

FirstRand Bank Ltd.
3 June 2022

TRADING STATEMENT BY FIRSTRAND BANK LIMITED'S PARENT FOR THE YEAR ENDING 30 JUNE 2022

FirstRand Bank Ltd (**FirstRand Bank** or **the bank**) is a wholly owned subsidiary of FirstRand Limited (**FirstRand** and, together with its subsidiaries, **the group**), which is listed on the Johannesburg Stock Exchange (JSE) and the Namibian Stock Exchange. The bank represents approximately 76% of the group's earnings base and 74% of group assets. FirstRand Bank noteholders are therefore referred to the trading statement released by FirstRand on the JSE Stock Exchange News Service (SENS) on 3 June 2022.

In terms of paragraph 3.4(b) of the JSE Listings Requirements, an issuer is required to publish a trading statement as soon as it becomes apparent that earnings per share for the next period to be reported on is expected, with a reasonable degree of certainty, to differ by at least 20% from that of the previous corresponding period.

FirstRand's headline earnings per share (HEPS) of 480.5 cents, earnings per share (EPS) of 476.9 cents and normalised EPS of 473.3 cents for the year ended 30 June 2021 are expected to increase by more than 20% for the year ending 30 June 2022 (current period). FirstRand's HEPS, EPS, and normalised EPS for the current period will therefore be at least 576.6 cents, 572.2 cents and 567.9 cents, respectively.

As guided at the time of the publication of FirstRand's results for the six months ended 31 December 2021, the credit cycle in South Africa is incrementally gaining impetus, particularly in the retail and commercial segments. Corporate activity is also showing stronger momentum, particularly in the last quarter. These trends have continued to support advances growth, resulting in healthy net interest income.

In the UK, advances growth has continued in the vehicle asset finance (VAF) business, with mortgages and asset finance also presenting an ongoing modest uplift in new business origination.

Activity levels in the domestic retail, commercial and corporate customer segments have increased, with fee and commission income in particular showing a higher growth trajectory. This, together with strong insurance premium growth and lower claims, is underpinning an improved non-interest revenue trend.

Group credit impairments continue to reduce and non-performing loan (NPL) formation remains in line with expectations. Due to ongoing uncertainty, the group remains conservatively positioned with regards to its forward-looking provisions.

The rest of the income statement is broadly in line with previous guidance.

The bank and group have maintained their strong capital and liquidity positions.

A further trading statement will be issued once there is reasonable certainty regarding the extent of the increase in earnings and the relevant HEPS, EPS and normalised EPS ranges.

The forecast financial information contained in this announcement has not been reviewed or reported on by the bank's or group's auditors.

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