OF TOTAL ADVANCES	Jun 20	Jun 19
Fixed rate	35	40
Floating rate	65	60

PROPORTION OF WESBANK RETAIL VAF NEW BUSINESS

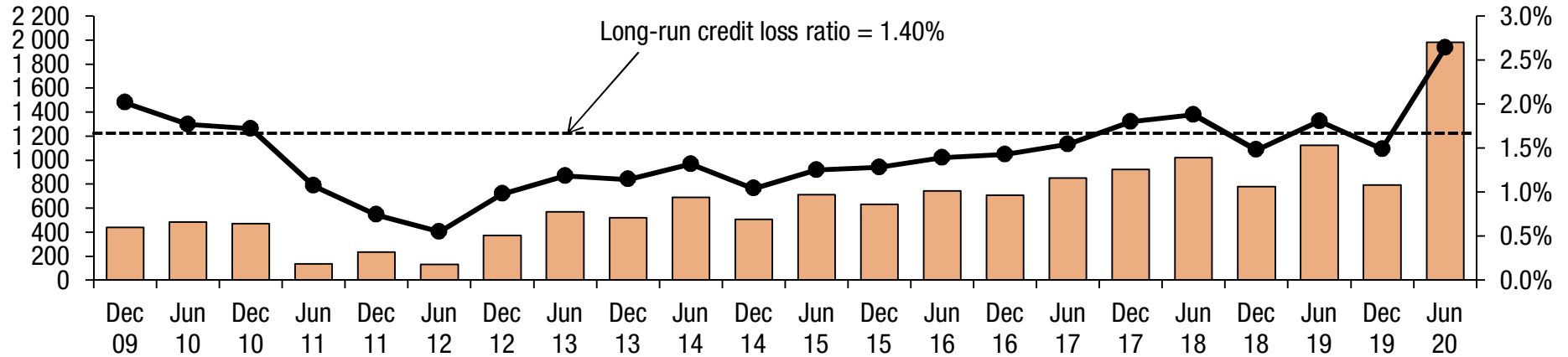


# WesBank credit portfolios

## RETAIL VAF

Impairment charge (R million)

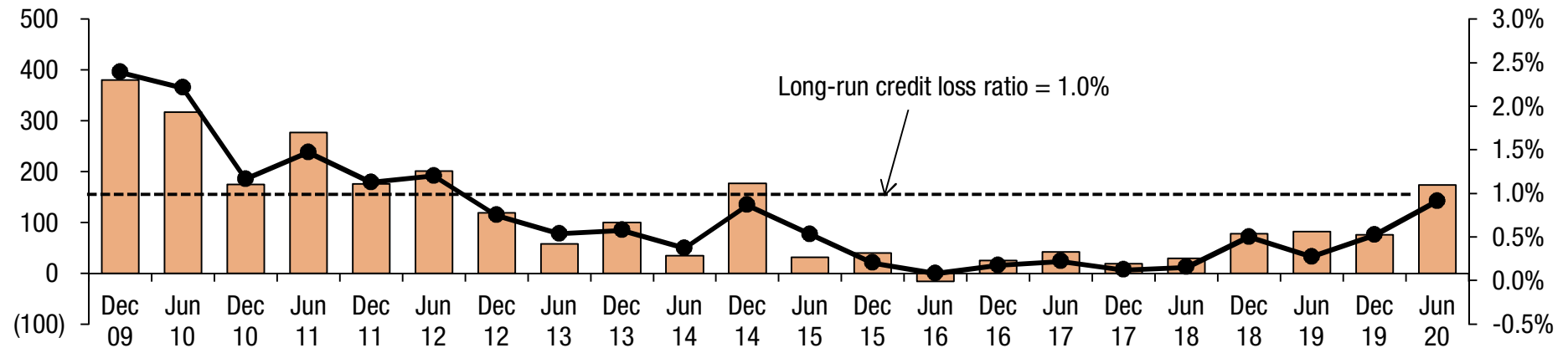
Credit loss ratio



## CORPORATE AND COMMERCIAL

Impairment charge (R million)

