



FirstRand

CREATING VALUE THROUGH PLATFORM-ENABLED CUSTOMER ECOSYSTEMS

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FirstRand group strategic framework

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.

DIVERSIFIED PORTFOLIO WITH UNIQUE STRATEGIES:

SOUTH AFRICA

Platform-enabled integrated financial services providing ecosystems that create long-term value for clients and shareholders

REST OF AFRICA

Build competitive advantage and scale to deliver economic profit and dividends

UK

Modernise, digitise and scale to a more valuable UK business that delivers economic profit and dividends

Enabled by digital platforms

Disciplined management of financial resources (capital, funding, liquidity and risk capacity) to deliver on financial commitments

Committed, accountable and empowered people key to delivering continued outperformance



Significant progress on PLATFORM evolution

| BUILD | UTILISE | MIGRATE | DECOMMISSION |
|---|--|--|--|
| <ul style="list-style-type: none"> • Single, secure platform • Own IT talent pool • Interface integration • Create/partner/buy • Consolidation and alignment of platform architecture to enable consistent execution • Platform-enabled support functions • Flexible, agile, efficient, scalable | <ul style="list-style-type: none"> • Customer digital interactions enable contextual, data-based offerings • Data • Products • Sales • Underwriting • Collections • Compliance • Network effects | <ul style="list-style-type: none"> • Migration of “work items” onto platform • Ultimately no work items off-platform | <ul style="list-style-type: none"> • Decommission systems/processes • Eliminate duplication and legacy costs |

Ongoing evolution of platform – strong momentum across all streams



Results in a powerful customer experience

MULTIPLE PLATFORM- INTEGRATED INTERFACES

- Secure interfaces providing access across all customer segments:
 - App
 - Online
 - Mobile banking (USSD)
 - Online Banking Enterprise™
- Platform engagements can be assisted or unassisted

SINGLE CLIENT PROFILE DELIVERS CUSTOMISED, CONTEXTUAL EXPERIENCE

- FirstID
 - Registration/login
 - Authenticate/verify
 - Security
 - Mandates
 - Consent management
 - Secure contracting, messaging, calls
- MyProfile – manage regulatory compliance on platform
- All engagements and data captured on platform
- Sophisticated AI decisioning engine to deliver insight-driven offerings and contextual experiences

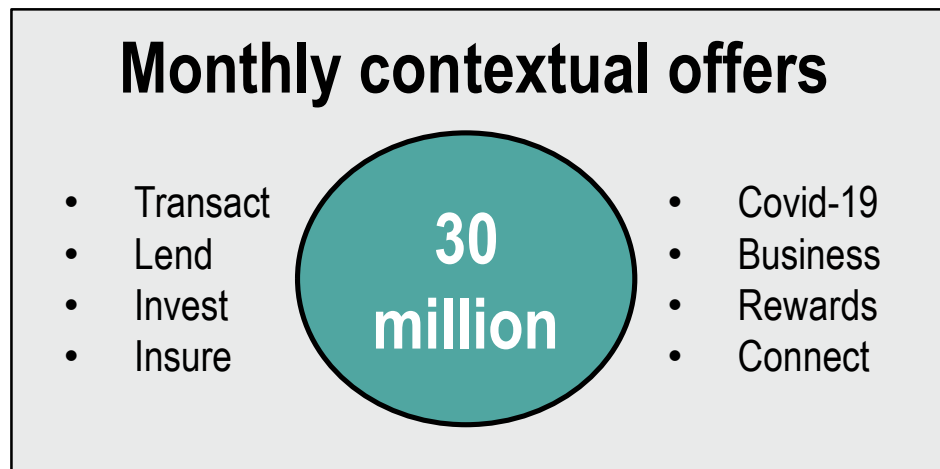
ACCESS TO SECURE ECOSYSTEM OFFERING FINANCIAL SERVICES +++

- Integrated financial services
 - Transact
 - Lend
 - Invest
 - Insure
- Platform leverage: FNB Connect
- Platform behavioural: eBucks
- Ecosystems: nav» (home, car, money, wellness)
- Third-party products and services – providing an open, participative structure for interactions with strategic partners



