



# FirstRand Wealth Segment



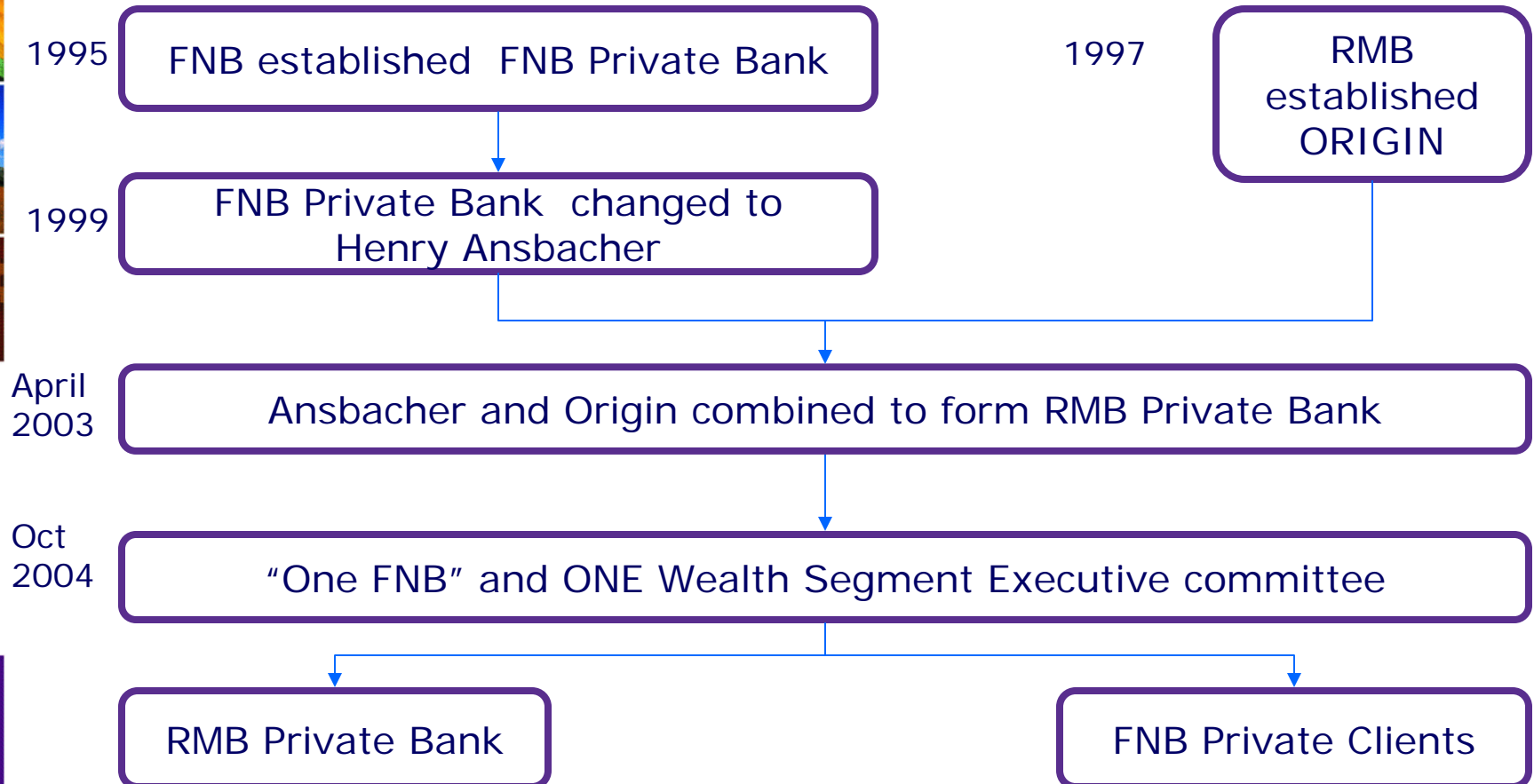
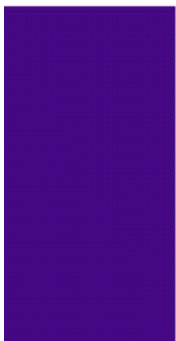
FIRSTRAND