Credit loss ratio



■ Impairment charge

● Credit loss ratio





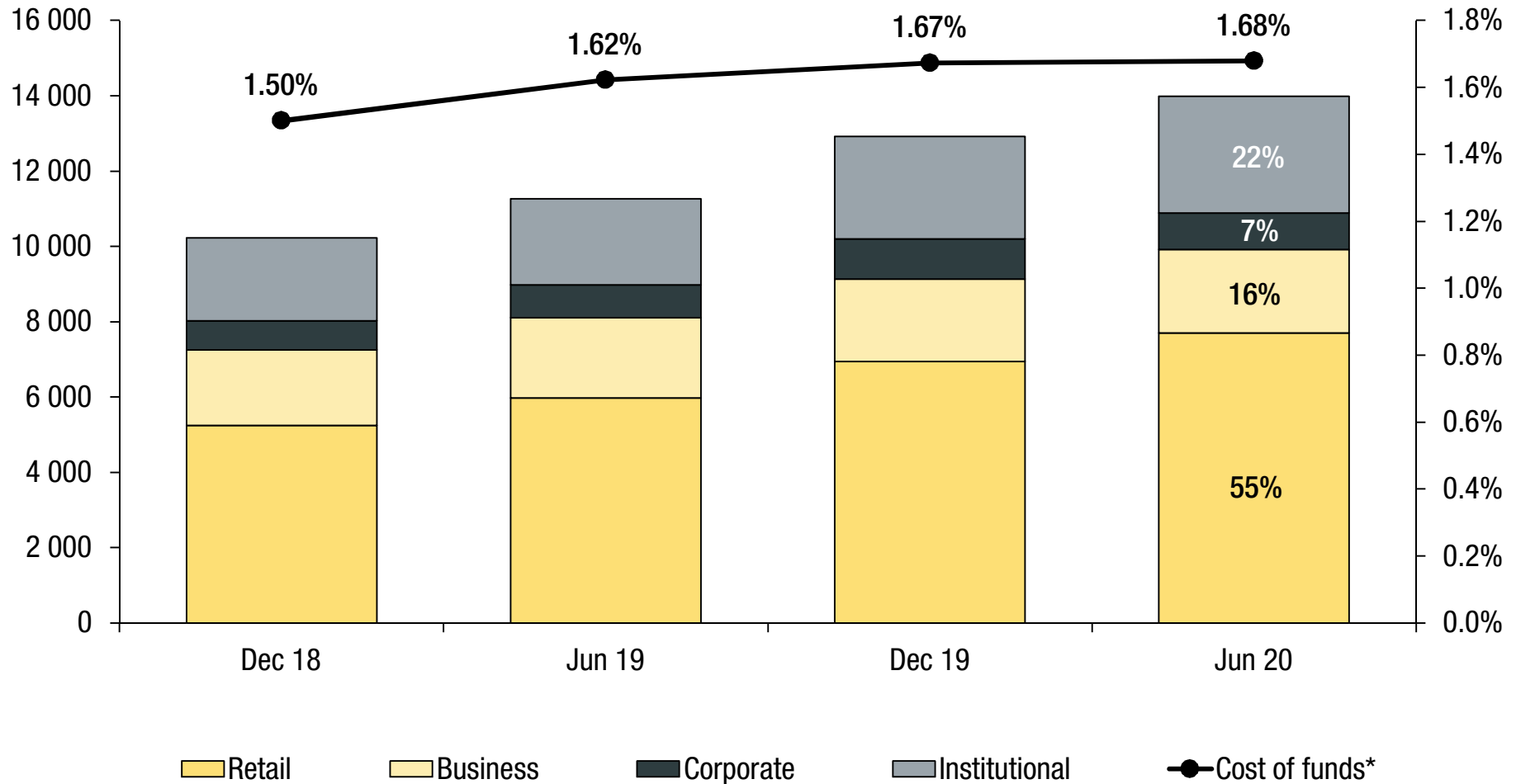
# Aldermore funding breakdown

FUNDING COMPOSITION

£ million

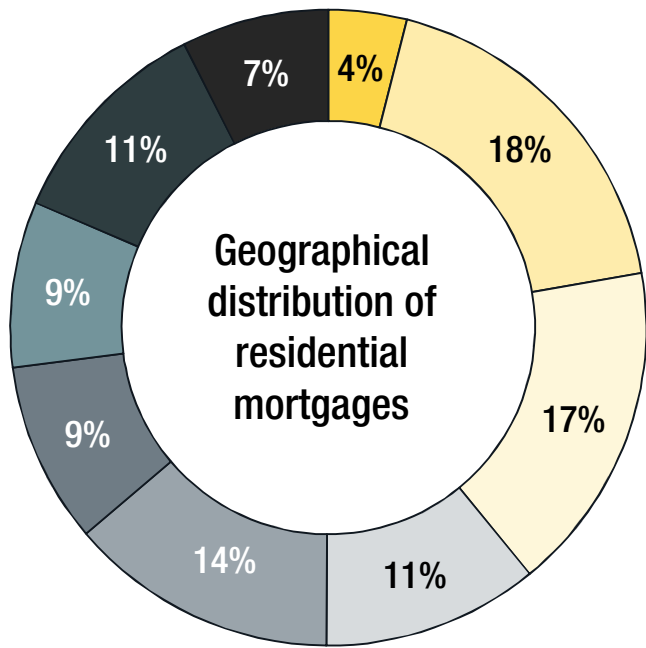
COST OF FUNDS

%



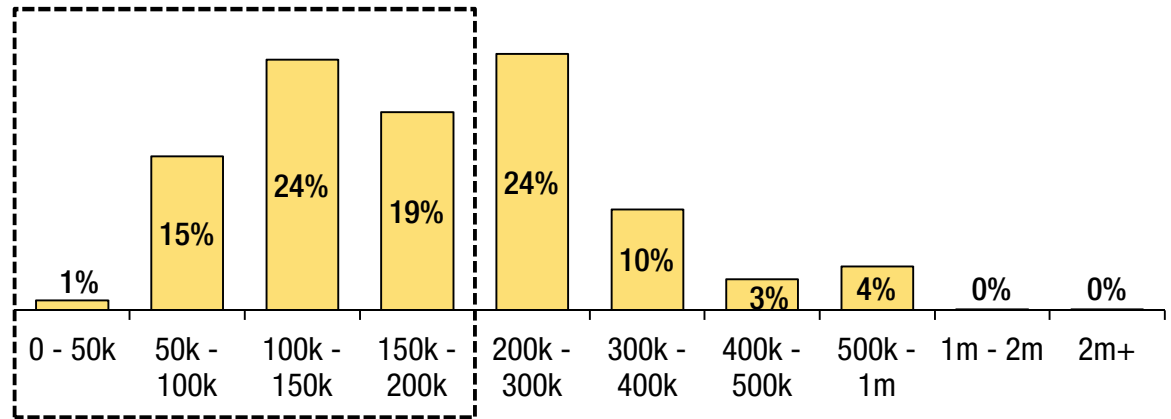