Data, decisioning and digital engagement are foundational to platform ecosystems

Decisioning



4x



40 million
per week,
as at July 21

Data

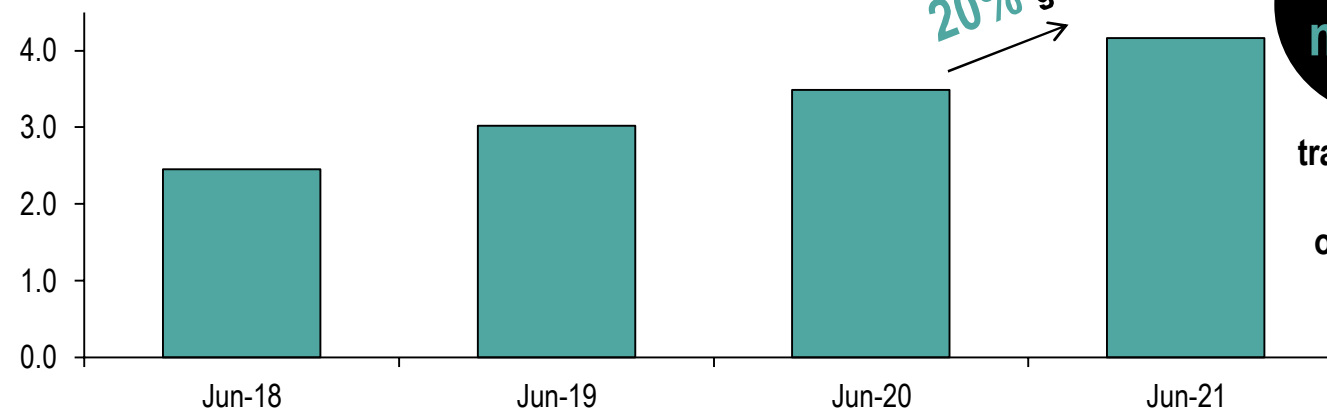
12.5k
data points
per customer

1.48 bn
digital logins per
annum

Digital engagement

Active customer base (SA) on app

Million

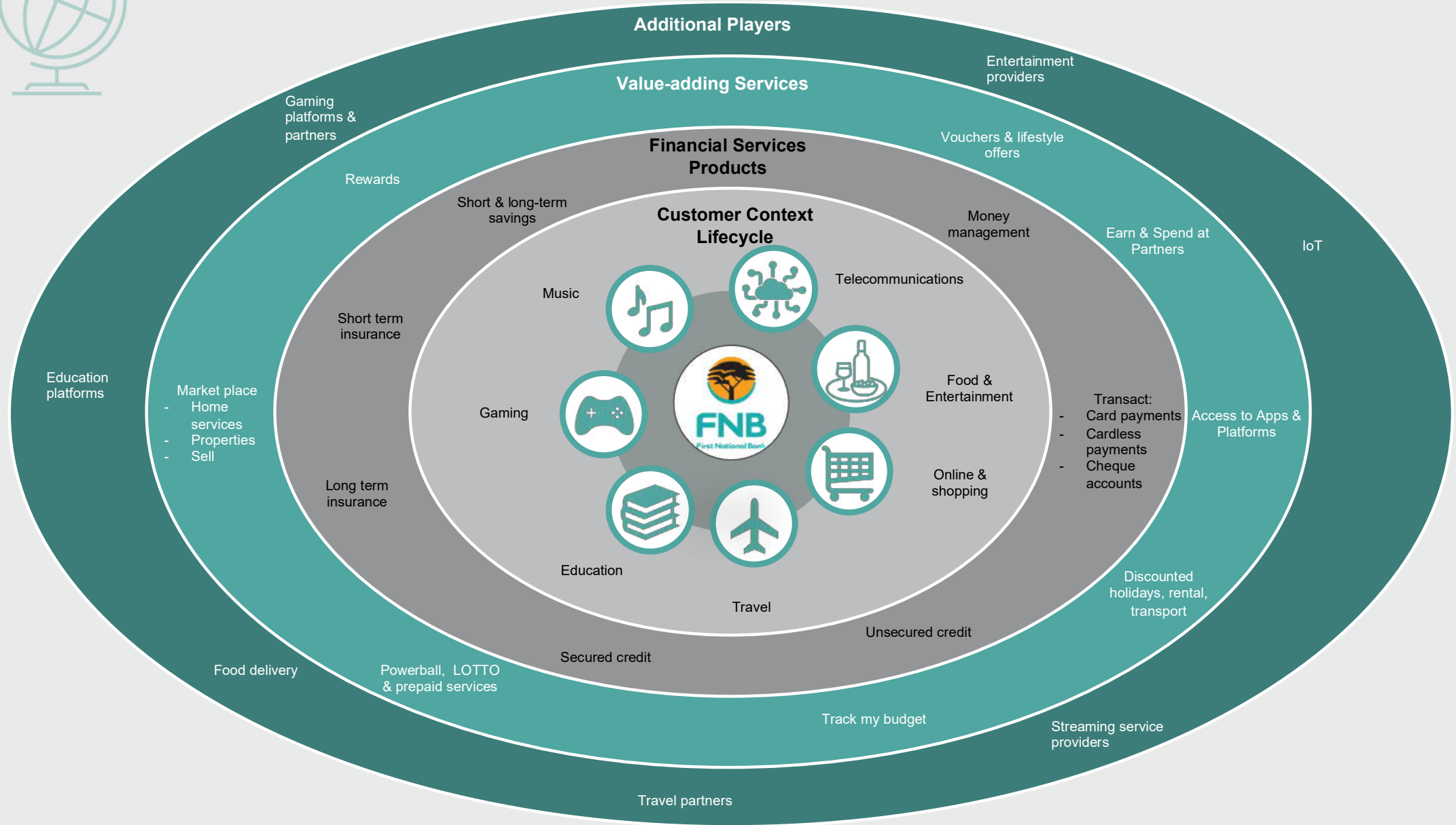


382 million

transactional
volumes
on the app



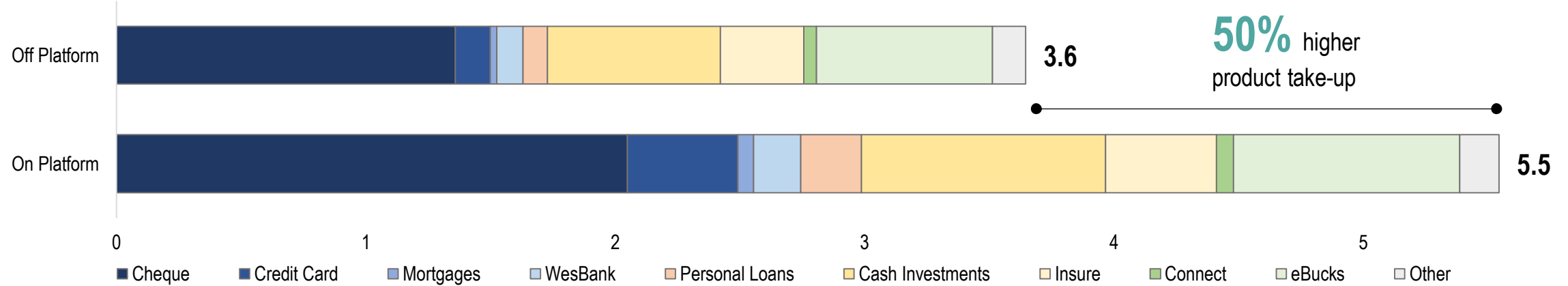
Platform-enabled retail SA ecosystem



KPIs for digital and non-digital retail users benchmarked

