




FOR THE SIX MONTHS ENDED 31 DECEMBER **2020**

results presentation

1




FirstRand

2020

RESULTS PRESENTATION
for the six months ended 31 December


overview
of results

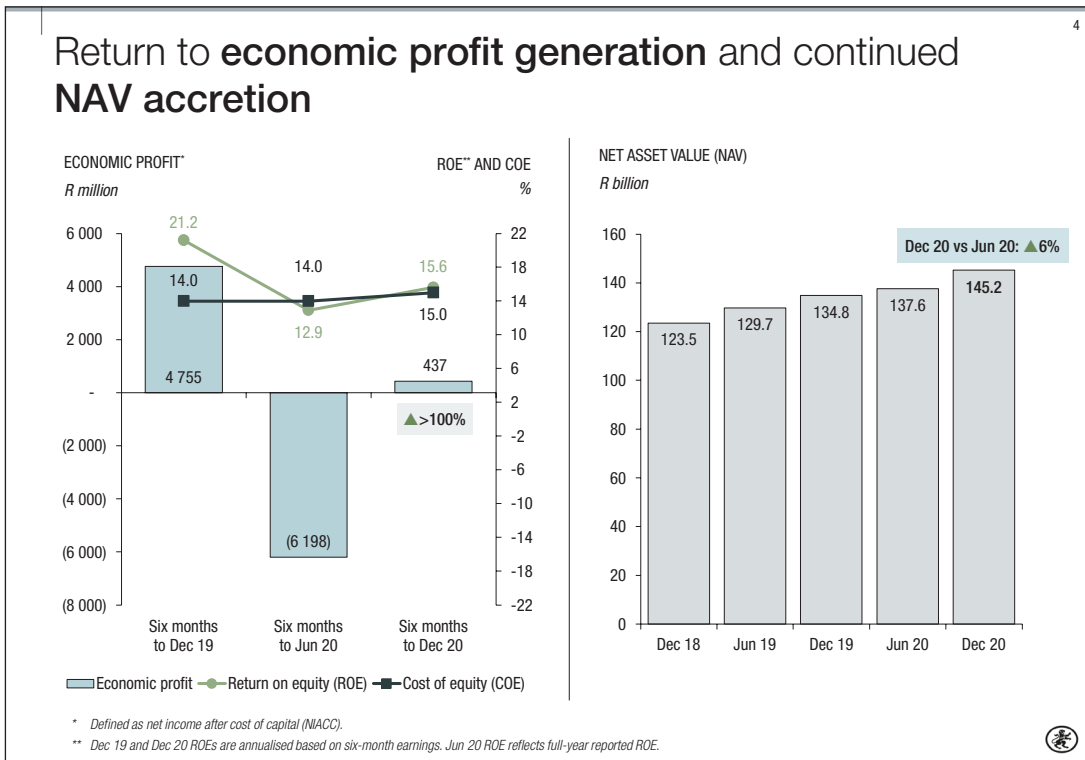
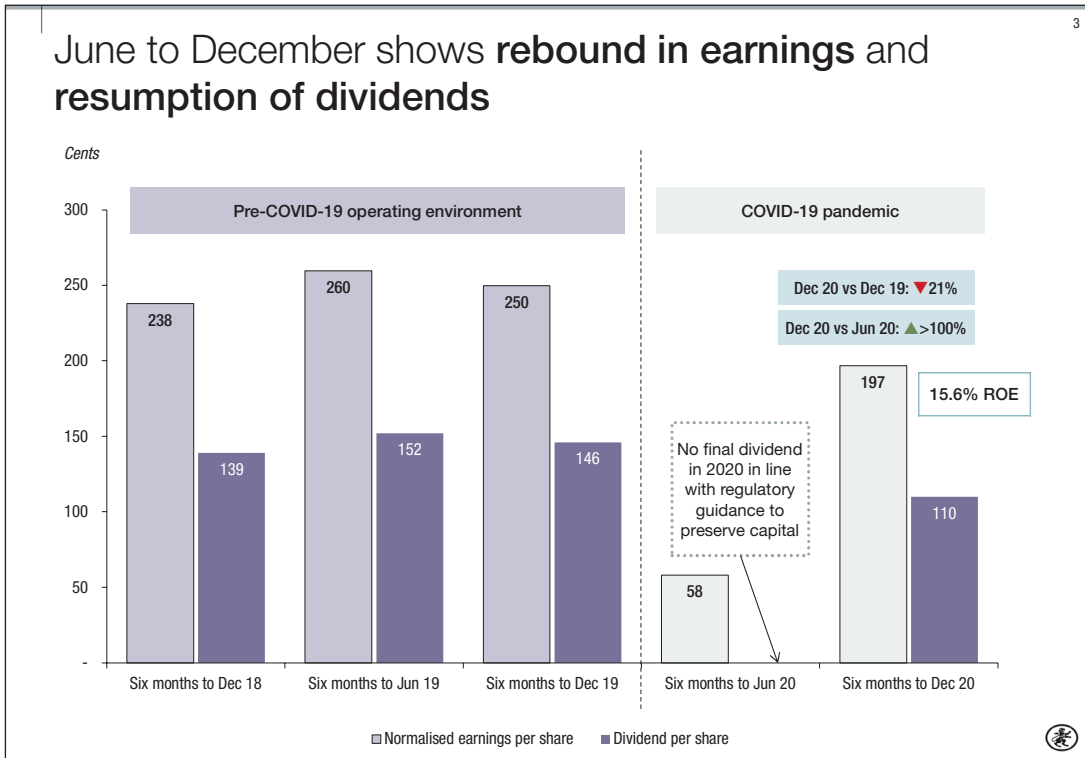


2

Key group performance metrics reflect **pre-pandemic base effect**

<p>Normalised earnings</p> <p>R11.0bn</p> <p>(Dec 19: R14.0bn) ↓21%</p>	<p>Pre-provision operating profit</p> <p>R25.0bn</p> <p>(Dec 19: R25.4bn) ↓1%</p>	<p>Interim dividend per share</p> <p>110 cents</p> <p>(Dec 19: 146 cents) ↓24.7%</p>
<p>Return on assets</p> <p>1.14%</p> <p>(Dec 19: 1.66%) ↓52 bps</p>	<p>Return on equity</p> <p>15.6%</p> <p>(Dec 19: 21.2%) ↓560 bps</p>	<p>Net asset value</p> <p>R145.2bn</p> <p>(Dec 19: R134.8bn) ↑8%</p>
<p>Credit loss ratio</p> <p>1.46%</p> <p>(Dec 19: 0.95%) ↑51 bps</p>	<p>Cost-to-income ratio</p> <p>52.8%</p> <p>(Dec 19: 52.1%) ↑70 bps</p>	<p>CET1 ratio</p> <p>12.4%</p> <p>(Dec 19: 12.4%) ↔</p>





Pandemic **response framework** to protect shareholder value **implemented...**

- FirstRand implemented **specific actions** in March 2020 to weather the storm and ensure the group can **fully capitalise on recovery**
- Anchored business to financial resource management principles for next 18 to 24 months:
 - Carefully **price** for **financial resources**
 - **Appropriately provide** against lending portfolios
 - **Cost management** focus
 - Balance sheet appropriately **tilted** to **macro outlook** and **strengthened further**
 - **Accrete capital and NAV** – deployment of capital to reflect revised cost of equity

Objective: To emerge from COVID-19 with limited vulnerabilities and capital for growth



...and delivered **desired outcomes**

- Absorbed material **negative endowment** impact from 300 bps of rate cuts
- Deliberately **favoured in-force portfolios** rather than front-book origination
 - Assisted customers in managing their existing exposures combined with a build-up in deposit balances and loan repayments, which resulted in a decline in total advances
 - This outcome avoided origination strain when the portfolio was experiencing stage migration
- **Pricing discipline** maintained
- Group is **demonstrably well provided** (since June 2020, advances have declined, and provisions were increased)
- **Costs well contained**
- Group **accreted NAV** and has **declared interim dividend** of 110 cents per share

Emerging with limited vulnerabilities and capital for growth



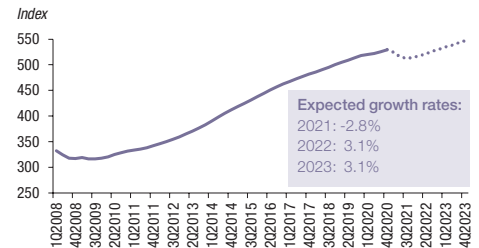
Macros matter – SA

7

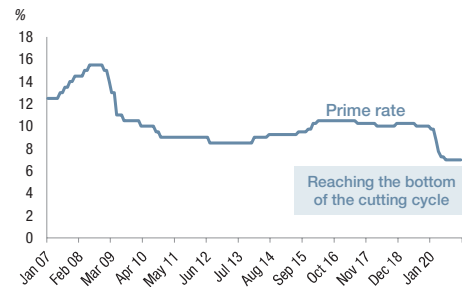
SA real GDP



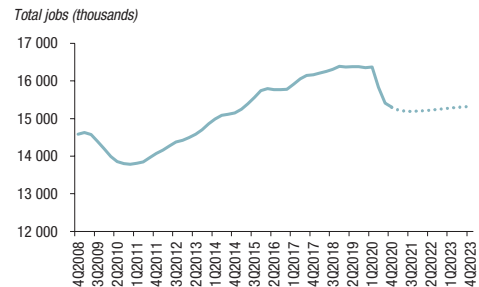
FNB SA house price index



Interest rates



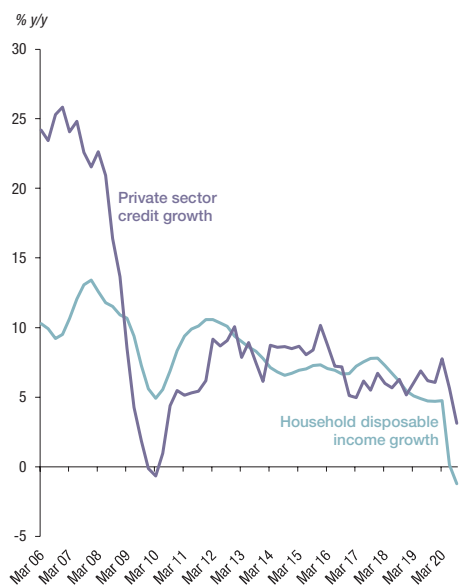
SA employment



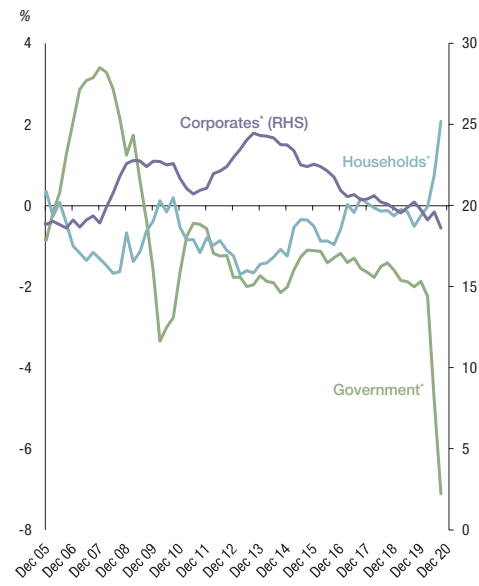
Macros matter – SA

8

Household income and credit growth



Savings and dissaving: private sector and government

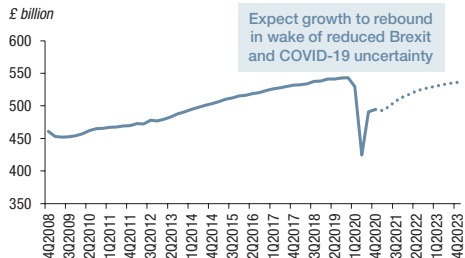


* Savings to GDP.

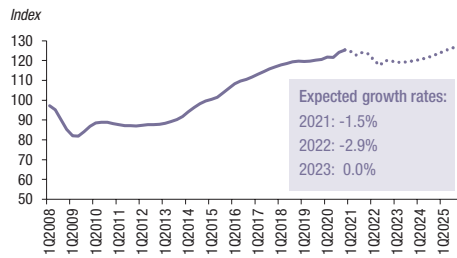
Macros matter – UK

9

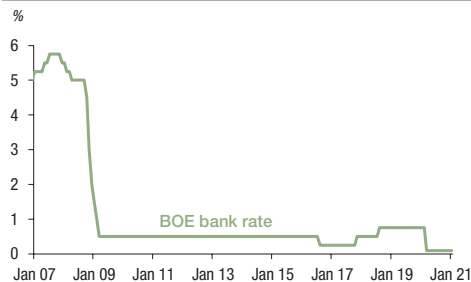
UK GDP



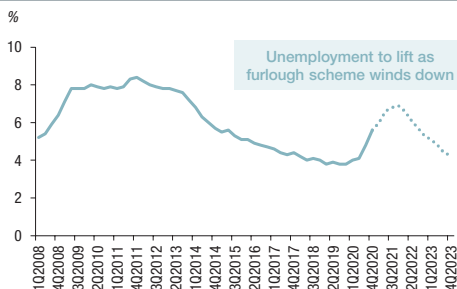
UK house price index



UK interest rates



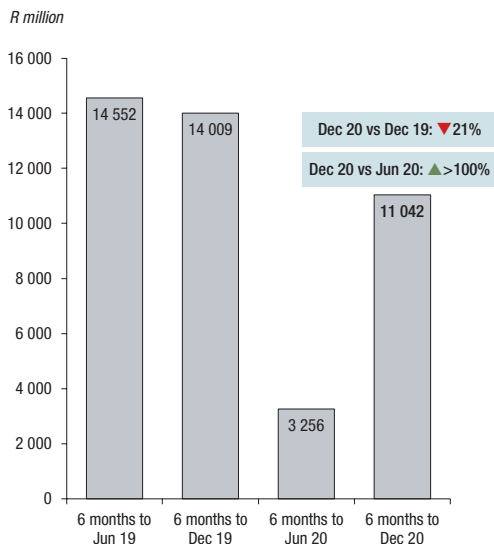
UK unemployment rate



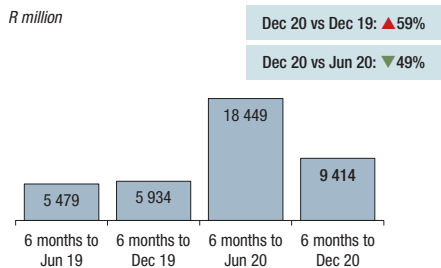
On a rolling six-month basis, all trends improving

10

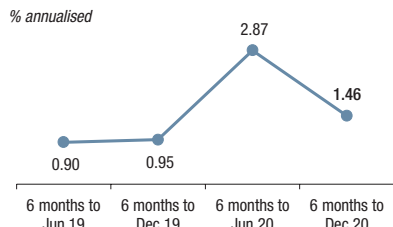
NORMALISED EARNINGS



CREDIT IMPAIRMENT CHARGE



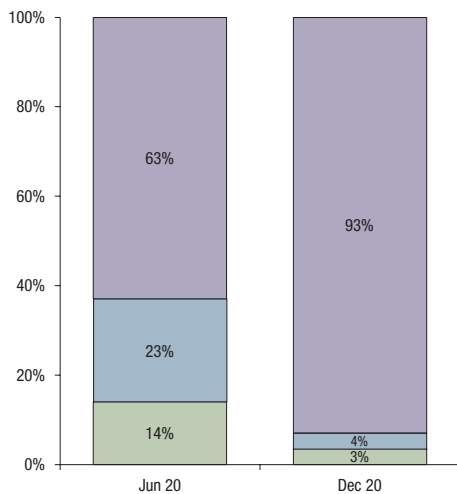
ROLLING 6-MONTH CREDIT LOSS RATIO



Credit charge mainly driven by NPL flows

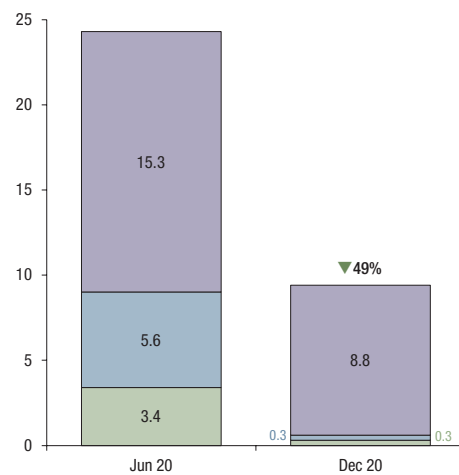
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CONTRIBUTION TO INCOME STATEMENT IMPAIRMENT CHARGE



