

# results presentation

FOR THE SIX MONTHS ENDED 31 DECEMBER 2010



**FIRSTRAND**

# 10/11

**FirstRand Limited results**  
for the six months ended 31 December 2010



# 10/11

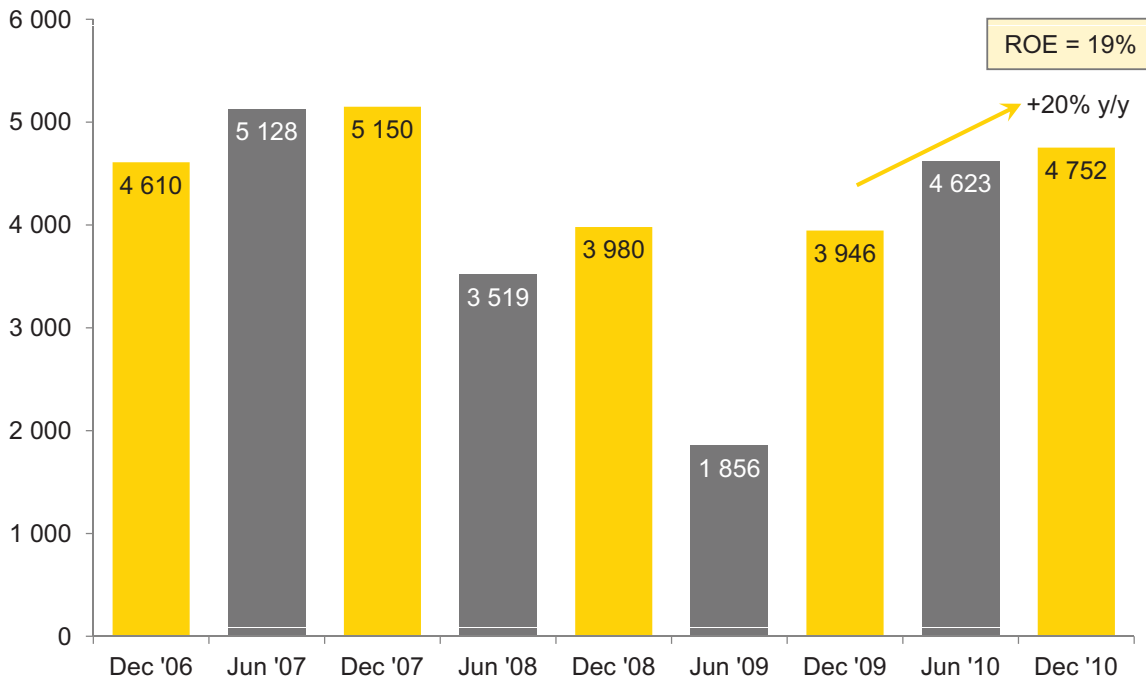
**Introduction**  
Sizwe Nxasana



## Recovery in ROE and earnings continues

6-monthly *pro forma* normalised earnings\*

R million



\* Excludes contributions from Momentum (Dec '06 to Dec '10) and Discovery (Dec '06 to Dec '07)

## Achieved against mixed macros

- SA GDP growth recovery continued
- Inflation bottomed
- Interest rates decreased 100bps to historically low levels
- Good disposable income growth
- Continued improvement in consumer affordability, but household debt remained high
- Employment growth turned positive
- House prices dipped after a strong showing in 1H10
- Corporate and commercial market subdued



## Strong performance from all franchises

Profit before tax R million	6 months to 31 Dec '10	6 months to 31 Dec '09	Change (y/y)
FNB	3 362	2 895	▲ 16%
FNB Africa	740	597	▲ 24%
RMB	2 142	1 449	▲ 48%
WesBank	1 069	405	▲ >100%



## Consistent strategic fundamentals

- Our strategic intent remains...
  - To be the African financial services group of choice
  - By creating long-term franchise value
  - Through delivering superior and sustainable returns
  - Within acceptable levels of earnings volatility
  - Underpinned by alignment of shareholder value creation and management remuneration
- ... driven by two growth strategies
  - In South Africa, focus on existing markets and areas currently under-represented
  - Further grow African franchises in key markets and mine the corridors

Strategy executed through operating franchises



# 10/11

## Financial review

Johan Burger



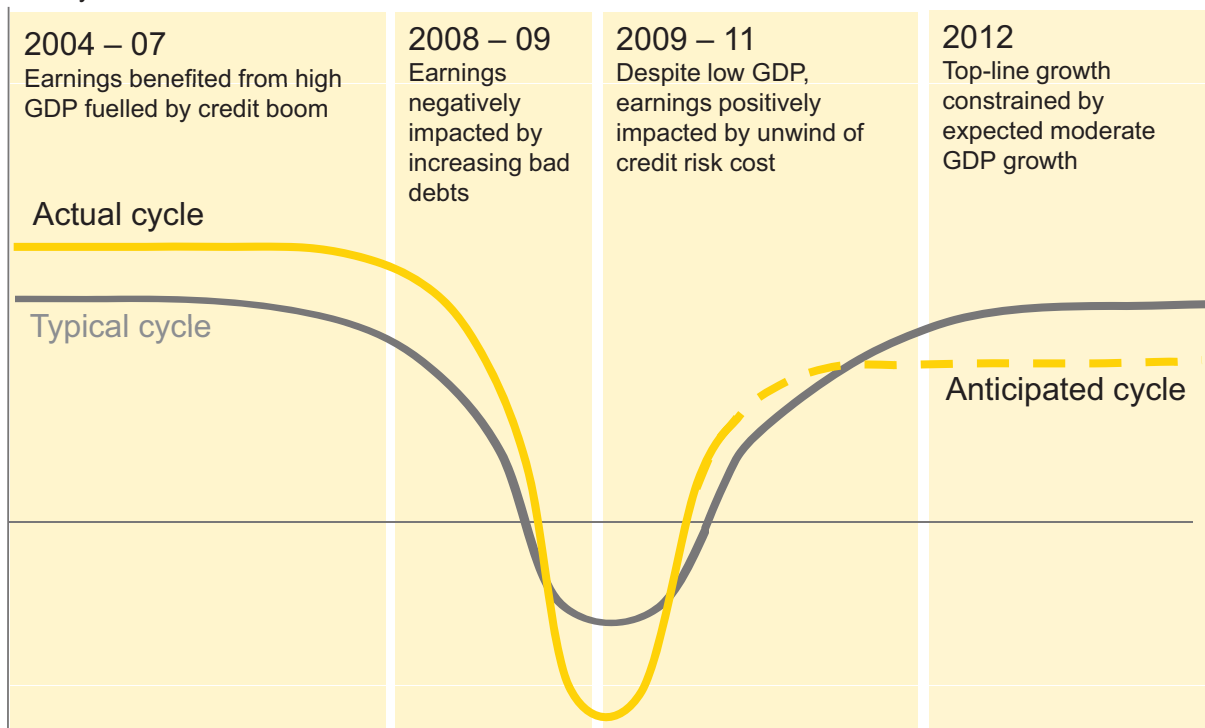
All of the data contained in the *Financial review* section of this presentation are presented on a normalised basis, for continuing operations (excluding Momentum).

A reconciliation between the normalised income statement in the *Circular to shareholders* and this presentation is shown in the Appendix.



# Macro influences bank earnings

GDP cycle



## Highlights of Group performance – actual

R million (normalised)	Dec '10	Dec '09	Change
Earnings – Group	5 260	4 605	▲ 14%
Earnings – Banking Group*	4 578	3 755	▲ 22%
Earnings – Momentum†	682	850	▼ (20%)
Diluted EPS (cents) – Group	93.3	81.7	▲ 14%
Return on equity (%) – Group	19.2	17.3	▲
Net asset value per share (cents) – Group	924.4	978.9	▼ (6%)
Dividend per share (cents) – FSR	35	34	▲ 3%
Dividend per share (cents) – MMI	?		

\* Banking Group includes NCNR preference shares and FirstRand Limited (company)

† Dec '10 Momentum earnings includes 5 months' contribution, vs 6 months' contribution in the Dec '09 Momentum earnings

## Highlights of Group performance – *pro forma*

R million (normalised)	Dec '10	Dec '09	Change
Earnings – Group	4 752	3 946	▲ 20%
Diluted EPS (cents)	84.3	70.0	▲ 20%
Return on equity (%)	18.7	17.3	▲
Net asset value per share (cents)	924.4	838.7	▲ 10%
Dividend per share (cents)	35	28	▲ 25%



## Key ratios – *pro forma*

	Dec '10	Dec '09	Change
Return on equity (%)	18.7	17.3	▲
Return on assets (%)	1.40	1.11	▲
Credit loss ratio (%)	0.92	1.52	▼
Cost to income ratio (%)	57.1	55.3	▲
Tier 1 capital adequacy ratio* (%)	13.6	12.2	▲
Core Tier 1 capital adequacy ratio* (%)	12.4	11.3	▲
Net interest margin (%)	4.14	4.45	▼
Gross advances (R billion)	462	422	▲ 9%

\* Comparative value for Dec '09 is shown for FirstRand Bank Holdings (the bank controlling company at that time). FirstRand Limited became the bank controlling company effective Jul '10. Capital ratios shown here exclude unappropriated profits.



## Income statement – *pro forma*

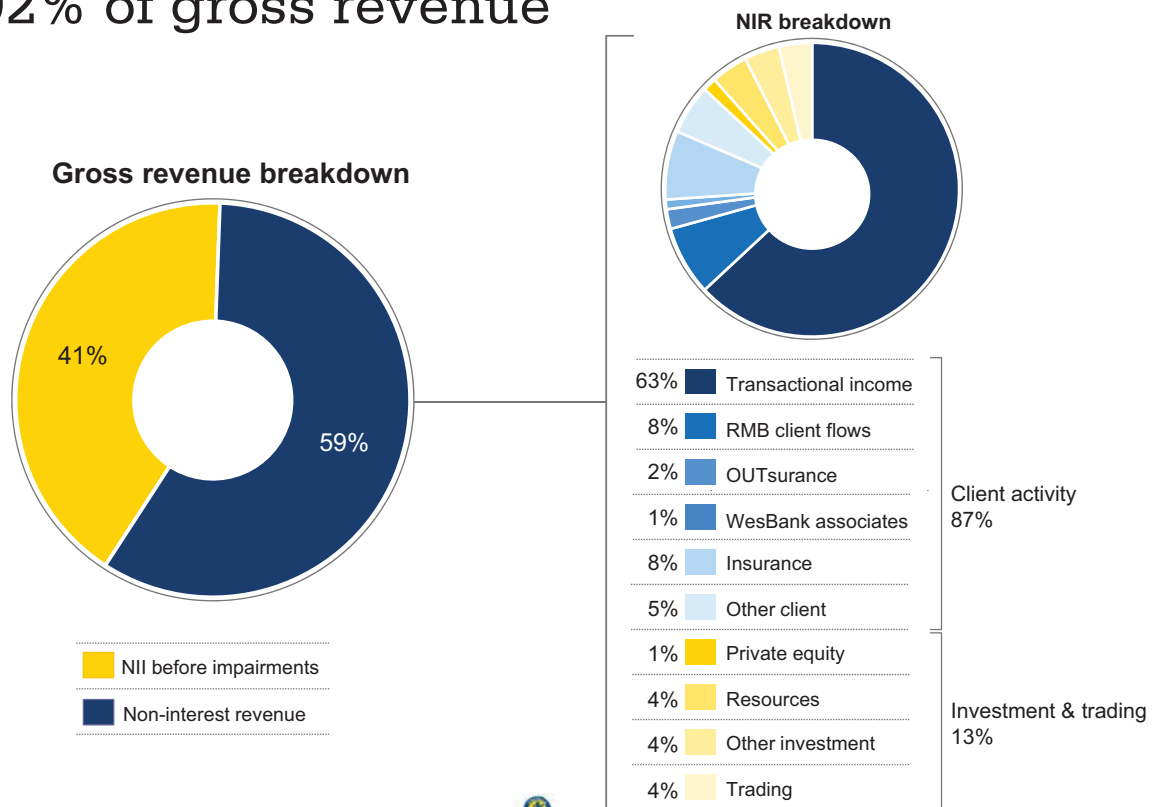
Normalised (R million)	Dec '10	Dec '09	% change
Net interest income before impairment of advances	9 489	9 358	1%
Impairment losses on loans and advances	(2 084)	(3 225)	(35%)
Net interest income after impairment of advances	7 405	6 133	21%
Non-interest revenue*	13 426	12 023	12%
Income from operations	20 831	18 156	15%
Operating expenses†	(13 078)	(11 819)	11%
Income before tax	7 753	6 337	22%
Indirect tax	( 385)	( 236)	63%
Profit before tax	7 368	6 101	21%
Direct tax	(2 092)	(1 655)	26%
NCNR prefs	( 160)	( 190)	(16%)
Minorities	( 364)	( 310)	17%
<b>FirstRand <i>pro forma</i> normalised earnings</b>	<b>4 752</b>	<b>3 946</b>	<b>20%</b>

\* NIR is adjusted for private equity subsidiaries' costs, and includes share of profit from associates and joint ventures.

† Operating expenses exclude costs from private equity subsidiaries.

Refer to Appendix for a reconciliation of normalised *pro forma* income statement shown above with that shown in the *Circular to shareholders*.

## Client franchise contributes 92% of gross revenue



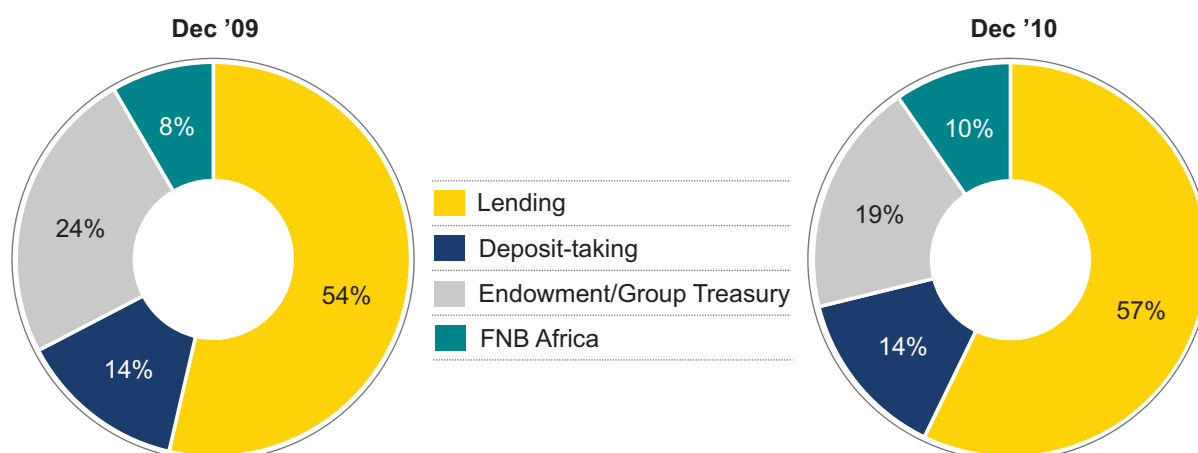


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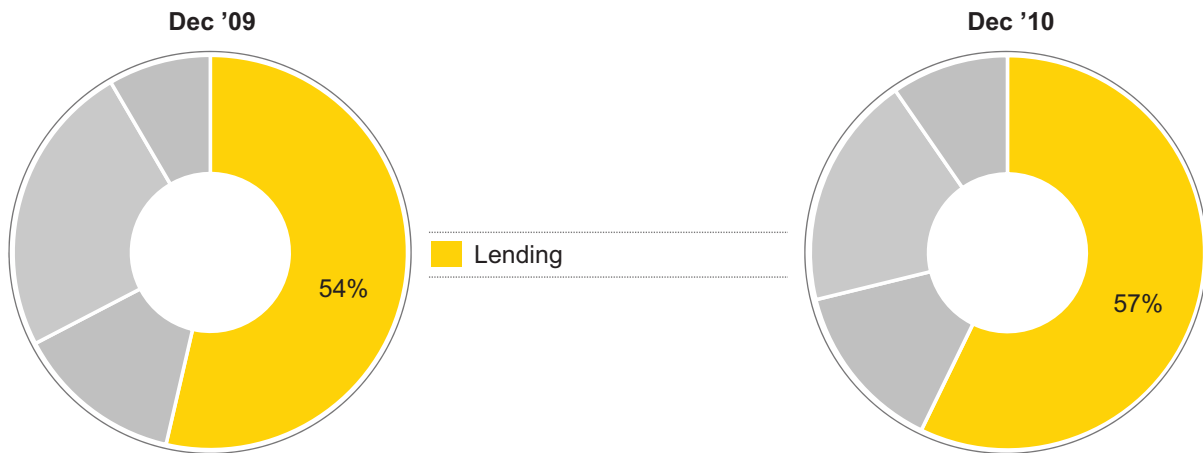
## Unpacking NII



