08/09

FIRSTRAND LIMITED RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

FIRSTRAND

Macro environment remains challenging

International		South Africa
Consumers not spending; saving, deleveraging; fiscal stimulus takes time	→	Demand for resources shrinking; impacts export industries and related industries; spreads to the rest of the economy
Domestic capital shortages; risk aversion; protectionism; capital flows to EM drying up	→	Limited capital for emerging markets and SA; funding current account deficit challenging
Falling asset prices; deleveraging; forced sales; downward price spiral	→	Equity markets fallen in tandem; contagion into other asset classes; pressure on balance sheets
Lowered interest rate; fiscal stimulus packages; fear of deflation; happy with lower currency to support exports	→	Relatively mild fiscal stimulus; scope to lower interest rates but still fear of inflation and weaker rand because of current account deficit

CAN'T IGNORE RISK OF MELTDOWN:
NO RECOVERY UNTIL CONFIDENCE RETURNS

Taken cognisance and adapted accordingly

Strategic issue	FirstRand response
Meltdown; asset price implosion; capital flows to SA drying up	Strong capital ratios; solvency before profitability; de-risk balance sheet; liquidity buffers; stress test
Consumer under pressure; high interest rates; lower house prices, job losses	More stringent credit criteria; manage credit portfolio; collections
Corporate stress; export industries	Reduce concentration risk; recognise risky sectors; monitor for early warning; workout before crisis
Central oversight; risk management and regulatory compliance	Strengthen centre; focus on risk management; capital allocation by Balance Sheet Management Committee; delegated credit appetite

RECOGNISED THE SEVERITY OF THE CRISIS AND REPOSITIONING BUSINESSES ACCORDINGLY

Overview of results

- In line with guidance in December 2008
- Half year profits: R4.58 billion (▼23%)
- ROE = 17.4% (2008: 26%)
- Strong performance in client franchises impacted by bad debts
- Investment / proprietary activities impacted by global and local asset price collapse

DIVERSIFIED PORTFOLIO PROVED RESILIENT IN WORST MARKET CONDITIONS IN LIVING MEMORY

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FIRSTRAND LIMITED

FINANCIAL REVIEW

FIRSTRAND

Key financial ratios

R millions	Dec '08	Dec '07	% change
Normalised earnings – pro forma	4 576	5 953	▼ (23)
Diluted normalised EPS – pro forma (cents)	81	106	▼ (23)
Normalised return on equity – pro forma	17%	26%	▼
Normalised net asset value	53 547	47 111	▲ 14
Dividend per share (cents)	34	44	▼ (23)

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MOMENTUM GROUP

FINANCIAL REVIEW

momentum

Key financial ratios

R millions	Dec ’08	Dec ’07	% change
Normalised earnings	740	913	▼ (19)
Return on equity (%)	23	31	▼
New business	32 810	27 236	▲ 20
Value of new business	331	291	▲ 14
Return on embedded value (%)	(5.4)	14.9	▼
CAR cover (times)	1.4*	2.0	▼

* Revised CAR calculation

Strong operational performance but negatively impacted by investment markets

- Value of new business up 14% to R331m
- 65% of operating profit subject to investment markets, all share index down 29%
- 11% of liabilities are smoothed bonus
- Shareholder funds not exposed to equity markets

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FIRSTRAND BANKING GROUP

FINANCIAL REVIEW

FIRSTRAND
Banking Group

Key financial ratios

	Dec ’08	Dec ’07	% change
Normalised earnings* (R millions)	4 149	5 283	▼ (21)
Return on equity	18%	27%	▼
Return on assets	1.23%	1.81%	▼
Credit loss ratio[†]	1.64%	0.97%	▲
Cost to income ratio**	52.7%	52.6%	–
Tier 1 capital ratio[‡]	11.1%	10.8%	▲
Interest margin	4.23%	3.98%	▲
Advances growth[††]	6%	21%	

* Before deducting preference share dividends

† Impairment charge for 2007 after deducting credit insurance amounted to 0.78%

** Excluding loss on sale of Australia MotorOne advances book of R206m

‡ Tier 1 capital ratio of FirstRand Bank Holdings Ltd (Dec 2007 calculated on Basel I)

†† Adjusted for LROS and Euro-loans reduction

Mixed performance from banking franchises

Profit before tax (R millions)	Dec ’08	Dec ’07	% change
FNB	2 875	3 436	▼ (16)
FNB Africa	658	525	▲ 25
RMB	1 904	2 383	▼ (20)
WesBank	168*	591	▼ (72)
OUTsurance	211	182	▲ 16

* Excluding loss on sale of Australia MotorOne advances book of R206m

Income in local franchises weathered the cycle but international portfolios incurred MTM volatility

CLIENT ACTIVITIES

FNB / WesBank / RMB R millions	**Dec '08**	Dec '07	% change
Retail	8 256	8 804	(6)
Net interest revenue	1 934	3 443	(44)
Non interest revenue*	6 322	5 361	18
Corporate & Commercial	4 805	4 287	12
Net interest revenue	2 278	2 096	9
Non interest revenue	2 527	2 191	15
IBD and FICC	3 139	2 851	10
Total income**	16 200	15 942	2

PRINCIPAL ACTIVITIES

RMB R millions	**Dec '08**	Dec '07	% change
Private Equity	1 576	1 709	(8)
Equity Trading	(410)	(767)	47
Dealstream	(335)	-	(>100)
MTM loss	(116)	-	(>100)
Impairment	(219)	-	(>100)
Debt and investment portfolio MTM	(555)	(233)	>100
Total income**	276	709	(61)

* Excluding loss on sale of Australia MotorOne advances book of R206m

** Income includes net interest income after impairment of advances, non interest income and associate income, excluding group support and other

CLIENT ACTIVITIES

FNB / RMB / WesBank R millions	Dec '08	Dec '07	% change
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Cycle impacts retail net interest income after bad debts

Net interest income (R millions)	Dec '08	Dec '07	% change
HomeLoans	(702)	571	(>100)
Mass	458	423	8
Card	(17)	(18)	6
Personal Banking	999	852	17
Wealth	312	319	(2)
FNB other and support	51	(21)	>100
FNB Africa	724	588	23
WesBank	109	729	(85)
Total retail net interest income after bad debts	1 934	3 443	(44)

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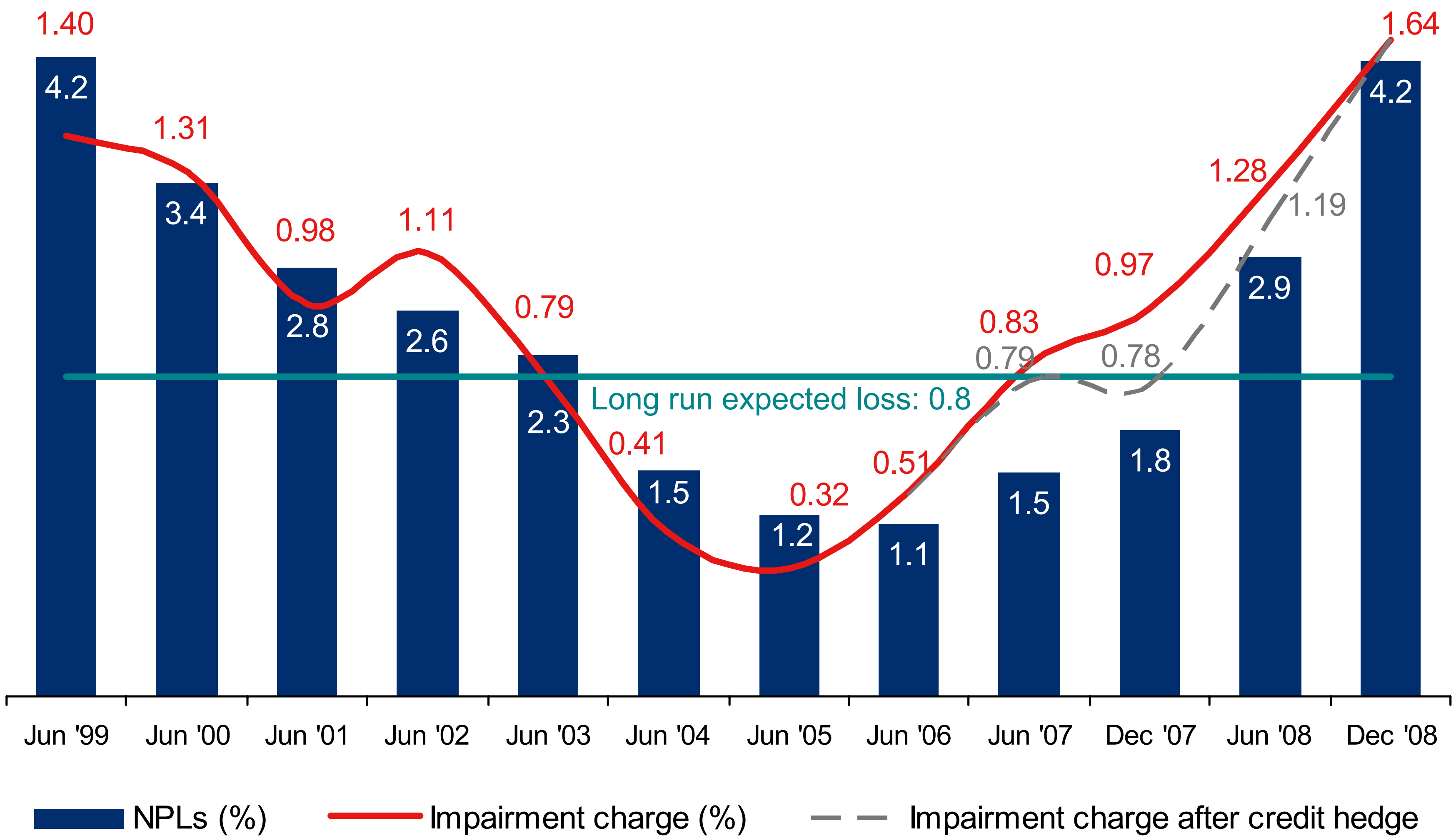
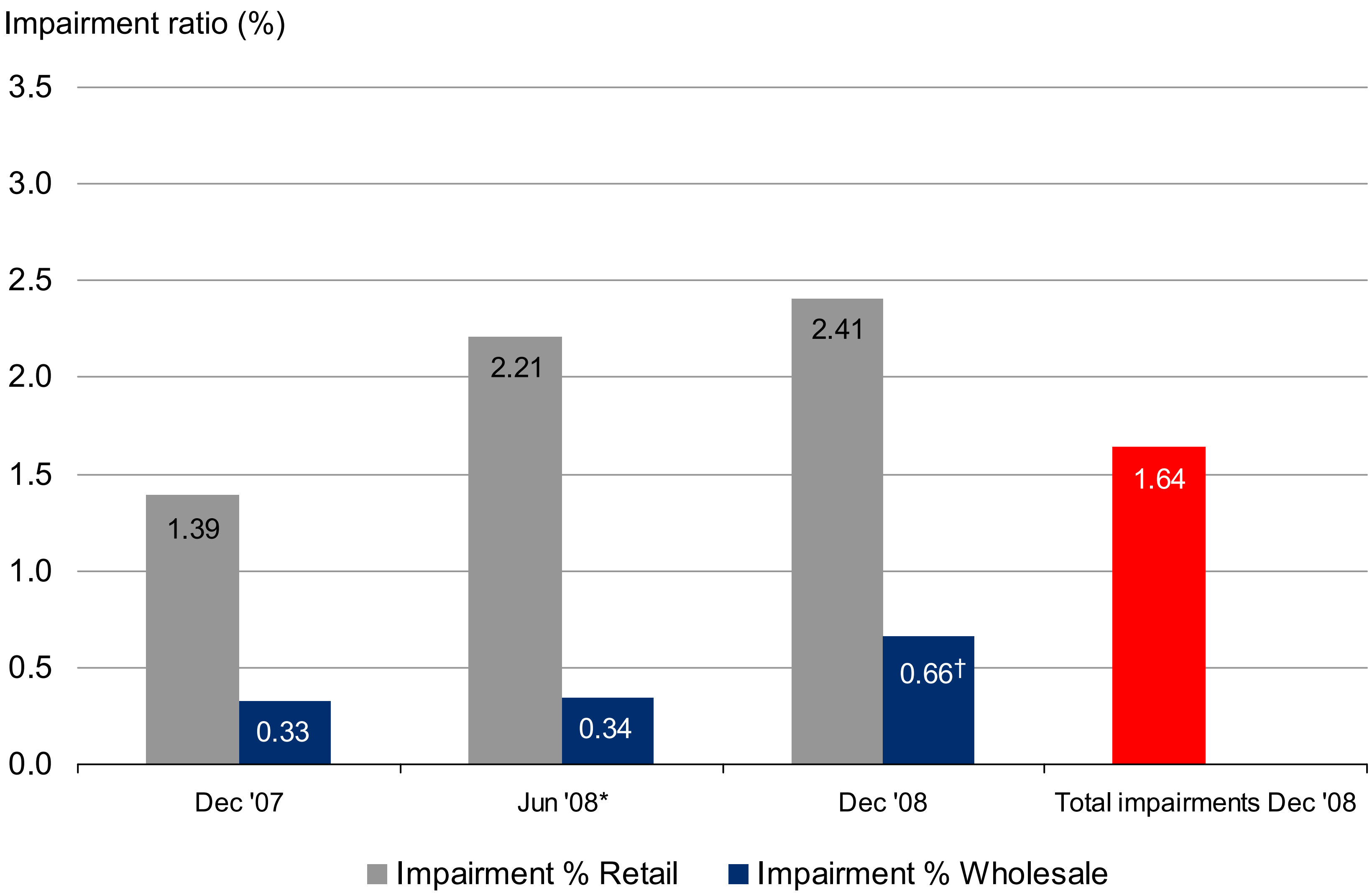
NPLs and bad debts continue upward trend



Bad debts currently dominated by retail



* For the 6 months ended June 2008

† Includes Dealstream impairment

Migration risk to corporate

Bad debts Percentage of average advances	6 months Dec ’08	6 months Jun ’08	6 months Dec ’07
Retail	2.41	2.21	1.39
- Mortgages	1.48	1.21	0.42
- Credit card	9.76	8.47	9.16
- Instalment finance*	2.22	2.18	1.21
- Other retail	4.75	4.85	3.43
Corporate/wholesale	0.66	0.34	0.33
Total bad debt ratio**	1.64	1.54	0.97

* Includes WesBank Business and Corporate

** Impairment charge after deducting credit insurance amounted 0.78% (Dec 2007). Total bad debt ratio includes group and other.

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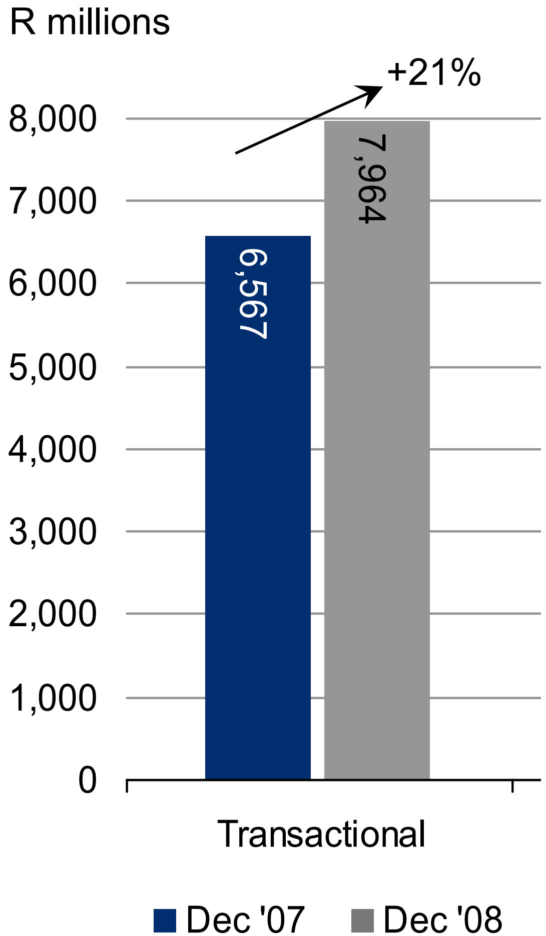
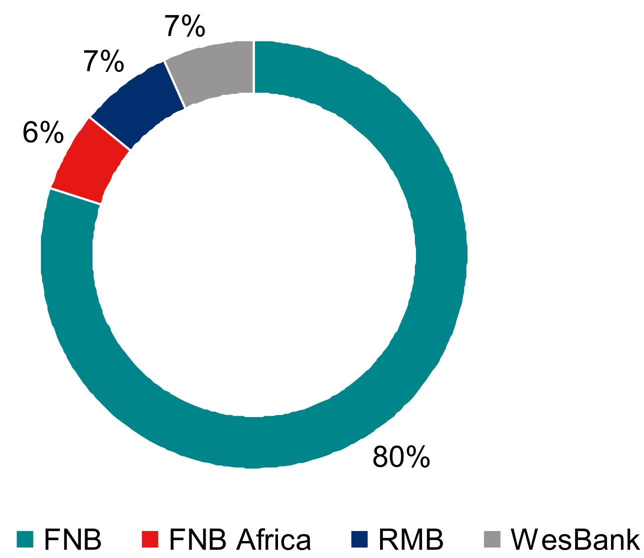
Client activity continues to drive transactional income



Transactional revenue breakdown by franchise*



* Excluding Group Support

CLIENT ACTIVITIES

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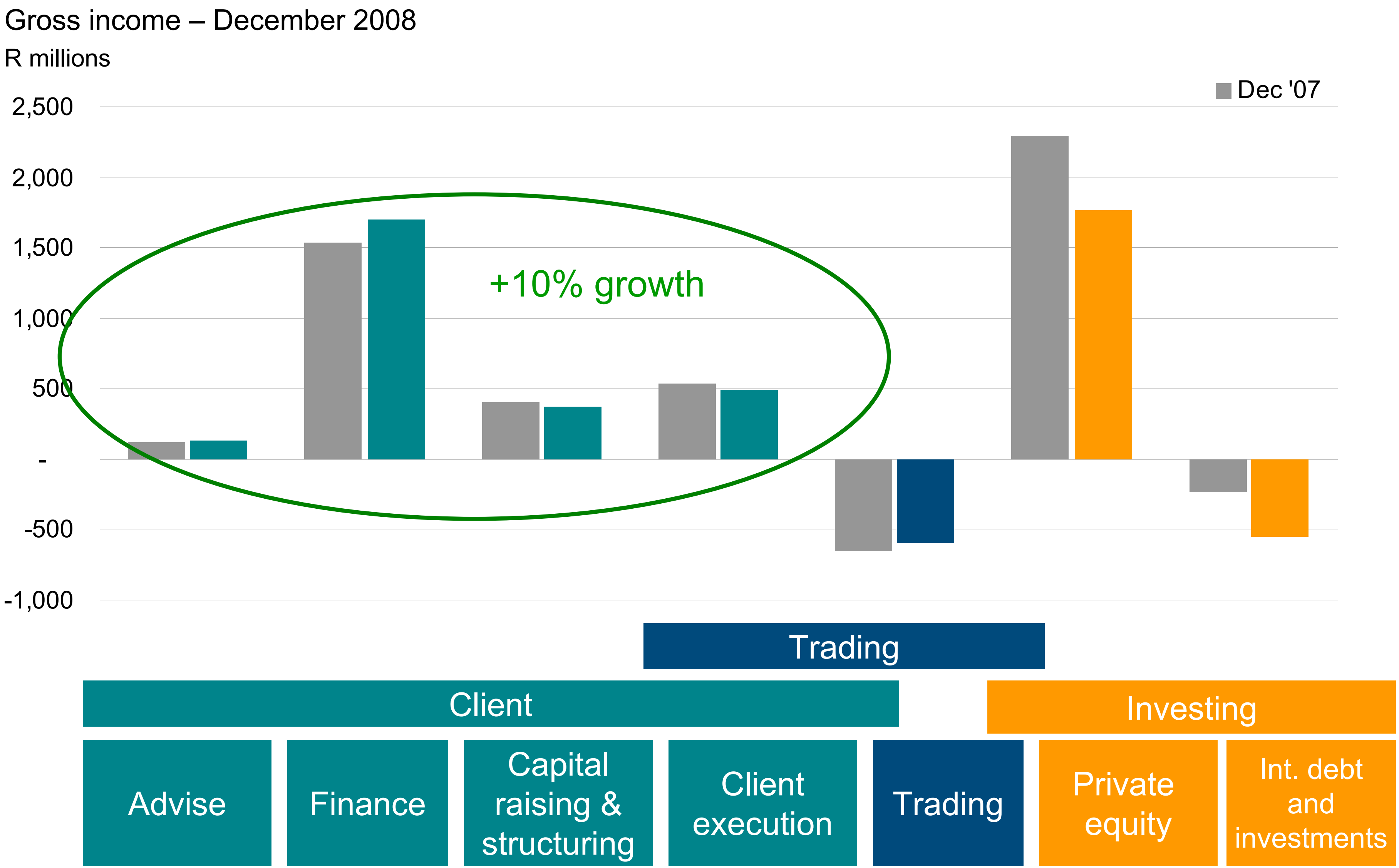
Local investment banking activities showed solid performance



PRINCIPAL ACTIVITIES

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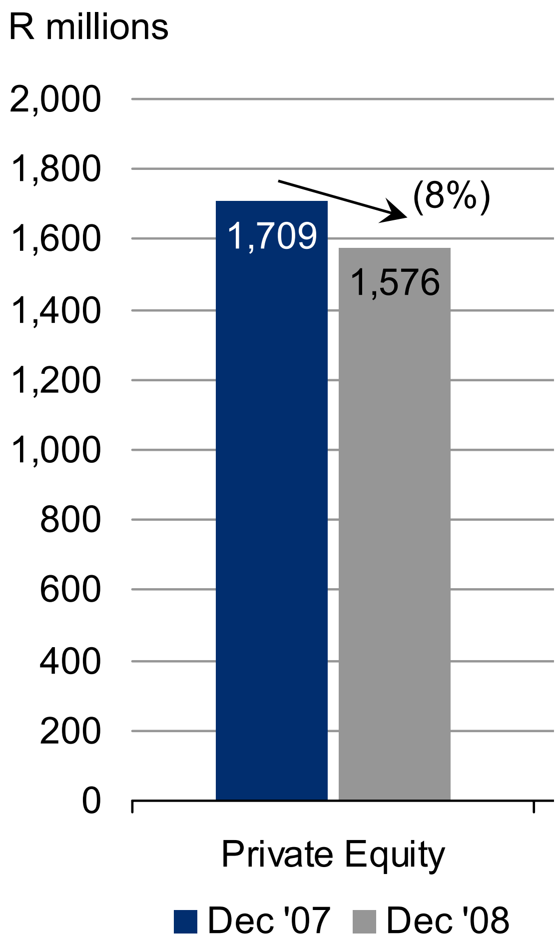
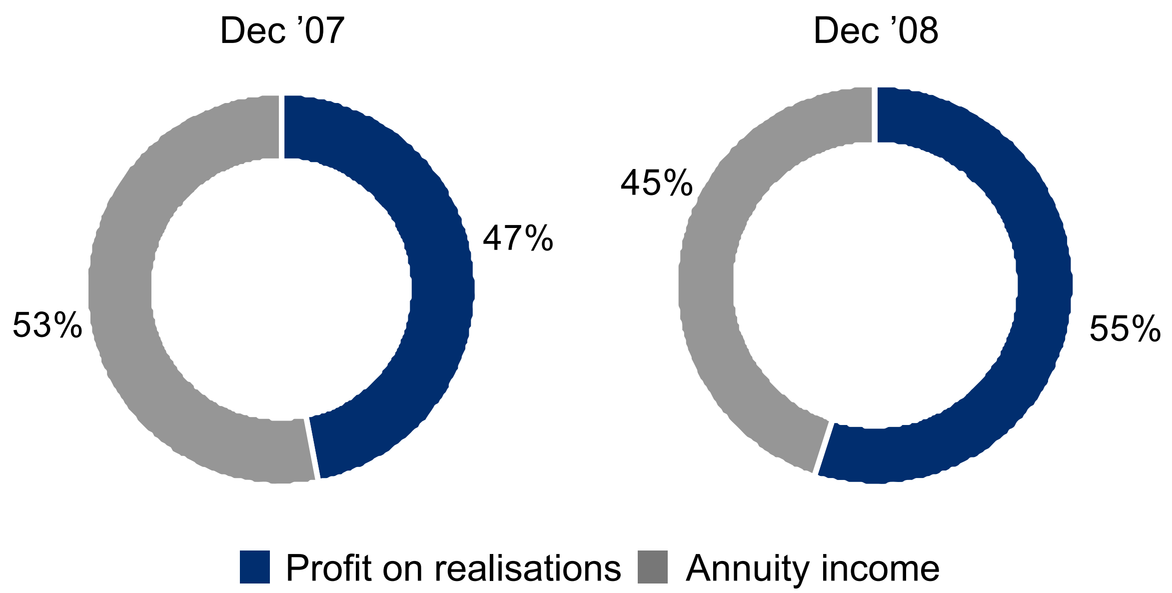
Total income	276	709	(61)

Good balance between annuity income and realisations





Unrealised profits* at R993 million (2007: R2.2 billion)