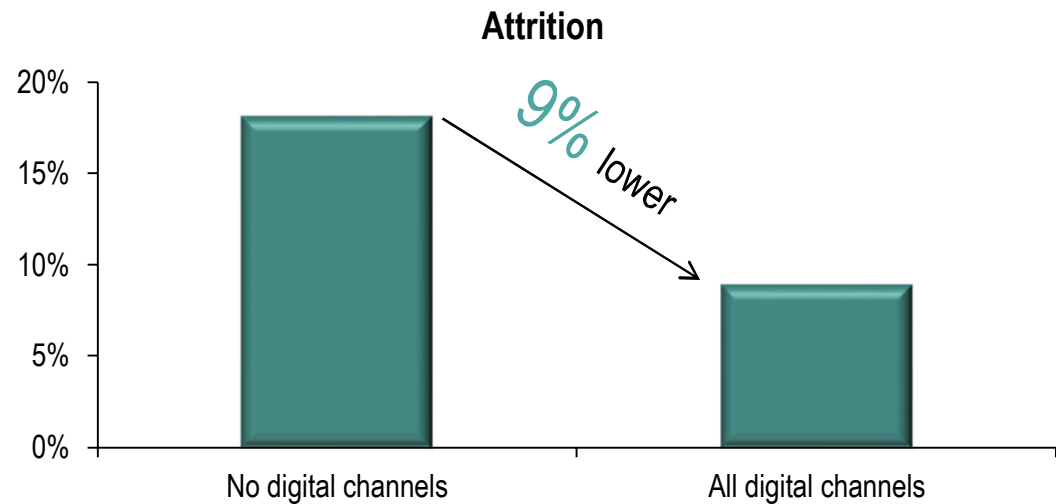
Product take-up

Customer stickiness *driving entrenchment* in the ecosystem and increase *ability to cross-sell*



Average product take-up as at August 2021 per customer that is main-banked for all segments excluding entry segment.

| | Profitability of base | Cost-to-income ratio |
|------------------------------|---|---|
| Digital vs non-digital users | 75% Retail profits generated by digital user base | 13% lower CTI for digital user base |



