FIRSTRAND

FIRSTRAND'S NORMALISED EARNINGS UP STRONGLY AT 26%

Johannesburg, 11 September 2012 – FirstRand Limited (FirstRand) today reported results for the year to June 2012 with its portfolio of leading financial services franchises producing a strong performance.

HIGHLIGHTS

- Normalised earnings on continuing operations improved **26% to R12.7 billion.**
- The Group's normalised return on equity (ROE) also continued to trend upwards to **20.7%**.
- The Group has also declared a final dividend of **58 cents per share, a 26% increase** on the previous year.

Commenting on the results, FirstRand CEO, Sizwe Nxasana said:-

"We are extremely pleased with this performance, which we believe reflects the strength and resilience of the Group's operating franchises, FNB, RMB and WesBank, which have demonstrated outperformance in many segments of the market.

"The most significant driver of earnings was the very strong operational performances from FNB and WesBank, both of which showed excellent topline growth. In the case of FNB this was the result of specific strategies to acquire customers, grow loans and deposits, and drive transactional volumes across all of its platforms, particularly electronic. WesBank delivered excellent new business growth on the back of its successful point-of-sale strategy through long-standing alliances with leading motor manufacturers and large dealer groups".

"RMB performed well especially given the tough trading environment for corporate and investment banking and the high base created in recent years, particularly the significant private equity realisations in the second half of last year".

The Group's income statement benefited from an increase of 21% in net interest income before impairments (NII). This was driven by good growth in deposits at FNB and in advances at FNB and WesBank. FNB grew non-interest revenue (NIR) 14% on the back of strong transactional volumes and RMB's client activities, particularly advisory and structuring and currency and commodity trading, also contributed. However, investment income was significantly down given the high base in the previous year.

The Group's balance sheet continued to show good overall new business increases in advances particularly in certain portfolios where the Group had specific growth strategies, such as unsecured lending at FNB and WesBank and RMB's structured lending book.

All three of the franchises displayed good cost control, with core operating expenses increasing only 10%, resulting in a flat cost-to-income ratio year-on-year.

Nxasana believes that the Group is well positioned to grow going forward, despite the expected ongoing pressures in the macro environment.

"Although achieving revenue growth remains a challenge, the Group's franchises have compelling strategies to grow the top line" he said. "FNB's focus on acquiring core transactional accounts will continue to drive NIR growth, as will RMB's increasing client activities, and WesBank will continue to grow new business albeit at lower levels. GDP growth in sub-Saharan Africa is expected to further strengthen and the Group will continue to build on its progress in developing the appropriate entry strategies and operating platforms in those countries identified as priorities for expansion."

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