\* Cost of funds: annual interest expense over average net loans (average between opening and closing balance for the period).

# Residential mortgage portfolio

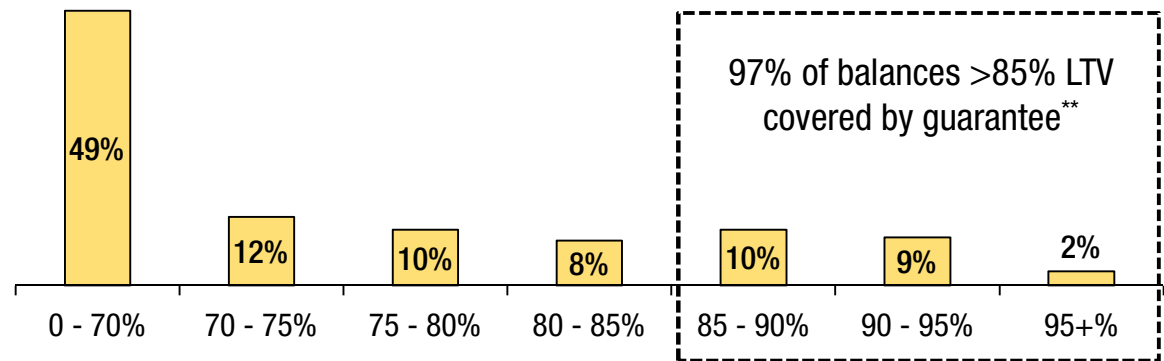


- Greater London
- South East
- Midlands
- East Anglia
- North West
- South West
- Yorkshire
- Scotland
- Other

