



FirstRand

Pre-close investor update

26 November 2024

Long-term growth and return targets remain unchanged

- Group's long-term earnings growth: NGDP + 0%-3%
 - ROE in the target range of 18% to 22%
- 30 June 2024 results commentary was to expect growth “at the top end of the range”



Operational performance in line with guidance

- Macroeconomic context as expected
 - Rate cycle more constructive than anticipated
 - Expected additional repo rate cuts to 7% by June 2025
 - Rand strength will have a translation impact on earnings generated in the UK and broader Africa
- FirstRand's customer franchises are in good health, remain resilient and strategies are tracking as expected
- FNB and WesBank:
 - Advances softer than expected, with pleasing trend in retail credit impairments
 - Retail unsecured slightly slower than expected
 - Retail VAF showing strong momentum
 - Deposit growth broadly in line with expectations, with strong performance from commercial
 - Transactional franchise benefitting from growth in volumes on the back of customer gains and higher levels of activity
 - Continued good operational performance from broader Africa, particularly Namibia and Botswana



Operational performance of operating business

- RMB:
 - Strong advances growth and pipeline
 - Good knowledge-based fee income, however weak start to year for global markets
 - Good growth in broader Africa (in constant currency)
- UK operations
 - Advances and deposit growth better than expected, with NIM's under pressure
 - Advances production showing stronger momentum in October and November
 - The impact of the 1-week motor finance pause was marginal
 - Credit performance ahead of expectations



Financial performance broadly in line with guidance

- Net-interest income (NII) in line with guidance
 - ALM strategy partially mitigating endowment impact
 - Advances growth remains tilted to commercial and corporate, resulting in overall NIM pressure
- Non-interest revenue (NIR) continues to reflect stronger growth
 - Healthy fee & commission and strong insurance income growth
 - Private equity associate earnings tracking positively – realisations planned for H2
 - Trading income tracking below expectations
- Impairments better than expectations
 - SA retail CLR peaked in June, trending better than expected
 - Debt review inflow slowing off a high base
 - Two-pot system resulting in improving retail arrears
- Operating expenses growth is well-contained



Update on the UK Court of Appeal process

- Application for appeal to the UK Supreme Court lodged on 22 November 2024
 - Accounting provision of £127.4 million raised at 30 June 2024
 - Remains appropriate, given the prevailing legal and regulatory uncertainty and based on the information available