* Includes Dealstream reduction in market value of R195 million

PRINCIPAL ACTIVITIES

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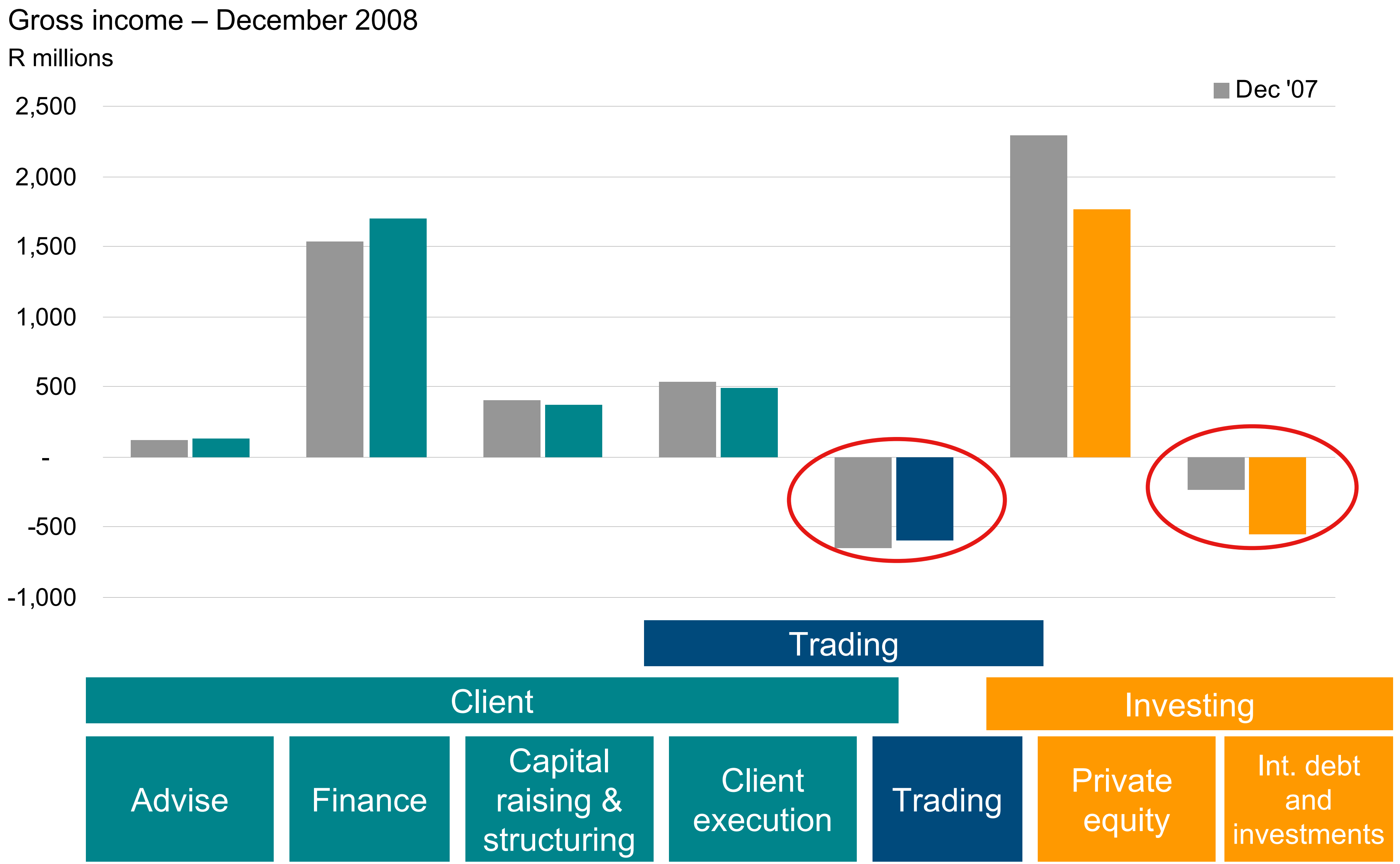
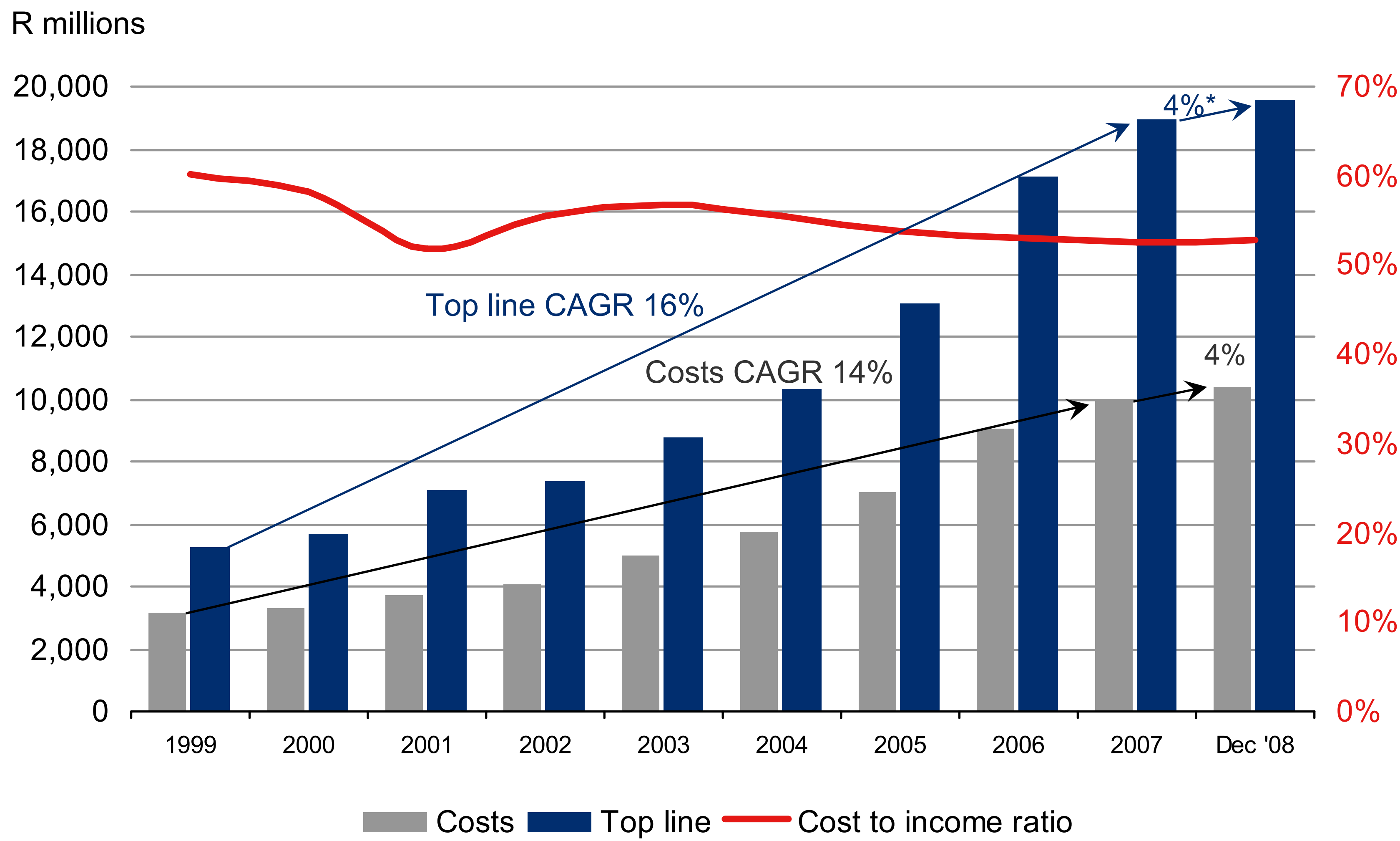
Portfolios exposed to international markets incurred MTM losses



Slowing top line impacts cost to income ratio



* Excluding loss on sale of Australia MotorOne advances book of R206 million

Normalised cost growth in line with inflation

R millions	Dec '08	Dec '07	% change
As per income statement	10 401	9 957	4.5%
Share based payments	50	(143)	
WesBank MotorOne expenses	(3)	(126)	
Fund liabilities	59	(64)	
Normalised costs	10 507	9 624	9.2%
Cost to income ratio (%)	52.7	52.6	

In conclusion

- Local franchises weathered the cycle, in good shape
- Activities exposed to international markets have incurred mark-to-market losses
- Robust earnings base still intact after absorbing impact of bad debt cycle and offshore mark-to-market volatility
- Still dealing with 2006/07 retail credit vintages
- Strong capital and liquidity position
- BSM strategies appropriately adjusted to ensure resilience

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BSM STRATEGIES

FIRSTRAND
Banking Group

Managing the business through the cycle

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Managing the business through the cycle

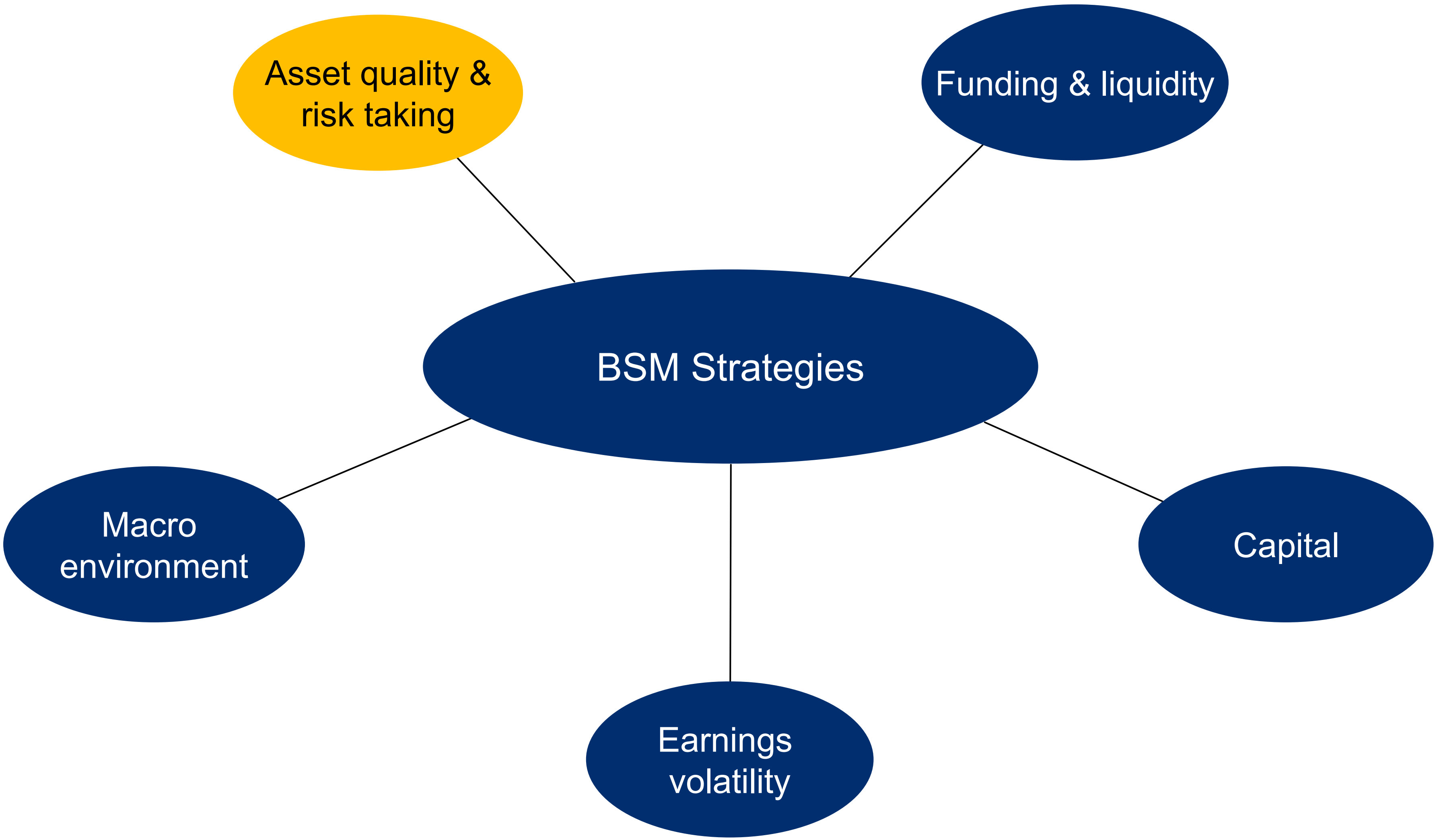
How will the macro trends impact the business?

- The SA macro cycle is shifting gear
  - Old wave: Inflation spike
    - Consumer under pressure due to lower disposable income and higher rates
  - New wave: Impact on real economy
    - Export slowdown due to slower growth in trading partners
    - Consumer segment exposed to job losses and wealth destruction

How will the macro trends impact the business?

	Blow-out (e.g. US / UK)	Slow puncture (e.g. South Africa)
Liquidity	• Dry-up	• Higher cost
Profitability	• Toxic asset write downs • Losses (no earnings)	• Increased bad debts • Lower activity
Solvency	• Capital wipe-out • Over gearing • Recapitalisation	• Capital levels robust • Higher cost of capital • Lower ROE
	↓ State intervention	↓ Rebased earnings

Managing the business through the cycle



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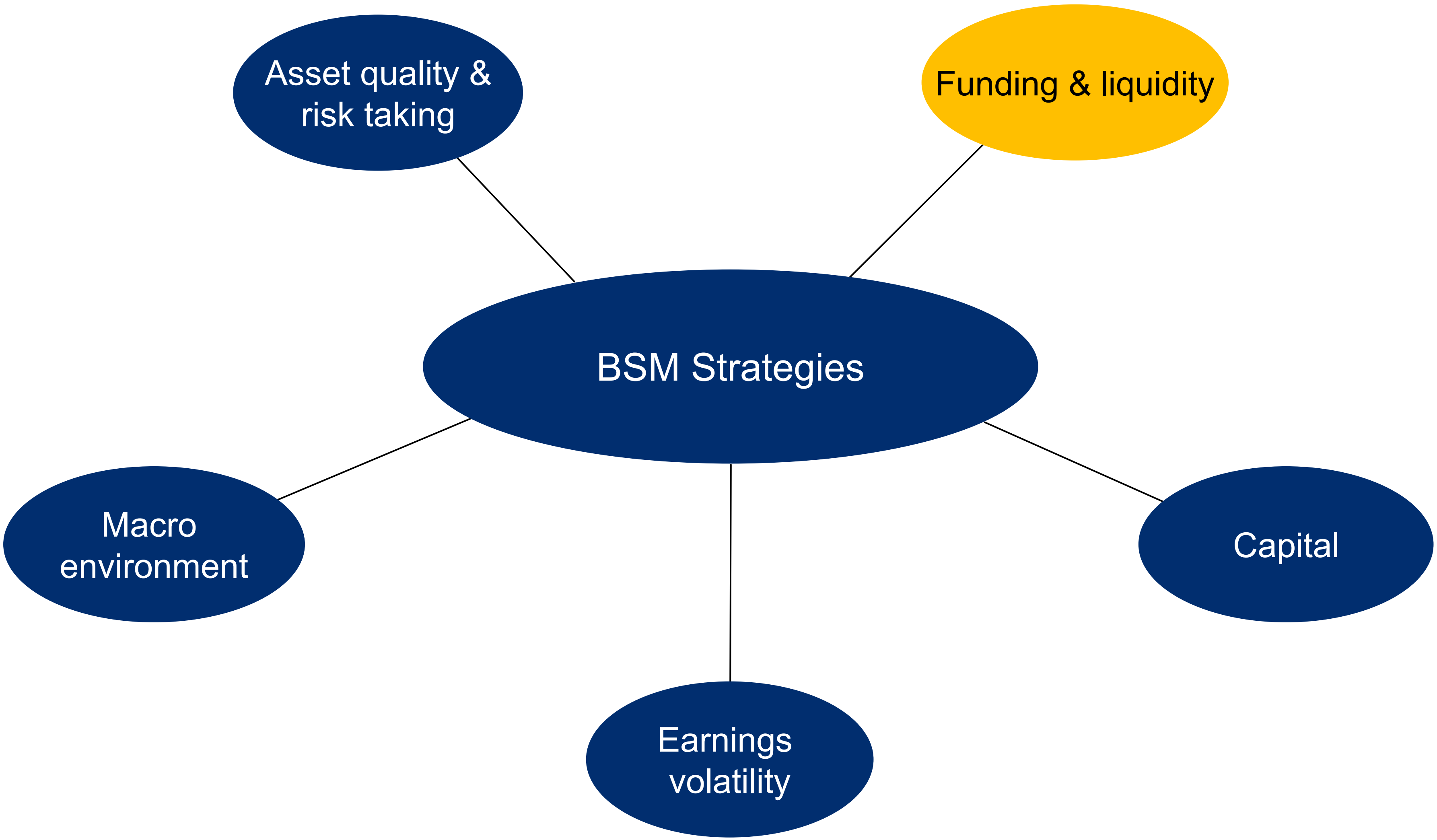
Credit strategies will provide underpin

- Targeted portfolio management strategy
  - Improved risk management
  - Reduced earnings volatility
- Reduction of international lending exposures as part of broader capital and liquidity preservation strategy
  - Australian mezzanine property finance
  - WesBank Australian assets
  - Euro-loans
- Selective reduction in certain high risk sub-segments
- Repricing of credit (pricing power)
- Revised risk appetite setting process

These strategies will maintain the strength of the balance sheet and result in less volatile earnings

Managing the business through the cycle

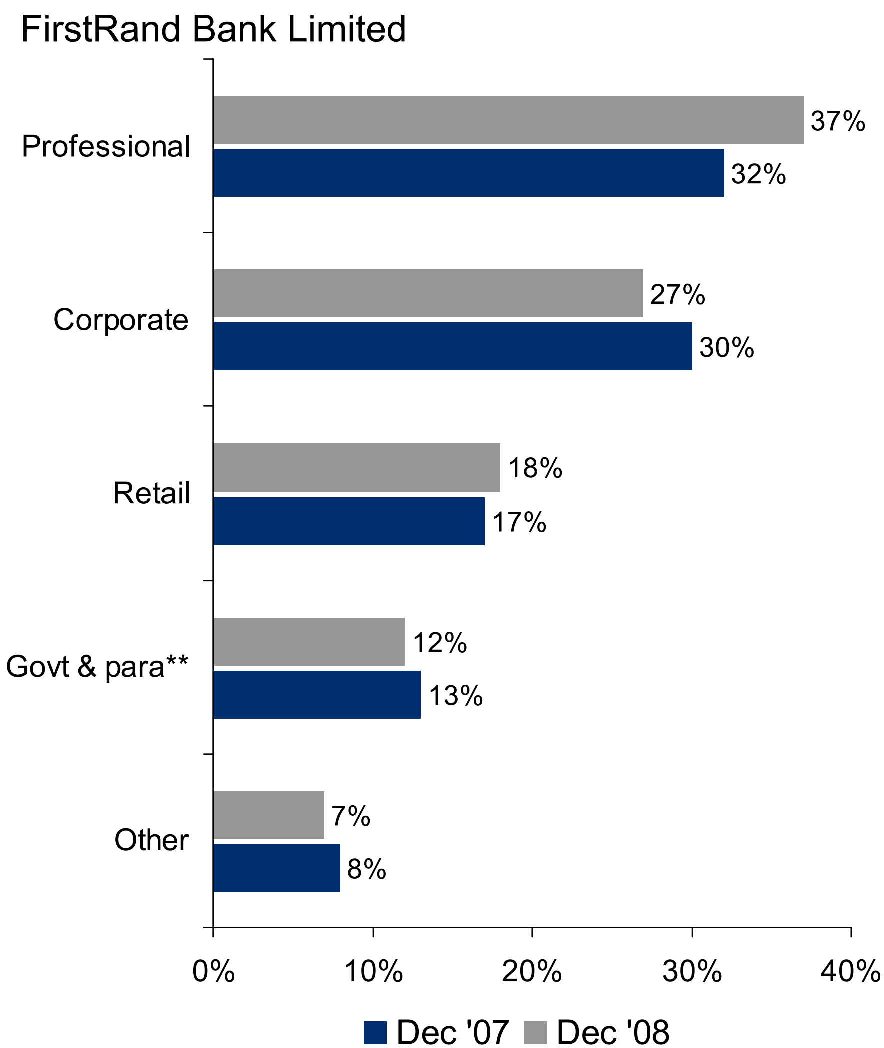


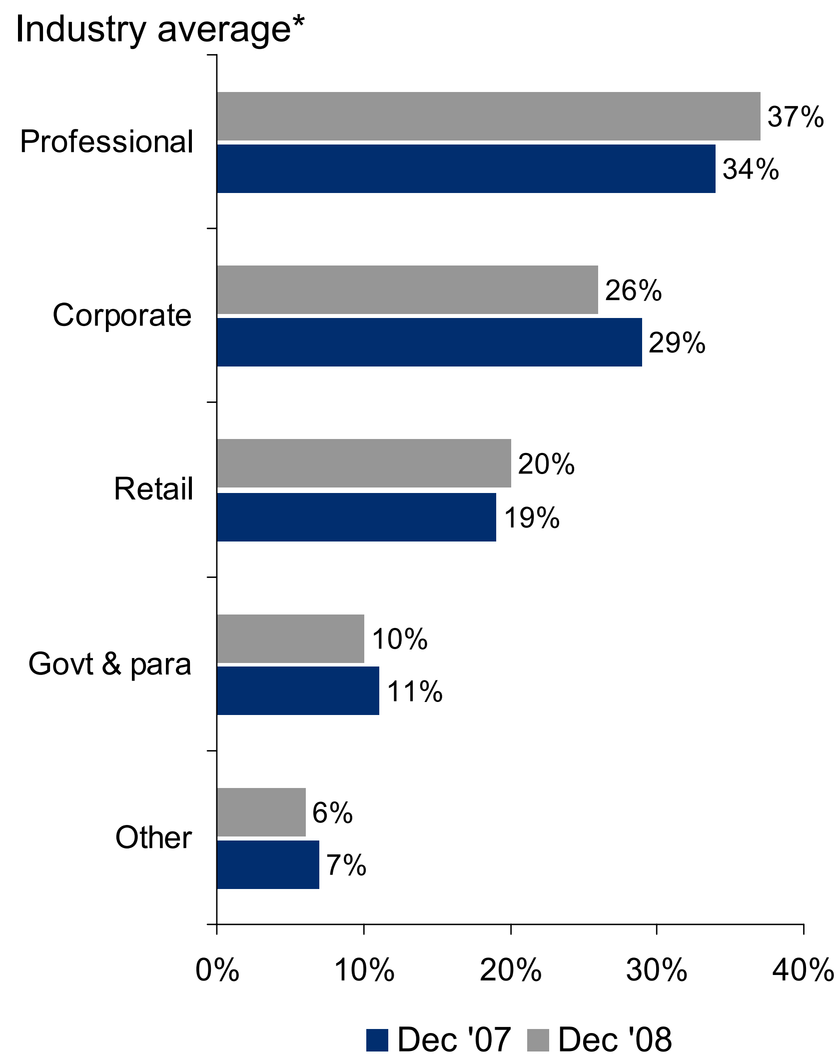
Funding and liquidity strategies key to balance sheet strength

- Increase focus on deposit franchise
- Lengthening long-term funding profile to 20% (2007: 16%)*
- Eliminated rollover risk on international balance sheet
- Off-balance sheet activity managed as part of on-balance sheet liquidity & funding
- Limited reliance on international capital markets
- Excess liquidity buffer
- Repricing new business for increased liquidity cost

* Data for FirstRand Bank Limited

Funding composition structural issue and in line with peers





Source: SARB BA900 returns

* Industry average excludes FirstRand Bank ** Government & parastatal

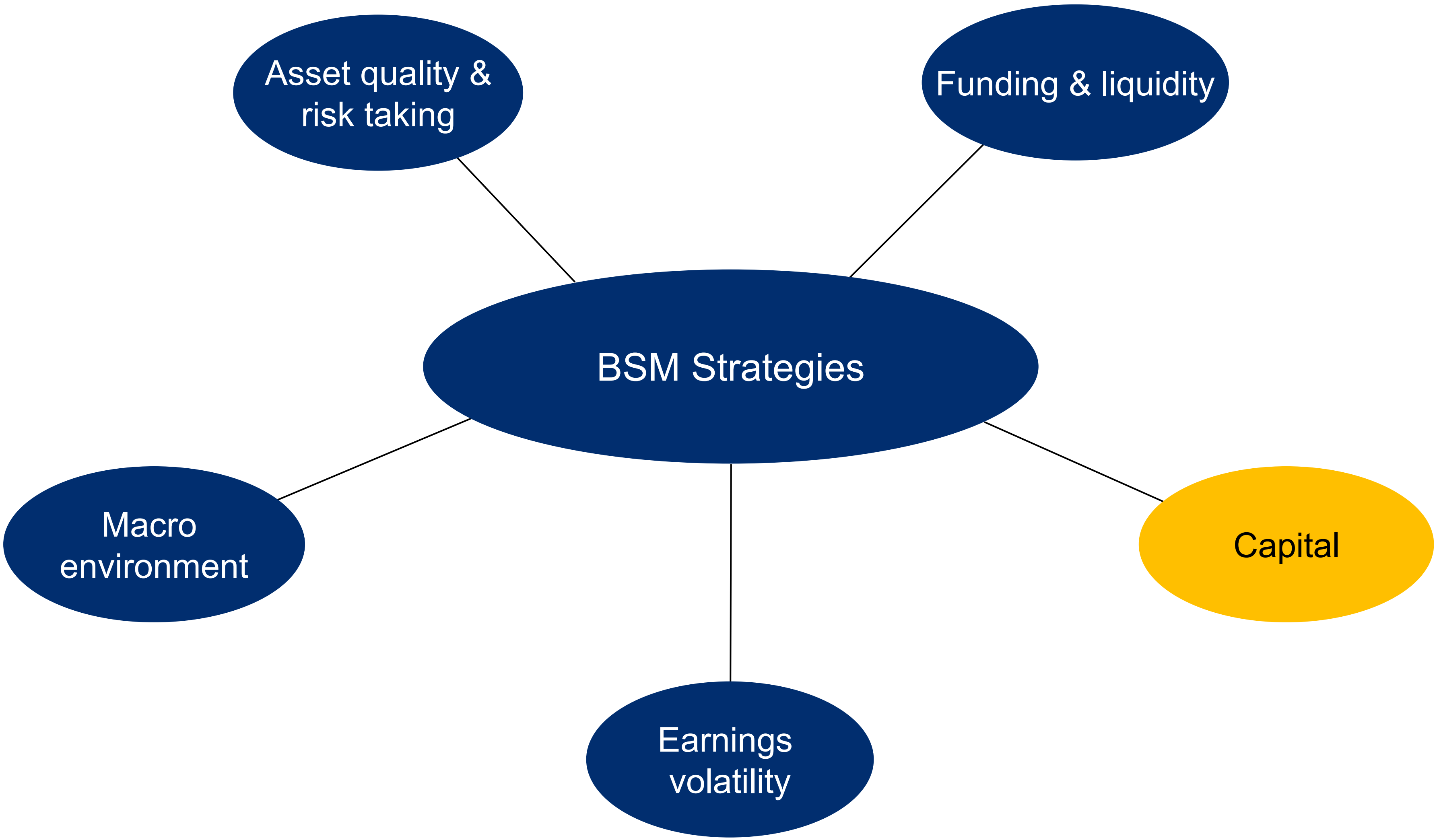
Liability mix adds pressure to margins

R millions	Dec '08	Dec '07	% change	Dec '08 mix %	Dec '07 mix %
Retail	104,138	90,053	16%	15%	15%
Corporate	121,738	118,060	3%	18%	19%
Professional	188,150	193,077	(3%)	27%	31%
Govt & Parastatal	52,566	51,649	2%	8%	8%
Foreign sector	29,800	31,349	(5%)	4%	5%
Trading liabilities	115,542	58,636	97%	17%	9%
Other liabilities	21,014	22,869	(8%)	3%	4%
Mezzanine funding	12,709	11,469	11%	2%	2%
Core equity*	48,215	41,364	17%	7%	7%
Total liabilities & equity	693,872	618,526	12%	100%	100%