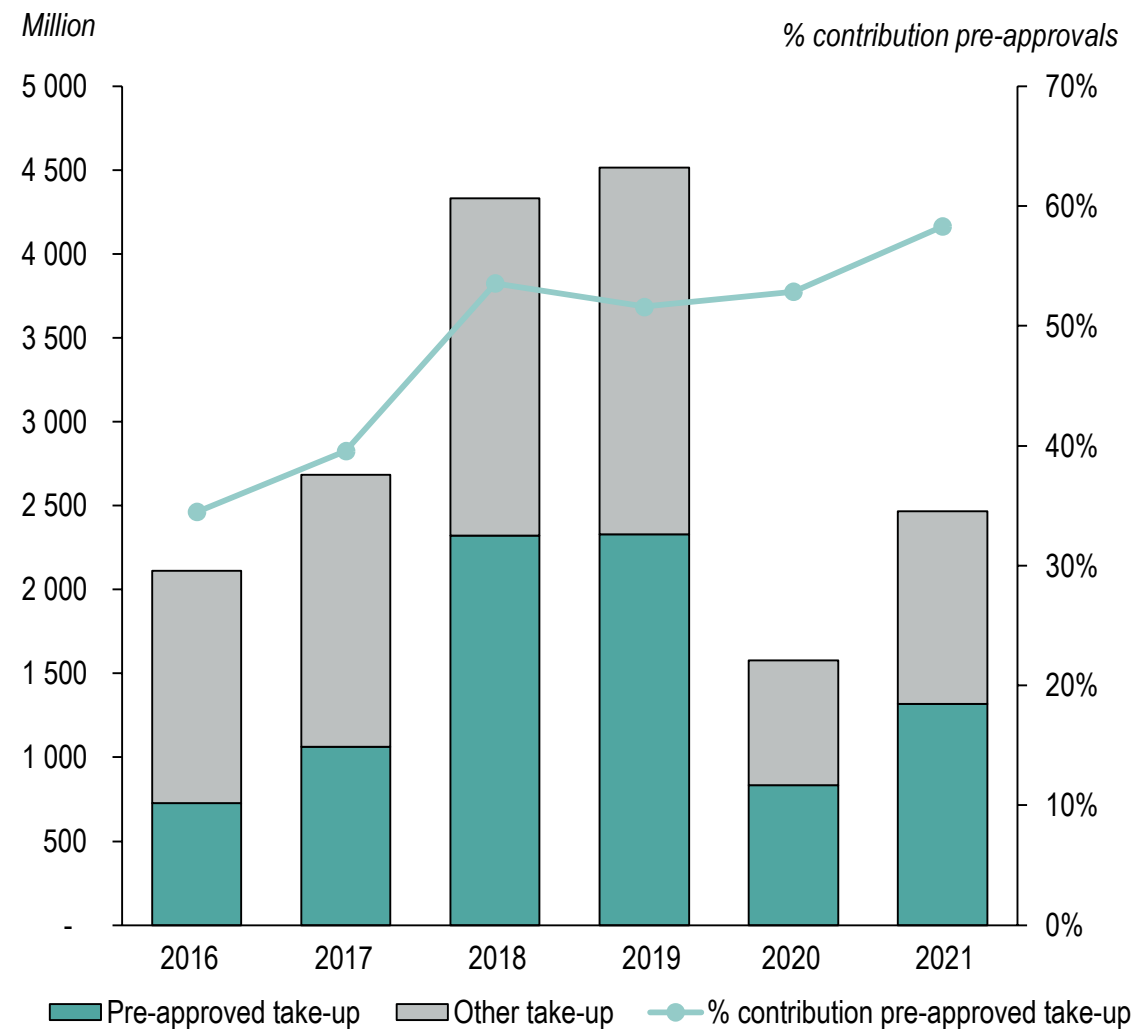
Digital user refers to a client performing any interaction on Cellphone Banking, App or Online Banking over Aug 21.
Non-digital user refers to a client performing no interaction on Cellphone Banking, App or Online Banking over Aug 21.

No digital channels refers to no financial transactions performed on cellphone banking, app or online over last 3 months as at August 21.
All digital channels refers to at least one financial transaction performed on cellphone banking, app or online over last 3 months as of Aug 21.



Contextual offers drives sales effectiveness and efficiency

CONTRIBUTION OF PRE-APPROVED TAKE-UPS TO TOTAL UNSECURED CREDIT SALES



83%

Cost reduction per assisted personal loan application
Contextual offer take-up vs real-time application

73%

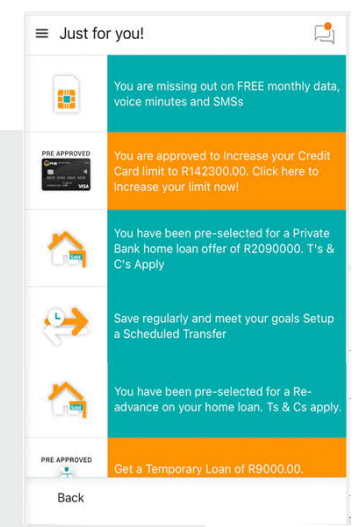
Cost reduction per unassisted personal loan application
Contextual offer take-up vs real-time application

Growing contribution of contextual offers to total unsecured credit sales, with ±40% further opportunity unlock

Success replicated via contextual offers for insure, invest and bank-adjacent activities

Cost-less distribution for enhanced margins

Monetisation of data and insights



Bank-adjacent revenue streams

Three revenue-generating streams within FNB Connect: MVNO, service providers (SPs) and devices

MVNO

Ranked **1st** in SAcsi survey

on mobile telco providers' overall service, quality and value in SA

↑ 77% year-on-year, SIM voice calls

↑ 55% year-on-year, SIM data usage

↑ 49% year-on-year, SIM top-up sales

R983m turnover, FY21

Service Providers

↑ 20% app sales value

↑ 18% year-on-year, electricity sales value

↑ 5% SP sales value

R718m non-interest revenue, FY21

Devices

32k devices sold, FY21

↑ 13% year-on-year growth, value of devices sold

Only company in RSA offering range of devices on App over 24 months

R68m turnover, FY21



Demonstrated value unlock and network effects from **nav»** ecosystems

nav» Money
building
**financial
resilience**

2.1m nav» Money users

**Likely improvements in:*

↑ 5% credit score

↑ 30% honour debit orders

↑ 32% start/increase savings

↑ 1.7x lower attrition

nav» Home
reducing cost
of origination

R26.8bn in pay outs

R93mil cost savings in origination p.a.

