FIRSTRAND LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1966/010753/06
JSE ordinary share code: FSR; ISIN code: ZAE000066304
JSE B preference share code: FSRP; ISIN code: ZAE000060141
NSX ordinary share code: FST
LEI: 529900XYOP8CUZU7R671
(FirstRand or the group)

AUDITED RESULTS AND ORDINARY AND SPECIAL CASH DIVIDEND DECLARATION FOR THE YEAR ENDED 30 JUNE 2022

"FirstRand's performance reflects the quality of its operating businesses, FNB, RMB, WesBank and Aldermore. Disciplined execution on strategy has continued to drive shareholder value. Earnings have fully recovered and are significantly above peak 2019 levels, and economic profits have more than doubled. The ROE at 20.6% remains well situated in the target range. In addition, the group has declared the highest annual dividend in its history of 342 cents per share, as well as a special dividend of 125 cents per share. This resulted in a total distribution to shareholders of R26.2 billion."

Alan Pullinger - CEO

FINANCIAL HIGHLIGHTS

	2022	2021	% change
Normalised earnings per share (cents)			
- Basic	582.3	473.3	23
- Diluted	582.3	473.3	23
Normalised earnings	32 663	26 551	23
Headline earnings	32 817	26 950	22
Normalised net asset value	164 857	151 647	9
Normalised net asset value per share (cents)	2 938.9	2 703.4	9
Ordinary dividend per share (cents)	342	263	30
ROE (%)	20.6	18.4	
Headline earnings per share (cents)			
- Basic	585.3	480.5	22
- Diluted	585.3	480.5	22
Earnings per share (cents) - IFRS (refer page 165 of the online version of the Analysis of results booklet)			
- Basic	584.3	476.9	23
- Diluted	584.3	476.9	23
Advances (net of credit impairment)	1 334 324	1 223 434	9
Deposits	1 655 972	1 542 078	7
Credit loss ratio (%)*	0.56	1.10	

* Restated. Calculated as a percentage of core lending advances. Core lending advances exclude assets under agreements to resell. Refer to page 81 of the Analysis of financial results booklet for details of the change in presentation.

FINANCIAL PERFORMANCE

The 23% increase in the group's normalised earnings was driven by the materially lower cost of credit, which reflects origination strategies and the continued post-pandemic recovery across the jurisdictions in which the group operates. Topline growth was healthy, driven in particular by the rebound in non-interest revenue (NIR) and costs were well managed.

Pleasingly, at 20.6%, the normalised return on equity (ROE) remains well situated in the target range of 18% to 22%. The group produced R10.1 billion of economic profit (2021: R4.9 billion), or net income after cost of capital (NIACC), which is its key performance measure.

The following tables provide an overview of the group's performance.

FIRSTRAND GROUP FINANCIAL HIGHLIGHTS

	Year ended 30 June		
R million	2022	2021	% change
NII	67 856	64 511	5
NIR*	48 362	44 980	8
Operating expenses	(61 024)	(57 342)	6
Pre-provision operating profit	53 761	50 633	6
Impairment charge	(7 080)	(13 660)	(48)
Normalised earnings	32 663	26 551	23
NIACC	10 112	4 857	>100
ROE %	20.6	18.4	
Gross written insurance premium - FNB Life	4 921	4 485	10
Embedded value - FNB Life	6 530	4 843	35
Deposit franchise	1 260 047	1 107 516	14
Core lending advances**	1 311 441	1 208 468	9
Credit loss ratio (%) - core lending advances**	0.56	1.10	
Stage 3/NPLs as a % of core lending advances**	3.88	5.02	

* Includes share of profits from associates and joint ventures after tax.

** Restated. Core lending advances exclude assets under agreements to resell. Refer to page 81 of the Analysis of financial results booklet for details of the change in presentation.

SOURCES OF NORMALISED EARNINGS

	Year ended 30 June				
R million	2022	% composition	2021	% composition	% change
FNB*	19 636	60	16 090	61	22
RMB	8 196	25	7 006	26	17
WesBank*	1 604	5	1 306	5	23
UK operations**	2 983	9	2 743	10	9
Centre**,+,&	908	3	6	-	>100
Other equity instrument holders	(664)	(2)	(600)	(2)	11
Normalised earnings	32 663	100	26 551	100	23

* Restated due to the reallocation of asset-based finance (ABF) customers that bank with FNB from FNB commercial to WesBank corporate.

