

FIRSTRAND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1966/010753/06)

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(FirstRand or the group)

Voluntary update on the UK Motor Finance matter

On 8 October 2025 the group issued a voluntary update to shareholders with its initial views on the statement and consultative paper published on 7 October 2025 by the UK's Financial Conduct Authority (FCA), describing the scope and nature of a proposed redress scheme (the scheme) relating to commission practices in the UK motor finance industry. At the time the group indicated that more time would be required to fully understand the implications of the paper and would continue to update shareholders.

FirstRand is still working towards a detailed assessment of the potential impact of the scheme, but remains of the view that the scheme has moved materially beyond the group's expectations of what can be considered proportionate or reasonable, and the group is not aligned on or in agreement with many of the proposed outcomes put forward by the consultative paper. FirstRand is also concerned that the impact of the scheme would be negative for the broader UK economy given the high likelihood of a contraction in the supply of credit to consumers.

The group notes to shareholders that, based on the consultative paper, it may be required to raise a further provision in the current financial year, driven mainly by the following:

1. the increased likelihood of a higher number of pre-2021 motor finance agreements falling within the scope of the scheme, which now covers all discretionary commission arrangements, with the additional inclusion of some post 2021 to November 2024 fixed commission agreements.
2. The FCA's proposed methodology for the calculation of redress, which is, in the group's view, not aligned to actual potential customer loss (if any).

However, despite the above points, and given that the consultation process is still ongoing, FirstRand intends to only make an adjustment to its provision, if required, based on the final redress scheme, as the eventual financial impact remains unknown, and could differ to the amount currently provided.

The group continues to engage with the FCA and will consider all options and reserve all legal rights should the final scheme represent an unfair and or disproportionate outcome for lenders.

Sandton

6 November 2025

Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)