**59% of the portfolio has a balance <£200k**



**Average LTV\* of non-guarantee book is 58%**

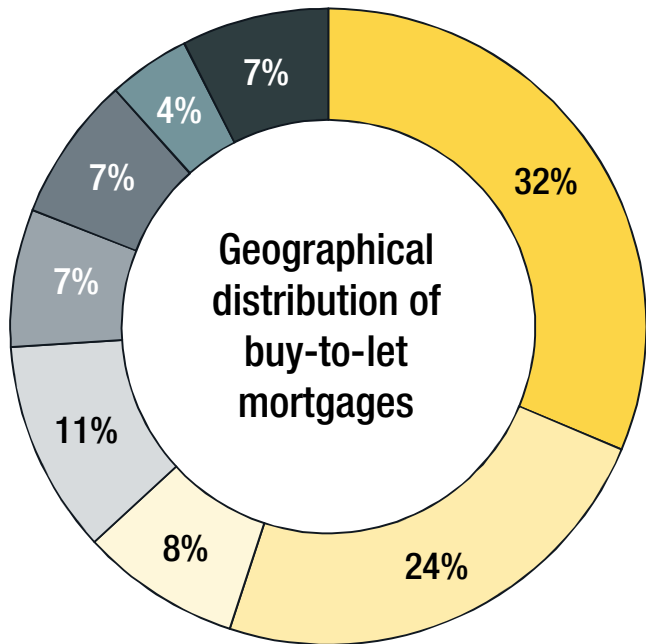


**97% of balances >85% LTV covered by guarantee\*\***

\* Loan to value on indexed origination.

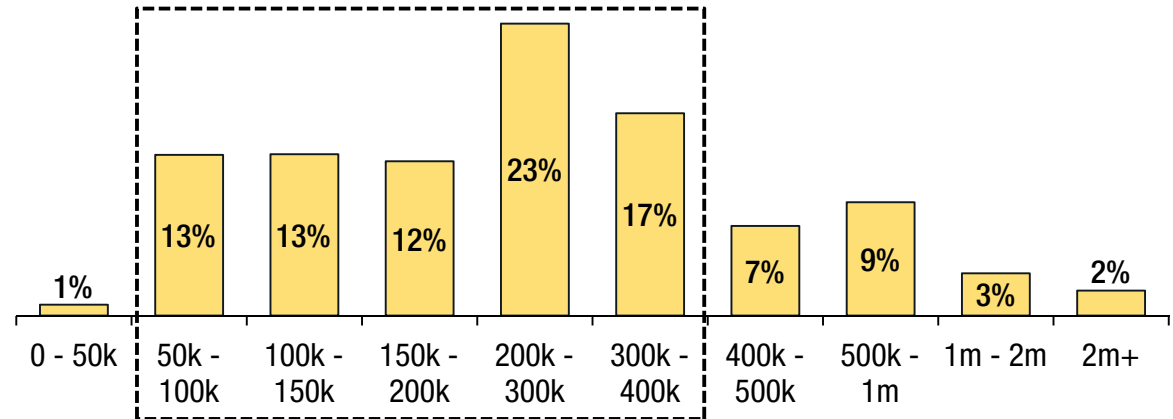
\*\* Guarantee refers to mortgages guaranteed by the UK Government's Help to Buy scheme (pre-2016) or the Mortgage Indemnity Guarantee (post-2016).