Based on net interest income before impairment of advances

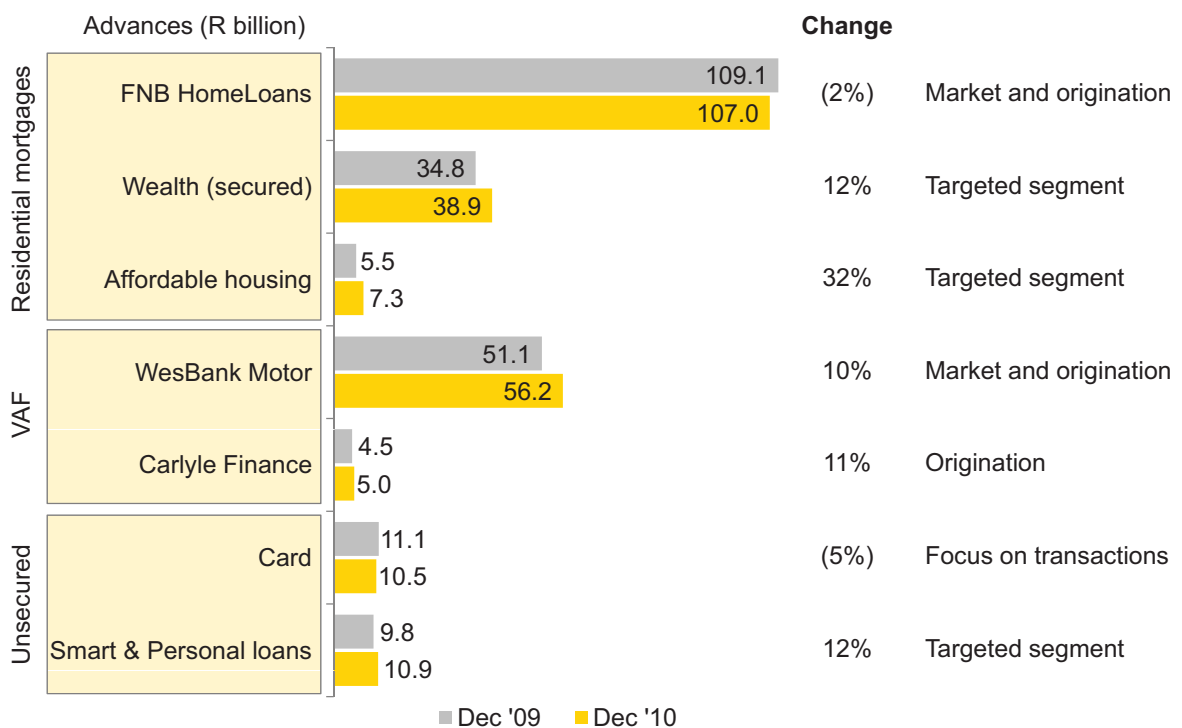


# Unpacking NII – Lending



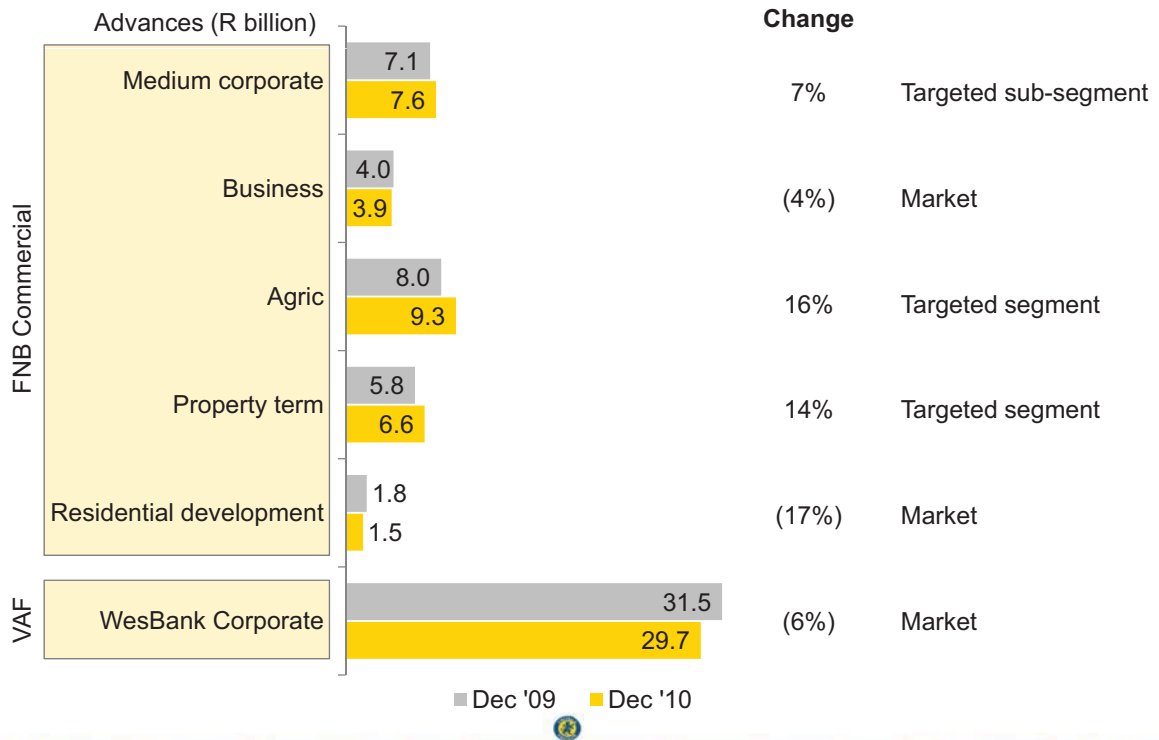
Based on net interest income before impairment of advances

## Retail\* advances +4%, however growing in targeted segments

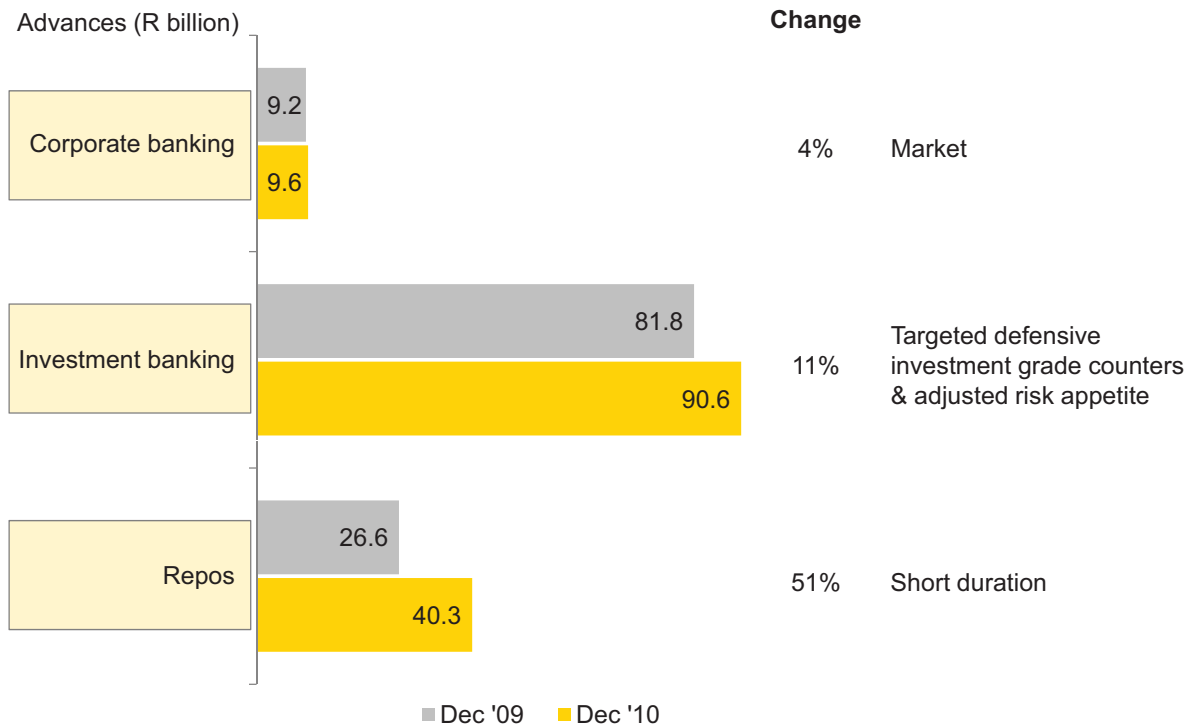


\* Excluding FNB Africa

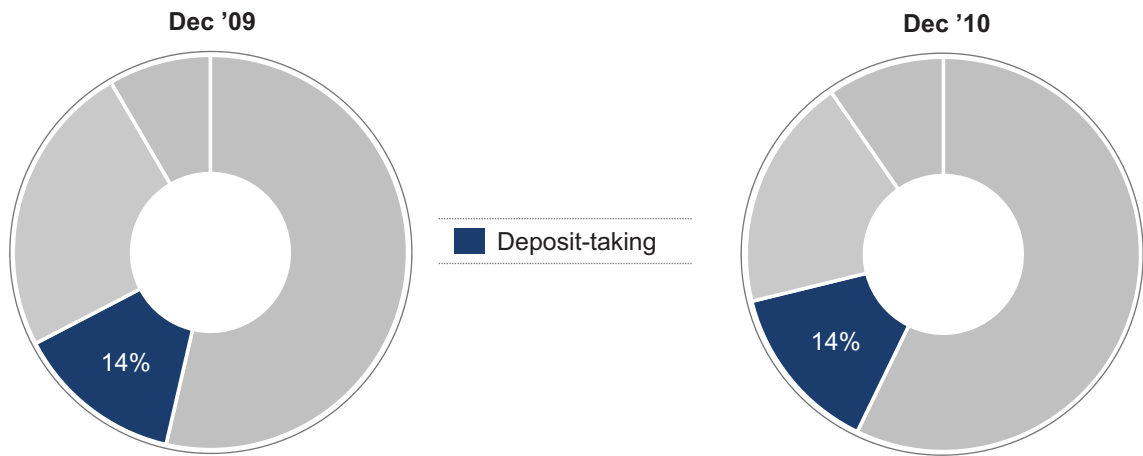
## Commercial advances growing in targeted segments



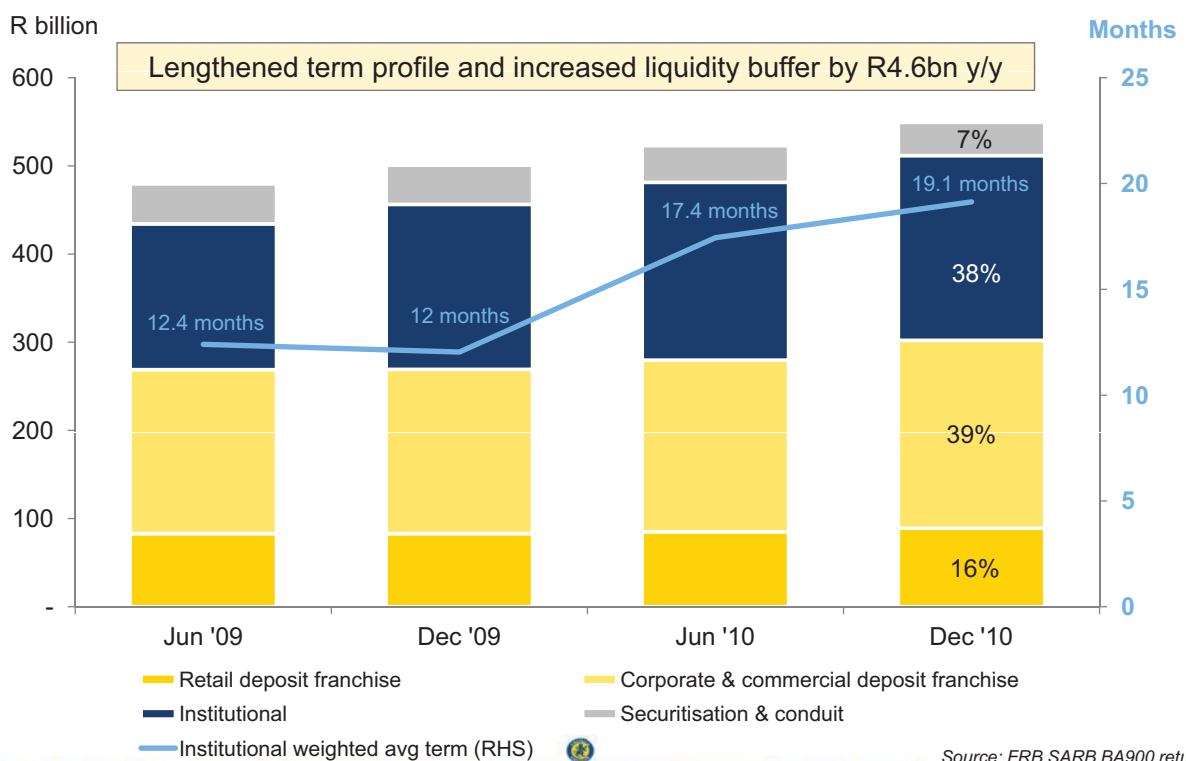
## Growth in corporate advances reflects strategy



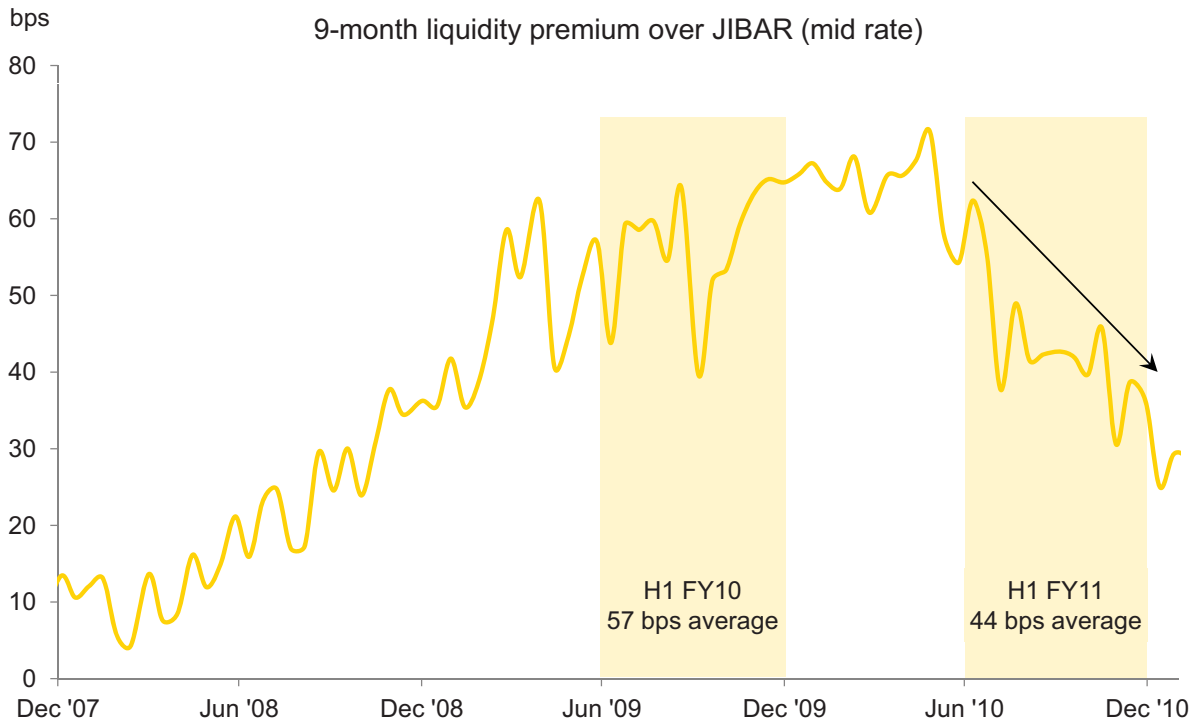
# Unpacking NII – Deposit-taking



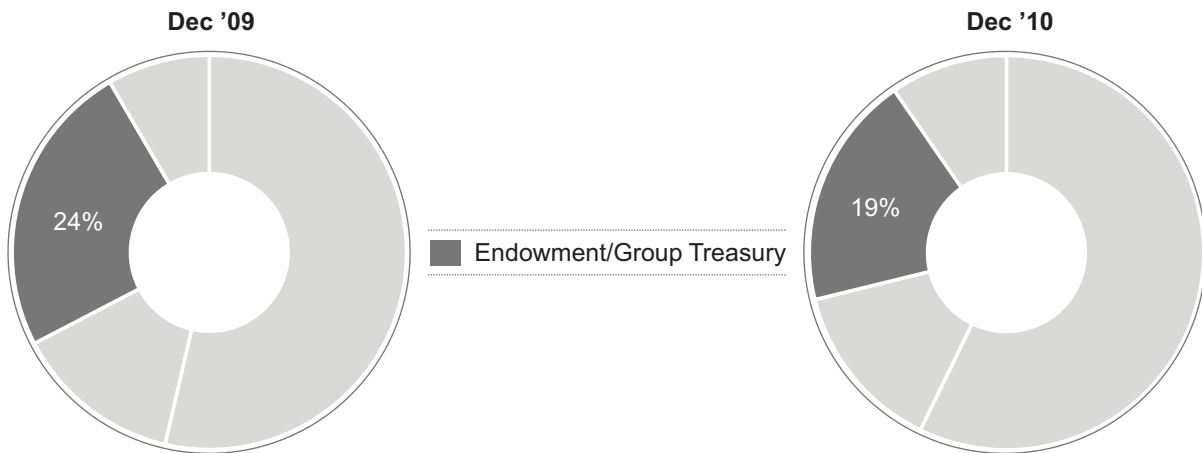
## Liability profile reflects structural funding in SA Inc, Basel III a challenge



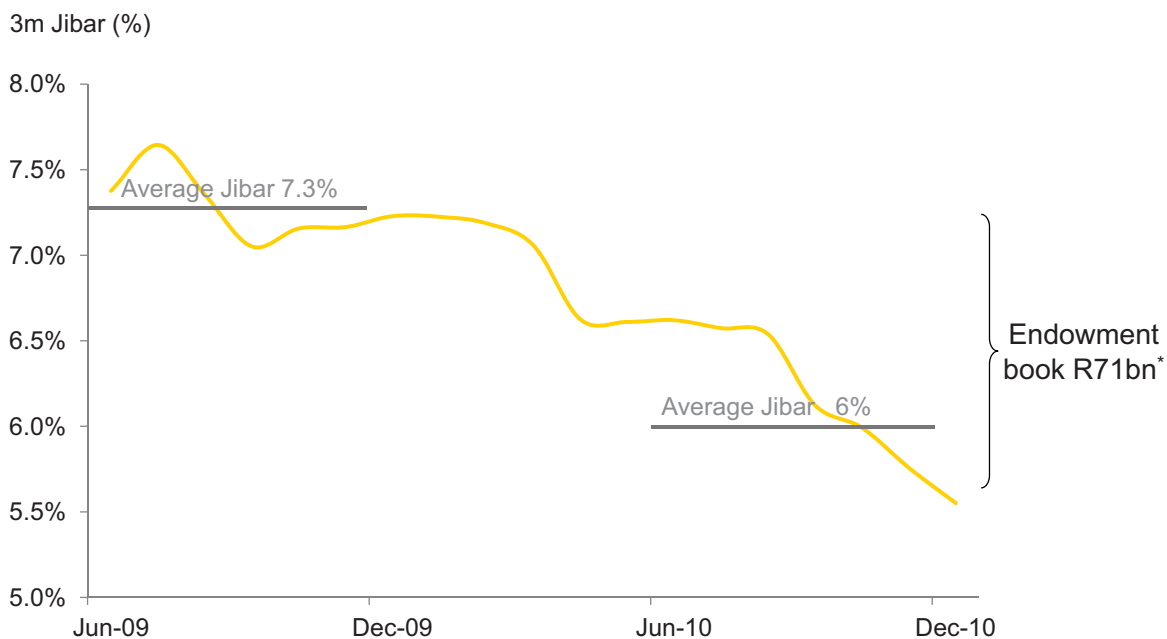
# Liquidity premium reducing



# Unpacking NII – Endowment/Group Treasury



## Endowment impact R650 million per 100 bps per annum



\* Average endowment book for the current financial year. Sensitivity as at 31 Dec '10 for 12 months, assuming parallel shift in rates.

