



**report to
society
2014**



**RAND
MERCHANT
BANK**

A division of FirstRand Bank Limited

Message from the CEO

It really is great to be part of FirstRand and its market-leading franchises, **which continue to outperform the macros.**

RMB is recognised as South Africa's leading investment banking franchise and is one of the leading corporate and investment banking players on the broader African continent. We are proud custodians of a great business, with more than 3 000 exceptional people and a culture which encourages staff to think and act like owner-managers.

Our businesses share many common clients, platforms and processes and, in this changing environment, are increasingly interdependent. This is not only true for RMB but also for the FirstRand Group where we are working closely with FNB, WesBank, Ashburton Investments and FCC (group-wide functions).

RMB plays an important role in FirstRand's organic asset management strategy and many new products, such as the Credit Co-investment Fund, FNB ShareSaver and a retail Private Equity Fund are distributed by Ashburton Investments and FNB.

During the year, we launched RMB Botswana. We remain considered in our approach and I like referring to the Ugandan proverb, **"Patience puts a crown on the head"**, when talking about the pace of our cross-border franchise expansion.

We are all very proud of the quality of RMB's client franchise, which is evident in our recent awards listed below. However, the franchise can only thrive due to the quality of our employees. Great businesses are made, and sustained, by great people.

African Banker Awards 2014

- ✦ Investment Bank of the Year

The Banker 2013 Investment Banking Awards

- ✦ Most Innovative Investment Bank from Africa

Euromoney awards for excellence 2014

- ✦ Best Investment Bank in South Africa

EMEA Finance 2014 Awards

- ✦ Best M&A House in Africa
- ✦ Best syndicated loan in EMEA

BESA Spire Awards 2013

- ✦ Best Fixed Income and Currencies House
 - ✦ Best Interest Rate Derivatives (IRD) House
 - ✦ Best Research House
- also
- ✦ Best Debt Origination Team
 - ✦ Best Structuring Team – Inflation/Credit/FX
 - ✦ Best Market Making Team – Government Bonds
 - ✦ Best Team – Inflation Bonds

- ✦ Best Repo Team
- ✦ Best Market Making Team – IRD
- ✦ Best On-Screen Market Making Team – IRD
- ✦ Best Sales Team – IRD
- ✦ Best On-Screen Market Making Team – FX
- ✦ Best Research Team – General Fixed Income
- ✦ Best Research Team – Credit
- ✦ Best Research Team – Quantitative Research
- ✦ Best Market Making Team – Cash Settled Commodity Derivatives

Risk Magazine SA 2013 rankings

- 1st – Fixed income
- 1st – Interest rates overall
- 1st – Interest rate options
- 1st – Interest rate exotics
- 1st – Inflation
- 1st – Commodities
- 1st – Risk Management Advisory



RMB is a place where everyone can grow and develop. Liberating the talent and potential of our people is fundamental to our success. We seek those who are smart, hard-working, self-motivated and committed. Positive attitudes and a passion for work ignite energy in others and contribute to the success of RMB. Our people come from many different backgrounds and cultures. Creating a rich diversity adds depth to our talent pool which unlocks potential and ensures success for the benefit of all.

Our culture rests in the collective minds and hearts of our people and we should all be proud of what we continue to deliver to stakeholders. The RMB culture remains rare and defines our success.

Thank you for your contribution to our business and, most importantly, thank you for caring for RMB.

Alan Pullinger

⌄⌄⌄ **22%**
normalised earnings

27.1%
return on equity

⌄⌄⌄ **27%**
core advances

TEAMWORK CONSISTENTLY DELIVERING RESULTS

RISK SA RANKINGS	2013	2012	2011	2010
<i>Inflation</i>	1	1	1	1
<i>Interest rates</i>	1	1	1	2
<i>Interest rate exotics</i>	1	1	2	2
<i>Interest rate options</i>	1	1	2	3
<i>Risk management advisory</i>	1	3	4	1
<i>Commodities</i>	1	2	3	2



RMB Global Markets displays consistent achievements in the 2013 Risk SA Derivatives Dealers Awards, with the addition of two new first places.

RMB Global Markets is grateful to our clients for ranking us highly in the Risk SA Derivatives Dealers Awards. We are extremely proud of our achievements this year, along with our consistent delivery over the past three years. Our accomplishments are a clear indication of our commitment to our clients and our determination to constantly deliver more.