# Buy-to-let portfolio

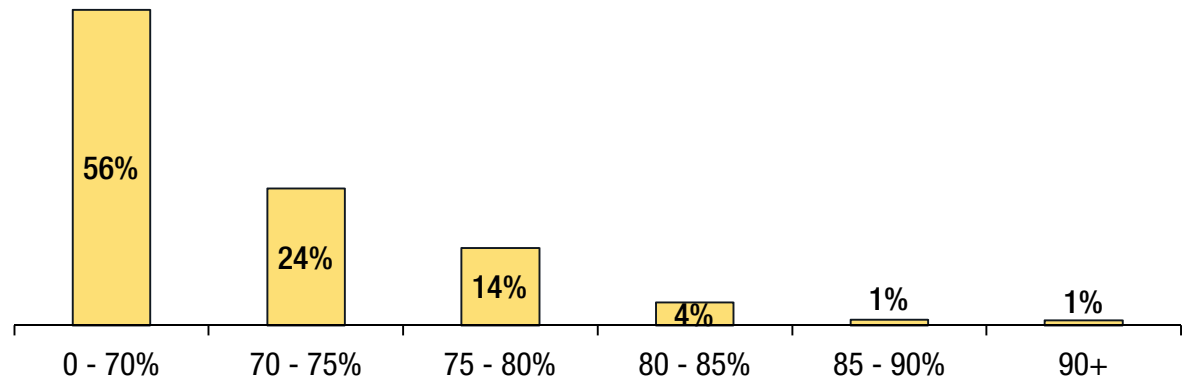


- Greater London
- South East
- Midlands
- East Anglia
- North West
- South West
- Yorkshire
- Other

**c.78% of loans at £50k – £400k, with only 5% >£1 million**

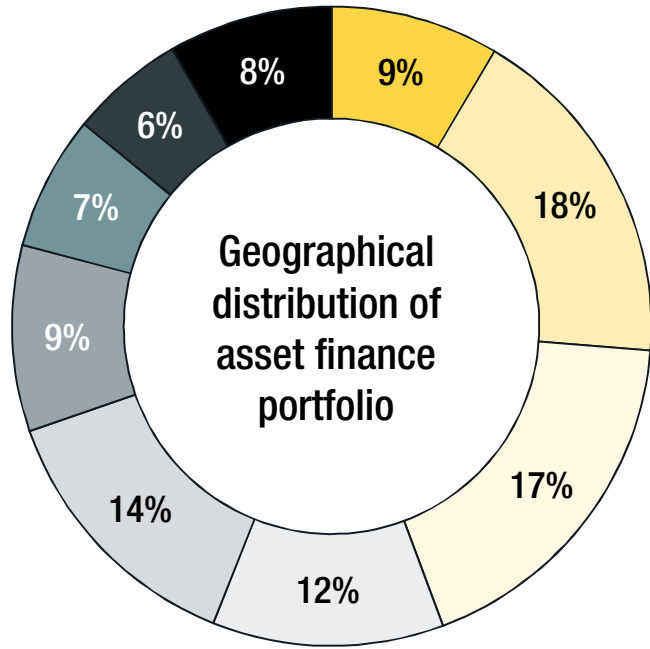


**Average LTV\* of 66%, with only 6% of balances >80% LTV**



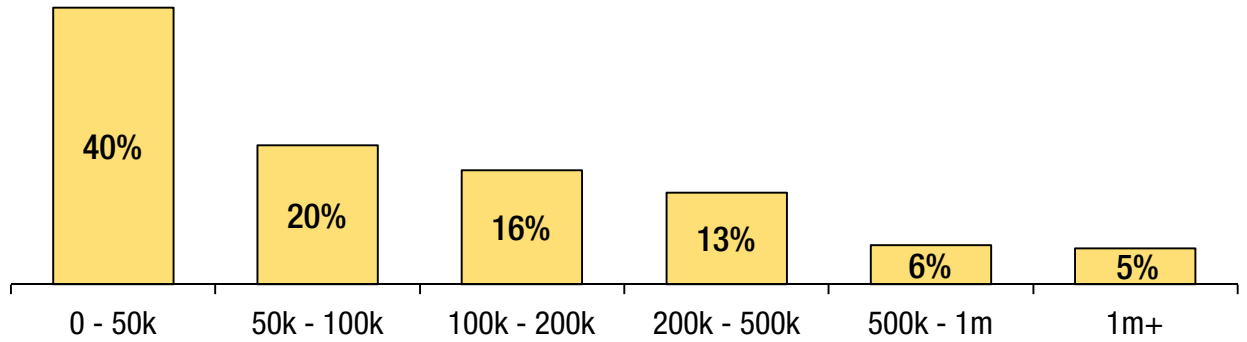
\* Loan to value on indexed origination.