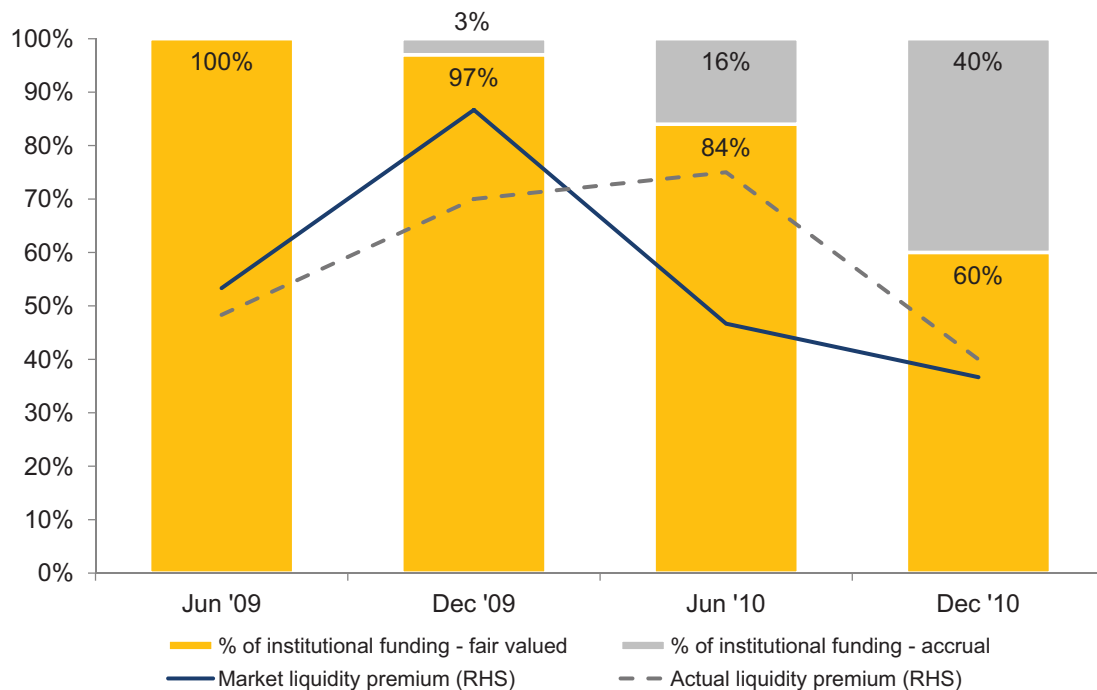
## Margin impacted by MTM timing differences

Percentage of average interest-earning banking assets	%
<b>Dec '09*</b>	<b>4.45</b>
Asset price movement	0.15
Retail deposit pricing	(0.03)
Endowment effect	(0.15)
Wholesale liquidity pricing	(0.02)
Increase in liquidity buffer	(0.06)
Interest rate risk hedges	0.07
Timing differences on MTM of certain funding instruments	(0.27)
<b>Dec '10</b>	<b>4.14</b>

\* Dec '09 adjusted for the inclusion of RMB fair value advances



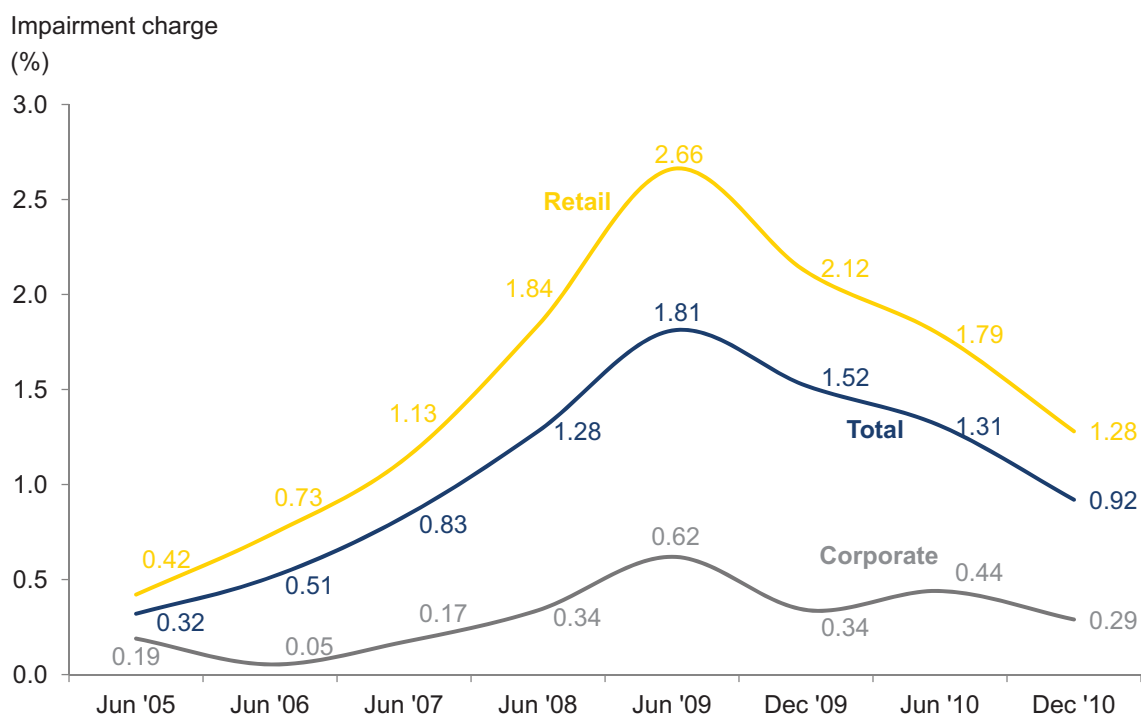
## MTM accounting treatment creates volatility in margin



## Income statement – *pro forma*

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<b>FirstRand <i>pro forma</i> normalised earnings</b>	<b>4 752</b>	<b>3 946</b>	<b>20%</b>

## Bad debts within long-run average range



Impairment charge numbers for Jun '05 to Jun '09 are for FirstRand Banking Group.  
Dec '09 to Dec '10 numbers are for FirstRand Limited (*pro forma*)



## Bad debt unwind continued

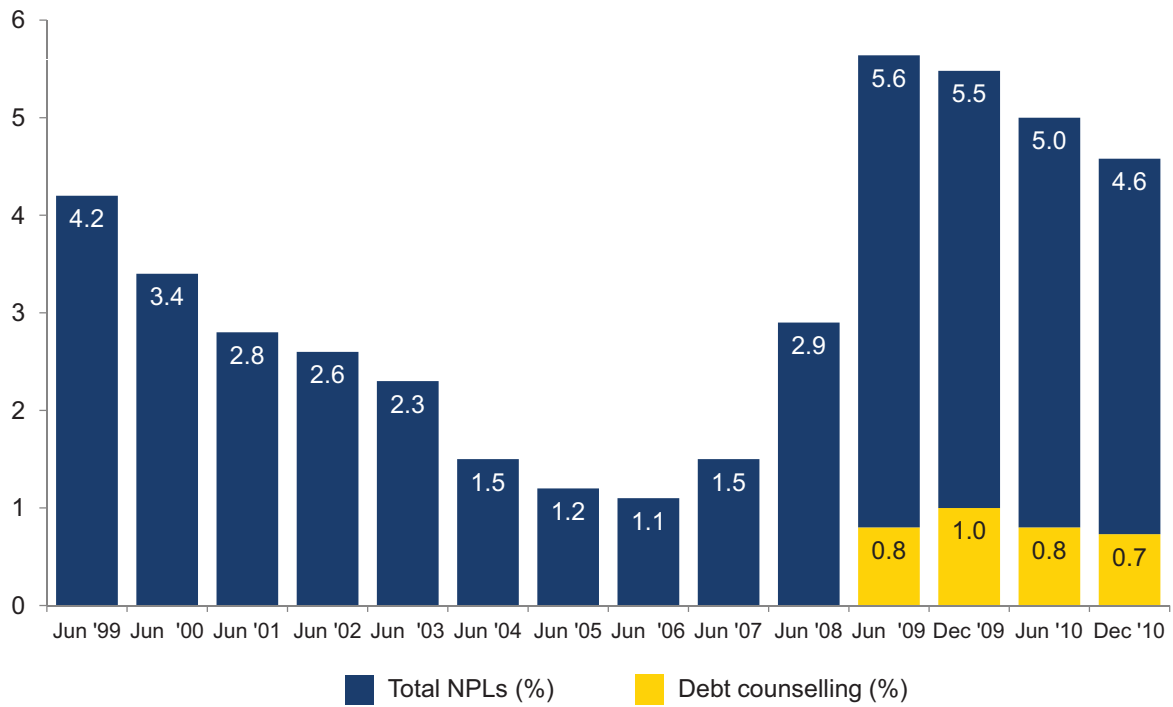
Bad debts Percentage of average advances	6 months to Dec '10	6 months to Jun '10	6 months to Dec '09
Retail	1.29	1.41	2.08
- Residential mortgages	0.84	0.73	1.17
- Credit card	2.49	5.73	8.14
- Vehicle and asset finance (SA)	1.72	1.47	2.12
Wholesale*	0.42	0.81	0.71
<b>Total bad debt ratio</b>	<b>0.92</b>	<b>1.14</b>	<b>1.52</b>

\* Includes WesBank Business and Corporate





## NPLs remain sticky...

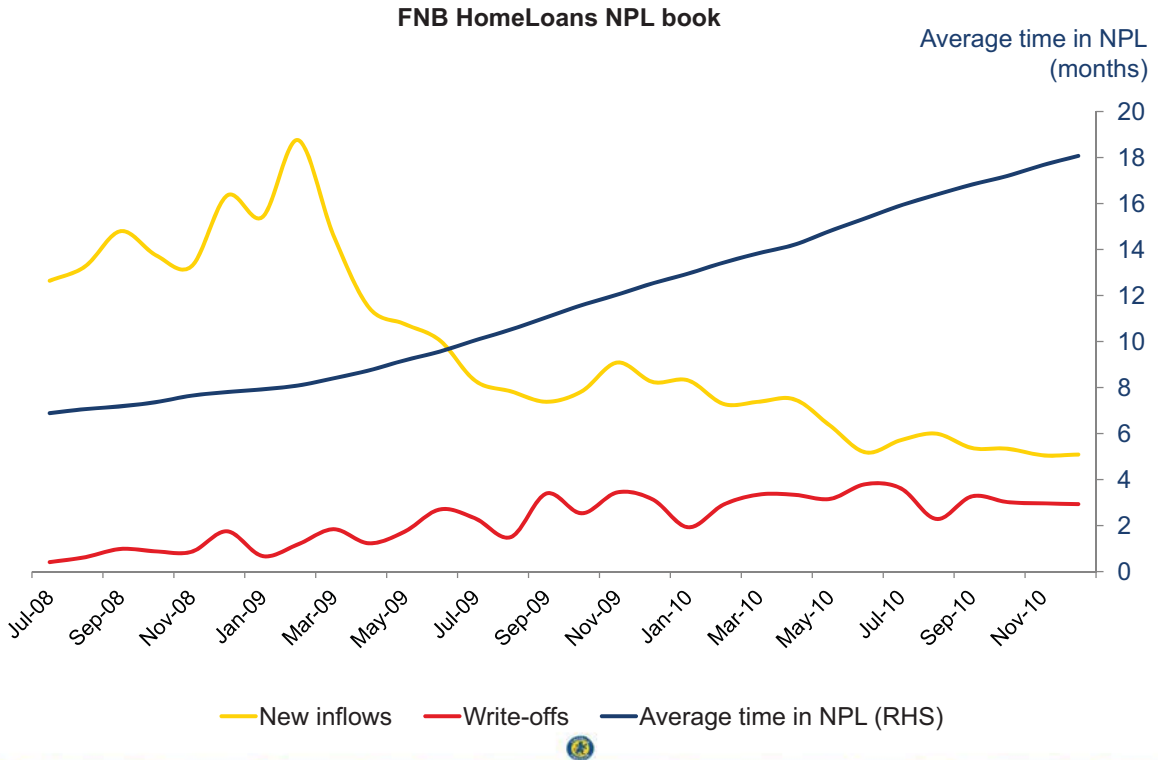


## ... and levels remain high

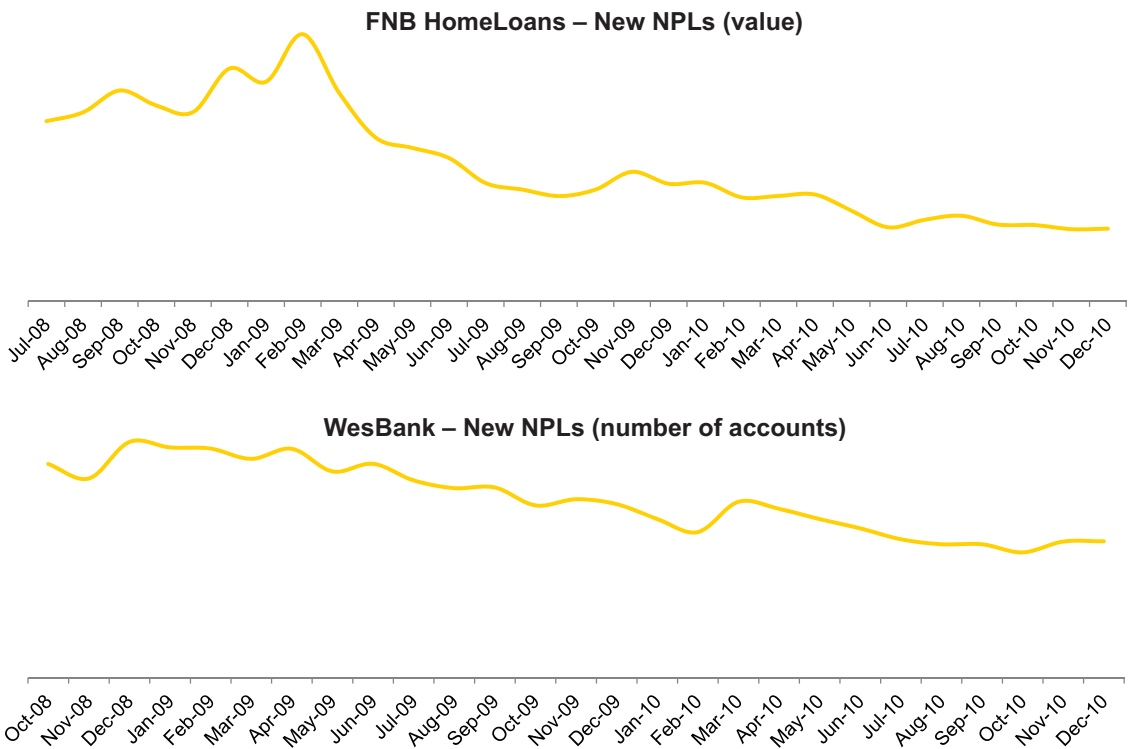
NPL Percentage of advances	Dec '10	Jun '10	Dec '09
Retail	6.18	6.94	7.43
- Residential mortgages	7.40	8.24	8.71
- Credit card	4.46	6.28	8.50
- Vehicle and asset finance (SA)	5.11	5.40	5.14
Wholesale*	2.65	2.52	2.72
<b>Total NPL ratio</b>	<b>4.58</b>	<b>5.00</b>	<b>5.48</b>