5.8x cost savings for every R1 investment

nav» Travel
13k flights per month
616k flights booked ('18-'21)

nav» Car
revenue generation for ecosystem partners

700k cars in virtual garage

120k license renewals

3x faster adoption, license renewals

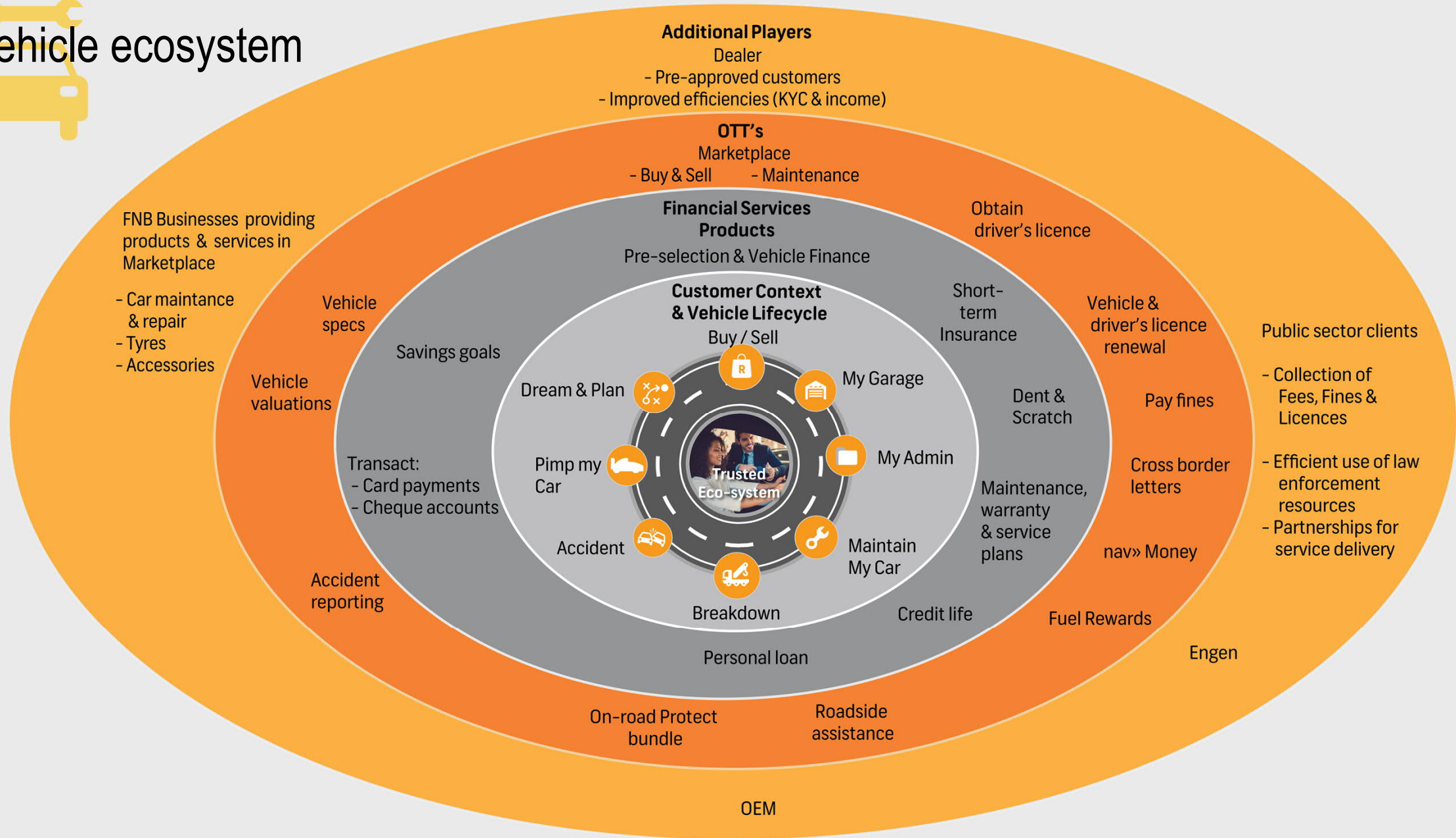
R21m revenue generation for partners

** 12-month view, based on user data.*



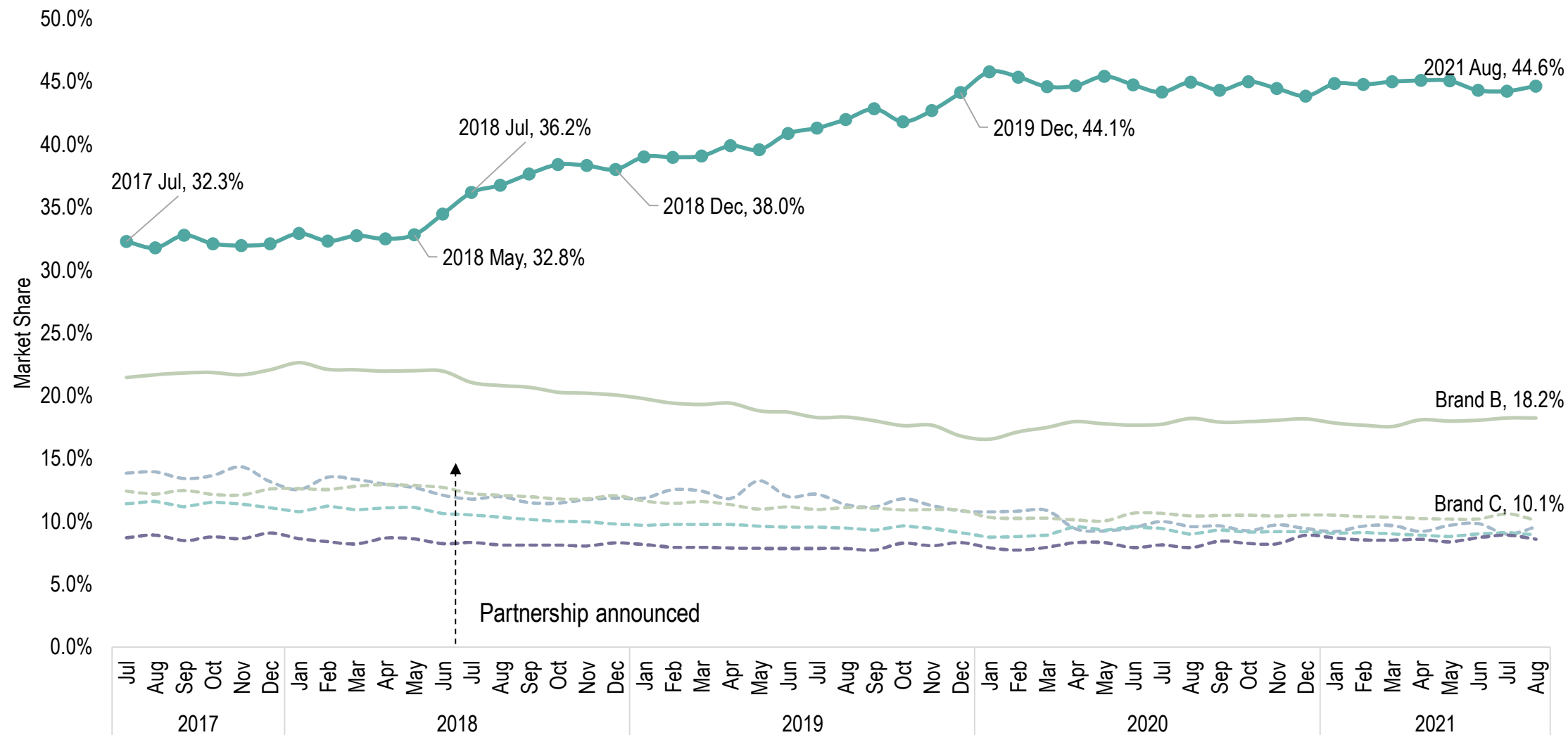


Vehicle ecosystem

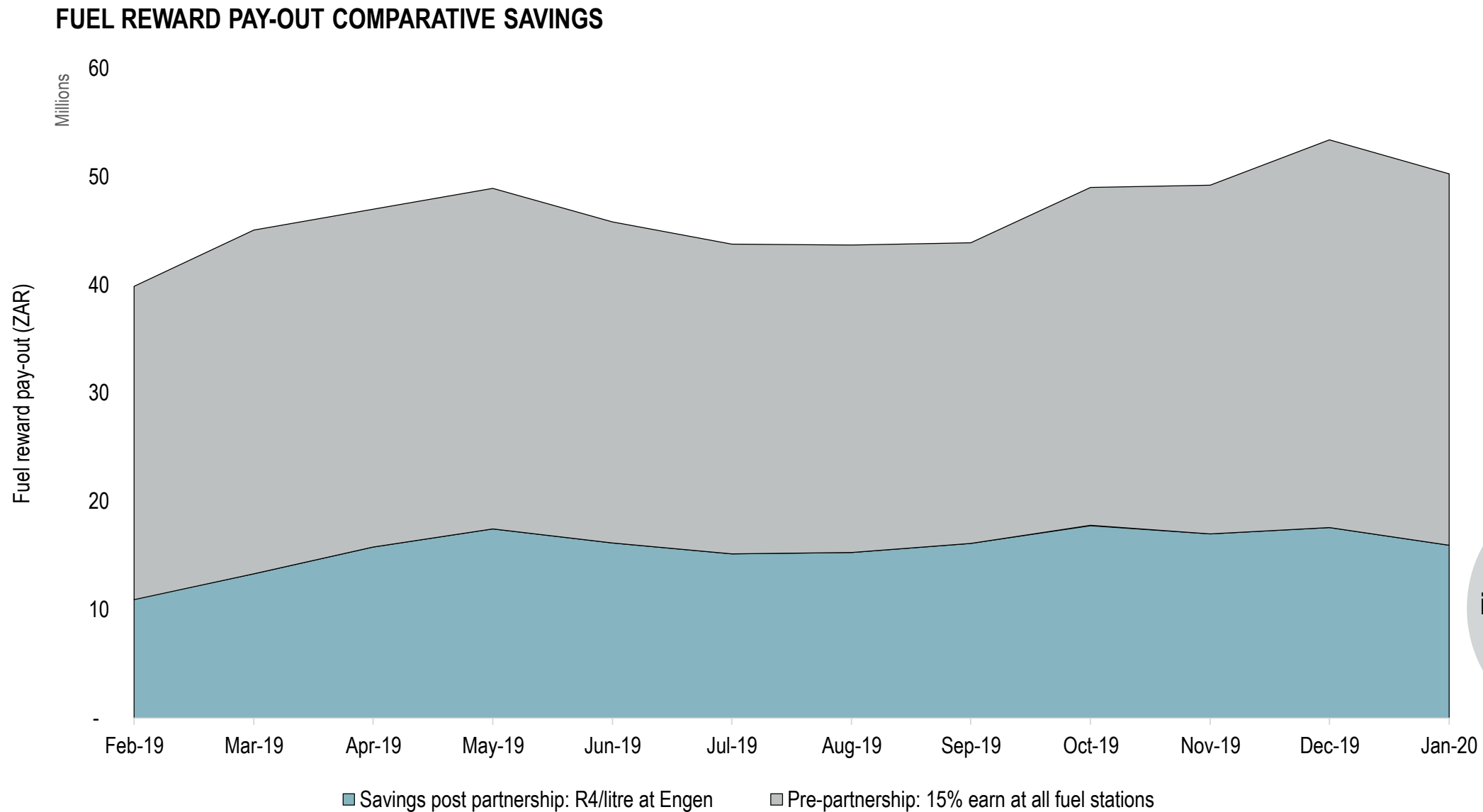