INCOME STATEMENT IMPAIRMENT CHARGE

R billion



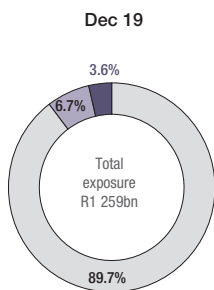
■ Macroeconomic changes ■ Credit quality changes ■ New NPLs



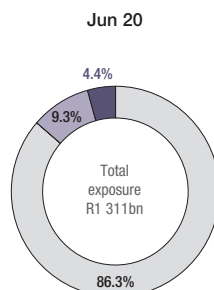
Quality of balance sheet

12

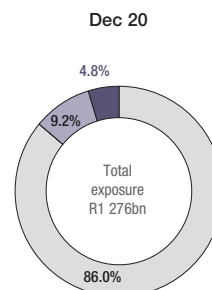
Portfolio split



Performing coverage: 1.30%



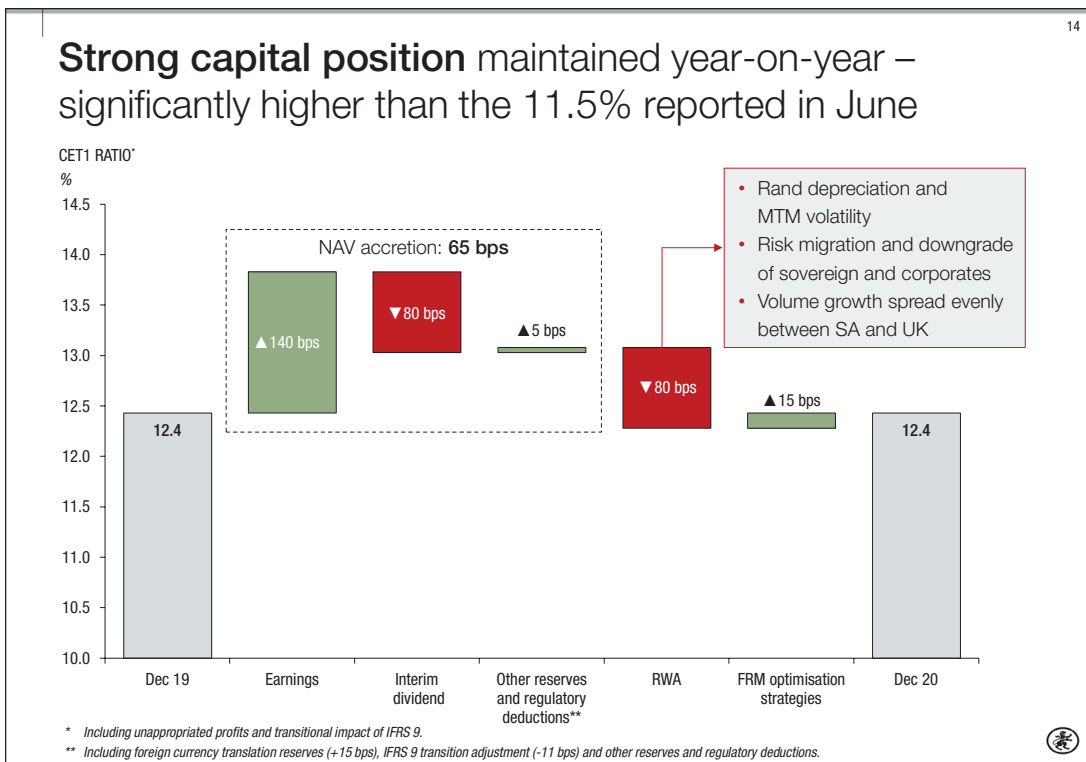
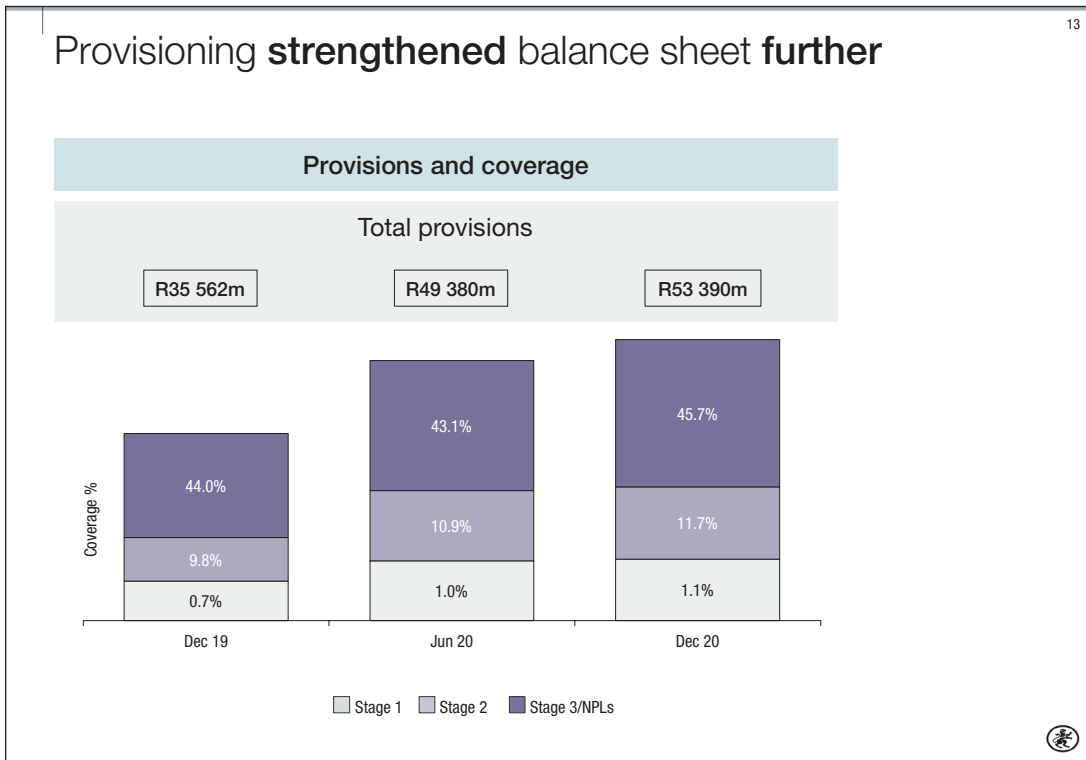
Performing coverage: 1.97%

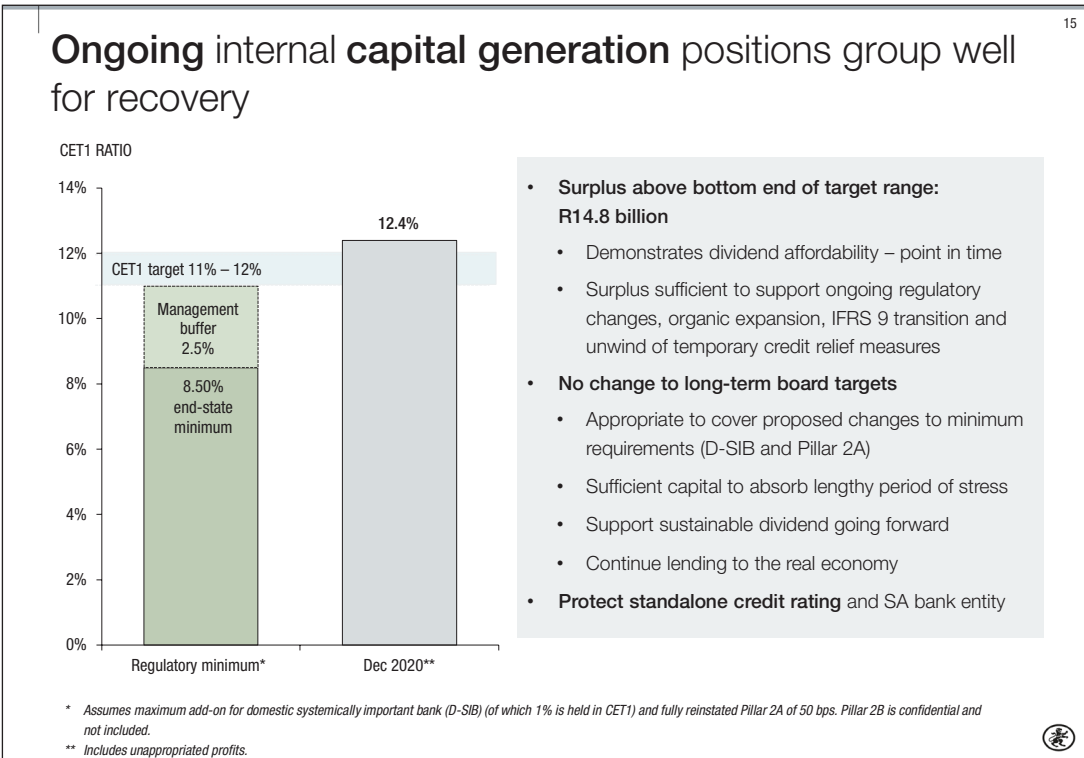


Performing coverage: 2.09%

■ Stage 1 ■ Stage 2 ■ Stage 3/NPLs









FirstRand

2020

RESULTS PRESENTATION
for the six months ended 31 December

operating reviews



Year-on-year operating business performance shows impact of pandemic

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<i>R million</i>	NORMALISED EARNINGS		
	Dec 20	Dec 19	% change
FNB	7 326	9 164	(20) ▼
RMB	3 184	3 406	(7) ▼
WesBank	678	966	(30) ▼
UK operations	1 043	1 177	(11) ▼
Centre*	(1 189)	(704)	69 ▼
Total group	11 042	14 009	(21) ▼

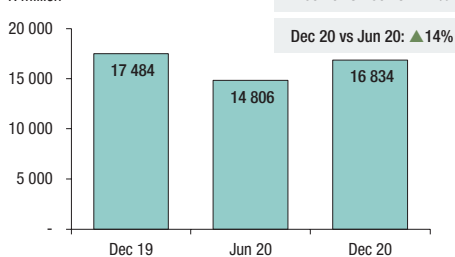
* FirstRand Corporate Centre (FCC) including Group Treasury.



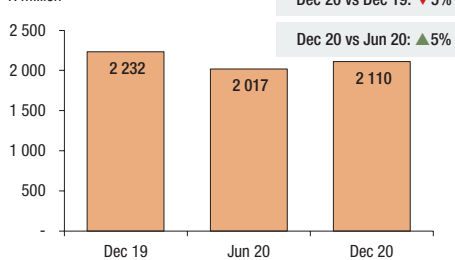
Pre-provision operating profit picture demonstrates rebound since June

18

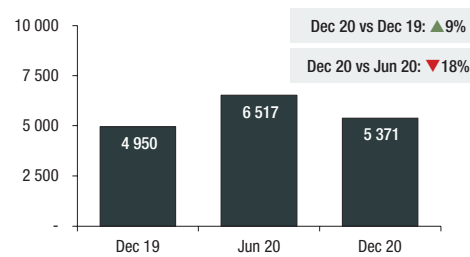
FNB PRE-PROVISION OPERATING PROFIT

R million

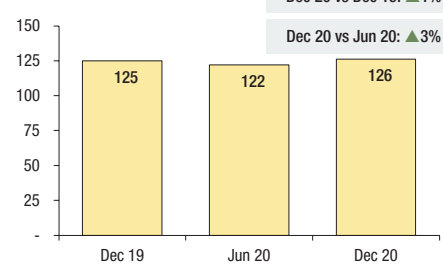
WESBANK PRE-PROVISION OPERATING PROFIT

R million

RMB PRE-PROVISION OPERATING PROFIT

R million

UK OPERATIONS PRE-PROVISION OPERATING PROFIT

£ million

FNB's franchise proved to be resilient June to December

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- Growth in **core transactional accounts** reflects leading transactional and digital value propositions
- Servicing customers' requirements **on platform** enabled FNB to **leverage transactional capabilities** and multi-year quality **primary bank relationships**
- Digital volume growth demonstrates **platform scalability**
- Robust **deposit growth**
- **Operating expenses** growth contained whilst investment continued
- **Advances declined** in line with **group FRM strategies**:
 - Credit capacity focused on **supporting in-force customers** to manage their exposures
 - Origination focused on **good credit quality** customers and affordability metrics
 - Credit capacity has been accumulated for **deployment into improving macros**
 - Portfolios remain **conservatively provided**



Year-on-year held up well operationally despite pre-pandemic base effect

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Customers			eBucks		71% of customers are digitally active
Retail	7.43m	+2%	Earn value	R904m (19%)	
Commercial	1.09m	+9%	Earned since inception	R14.2bn	Retail: 71% Commercial: 65%
Rest of Africa	1.82m	+3%	eWallet		Digital
Total	10.34m	+3%	Send money value	(5%)	Volumes
eWallet*	2.83m	(1%)	% of ATM withdrawals	31%	Monthly logins
Insurance			Value of withdrawals	R17bn	App
In-force APE		+9%	Wealth and investments		Volumes
Retail base penetration		25%	Account base	+18%	Monthly logins
Number of lives covered		6.5m	Trade values	R20bn	Average users
Third-largest insurer in FNB base by debit order value			AUM	R60.3bn	Average monthly logins
			Representation points**		Time spent in Dec 20
			Branches	767 -	46 mins
			ATMs (incl. ADTs)	6 226 (8%)	FNB voted the MOST VALUABLE BANKING BRAND in Africa in the 2021 Brand Finance® Banking 500 Report
			CashPlus (agents)	1 376 >100%	

* eWallet transacting base refers to wallets that have received funds and been accessed at least twice in a six-month period. Prior period figures were restated because of a data clean-up.

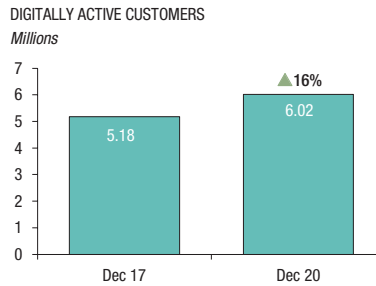
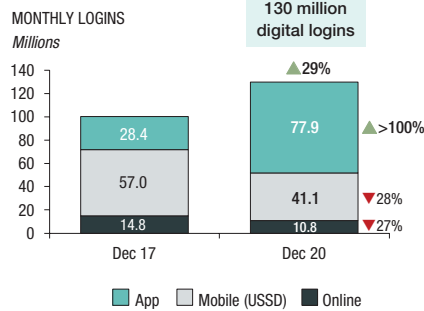
** Including rest of Africa.



Benefits of FNB’s digital platform strategy

21

- Single and secure **authentication point**
- Designed for **identical interaction** on both **assisted and unassisted** channels
- **Most** financial service **requirements digitally enabled**
- Ability to offer **contextual customer experiences** and ecosystem: >>nav
- New and safer **digital product opportunities**, e.g. virtual card
- Allows for **digital purchases** and execution, i.e. electricity, mobile and digital vouchers
- **6 million** digitally active customers

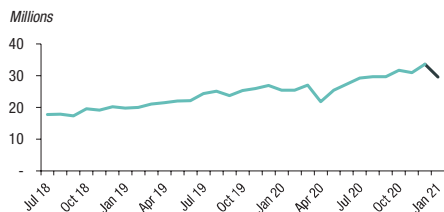


Steady recovery in transactional volumes

22

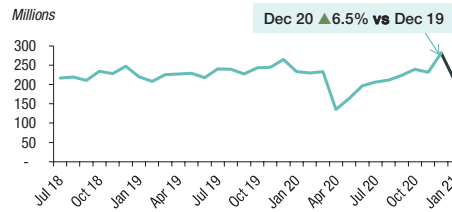
Banking app volumes ▲22% y/y

FINANCIAL TRANSACTION VOLUMES



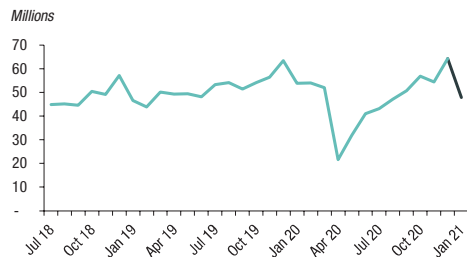
Transactional volumes* ▼4% y/y

FINANCIAL TRANSACTION VOLUMES



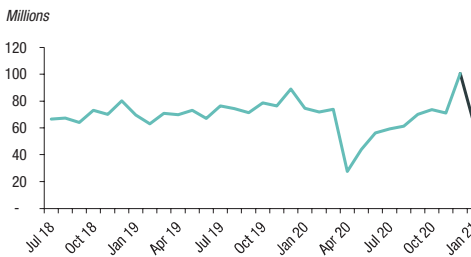
Swipes at point-of-sale (acquiring) ▼5% y/y

CARD SWIPES ON MERCHANT POS DEVICES



Swipes by FNB card holders (issuing) ▼6% y/y

CARD SWIPES**



* Reflect financial volumes across all channels.
** Restated to exclude Discovery card swipes.