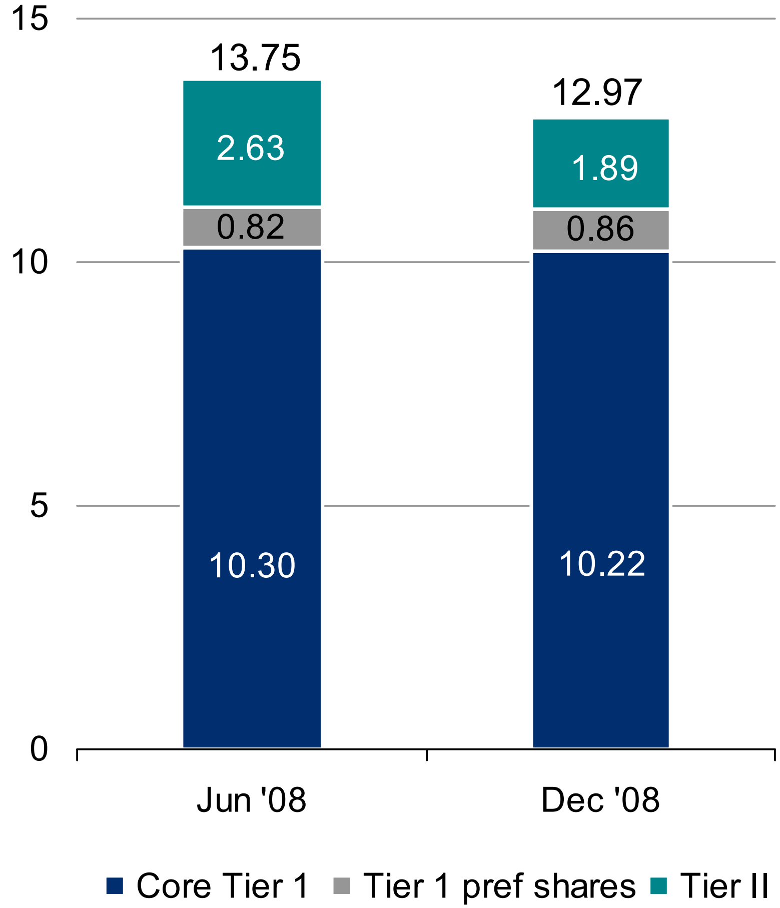
Professional funding spread to JIBAR	Dec '08	Dec '07	Change
Professional funding 12 months	60 bps	25 bps	▲ 35 bps
Professional funding 60 months	90 bps	35bps	▲ 55 bps

* Ordinary shareholders' and minority shareholders' funds

Managing the business through the cycle



Capital position remains robust



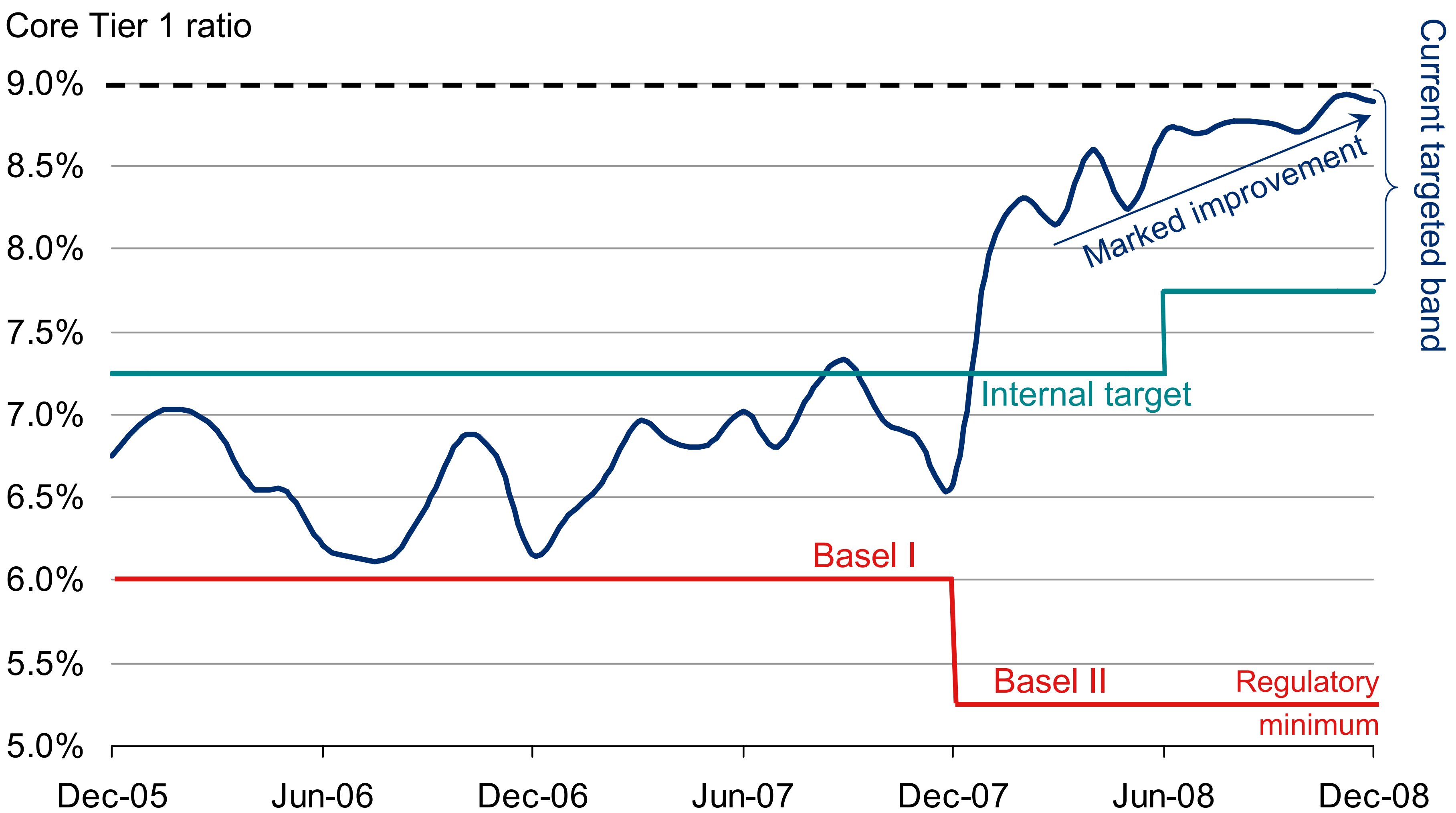
FRBH	Tier 1%	Total %
Capital adequacy ratio	11.08	12.97
Regulatory minimum	7.00	9.50*
Target	10.00	12.00 – 13.50

FRB	Tier 1%	Total %
Capital adequacy ratio	9.89	11.91
Regulatory minimum	7.00	9.50*
Target	9.50	11.50 – 13.00

* Excludes bank specific (pillar 2b) add on

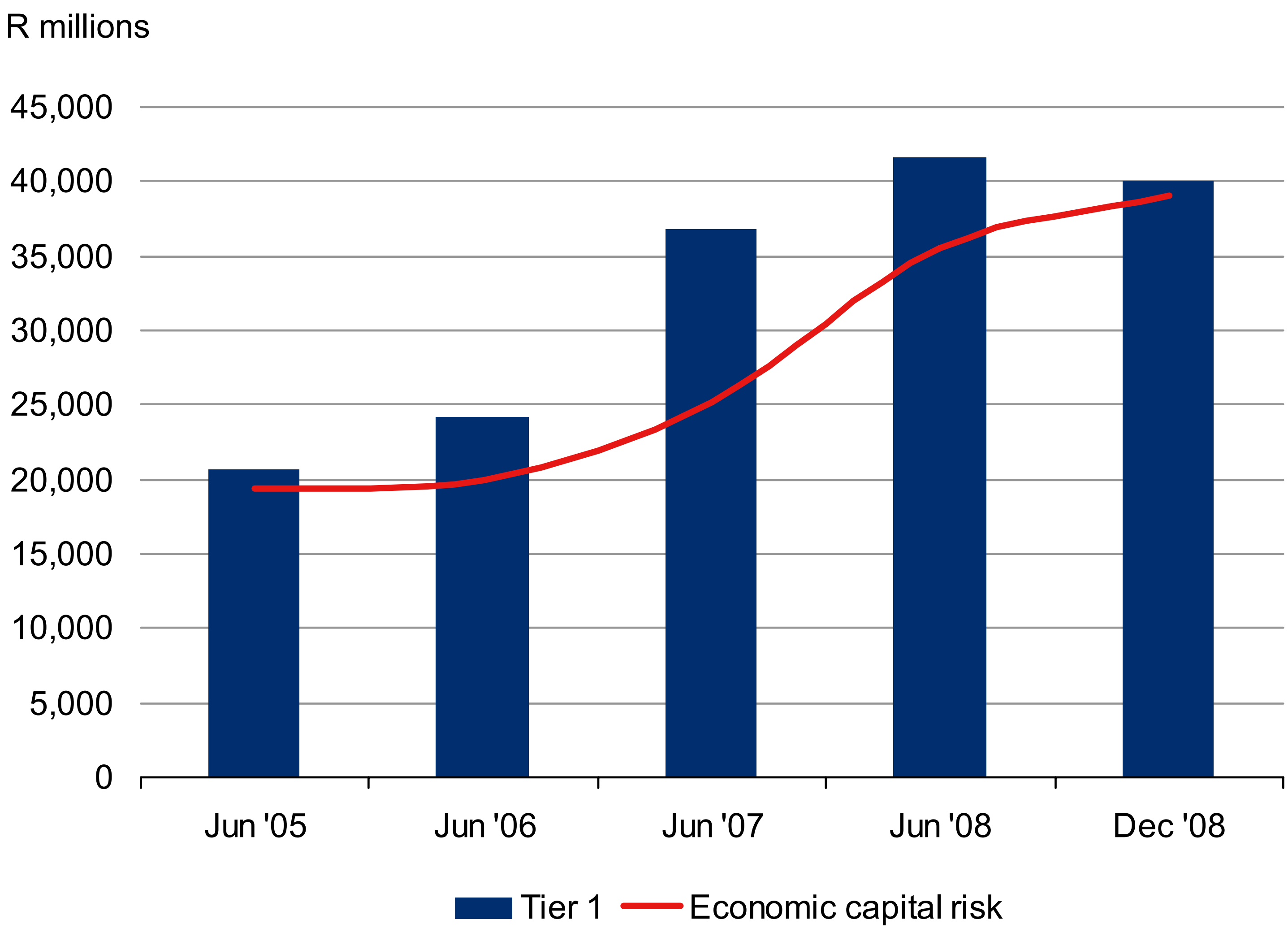
** Ratios exclude unappropriated profits of R951m for FRB

Operating at the higher end of the Core Tier 1 band



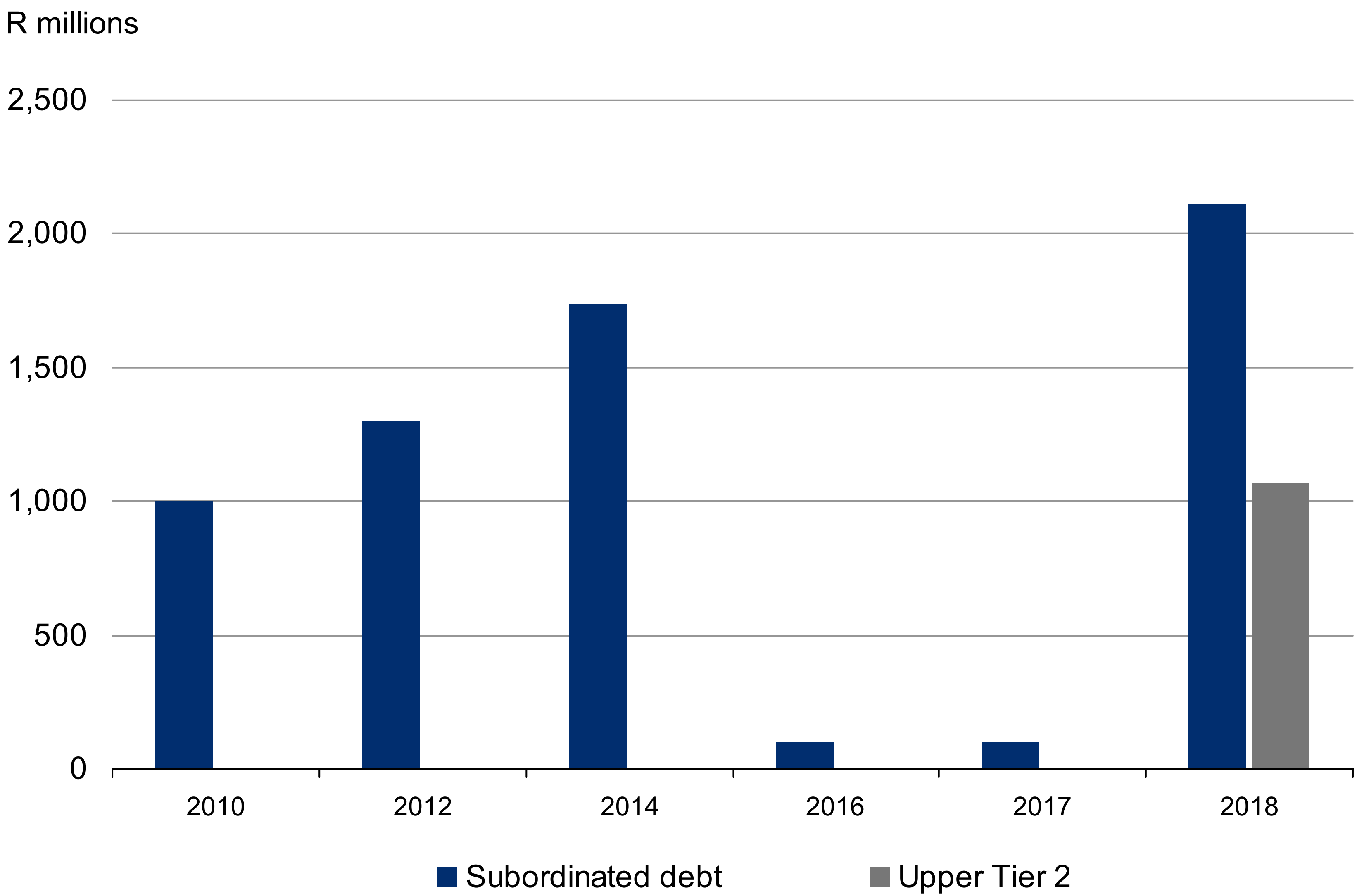
Given market uncertainty, we believe it's prudent to operate in top end of the band

Economic risk backed with Tier 1 capital



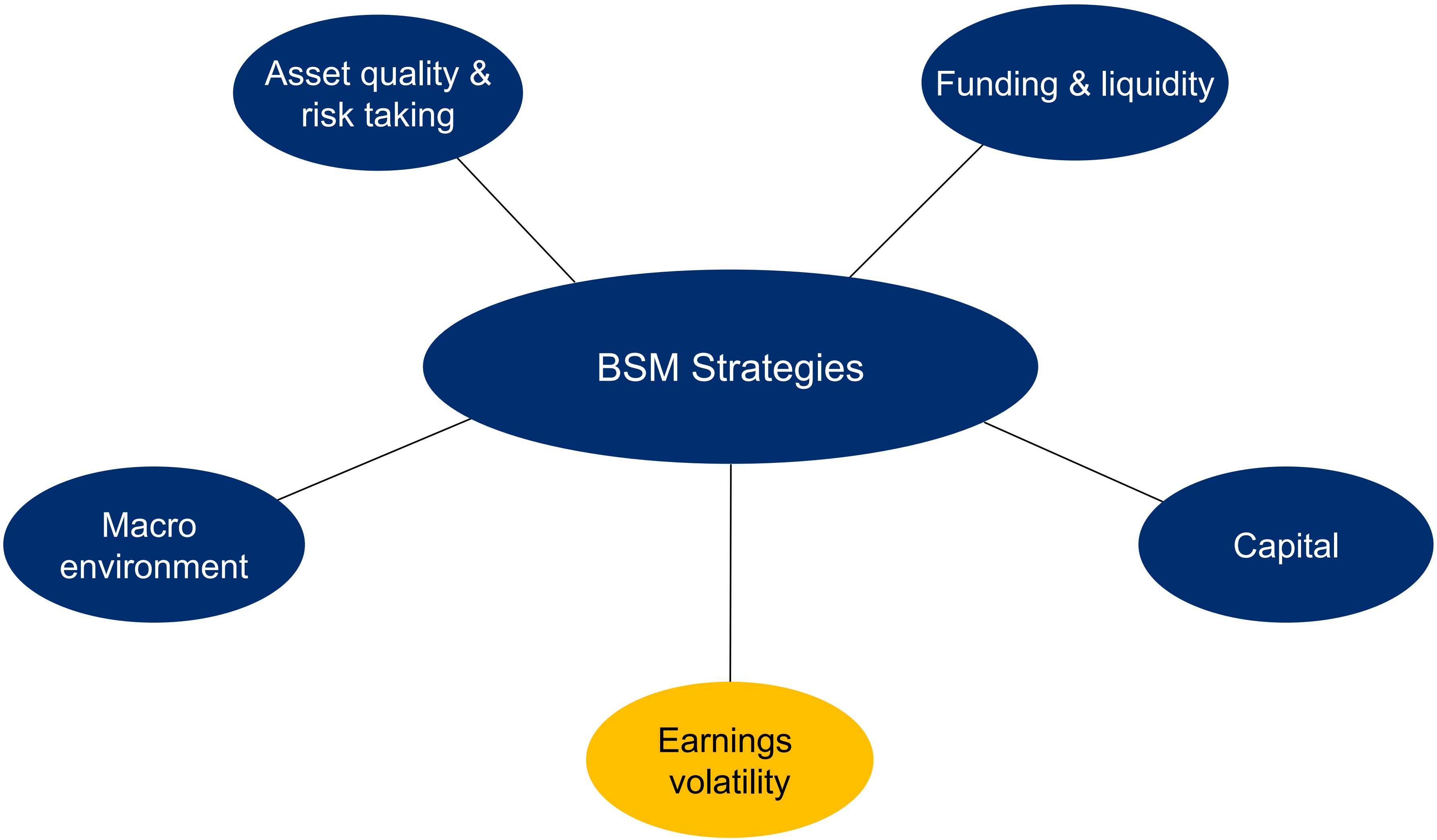
Data shown for FirstRand Bank Holdings Limited

Limited rollover risk in capital structure



Data shown for FirstRand Bank Limited

Managing the business through the cycle



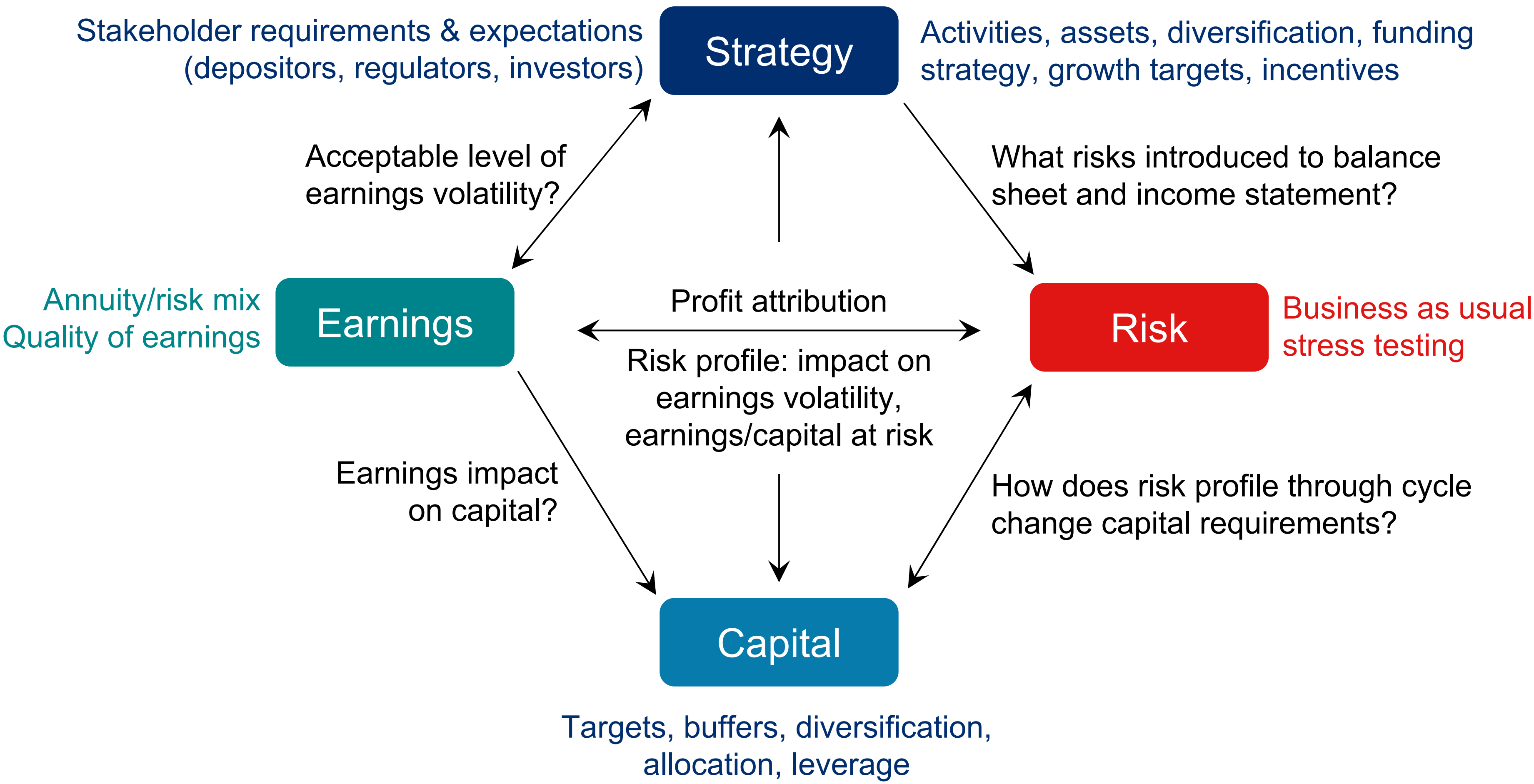
Enhanced risk appetite should reduce volatility

- Statement of intent
  - Do not pierce minimum regulatory and internal capital levels under conditions of severe stress
  - Limit earnings volatility within acceptable levels
  - Desired credit rating and counterparty status

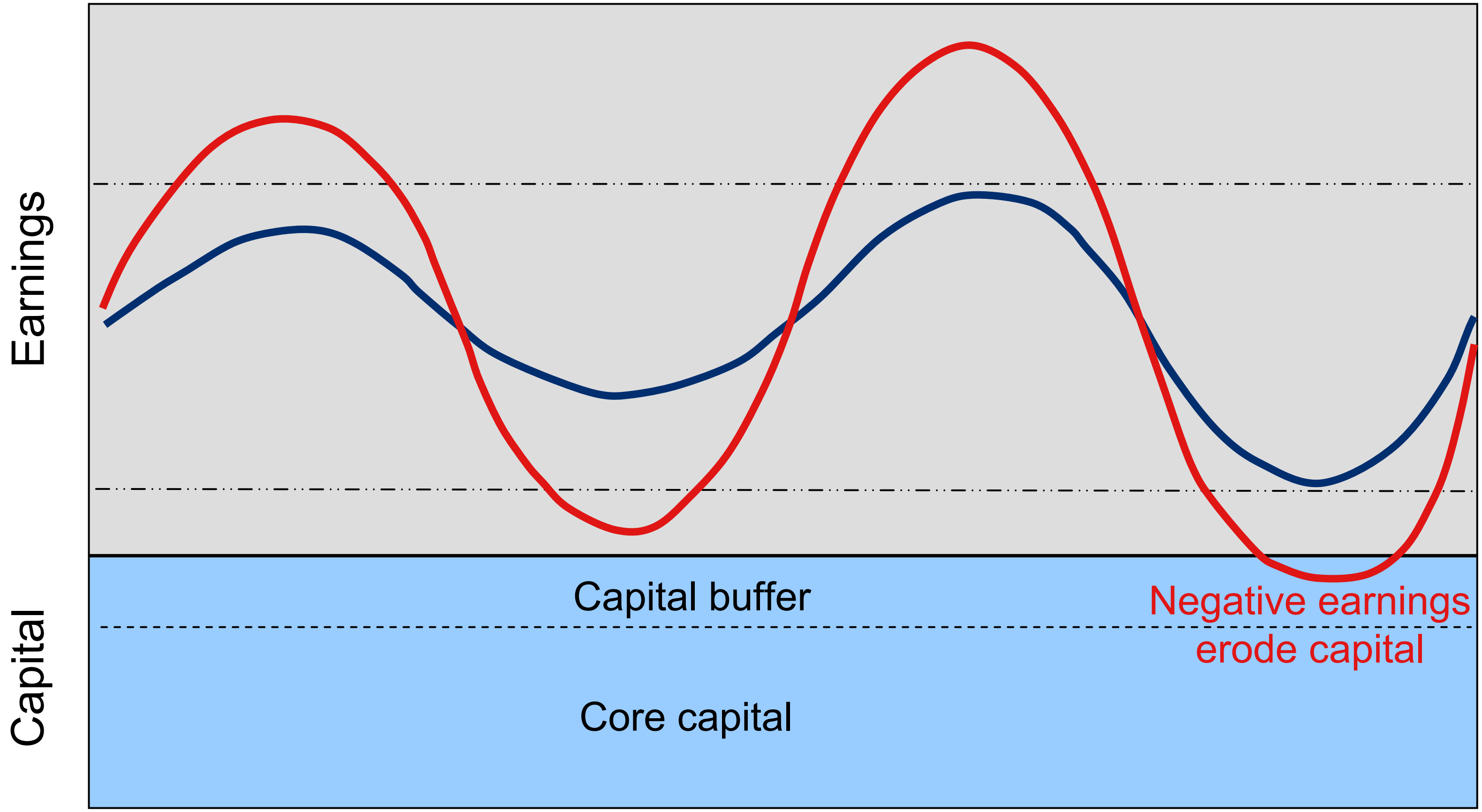
Enhanced risk appetite should reduce volatility

