

WOMEN-OWNED-BUSINESS BOND INVESTOR PRESENTATION

March 2025

Meet the team



- Sam Moss Head: FirstRand Investor Relations
- Cameron Gough Head: Structuring, FirstRand Group Treasury
- Melanie Kleinhans Head: Debt Office, FirstRand Group Treasury
- Brigquette Basson Structurer, FirstRand Group Treasury
- Delia Patterson RMB Debt Capital Markets (Distribution)



Agenda



- Overview of the group's shared prosperity approach
- FRB's inaugural women-owned-business bond issuance
- Term sheet



OVERVIEW OF THE GROUP'S SHARED PROSPERITY APPROACH

FirstRand's response to societal challenges



5

- Utilising **core business** resources and activities to **intentionally** achieve **positive, scalable** and **high-impact societal outcomes** whilst delivering **superior financial returns**
- Ensuring accountability through **remuneration practices** with integration into executive scorecards to drive intentionality and growth

Enablers

- Dedicated **governance structures** embedded in business
- Integrated into **financial resource management (FRM) frameworks** (dedicated FRM committee providing enablement for social solutions)
- Dedicated **sustainable finance teams across business** (origination, risk, strategy)

Frameworks, policies and reporting

- FRM – **pricing** for positive externalities
- **Internal taxonomy** aligned to sustainable finance framework
- Report to society



Nexus of business activities and development needs of SA



6

Group activities contributing positively towards financial inclusion

Home
ownership



Transformational
agriculture



Student
financing



MSMEs and
women-owned
businesses



Infrastructure
development



Public
services



Societal objectives enabled through financial resource allocation



Bond issuances

- **Disciplined capital allocation**, aligned to long-term objectives
- **Five thematic** bond issuances to date across group
- Inaugural **social bond** issuance in 2024
- Disciplined origination of **new assets**
- **15 bps pricing penalty** if full allocation is not reached within 24 months of issuance date

Differentiated pricing for positive impact

- **FRM policy embedded** in operating businesses
- Enables **explicit funding benefits** on qualifying social deals to be **passed on** to the **client** directly/indirectly

Partnering with developmental finance institutions (DFIs)

- Robust **partnerships with DFIs** to drive mutual growth and shared prosperity
- **Technical assistance** for new market making, solutions and additionality

Structures and platforms

- Established a holdco (FirstRand Social Impact Holdings) to **facilitate social/climate projects** and **unlock funding**, on and off-balance sheet
- Dedicated entities enable **testing of concepts** and isolating various risks
 - Crowd in funding
 - Can enable additional scale and impact



Role of women-owned business in a developing economy



- Women make up **half of South Africa's population** but **lead only one-third** of its businesses
- In sub-Saharan Africa, approximately **25% of businesses are owned by women**, according to the African Development Bank
- Women-owned businesses are crucial for Africa's growth, driving **economic development, job creation** and **financial integration**
- They **foster innovation** and often achieve **high profitability***
- Promoting gender equality in business **reduces disparities** and **enhances community wellbeing**

* World Economic Forum, *How female-led start-ups can transform Africa*, August 2022.



Group's commitment to promoting gender equity



WOMEN IN LEADERSHIP

- Women in **highest leadership** positions at FirstRand (group CEO, RMB CEO)
- Women **representation and targets** across all leadership levels of the group

FINANCIAL INCLUSION

- Prioritising women through a strategy to create market access, networks and support for women in business
- **63%** of affordable housing loans extended were to women

SUSTAINABLE FINANCE

- Arranged **performance-linked bond** for Development Bank of Rwanda, KPIs linked to financing women-led SMEs and affordable housing projects
- Arranged Africa's **first gender-linked bond** in 2022

TRANSFORMATION AND EMPLOYMENT EQUITY

- **38.3%** of preferential procurement was with black women-owned suppliers
- Group spent **R5.6bn** with black women-owned suppliers

SUPPORTING BUSINESS FINANCING

- FNB commercial provided **R50.8bn*** of finance to women-owned businesses in SA
- **233.8k*** unique women-owned business customers

PARTNERING WITH DFIs...

...to unlock **funding and risk sharing facilities** targeting an increase in financing to women-owned businesses



FRB'S INAUGURAL WOMEN-OWNED-BUSINESS BOND ISSUANCE

Alignment to FirstRand's sustainable finance framework



11

Women in the economy is a **social use of proceeds** investment category in FirstRand's sustainable finance framework, given the strategic **importance of capital allocation** to activities which empower and advance women

Women in the economy aligns to the category of socio-economic advancement and empowerment of **disadvantaged groups** in ICMA's Social Bond Principles

- Internationally there is an increasing focus on gender bonds which direct financing into projects that reduce gender inequalities and promote women's empowerment*
- **Financing for women-owned MSMEs** is a qualifying project category for a use-of-proceeds instrument targeting gender*
- FRB's **women-owned-business (social) bond** is its first issuance with a specific focus on gender

* Gender Bonds: A Toolkit for the design and issuance of Gender Bonds in Africa, 2024, Parallel Finance (on behalf of FSD Africa, FSD Network Gender Collaborative Programme, British International Investment (BII) and UN Women).