Engen market share relative to competitors

Steady and continuous growth in domestic market share



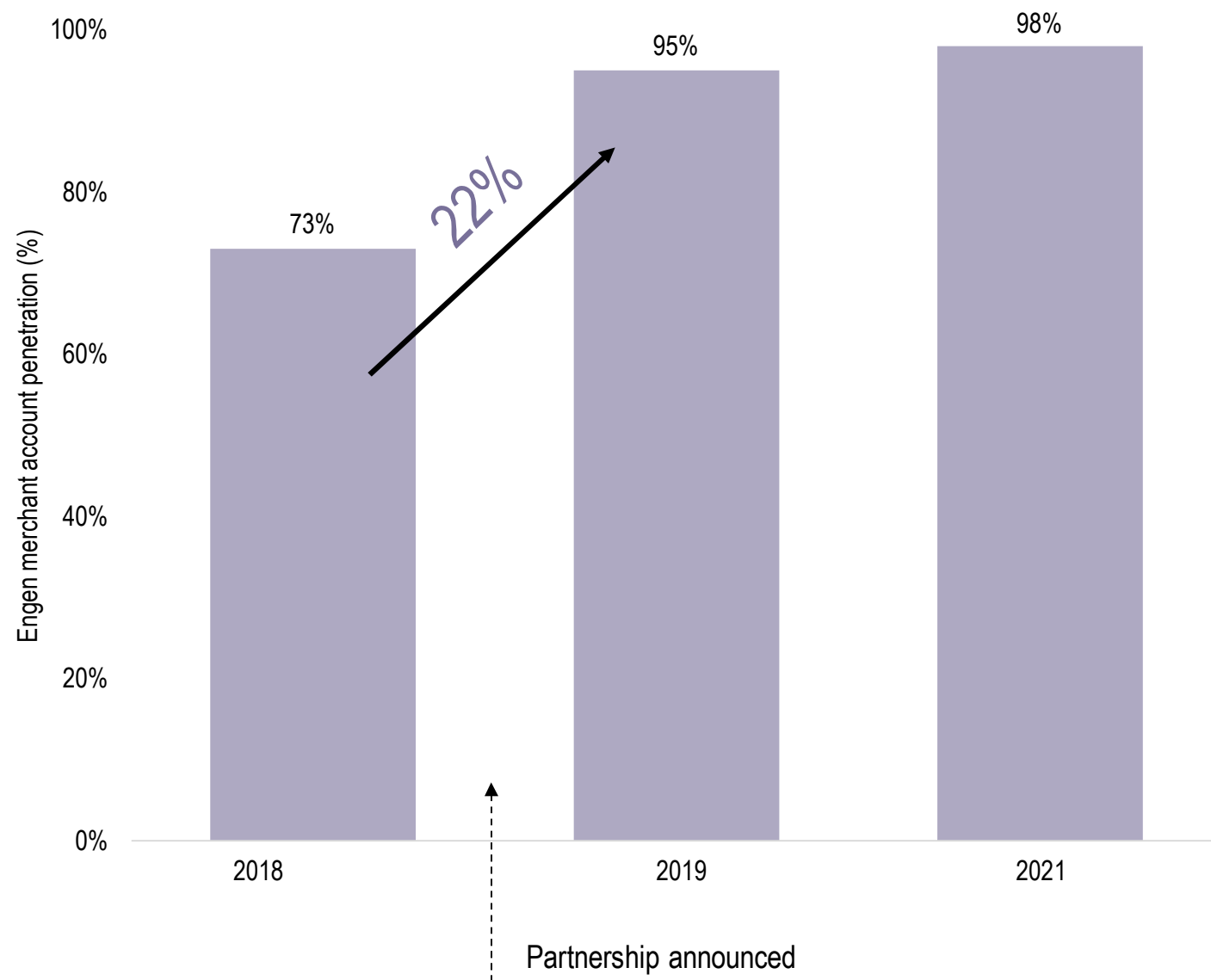
Savings achieved due to change in fuel reward pay-out profile



