4 March 2021 – First National Bank’s (FNB’s) performance for the six months to 31 December 2020 reflects some improvement in the operating environment despite sustained pressure on consumers and businesses due to Covid-19 and the related lockdown measures.

FNB’s normalised profit before tax declined by 19% over the six months and the Bank delivered a respectable 30.1% return on equity (ROE). The Bank’s customer base in South Africa increased by 3% to 8.5 million customers and the eWallet transacting base is 2.8 million users. Economic strain and the expiry of temporary credit relief measures impacted some customers, resulting in non-performing loans increasing by 26%. The six months saw strong momentum in FNB’s digital platform strategy, with a record 6 million digitally active customers and the transacting base on the FNB App exceeded 3.9 million for the first time.

Key operational highlights from FNB’s performance include:

- Deposits in SA up 19%
- SA customer base up 3%
- Rest of Africa customer base up 3%
- Digitally active customers top 6 million
- FNB App volumes up 22%
- Wealth and Investments account base up 18%
- Cashflow relief covered loan balances in excess of R100 billion
- Approved Credit Life claims in excess of R300 million
- eBucks celebrated 20 years

FNB CEO, Jacques Celliers says, “Our resilience in the previous six months puts us in a stronger position to accelerate exponential help for customers in our transact, credit, insure and invest activities in the months ahead. We are particularly pleased to see that our contextual digital platform continues to be warmly embraced by our customers, evident in increasing adoption of our market-leading digital interfaces. Our customers have on average logged-in 29 times per month on the FNB App, increasing total average monthly logins by 41% and, on average, each customer engaged on the App for almost 46 minutes in December 2020. Similarly, we are encouraged by the ‘green shoots’ evident in our customer data which reflects that FNB Retail’s new and existing customer incomes are showing progressive signs of recovery.”

FNB Commercial showed resilience to deliver 3% growth in earnings despite lockdown related challenges faced by clients in sectors such as commercial property, tourism and hospitality. FNB Retail earnings were down 34% as customers remained under economic pressure. FNB Retail responded to the financial difficulties of personal banking customers by offering extended Cashflow Relief to those who
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qualified, introduced more ways to earn eBucks and most account fees remained flat or reduced. FNB Retail also facilitated over half a million direct interactions with customers to help them improve their money management.

FNB Wealth and Investments continued to scale, recording 18% growth in its account base although assets under management were muted. In Insurance, FNB Life accelerated the digitisation of claims processes to minimise angst for Credit Life policyholders, with good sales of funeral policies. FNB Life is the 3rd largest insurer on the FNB Retail customer base as measured by debit order values. Rest of Africa saw a 3% customer growth, 16% deposit growth while credit growth was muted. The Rest of Africa portfolio comprises mature businesses including Namibia, Botswana and Eswatini, with emerging operations in Mozambique, Zambia, Lesotho and Ghana.

FNB remained active in helping customers and the broader society, both in its core business activities and beyond banking. FNB Agriculture supported transformation in the sector through R669 million in funding for 126 black farming enterprises. FNB Connect provided customers a cumulative total of over 700 000 Gigabytes of free data and a cumulative 140 million free voice minutes since the start of ‘Free Connect’. FNB waived R120 million in Saswitch, Merchant Services fees and plays an instrumental role in the Group’s commitment of early invoice settlements for suppliers which has benefitted over 6 100 businesses (including SMEs) with invoices worth over R21 billion. FNB customers and employees amassed R1.7 million in contributions to the National Solidarity Fund and the Bank’s staff volunteers raised funds for 7 000 food buckets for children and families who rely on Early Childhood Development centres.

In 2020, FNB rolled-out new nav> smart tools to help individual customers with budgets while more than 2 000 SME home services suppliers like plumbers are using the new digital marketplace to provide services to millions of FNB App users. nav> Money has exceeded 1.7 million users, helping customers with credit, saving and spend decisions. nav> Car has over half a million vehicle owners who used the platform to pay in excess of 100 000 traffic fines and renew 36 000 vehicle licences. The Bank also introduced its Virtual Card on the FNB App with over 100 000 Virtual Cards activated in the first week of launching. eBucks celebrated 20 years as a leading behavioural programme, winning the Best Programme of the Year 2019 (financial services) and the Most Innovative Use of Technology for Loyalty at the Loyalty Awards South Africa. A recent independent survey also found that eBucks members receive up to four times more ‘money back’ compared to the rewards offered by most banks.

“Notwithstanding the difficulties that customers continue to experience as a result of the pandemic, we are humbled by the 180 years of support and we are grateful to be their preferred partner in navigating the current challenges. Equally, our contribution to the lives of our customers and society makes this a fulfilling journey of help. We remain committed to doing even more through financial and non-financial support in the months and years ahead. We also extend our gratitude to all frontline workers across the country, irrespective of industry, for their selfless service to our nation,” concludes Celliers.

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