Proposed Aldermore acquisition

Investor presentation, 6 November 2017

FIRSTRAND

Group strategic framework

FirstRand's aims to create long-term franchise value, ensure sustainable and superior returns for shareholders within acceptable levels of volatility and maintain balance sheet strength

DELIVERED THROUGH CURRENT STRATEGIES:

- Protect and grow banking franchises
- INCREASE DIVERSIFICATION – ACTIVITY AND GEOGRAPHY
  - Broaden financial services offering
  - Portfolio approach to the rest of Africa
  - Build a sustainable developed markets business

SUCCESS LIES IN EXECUTING ON THE FOLLOWING:

- Disciplined allocation of financial resources
- Create a platform- and franchise-neutral business model
- Drive efficiencies and manage cost base
- Cross-franchise collaboration
- Build organisational structures and develop diverse talent pools to enable execution

UK – building blocks for a sustainable business

- MotoNovo currently undiversified from a product and market perspective
  - Meaningful market share in financing second hand vehicles
  - Organically building more diversified product set (personal loans and insurance)

- Acquisition of Aldermore would accelerate diversification process
  - Strength of Aldermore's position in SME, mortgage and savings markets

- Will explore growth opportunities for Aldermore under FirstRand's ownership

- Once integrated into Aldermore, MotoNovo will be supported by Aldermore's funding platform which can be further scaled – a more sustainable funding model for MotoNovo

More appropriate hard-currency funding for FirstRand

Capacity limited to 10% of domestic balance sheet – substantial portion used to fund MNF

→ Will become available to SA and rest of Africa CCIB client franchises and transactions

SA sovereign rating is sub-investment grade

→ Resultant funding costs uncompetitive in UK market

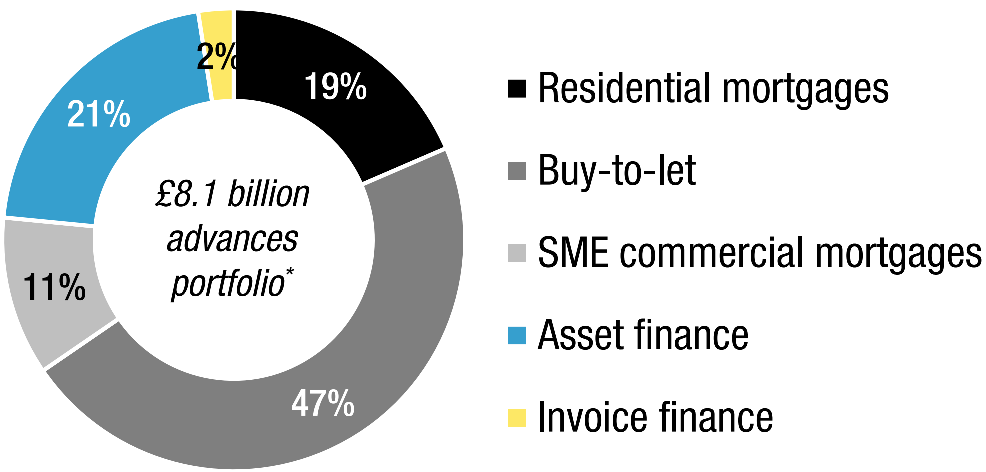
Exercised discipline

- Must not impact ability to maintain communicated dividend strategy
- Capital position post transaction remains robust
  - CET 1 ratio > 11%
- Maintain counterparty status
- Manageable goodwill impact
- No material impact on ROE
- Stress analysis outcome must be acceptable

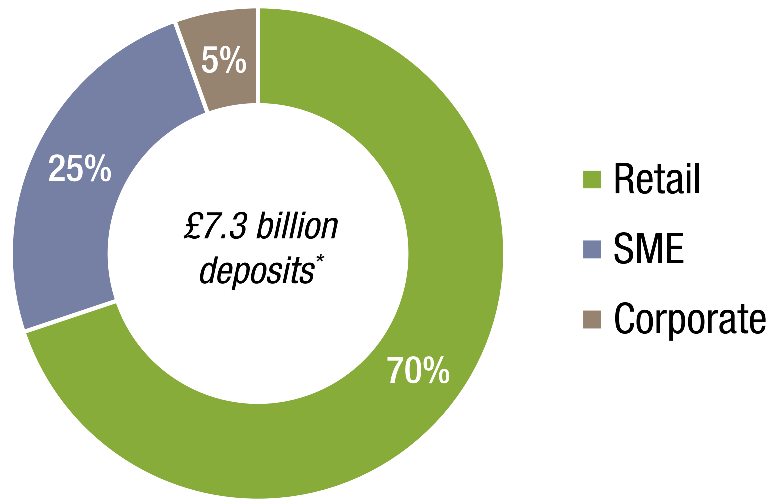
What does Aldermore bring to FirstRand?

A positive next step in strategy to build a more diversified, sustainable UK franchise

Specialist lender with diversified lending book to retail and SME customers



Well-regarded client deposit franchise



Ticks immediate boxes for diversification and funding for MotoNovo

* At 30 June 2017.

Why is it attractive to FirstRand?