- Principles applied
  - Balance sheet not excessively geared
  - Limit off-balance sheet exposure relative to own capital and funding base
  - Risk transfer about true risk transfer and not accounting/regulatory arbitrage
  - Diversify sources of income
  - Potential stress conditions measured, quantified and understood
  - Avoid concentration in risky asset classes
  - Diversify sources of funding
  - Hold sufficient buffers for capital and liquidity

Risk appetite framework



Return on equity versus cost of equity: a trade off



Lower volatility might reduce ROE, but will create more long-term shareholder value

This graph is for illustrative purposes only

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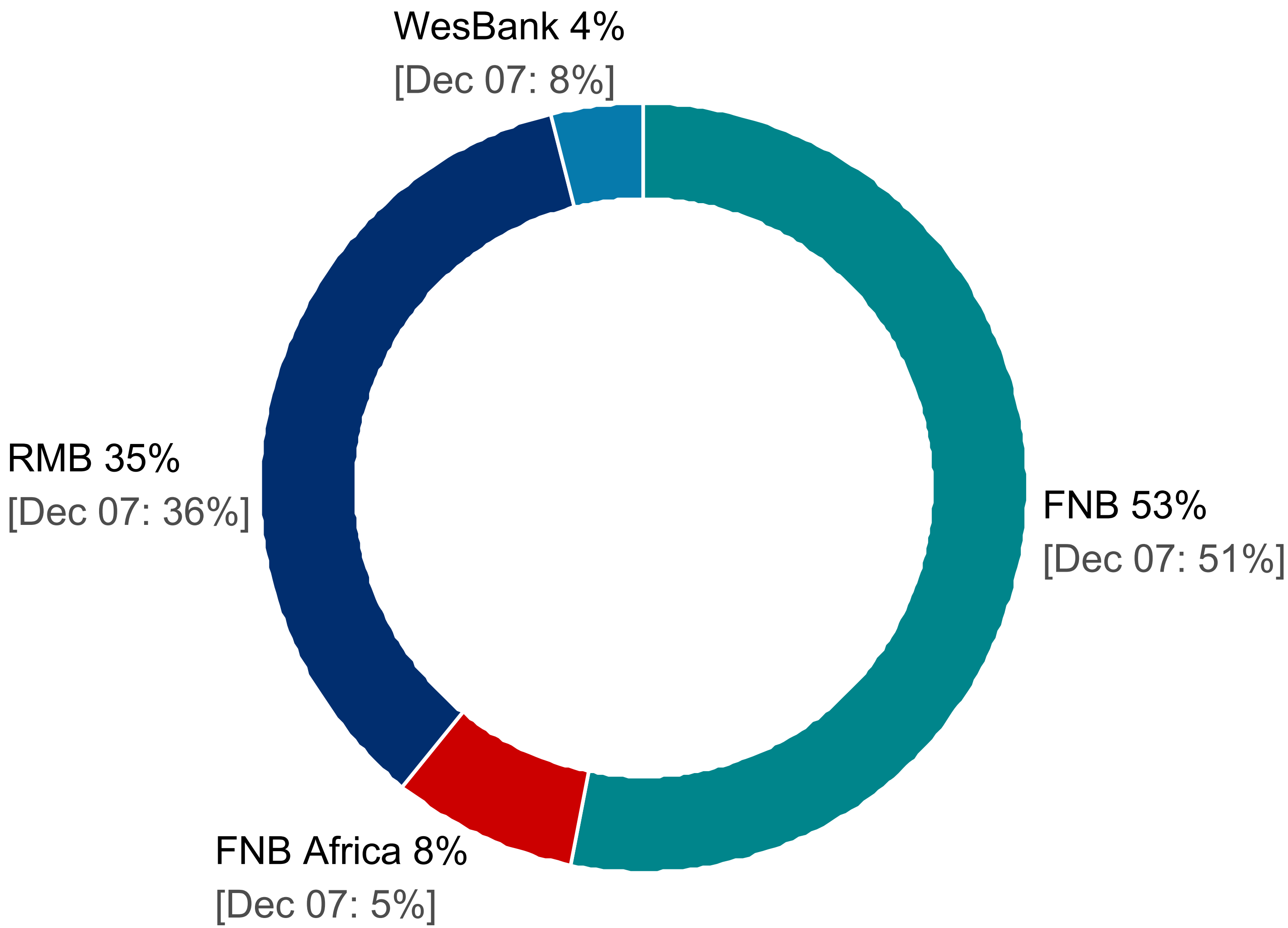
FIRSTRAND BANKING GROUP

REVIEW

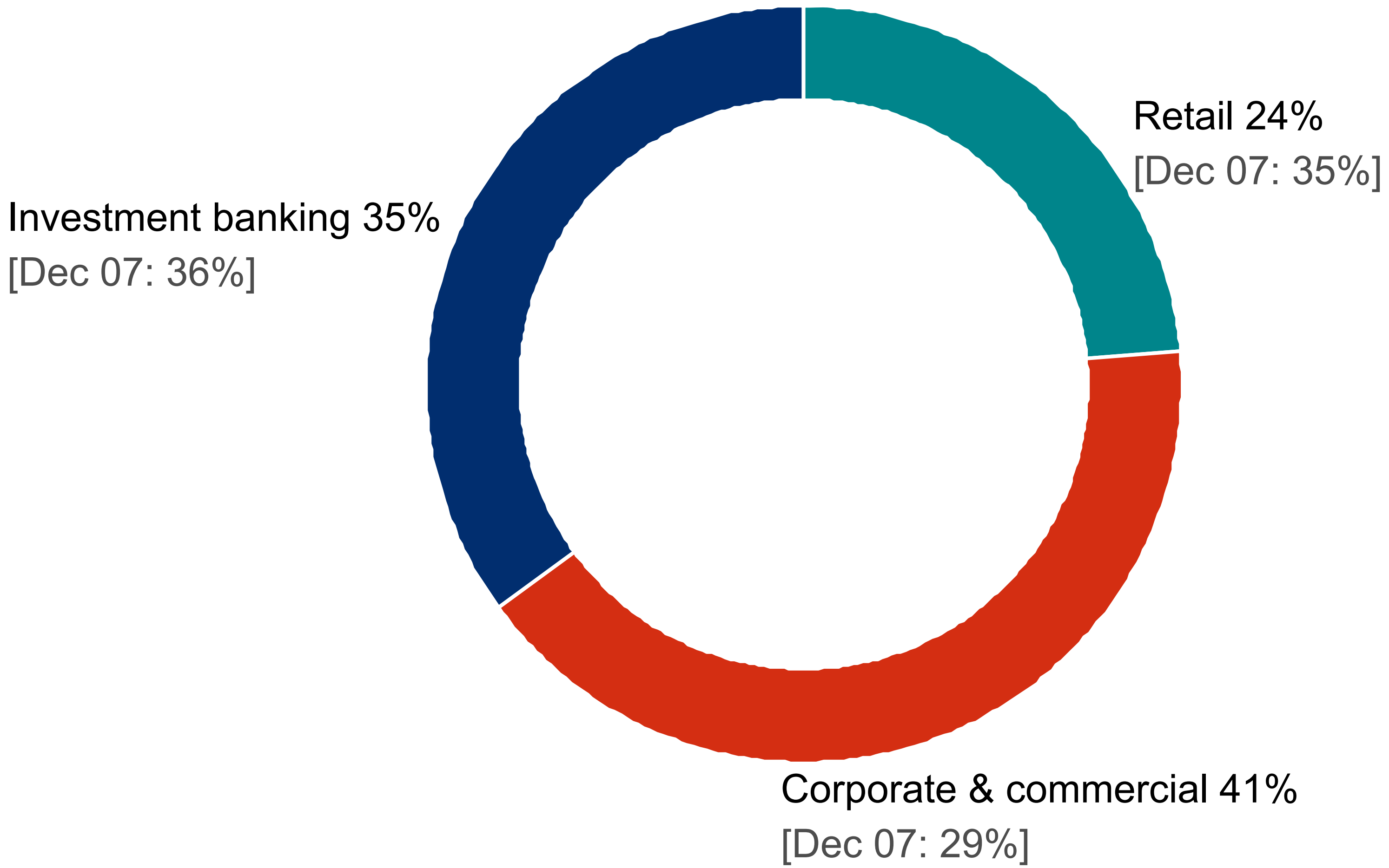
FIRSTRAND
Banking Group

Franchise diversification



Based on normalised earnings, excluding Group Support, FirstRand & NCNR preference shares

Segment diversification – corporate compensating for retail strain



Based on normalised earnings, excluding Group Support, FirstRand & NCNR preference shares

Performance drivers:
Advances growth slowing

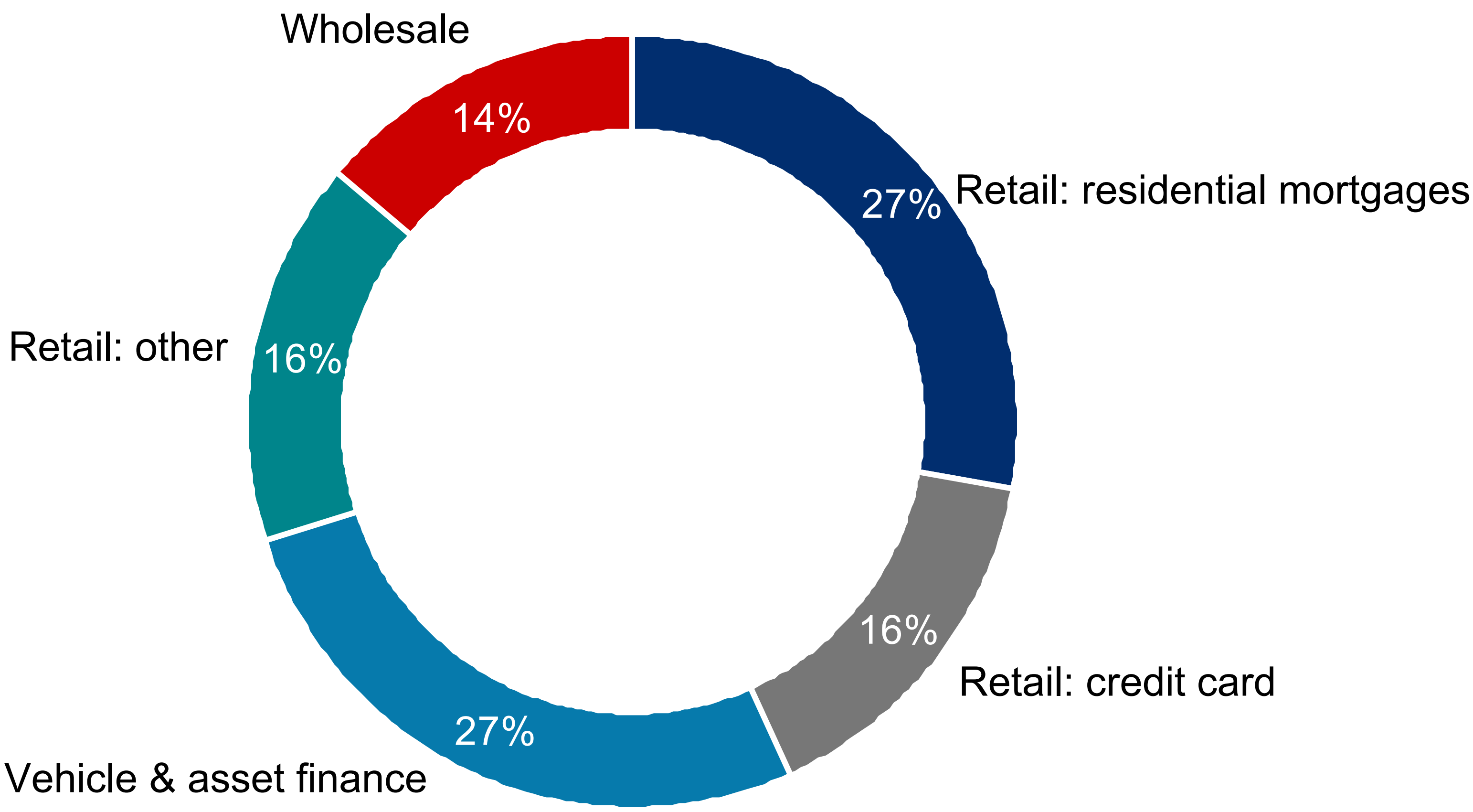
- Advances flat* since June '08 as a result of deliberate strategy to reposition lending portfolios

- Retail – reduced exposure in high-risk areas
  - Affordability criteria
  - Security values

- Corporate
  - RMB/FNB
    - Increased risk management on existing portfolio
    - Selectively aggressive in growth sectors: state-owned enterprises, telecommunications, infrastructure, tourism

* After adjusting for LROS and Euro-loans

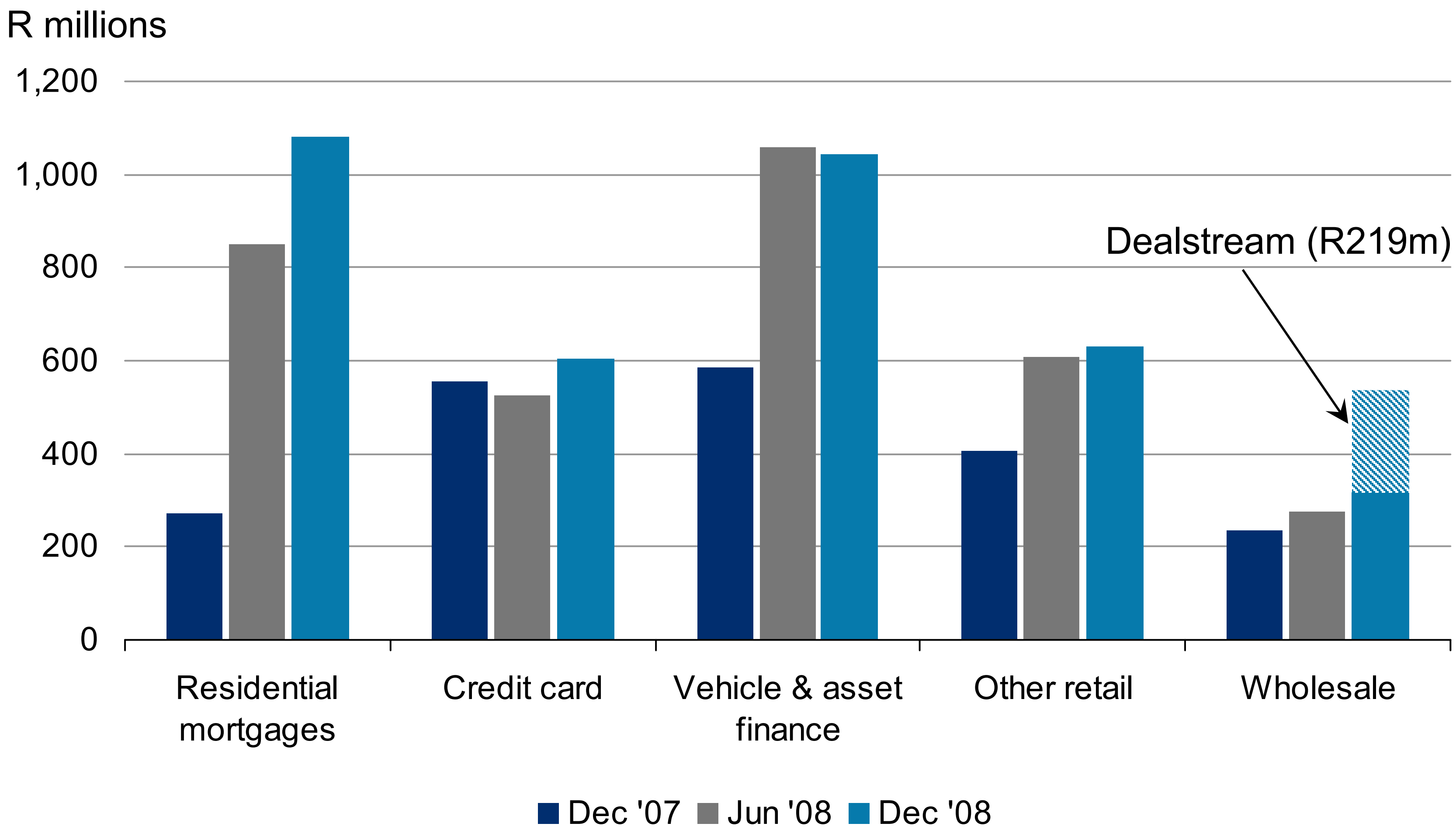
Performance drivers:
Bad debts driven by retail



>80% of bad debt charge relates to retail product lines

Excluding Group Support

Performance drivers: Bad debts concentrated in asset-backed portfolios



Too early to call retail cycle peak, wholesale bad debts will pick up

Performance drivers: Non interest revenue – mixed performance

- RMB ▼15%
  - Losses in international equity trading and debt & investment portfolios
  - Positive contributions from Investment Banking, FICC and Private Equity
- FNB NIR ▲15%
  - Customer base and transactional activity still growing
    - SA customer growth +6% to 6.4 million
    - ATM cash withdrawals +8%, cellphone transactions +166%, Internet transactions +33%, debit cardholder turnover +86%
- WesBank NIR ▲7%*
  - Diversification
  - Insurance

* Excludes WesBank's international operations

Performance drivers:
Costs remain a key focus

- Cost growth at 4%
  - Includes reversal of IFRS 2 costs and other staff related costs
  - Normalised cost increase would be 9%, which is below inflation
- Maintained overall cost growth below inflation
- Reduction in variable costs in investment bank – in line with performance
- Retail businesses C:I deterioration the result of slowing top line growth rather than high cost growth

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FIRST NATIONAL BANK

OVERVIEW

Mixed performance across segments

Profit before tax* (R millions)	2008	2007	% change
Mass	705	540	▲ 31
Consumer	(21)	1 048	▼ (>100)
HomeLoans	(975)	256	▼ (>100)
Card Issuing	38	33	▲ 15
Other Consumer	916	759	▲ 21
Wealth	170	218	▼ (22)
FNB Other and Support	74	(24)	▲ >100
Retail	**928**	**1 782**	▼ **(48)**
Commercial	1 546	1 346	▲ 15
Corporate	401	308	▲ 30
Commercial & Corporate	**1 947**	**1 654**	▲ **18**
FNB South Africa	**2 875**	**3 436**	▼ **(16)**

* PBT reported on a fully funded basis for all businesses
Endowment earnings on capital are reported in Group Support (not included in business unit earnings)

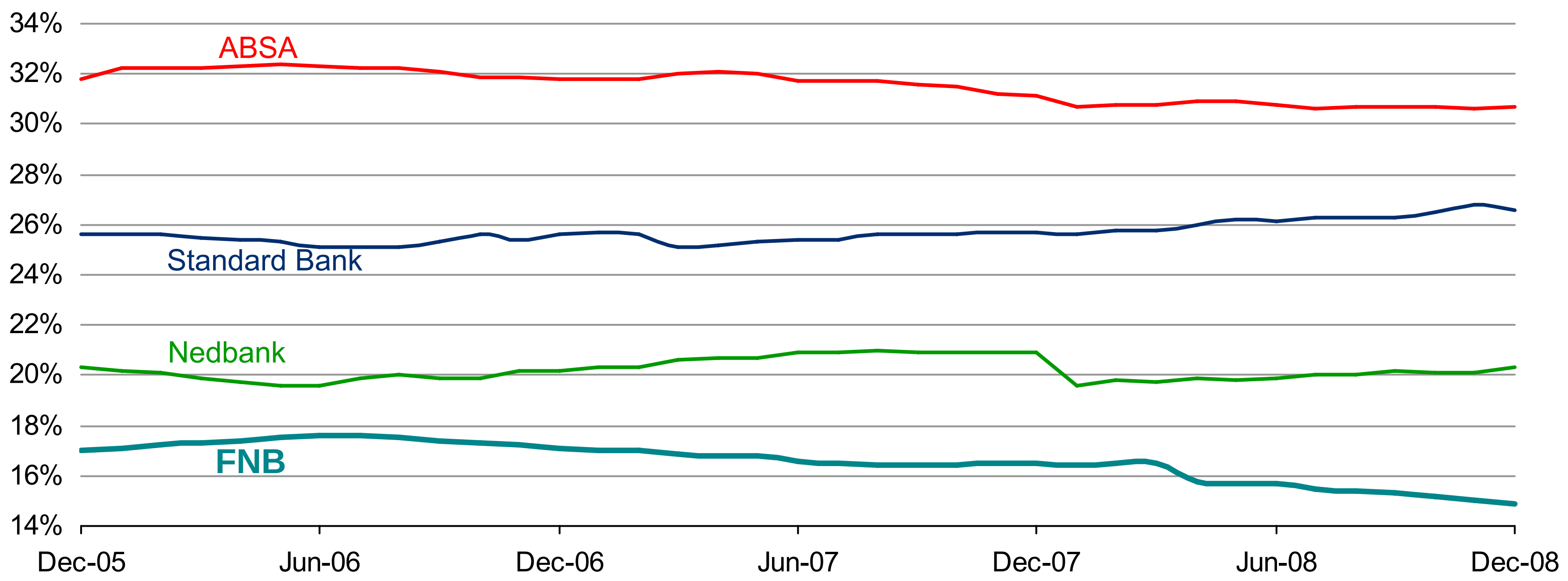
Unpacking performance of HomeLoans

- Dec ’07 HomeLoans profit* = R256m
- Dec ’08 HomeLoans loss* = (R975m)
- Year-on-year decline of R1 231m – mainly attributed to:
  - R600m increase in funding & liquidity costs and interest in suspense (ISP) charge
  - R780m increase in bad debt provisions
- Endowment earnings on capital are reported in Group Support and not included in business units’ profit numbers
  - If endowment earnings on HomeLoans’ capital were included, the loss would reduce from R975m to R685m

* Before-tax profit/loss reported on a fully funded basis for all businesses
Endowment earnings on capital are reported in Group Support (not included in business unit earnings)

Retail dominated by losses in residential mortgages

Market share – residential mortgage advances*

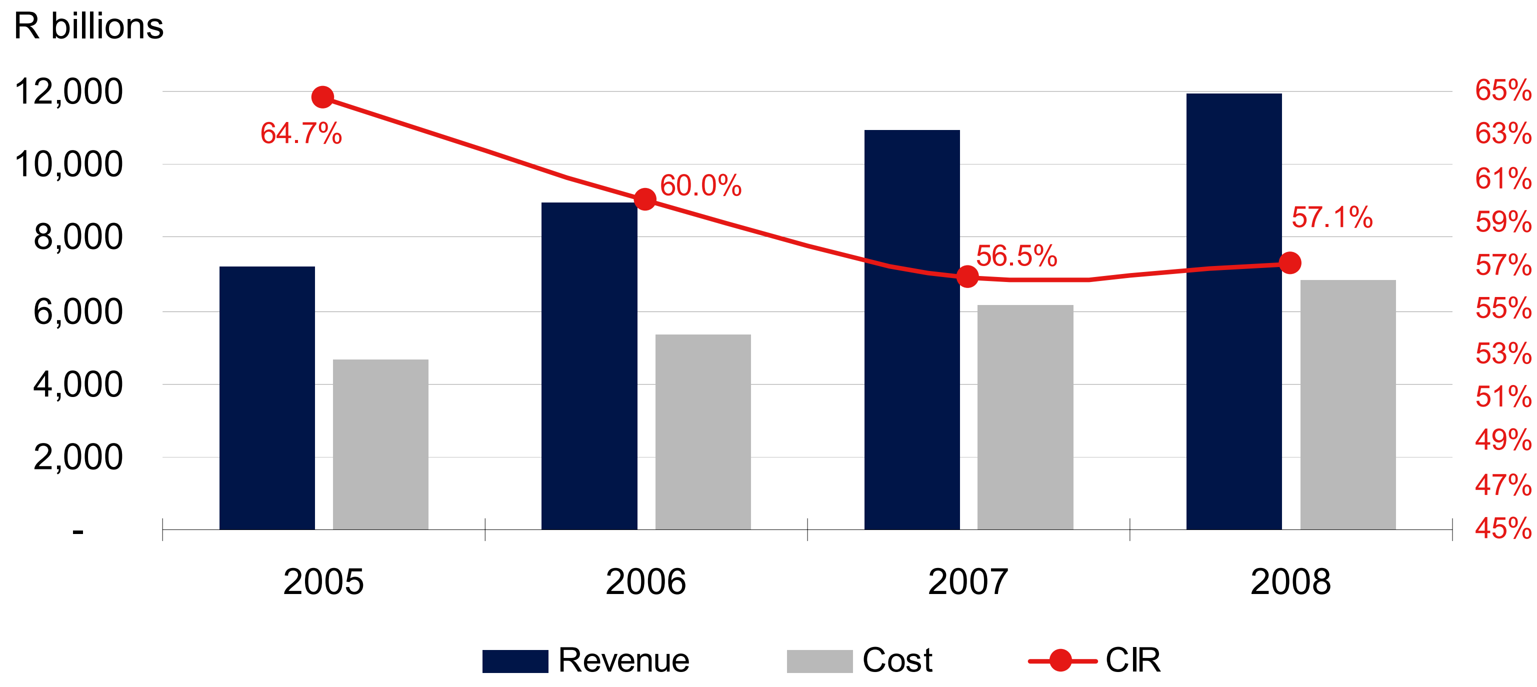


- Residential mortgage advances growth 8% y/y
- Market share reduced from 16.5% in Dec '07 to 14.9% in Dec '08
- Significant cost reductions achieved