# Asset finance

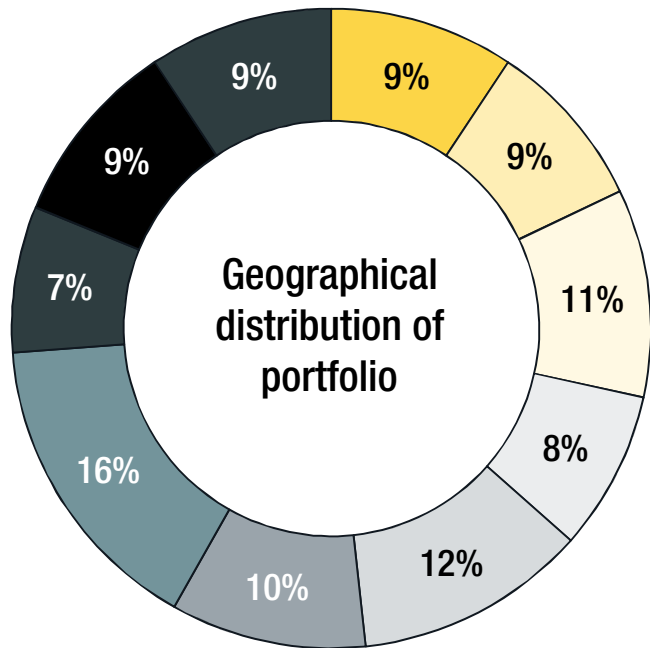


- Greater London
- Midlands
- North West
- Yorkshire
- Other
- South East
- East Anglia
- South West
- Scotland

