

Current operating outlook

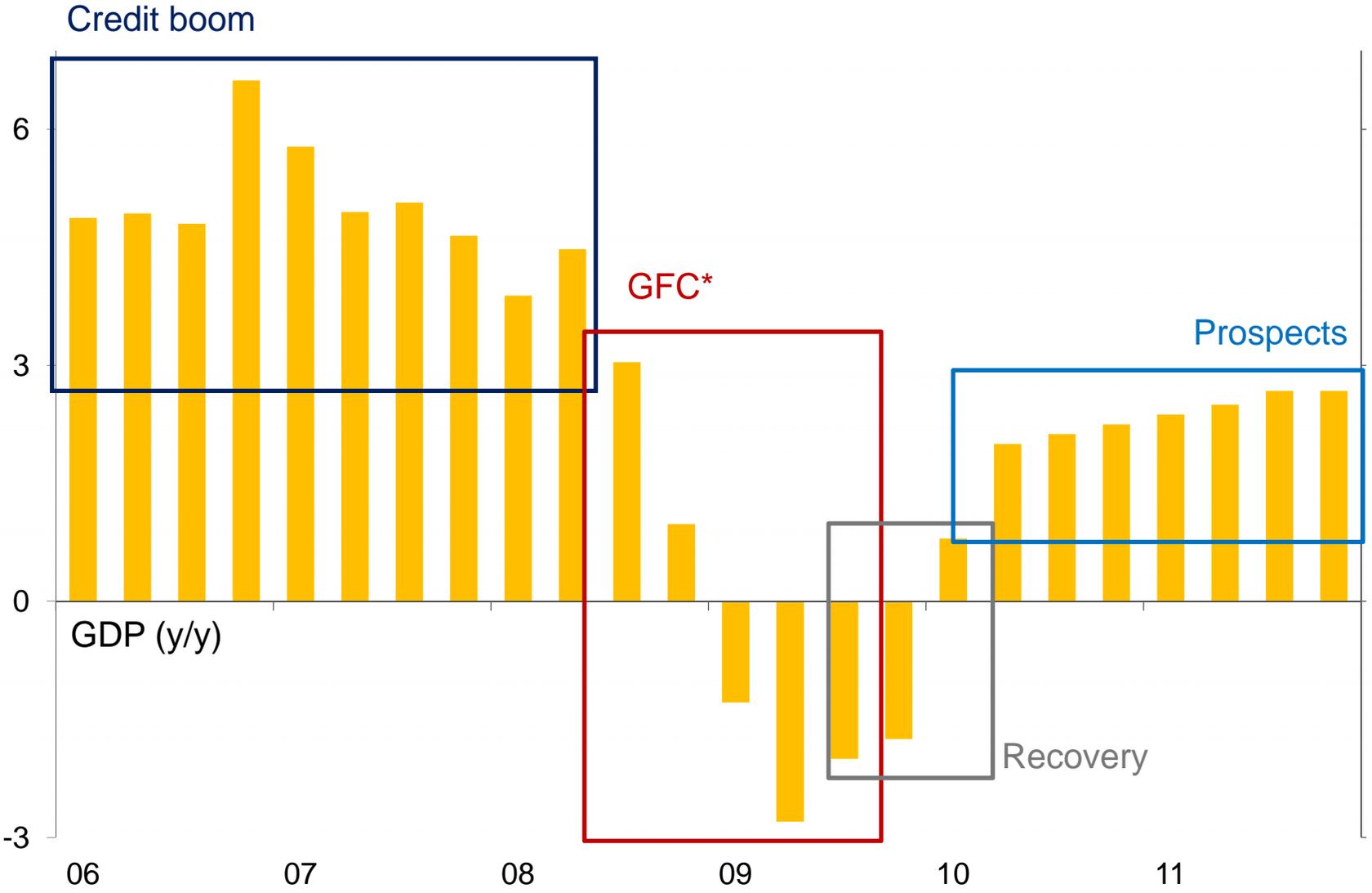


FIRSTRAND

Sizwe Nxasana - CEO

FirstRand Limited AGM 2009

Sub-trend recovery on the cards



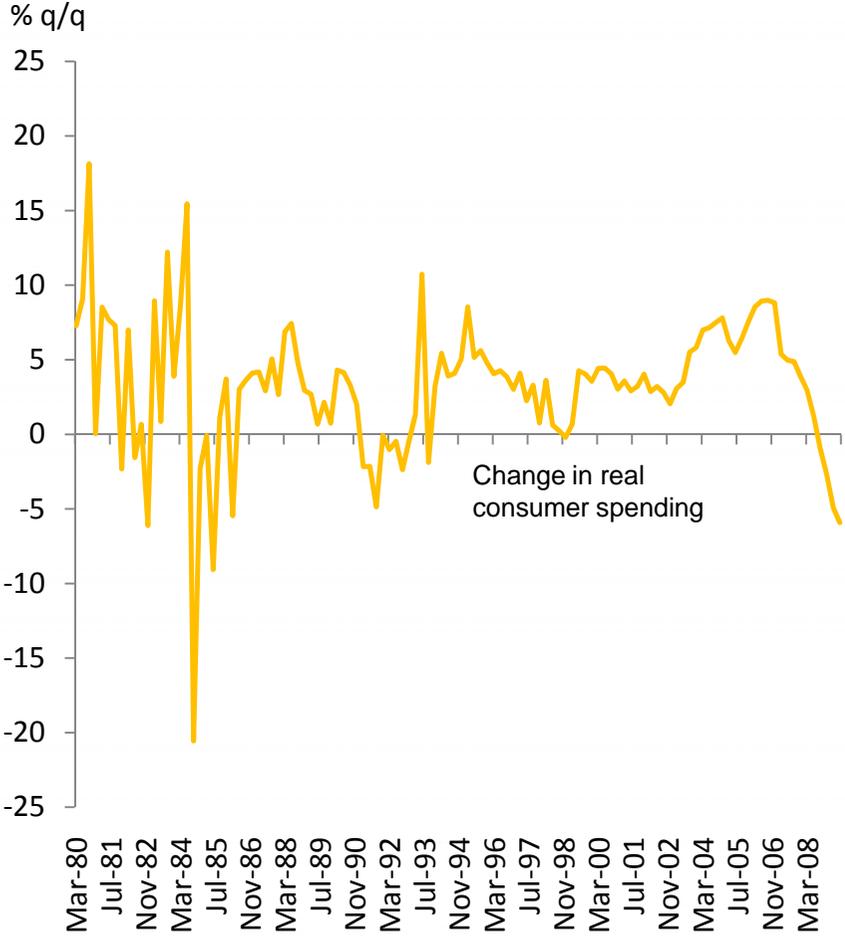
* Global financial crisis



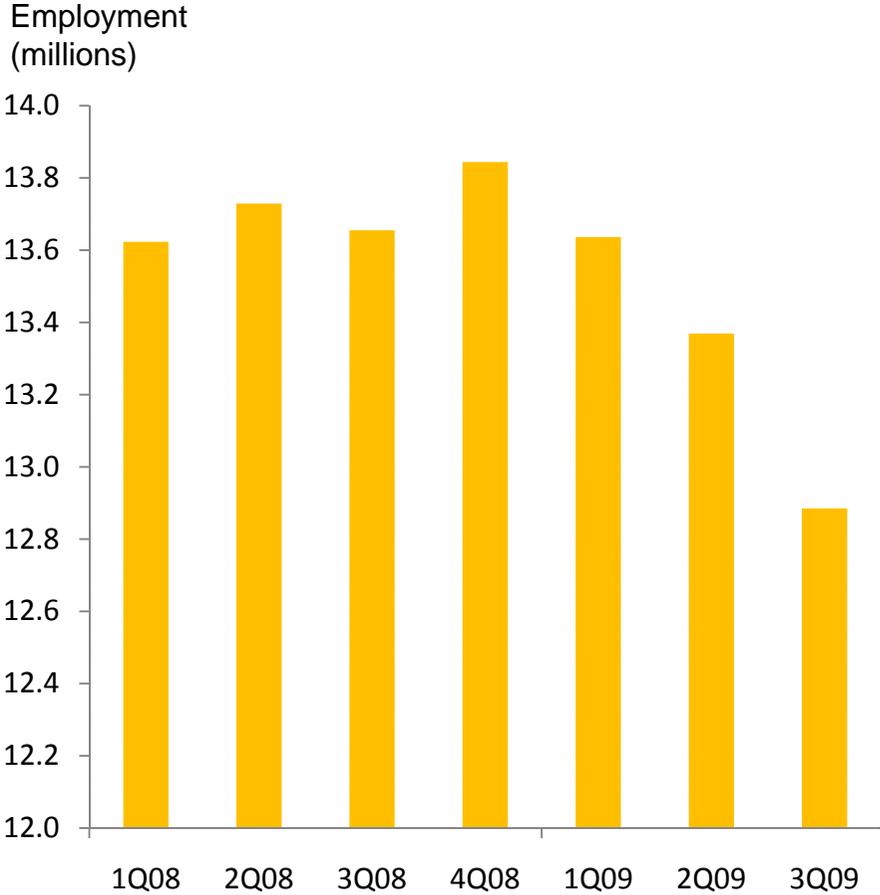
2009

Economy still in a tough spot

Consumer still struggling



A million jobs lost



Consumer needs to de-leverage



Source: SARB and FirstRand estimation

Muted economic growth – implications for banks

- Subdued credit and transactional growth
 - Slow economic recovery
 - Consumer remains under pressure
 - Cycle not yet peaked in corporate and commercial
 - Asset prices will remain low
- Reduction in risk cost given monetary policy (500 bps reduction in interest rates)
 - However unwind will be slower than previous cycles
 - Expected bad debt charge to June 2010 is 140 -150 bps (2009 -181 bps)

Unwind in risk costs will lead to short term recovery in earnings



In summary – FirstRand's growth driven by

- The short term recovery story
 - Unwind of the cycle will positively impact earnings to 2011
- Longer term
 - Delivery on domestic and international strategy
 - The group has the appropriate platform in South Africa
 - Internationally the focus is in markets where there is a real competitive advantage
- Sustainable and less volatile earnings underpinned by
 - Healthy balance between client franchise and risk
 - Optimally structured portfolio
- Sustainable ROE underpinned by
 - Disciplined pricing for credit
 - Limited impact of increased Tier 1 levels



FirstRand's refocused strategy (South Africa)

- Group's portfolio already has
 - Diverse revenue streams
 - Strong operating franchises
 - Asset origination and distribution capabilities
 - Building blocks for access to profit pools in financial services SA
 - Increase organic growth opportunities that currently exist between franchises
 - Expand into other profit pools in financial services



Re-focused international strategy

- Operate in markets that strengthen the Group's position as a leading African financial services group
- Focus on Africa and key African-Asian corridors
- In the medium to long term consider expanding into selected markets on the other side of trade corridors where a competitive advantage exists
- Utilise the London branch & Middle East presence as sources of capital, funding and deal origination