Deliberate strategy to reposition residential mortgage portfolio

*Source: SARB BA900s

Cost: income impacted by top line slowing



- Headcount reduction largely via natural attrition
- Single digit growth targeted for full year
- Still investing in growth areas (i.e. ATMs), while downsizing lending-related costs

FNB Africa continues to deliver

	Dec '08
Profit before tax	25%
Costs	34%
Advances	18%
Deposits	17%
C:I	48.7%
ROE	30%

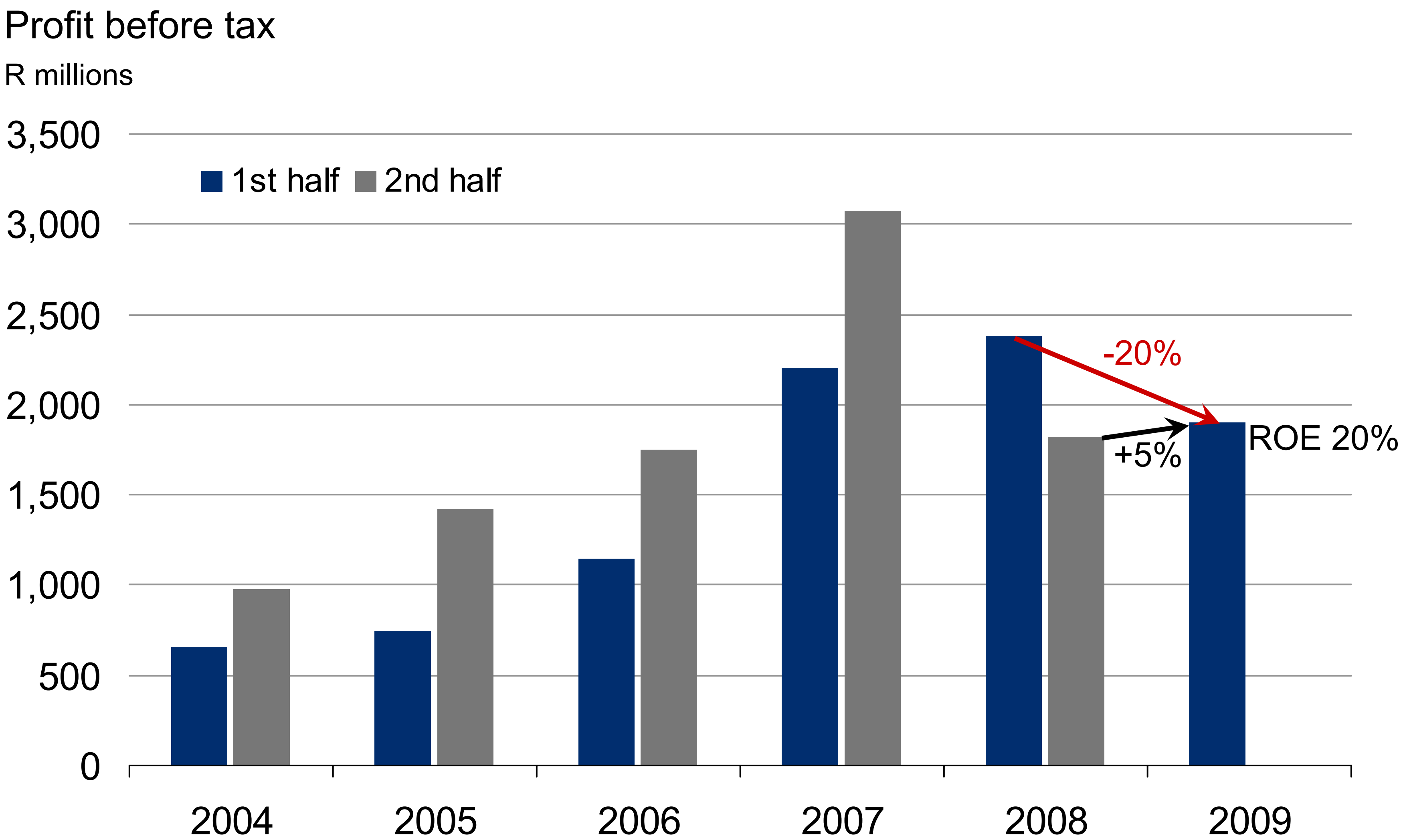
- Deterioration in C:I by 1.8 percentage points – expansion costs

08/09

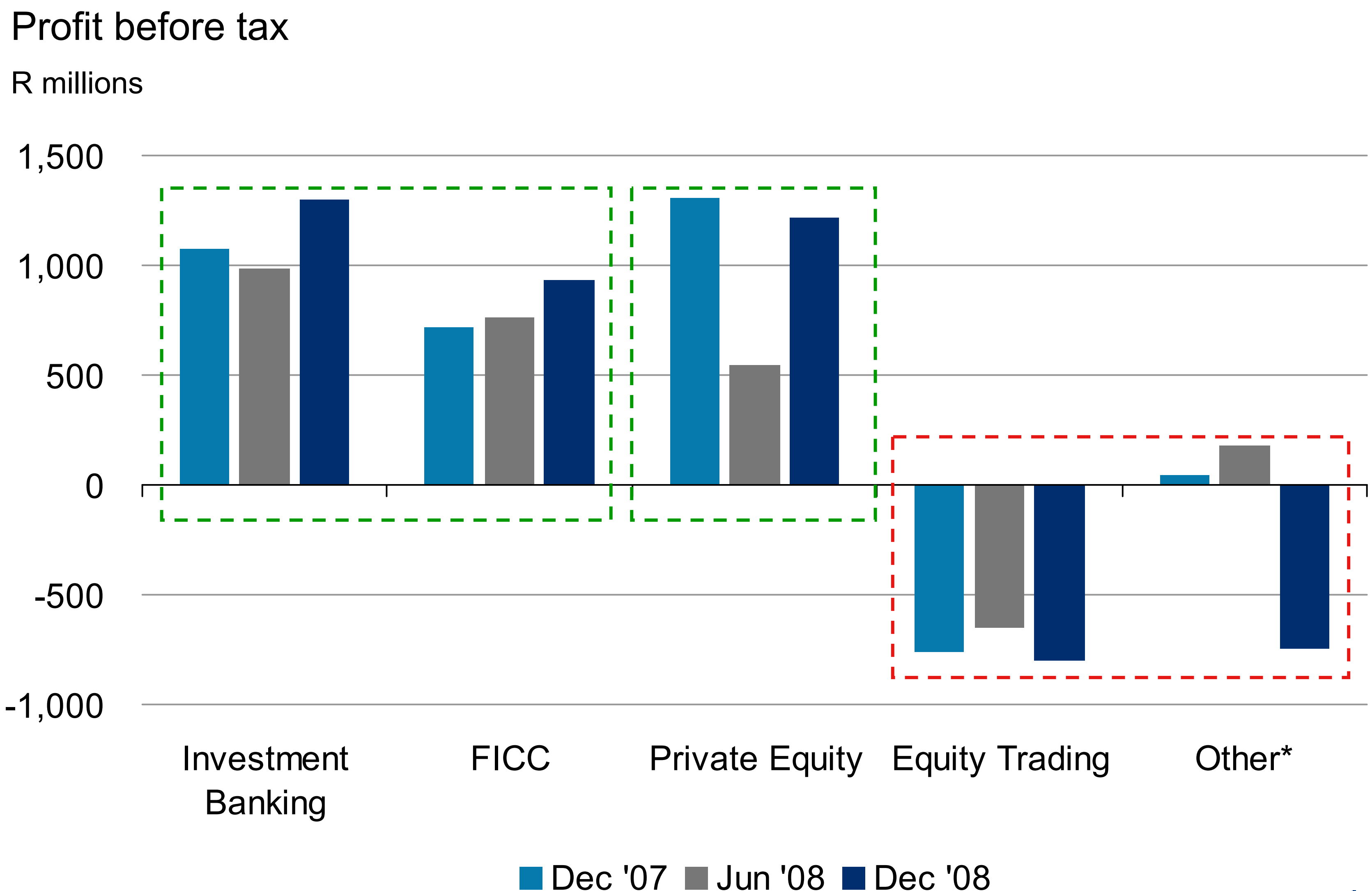
RMB OVERVIEW

RMB

Earnings remain under pressure



Portfolio provided some earnings protection



* Includes mark-to-market losses on international debt and investment portfolios

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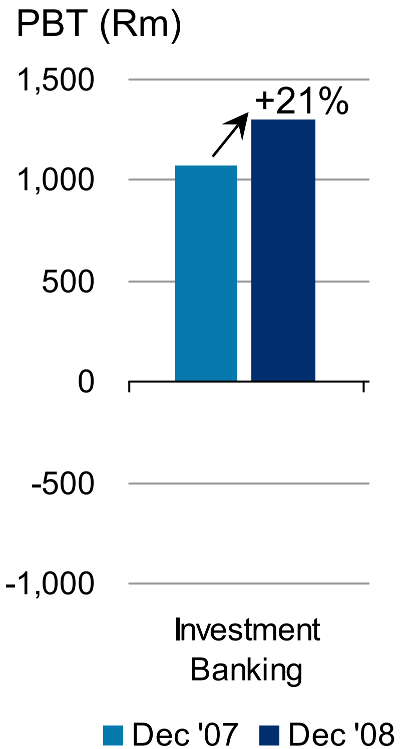
Investment banking continues to perform



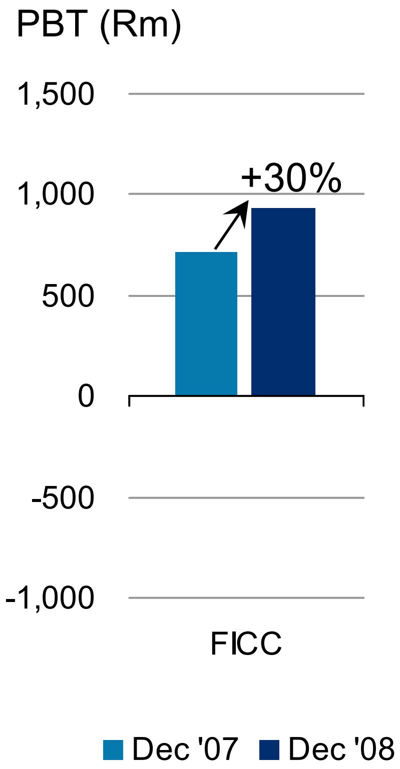
- Lending business
  - Good annuity income
  - Corporate credit – prudently provided
- Some slowdown in activity
  - Deal pipeline remains robust

AQUARIUS PLATINUM LIMITED

EQSTRA HOLDINGS LIMITED

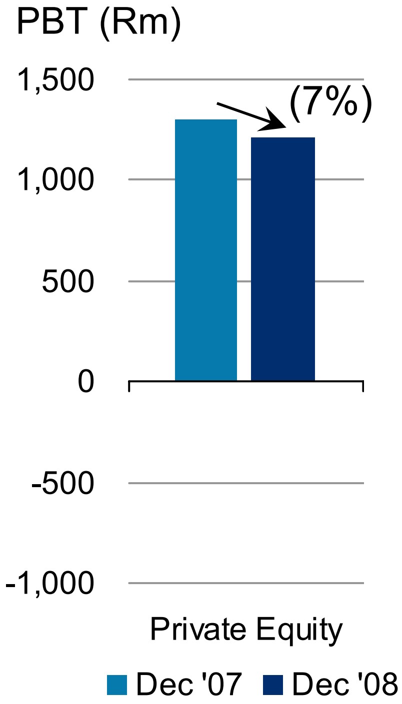
Remgro Limited

FICC: good performance in volatile markets

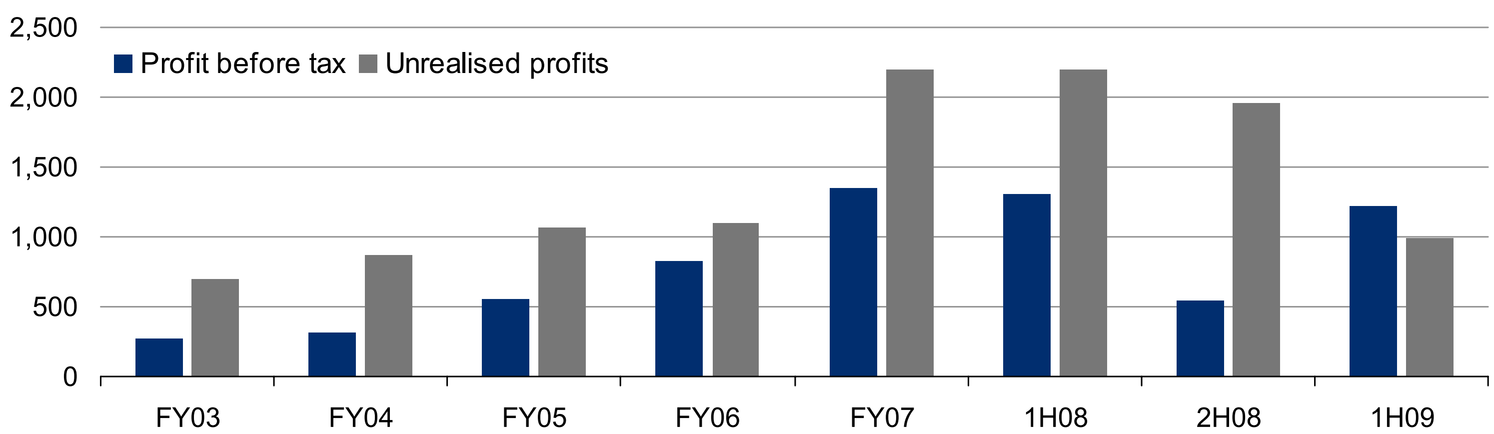


- Good client flows
- Good margins
- Book not directionally positioned

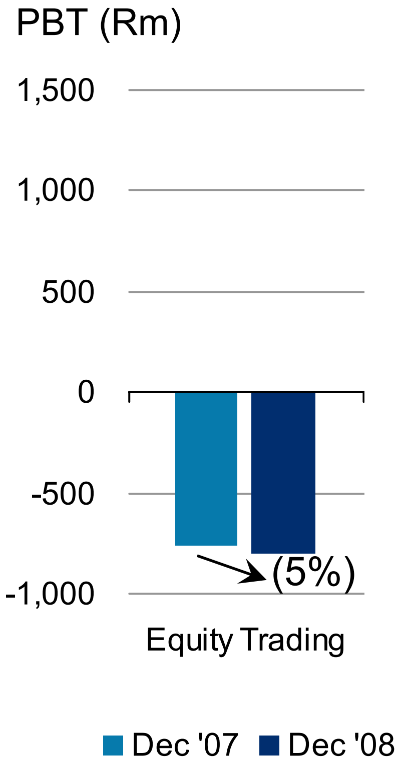
Private Equity coming off high base



- Large realisations in 1st half
  - Stocks, Alstom, Idwala
- Associate earnings reflect difficult operating environment
  - Sector mix
- Decrease in unrealised profits
  - Realisations
  - Inclusion of Dealstream portfolio

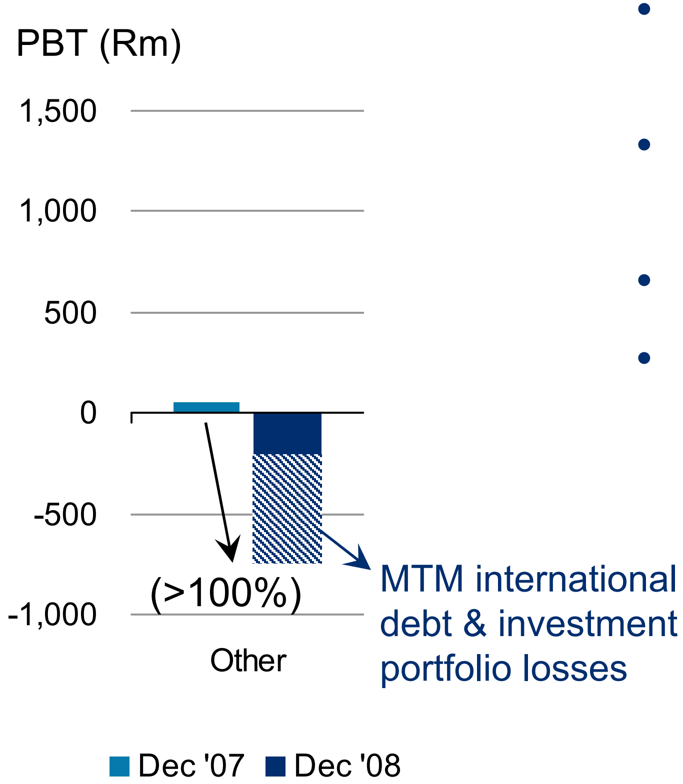


Equity Trading sustains further losses from ongoing de-risking



- International
  - Portfolio = $18m – unable to reduce position further due to illiquidity
  - Closed offshore equity trading business
- Local
  - Agency and local businesses performed well
  - Dealstream
    - R219m bad debt provision
    - Incurred R116m mark-to-market losses
    - Treat Vox, Simmers, Control Instruments as private equity investments (accounted for as associates)

International debt & investment portfolio losses



- Special Projects International (SPJi) business was closed in early 2008
- Portfolios were moved to Investment Banking and FICC to be wound down
- R555 million of mark-to-market losses
- Current portfolio = $257 million
  - Investment grade sovereign and corporate debt
    - Duration 2.5 years – pull to par
    - MTM not necessarily a true reflection of expected defaults
  - International property
  - Investment in special situations fund in India

08

WESBANK OVERVIEW

WesBank

A division of FirstRand Bank Ltd.

Operating profit under pressure…

	6 months to Dec '08	6 months to June '08	6 months to Dec '07	% change
Local	153	283	635	▼ (76)
International	15	(140)	(44)	▼ (>100)
WesBank	**168**	**143**	**591**	▼ **(72)**
Disposal of MotorOne Finance	(206)	-	-	-
WesBank – after disposal	**(38)**	**143**	**591**	▼ **(>100)**

… driven by bad debts in local business

	Dec '08	June '08	Dec '07	% change
NII after impairments	562	558	1 073	▼ (48)
Net interest income	1 793	1 792	1 785	- 0
Credit impairment charge	(1 231)	(1 234)	(712)	▲ (73)
Non interest revenue	1 024	1 133	959	▲ 7
Operating expenses	(1 379)	(1 347)	(1 334)	▲ (3)
Indirect Taxation	(54)	(61)	(63)	▲ 14
WesBank (local operations)	153	283	635	▼ (76)

Negative gearing continues to impact profitability

- Advances growth showing negative trend
  - Advances declined 7% year on year
  - Retail new business production down 24%
  - Corporate new business production down 18%

- Higher bad debts
  - Peak experienced in retail arrear levels and repossessions
  - Weak security recoveries
  - Rise in commercial/vehicle stocking arrears
  - Sharp increase in debt counselling activity

Origination franchise intact

WesBank’s off-shore activities

- Developed markets
  - UK – Carlyle
    - Good operational performance
    - Pressure on arrears/funding
  - Australia
    - Residual personal loan book (R170m) running down
    - WorldMark business profitable – retained as portfolio investment (not opportune time to exit)

- Developing markets
  - Support FNB’s expansion into Africa

08/09

INTERNATIONAL

FIRSTRAND
Banking Group

Reviewed international strategy from investment activities to building client franchises

- FNB – looking for more opportunities in Africa
  - FNB Zambia will open doors on 2 April 2009
  - New branches and ATMs in Mozambique and Lesotho
- RMB – focus on building client franchises in Africa
- India strategy
  - Dominate the trade corridor between India and Africa
- Brazil still presents opportunities, but conditions require a longer term view

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PROSPECTS

FIRSTRAND
Banking Group

FNB faces further pressures from negative cycle

- Declining interest rates
  - Negative endowment effect will compress margin
  - Bad debts have not yet peaked – reductions will lag interest rate declines
- Potential 'second wave' of bad debts triggered by job losses
- NIR and cost growth will slow in line with the economy
- Physical expansion in Mozambique and Zambia combined with slowing GDP growth in Botswana and Namibia will impact FNB Africa earnings
- Domestic franchise remains well positioned to weather this tough cycle

RMB – client businesses should partly offset further pressure in principal activities

- Client businesses
  - Slowdown in activity but pipeline intact
  - Good annuity earnings from in-force book
  - Stress in the wholesale credit portfolios to continue
  - FICC: pricing power, continued market volatility ⇨ good client flows
- Principal investment businesses
  - Expect further mark-to-market volatility from international debt and investment portfolios
  - Private Equity: environment more conducive to investing than harvesting

WesBank continues to face tough operating environment

- Retail operations
  - Arrears/repossessions stabilised
  - Impact of job losses (unknown)
  - Further efficiency opportunities
  - Gradual recovery in security realisations
  - New business still under pressure
  - Repricing exercise completed but remains a moving target

- Corporate operations
  - Increase in corporate defaults/delinquencies
  - Growth opportunities in specific industry segments
  - Repricing exercise completed but remains a moving target

Well positioned when cycle turns – franchise intact

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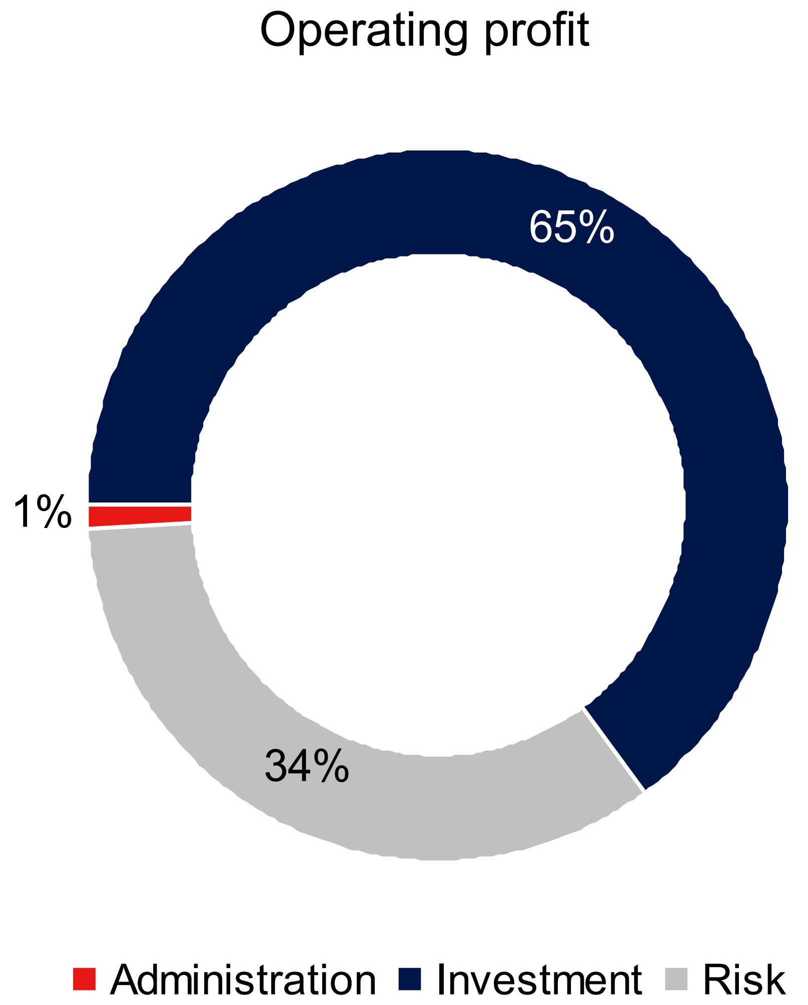
MOMENTUM GROUP