** In the UK operations management view shown in the table above, MotoNovo's front and back books are included. This differs from the segment report because MotoNovo's front book is included under Aldermore and MotoNovo's back book is included in the Centre.

\+ Including Group Treasury - includes capital endowment, the impact of accounting mismatches, and interest rate, foreign currency and liquidity management.

& Includes FirstRand Limited (company).

FirstRand's performance reflects the quality of its operating businesses. Importantly, both the underlying composition of earnings growth and the superior return profile directly correlate to the consistent and disciplined execution on certain key strategies:

- carefully price for financial resources;
- appropriately provide against lending portfolios;
- strengthen and appropriately tilt the balance sheet to the macro environment; and
- accrete capital and net asset value.

These strategies, tightly managed through the group's financial resource management (FRM) process, were designed to contain the negative impact of the Covid-19 pandemic, strengthen the balance sheet, build available financial resources and position the group appropriately to grow into a post-pandemic recovery. The group continued to be discerning in pursuing growth emanating from the rebound that immediately followed the pandemic. In the year under review, the group has been particularly focused on allocating its financial resources to growth opportunities tilted to its macro view, whilst continuing to serve the needs of its customers. This approach, combined with disciplined pricing and conservative provisioning, has resulted in an even stronger balance sheet.

Identifying and originating quality new business has been a fine balancing act given competitive actions in the market and the level of real, although uneven, recovery taking place in the economy. The group remained cautious on origination, which resulted in lower year-on-year growth in advances relative to the sector. At the same time, however, the deposit franchise and transactional balances increased strongly. This focus on the deposit franchise, combined with Group Treasury's asset-liability management (ALM) strategies, to a degree offset the muted retail advances growth trajectory in the first half and provided an underpin to the ROE.

For most of the year under review, FNB and WesBank's approach to retail origination was informed by internal and external data analysis of affordability indicators which suggested that lower-risk, good-quality customers had the most capacity for credit, and at the same time displayed a higher propensity to take up a broader range of financial services products. Origination therefore remained tilted towards these customers. This strategy was also anchored to protecting the customer franchise from aggressive competitor activity, which in turn translated into a strong rebound in retail NIR.

In the commercial segment, the stronger advances growth was driven by the strategy to originate new business tactically in those sectors showing above-cycle growth and which are expected to perform well even in a high inflationary environment.

Growth in corporate advances picked up in the second half of the year, which saw much stronger new business production. Origination also leaned towards lower-volatility sectors and better-rated counterparties.

The group believes its discerning approach to origination will ensure that, across its portfolio, it will capture a higher market share of lower-risk business, whilst continuing to satisfy the credit demand from customers as incomes recover. New business production levels lifted by the fourth quarter of the financial year, resulting in all core lending portfolios growing year-on-year apart from retail vehicle asset finance (VAF) and unsecured revolving loans.

Disciplined execution against all of these parameters has shaped shareholder value for the year under review. Earnings have fully recovered and are now 17% above 2019 levels, with strong NIACC generation, a sustained ROE and ongoing growth in net asset value (NAV). The Common Equity Tier 1 (CET1) ratio increased to 13.9% (2021: 13.5%) and, given this strong capital level, the group is in a position to materially increase its payout to shareholders. The combination of a drop in cover to 1.7 times and a special dividend of 125 cents per share results in a total payout of 467 cents per share (the highest payout level in the history of the group at R26.2 billion).

Despite this high level of payout, FirstRand remains capital generative and has the necessary financial capacity to increase momentum in risk-weighted asset (RWA) growth in the 2023 financial year. The growth in advances that took place in the last quarter of the year under review is evidence of already increasing momentum.

PRE-PROVISION OPERATING PROFIT

	Year ended 30 June		
R million	2022	2021	% change
FNB	33 380	32 143	4
RMB	11 202	11 390	(2)
WesBank	3 672	4 052	(9)
UK operations	5 241	4 771	10
UK operations (£ million)	260	231	13
Centre	266	(1 723)	>100
Total group	53 761	50 633	6

Many of the strategic actions explained above also played out in the group's pre-provision operating profit growth of 6% year-on-year. Pre-provision operating profits now exceed the peak level reached in June 2019 by 9%.