# History



integrated



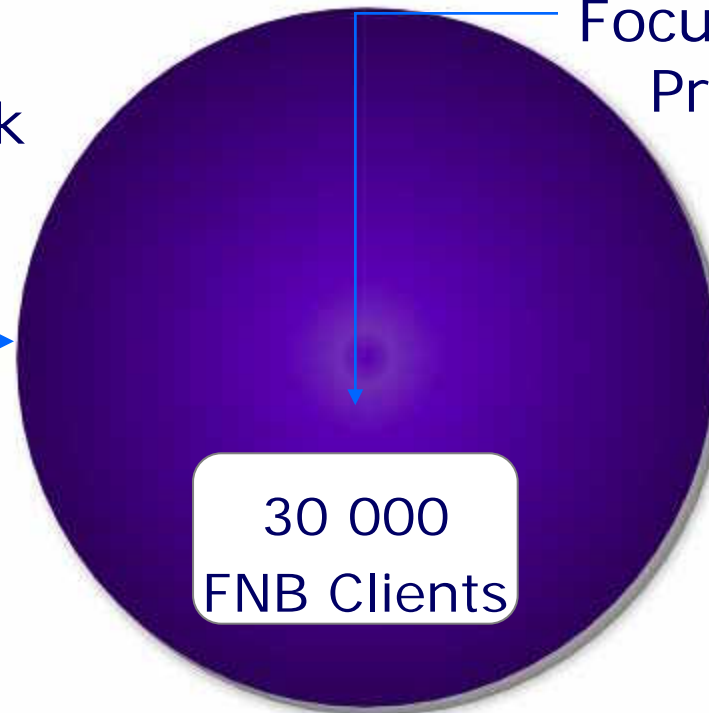


# FirstRand's positioning



Focus of RMB  
Private Bank

Focus of FNB  
Private Clients



integrated

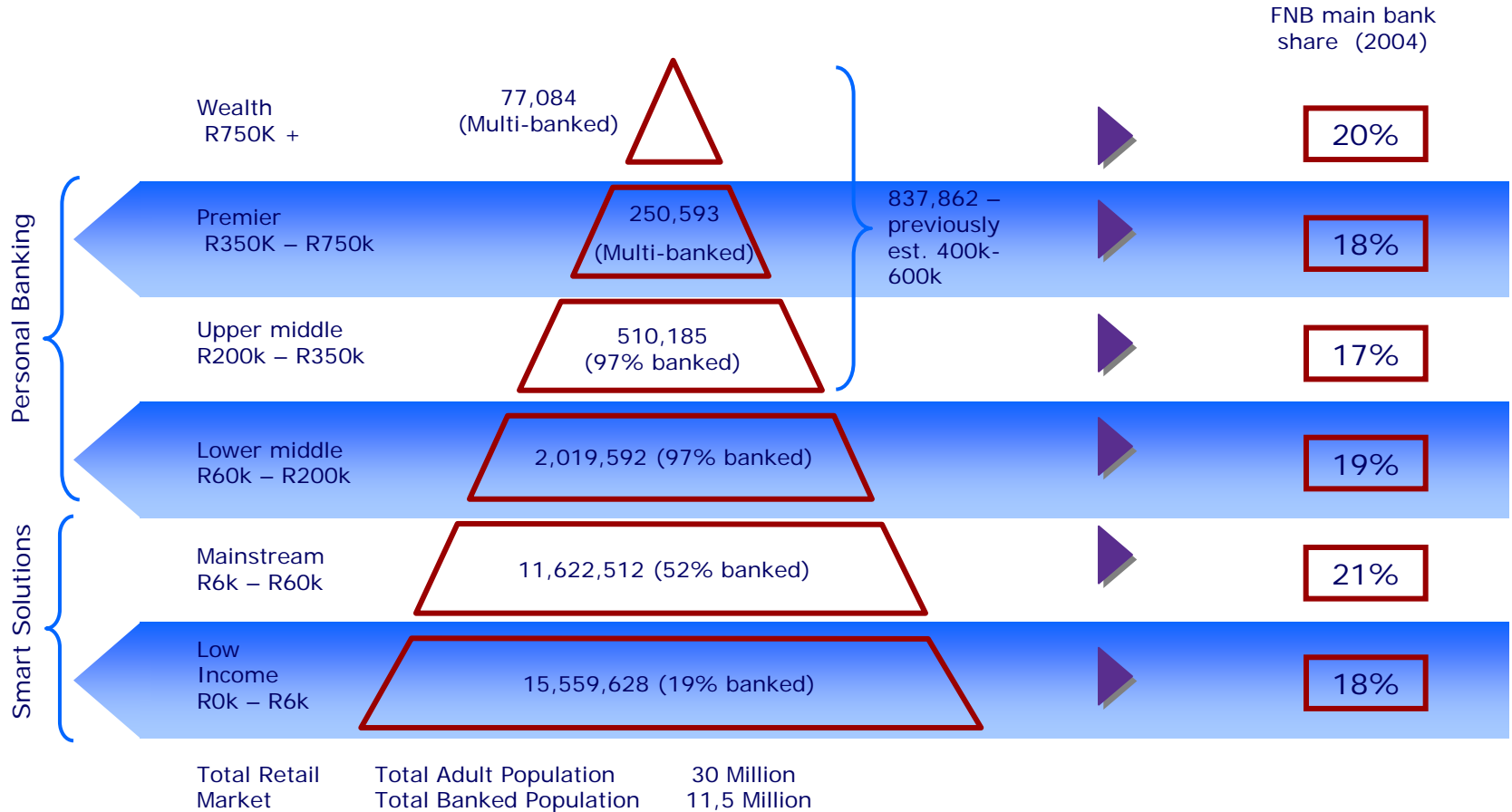
Portfolio of brands enables niche focus.



# The segment in context



integrated



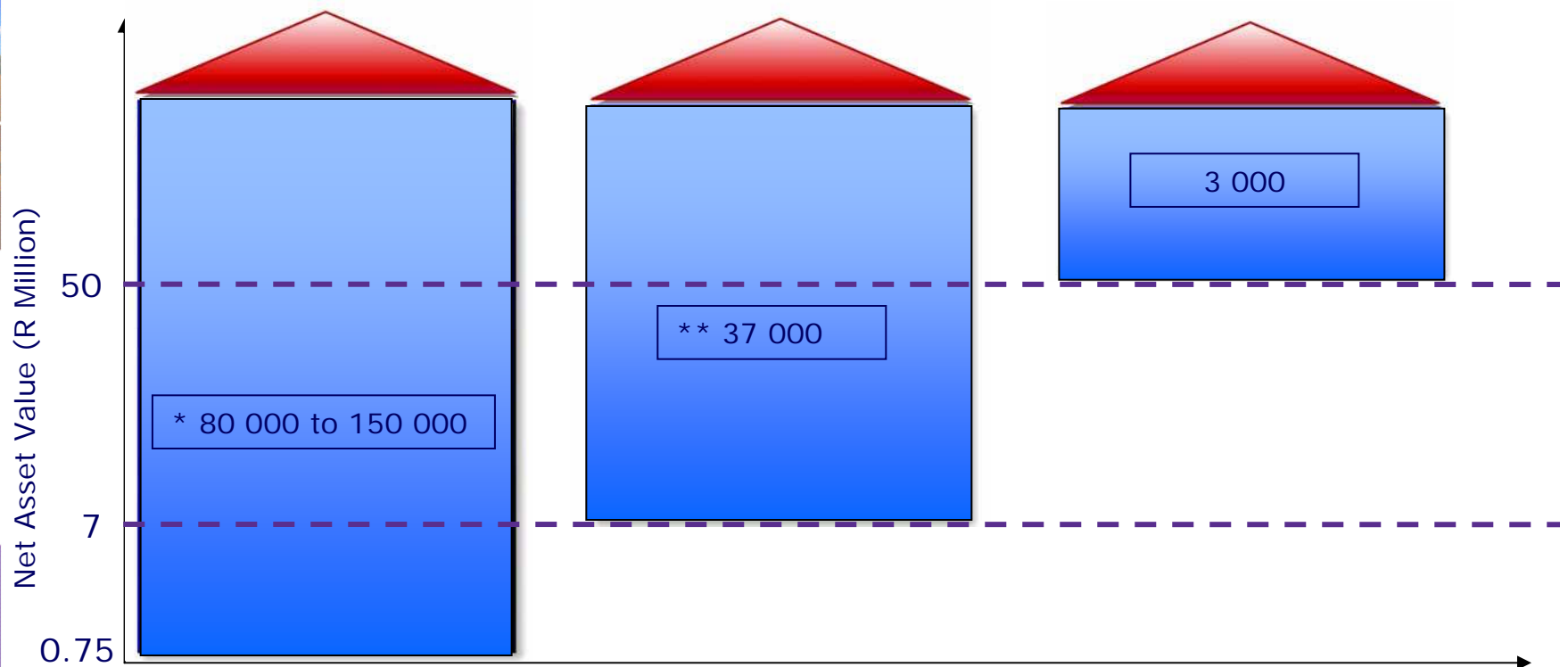
Source: AMPS 2002a - 2004, Market Tracker November 2004