For more information email globalmarkets@rmb.co.za

Thinking that can change your world. www.rmb.co.za/globalmarkets

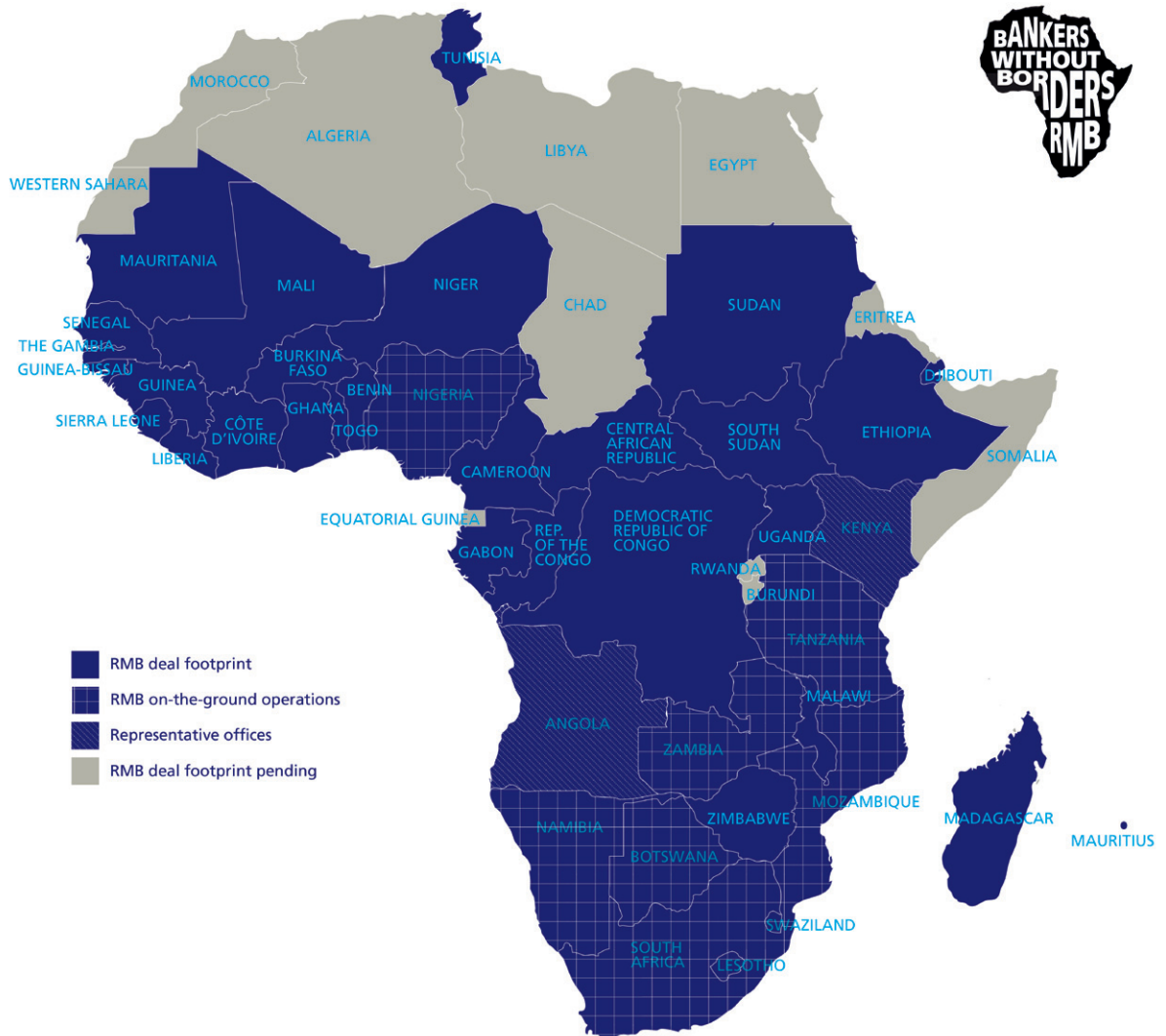


Rand Merchant Bank is an Authorized Financial Services Provider

“We in South Africa have ourselves faced hard questions and had to make hard choices in this regard. We know that political freedom alone is still not enough if you lack clean water. Freedom alone is not enough without light to read at night, without time or access to water to irrigate your farm, without the ability to catch fish to feed your family. For this reason the struggle for sustainable development nearly equals the struggle for political freedom. They can grow together or they can unravel each other.” *Nelson Mandela*

Our SKILLS are at work in some really interesting places!

We have made great strides in serving clients in and beyond South Africa.