\* Includes WesBank Business and Corporate

# Ageing NPLs impact LGDs



# Lower NPL inflows drive bad debt charge

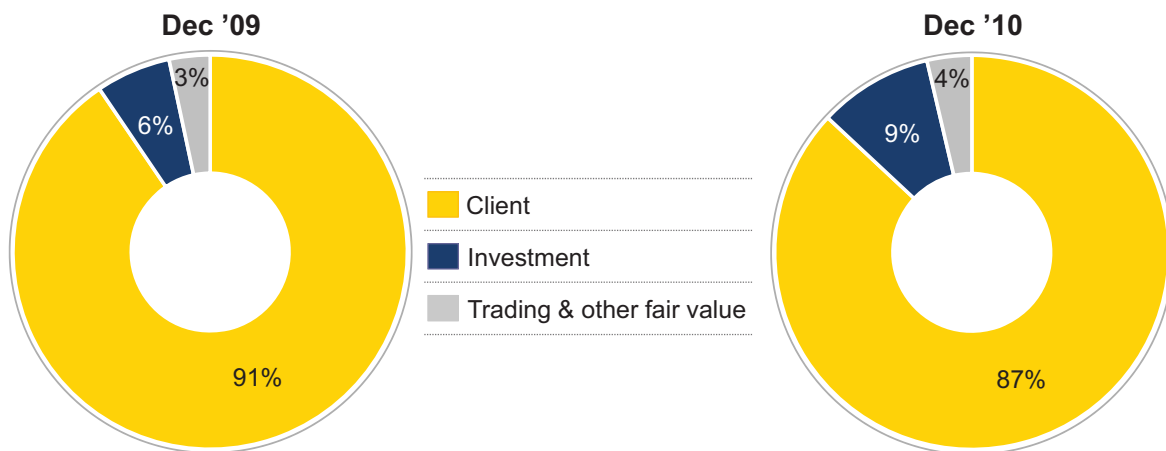


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## Unpacking NIR



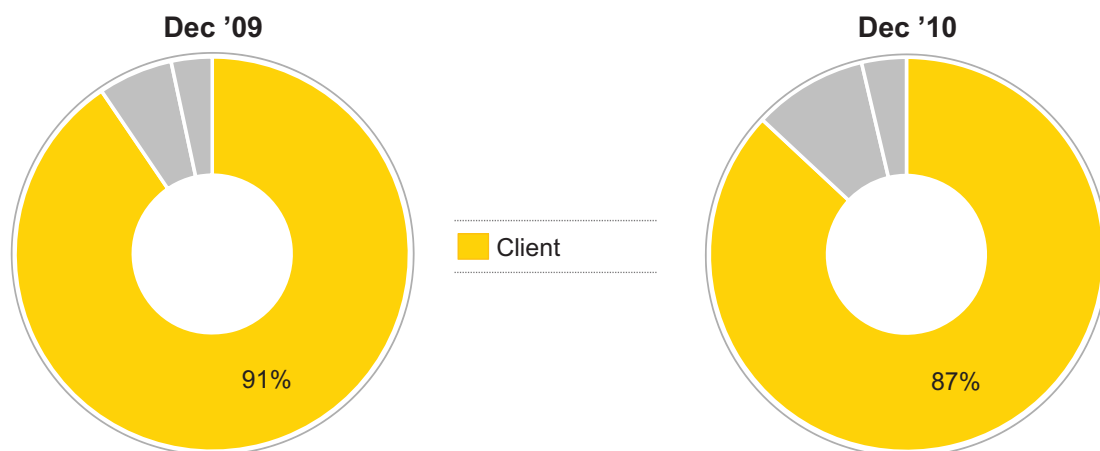
## Sustainability of NIR driven by strength of client franchises

Normalised NIR (R million)	Dec '10	Dec '09	Change y/y	Dec '10 mix
Client	11 675	10 882	▲ 7%	87%
Investment	1 259	738	▲ 71%	9%
Trading & other fair value	492	403	▲ 22%	4%
<b>Total normalised non interest revenue*</b>	<b>13 426</b>	<b>12 023</b>	<b>▲ 12%</b>	<b>100%</b>

\* Normalised NIR is adjusted for costs associated with private equity consolidated subsidiaries and includes share of profit from associates and joint ventures and is shown post-headline earnings adjustments. Refer to Appendix for reconciliation.



## Unpacking NIR – client



## Increased activity provides annuity

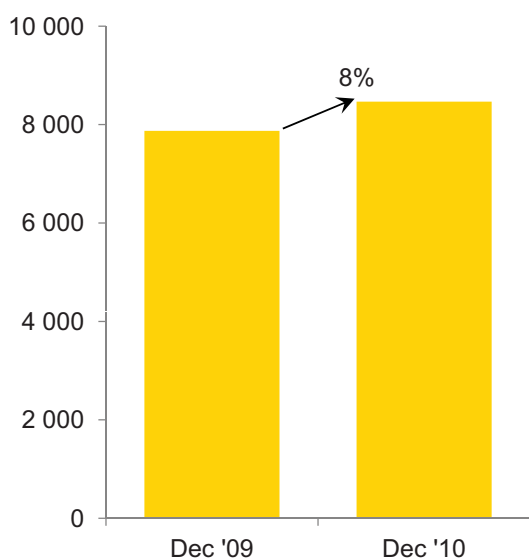
Normalised (R million)	Dec '10	Dec '09	Change
- Transactional income	8 467	7 872	▲ 8%
- RMB client activity	1 024	778	▲ 32%
- OUTsurance	292	216	▲ 35%
- WesBank associates	143	95	▲ 51%
- Insurance	1 051	895	▲ 17%
- Other	698	1 026*	▼ (32%)
<b>Client activities/primary markets</b>	<b>11 675</b>	<b>10 882</b>	<b>▲ 7%</b>

\* Dec '09 included income from Worldmark and Norman Bisset, which were sold in Feb '10

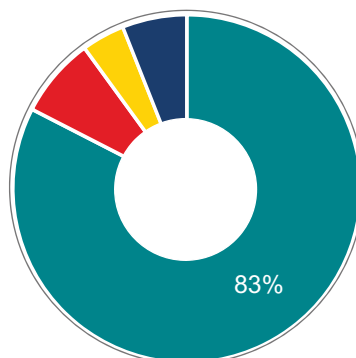


## Increased volumes and customer numbers continue to drive transactional revenue

Transactional revenue  
R million



Dec '10 breakdown by franchise\*



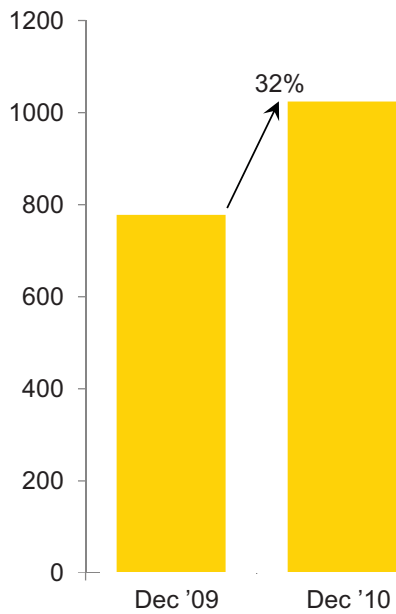
■ FNB ■ FNB Africa ■ WesBank ■ RMB



\* Excluding Corporate Centre

## Investment banking driving profitability in RMB client activity

R million



R million	Dec '10	Dec '09	% change
FICC	560	583	▼ (4%)
- Forex	207	233	▼ (11%)
- Debt	353	350	▲ 1%
Equity	78	114	▼ (32%)
Investment banking	413	209	▲ 98%
Other	(27)	(128)	▲ (79%)
RMB client activity	1 024	778	▲ 32%



## Unpacking NIR – Investment



## Resources portfolio drives growth in investment NIR

Normalised (R million)	Dec '10	Dec '09	Change
- Private equity activities	199	163	▲ 22%
- Resources	542	204	▲ >100%
- ELI returns	290	208	▲ 39%
- Other*	228	163	▲ 40%
<b>Investment NIR</b>	<b>1 259</b>	<b>738</b>	<b>▲ 71%</b>

\* Includes non-private equity dividends and realisations



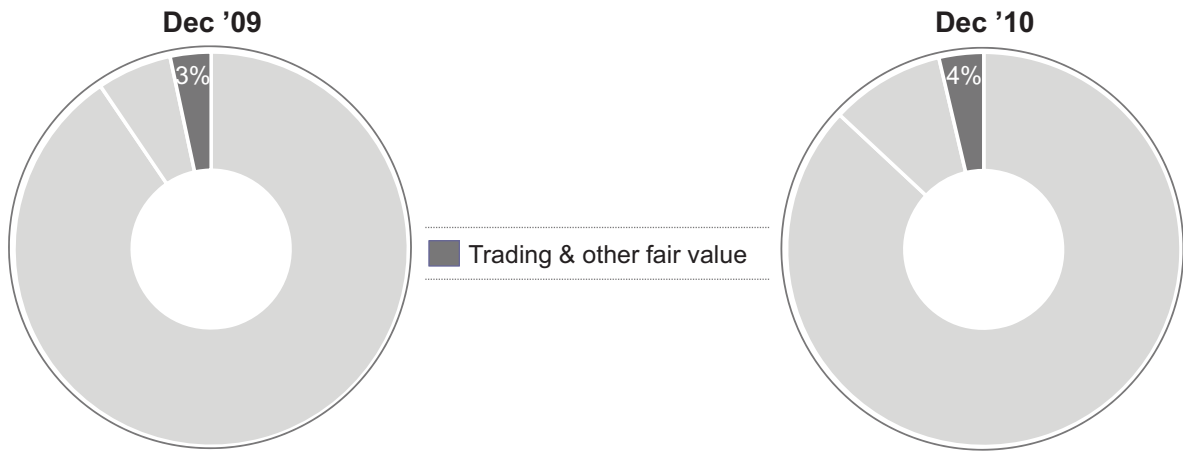
## Private equity activities influenced by impairments

R million	Dec '10	Dec '09	Change
<b>RMB Private Equity division</b>	<b>207</b>	<b>418</b>	<b>▼ (50%)</b>
- Realisations and dividends	12	27	▲ (56%)
- Attributable/equity accounted income*	403	397	▲ 2%
- Impairments	(208)	(6)	▼ >100%
<b>Legacy</b>	<b>(8)</b>	<b>(255)</b>	<b>▲ (97%)</b>
- Equity accounted income	(65)	(12)	▼ >100%
- Impairments	57	(243)	▲ (>100%)
<b>Private equity activities</b>	<b>199</b>	<b>163</b>	<b>▲ 22%</b>

Unrealised profits in RMB private equity portfolio R1.7 billion (Jun '10: R1.4 billion)

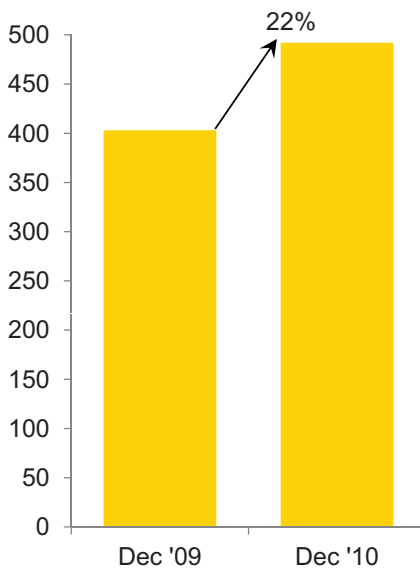
\* Shown net of operating expenses of consolidated private equity subsidiaries 

# Unpacking NIR – Trading & other fair value



# Strong performance from equity trading

Trading and other fair value  
R million



R million	Dec '10	Dec '09	Change
RMB trading	468	439	▲ 7%
- Equities	227	127	▲ 79%
- Commodities	6	22	▼ (73%)
- Interest rates	212	226	▼ (6%)
- Credit	(7)	35	▼ (>100%)
- Forex	30	29	▲ 3%
Other fair value	24	(36)	▲ (>100%)
<b>Trading &amp; other fair value</b>	<b>492</b>	<b>403</b>	<b>▲ 22%</b>

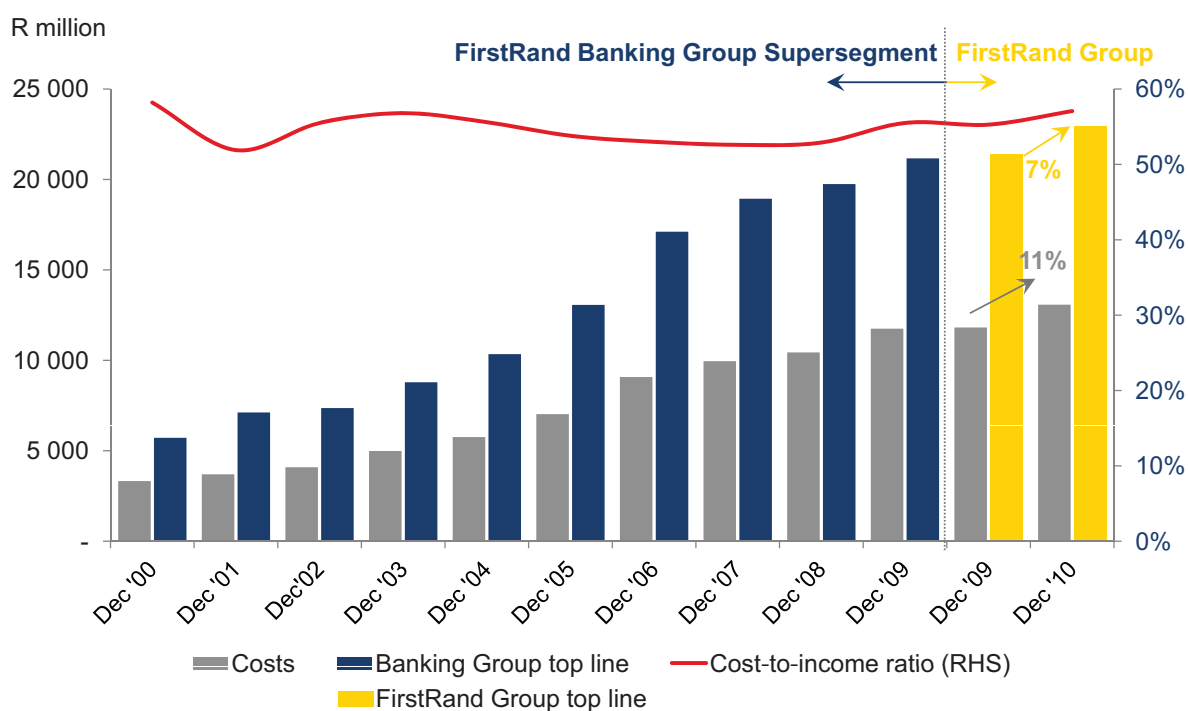


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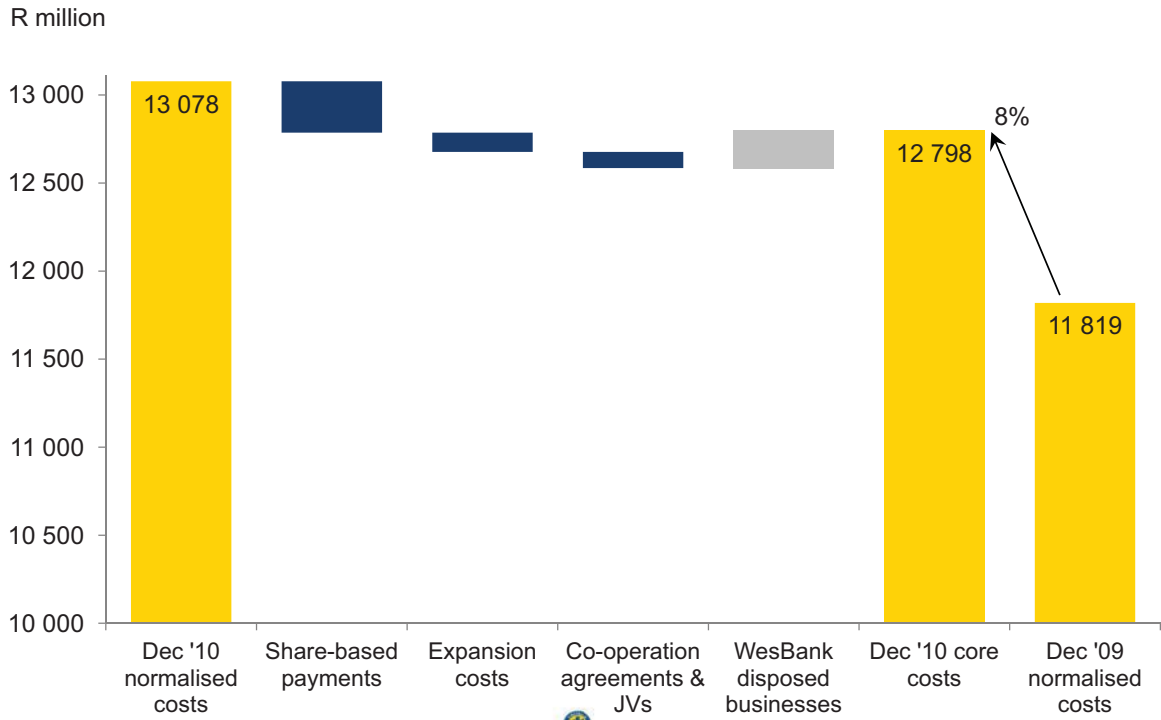