Represented by the Centre in the table above, Group Treasury's growth in pre-provision operating profits was driven primarily by improved returns on capital due to both increases in investment rates and higher levels of capital. The strong growth in the deposit franchise enabled the reduction in Group Treasury funding and improved cost of funds. In addition, Group Treasury saw a reduction in the carry cost of excess FX liquidity resources.

Regarding the operating businesses, FNB's pre-provision operating profit performance mainly reflects the credit origination approach in the retail segment to focus on good-quality, lower-risk credit customers. This impacted net overall credit origination volumes and resulted in subdued NII. In addition, the higher growth in residential mortgages relative to unsecured lending resulted in lower overall margins. There was stronger momentum in retail advances growth in the last quarter of the year, and this is expected to continue.

FNB delivered solid NIR growth of 8%, driven by active customer acquisition, growth in customer activity and higher transactional volumes (+14% in SA). These benefits were offset, to a degree, by fee reductions on the back of new customer propositions as FNB responded to competitive pricing in certain customer subsegments. The FNB commercial point-of-sale footprint also contributed to ongoing growth in transactional activity.

Growth in FNB's insurance premium income, and a reduction in insurance claims and claims reserves further contributed to solid NIR growth.

The slight reduction in RMB's pre-provision operating profit was a consequence of most of the advances growth taking place in the second half of the financial year as well as ongoing competitive margin pressure, especially in the large corporate client segment. The level of investment spend and higher variable costs due to the improvement in performance also affected year-on-year pre-provision operating profit growth. Increased deal origination and facility extensions in the latter half of the financial year will support pre-provision operating profit growth in the next financial year.

WesBank's pre-provision operating profit was impacted by a contraction in retail VAF advances given origination strategies which also reduced margins. In addition, the run-off of higher-margin fixed-rate deals replaced with variable-rate deals, and the increasing cost of acquisition, placed pressure on net interest margin (NIM). WesBank corporate and commercial, however, delivered strong advances growth of 10%. WesBank's NIR increased 4%, driven by higher commissions and administration fees earned in the fleet management and leasing business due to growth in the number of managed maintenance units. New business volumes increased 11% in WesBank and 12% in WesBank's associates.

With regard to the UK operations, Aldermore delivered strong growth in pre-provision operating profit in pound terms. This was driven by solid new business origination as well as a one-off £24 million contribution from a refinement to the effective interest rate model.

Despite benefiting from lower cost of funds and good growth in new business origination, MotoNovo's pre-provision operating profit was impacted by an operational event relating to non-compliance with the UK Consumer Credit Act, whereby notices of sums in arrears (NOSIAs) were not correctly issued to qualifying customers as a result of a system coding error. This event was identified during the Covid-19 pandemic period, but extends back a number of years and, as a result, certain interest and fees amounting to £23 million are required to be refunded to customers. The group has appropriately provided for this one-off event, including the operational costs and the consequential impact to impairments.

REVENUE AND COST OVERVIEW

Overall group NII increased 5% year-on-year, with some support from the return to growth in advances and continued strong deposit gathering. NII also benefited from increased capital balances.

Lending NII remained flat due to a decline in margin, driven by a mix change in advances growth on the back of the origination strategies covered above.

Also, as covered earlier, although FNB's retail franchise focused on originating lower-risk advances for a significant portion of the year, there was a measured return to appetite in the last quarter of the year under review. FNB commercial's year-on-year growth in advances was strong. RMB's corporate lending franchise delivered good growth in new business origination, also mainly in the second half of the year, but experienced ongoing competitive margin pressure. WesBank retail VAF advances contracted due to the focus on lower-risk origination in a highly competitive lending environment. Increased write-offs also had a negative impact on overall advances growth.

Group NIM improved 5 bps to 4.40% (including Aldermore) (2021: 4.35%). The lift in NIM emanated from margin expansion in the UK operations.