Infrastructure development finance provides a critical foundation for African development

RMB has funded various infrastructure development projects in South Africa and several African countries in the past decade. Our experienced, multi-disciplinary team is active across all key infrastructure sectors, ranging from power, renewable energy and information communication technology, to healthcare and transport. We have extensive experience in structuring funding solutions that meet the unique requirements of the government sector and parastatals.



COMMITTING RESOURCES, TO RESOURCES.

THINK RESOURCE. THINK RMB.

RMB acted as sole mandated lead arranger and leader of R2.5 billion towards Savar's R14 billion mining removal investment project in Secunda. Rand Merchant Bank provided R2.5 billion (and R1.5 billion in support of South-West African shares in South Africa). This statement does not signify the South commitment to the country, but also signifies the ongoing relationship between Savar and RMB. For more information, contact Udo Lauff on +27 11 262 4002, email udo.lauff@rmb.co.za or Dennis Carilli on +27 11 262 1952, email dennis.carilli@rmb.co.za

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Traditional values. Innovative ideas.



THOUGHT FOR FOOD

THINK AFRICA. THINK RMB.

RMB acted as financial adviser for the acquisition of AGRI Ltd by AgriGroupe.

Rand Merchant Bank provided a critical solution for the purchase of AGRI (Ltd) by AgriGroupe representing a R255 million as well as international investors in a R262.5 million deal. RMB's expertise in African and global markets facilitated the transaction and positioned AGRI (Ltd) for continued growth and the ability to contribute towards food security throughout Africa. For more information, contact Paul Maritz on +27 11 262 4002, email paul.maritz@rmb.co.za or Sami Mathibe on +27 11 262 4006, email sami.mathibe@rmb.co.za

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RMB VENTURES BUILDS ON THE STRENGTH OF WORKING TOGETHER

THINK FUTURE EQUITY. THINK RMB.

RMB Ventures, together with management and Capitalworks, recently acquired Technicrete, Oon Bricks and Rogla.

Rand Merchant Bank's contribution to the development of South African infrastructure through its investment in these Africa's well-known building product brands. The business will continue to operate optimally under independent management. RMB Ventures (currently seeking for potential investors) can be contacted through our group@rmb.co.za. For more information, contact Sami Mathibe on +27 11 262 4002, email sami.mathibe@rmb.co.za or Muhammad Asad Memon on +27 11 262 4008, email muhammad.memon@rmb.co.za

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RMB FUNDS PAN-AFRICAN PULLING POWER

THINK FUEL FINANCE. THINK RMB.

RMB provides US\$50-million of tranche to the African rail leasing industry.

Rand Merchant Bank acted as mandated lead arranger and leader to a new rail leasing company - CPM Leasing Africa - a joint venture between Gheboel and The Parkers Group; Infrastructure Fund (IFM). RMB's knowledge and experience in the African rail leasing industry as well as its extensive network and industry relationships facilitated the transaction. For more information contact Greg Makhado +27 11 262 4002, email greg.makhado@rmb.co.za or Dennis Carilli +27 11 262 1952, email dennis.carilli@rmb.co.za

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Our partnership approach with sponsors, together with our strong asset class and jurisdictional knowledge, enables us to underwrite, arrange and provide committed facilities across capital structure entities, including senior debt, mezzanine debt and equity.

INVITATION

RAND MERCHANT BANK
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RMB NIGERIA
Rand Merchant Bank Nigeria Limited
Values. Innovative Ideas.

LAUNCH DINNER

RMB WESTPORT ADDS AN A-GRADE ICON TO ACCRA'S SKYLINE

RMB Westport developed the first A-grade office space in Ghana

RMB Westport
Building Prosperity

RMB OPENS DOORS TO AFRICA

THINK AFRICA. THINK RMB.

Rand Merchant Bank has established itself as an innovative investment bank with a track record of experience and connections throughout Africa. For more than a decade, Rand Merchant Bank has served clients in major financial transactions throughout Africa. We work closely with our clients, providing innovative solutions for their present or enterprise across the continent. RMB's reputation is built on trust and honing long term partnerships with our clients. To begin your journey in Africa with an experienced partner, contact Emma Poon on +27 11 282 4202, email emma.poon@rmb.co.za or Julia Zhu on +86 21 5219 0000, email jiu.jie@randandbank.com