FINANCIAL AND OPERATIONAL REVIEW

momentum

Operating environment – market volatility

Investment-related business dominates



Salient features of results

Negative impact of markets

− Market impact on **asset-based fees**

− Increased liability for **minimum maturity guarantees**

− Negative **lapse experience**

− Negative market impact on **embedded value**

Resilience in core operations

+ Solid **new business volumes**

+ Growth in **value of new business** and **margins**

+ Strong performance from **FNB Insurance**

+ Solid operational performance in **embedded value**

Acceptable capital position

+ Capital **investment mandate** protection

+ **CAR cover** in reformulated range

+ **ROE** above targeted return

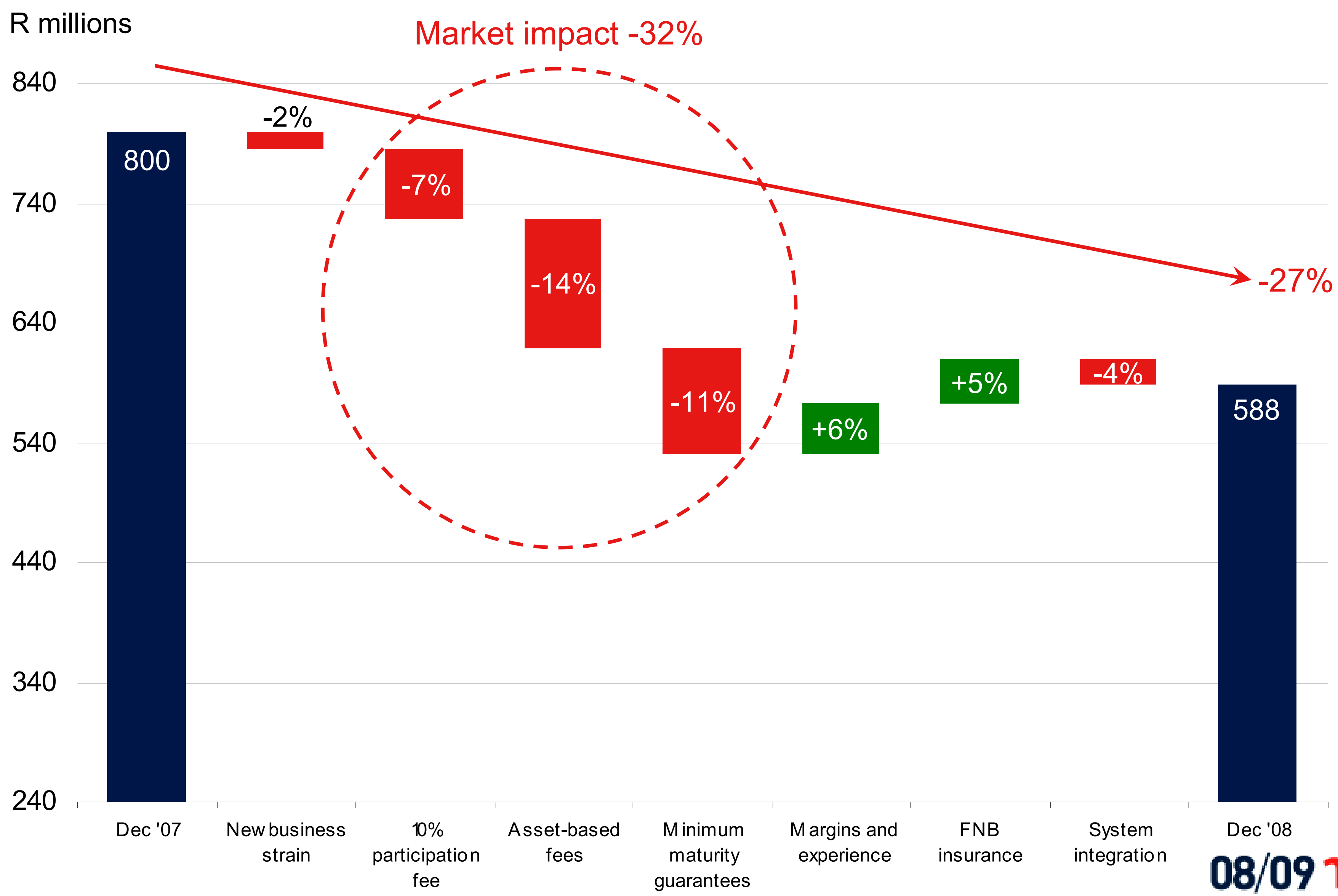
Financial performance

	Dec ’08	Dec ’07	% change
Normalised earnings (R millions)	740	913	▼ (19)
Return on equity (%)	23	31	▼
New business (R millions)	32 810	27 236	▲ 20
Value of new business (R millions)	331	291	▲ 14

Market turmoil puts pressure on operational performance

R millions	Dec '08	Dec '07	% change
Momentum	444	690	(36)
FNB Insurance	144	110	31
Group operating profit	588	800	(27)
Investment income	152	113	35
Normalised earnings	**740**	**913**	**(19)**

Unpacking the decline in operating profit



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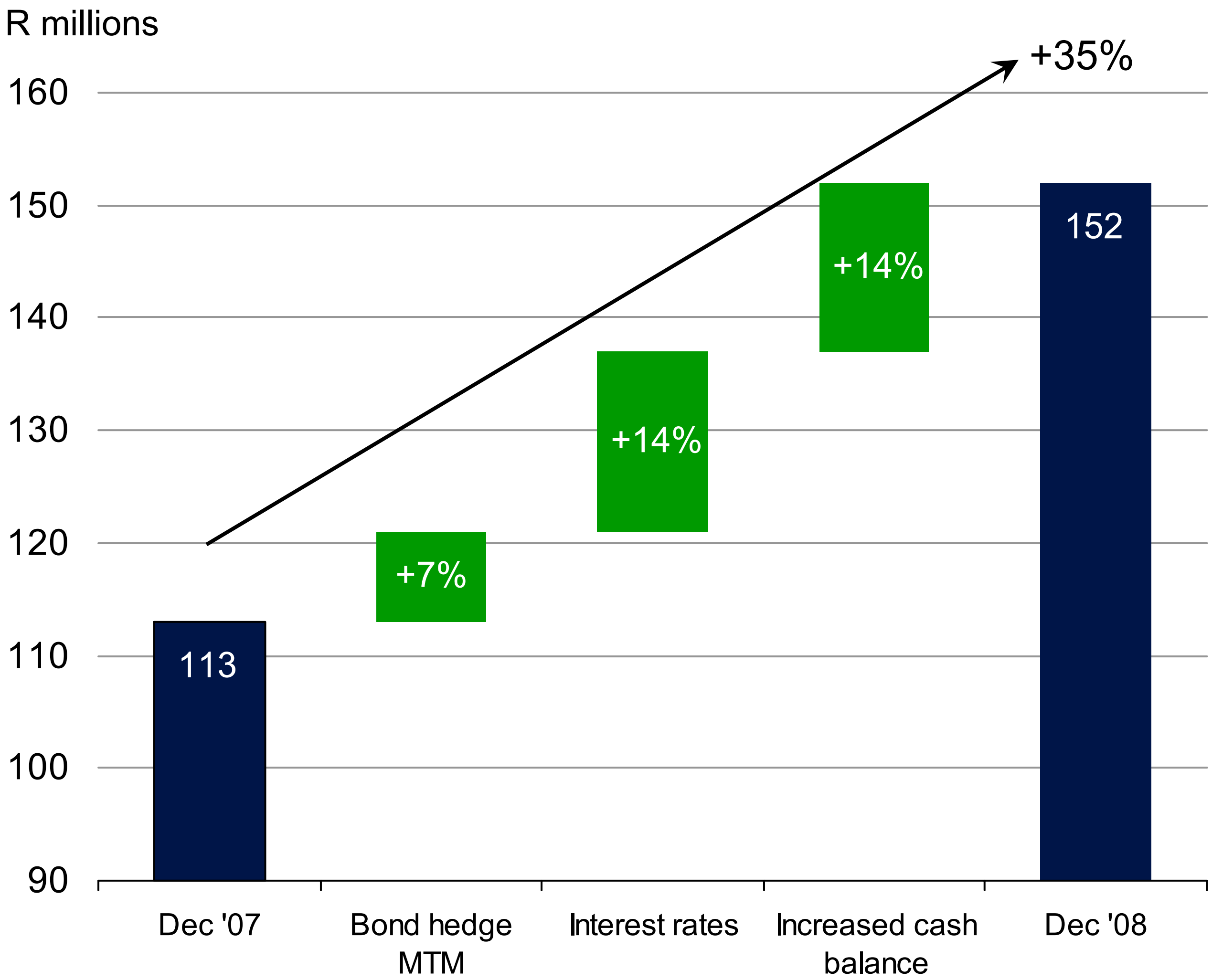
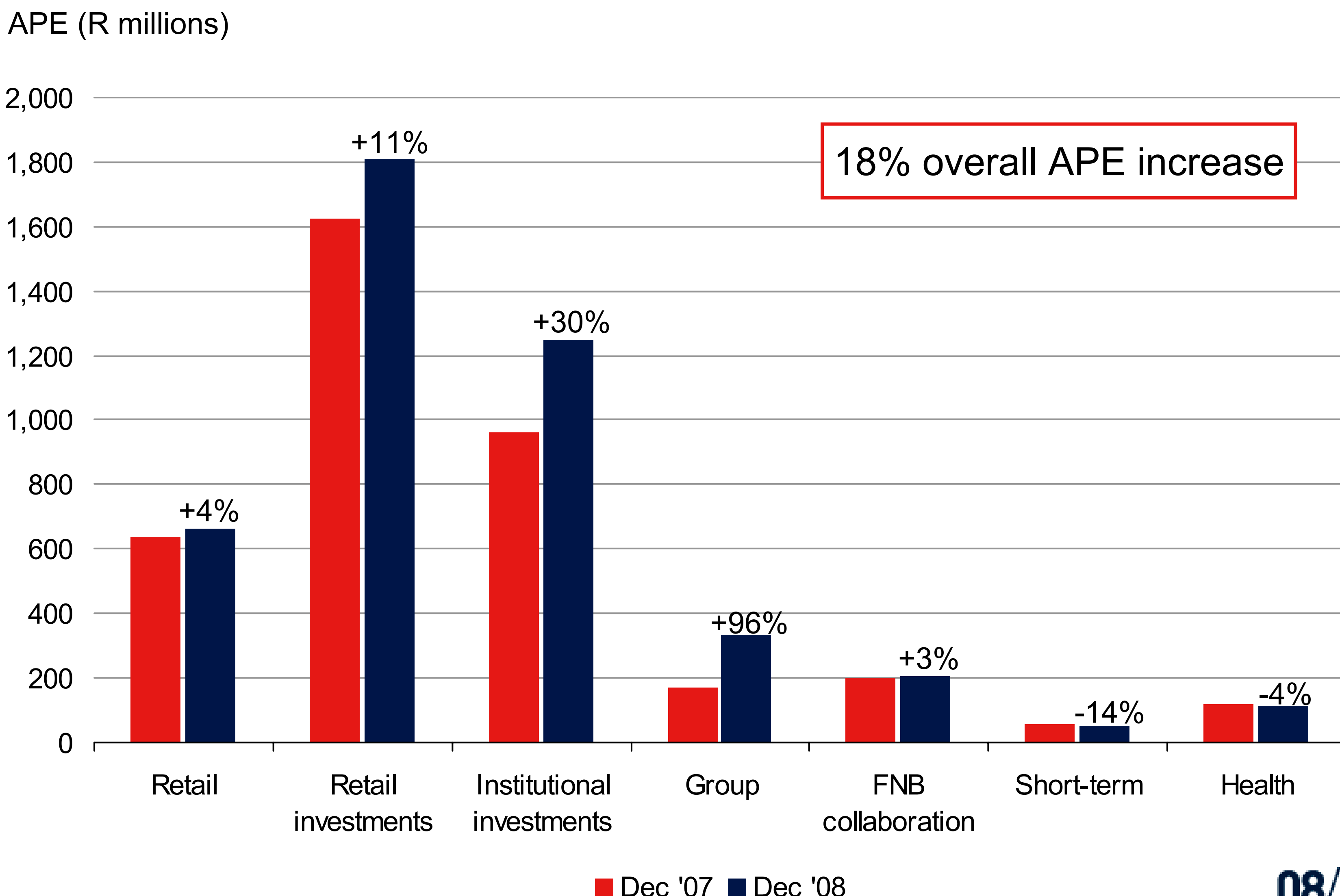
Investment income benefits from capital investment policy



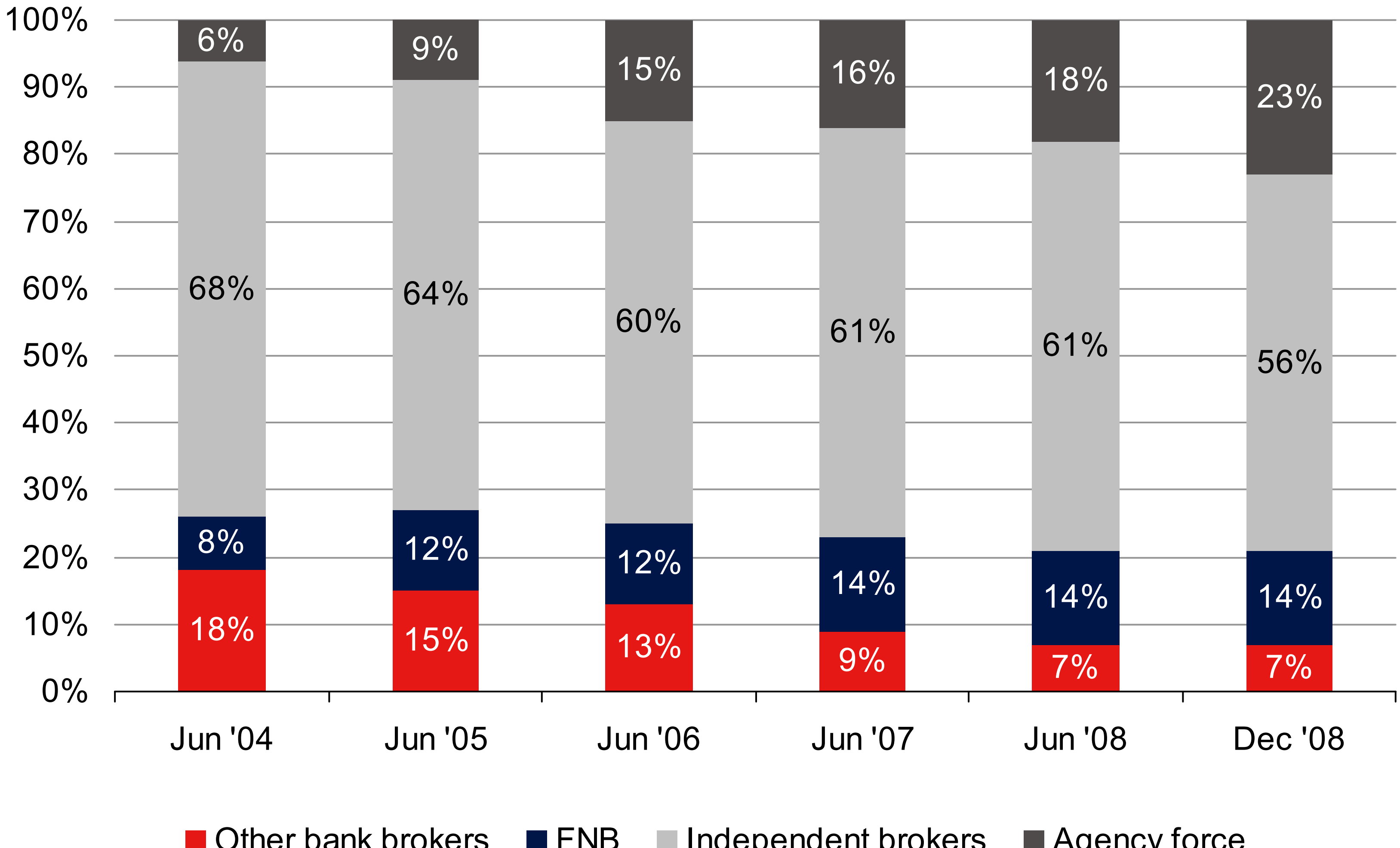
- Rates higher on average than prior period
- Higher cash levels than prior period

New business volumes remain solid

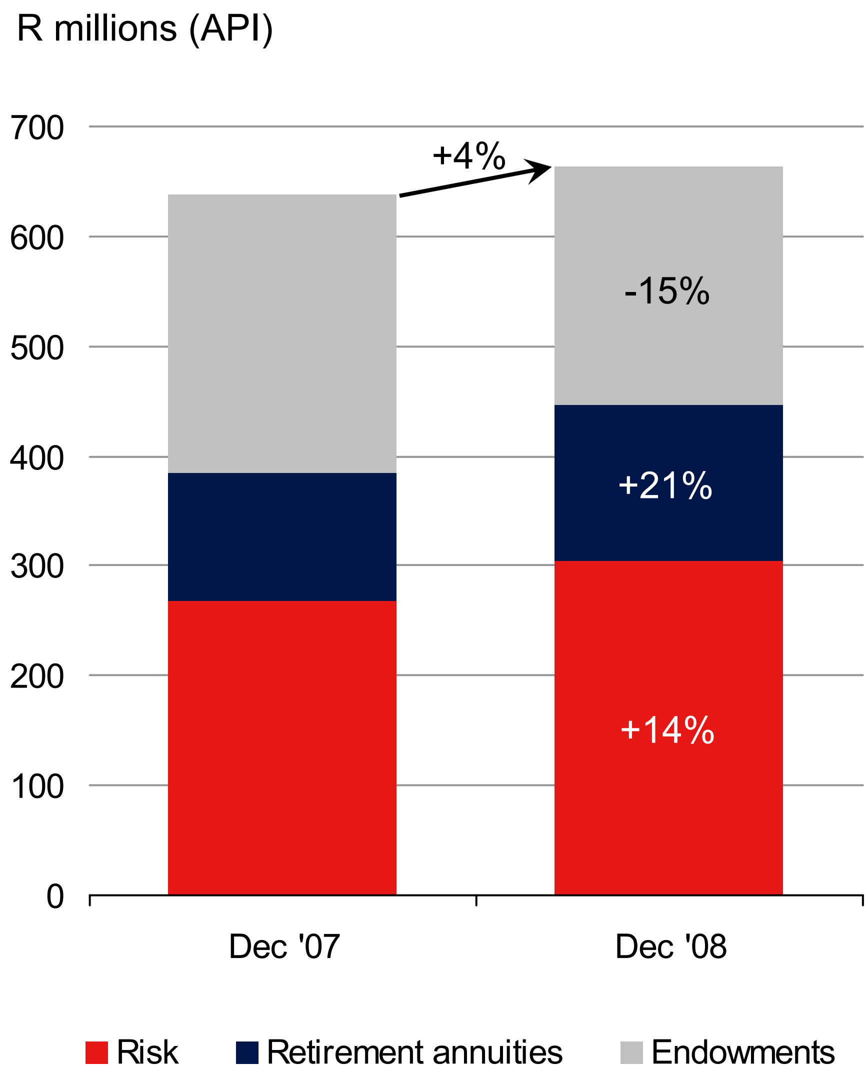


Channel diversification enhances growth

Contribution to Momentum sales APE



Favourable retail recurring new business mix

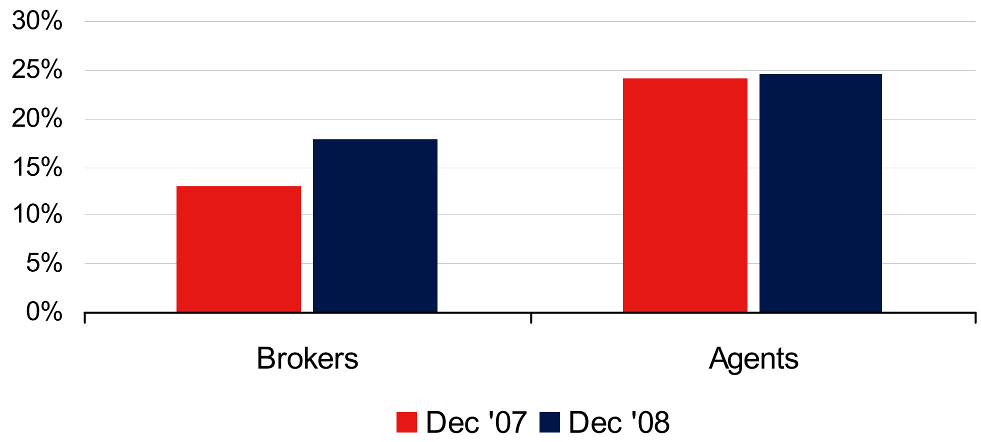


- Pressure on disposable income impacting endowments
- Strong risk and retirement annuity sales
- New commission dispensation from 1 January 2009

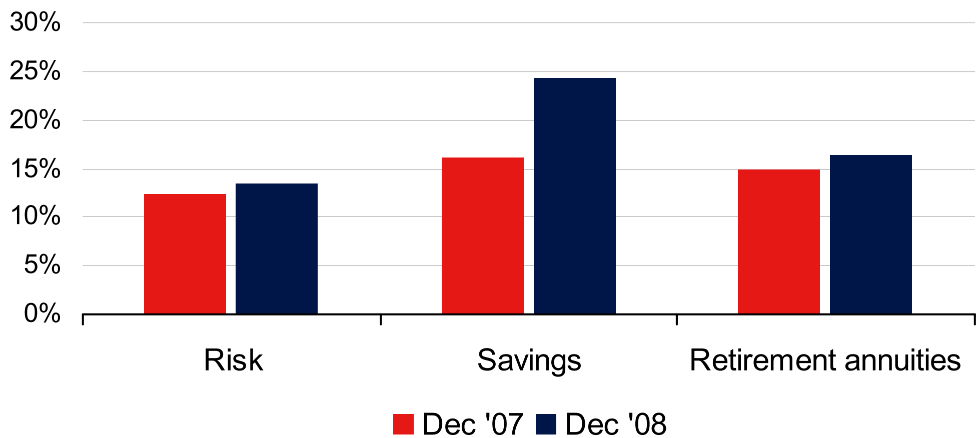
Retail recurring lapse rates are increasing

First year lapses:

Channel

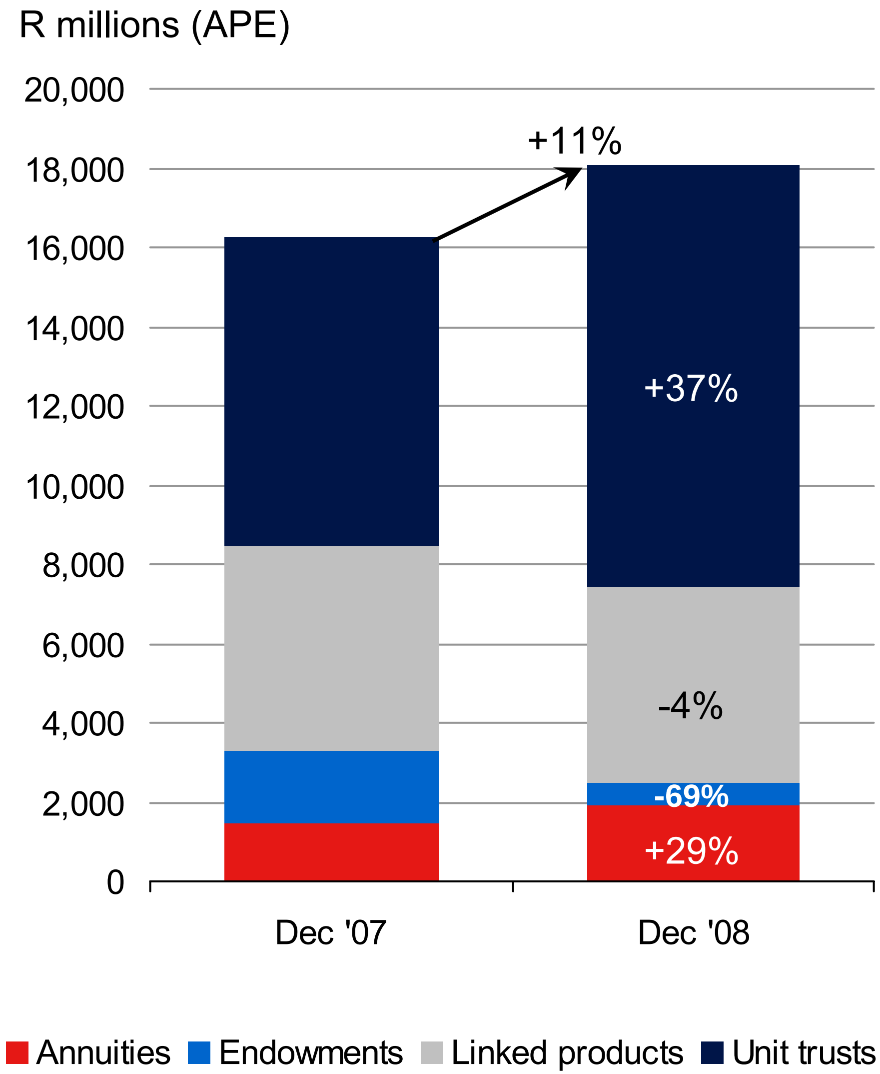


Product type



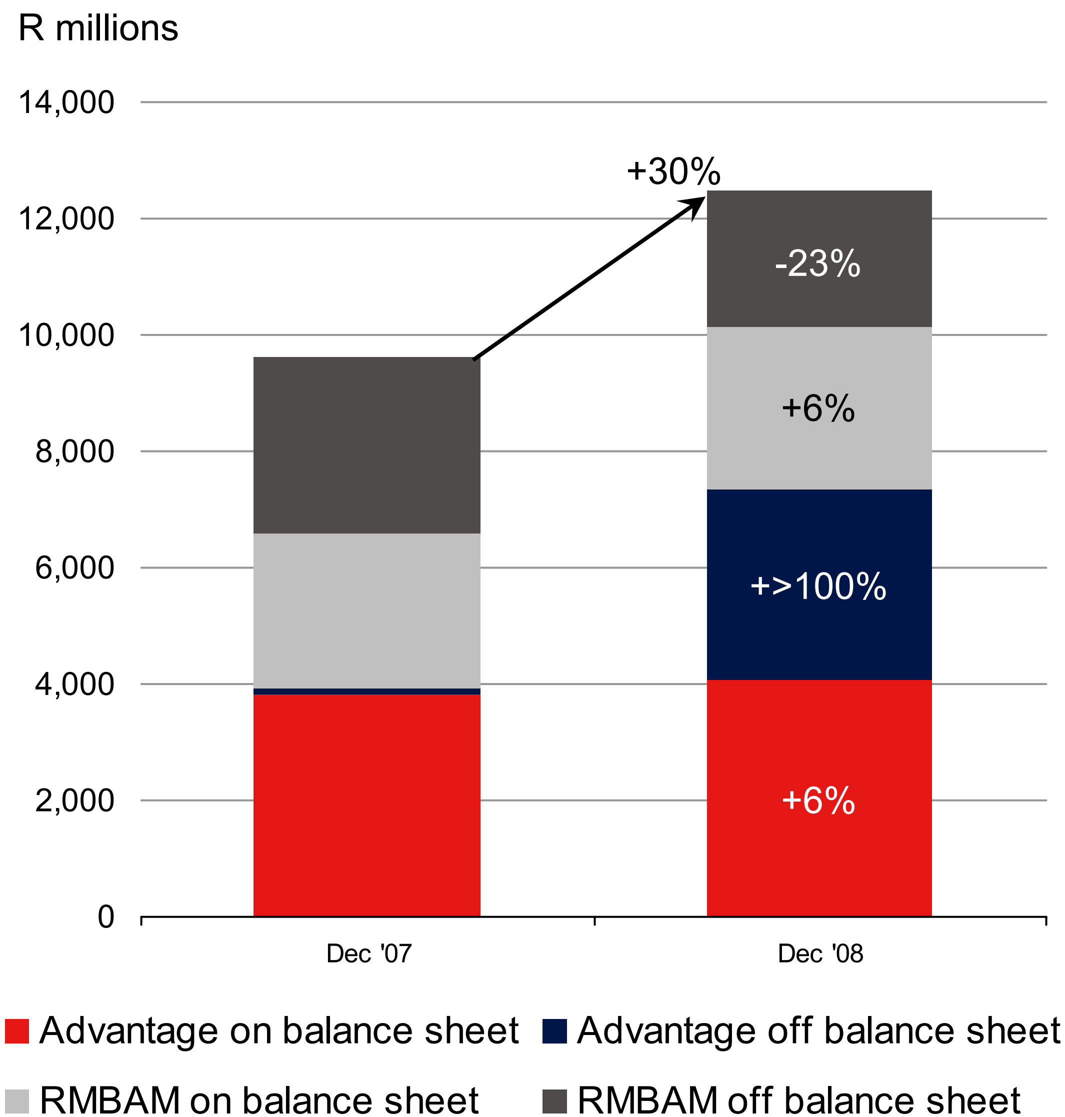
- Lapse rates for brokers lower than agents
- Pressure on disposable income impacting on persistency of savings business
- Lapses on risk products and retirement annuities only increased marginally