# Total segment - client numbers



integrated



\* Source: AMPS 2002 a – 2004, Market Tracker November 2004

\*\* 2005 Cap Gemini and Merrill Lynch World Wealth Report

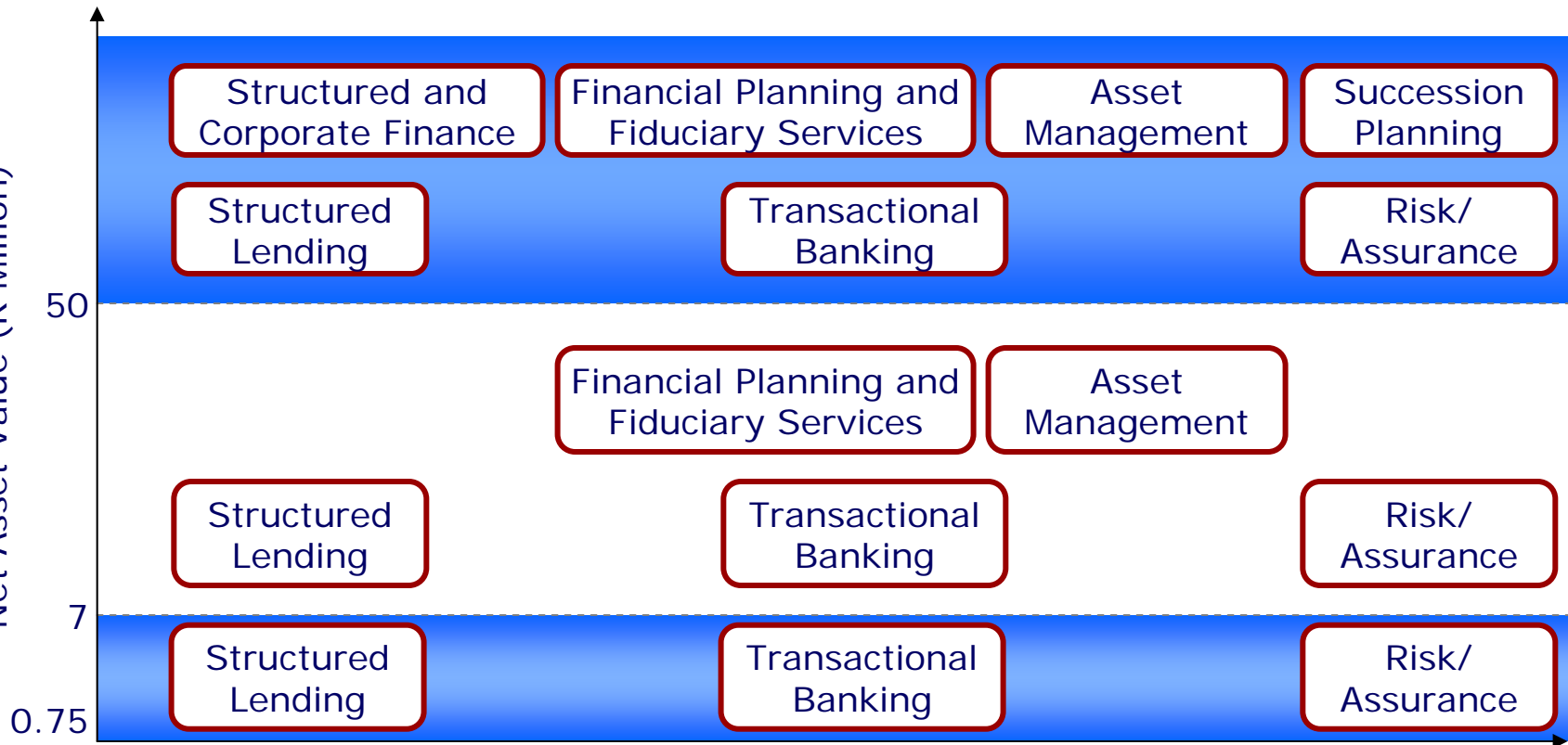


# Total segment - product usage



integrated

Net Asset Value (R Million)

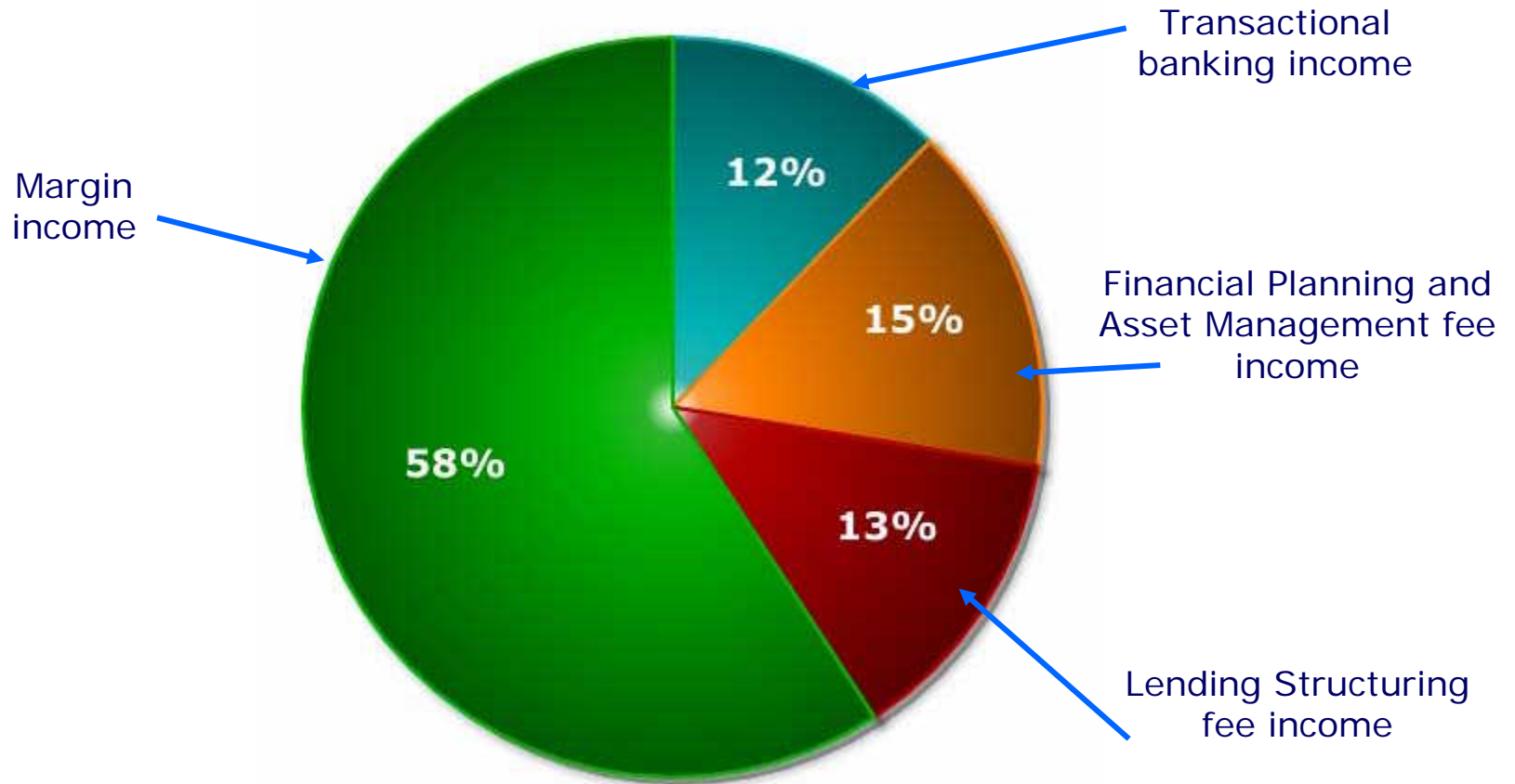
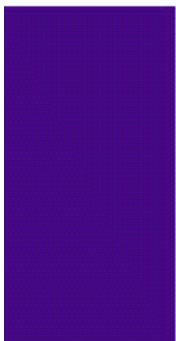