## Cost-to-income ratio increased, but...

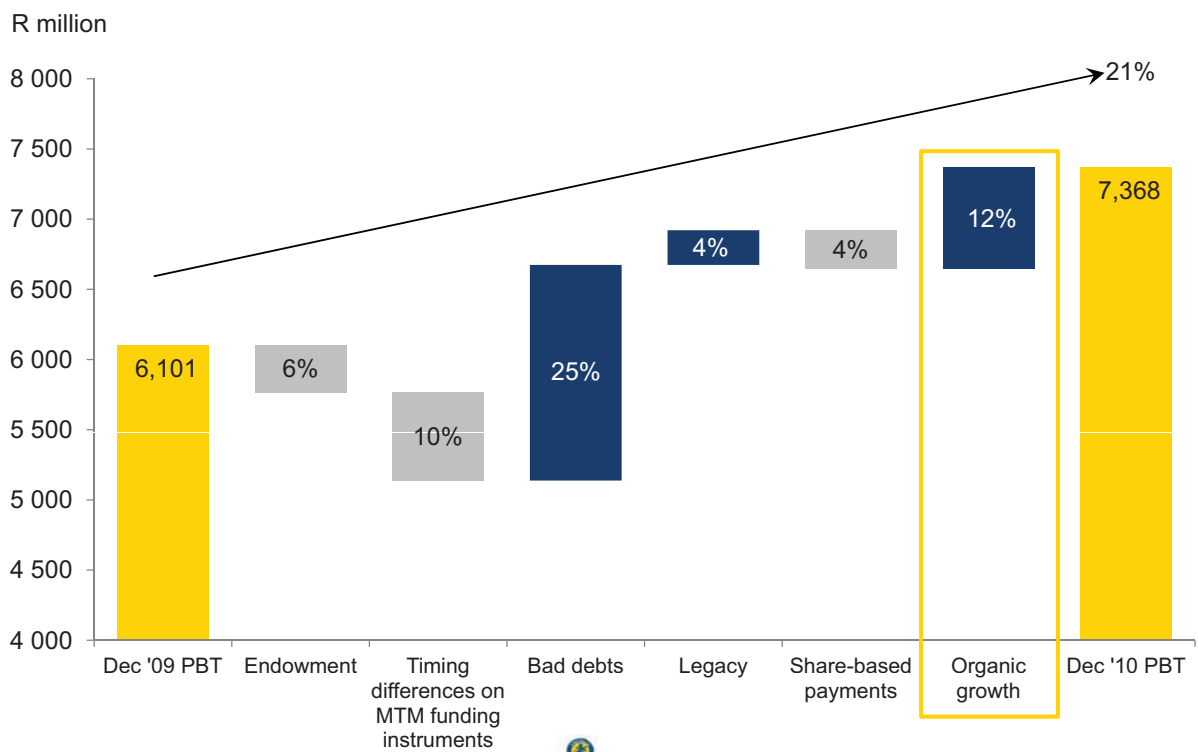


Top line and costs are calculated on a normalised basis

### ... core cost growth +8%

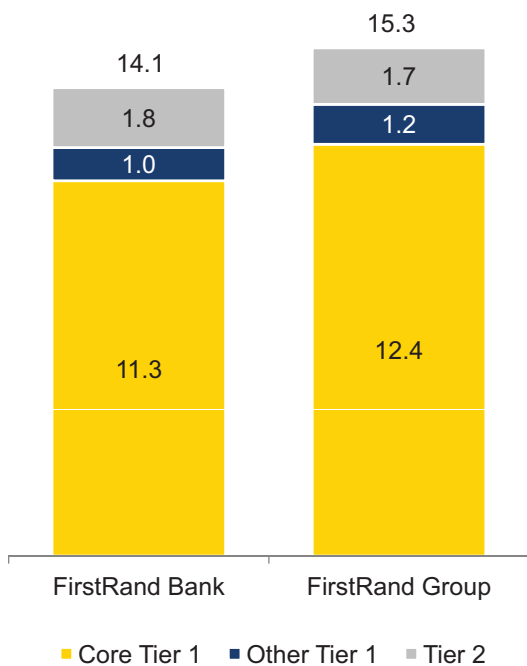


### Results in a nutshell



# Capital

## Strong capital position

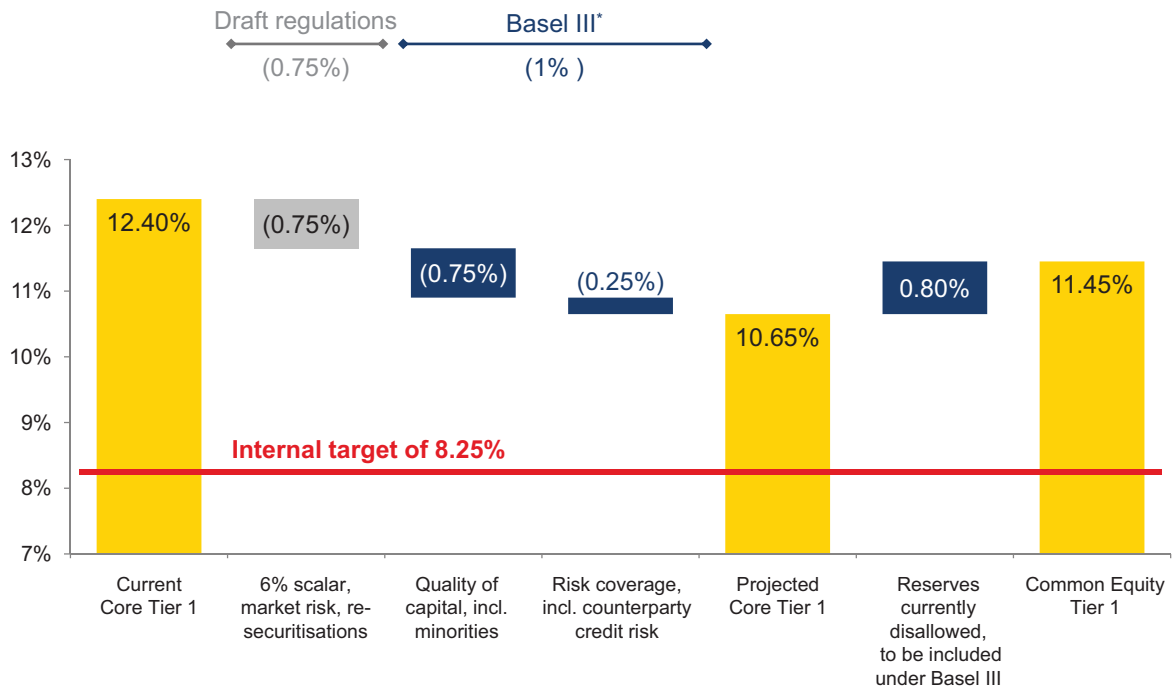


FirstRand Group	Core Tier 1 %	Tier 1 %
Capital adequacy ratio	12.4	13.6
Regulatory minimum	5.25	7.0
Target	8.25	10.0

FirstRand Bank	Core Tier 1 %	Tier 1 %
Capital adequacy ratio	11.3	12.3
Regulatory minimum	5.25	7.0
Target	7.75	9.5

Ratios include unappropriated profits for the period

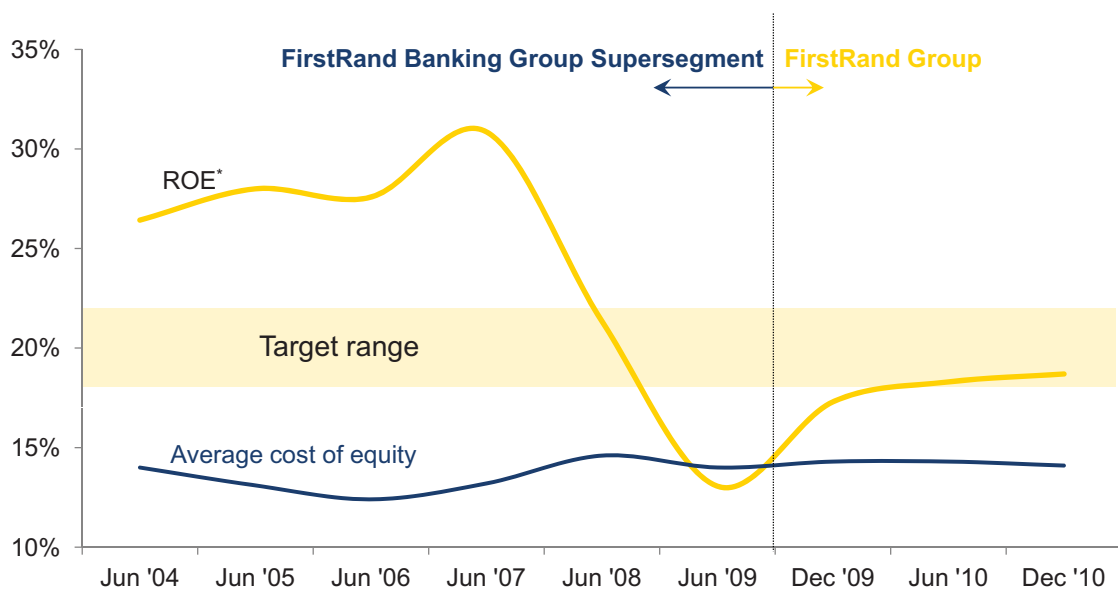
# Can already absorb impact of regulatory changes



\* Basel III deductions to be phased in over 5-year period, immediate impact on Dec '10 capital position shown here



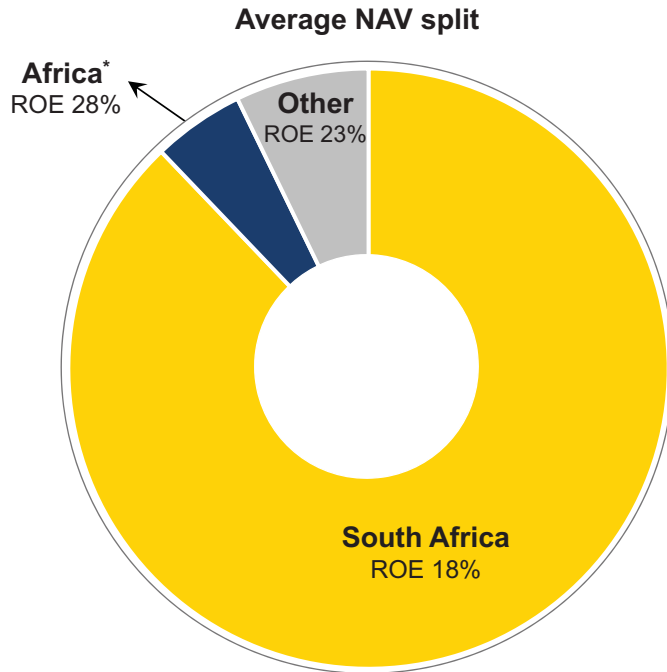
# ROE returns to target range



\* ROE from Dec '09 onwards is on a *pro forma* basis for FirstRand Ltd

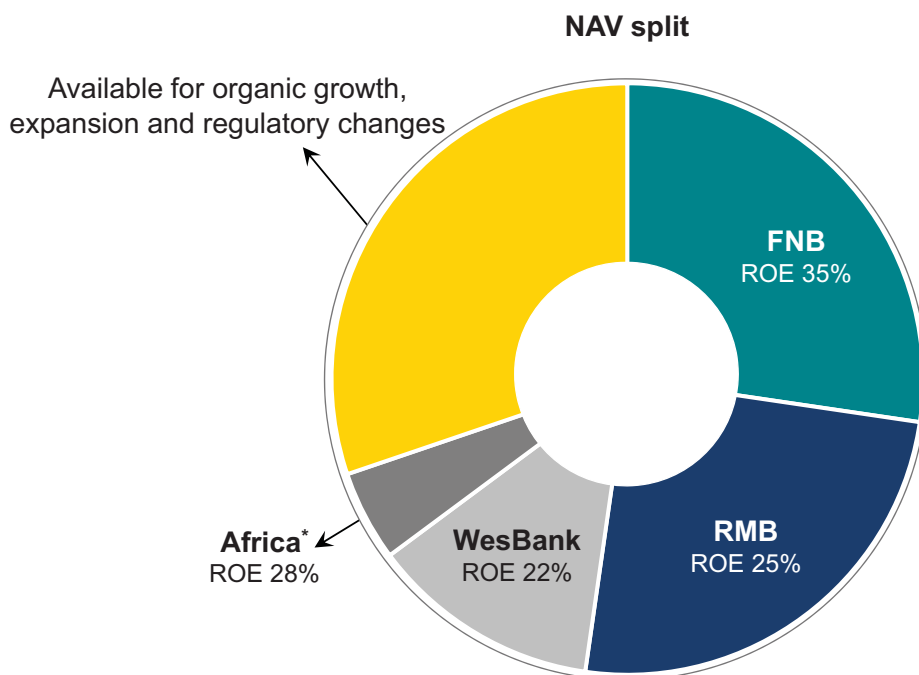


# Strong capital position is drag on South African ROE



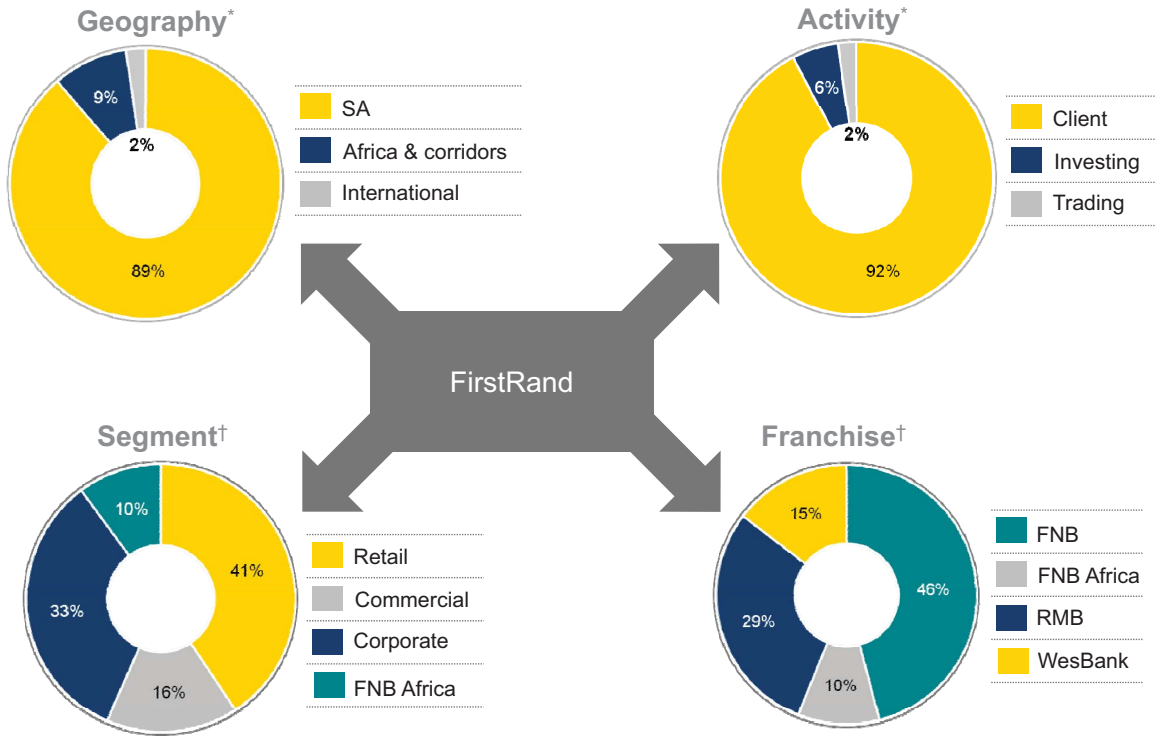
\* ROE for African subsidiaries (includes FNB Africa and RMB Africa)

# Strong capital position provides flexibility



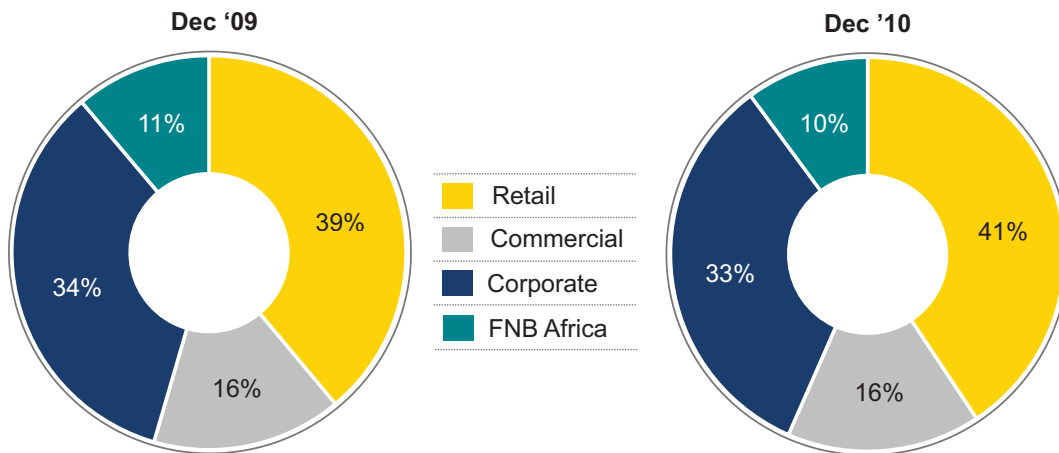
\* ROE and NAV for African subsidiaries (includes FNB Africa and RMB Africa)