- Highly regarded management team
- Owner-manager CEO running the business
- Brings UK banking licence
- Operationally well structured
- Deposit franchise that is easily scalable
- Profitable business with good returns
- Scope for FirstRand to add value

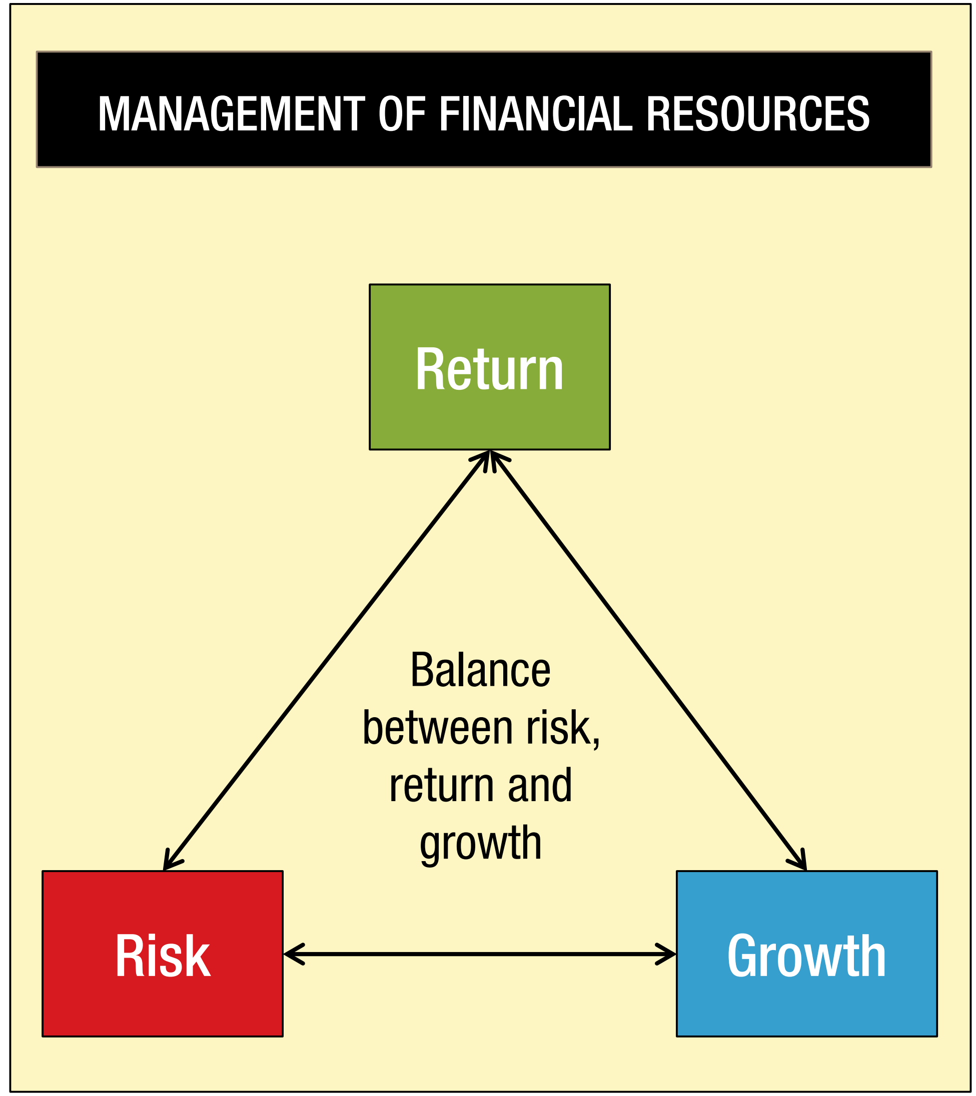
How will FirstRand add value?

SHORT TERM:

- Significant value can be unlocked through FRM strategies
  - Align to performance management framework, introduce NIACC
  - Funds transfer pricing
  - Align to risk/reward framework to optimise balance sheet and asset mix

MEDIUM TO LONG TERM:

- Potential to disrupt SME sector with transactional offering
- Cross-sell opportunities between MotoNovo and Aldermore
- Broaden financial services



What the group's portfolio will look like

LISTED HOLDING COMPANY (FIRSTRAND LIMITED, JSE: FSR)

- FNB – Retail and commercial banking, insurance
- RMB – Corporate and investment banking
- WesBank – Instalment finance
- Ashburton Investments – Asset management
- Aldermore – UK banking business
  - MotoNovo Finance
- FCC – Group-wide functions

Aldermore will operate within all group frameworks and governance structures

Execution through operating franchises

FNB First National Bank

RMB

WesBank

ASHBURTON INVESTMENTS

Aldermore

FIRSTRAND STRATCO

STRATEGIC FRAMEWORK

PERFORMANCE MANAGEMENT FRAMEWORK

RISK MANAGEMENT FRAMEWORK

FINANCIAL RESOURCE MANAGEMENT FRAMEWORK

CULTURE AND VALUES

Pro forma impact on FirstRand

- Assumptions
  - Acquisition completed on 1 July 2016 for purposes of calculating normalised earnings and normalised earnings per share
  - Acquisition completed on 30 June 2017 for the purposes of calculation net asset value, net asset value per share, tangible net asset value and tangible net asset value per share
  - Internal resource opportunity cost of an effective 7% per annum (constant) less taxation of 28% in calculating *pro forma* financial effects
- Pro forma impact – 30 June 2017
  - Normalised earnings:
    - As reported: R24 471 million
    - Post acquisition: R24 953 million
  - CET1 ratio:
    - As reported: 14.3%
    - Post acquisition: 11.7%

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FUNDING OF INVESTMENT

Funding principles and philosophy

The group has enough **internal cash resources** to make the acquisition

- Excess liquidity in terms of regulations
- Excess CET1 of **R19 billion**

FirstRand principles provided a conservative overlay:

- **Goodwill** backed by **CET1**
- **NAV** backed with **excess liquidity**
- Ensure a **funding and liquidity** profile that is **acceptable** to the group

"In making this offer, FirstRand carefully considered how current and potential macroeconomic future scenarios in the UK could impact the broader business. We are very comfortable that the financial impact of this transaction is supportive of FirstRand's previous guidance to shareholders on growth, returns, capital position and dividend policy."

~Johan Burger, CEO: FirstRand