# Total segment - revenue distribution



integrated

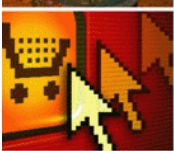


Based on RMB Private Bank actuals

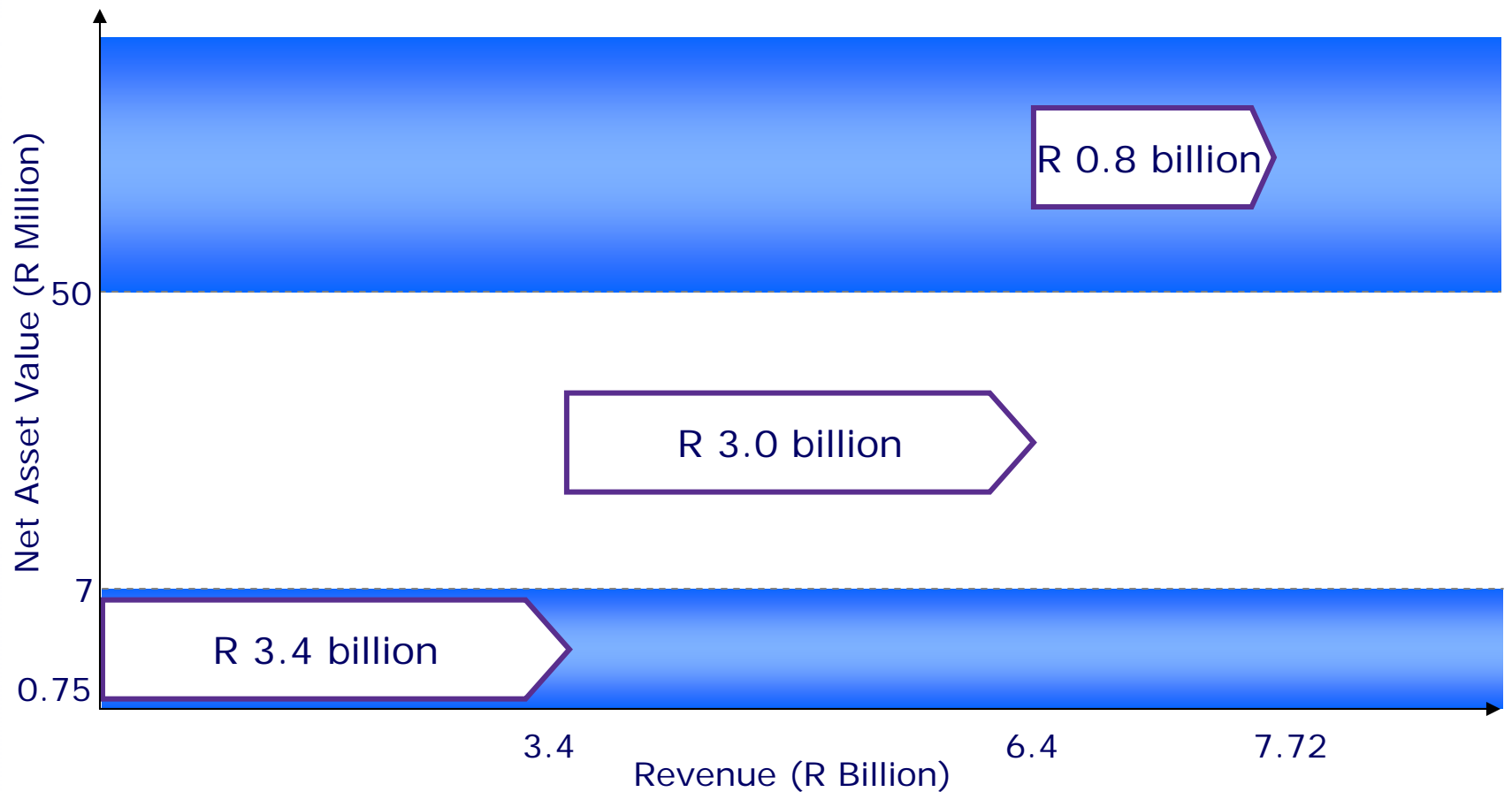




# Total segment - revenue potential



integrated







# Competitive landscape



integrated

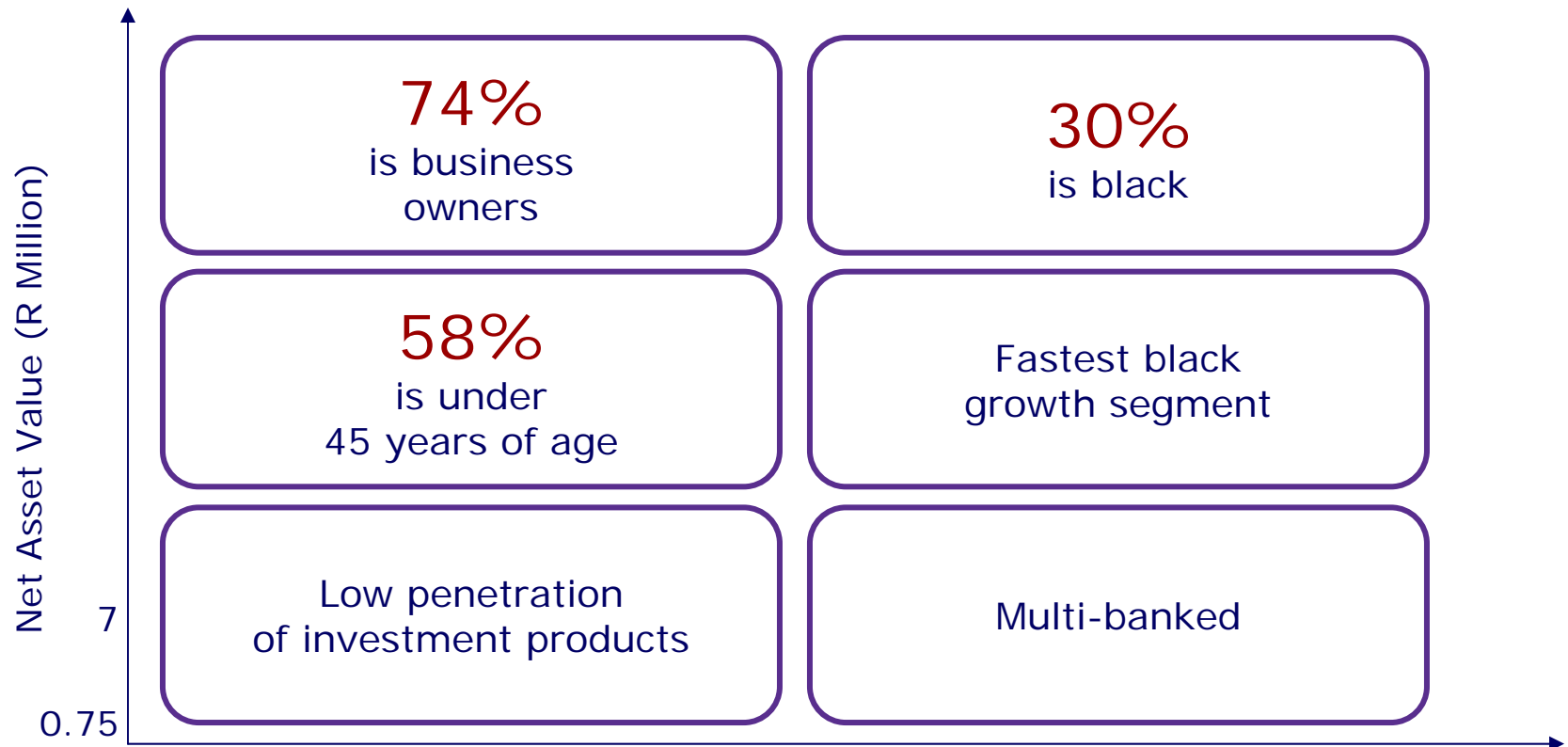
Net Asset Value (R Million)