Retail lump sum investment growth remains strong



- Unit trust sales strong in a competitive environment
- Endowments impacted by pressure on disposable income
- Shift to guaranteed annuities

Institutional inflows



- Inflows boosted by additional contributions from existing clients
- Overall net institutional outflow of funds of R10.8 billion

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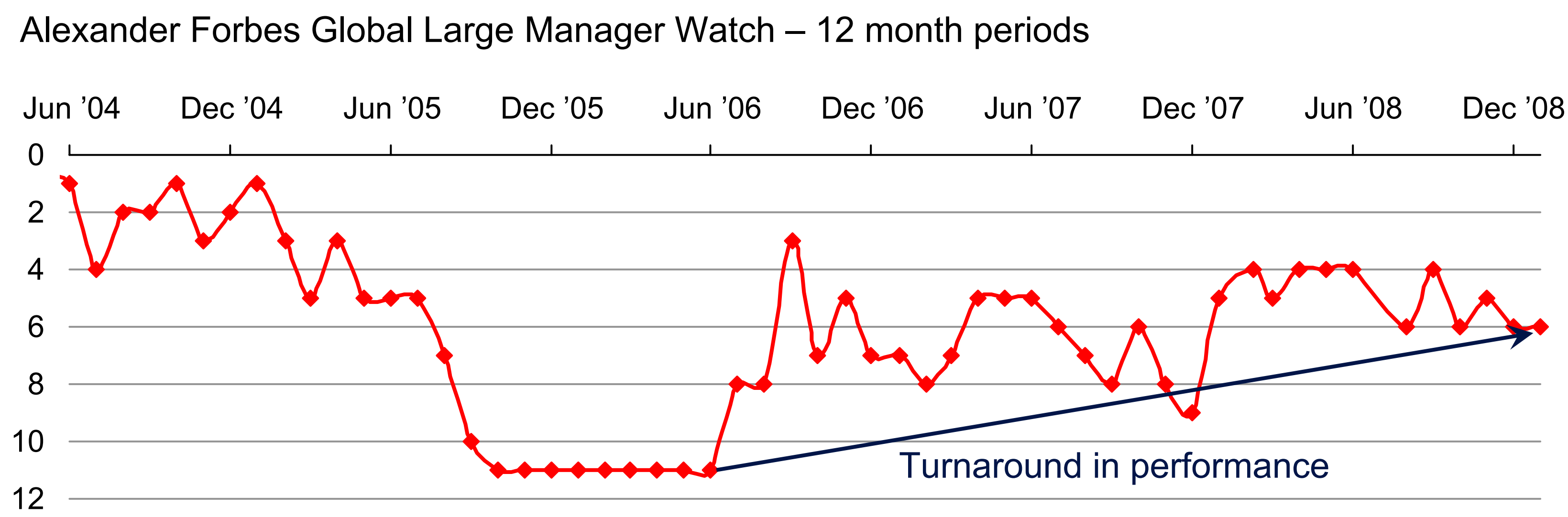
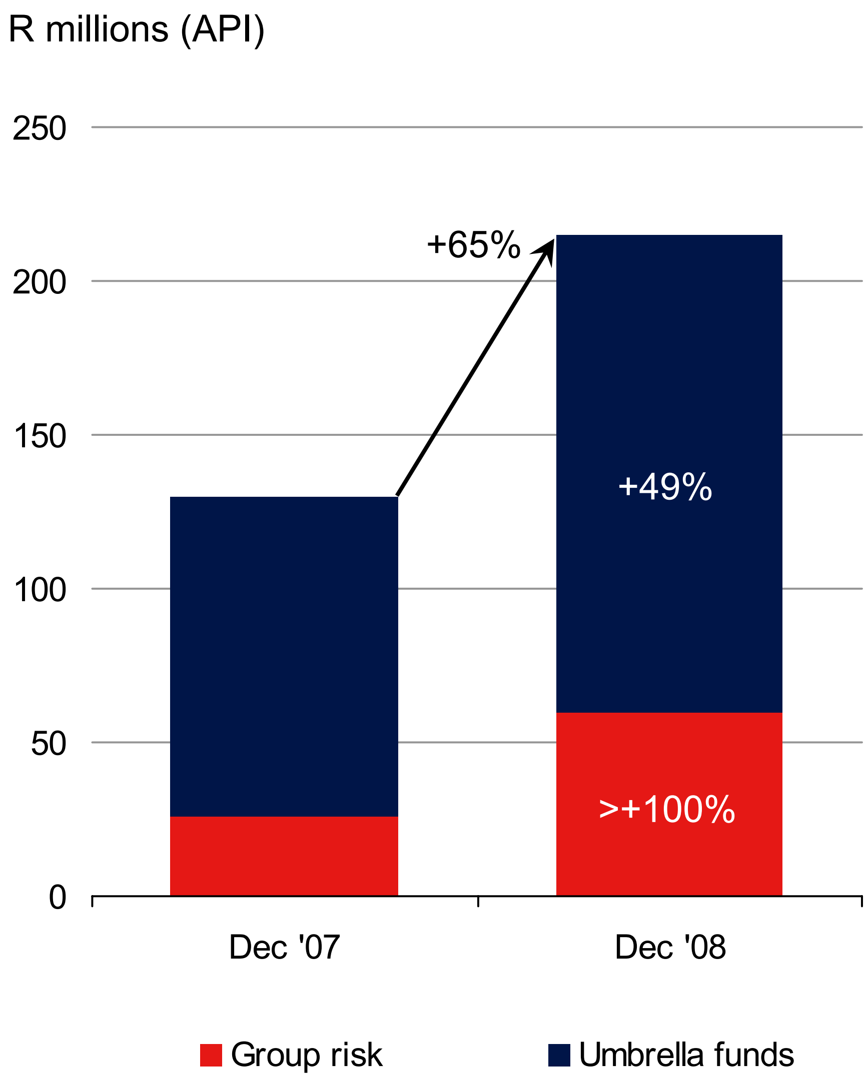
RMBAM investment performance ranking



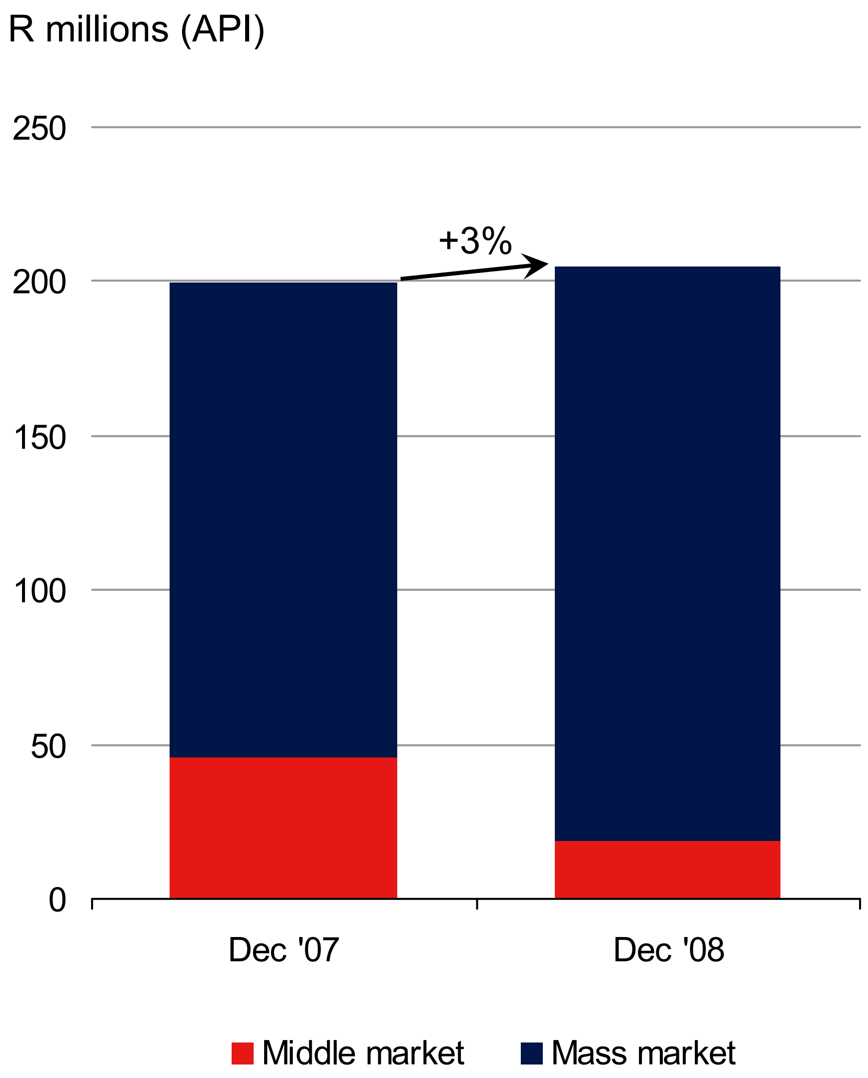
- Improvement in investment management process
- Creation of a comprehensive portfolio construction methodology

Strong recovery in group recurring new business



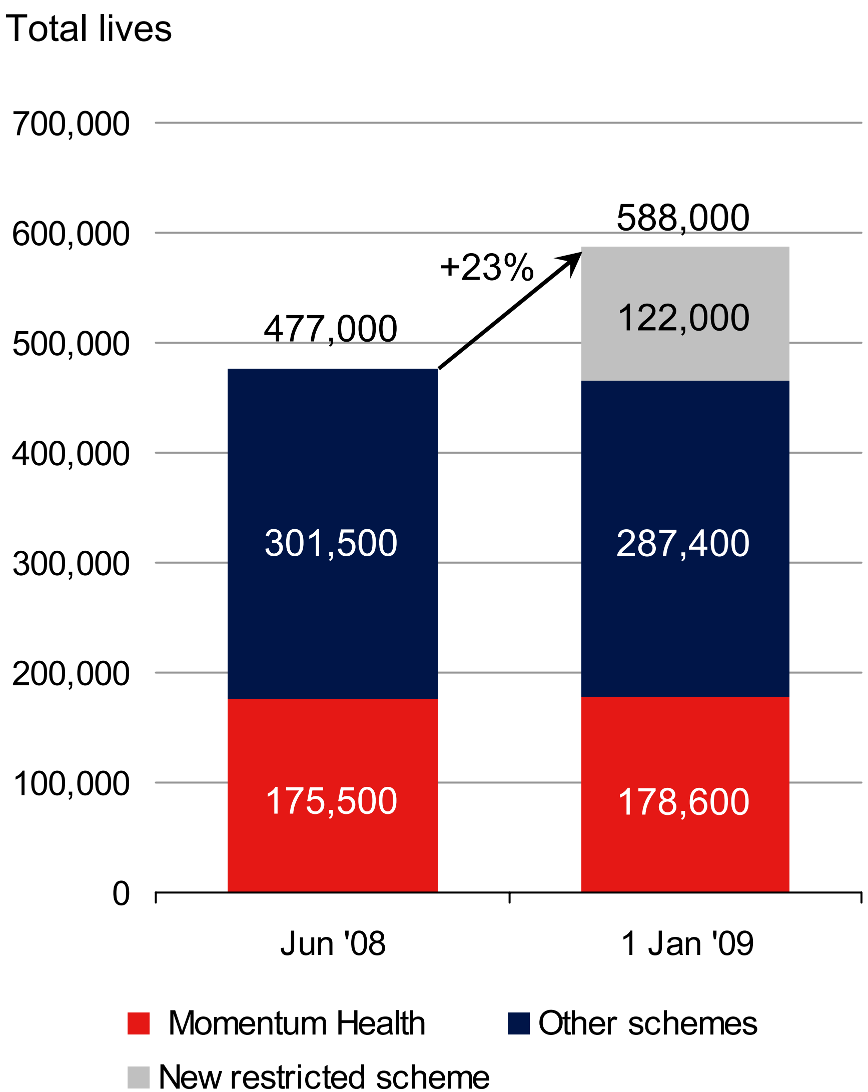
- Umbrella funds
  - Growth in broker footprint
  - Up and cross-sell initiatives
- Competitive group risk market

FNB collaboration new business



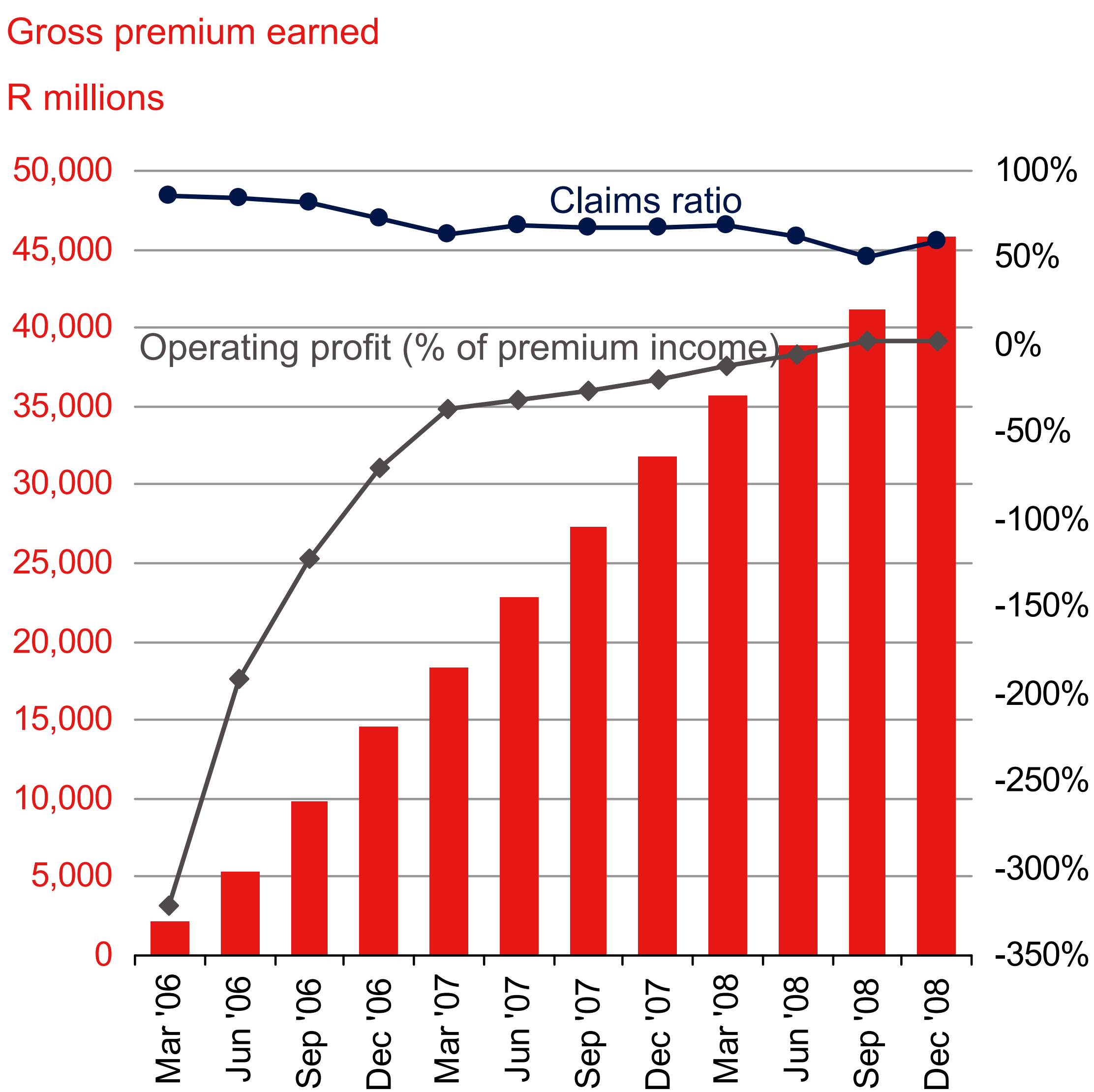
- Good new business volumes in mass market
- Pressure on disposable income impacted negatively on volumes in middle market
- Good claims experience in mass market
- Increased lapses

Progress in healthcare administration



- Take-on of new restricted scheme from 1 January 2009
- System integration completed
- Efficiency improvements

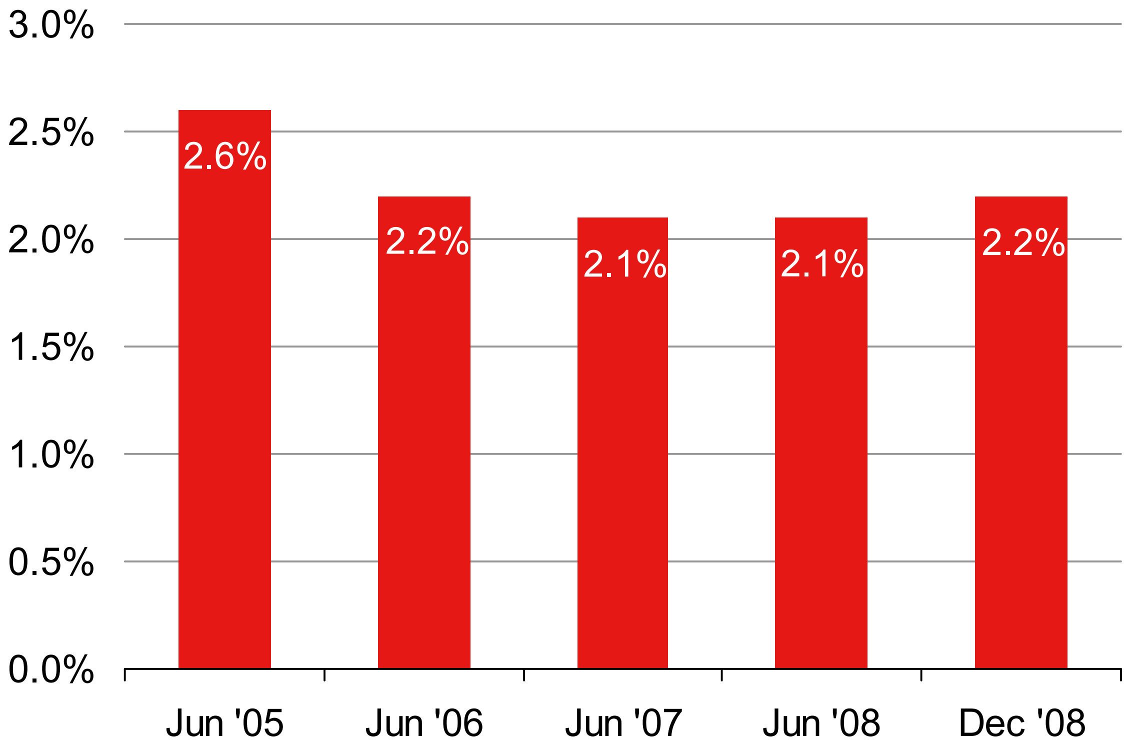
Short-term insurance profitable



- Maiden profit achieved
- Claims ratio satisfactory
- Pressure on new business volumes

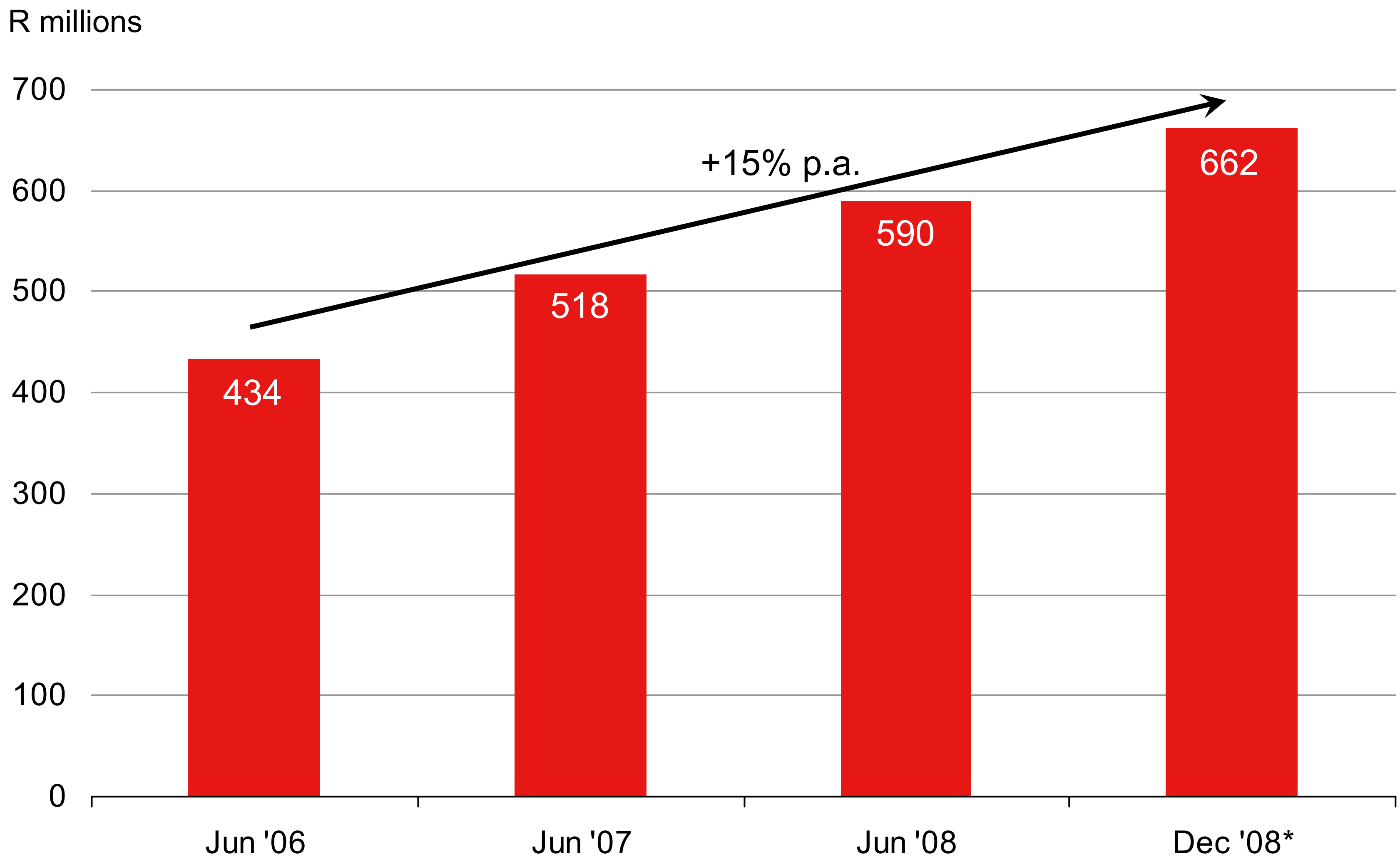
Margins sustained

Value of new business as % of PV of future premiums



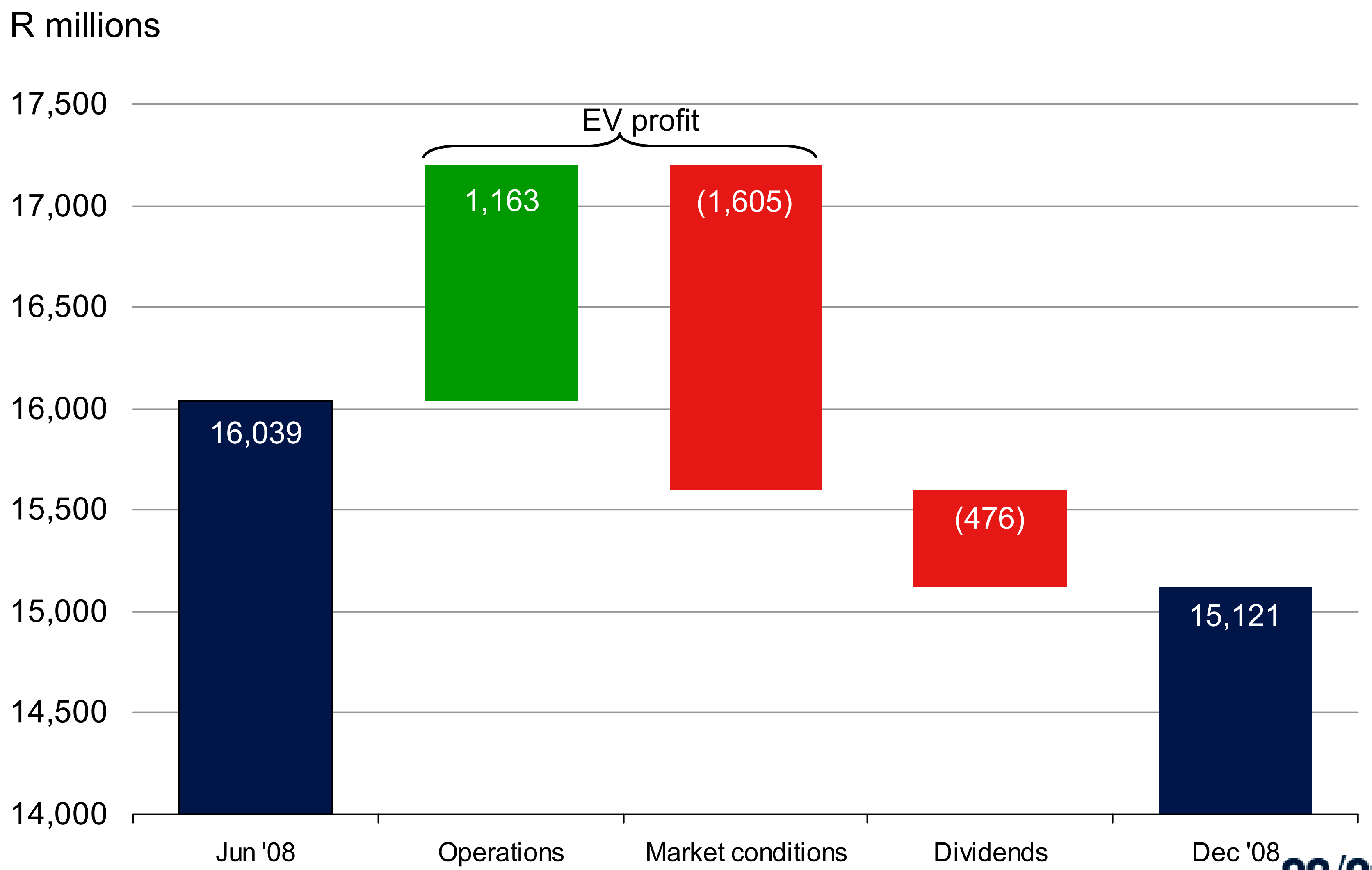
- Favourable retail new business mix
- Reduced retail lump sum margins
- Higher margins in group business
- Reduction in risk discount rate
- Higher cost of capital