R188mil
in savings over Feb
'19 – Jan '20



Engen merchant active account growth

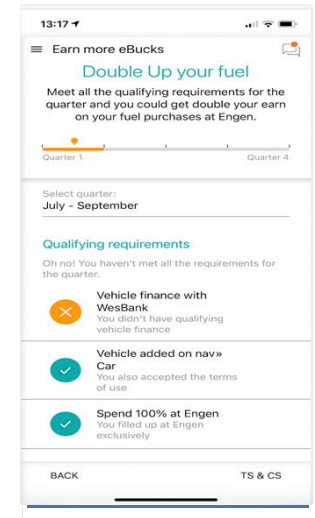
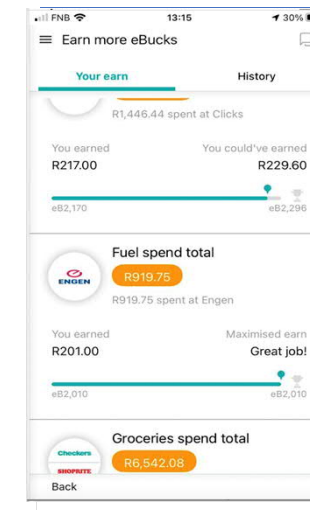
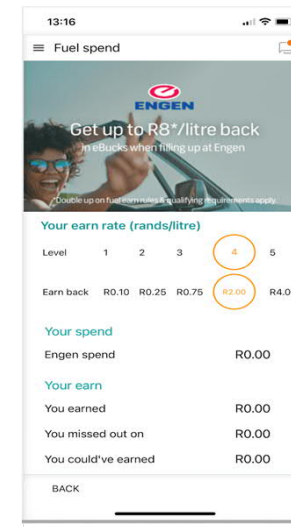
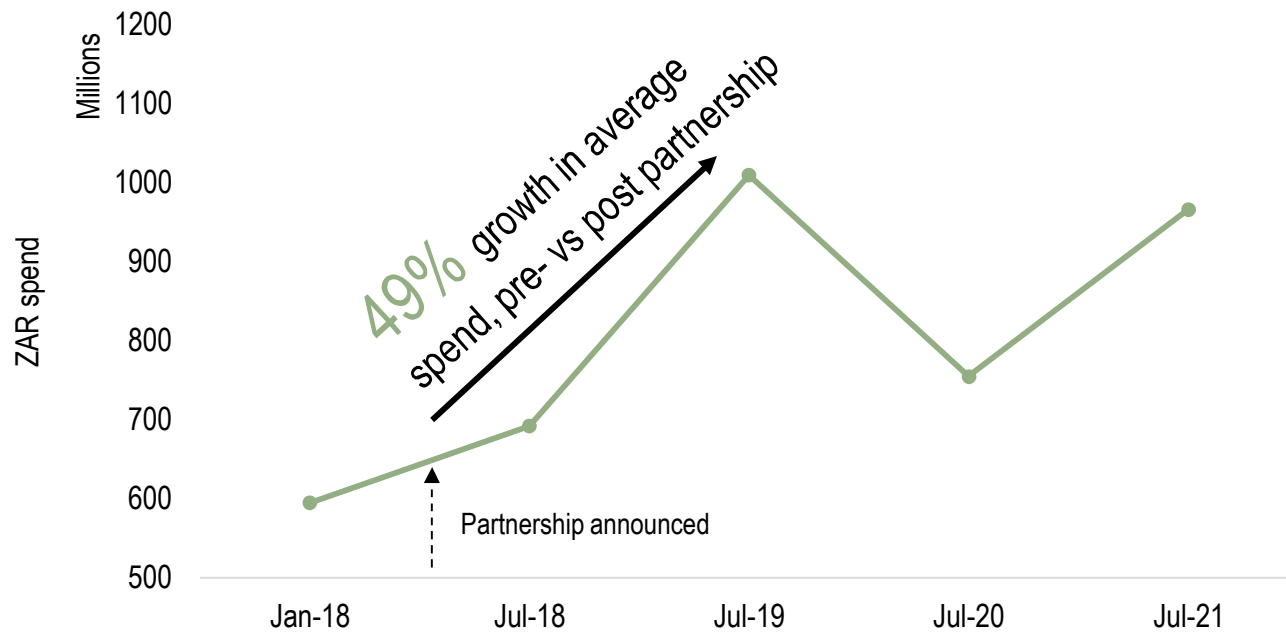


**Demonstrated
success replicated
for other client ecosystems
and Corporate partners**



Shift in client behaviour to Engen fuel partner, enabled by contextual data insights

SPEND BY FIRSTRAND CLIENT BASE AT ENGEN



↓
80%

Reduction in attrition among qualified base
For clients spending vs not spending at Engen

↑
10%

Growth in average Engen market, pre- vs post partnership
Amongst group's client base



Final thoughts

- FirstRand uses **data, decisioning capabilities and digital engagement** as the foundation to operate its platform ecosystems
- The cost savings and cross-sell benefit of contextual, on platform origination can be **replicated** for Insure, Invest and other activities (70-85% cost savings)
- FNB Connect and other bank-adjacent activities create additional and **diversified revenue streams** (>R1billion revenue, FY21)
- nav» ecosystems are beginning to generate **network effects**, resulting in **higher client retention and cost benefits**
- The Engen partnership has resulted in **increased client value**, comparatively **lower rewards pay-out** for the group (34% lower), **higher merchant account penetration** (22% increase in 1 year), and **increased market share** for Engen
- The **demonstrated success** of the Engen partnership for all ecosystem players can be **replicated** for other client ecosystems like wellness