integrated

# Other insights





integrated

# The key issues

- Client numbers are small and clients are multi-banked.
- Fierce competition.
- Biggest revenue potential is in lending and combined financial planning and asset management.
- Most clients are business owners.
- It is the fastest growing black sector.



integrated

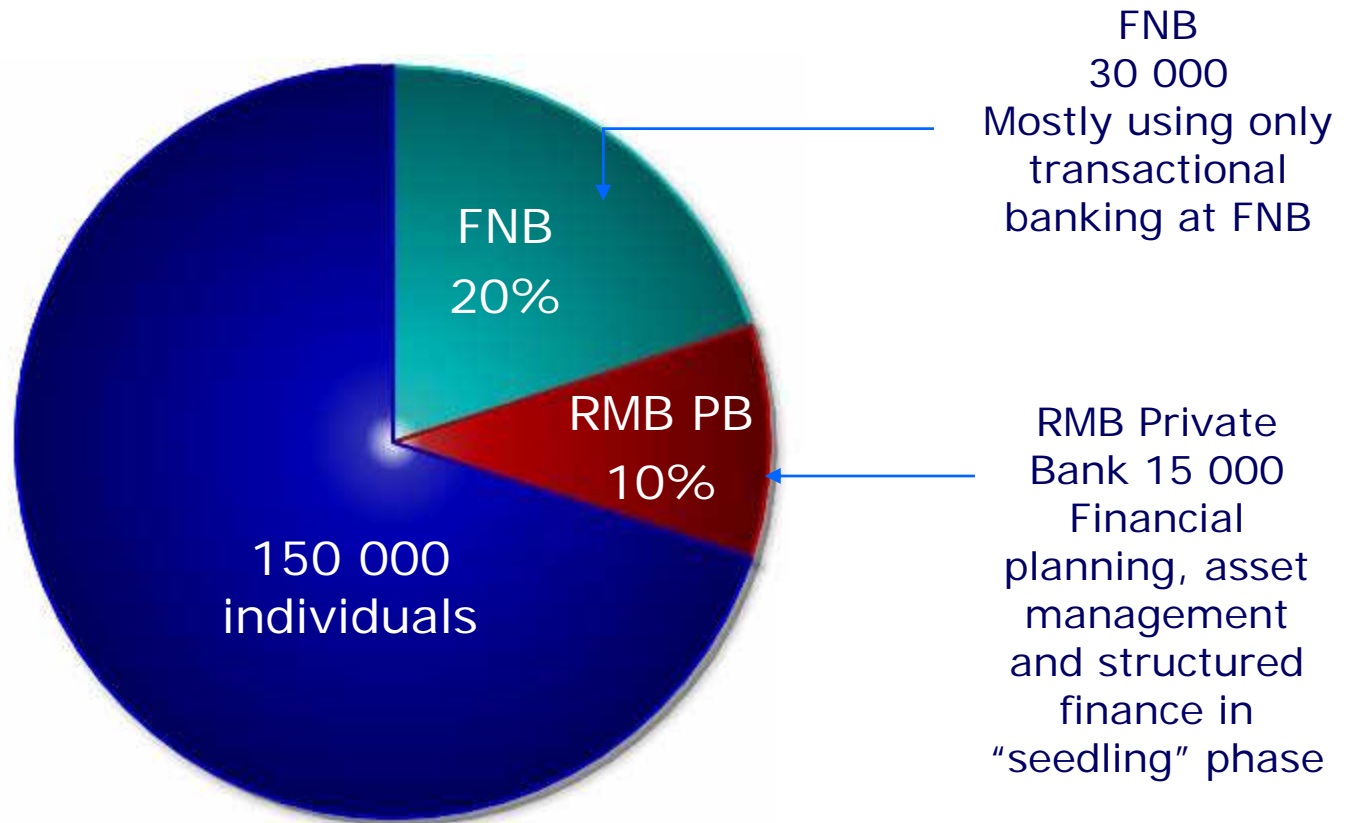
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integrated