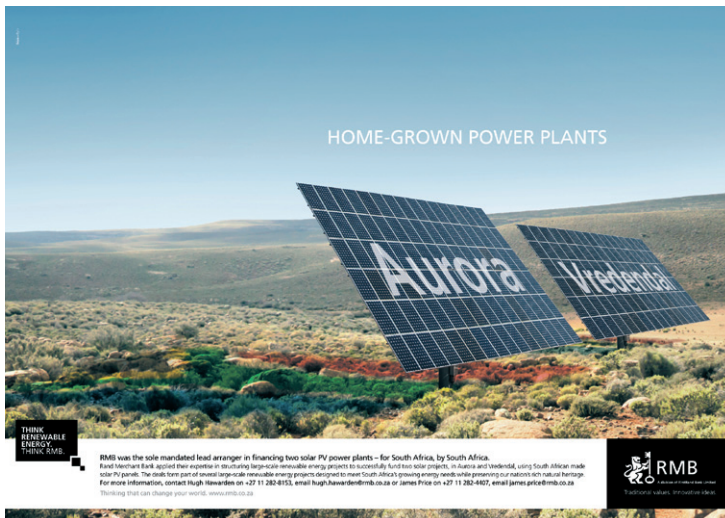
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THINK BOTSWANA. THINK RMB.

WE THINK Botswana. WE THINK endless possibilities.

First National Bank Botswana (FNB) corporate and investment banking activities will be rebranded Rand Merchant Bank Botswana (RMB). Rand Merchant Bank (a division of FirstRand Bank Limited) in South Africa, is a leading corporate and investment bank, delivering innovative, world-class solutions to corporate and institutional clients in a range of industries across the continent. We look forward to partnering with our clients in helping to build a sustainable future for Africa and for people. For more information contact Pauline Momoagae on +267 370 6348 or email pmomoagae@firstrandbank.co.bw

RMB
BOTSWANA
TRADITIONAL VALUES. INNOVATIVE IDEAS.



New generation risk management processes enable sustainable value creation in all markets

FirstRand adopted the Equator Principles in July 2009, which demonstrates a long-term commitment to environmental and social risk in project finance transactions. The Equator Principles (EPs) are a risk management framework adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence to support responsible risk decision making. The EPs apply globally to all industry sectors and to four financial products:

- project finance advisory services;
- project finance;
- project-related corporate loans; and
- bridge loans.

Currently 80 Equator Principles Financial Institutions (EPFIs) in 34 countries have officially adopted EPs, covering over 70% of international project finance debt in emerging markets. EPFIs commit to implementing EPs in their internal environmental and social policies, procedures and standards for financing projects and will not provide project finance or project-related corporate loans to projects where the client will not, or is unable to, comply with EPs.

EPs have also helped spur the development of other responsible environmental and social management practices in the financial sector and banking industry (for example, carbon principles in the US and climate principles worldwide) and have provided a platform for engagement with a broad range of interested stakeholders, including NGOs, clients and industry bodies.

Traditional values, innovative ideas

It has been another exciting year for RMB's innovation competition, Nova, with 2013 delivering 251 innovations logged, across all categories. The fully implemented innovations judged in 2013 had a collective NPV (over three years) of R236 million. There are already 75 new innovations in the 2014 pipeline and we look forward to seeing them implemented.

We seek for efficiency in all we do, especially in managing processes, operations, technology, costs, risks, capital and more. We strive to understand our clients' needs and find the best solutions, recognising the need to be flexible enough to anticipate and adapt to a rapidly changing and complex business environment.

BUSINESS TECHNOLOGY



Business Technology: [partner.innovate.deliver](#)



Our **people** are a key differentiator and will ensure RMB's pre-eminent market positioning, business results and sustainability. As such, one of our main people priorities is the performance optimisation and integrated people platform initiative, which seeks to address improvement areas which our people identified as critical in our 2013 employee engagement survey.

Staying true to our high performance culture, we are also improving the quality of performance conversations and performance management. Practically, this means we are placing more emphasis on facilitating enhanced objectivity, fairness and consistency in our performance management practice, while simultaneously equipping our employees and

leaders to have more robust and meaningful performance feedback conversations. The anticipated benefits of this initiative include performance optimisation in terms of business results and improved retention of top talent.

This is just one highlight of the RMB employment equity committee's active involvement in partnering business. The committee is not a regulatory body or complaints department. It consists of dedicated colleagues, who strive to enable business units across RMB to achieve their respective transformation goals and to ensure that those most passionate about this company stay and make this it work even better. We believe in and work towards a truly shared South Africa, where we can all thrive and make a difference.