Majority of portfolio has an average balance of <£100k

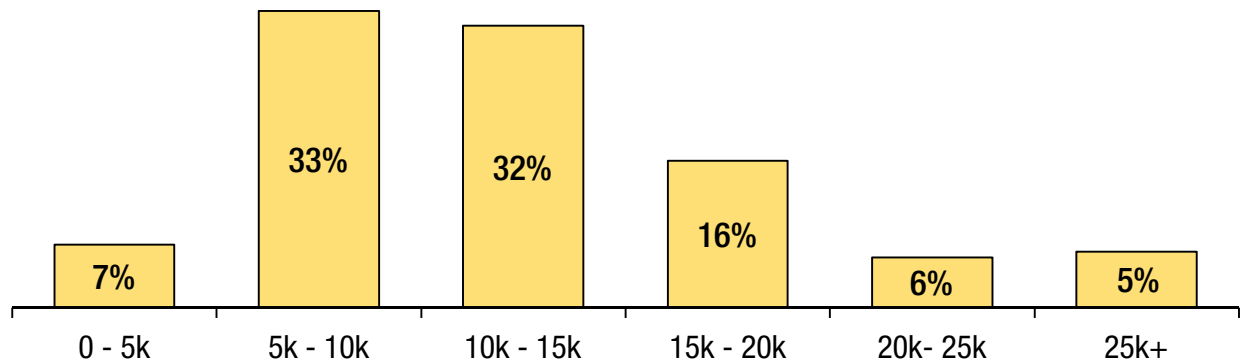


# MotoNovo (VAF) portfolio



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

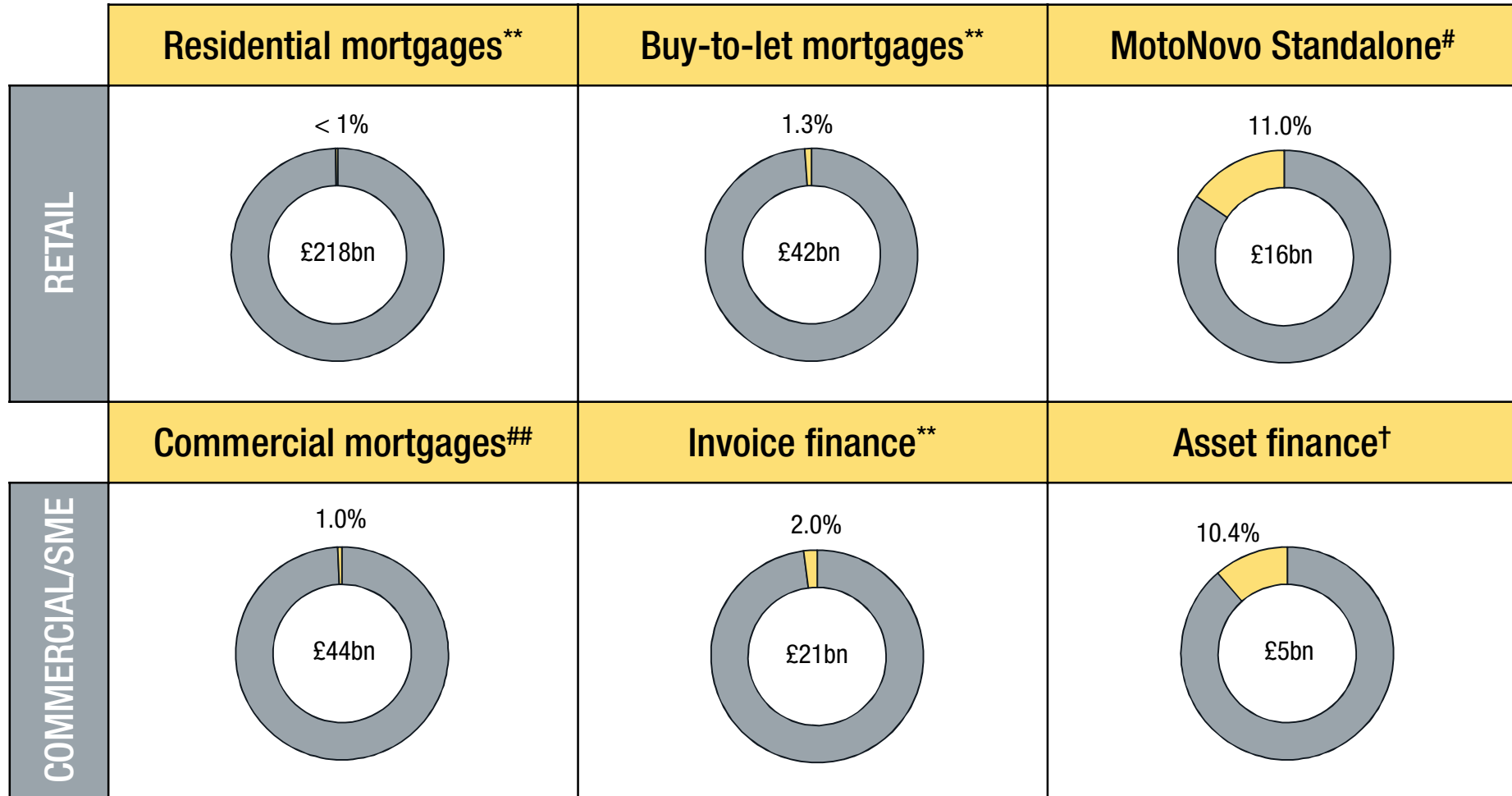
Majority of portfolio has an average balance of £5k-£15k



Note: Bar graph is based on rounded numbers.