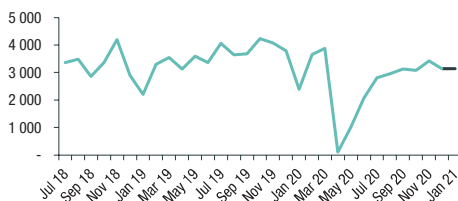


Origination focused on **good credit quality**

23

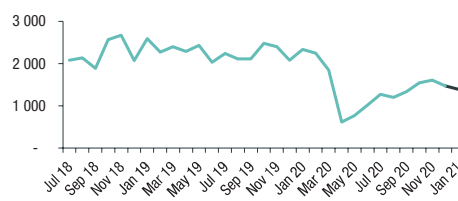
Residential mortgages

AMOUNT DISBURSED ON NEW AND EXISTING BUSINESS
R million



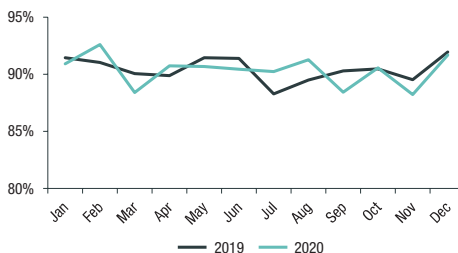
Total personal loans

AMOUNT DISBURSED ON NEW AND EXISTING BUSINESS
R million

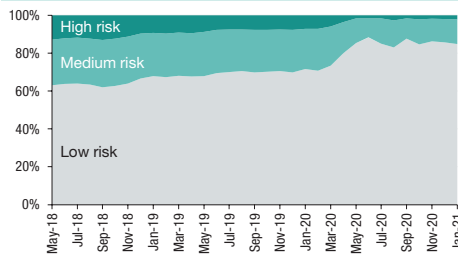


Retail collection trends

DEBIT ORDER SUCCESS RATE



Origination remains conservative*



* Reflects origination of retail products (excluding DirectAxis).

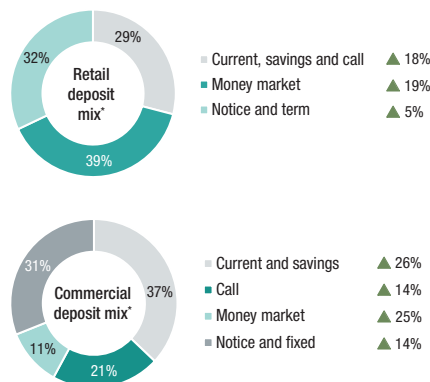
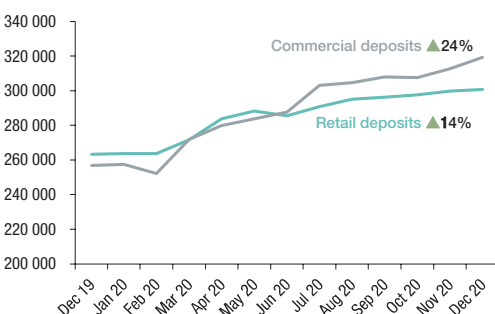


Precautionary savings underpinned **strong growth in deposits**

24

FNB deposits

R million



- Deposit mix evidences cautious approach by both consumers and businesses alike
- Solid uptick in deposits helped offset declining margins
- Platform-enabled execution – traction in deposits sourced through digital interfaces

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



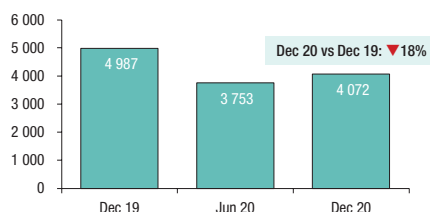
25

Insurance franchise resilient despite pandemic impacts

Embedded value

GROSS EMBEDDED VALUE* – ALL LIFE PRODUCTS

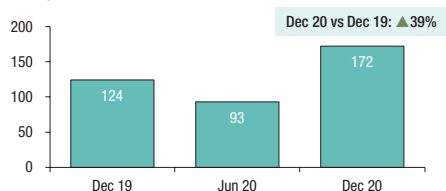
R million



Value of new business

VALUE OF NEW BUSINESS – ALL LIFE PRODUCTS*

R million



- **6.5 million lives** now covered, **4 million policies**
- **Resilient in-force APE** growth of 9%
- **Funeral cover** has shown **good growth**
- **Lower credit life sales** reflect declining loans book
- **Elevated death and credit life claims** (mortality and retrenchment)
- **Platform-based claims logging** process **gained traction** – 23% of client-initiated claims and 50% of retrenchment claims on platform since onset of COVID-19
- **Annualised return on EV of 17.7%** (after R1.8 billion reduction in value due to pandemic-related assumptions)

* Gross embedded value is the amount post dividends declared. FNB Life calculates embedded value in line with Advisory Practice Note 17.

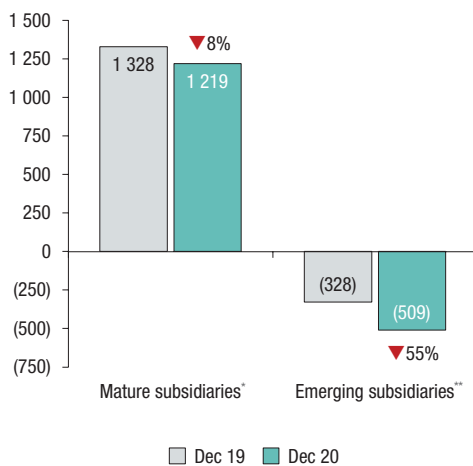


26

Mature subsidiaries in the rest of Africa held up well year-on-year

NORMALISED PBT

R million



- Good **customer acquisition**
- Strong overall **deposit growth**
- **Negative endowment** impact due to rate cuts
- **Costs** were well **contained**
- **Mature** subsidiaries
 - Muted credit growth
 - Accelerated impairments
 - Resilient NIR performance
- Mixed picture in **emerging subsidiaries**
 - Losses contained
 - Central overlays raised
 - Merged Ghana businesses tracking investment case
 - Tanzania exit still in progress

* 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).



RMB's franchise proved to be resilient June to December

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- **Operational take-outs:**
 - **Markets** business's performance benefited from **continued momentum in local market activity**
 - Resilient **deposit growth of 4%** reflects increased liquidity of corporates
 - **Domestic transactional volumes rebounded** off a depressed base, with good growth in new **clients and volumes in the rest of Africa**
 - Profit on realisation from **principal investments** business of c. R260 million
 - Growth in **private equity annuity income** benefiting from previous investments and modest recovery of economic activity

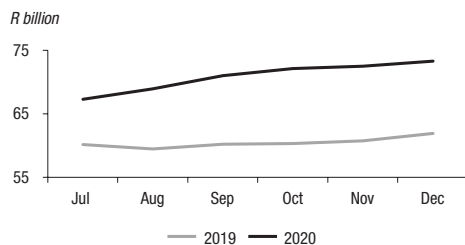
- In line with **group FRM strategies:**
 - **Portfolio conservatively provided**, reflecting the constrained environment
 - **Advances down 3%** since June, reflecting:
 - Significant repayments across the portfolio
 - Muted new business origination (c. R30 billion) given continued focus on pricing discipline, and low levels of corporate confidence and demand



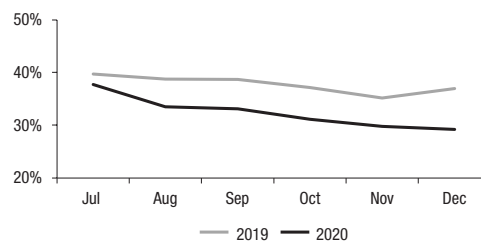
Robust operational deposit growth and merchant services volumes recovering from lockdown lows

28

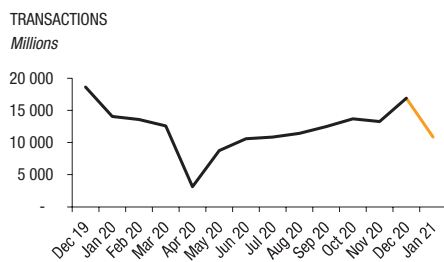
Operational deposits



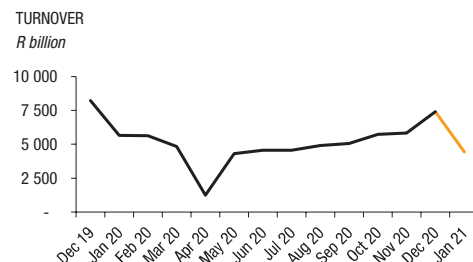
Rand general banking facility utilisation



Merchant services volumes (SA)



Merchant services turnover (SA)

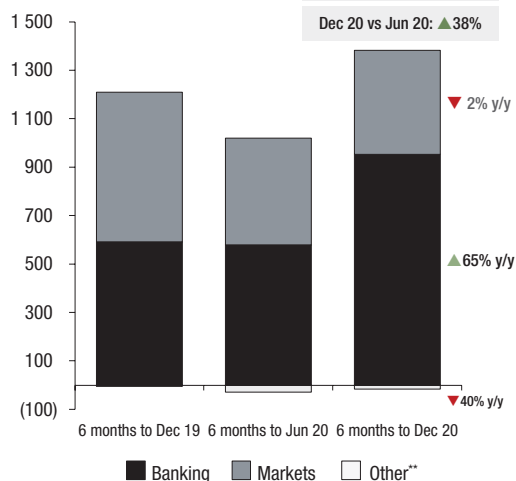


Rest of Africa performance underpinned by transactional volume growth and lower impairments

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REST OF AFRICA* NORMALISED PBT

R million



Banking:

- New clients contributed to strong transactional volume growth
- NII compression due to rate cuts across the jurisdictions on deposits
- Lower credit provisioning given recovery in the oil and gas sector

Markets:

- Muted performance in London-Nigeria corridor and significant reduction in volumes

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

** Includes central portfolios.

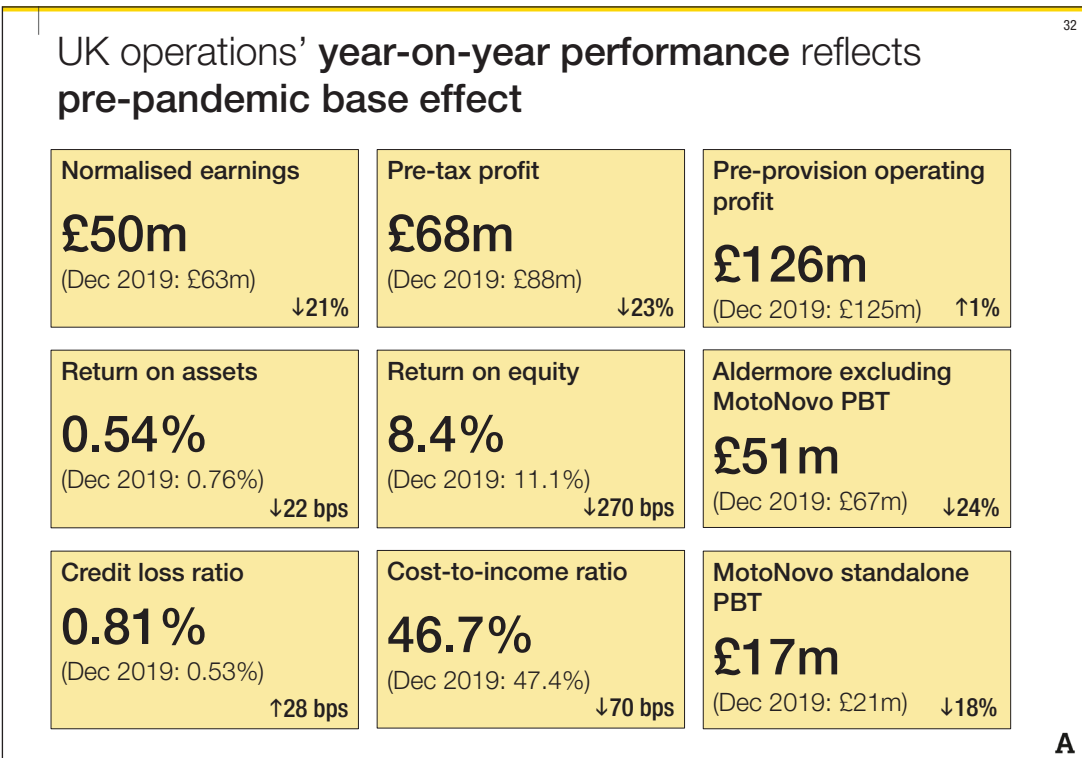
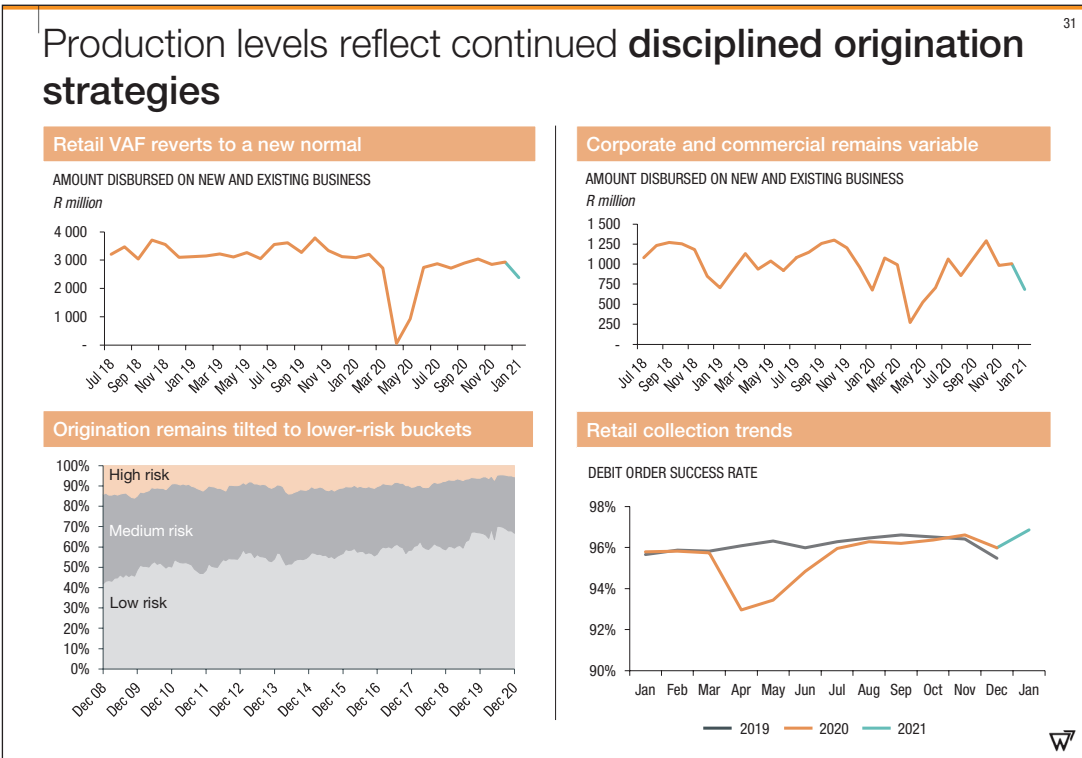