# FirstRand – customer base



FirstRand's base provides huge opportunity



integrated

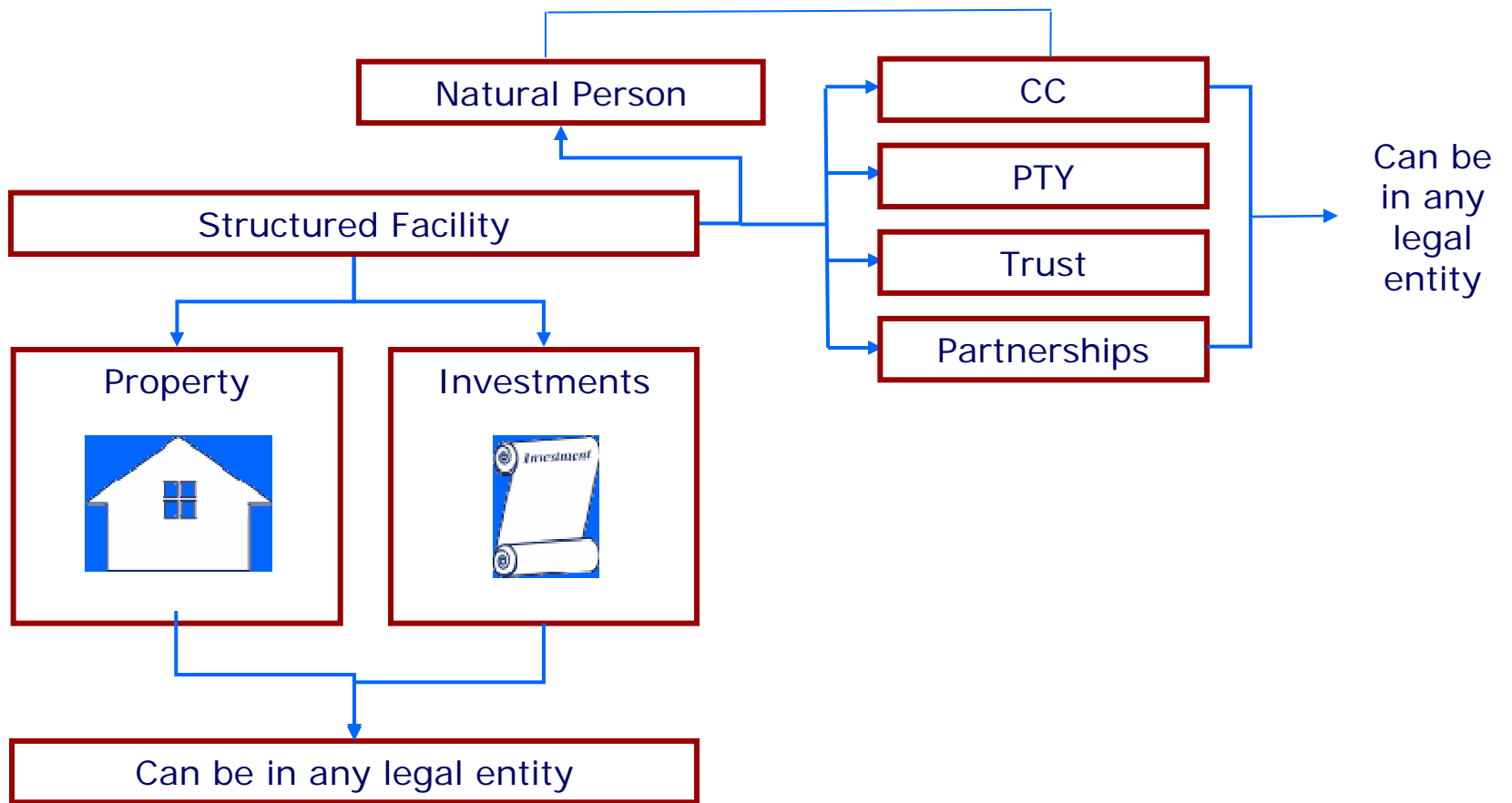
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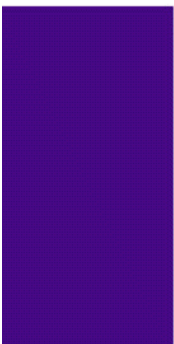
# RMB Private Bank – leader in structured lending



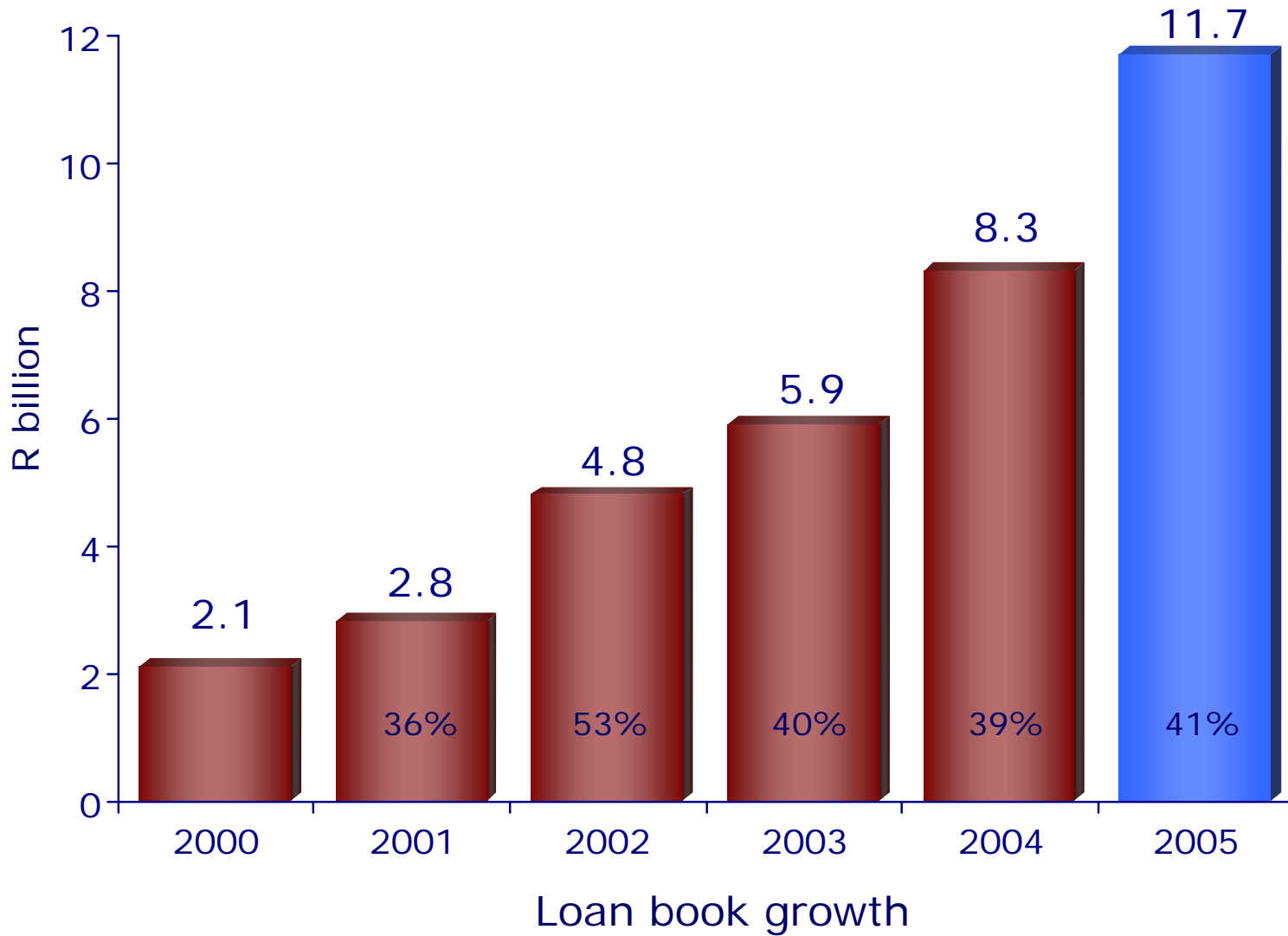




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# Strong growth in advances





# RMB Private Bank - leader in wealth management



<b>Advice</b>	Estate planning		Cash flow analysis	Investment planning		
	Tax structure			Income Portfolio	Defensive portfolio	Growth portfolio
	Succession planning		Disciplined Investment approach	Asset Allocation *All asset classes		
	Product comparison					
	Global					

**Client needs fulfilled**

- My wealth is preserved
- My wealth is growing
- My ability to grow my wealth is protected