The increase in advances in the UK was driven by MotoNovo and business finance. Growth from the latter improved significantly, due to increased support for small and medium-sized enterprise (SME) customers returning to investment following the pandemic, and a strategic pivot towards larger-sized deals. MotoNovo's growth was driven by continued high demand in the second-hand car market. Higher redemptions in an extremely competitive market resulted in a slight reduction in year-on-year growth in residential mortgages. This does, however, mark an improvement from the half-year position as mortgage growth returned in the fourth quarter of the financial year.

The group's overall growth in deposits benefited from ongoing momentum in retail savings and investment products, and particularly good contributions from FNB commercial and the broader Africa portfolio.

Growth in advances and deposits is unpacked by operating business and segment in the table below.

	Growth in advances %	Growth in deposits %
FNB	7	13
- Retail	6	9
- Commercial	11	18
- Broader Africa	5	12
RMB*	18	12
WesBank	2	n/a
UK operations**	6	14

* Advances growth for RMB based on core lending advances, which exclude assets under agreements to resell.

** In pound terms. Growth in deposits refers to customer savings deposits.

Total group operational NIR increased 8%. This was supported by 5% growth in fee and commission income, 15% growth in trading and fair value income, and a significant rebound (+29%) in insurance income.

FNB's NIR increased 8%, benefiting from good growth in transactional volumes and customer growth of 5%. The strong recovery in insurance income was partly offset by additional investment into the short-term insurance platform and costs associated with the rollout of non-life insurance products.

FNB Life's new business annual premium equivalent (APE) increased 17%, with premiums up 10% and 6% growth in the number of policies. In-force APE grew 14%, with credit life new business APE increasing 47% on the back of stronger new business origination in the retail lending portfolios. FNB Life is the third-largest long-term insurance product provider in FNB's customer base as measured by debit orders.

RMB's NIR growth was driven by the contribution from the markets business, which was underpinned by strong client flows due to volatility in FX markets and increased commodity prices, combined with a robust performance from equities. The global foreign exchange business experienced increased client volumes on the back of the rally in commodities and higher levels of corporate FX structuring transactions. The investment banking business benefited from robust structuring and commitment fee income growth on the back of origination activities. Growth in annuity income from RMB's private equity business was particularly strong, up 32%, as portfolio companies delivered improved operational performances.

Operating expenses for the group were 6% higher, including a 5% increase in direct staff costs and higher variable remuneration given the improvement in performance.

Investment costs continue to be driven by:

- insurance and asset management growth strategies;
- the build-out and consolidation of the domestic enterprise platform;
- scaling the group's footprint and platform in broader Africa; and
- people, process and system investments in the UK business.

The cost-to-income ratio remained stable at 52.5% (2021: 52.4%).

The group's credit performance continues to improve, with a reduced credit loss ratio of 56 bps (2021: 110 bps) and all portfolios now at or below through-the-cycle levels. This underlying performance is in line with the group's origination strategies and was achieved despite ongoing uncertainties in the operating environment, most notably the impact of inflation and interest rate pressures that unfolded over the last quarter of the financial year. Given these uncertainties, balance sheet provision levels remained conservative against the in-force book as new origination adapts to macros dynamically. As such, management retained the stress scenario, albeit at a lower weighting of 8% (2021: 11%). Overall performing coverage on core lending advances decreased to 1.78% (2021: 2.02%), reflecting the year-on-year improvement in the macro environment, better staging of advances and measured origination.

Non-performing loans (NPLs) decreased 16% year-on-year with NPLs as a percentage of core lending advances down to 3.88%, driven by write-offs, the curing of paying NPLs, slower inflows given conservative origination strategies, strong collections and advances growth.

As a result, the overall impairment charge reduced 48% to R7 080 million (2021: R13 660 million), reflecting the positive performance in most portfolios and the significant reduction in NPLs. The credit loss ratio is 61 bps excluding the UK operations (56 bps for the total group).