# Understanding diversity of revenue



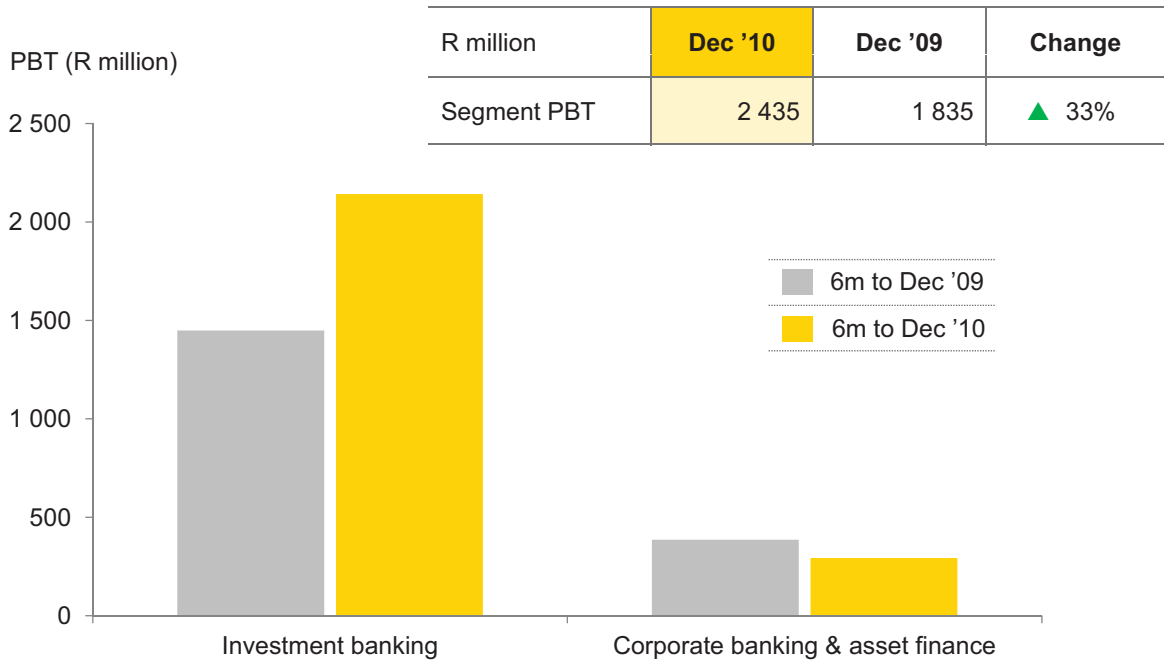
\* Based on gross revenue  
 † Based on PBT, excluding Corporate Centre & consolidation adjustments

# Segmental diversification



Based on normalised PBT, excluding Corporate Centre and consolidation adjustments

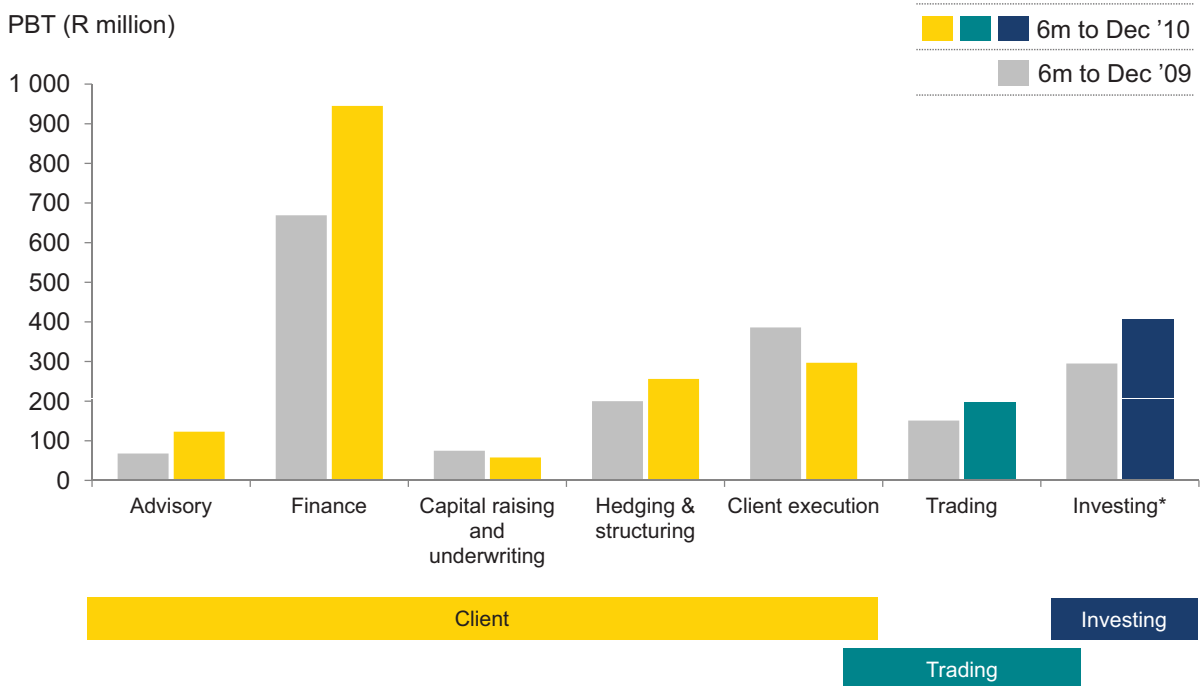
# Investment banking franchise drives corporate segment profits



Corporate segment comprises RMB, FNB Corporate and WesBank corporate activities



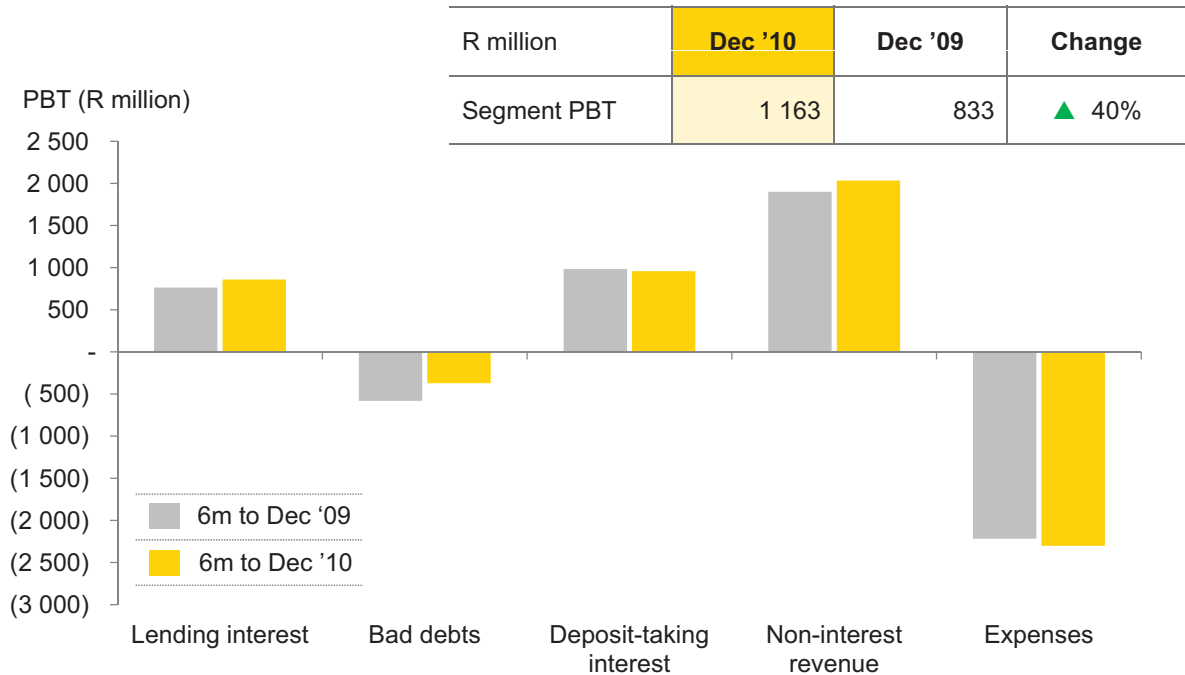
# Good performance across all activities in investment banking



\* Excluding legacy

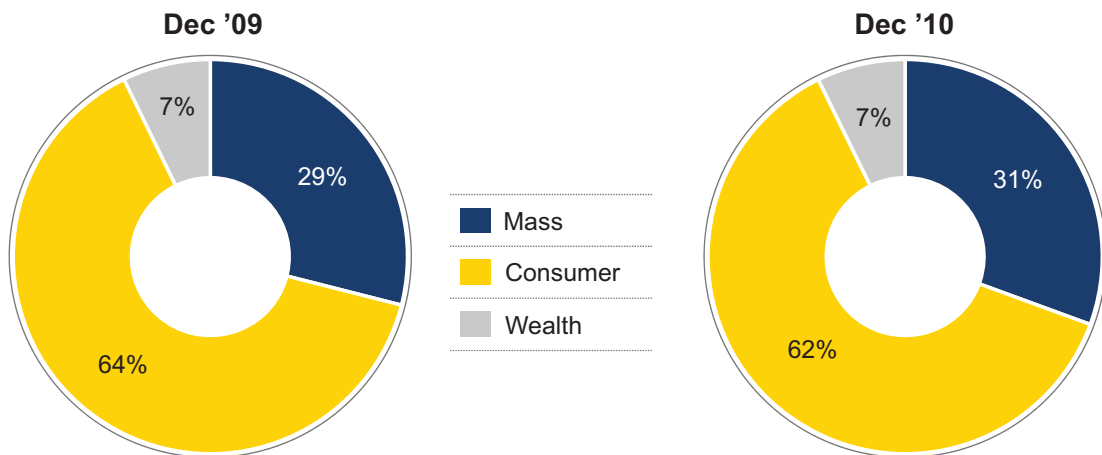


## Commercial segment presents diverse range of growth opportunities



Commercial segment comprises FNB Commercial and WesBank corporate activities

## Consumer remains most significant contributor, but wealth and mass growing



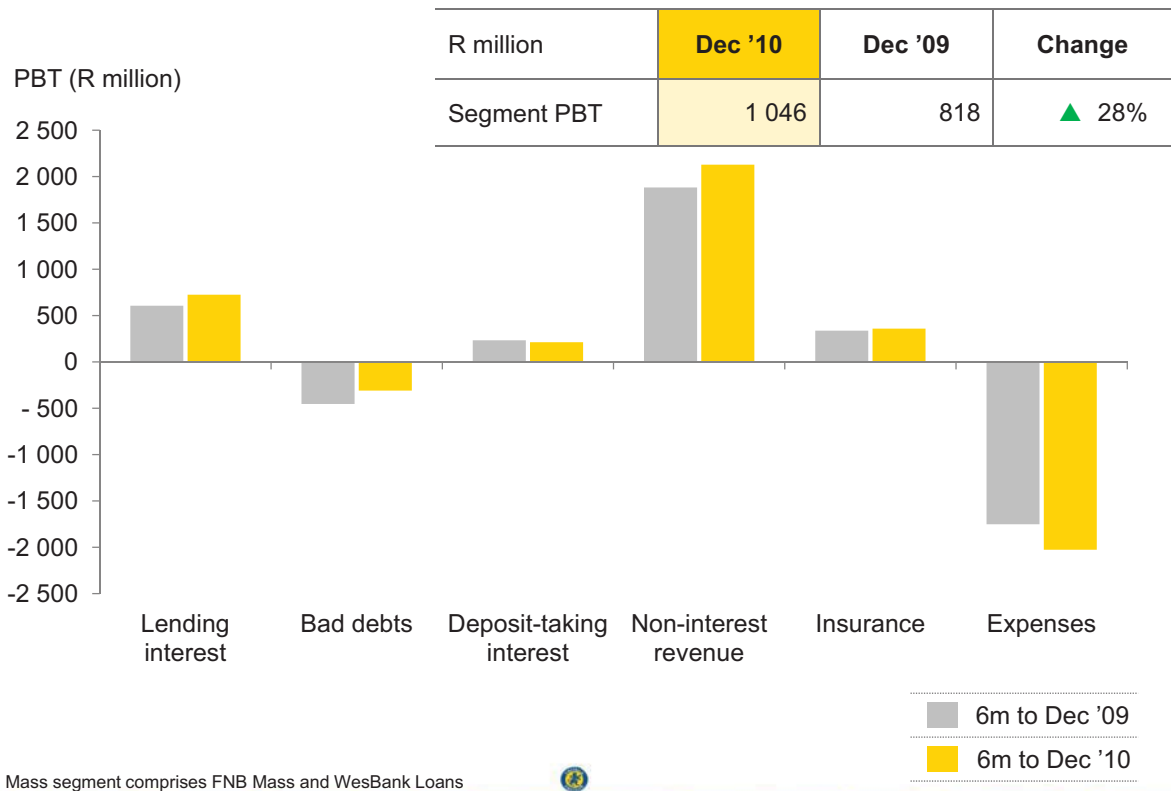
Based on normalised gross revenue



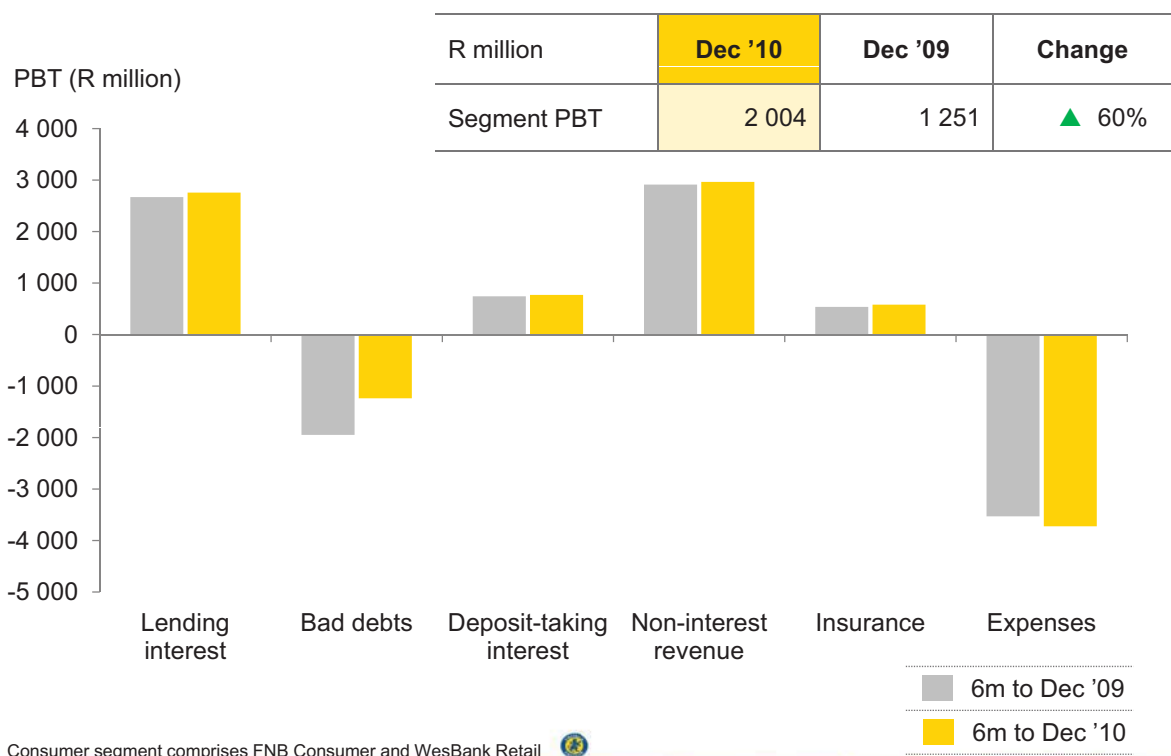
Mass segment comprises FNB Mass and WesBank Loans  
 Consumer segment comprises FNB Consumer and WesBank Retail



## Diversity of profit streams in mass segment



## Bad debt improvement driving turnaround in consumer segment



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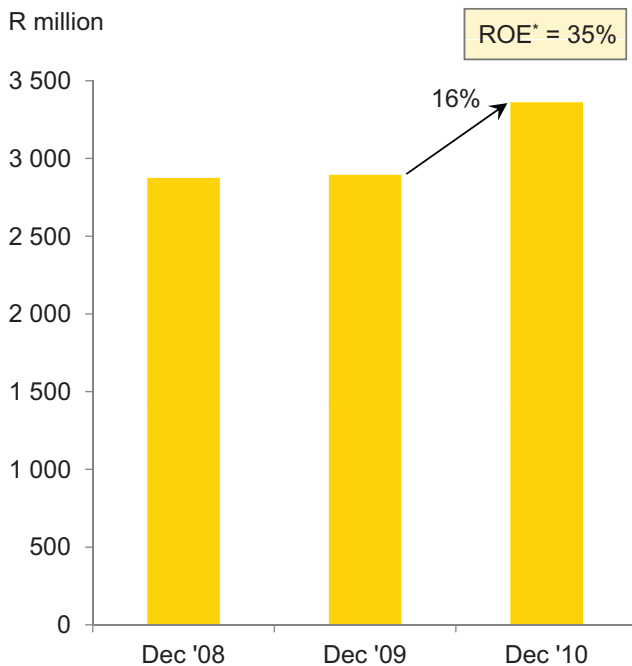
## Operating review