FRB's inaugural women-owned business bond

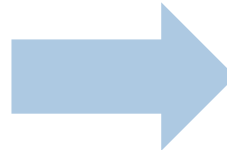


12

Bond proceeds will be fully allocated to eligible loan/asset portfolio



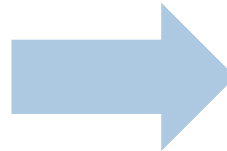
Existing loans are those which have reached financial close, up to 12 months prior to the issuance date



Max 50% of the total bond issuance will be allocated to existing women-owned business assets



New loans are those where disbursements have been made within 24 months of date of the issuance



At least 50% of the total bond issuance will be allocated to new women-owned business assets

15 bps penalty if not fully allocated within two years



FNB commercial's women-owned business portfolio

(per IFC and sustainable finance framework definition)

R billion	Dec 2024	June 2024	June 2023	June 2022
FNB commercial book	135.2	129.8	116.4	107.8
WesBank ABF book	40.1	39.0	33.0	26.4
Total commercial book	175.3	168.8	149.4	134.2
Lending to SA women-owned businesses*	50.8	49.6	40.9	
Number of unique women-owned customers	234k	229k	223k	

* Definition of women-owned business:

- ≥51% owned by women; or
- ≥20% owned by women, and with
 - (i) at least one woman as CEO/COO/president/vice-president; and
 - (ii) ≥30% of the board of directors composed of women, where a board exists.

- FRB will publish an **annual allocation and impact report** on FirstRand's website:
 - <https://www.firstrand.co.za/investors/debt-investor-centre/sustainable-finance/>
 - Supported by a limited assurance report on the allocation provided by external auditors on an annual basis (until full allocation)
- The allocation and impact report will provide:
 - Total amount of proceeds allocated to eligible loans/assets
 - Number of eligible loans/assets
 - Balance of unallocated proceeds
 - Amount/percentage of new financing and refinancing
 - Annual impact indicators for use of proceeds for social assets

Building track record in terms of asset allocation for thematic bonds



15

- FRB has aligned its historical and future bond issuances with evolving systemic societal needs
- As a disciplined originator of assets and allocator of capital, FRB aims to responsibly allocate its outstanding thematic bond issuances and is expecting strong asset origination to meet these commitments

Allocation progress on FRB's previous thematic bond issuances

Issuance date	Bond type	Issuance amount (R million)	Allocation status	Actual/targeted date for full allocation
April 2022	Sustainability	2 029	Fully allocated	January 2024
October 2023	Green	3 512	Partially allocated	October 2025
May 2024	Green	3 359	Partially allocated	October 2025
November 2024	Social	2 585	Partially allocated	October 2025

*Full allocation achieved
or expected to be achieved
ahead of 24-month
allocation period for all
past thematic issuances*

Refer to <https://www.firstrand.co.za/investors/debt-investor-centre/sustainable-finance/> for bond allocation and impact reports.



TERM SHEET AND TIMELINES

Indicative term sheet



Issuer	FirstRand Bank Limited
National scale credit rating	Aaa.Za (Moody's), zaAA (S&P Global)
Nominal target	R2.5 billion, with the ability to increase to R3 billion, subject to volume and bid spreads
Note tenors	3, 5 and 7 years
Instrument type	Floating
Pricing reference rate	3m JIBAR
Auction date	Thursday, 27 March 2025
Settlement date	Tuesday, 1 April 2025 (t+3)
Maturity date	1 April 2028 (FR28SB), 1 April 2030 (FR30SB), 1 April 2032 (FR32SB)
Instrument status	Social (women in business) senior unsecured bond, listed on the sustainability segment of the JSE interest rate market
Use of proceeds	The proceeds of the notes will be used by the issuer to finance and/or refinance, in whole or in part, existing and/or future women-owned business projects, which meet certain criteria in accordance with the FirstRand's sustainable finance framework, section 5.1.1. For further information please refer to the applicable pricing supplements (APSs)
Use of proceeds penalty	To the extent the Issuer cannot fully allocate the proceeds within the 24-month allocation period, a penalty of 15 bps will be added to the margin stipulated in the final APS
Placement methodology	Dutch auction (sealed bid without feedback)



Indicative timeline



- Investor roadshow (virtual meetings): 12 – 13 March 2025
- Term sheet circulated: 20 March 2025
- Price guidance: To be provided in emailed term sheet on 20 March 2025
- Target issuance size: R2.5 billion with the ability to increase to R3.0 billion
- Auction date: Thursday, 27 March 2025, 09:00 – 11:00
- Settlement date: 1 April 2025 (t+3)
- Placement methodology: Dutch auction (sealed bid without feedback)



ANNEXURES

- **Sustainable finance** page on group website:
<https://www.firstrand.co.za/investors/debt-investor-centre/sustainable-finance/>
- **FirstRand sustainable finance framework:**
<https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/firstrand-sustainable-finance-framework.pdf>
- **S&P second-party opinion:**
<https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/second-party-opinion-firstrand-sustainable-finance-framework.pdf>

- FRB utilises FirstRand's sustainable finance framework (published in November 2024) for all sustainable thematic bond issuances (e.g. green, social and/or sustainability)
- Aligned to international best practice
 - International Capital Market Association (ICMA)
 - Loan Market Association (LMA)
 - Loan Syndications and Trading Association (LSTA)
 - Asia Pacific Loan Market Association (APLMA)
- **Independently reviewed by S&P Global**
- Framework and second-party opinion available at:
<https://www.firstrand.co.za/investors/debt-investor-centre/sustainable-finance/>

- South Africa remains one of the most unequal countries in the world as it faces challenges with economic growth, unemployment and poverty
- As a **systemic integrated financial services group**, FirstRand can support **inclusive economic activity and positive societal outcomes** through its business activities and role in capital allocation
- Systemic societal needs present both growth opportunities and risks for the group and its customers
- Equitable distribution of wealth is a key imperative for the country's success and sustainability
- The group is intentional about creating value for multiple stakeholders and maintaining trust within the financial system

Group's purpose statement

FirstRand commits to building a future of SHARED PROSPERITY through enriching the lives of its customers, employees and the societies it serves. This is the foundation to a sustainable future and will preserve the group's enduring promise to create long-term value and superior returns for its shareholders.