# UK operations market share

## ORIGINATION MARKET SIZE\* AND UK OPERATIONS' ESTIMATED SHARE



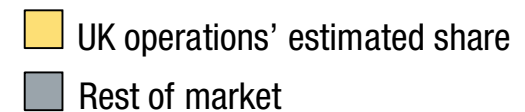
\* Estimated FY 2020 market size based on most recent data

\*\* Sources: UK Finance, Aldermore estimates

# Sources: FLA Motor Finance Summary

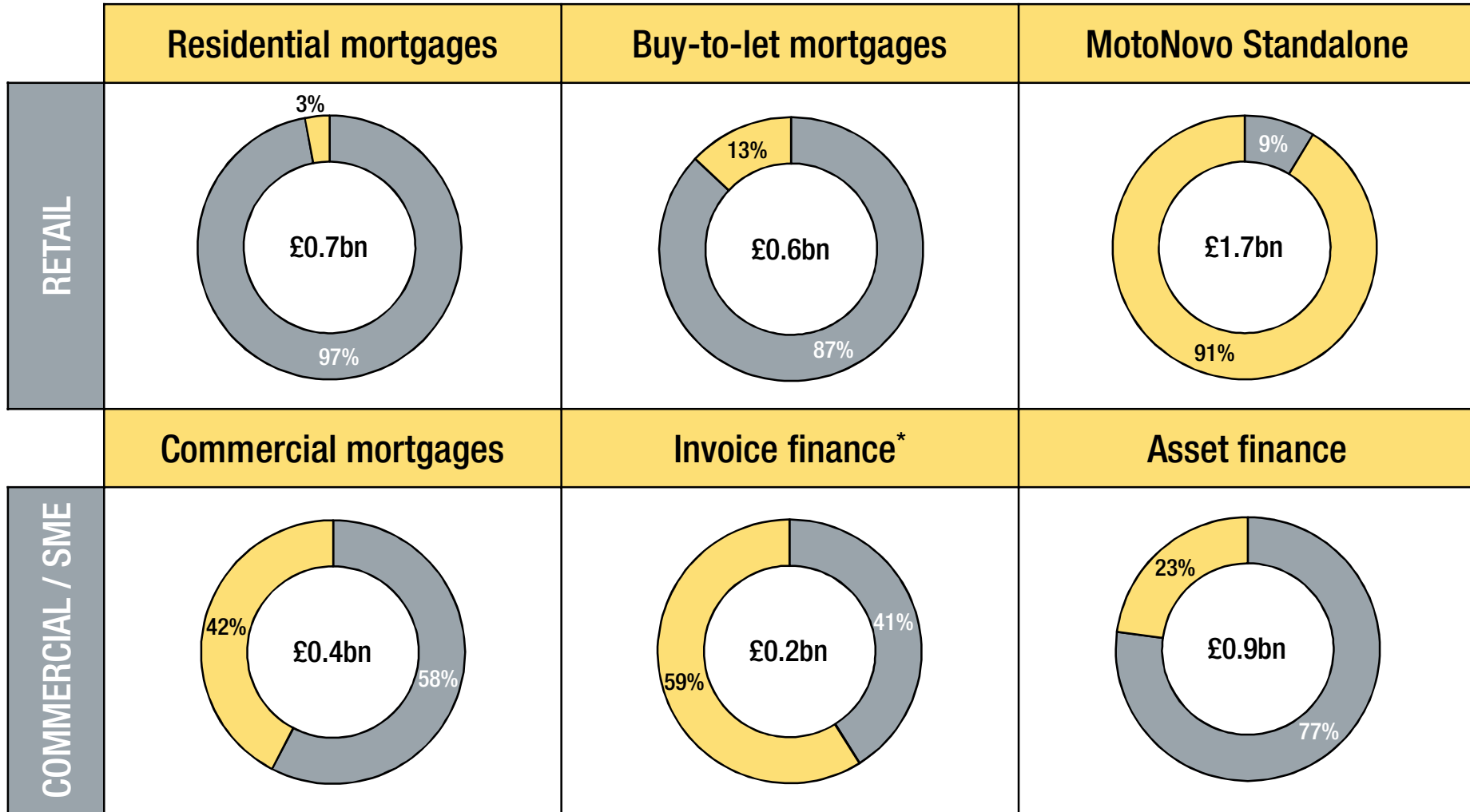
## Sources: Cass Year End 2019 CRE Lending Survey, Aldermore estimates

† Sources: FLA Broker Market data, Aldermore estimates



# Current origination model

JUNE 2020 ALDERMORE ORIGINATION BY CHANNEL



■ Direct  
■ Intermediated

\* Direct includes referral.