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## Results reflect resilience of FNB's franchise

Profit before tax\*  
R million



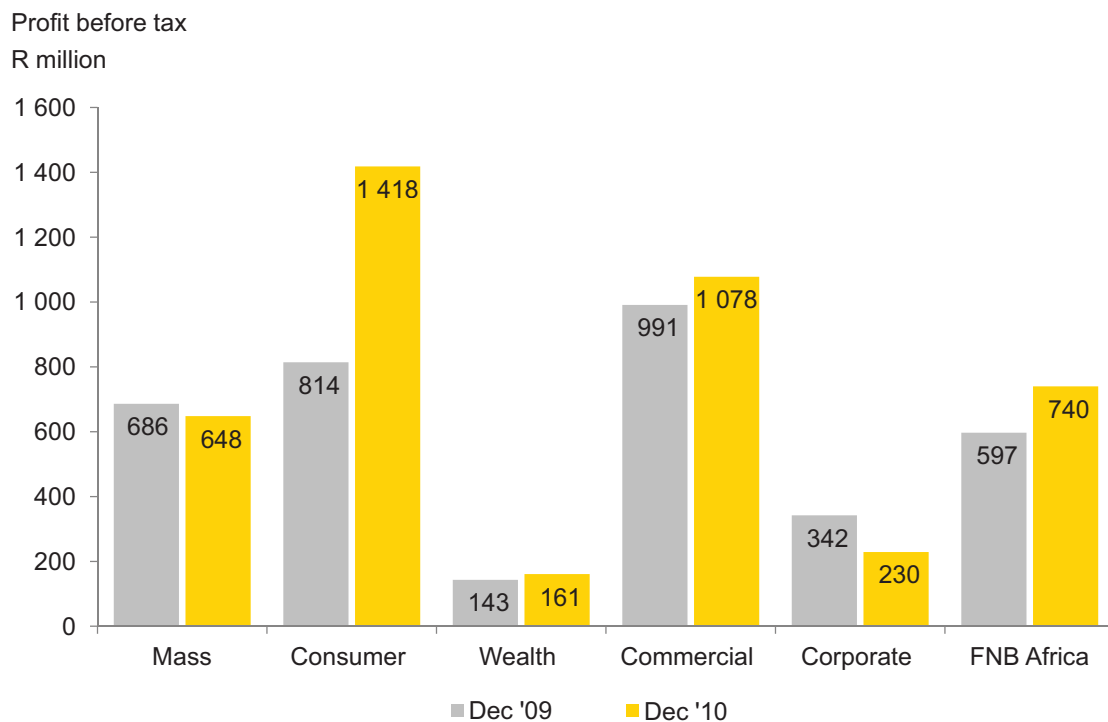
### Characterised by:

- + Improving bad debts contributed to performance
- + Customers up 3% since Dec '09
- + Transactional volumes still growing, but mix changing
- + Good growth in retail deposits
- + Improved quality of new business and credit repricing
- Negative endowment effect, particularly in Commercial
- Deterioration in cost to income ratio
- Subdued performance from Corporate

\* FNB South Africa



## Good growth across diversified portfolio



## Stabilising trend in FNB HomeLoans

Profit before tax* R million	6m to Dec '08	6m to Jun '09	6m to Dec '09	6m to Jun '10	6m to Dec '10
FNB HomeLoans	(977)	(777)	(285)	(33)	(96)

\* Endowment earnings on capital reported in Corporate Centre and excluded from business units' results

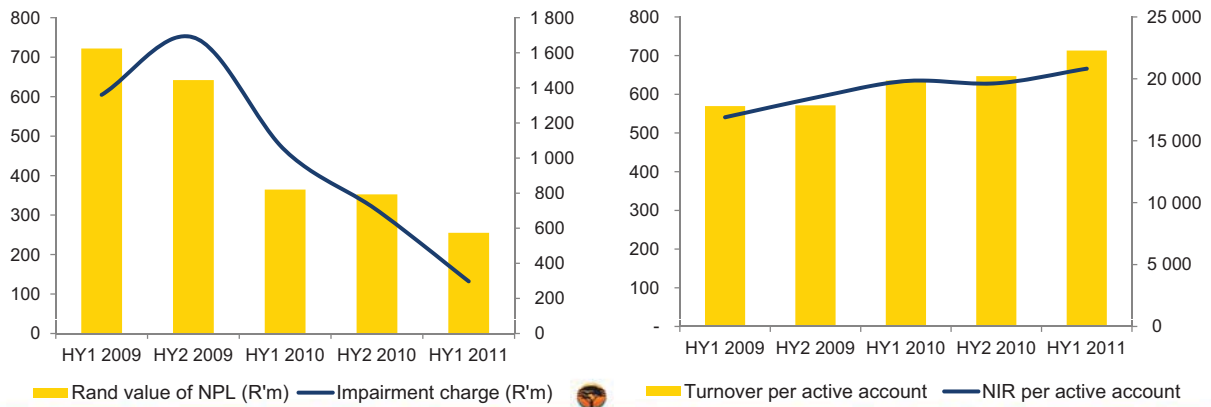
- Year-on-year improvement of R190 million – mainly attributed to:
  - Improved bad debts
  - Decreasing NPLs
  - Increased NIR
  - Improving margins
- Rolling 6 months performance reflects increase in bad debt charge as a result of:
  - Aggressive approach to NPL reduction resulting in higher write-offs
  - Increase in implied LGD

# FNB Card benefits from transaction strategy and improving bad debts

Profit before tax* R million	6m to Dec '08	6m to Jun '09	6m to Dec '09	6m to Jun '10	6m to Dec '10
FNB Card	38	(146)	180	288	451

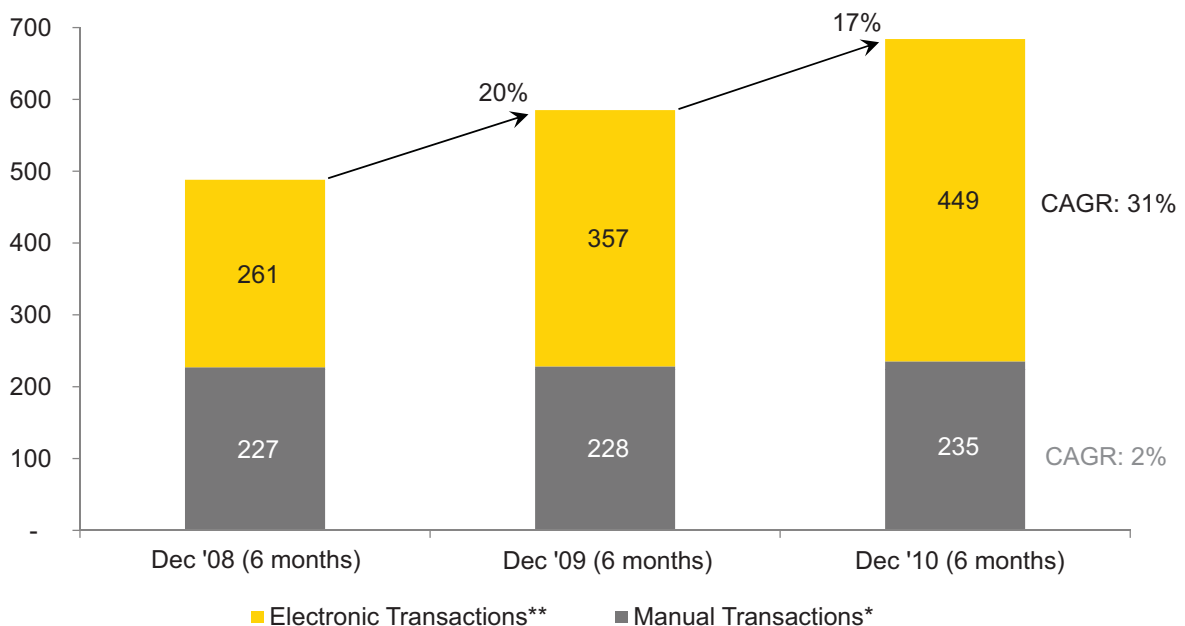
\* Endowment earnings on capital reported in Corporate Centre and excluded from business units' results

- Year-on-year improvement of R271 million – mainly attributed to:
  - Improved post write-off recoveries
  - Lower arrears and non performing loans
  - Turnover growth of 9% and NIR growing despite account attrition due to bad debts



# Strong volume growth, but NIR reflects migration to electronic channels

Transaction volumes (millions)



\* Manual Transactions – Cash, Cheques

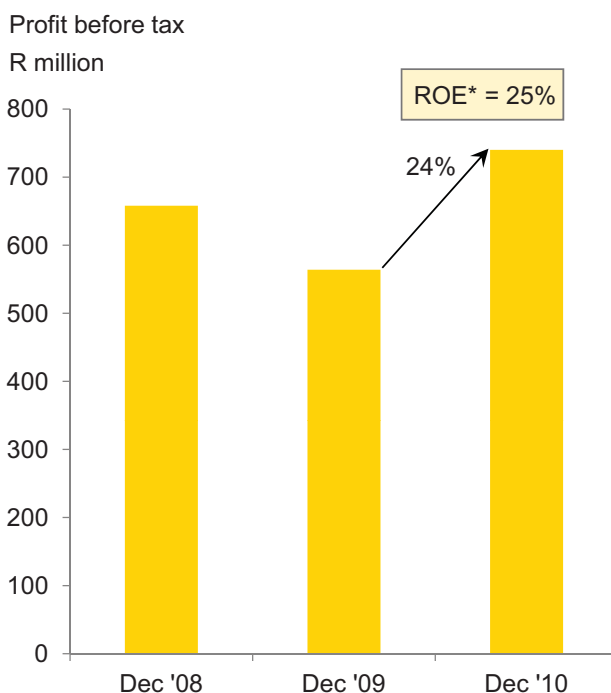
\*\* Electronic Transactions – Online, Card, Mobile, etc.

## Cost management focus whilst investing for growth

- Benefited from lower cost base resulting from below-inflation growth over the past two years
- Core cost increase at 7%, now closer to inflation despite absorbing above-inflation salary increases
- Total cost increase 11%
  - Significant investment in EasyPlan, cellphone banking and infrastructure
  - Substantial increases in cash conveyance cost, significantly impacting corporate and commercial business
- Process and system efficiencies – still a focus



## Excellent performance from FNB Africa despite continued investment spend



### Characterised by:

- + Good performances from Namibia, Botswana and Swaziland
- + Ongoing investment in Zambia and Mozambique subsidiaries
- + Overall success of credit strategies
- + Awaiting in-country regulatory approval for Tanzania

\* ROE for FNB Africa (excludes RMB Africa)



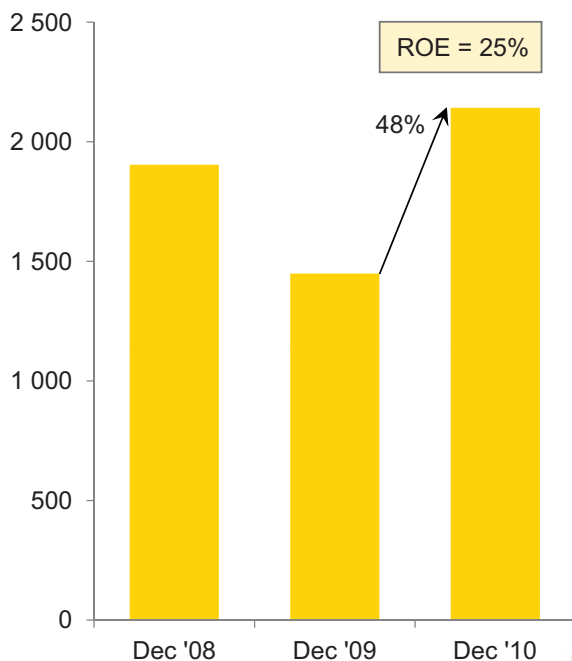
## Progress on strategy

- Executing growth strategies in:
  - Mass (EasyPlan roll-out, eWallet, cellphone banking)
  - Wealth (BJM acquisition finalised) – integration commencing
  - Commercial – instant accounting and commercial property finance
- Continued investment in South African infrastructure
  - Branch upgrades and relocation to growth nodes
  - All electronic channels
- Continued focus on innovative platforms, products, and services
  - e.g. FNB Fuel Rewards Programme and Krugerrands
- Expanding operating platform in Africa



## Quality of RMB franchise delivers in subdued corporate market

Profit before tax  
R million

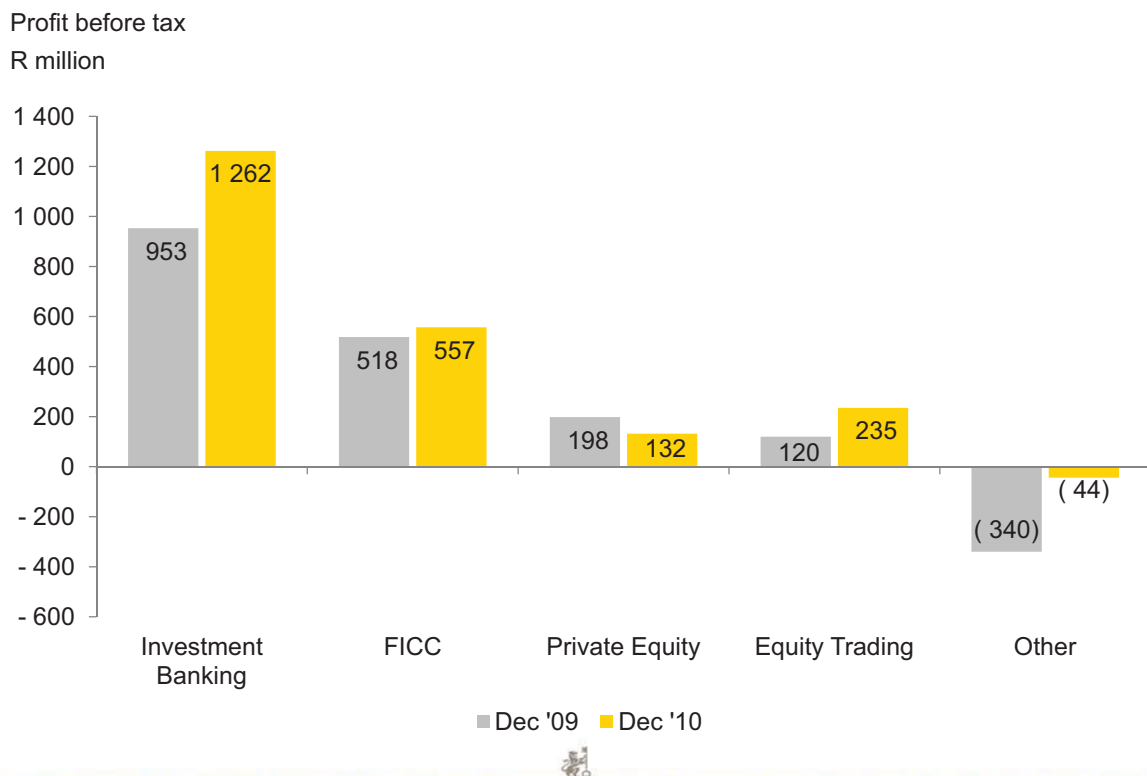


### Characterised by:

- + All units exceeding prior year except Private Equity
- + Positive balance sheet growth
- + Strong in advisory and capital markets
- + Improved trading performance
- Client flows subdued



## Good performance across portfolio



## Excellent performance from IBD, FICC grew profits in tough market

- Investment Banking Division +32%
  - Good performance given base and despite slow recovery in corporate activity
  - Significant contributions from advisory, leveraged finance, property financing, DCM and ECM
  - Improved African and Asian corridor deal flow particularly in resources and infrastructure sectors
  - RMB won 6 of 8 awards at annual DealMakers Awards
- FICC +8%
  - Growth in profits year-on-year...
    - Good trading performance despite low market volatility
  - ... but client flows lacklustre both in SA and Africa

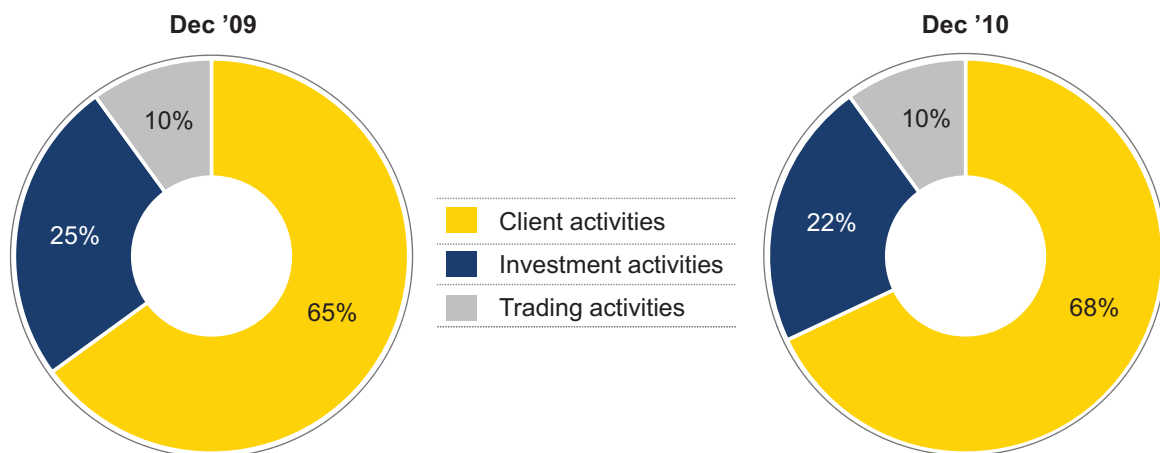
## Strong Equity Trading performance, impairments impact Private Equity