ANALYSIS OF IMPAIRMENT CHARGE

	Six months ended				June 2022 vs December 2021	December 2021 vs June 2021	June 2021 vs December 2020
	30 June	31 December	30 June	31 December			
R million	2022	2021	2021	2020	% change	% change	% change
Performing book provisions	(1 357)	627	(2 228)	663	(>100)	(>100)	(>100)
NPL provision*	(1 112)	(1 042)	(544)	3 347	7	92	(>100)
Credit provision (decrease)/increase	(2 469)	(415)	(2 772)	4 010	>100	(85)	(>100)
Modification loss	267	412	348	294	(35)	18	18
Gross write-off and other**	7 999	7 035	9 647	7 929	14	(27)	22
Interest suspended on stage 3 advances	(1 363)	(1 630)	(1 707)	(1 662)	(18)	(5)	3
Post write-off recoveries	(1 381)	(1 375)	(1 270)	(1 157)	-	8	10
Total impairment charge	3 053	4 027	4 246	9 414	(24)	(5)	(55)
Credit loss ratio (%) - core lending advances+	0.47	0.65	0.70	1.50			
Credit loss ratio excluding UK operations (%) - core lending advances+	0.45	0.79	0.96	1.71			

* Interest suspended on stage 3 core advances of R2 993 million (2021: R3 369 million) is included in the NPL provision.

** Write-off of gross balances excluding prior year provisions held. The gross amounts written off have been recognised in the income statement over various reporting periods.

\+ Prior periods have been restated for core lending advances, which exclude assets under agreements to resell.

The table above demonstrates the move in impairments on a rolling six-month view, based on movements in the balance sheet. The R1.4 billion portfolio provision release reflects lower coverage as credit quality and macro assumptions improved year-on-year, despite advances growth and judgemental out-of-model provisions to cater for the uncertain operating environment. Refer to pages 198 to 204 of the online version of the Analysis of financial results booklet for the updated forward-looking information (FLI) and scenario weightings. Despite largely maintaining coverage at a product level, the NPL provision releases reflect the relative improvement in performance discussed below.

The table below deals with the change in group NPL balances. It is pleasing to see that the reduction in operational NPLs has continued due to slower inflows and ongoing workouts and write-offs. Collection efforts remained strong.

CHANGE IN NPLS

	30 June 2022 vs 30 June 2021		
	R million	% change	Percentage point contribution to overall NPL decrease
Operational NPLs*	(4 210)	(12)	(6)
Covid-19 relief paying NPLs**	(2 956)	(71)	(5)
Other paying NPLs+	(1 613)	(17)	(3)
NPLs (excluding UK operations)	(8 779)	(17)	(14)
UK operations	(1 040)	(12)	(2)
Change in total group NPLs	(9 819)	(16)	(16)

* Include core lending advances that received Covid-19 relief, other core lending advances and debt-review advances +90 days in arrears.

** Include Covid-19 relief loans <90 days in arrears and still subject to curing criteria.

\+ Include debt-review and other core lending advances <90 days in arrears and still subject to curing criteria.

Overall NPL coverage increased to 49.8%, mainly driven by a large portion of paying NPLs (with lower coverage) curing into performing and lower inflows. Additional provisions were also created to ensure adequate coverage for the uncertain environment. Decreases in the UK operations were driven by curing in the debt-relief book and in commercial.

SA retail NPLs decreased 20% to R29.9 billion (2021: R37.3 billion). NPLs as a percentage of advances declined to 6.97% (2021: 9.05%) driven by the curing of paying NPLs, slower inflows, ongoing write-offs, strong collections and support from higher advances.

SA commercial NPLs declined 23% to R5.5 billion (2021: R7.2 billion) or 3.62% of advances (2021: 5.21%). The decline was due to workouts and write-offs, curing of a few counterparties and lower stage 3 inflows in various portfolios.

NPLs in the SA corporate and investment banking (CIB) portfolio, including high-quality liquid assets (HQLA), increased 14% with a slight reduction in the NPL ratio to 1.26% of core lending advances including HQLA (2021: 1.29%), given the growth in advances. NPL coverage increased to 60.2% (2021: 45.9%) due to the migration of a high-coverage, significant exposure to stage 3.

The broader Africa NPL ratio decreased to 4.93% (2021: 5.84%) driven by lower NPLs in Botswana and Zambia following high write-offs, a slowdown in new inflows and recoveries.

In the UK operations, NPLs reduced to 2.61% of advances (2021: 3.16%). This was mainly due to curing and settlement in the relief portfolio and the Aldermore commercial portfolio, supported by advances growth. MotoNovo NPLs continued to be affected by the previous ban on collateral repossessions in the UK, and the impact on collections due to the NOSIA operational event.