WesBank's franchise proved to be resilient June to December

30

- **New business** production **stabilises** to a new normal level
 - **New vehicle sales** down 29% for 2020
 - New vehicle sales **predicted to increase 12%** in 2021
 - Continued **disciplined credit origination** in line with **group's FRM strategies**
- **Strong cost containment** through focus on operational efficiency gains
- Continued **solutioning for customers**
 - Launch of the **WesBank app**
 - Continued **growth in FNB-banked customer** base
 - Development of **new fleet management system**
- Strong **collection focus** and approach
 - **Arrears stabilised** – almost back to **pre-pandemic levels** with most customers having **successfully exited relief**
 - Portfolio remains **appropriately provided** in line with **group FRM strategies**
- Ongoing focus on **capital optimisation**





UK operations showed resilience June to December

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- Key operational take-outs:
 - Strong **growth** in customer **deposits**
 - **Margin maintained** through competitive deposit pricing and mix change
 - **Cost base benefited** from reduced spend in **COVID-19** environment
- In line with **group FRM strategies**:
 - Grew **deposit franchise** across all segments and **diversified funding mix**
 - **Aligned origination** to macroeconomic **outlook** and focus on **pricing discipline**
 - **Increased NAV** (and CET1) and continued to **optimise** the **capital stack**

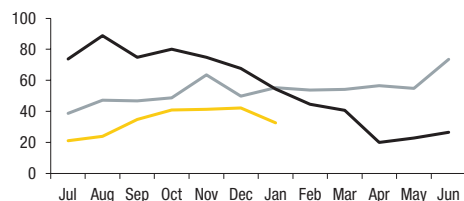
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Volumes impacted by ongoing COVID-19 restrictions

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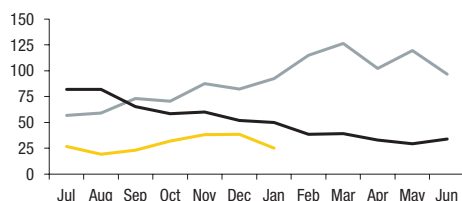
Residential mortgages

AMOUNT DISBURSED ON NEW AND EXISTING BUSINESS
£ million



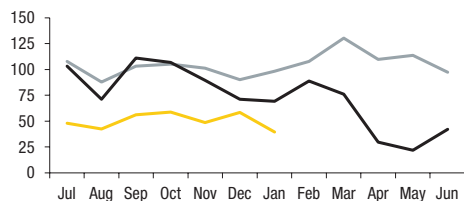
Buy-to-let mortgages

AMOUNT DISBURSED ON NEW AND EXISTING BUSINESS
£ million



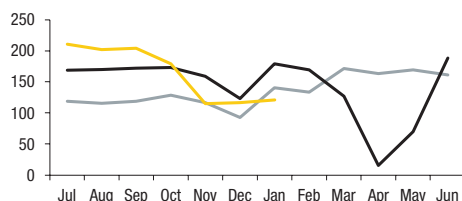
Asset finance

AMOUNT DISBURSED ON NEW AND EXISTING BUSINESS
£ million



MotoNovo (VAF)

AMOUNT DISBURSED ON NEW AND EXISTING BUSINESS
£ million



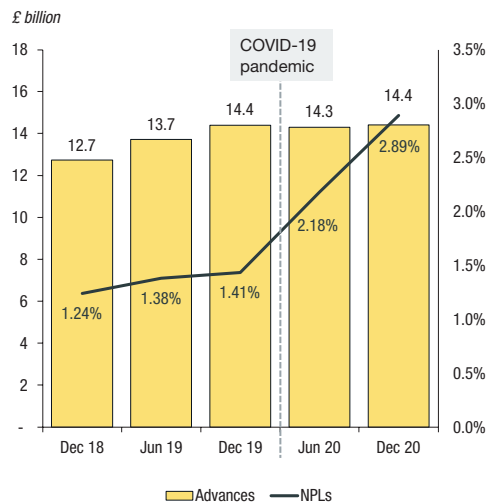
— FY19 — FY20 — FY21

A

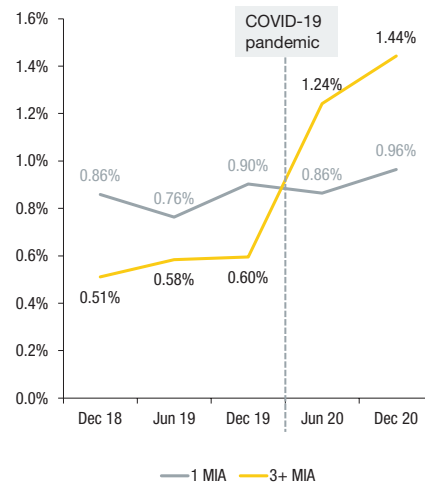
Arrears benefiting from **government relief schemes**

- Significant increase in NPLs and 3+ months in arrears (MIA) levels since pandemic hit in early 2020

Gross advances and NPLs



Arrears levels



A



FirstRand

2020

RESULTS PRESENTATION
for the six months ended 31 December

financial
review



Key performance metrics (normalised)

37

	Dec 20	Dec 19	% change
Diluted EPS (cents)	196.8	249.7	21 ▼
Dividend per share (cents)	110	146	25 ▼
Earnings (R million)	11 042	14 009	21 ▼
NIACC* (R million)	437	4 755	91 ▼
Net asset value per share (cents)	2 588.3	2 402.2	8 ▲
Net interest margin (%)	4.27	4.64	▼
Credit loss ratio (%)	1.46	0.95	▲
Credit loss ratio (excluding UK operations) (%)	1.64	1.06	▲
Cost-to-income ratio (%)	52.8	52.1	▲
Return on equity (%)	15.6	21.2	▼
Return on assets (%)	1.14	1.66	▼
CET1 ratio** (%)	12.4	12.4	-

* Defined as net income after cost of capital (economic profit).

** Includes unappropriated profits.



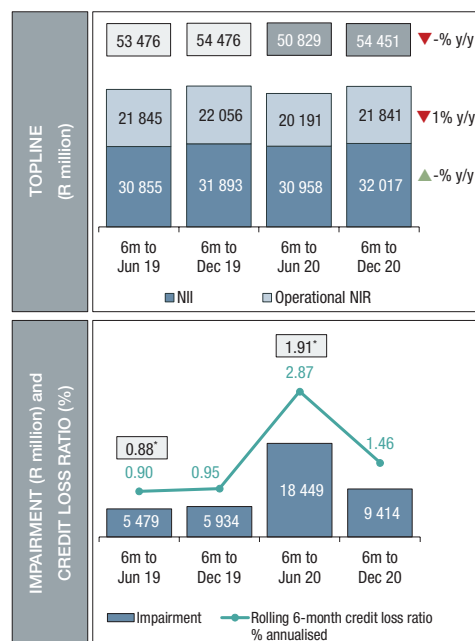
Pre-provision operating profit resilient

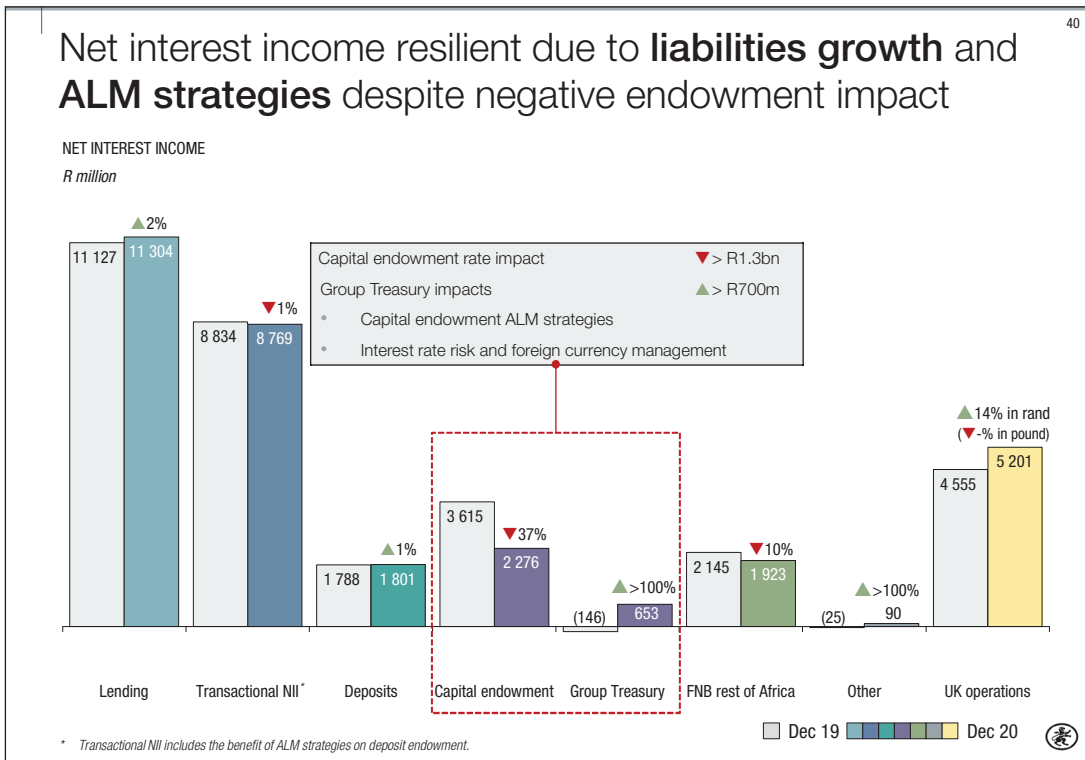
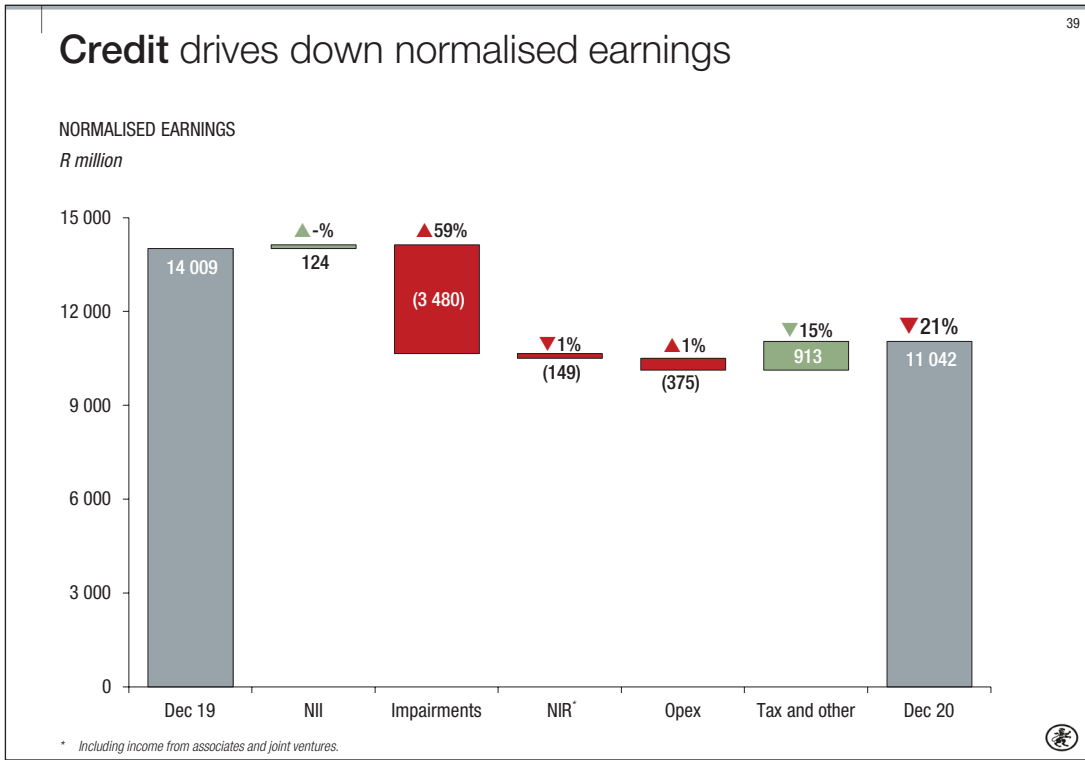
38

NORMALISED EARNINGS R million	Dec 20	Dec 19	% change
Net interest income	32 017	31 893	▲ -
Operational non-interest revenue	21 841	22 056	▼ 1
Share of associate income	593	527	▲ 13
Total revenue	54 451	54 476	▼ -
Operating expenses	(28 733)	(28 358)	▲ 1
Indirect tax	(714)	(734)	▼ 3
Pre-provision operating profit	25 004	25 384	▼ 1
Impairment charge	(9 414)	(5 934)	▲ 59
Income tax expense	(3 749)	(4 491)	▼ 17
Profit after tax	11 841	14 959	▼ 21
Other equity and non-controlling	(799)	(950)	▼ 16
Normalised earnings	11 042	14 009	▼ 21

* 12-month credit loss ratio to June.

Note: Topline total includes share of associate income.

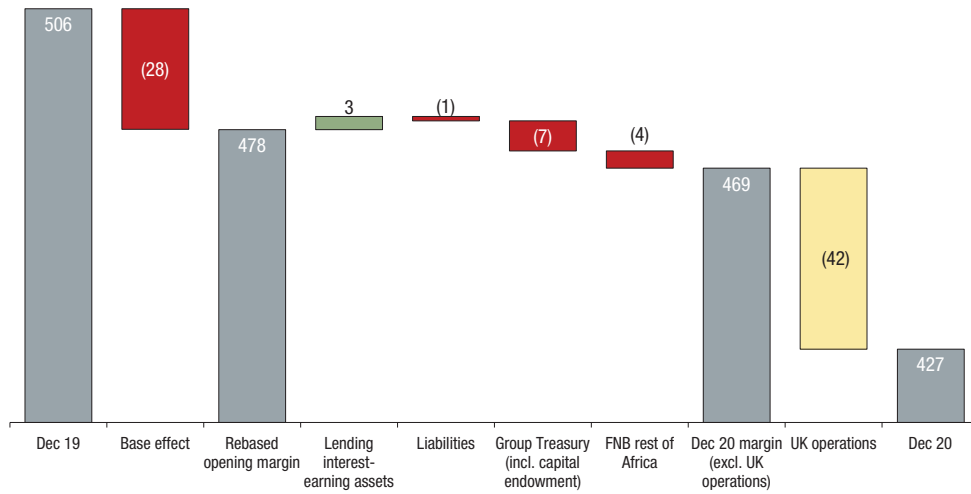




41

Unpacking margin – **endowment drag** most significant

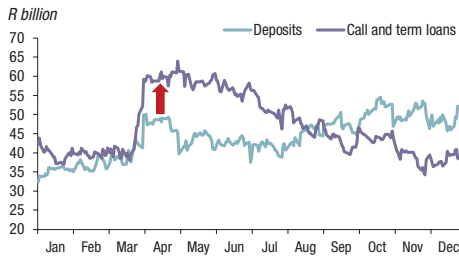
NORMALISED MARGIN
Basis points



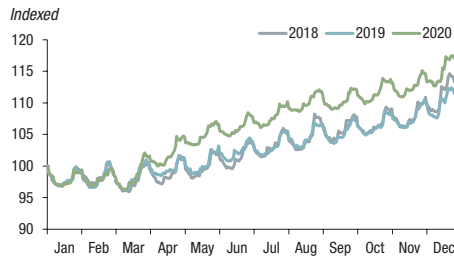
42

Lockdown caused **dislocation to balance sheet trends** but starting to normalise

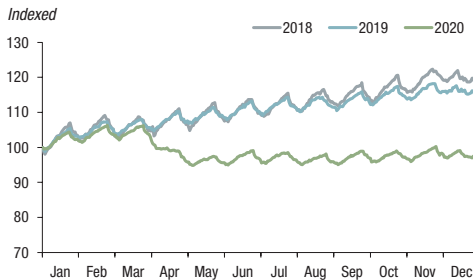
Corporate – call and term loans vs deposits



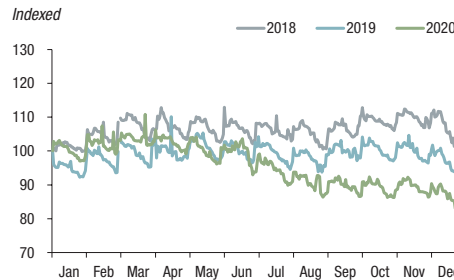
Retail and commercial deposits (indexed)



FNB credit card advances



FNB overdrafts

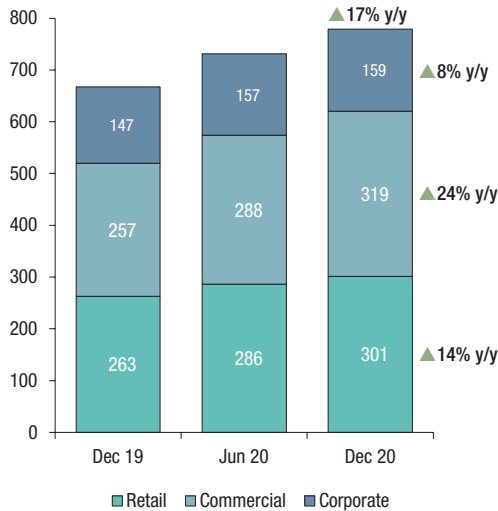


Strength of transactional franchise attracted above-system deposit growth

43

SOUTH AFRICA DEPOSITS*

R billion



- Aligned to strategy to grow group's deposit franchise
- Value proposition underpinned by
 - Competitive products and rates
 - Platform-enabled execution – traction in deposits sourced through digital channels
 - Supported cross-sell and up-sell to existing base
 - Increased customer base

* Include transactional and other deposits.