My wealth will be correctly distributed

My dependants are protected

I am informed of investment opportunities

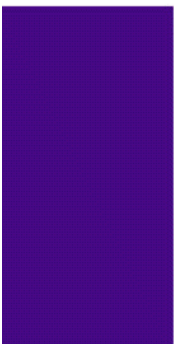
Different for every client

**integrated**

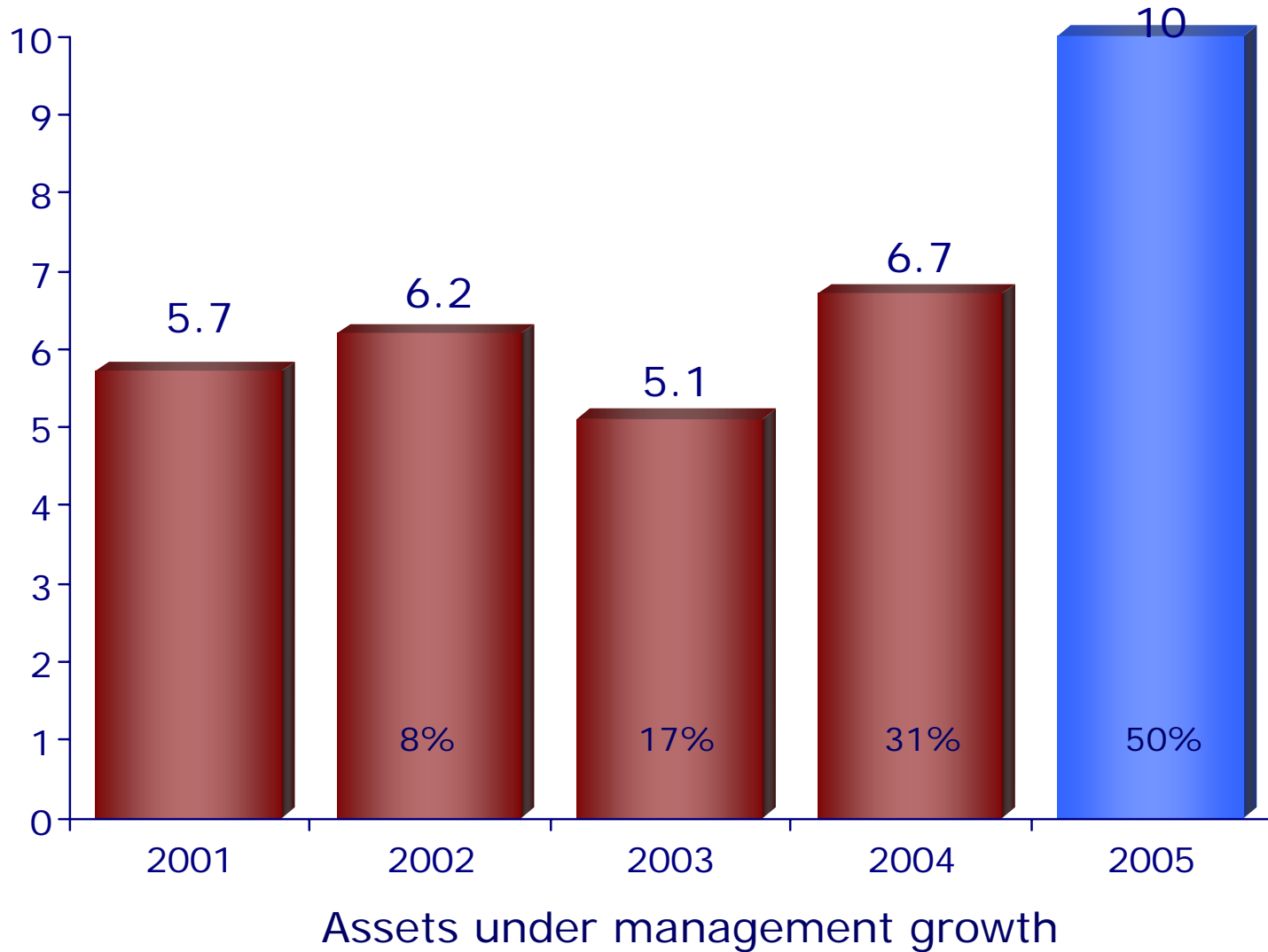
<b>Solutions</b>	RMB Branded		FirstRand Group		Outside
	Direct investment into shares	Deposit products	Insurance license	Multi-manager platforms	Best of breed products • Life assurance • Disability • Investment products
				Local/London	
	Trust services Local & Off-shore		Unit Trusts	RMB Asset Management	
Ashburton					



integrated



# Good track record





integrated

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integrated

# FirstRand well positioned

## RMB Private Bank

- RMB Private Bank is a leader in structured lending.
- In financial planning and asset management, RMB Private Bank has a sound basis for growth.
- Structured Finance will be enhanced using the close link with Rand Merchant Bank.

## FNB

- FNB's 30 000 wealth clients is not yet using FirstRand for these offerings.

Huge opportunity for growth



# Key issues



integrated

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integrated

# FirstRand well positioned

## RMB Private Bank

- Structured lending is a key value offering for business owners.
- Successful history of collaboration between RMB Private Bank and the commercial segment is a sound foundation.

## FNB

- Wealth Segment and business segment has agreed to service this segment with one combined offering.
- Launched Personal Business Banking.

FirstRand is leading with a combined Business Banking and Private Banking offerings





integrated

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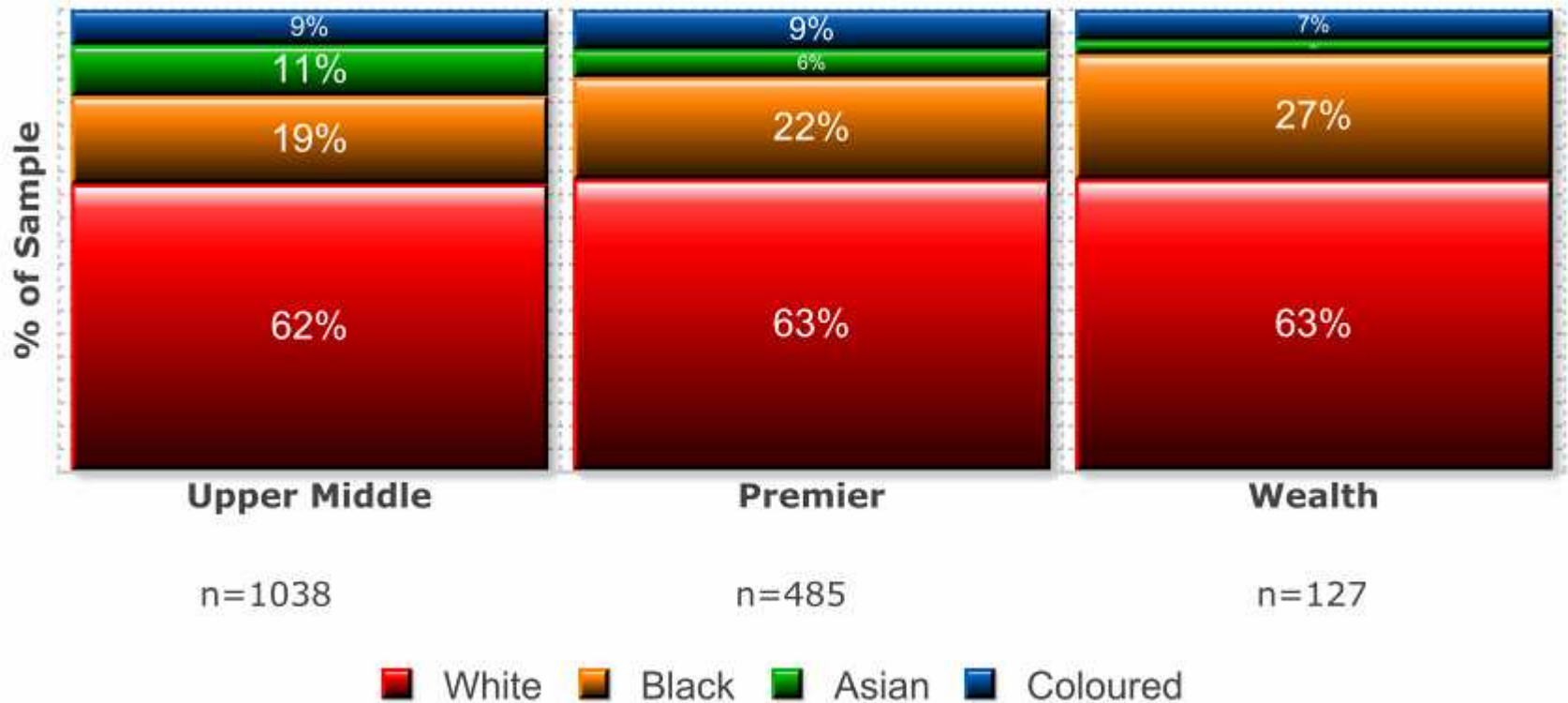