Sustained growth in value of new business



* Annualised

Change in embedded value



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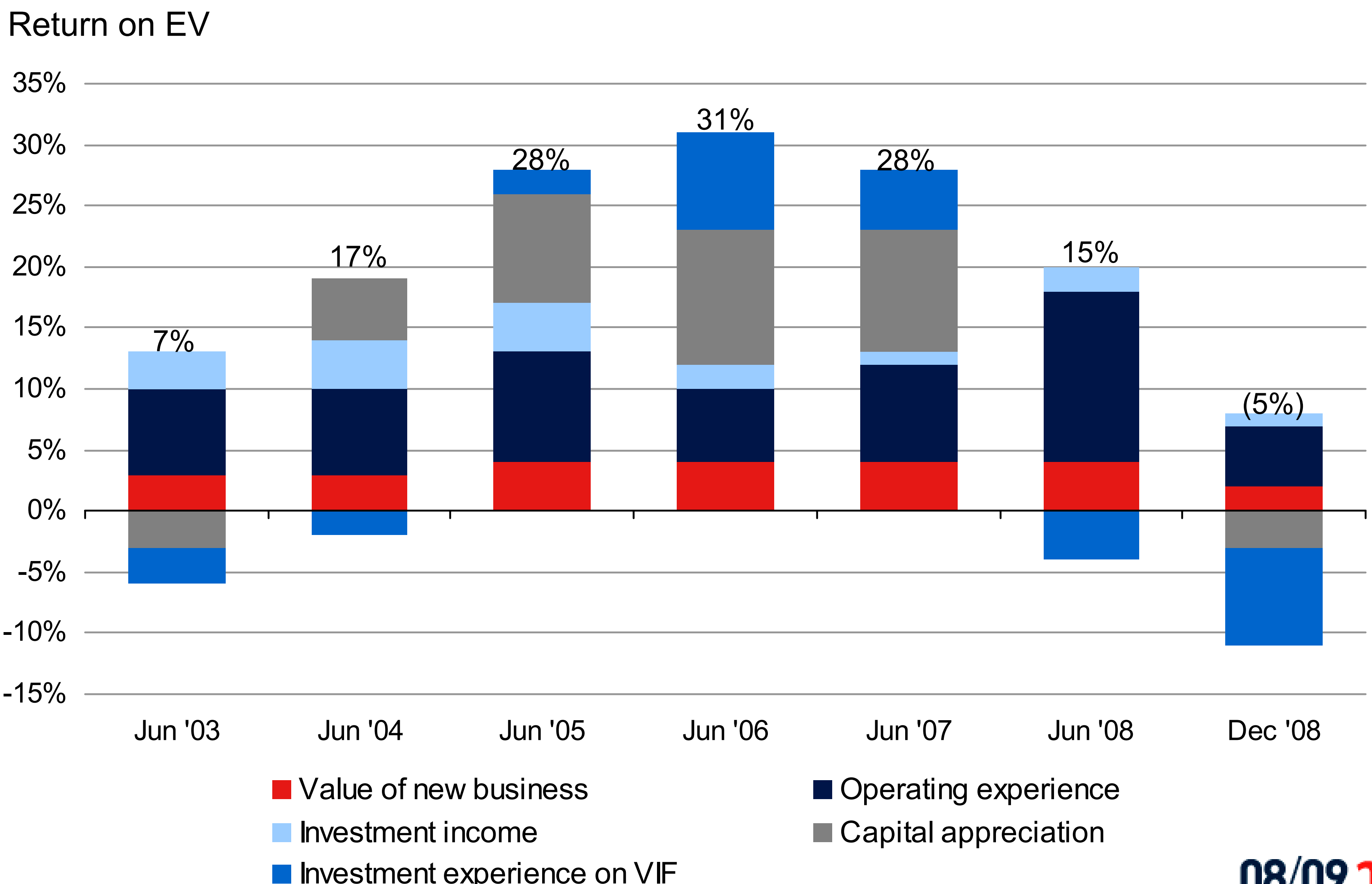
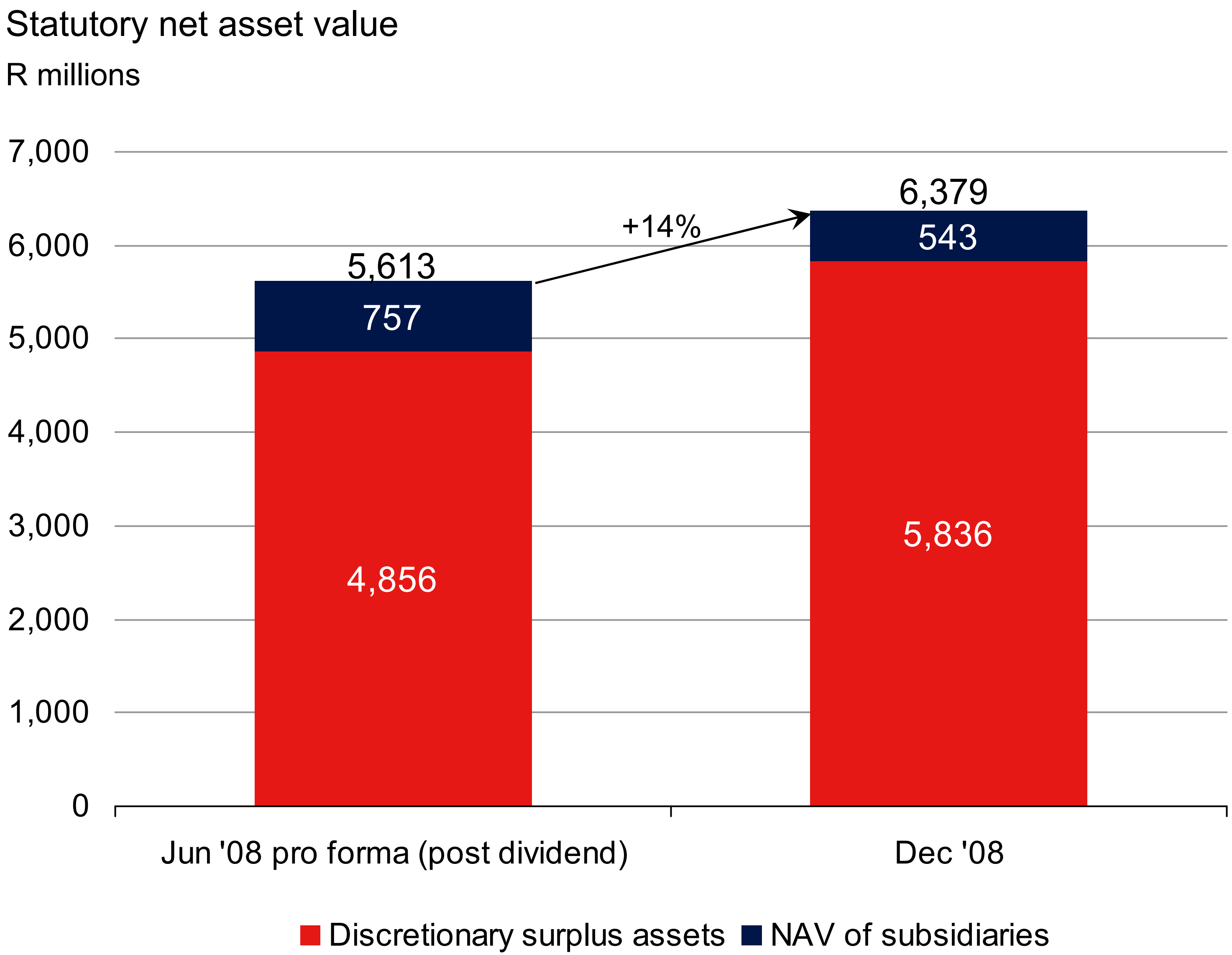
Return on embedded value



Increase in statutory net asset value



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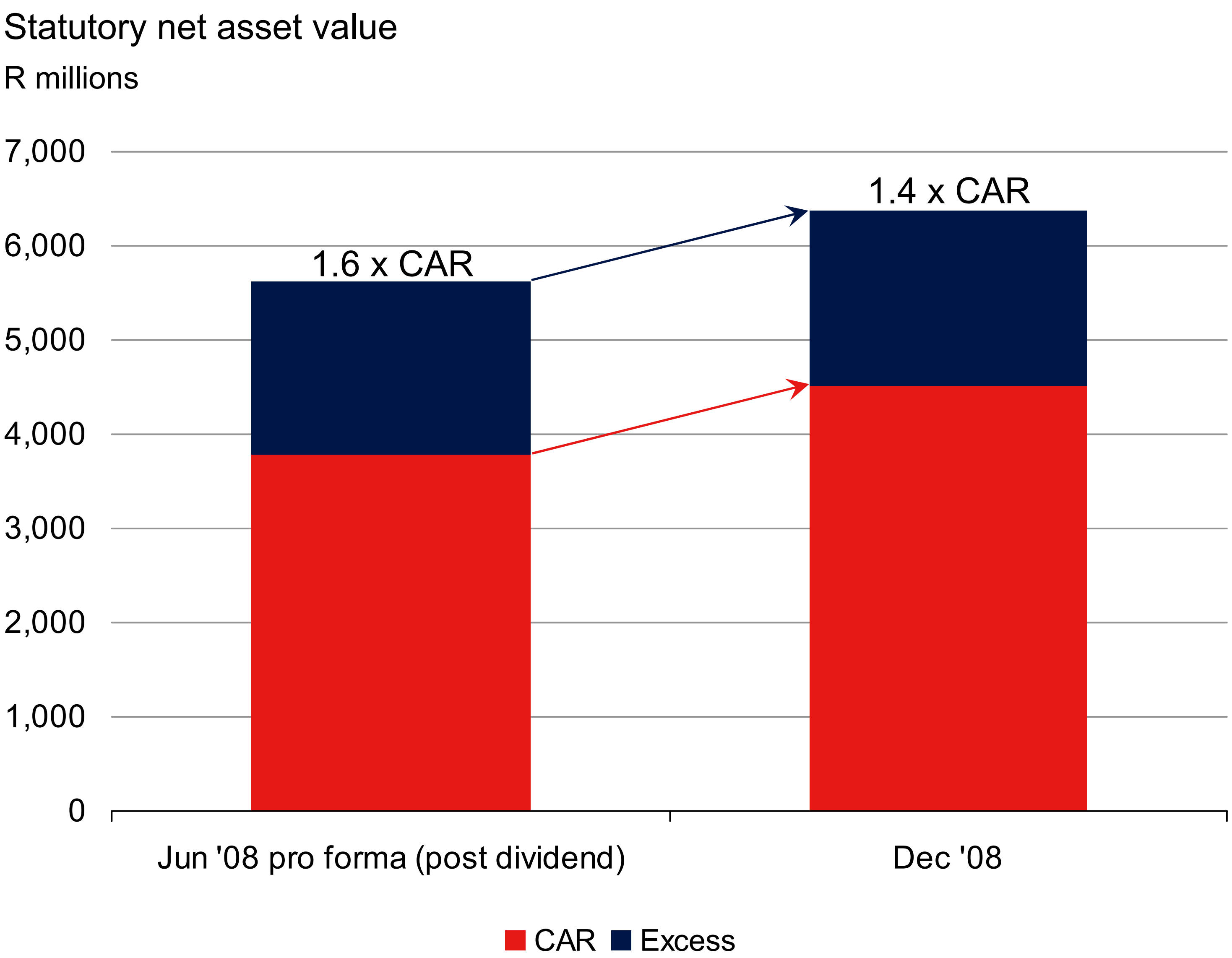
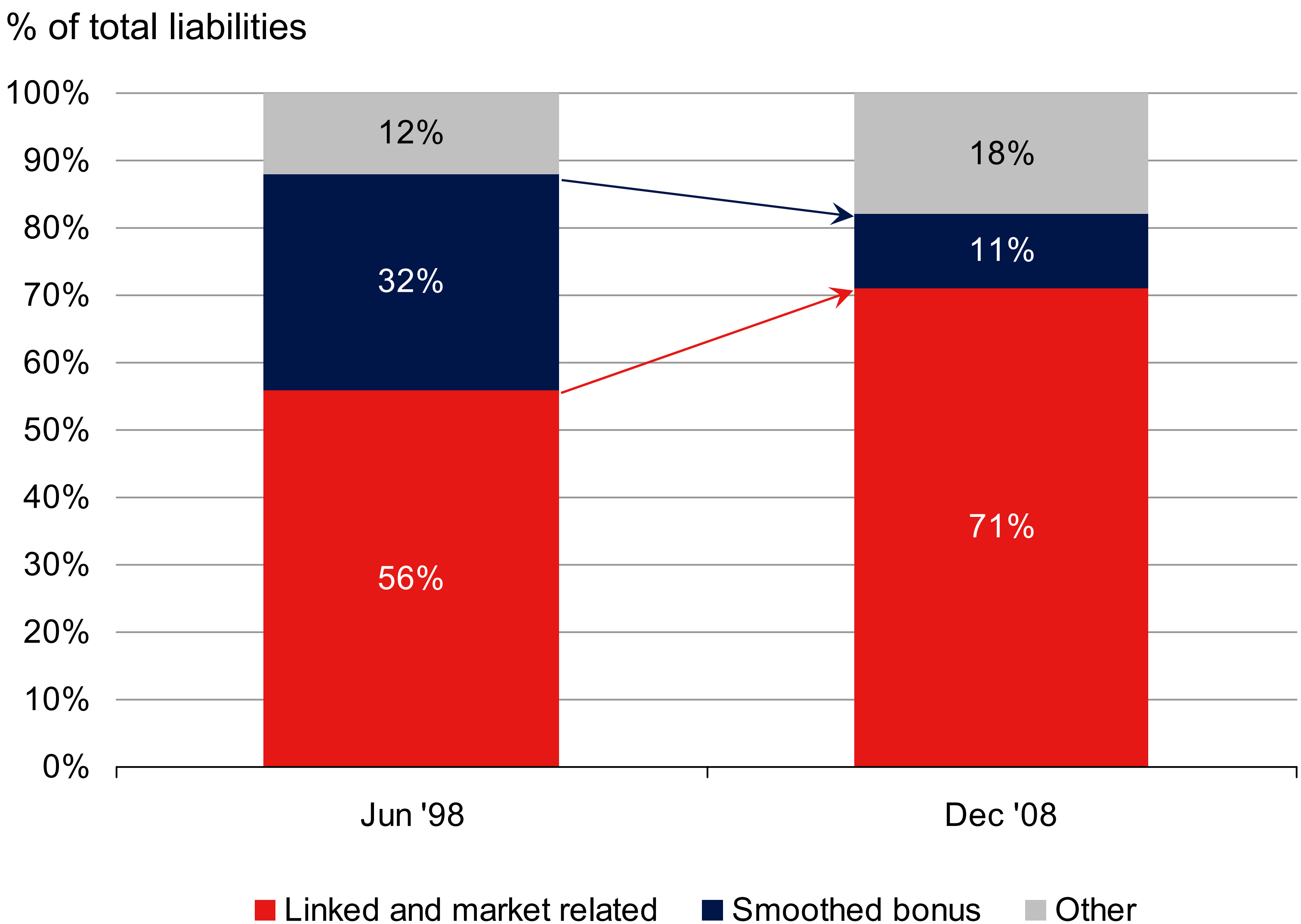
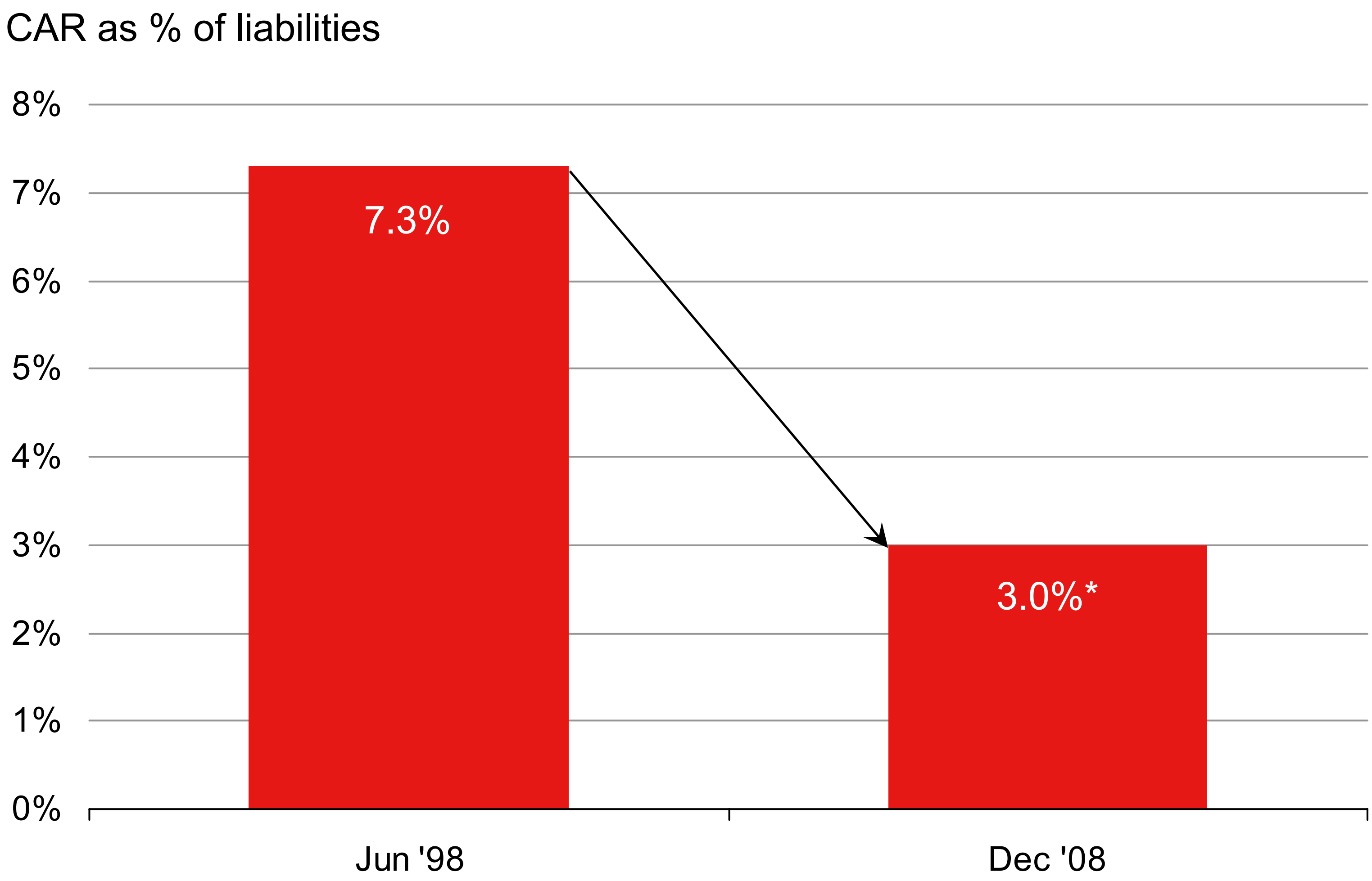
CAR cover within reformulated range



Improvement in liability mix

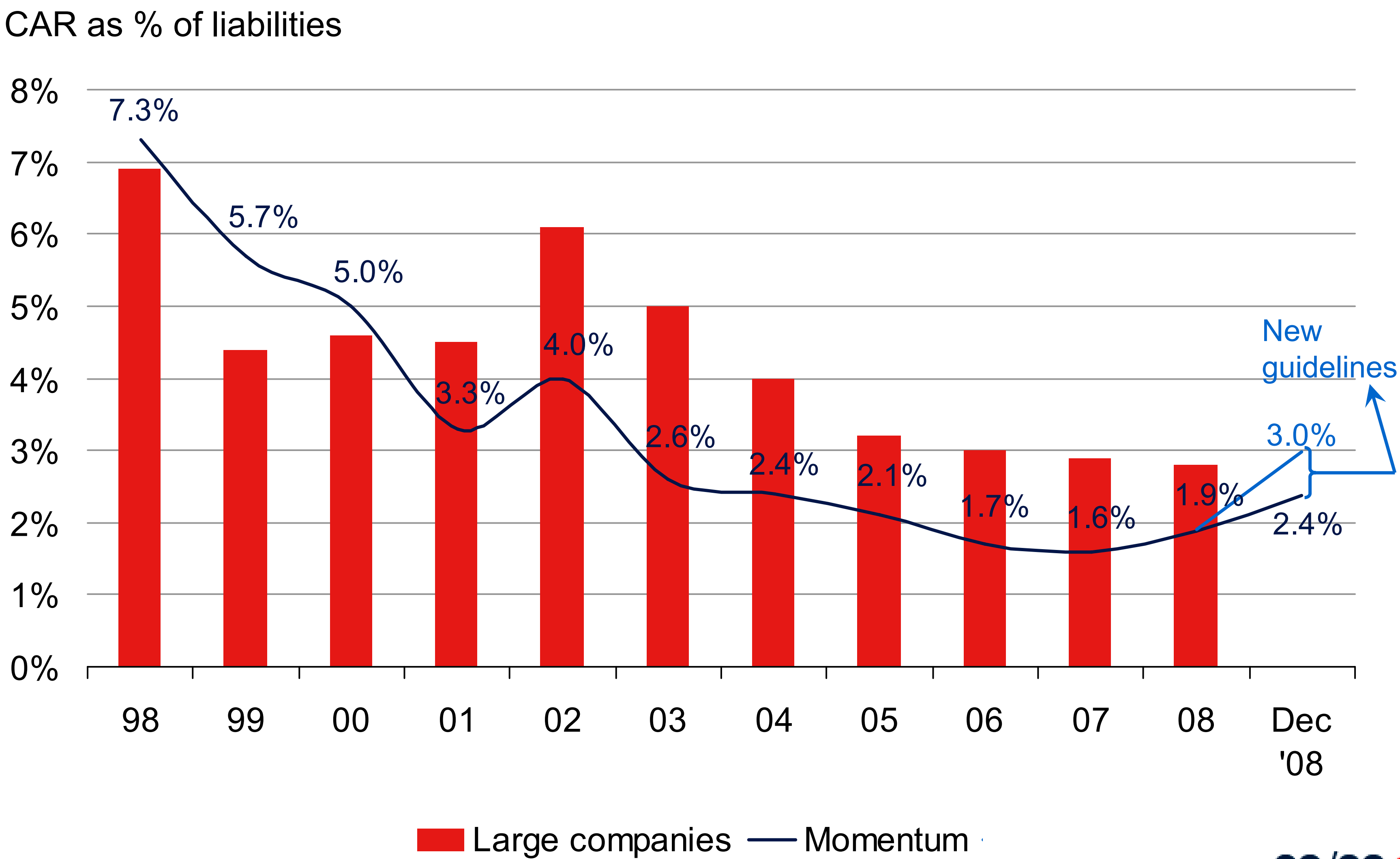


Capital efficient liability mix



* New guidelines

Capital efficiency impacted by volatile markets



Prospects

- Uncertain global economic outlook
- Local market conditions expected to remain challenging
- Slower new business growth and higher lapses
- Markets will continue to impact investment-related businesses
- Lower interest rates expected to reduce investment income on capital
- Continued product and channel diversification
- Active capital and balance sheet management

08/09

CONCLUSION

FIRSTRAND

Robust strategy and strong franchises

- We are not in denial of the risks
  - Increased pressure on consumer e.g. job losses
  - “Second wave” impact on real economy
  - Corporate sector will be challenged
- But we have a robust strategy
  - Capital preservation before earnings
  - Closed or reduced loss making and/or capital intensive businesses
  - Sound process to manage capital allocation to divisions
  - Capital allocation focused on franchises
  - Clarity on delegated credit risk appetite
  - Focus on cost control
- Confidence from:
  - Strengthened management processes
  - Strong and committed management
  - Outstanding franchises
  - Positioned to benefit from recovery

“IT'S ALWAYS DARKEST BEFORE DAWN”