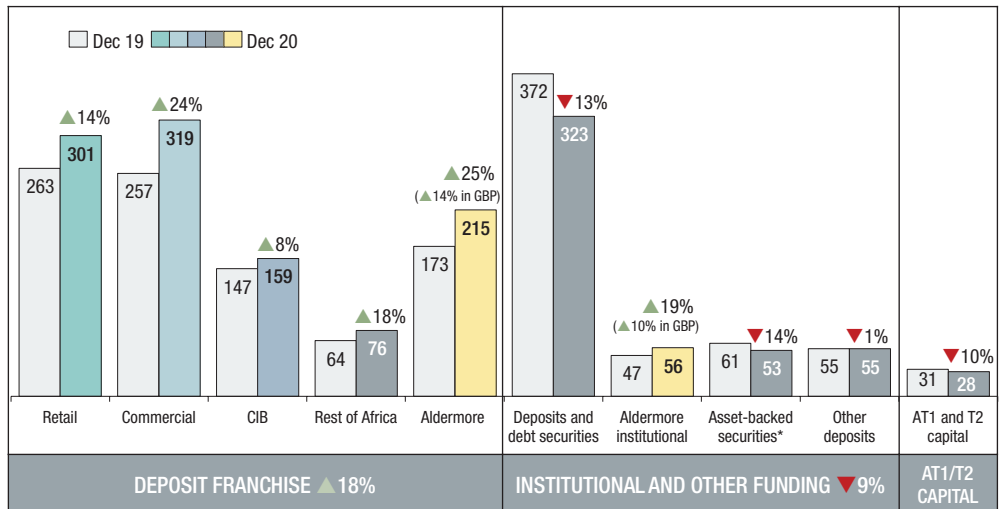


Strength of deposit franchise supported lower institutional issuances...

44

LIABILITIES

R billion



* Asset-backed securities include Aldermore's securitisations.

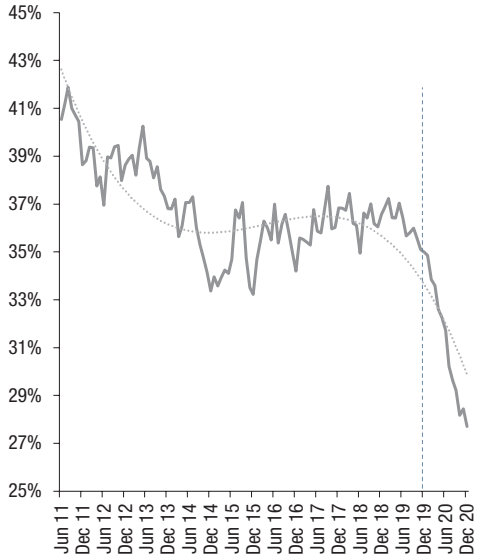
Note: Percentage growth is based on actual rather than rounded numbers shown in the bar graphs.



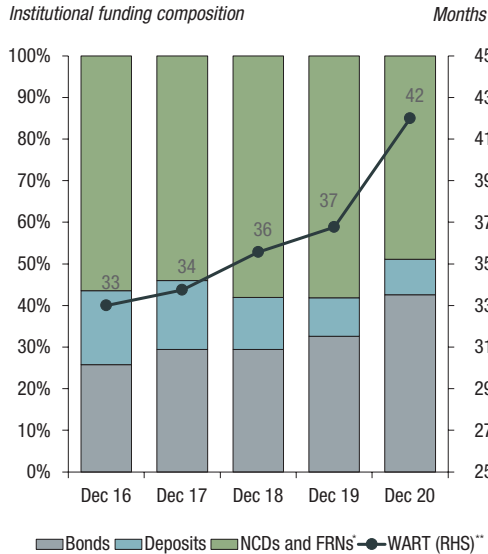
...resulting in lengthening of term

45

Institutional funding as % of total funding



Diversified institutional funding mix and term profile

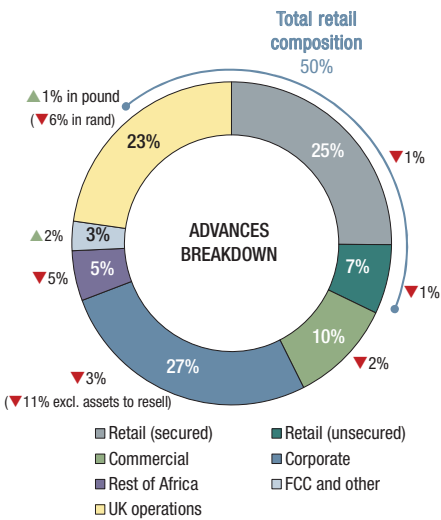


** Negotiable certificates of deposit (NCD) and floating rate notes (FRNs).
* Weighted average remaining term (WART) is for institutional funding in South Africa.

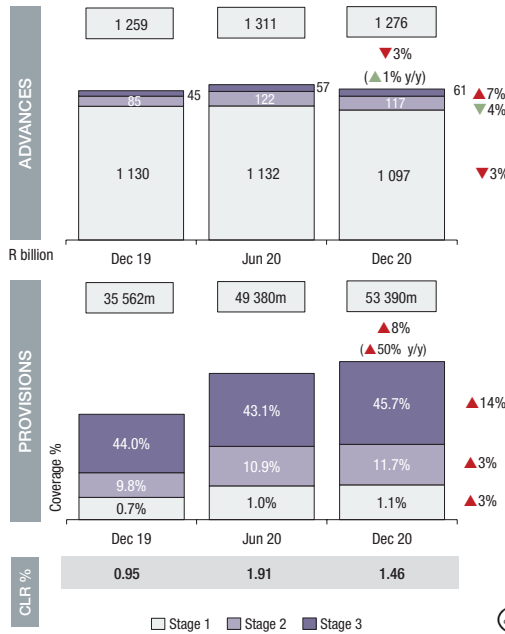


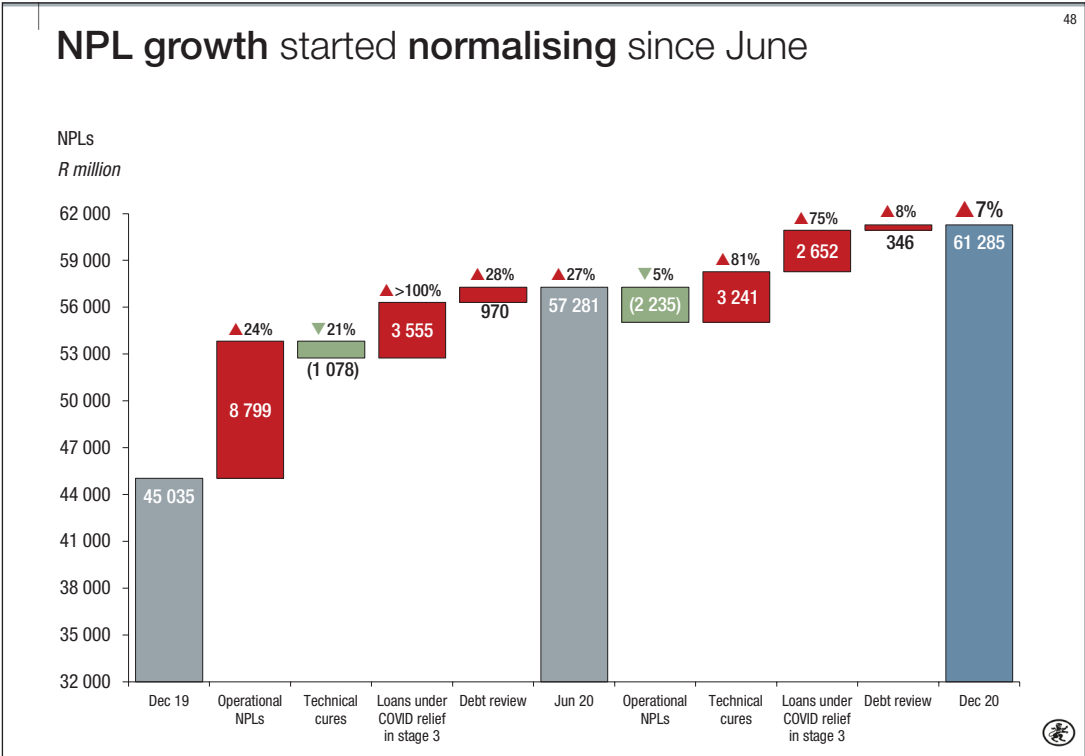
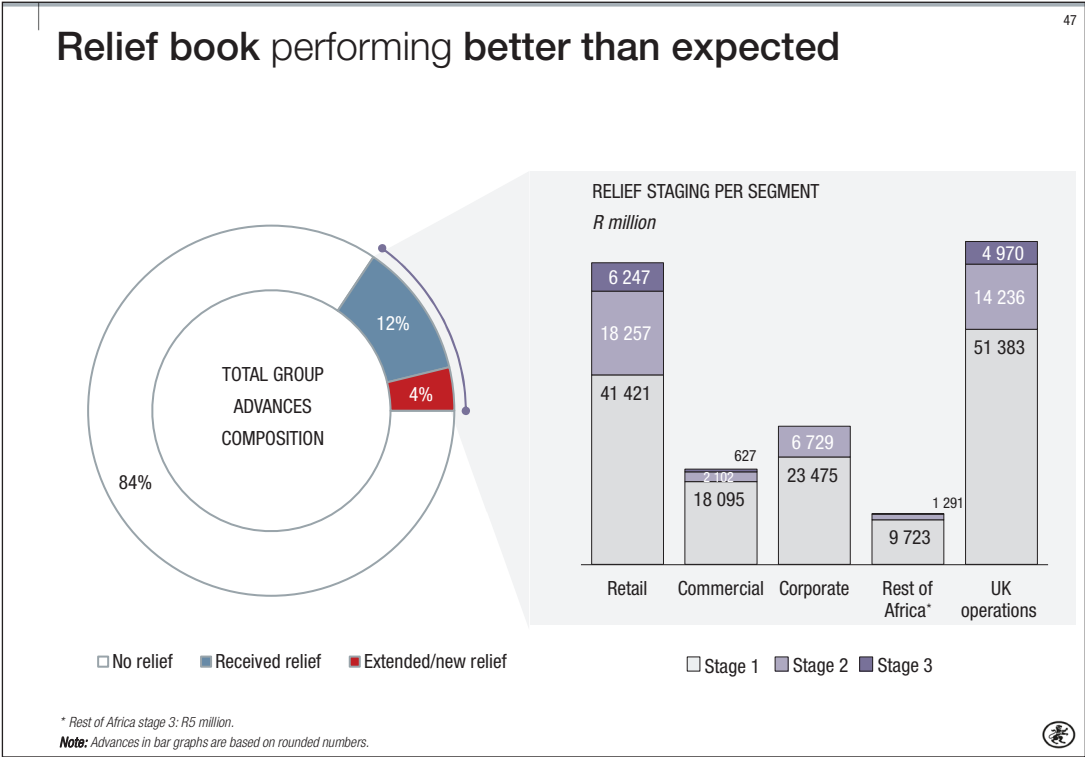
Disciplined risk appetite results in lower advances

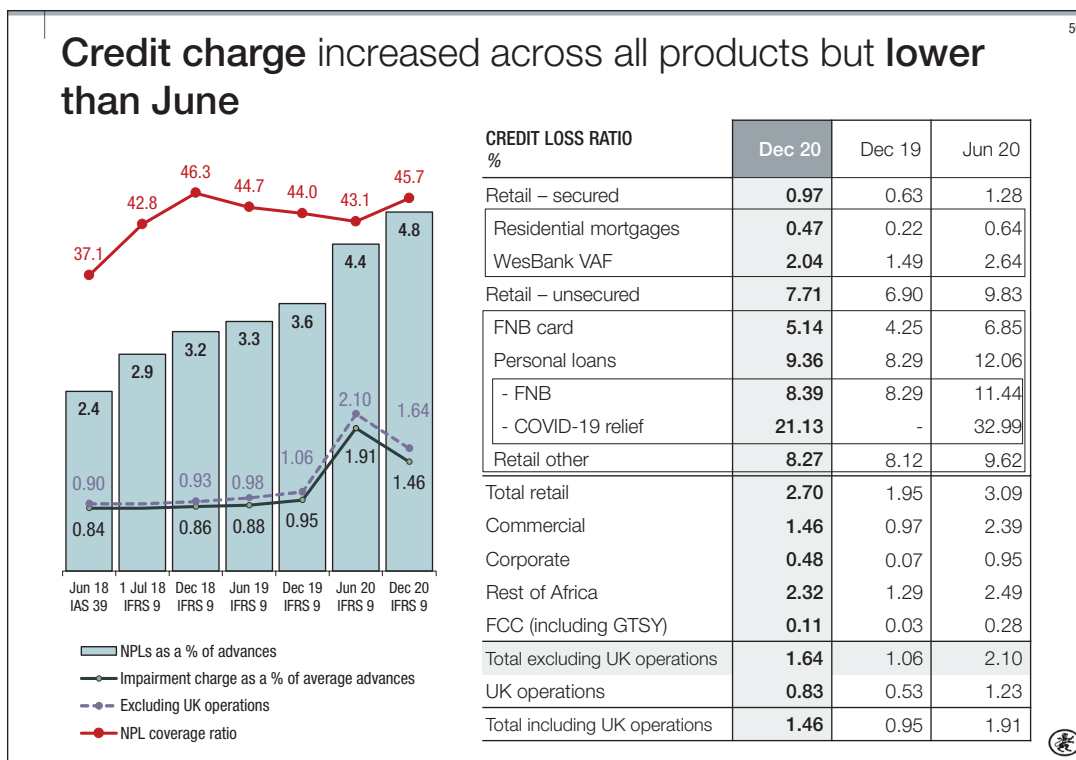
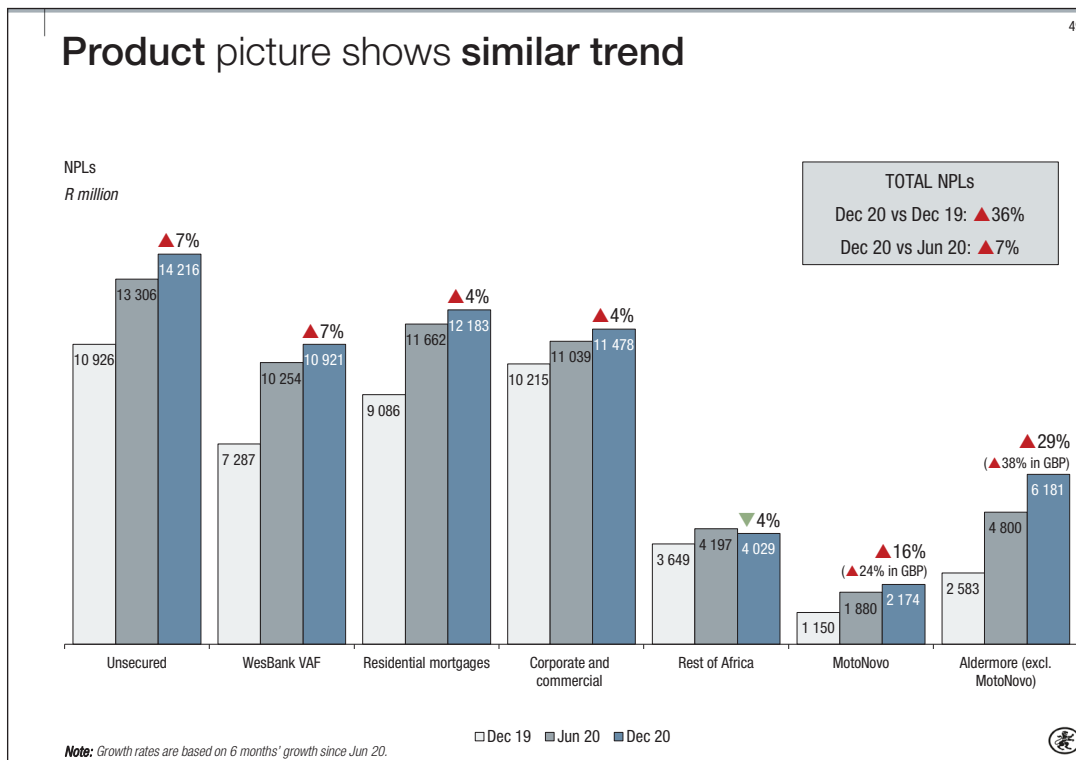
46