# FNB has strong pipeline



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Race profile of market segments:



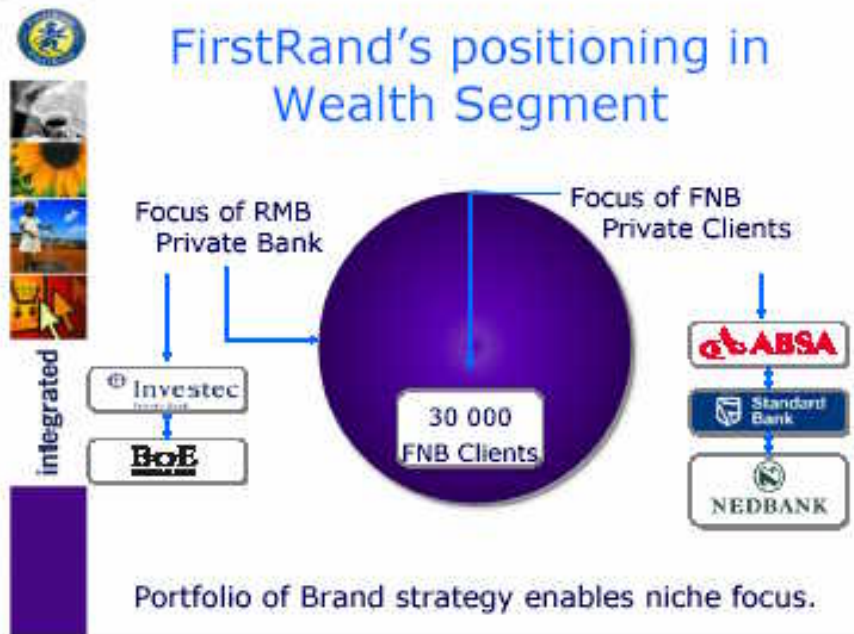
Note: n = 1,650. Other banks = ABSA, Nedcor and Standard Bank  
Source: Consumer Tracker Research November 2004 and Amps 2004



# Overall segment strategy



integrated



- Compete with 2 brands



# Overall segment strategy

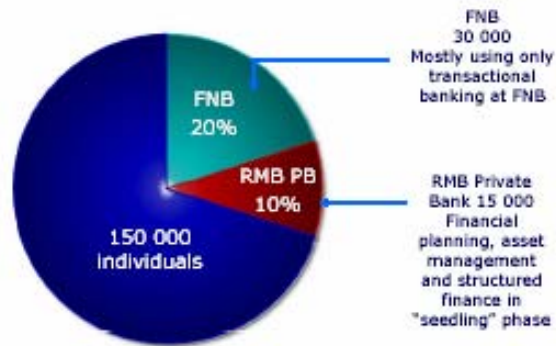


integrated



integrated

How is FirstRand doing?



FirstRand's base provides huge opportunity

- Compete with 2 brands
- Continue to enhance RMB Private Bank's Value offering



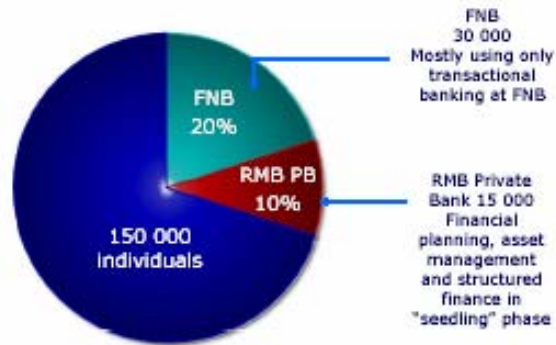
# Overall segment strategy



integrated

integrated

How is FirstRand doing?



FirstRand's base provides huge opportunity

- Compete with 2 brands
- Continue to enhance RMB Private Bank's Value offering
- White-label RMB Private Bank Products and introduce them to the 30 000 FNB Wealth segment clients.





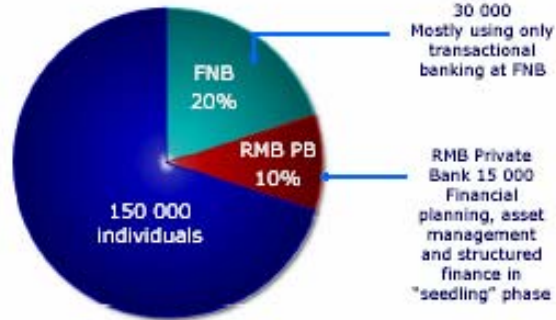
# Overall segment strategy



integrated

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How is FirstRand doing?



FirstRand's base provides huge opportunity

- Compete with 2 brands
- Continue to enhance RMB Private Bank's Value offering
- White-label RMB Private Bank Products and introduce them to the 30 000 FNB Wealth segment clients.
  - 📖 Share support infrastructure.
  - 📖 Eliminate pricing arbitrage.



integrated

# Implementing two brand strategy

Client facing

FNB Private Clients

RMB Private Bank

All delivery Channels

All delivery Channels

Stratco

Stratco

Credit and valuations

Shared infrastructure

Contact centre

Project implementation

Financial planning, asset management and structured lending operations

Wealth Exco

Common purpose and no destructive competition





# Go to market strategy for FNB Private Clients



integrated

Existing relationships

• Someone in a branch

• Relationships managers

• Structured lending specialists

• 10 to 50

• Wealth management specialists

• 8 to 15



• Leverage existing relationships

• No client migration

• Revenue growth



# Strategy = growth



integrated