DIVIDEND STRATEGY

FirstRand's dividend strategy is to provide its shareholders with an appropriate, sustainable payout over the long term.

Given FirstRand's high return profile and ongoing capital generation, the board is comfortable to reduce the cover range to 1.6x to 2.0x (previously 1.8x to 2.2x) as the group has more than sufficient resources to deliver on its growth ambitions.

The dividend for the financial year was struck at 1.7x cover, which is a reversion back to the pre-pandemic payout percentage.

In addition, given the point-in-time capital surplus that exceeds expected demand, the board is declaring a special dividend of 125 cents per share.

PROSPECTS

In South Africa the group expects the current credit cycle to continue to gather momentum, although commodity-induced cyclical tailwinds are expected to fade. As inflation subsides and economic reforms progress, these trends will support accelerated advances growth across the domestic retail, commercial and corporate portfolios. This in turn will drive stronger in lending NII in the 2023 financial year, supported by ongoing growth impetus in deposit balances. Levels of customer growth to date as well as improving activity should underpin growth in NIR.

The broader Africa portfolio will show a steady improvement as inflation pressures abate and many of the countries in the portfolio will continue to benefit from the commodity cycle, despite a softening trend.

The UK economy is likely to experience a period of weakness mainly related to sharply increased cost-of-living pressures. A mild, inflation-induced recession is possible. The pressures on household income trends may affect affordability levels and credit profiles. However, despite this backdrop, the UK businesses anticipate growth in advances in the 2023 financial year given Aldermore's niche approach to origination.

FirstRand's normalised ROE will remain well positioned in the target range of 18% to 22% in the 2023 financial year. Growth in earnings is expected to revert back to the group's long-term target of real GDP plus CPI plus >0% to 3%.

BOARD CHANGES

Changes to the directorate are outlined below.

		Effective date
Resignation		
F Knoetze	Non-executive director	1 December 2021
Appointment		
PD Naidoo	Independent non-executive director	1 April 2022

CASH DIVIDEND DECLARATIONS

The issued share capital on the dividend declaration dates outlined below was 5 609 488 001 ordinary shares and 45 000 000 preference shares.

Ordinary shares

The directors declared a gross cash ordinary dividend totalling 342.0 cents per ordinary share out of income reserves for the year ended 30 June 2022. The directors also declared a gross cash special dividend totalling 125.0 cents per share out of income reserves for the year ended 30 June 2022. The special dividend has been approved by SARB's Financial Surveillance Department.

Dividends

Ordinary shares

	Year ended 30 June	
Cents per share	2022	2021
Ordinary dividends:		
Interim (declared 2 March 2022)	157.0	110.0
Final (declared 14 September 2022)	185.0	153.0
Annual ordinary dividends	342.0	263.0
Special dividend (declared 14 September 2022)	125.0	-
Total dividends	467.0	263.0

The salient dates for the final ordinary dividend are outlined below:

Last day to trade cum-dividend	Tuesday, 11 October 2022
Shares commence trading ex-dividend	Wednesday, 12 October 2022
Record date	Friday, 14 October 2022
Payment date	Monday, 17 October 2022

The salient dates for the special dividend are outlined below:

Last day to trade cum-dividend	Tuesday, 11 October 2022
Shares commence trading ex-dividend	Wednesday, 12 October 2022
Record date	Friday, 14 October 2022
Payment date	Monday, 17 October 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 12 October 2022, and Friday, 14 October 2022, both days inclusive.

For shareholders who are subject to dividend withholding tax (DWT), tax will be calculated at 20% (or such lower rate as is applicable if a double taxation agreement applies for foreign shareholders). FirstRand's income tax reference number is 9150/201/71/4.

For South African shareholders who are subject to DWT:

- the final ordinary dividend net of 20% DWT at 37.00000 cents per share will be 148.00000 cents per share; and
- the special dividend net of 20% DWT of 25.00000 cents per share will be 100.00000 cents per share.

Preference shares

Dividends on the preference shares are calculated at a rate of 75.56% of the prime lending rate of FNB, a division of FirstRand Bank Limited.