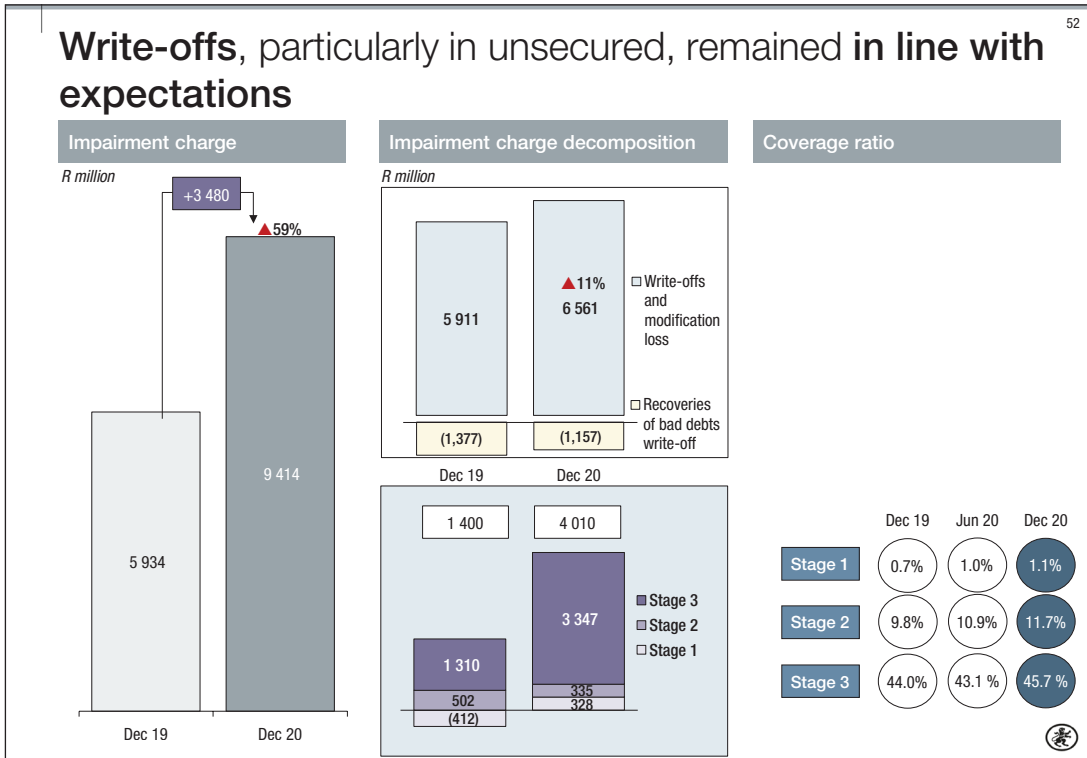
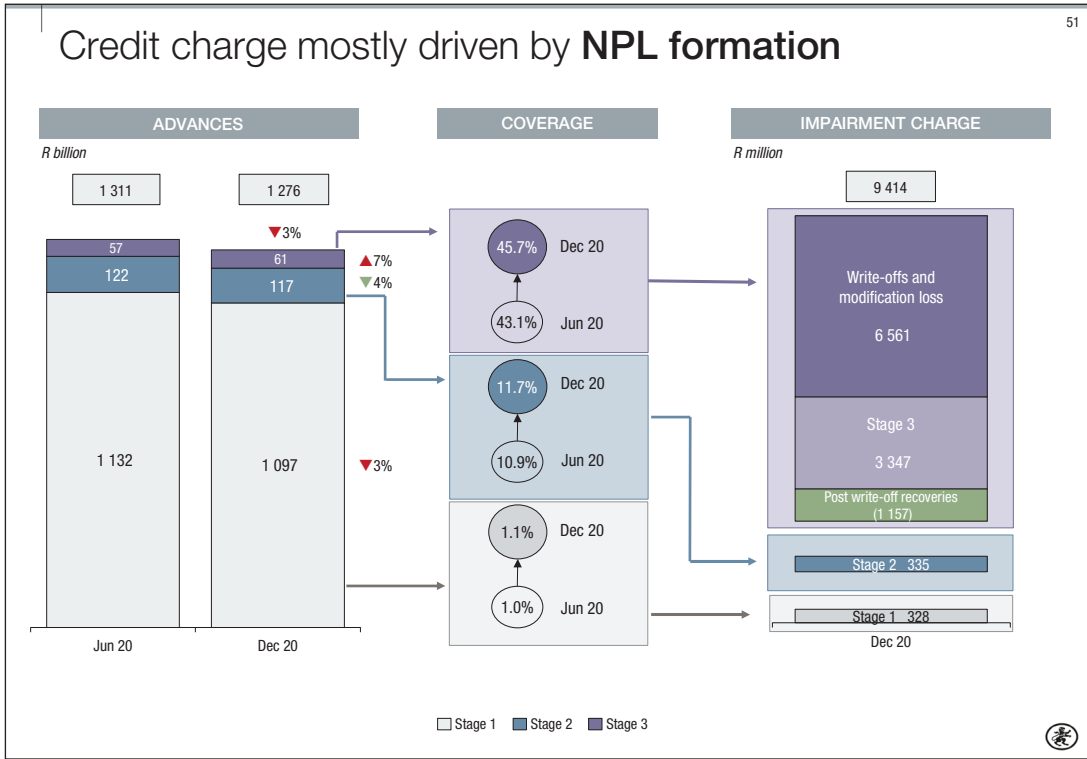


Note:
Advances in bar graphs are based on rounded numbers.
Growth rates are based on 6 months' growth since Jun 20.





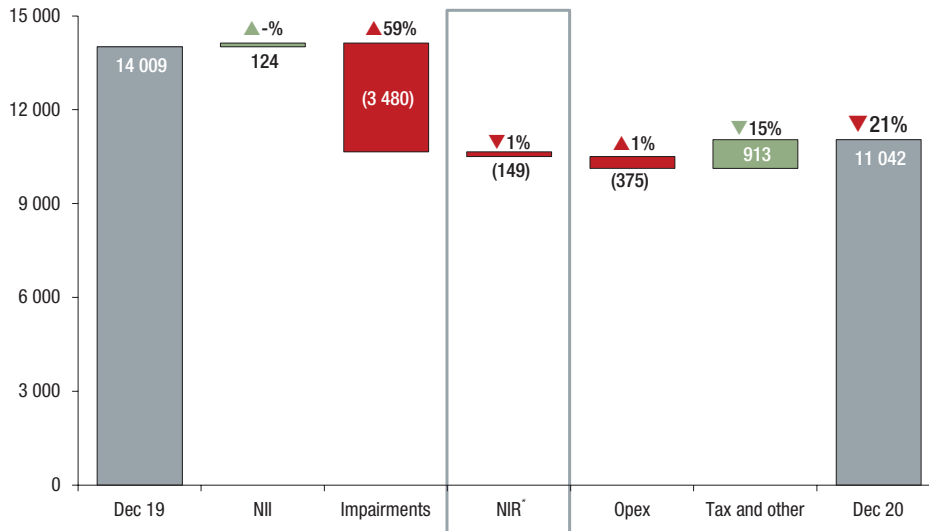




Operational NIR impacted by COVID-19 restrictions

NORMALISED EARNINGS

R million

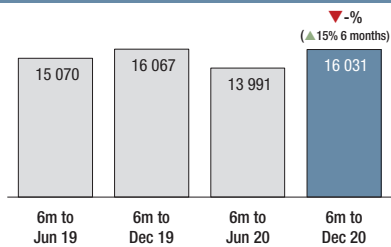


* Including income from associates and joint ventures.

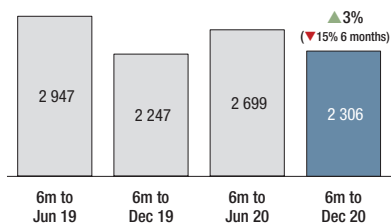


Fee and commission income flat, despite rebound in the second quarter

Fee and commission income



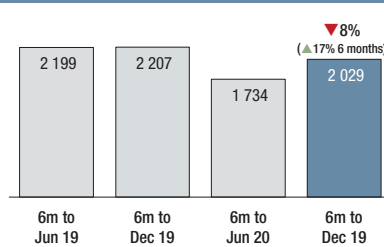
Trading and other fair value*



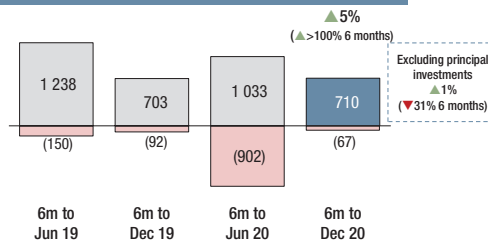
* Excluding Aldermore fair value hedge.

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

Insurance income

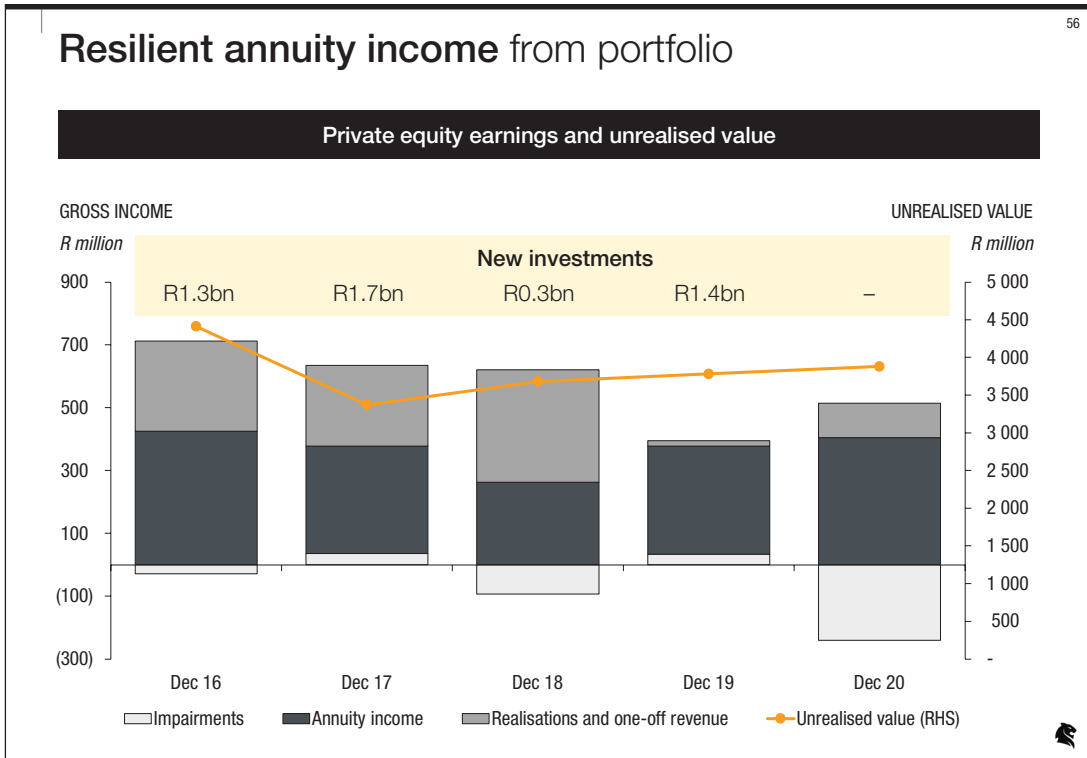
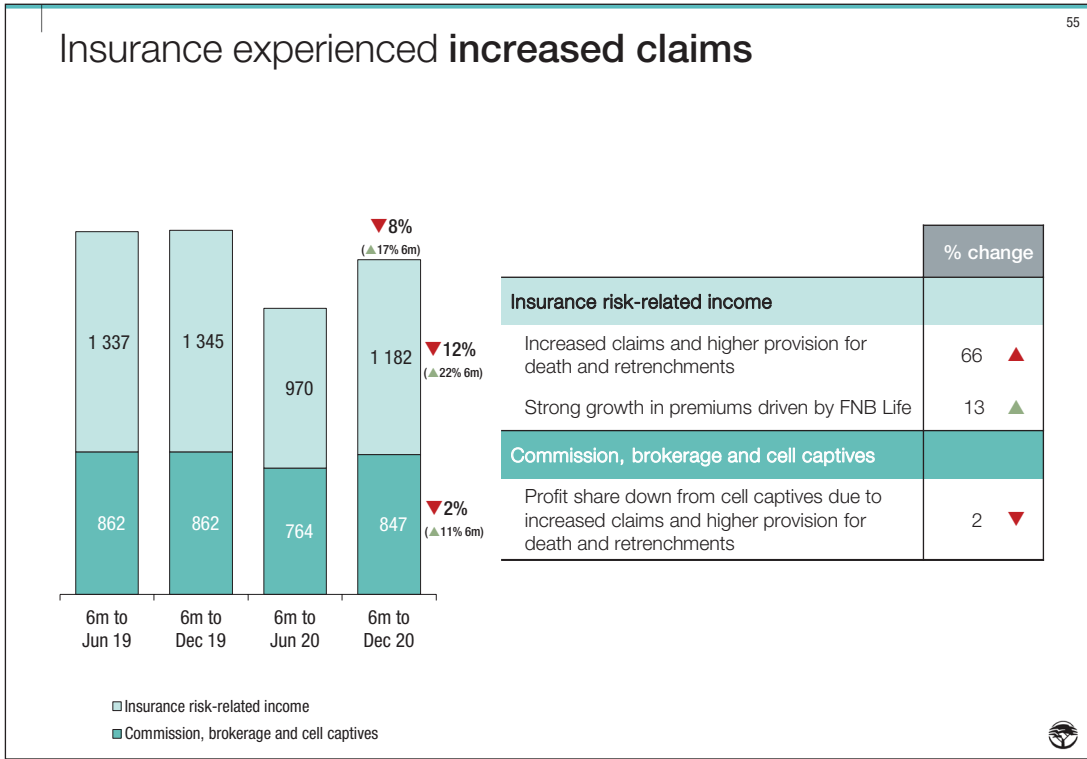