ACTUALLY, **GREAT MINDS**
DON'T THINK ALIKE

At RMB we equate **exceptional performance with exceptional people.**

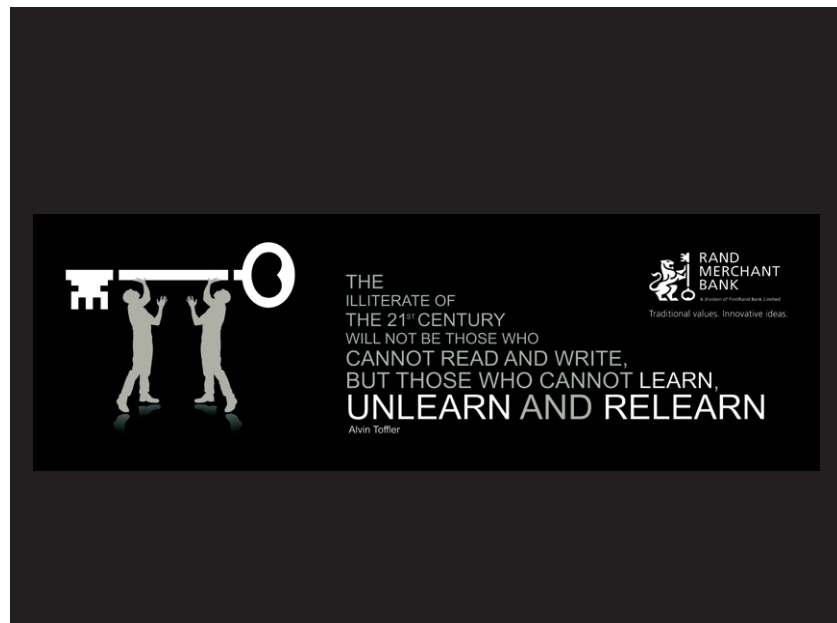
RMB is a place where boundaries are challenged and opportunities created. **The RMB Graduate Programme helps talented young individuals to achieve their potential in investment banking through financial, technological, personal and interpersonal skills growth programmes.** These individuals are guided through a two-week onboarding process, encouraged through a year-long structured self-development programme and various technical skill training sessions and supported by a network of previous grads. All this will help to equip them to succeed in investment banking.

The Class Of programme is unique in that it targets candidates with at least three to five years' working experience who do not have a background in banking. In fact, the more unusual their qualifications and work experience, the better. Candidates must also be self-starters, smart, driven and have excelled in all aspects of their lives. Common characteristics are a top academic record, a passion for finance and investment banking and strong numbers acumen. We value previous sporting achievements, as well as an entrepreneurial flair.

Class Of appointees are chosen for their ability to think beyond the barriers of conformity. They're chosen for their ability to adapt and change to take advantage of opportunities. They enter into a programme which is unstructured and unsupervised, with recruits placed in a sink-or-swim environment. Class Of's rotate through RMB's divisions for two to three years, switching as they choose and are responsible for their own career development. Recruitment happens year round, and there is no formal start and end date.

It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.

Warren Buffett



Trust, honesty, integrity and fair play are non-negotiable standards.

RMB participates in ethics assessments initiated by FirstRand. This important initiative gives randomly-selected employees the opportunity to share (anonymously) specific expectations and experiences of their workplace and the behaviour they observe through a specialist and independent research company. This assists leaders and managers to understand how colleagues experience ethics in the RMB workplace, what we are doing well and where we can improve.

We expect our people to act with humility, care for RMB and to treat all others with dignity and respect.

In 2013/14 the RMB Fund (our CSI vehicle) invested R31 million across the maths leadership and development, creative arts, and the environment and conservation programmes. Highlights include commissioning important research into inclusive education, piloting an integrated approach to business practice by bringing our environment programme closer to deal making, and the start of the arts education programme linked to War Horse, which will see 400 educators and 5 000 learners trained in relevant subject matter and technical aspects, before going to see the production.



4 000 treepreneurs
70 communities
900 000 indigenous trees
planted per annum

TREES FOR LIFE
Wildlands Conservation Trust

wildlands.co.za



THINKING THAT CAN CHANGE OUR WORLD



RMB thinks differently to help build a better world through good business

Integrated business practice is becoming more important than ever before. Rand Merchant Bank acknowledges a shared responsibility for shaping the dynamic world around us in ways that are economically, environmentally and philosophically sound. For this reason, thinking differently about integrated business practice is important to RMB.

Thinking that can change your world. www.rmb.co.za



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