DIVIDENDS DECLARED AND PAID

Cents per share	Preference dividends
1 September 2020 - 22 February 2021	253.6
23 February 2021 - 30 August 2021	273.9
31 August 2021 - 28 February 2022	270.7
1 March 2022 - 29 August 2022	307.4

WR JARDINE	AP PULLINGER	C LOW	HS KELLAN
Chairman	CEO	Company Secretary	CFO

14 September 2022

OTHER INFORMATION

This announcement covers the provisional audited summary financial results of FirstRand Limited based on International Financial Reporting Standards for the year ended 30 June 2022. The primary results and accompanying commentary are presented on a normalised basis as the group believes this most accurately reflects its economic performance. The normalised results have been derived from the IFRS financial results. A detailed description of the difference between normalised and IFRS results is provided on pages 159 to 160 of the online version of the Analysis of financial results booklet. It constitutes the group's full announcement and is available at www.firstrand.co.za/investors/financial-results/. Commentary is based on normalised results, unless otherwise indicated.

The full set of consolidated financial statements for the year ended 30 June 2022 have been audited by the group's auditors, PricewaterhouseCoopers Inc and Deloitte & Touche, who expressed an unmodified opinion thereon. The auditors' report, with key audit matters, issued on the consolidated annual financial statements and accompanying notes can be accessed on the group's website at www.firstrand.co.za/investors/annual-reporting/.

The content of this announcement is derived from audited information, but is not itself audited. The directors take responsibility for the preparation of this announcement.

Any forecast financial information contained herein has not been reviewed or reported on by the group's external auditors.

Shareholders are advised that this announcement represents a summary of the information contained in the Analysis of financial results (the full announcement) and does not contain full or complete details.

Any investment decisions by investors and/or shareholders should be based on consideration of the announcement as a whole and shareholders are encouraged to review the full Analysis of financial results, which is available for viewing on the group's website and on
https://senspdf.jse.co.za/documents/2022/JSE/ISSE/FSR/FSR0622.pdf

The full Analysis of financial results, annual financial statements and related audit reports are available for inspection at FirstRand's registered office 4 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton and at the offices of the sponsors, Rand Merchant Bank (a division of FirstRand Bank Limited), 1 Merchant Place, Corner of Fredman Drive and Rivonia Road, Sandton. The above is available for inspection to investors and/or shareholders at no charge during normal business hours from 16 September 2022.

COMPANY INFORMATION

DIRECTORS

WR Jardine (chairman), AP Pullinger (chief executive officer), HS Kellan (financial director), M Vilakazi (chief operating officer), JP Burger, GG Gelink, RM Loubser, TS Mashego, PD Naidoo, Z Roscherr, SP Sibisi, LL von Zeuner, T Winterboer

COMPANY SECRETARY AND REGISTERED OFFICE

C Low
4 Merchant Place, Corner Fredman Drive and Rivonia Road
Sandton 2196

PO Box 650149, Benmore 2010

Tel: +27 11 282 1808
Fax: +27 11 282 8088
Website: www.firstrand.co.za

JSE SPONSOR

Rand Merchant Bank (a division of FirstRand Bank Limited)
1 Merchant Place, Corner Fredman Drive and Rivonia Road
Sandton 2196

Tel: +27 11 282 8000

NAMIBIAN SPONSOR

Simonis Storm Securities (Pty) Ltd
4 Koch Street
Klein Windhoek
Namibia

TRANSFER SECRETARIES - SOUTH AFRICA

Computershare Investor Services (Pty) Ltd
1st Floor, Rosebank Towers

15 Biermann Avenue
Rosebank, Johannesburg, 2196

Private Bag X9000, Saxonwold, 2132

Tel: +27 11 370 5000
Fax: +27 11 688 5248

TRANSFER SECRETARIES - NAMIBIA

Transfer Secretaries (Pty) Ltd
4 Robert Mugabe Avenue, Windhoek
PO Box 2401, Windhoek, Namibia

Tel: +264 612 27647
Fax: +264 612 48531

AUDITORS

PricewaterhouseCoopers Inc.
4 Lisbon Lane
Waterfall City
Jukskei View
Gauteng
South Africa
2090

Deloitte & Touche
Deloitte Place
5 Magwa Crescent
Waterfall City
Johannesburg
Gauteng
South Africa
2090

15 September 2022