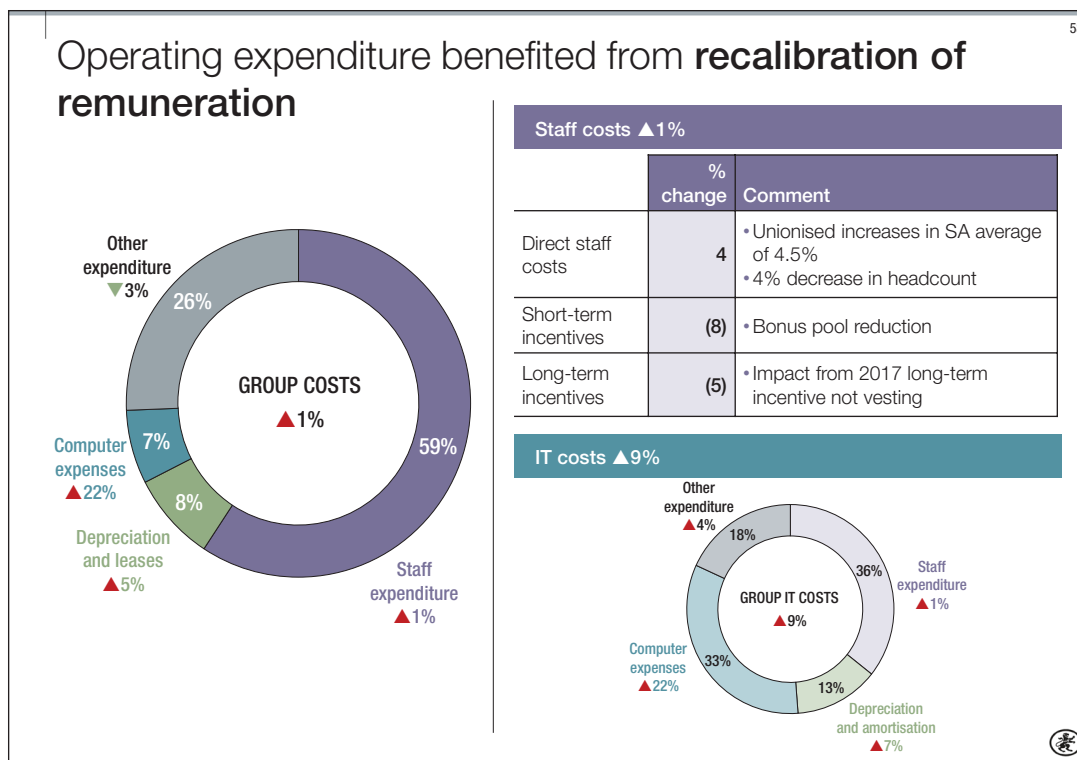
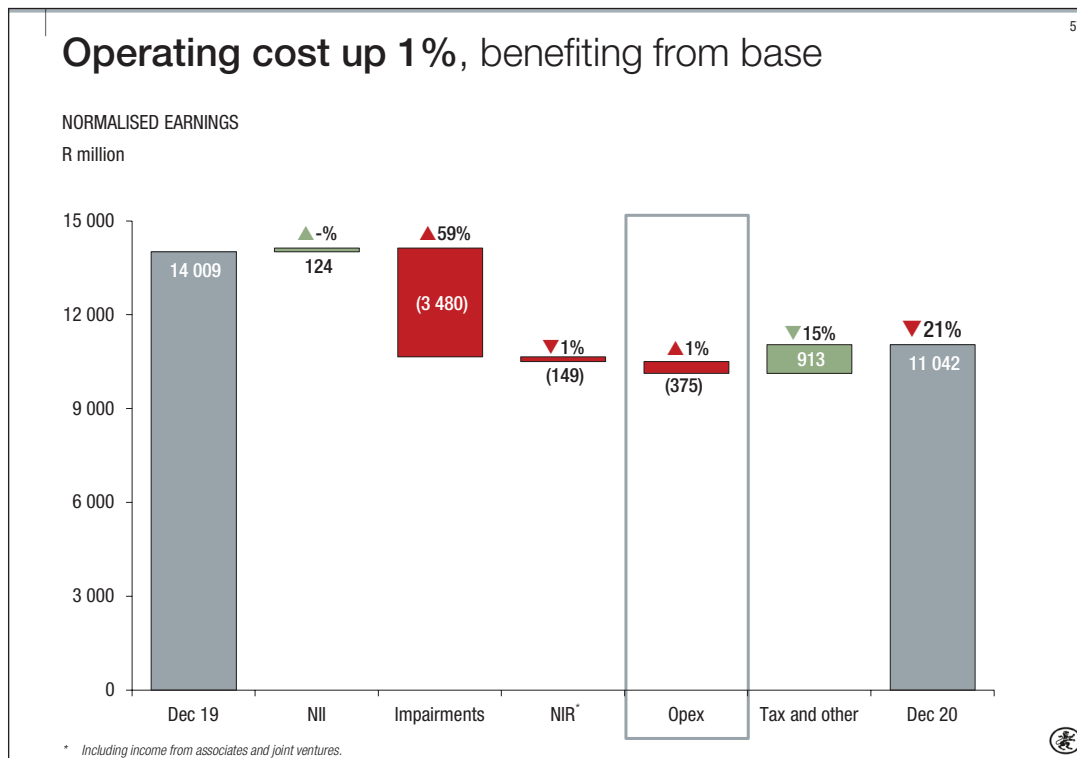
Investment income**



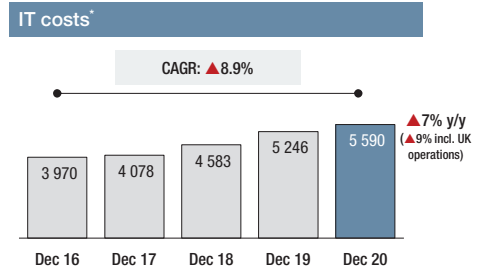
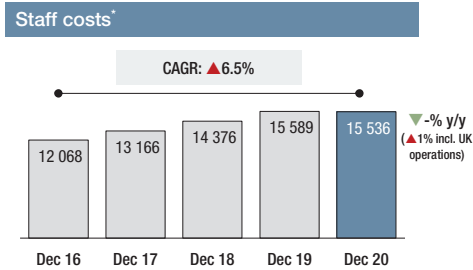
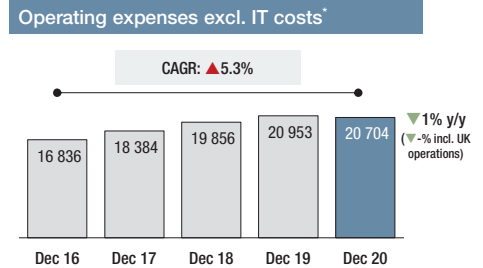
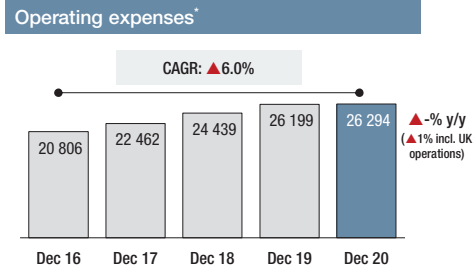
■ Principal investments impairment







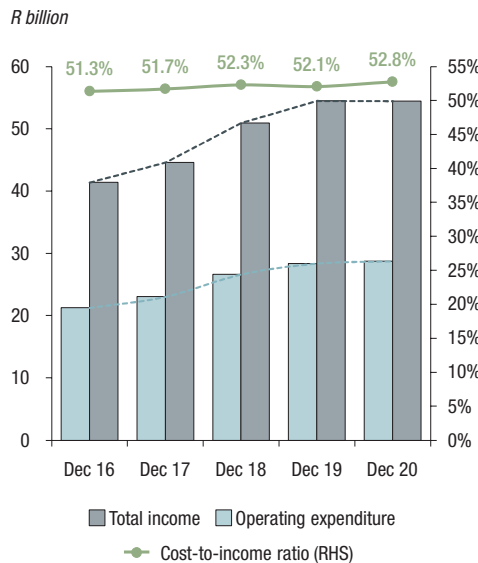
IT costs growing faster than other expenditure



* Excluding UK operations.



The group continues to **work on cost base**, investments in growth strategies impact bottom line



Cost increase of 1%:

- Despite pre-COVID-19 cost efficiencies
- Continued to invest in new initiatives, technology and platforms through the income statement
- Base effect – variable remuneration



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FirstRand

2020

RESULTS PRESENTATION
for the six months ended 31 December


looking ahead

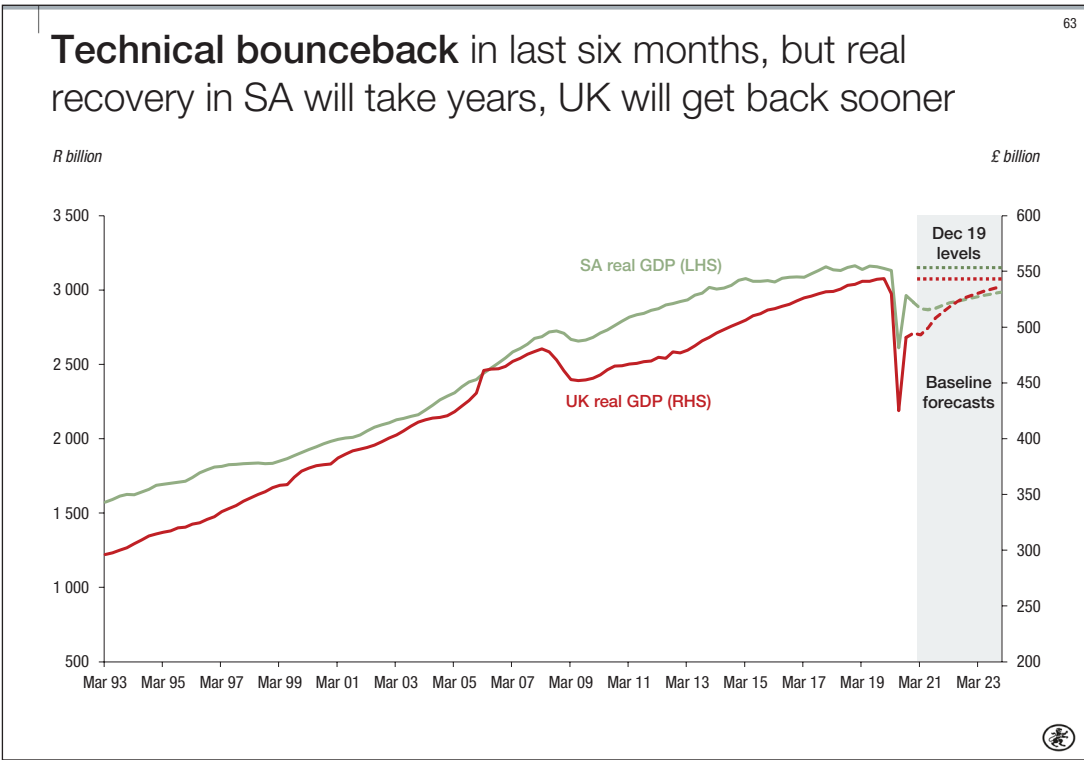


62

Operating environment remains challenging despite rebound

- Risk of a **third wave** and projected timing of **vaccination programme**
- Economy continues to **open up**
 - **Origination levels** expected to remain **muted**
 - **Transactional volumes** expected to **trend back towards pre-pandemic levels** by Q4 of FY21
 - Benefits of improving trend likely to be dampened by **lag effect of rising arrears and NPLs**
- **Better than expected rebound** means group will achieve **positive earnings growth** on June 2020 base
- Absolute H1 earnings **not likely to be repeated** in H2





FirstRand's distinctive proposition

THE GROUP IS:

- A portfolio of multi-branded businesses providing a broad range of financial services
- A market leader in SA with ambitions to achieve leadership in all chosen markets
- Differentiated by a long-standing culture of entrepreneurial thinking

THE GROUP HAS:

- A platform-enabled, integrated strategy – building ecosystems around the needs of customers
- Demonstrated an ability to create long-term, sustainable franchise value through innovation
- A disciplined approach to the allocation of scarce financial resources
- A long-term track record of delivering superior economic profits, returns and dividends to shareholders

Portfolio composition and strategy execution will support earnings and ROE recovery

- Relative size of **transactional franchise**
 - Capital **light**
 - **Digital platform strategy** enables regular interactions, ecosystems and network effects – outcome is growth and efficiencies
 - **Deposit franchise** provides cost of funds advantage
 - **Data insights** – outcome is **contextual customer offerings** and **portfolio insights**
 - **Highly geared to economic recovery** – speedier recovery
- **Balance sheet mix** provides **higher risk-adjusted margins**
- Deeply embedded FRM principles **drive allocation and pricing of financial resources**
 - **Credit underwriting** anchored to **preserve return profile**
 - **ROA**, not gearing, **drives return profile**
- **Unique diversification** strategy
 - As UK recovers, will provide **risk-adjusted ROA uplift**; optionality to grow in large market remains compelling
 - Integrated insurance and investment management businesses diversify and support NIR trajectory



Group has protected its balance sheet

	ACTUAL	TREND
Assets in marketable format	>R490 billion	Increased (improved liquidity)
Liquid assets as % total assets*	25%	Increased (improved liquidity)
LCR and NSFR	LCR: 122% (group), 127% (bank) NSFR: 125% (group), 124% (bank)	The group entered the pandemic in a strong liquidity position, which has been maintained – ratios remain well above regulatory minimums
Credit quality of assets	BB-/B+	Stable
Institutional funding term**	42 months	Increased duration through optimisation
Deposit franchise**	72% core deposit funding	Increased contribution to overall funding (improved liquidity risk profile)
RWA risk density	55.4%	Improved – shift in asset mix, growth in derivative assets and optimisation
CET1 ratio	12.4% (group), 13.5% (bank)	Increased – remains above internal target range and well above regulatory minimums
Standalone bank credit rating	Highest in SA	Maintained

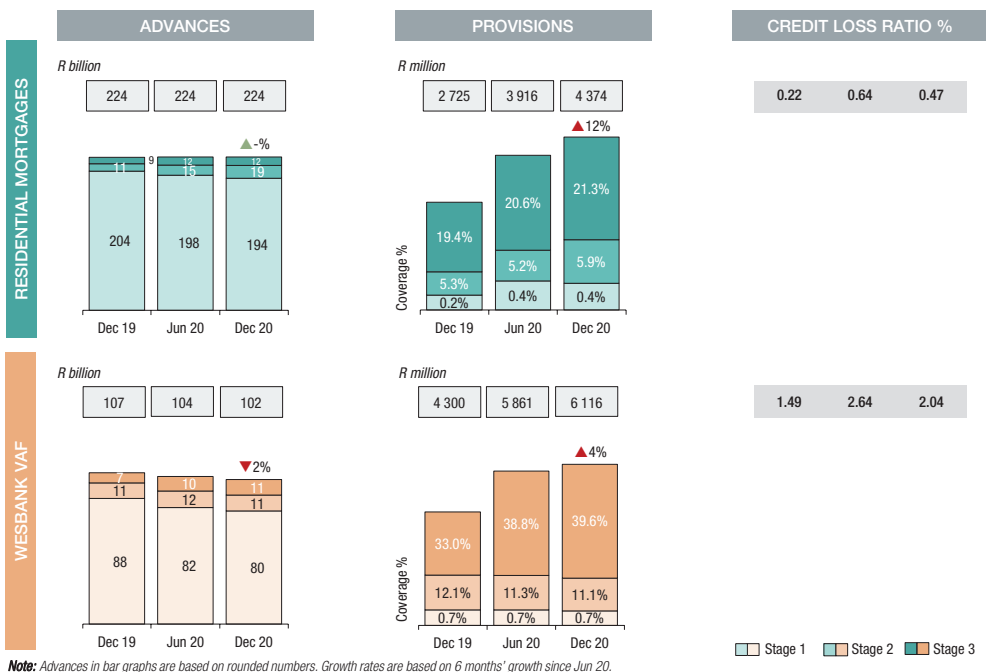
* Reflects internal economic view.