- Equity Trading +96%
  - Trading performance good
  - Agency businesses held up well despite little improvement in volumes
- Private Equity\* (33%)
  - Income from Private Equity investments impacted by impairments
  - Unrealised value of R1.7 billion at Dec '10 (Jun '10: R1.4 billion)
  - No major realisations
- Legacy
  - Losses minimal

\* Figures shown are for the RMB Private Equity divisional performance



## Progress on strategy – rebalancing portfolio and improving quality of earnings

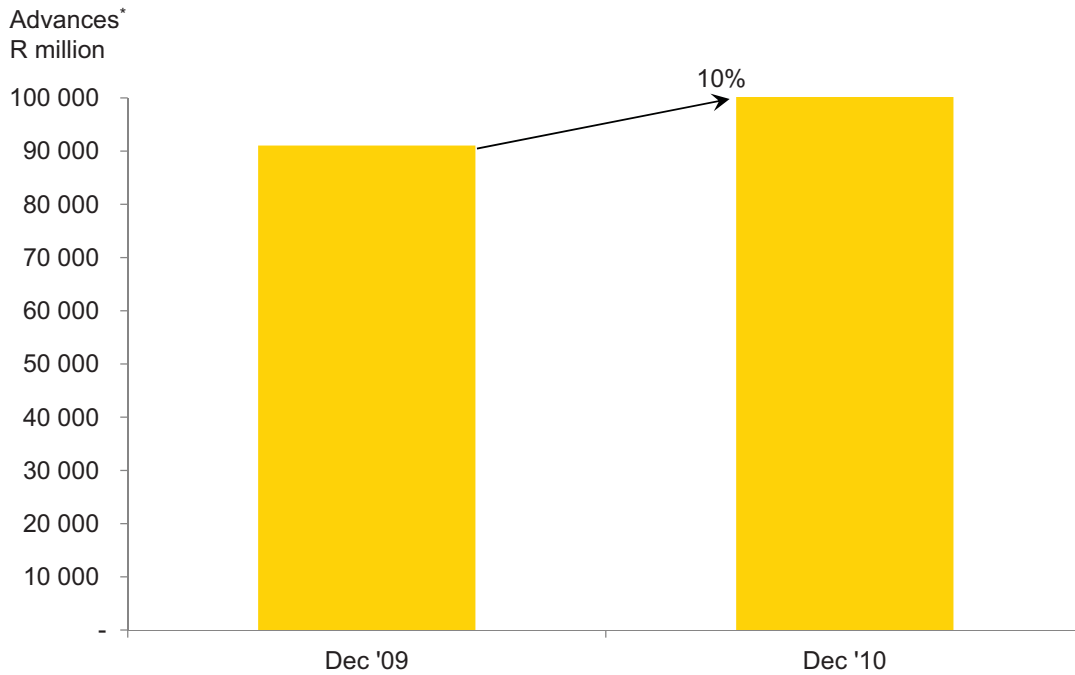


\* Based on gross revenue (excluding Legacy)





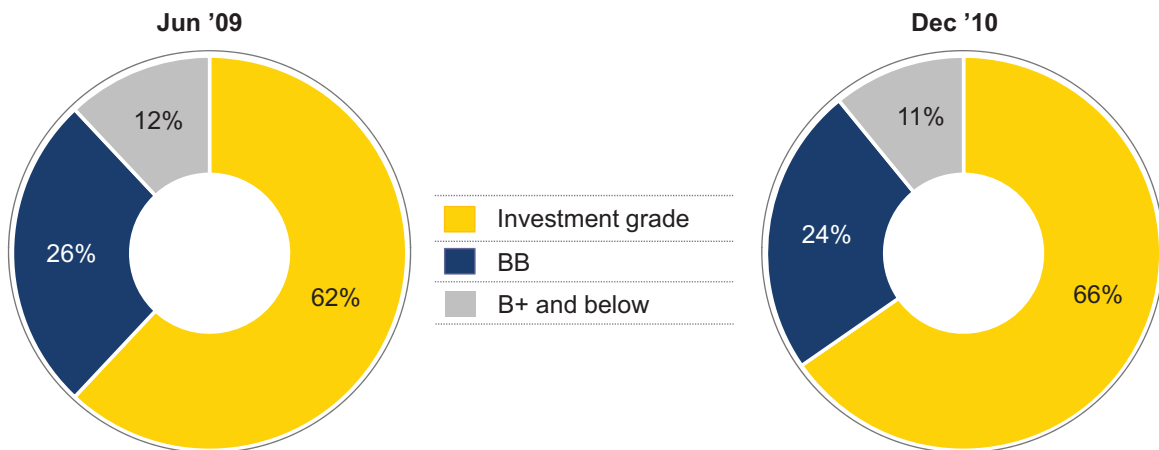
## Progress on strategy: Wholesale credit grew above market



\* Wholesale advances excluding repos

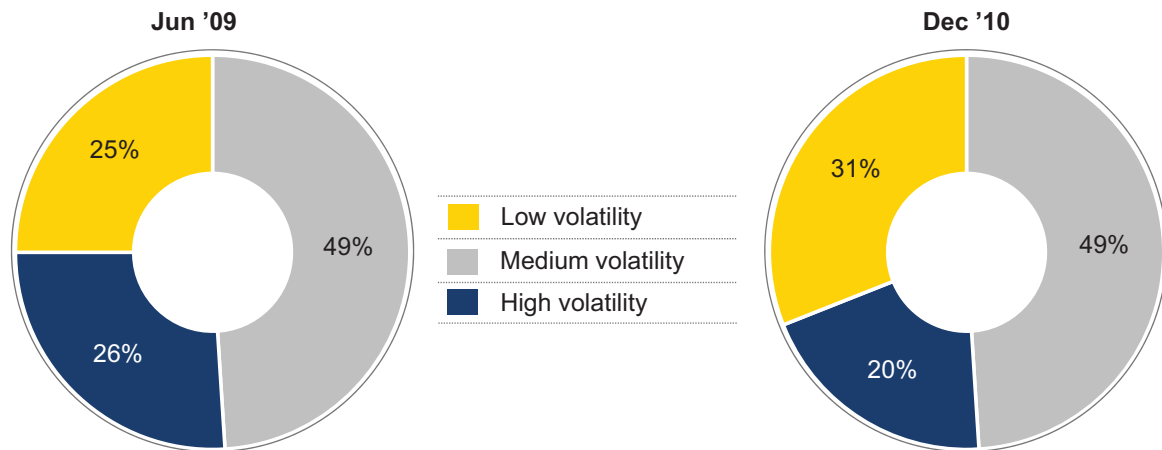
## Wholesale credit growth – improved quality

- Growth in investment grade counters
  - Improved rating distribution



## Wholesale credit growth – improved quality

- Grew in low volatility industries

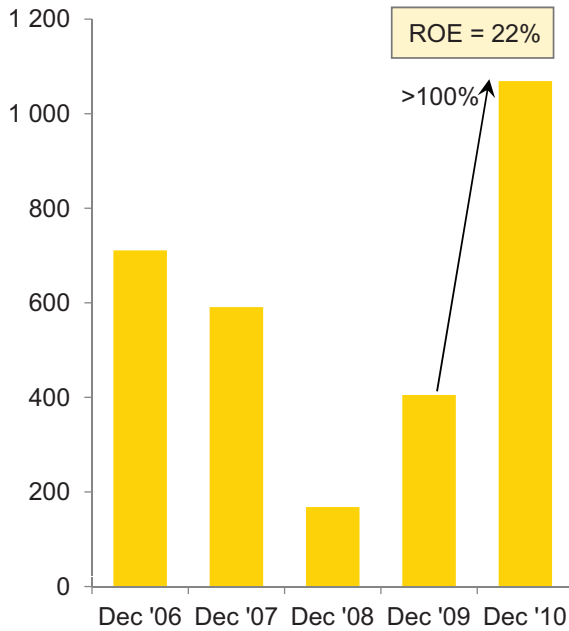


## Progress on strategy – CIB and corridors gaining traction

- Corporate and Investment Banking (CIB) coverage
  - Team bedded down and generating opportunities
- African and Asian corridor strategies gaining traction
  - RMB skills deployed to build investment banking on FNB's existing platforms
  - Indian platform delivering good pipeline and profitable niches
  - Increased deal activity in the corridors

# Strong earnings recovery continues at WesBank

Normalised profit before tax\*  
R millions



## Characterised by:

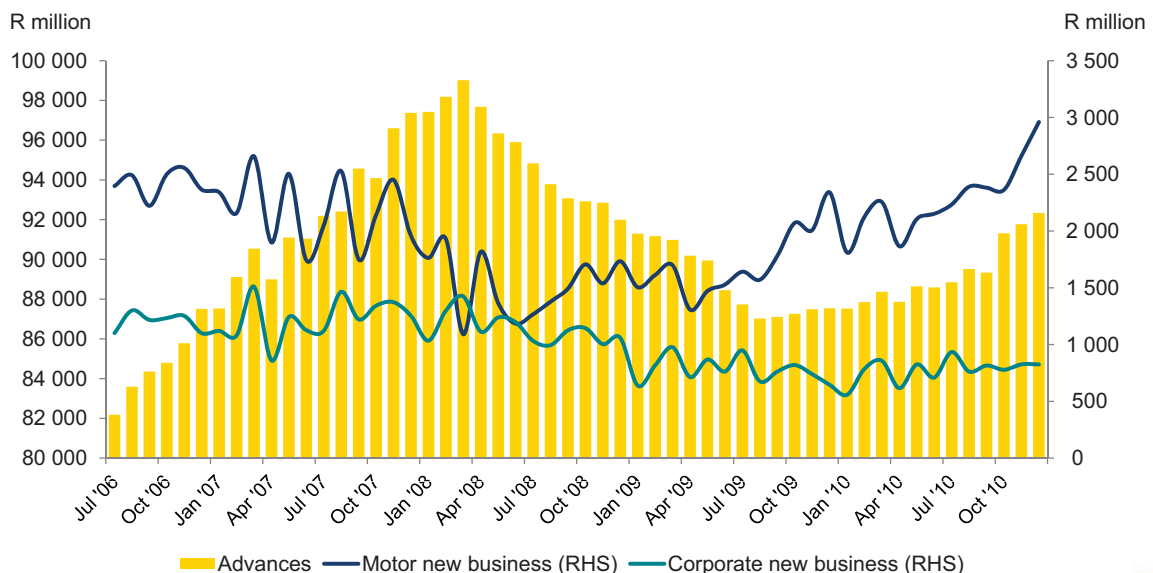
- + Continued bad debt charge unwind
- + Improved interest margins across all portfolios
- + Excellent personal loans performance
- + Good cost management
- + Strong performance from Carlyle
- + Non-recurrence of losses in certain non-lending operations
- Pressure on time-to-recovery and recovery values

\* Excludes loss on the sale of Motor One and goodwill impairments



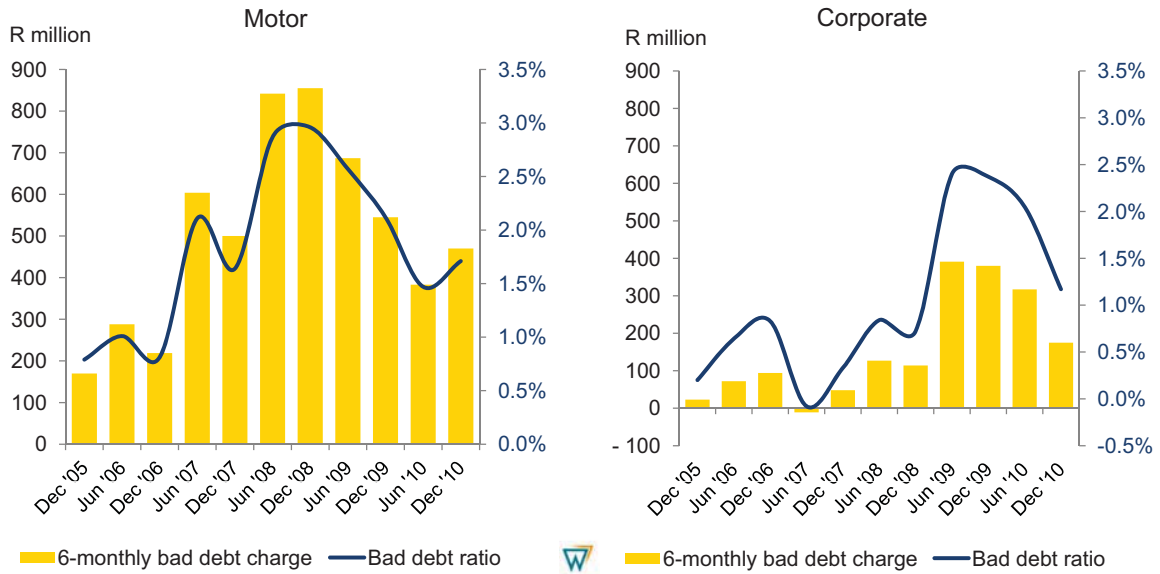
# Asset growth gathering momentum

- Overall new business production up 27% year-on-year
  - Retail new business production up 32% year-on-year
  - Corporate new business production up 8% year-on-year
- Local advances increased 4% year on year, due to run-off



## Provisions... the unwind gathers pace

- Retail arrears and repossessions reducing at good pace
- Corporate failures down and arrears on the road to recovery
- Continued but gradual unwind of bad debts expected
- Pressure on recovery values and time to recover



## Progress on strategy

- Executing on growth strategies in segments where under-represented
  - Fleet management and full maintenance rental
  - Asset finance in large corporate sector
  - Additional alliances
- Working with FNB Africa to further grow asset finance capability



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Strategy and prospects

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## Top-line pressure will remain in the second half due to macros

### Macro

GDP growth remains subdued	.....>	Subdued asset growth
Interest rates remain unchanged	.....>	Limited endowment impact
Credit costs	.....>	Positive impact will reduce



## Strategic plans on track

- **South Africa**
  - Strategies in domestic growth segments should deliver modest growth above nominal GDP
  - Strategic investment in SA and Africa will place pressure on cost to income ratio
  - Continue to focus on efficiencies
  - Base in second half of FY10
- **Africa and corridors**
  - Nigeria – rep office established and still pursuing potential acquisition opportunities
  - Zambia – looking for opportunities to scale-up platform
  - Tanzania – only awaiting in-country regulatory approval
  - Angola – rep office established
  - India and China – providing deal flow for RMB in SA and Africa



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Appendix



FIRSTRAND

## Recon: normalised *pro forma* income statement

Normalised (R million)	Dec '10 normalised per circular	Headline earnings adjustments†	Dec '10 normalised
Net interest income before impairment of advances	9 489	–	9 489
Impairment losses on loans and advances	(2 084)	–	(2 084)
Net interest income after impairment of advances	7 405	–	7 405
Non-interest revenue <sup>1</sup>	13 604	(178)	13 426
Income from operations	21 009	(178)	20 831
Operating expenses <sup>2</sup>	(13 109)	31	(13 078)
Income before tax	7 900	(147)	7 753
Indirect tax	( 385)	–	( 385)
Profit before tax	7 515	(147)	7 368
Direct tax	(2 080)	(12)	(2 092)
Headline adjustments	(159)	159	–
NCNR prefs	(160)	–	( 160)
Minorities	(364)	–	( 364)
<b>FirstRand <i>pro forma</i> normalised earnings</b>	<b>4 752</b>	<b>–</b>	<b>4 752</b>

<sup>1</sup> NIR is adjusted for private equity subsidiaries' costs, and includes share of profit of associates and joint ventures.

<sup>2</sup> Operating expenses exclude costs from private equity subsidiaries.

† The majority of headline earnings adjustments relate to a gain on available-for-sale assets and impairment of goodwill (refer page 13 of *Circular to shareholders*)

## Recon: normalised *pro forma* income statement

Normalised (R million)	Dec '09 normalised per circular	Headline earnings adjustments†	Dec '09 normalised
Net interest income before impairment of advances	9 358	–	9 358
Impairment losses on loans and advances	(3 225)	–	(3 225)
Net interest income after impairment of advances	6 133	–	6 133
Non-interest revenue <sup>1</sup>	12 159	(136)	12 023
Income from operations	18 292	(136)	18 156
Operating expenses <sup>2</sup>	(11 897)	78	(11 819)
Income before tax	6 395	(58)	6 337
Indirect tax	( 236)	–	( 236)
Profit before tax	6 159	(58)	6 101
Direct tax	(1 680)	25	(1 655)
Headline adjustments	(33)	33	–
NCNR prefs	(190)	–	( 190)
Minorities	(310)	–	( 310)
<b>FirstRand <i>pro forma</i> normalised earnings</b>	<b>3 946</b>	<b>–</b>	<b>3 946</b>

<sup>1</sup> NIR is adjusted for private equity subsidiaries' costs, and includes share of profit of associates and joint ventures.

<sup>2</sup> Operating expenses exclude costs from private equity subsidiaries.

† The majority of headline earnings adjustments relate to a gain on available-for-sale assets and impairment of goodwill (refer page 13 of *Circular to shareholders*)