** For South African operations only.



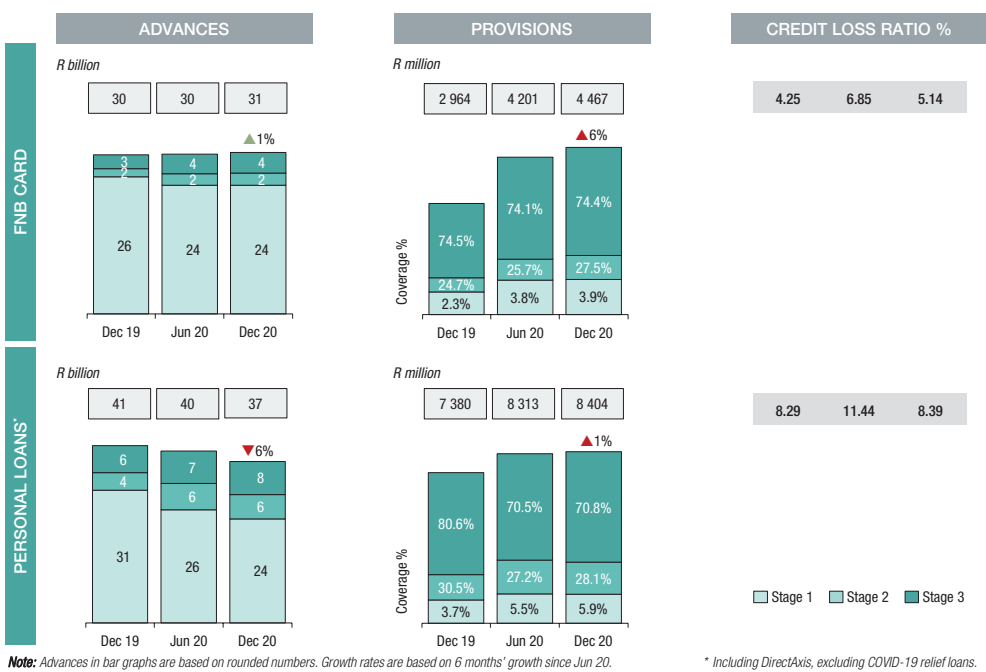
69

Breakdown of advances and provisions



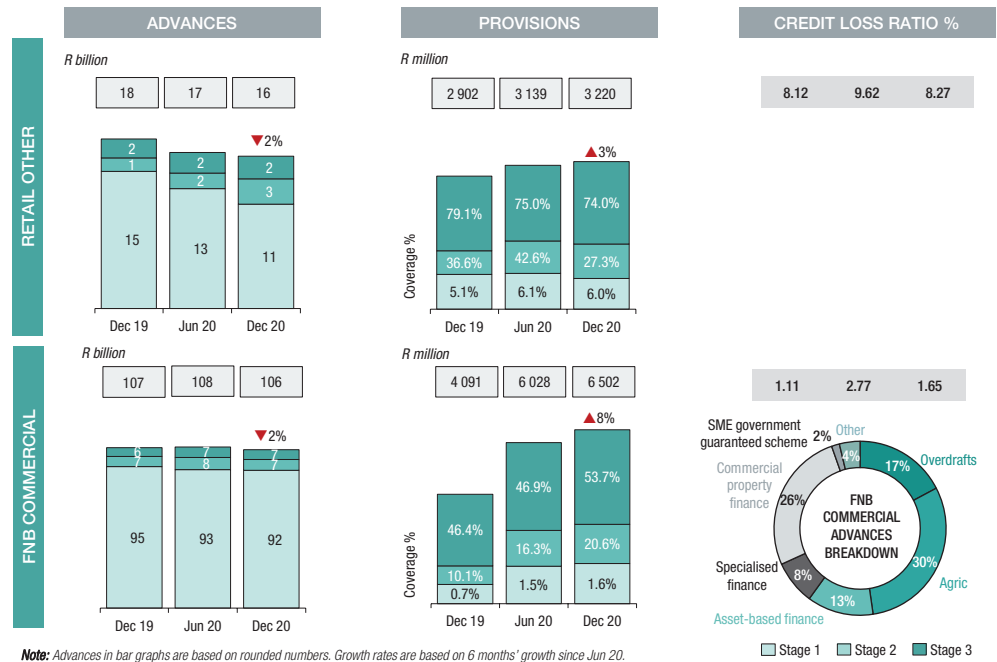
70

Breakdown of advances and provisions



Breakdown of advances and provisions

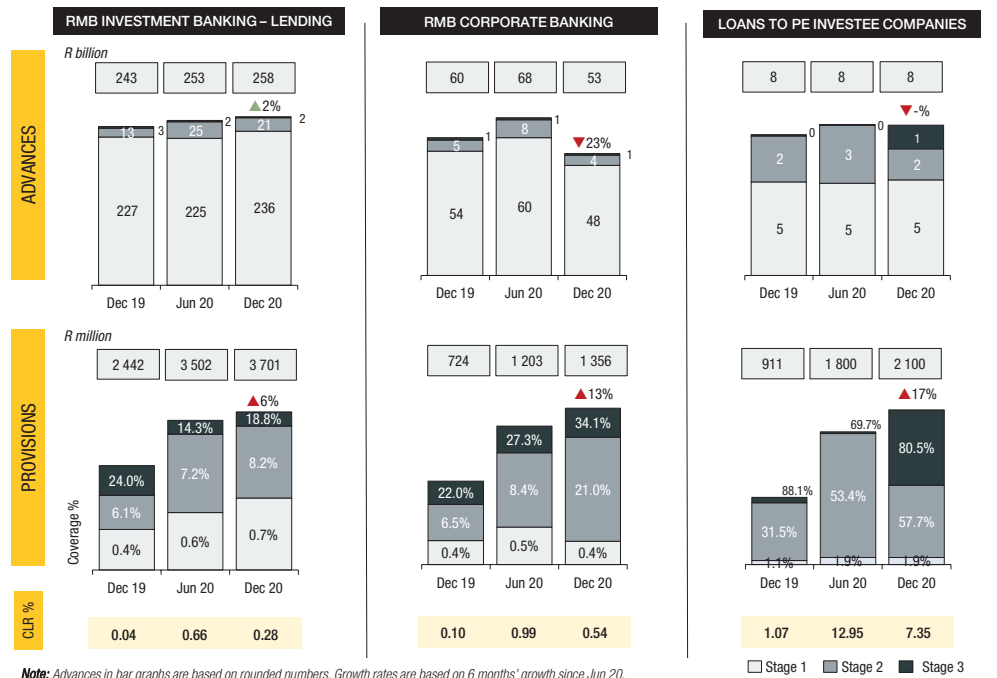
71



Note: Advances in bar graphs are based on rounded numbers. Growth rates are based on 6 months' growth since Jun 20.

Breakdown of advances and provisions

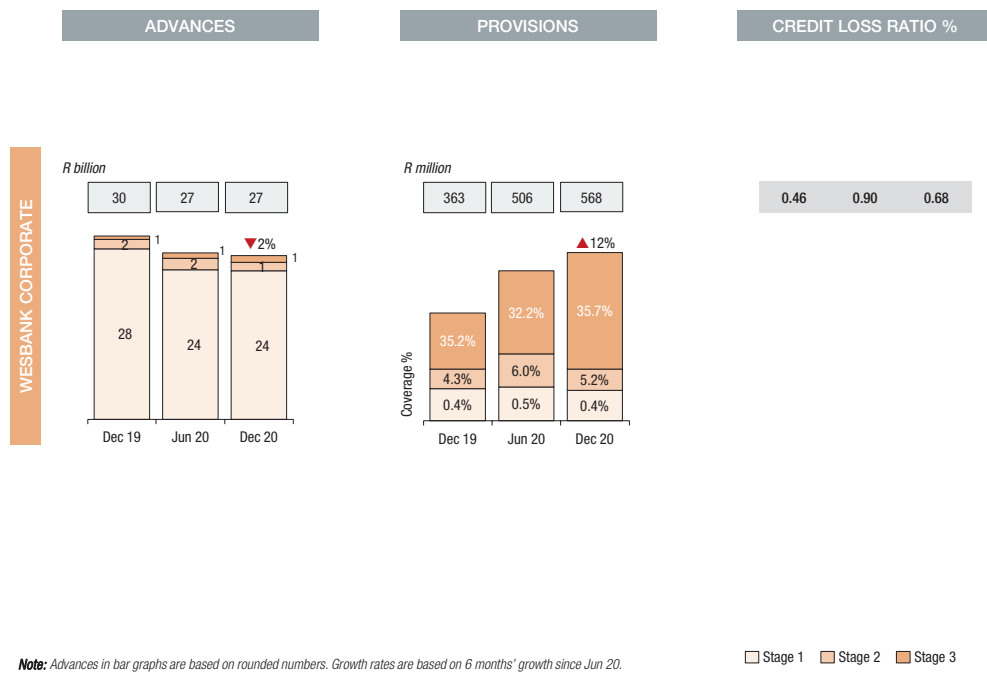
72



Note: Advances in bar graphs are based on rounded numbers. Growth rates are based on 6 months' growth since Jun 20.

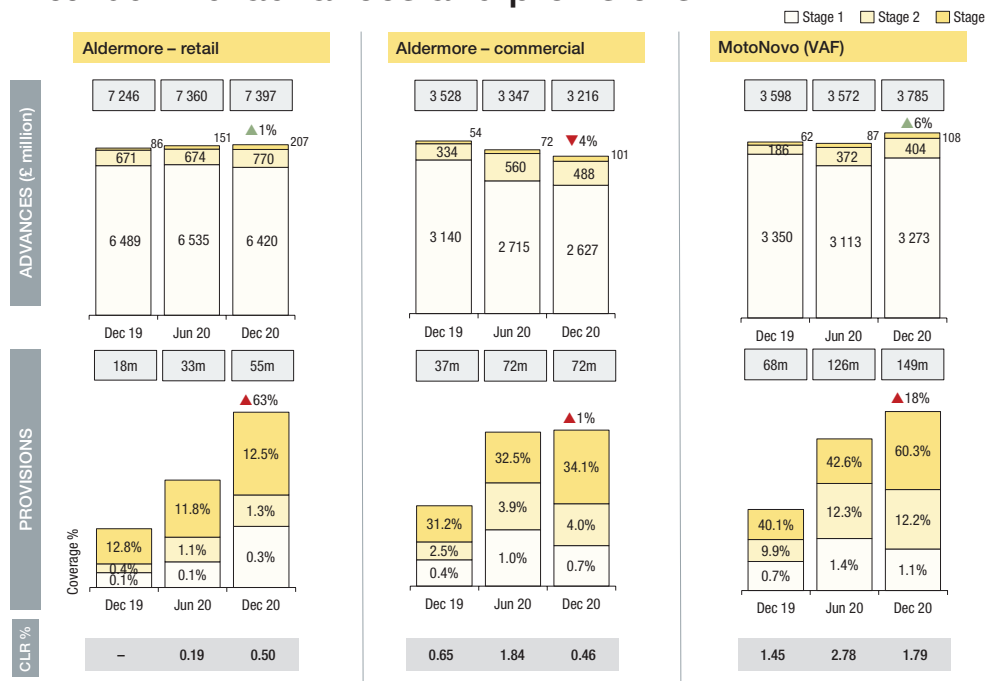
73

Breakdown of advances and provisions



74

Breakdown of advances and provisions



Impairment charge per product per stage

75

IMPAIRMENT CHARGE R million	Stage 1	Stage 2	Stage 3	Total
Retail – secured	(217)	771	1 027	1 581
Residential mortgages	(38)	455	112	529
WesBank VAF	(179)	316	915	1 052
Retail – unsecured	(150)	1 366	2 193	3 409
FNB card	(64)	442	403	781
Personal loans	(63)	805	1 202	1 944
- FNB	(18)	596	1 031	1 609
- COVID-19 relief	(45)	209	171	335
Retail other	(23)	119	588	684
FNB centre	620	-	-	620
Total retail	253	2 137	3 220	5 610
Commercial	(343)	730	588	975
Corporate	297	225	298	820
Rest of Africa	68	373	310	751
FCC (including GTSY)	22	5	(6)	21
Total excluding UK operations	297	3 470	4 410	8 177
UK operations	(130)	231	1 136	1 237
Total including UK operations	167	3 701	5 546	9 414



Drivers of FCC year-on-year performance

76

	Year-on-year movement (R million)
Funds transfer pricing and liquidity	200
Capital negative endowment	(678)
Tanzania exit	(187)
Write-down in certain sovereign bond exposures in the rest of Africa portfolio	(100)
Rest of Africa GTSY*	(153)
CSI payment reduction	95
Lower operating expenses, issuance fees, investment in platforms, write-downs	94

* FNB Botswana: reduced interest and lower asset repricing quicker than liabilities (R85m), FNB Namibia: interest rate mismatch and lower interest rates (R44m), FNB Mozambique: reduced investment in treasury bills due to lower interest yield (R39m), FNB Nigeria: translation loss due to dividend not paid in cash (R44m), First National Bank Ghana: interest income on short-dated government bonds (+R44m).



Aldermore acquisition: **value-accretive** in pound and rand terms

77

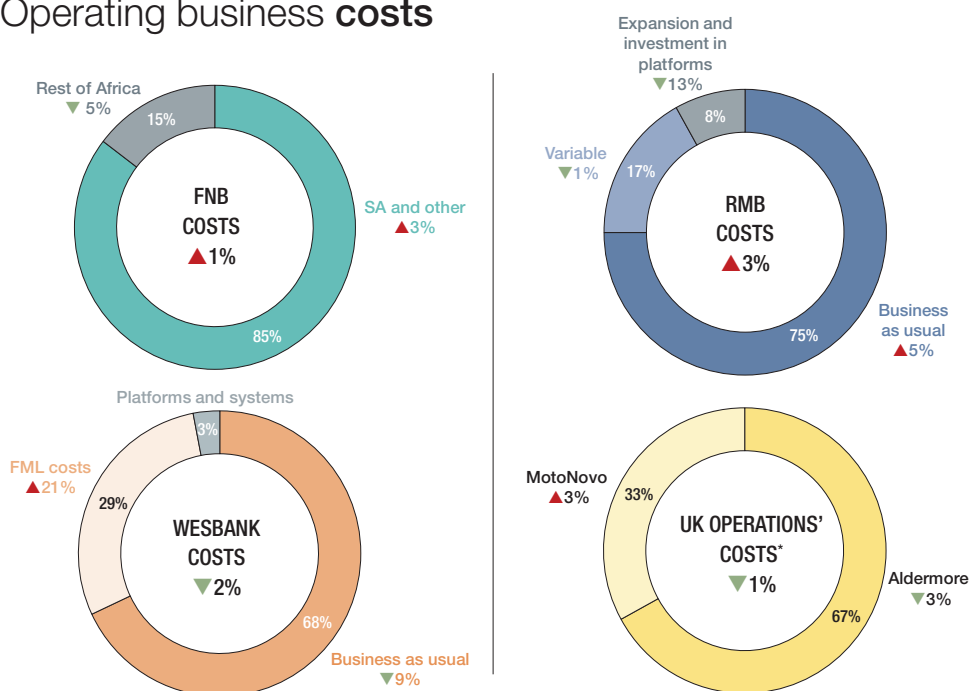
	£ million	R million (rand equivalent)
Investment at acquisition (March 2018) @ spot rate (£1 = R16.68)	1 098	18 311
Aldermore excluding MotoNovo: three-month earnings 2018	16	
June 2018 adjusted NAV @ spot rate (£1 = R18.18)	1 114	20 253
Aldermore excluding MotoNovo: annual earnings 2019	95	
June 2019 adjusted NAV @ spot rate (£1 = R17.98)	1 209	21 738
Aldermore excluding MotoNovo: annual earnings 2020	52	
June 2020 adjusted NAV @ spot rate (£1 = R21.43)	1 261	27 023
Aldermore excluding MotoNovo: six-month earnings December 2020	37	
December 2020 adjusted NAV @ spot rate (£1 = R20.06)	1 298	26 038
Aldermore excluding MotoNovo return on investment over 33 months	18.2%	42.2%
Compound annual growth rate (CAGR)	6.3%	13.7%

FirstRand excess capital could have been invested at 3-month JIBAR: 7.11% (2018), 7.06% (2019), 6.51% (2020) and 3.67% (December 2020)

A

Operating business costs

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* UK operations' costs in pounds.



FNB accolades





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