

**report to
society**
—
2016





RMB represents the FirstRand group in the corporate and investment banking segments in South Africa, the broader African continent and India. The business strategy is anchored on corporate and institutional clients, and uses a market-leading position to deliver an integrated corporate and investment banking value proposition. This strategy is underpinned by sound risk management, designed to effectively balance the interplay between profit growth, returns and earnings volatility.

RMB's traditional values drive us to perform for all those we serve — and our innovative ideas are the result of several different skills sets and personalities united in common purpose. To add value.

The strength of RMB's franchise is reflected in the number of awards received during the year:



AFRICAN BANKER AWARDS 2016

- Investment Bank of the Year (4th year running).
- Infrastructure Deal of the Year (Azuro-EDO IPP).

EUROMONEY AWARDS FOR EXCELLENCE 2016

- South Africa's Best Investment Bank (4th year running).
- Africa's Best Investment Bank.

FINANCIAL MAIL RANKING THE ANALYSTS 2016

- #1 Rated Desk Team: Equity Dealing, Equity Sales, Corporate Access, Administration.
- #1 Rated Sector Analyst: Industrial Metals, Food, Hotel & Leisure, Strategy, Innovative Research, International Markets, Fixed Interest Securities, Credit Analysis.

AI AFRICA INVESTOR DEALS OF THE YEAR 2016

- Transport (Angola National Roads).
- Power (Azuro-EDO IPP).

THE BANKER INVESTMENT AWARDS 2016

- Most Innovative Investment Bank in Africa.

THE BANKER DEALS OF THE YEAR 2016

- Green Finance (Africa) – Xina Solar One.
- Infrastructure & Project Finance (Africa) – Azuro-EDO IPP.
- Securitisation & Structured Finance (Africa) – Richards Bay Minerals.
- Corporate Bonds (Africa) – Petra Diamond.
- M&A (Middle East) – Al Noor/Mediclinic.

GLOBAL CUSTODIAN AWARDS FOR EXCELLENCE 2015/2016

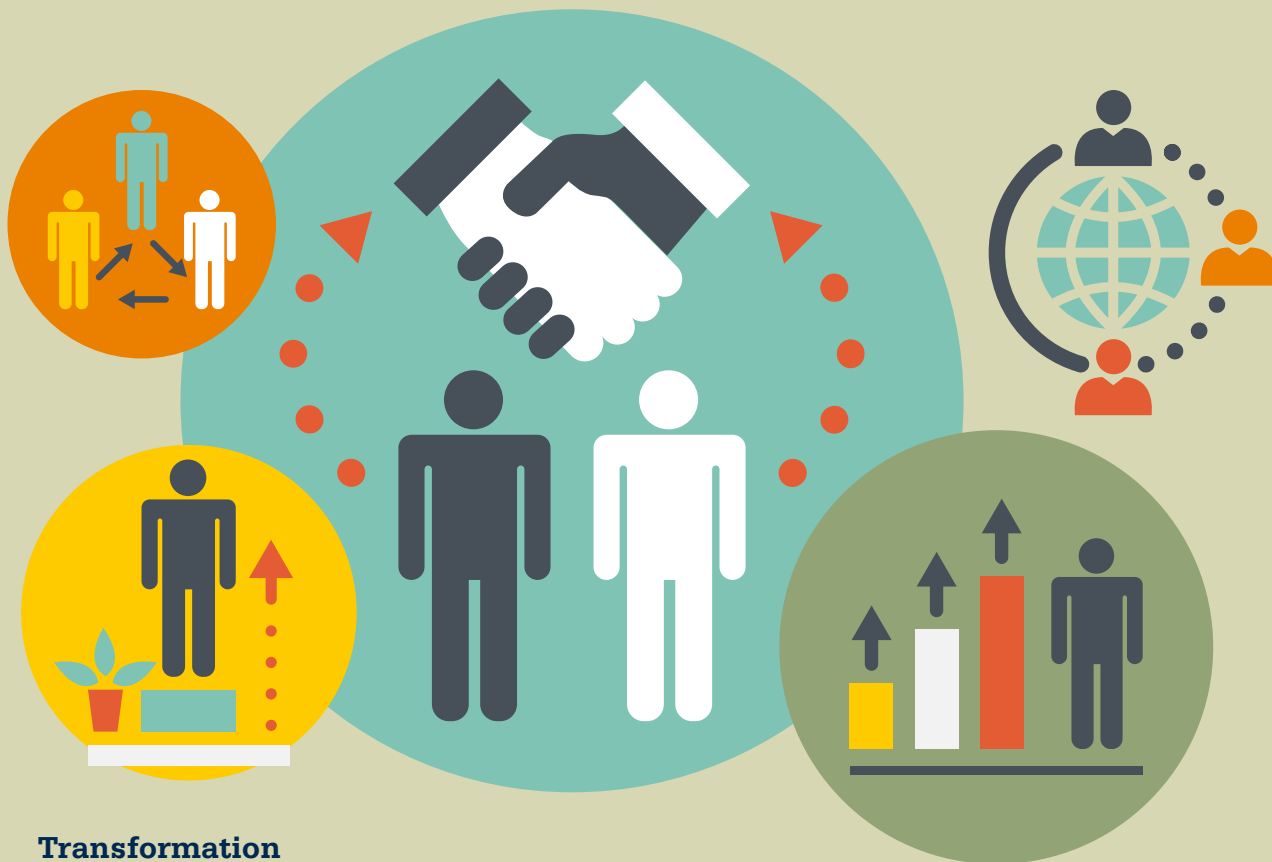
- International: Best South African Custodian.
- Domestic: Domestic Market Outperformer.

JSE SPIRE AWARDS 2015

- Best Inflation Bonds Team.
- Best Repo Team.
- Best Debt Origination Team.
- Best On-screen Market Making Team.
- Best Fixed Income Research Team.
- Best Africa Research Team.
- Best Inflation/Credit/FX Structuring Team.
- Best Cash Settled Commodity Derivatives Market Maker.



**Invested in
our people**



Transformation

Transforming South Africa means transforming ourselves

RMB's approach to transformation aims to take our business **beyond pure compliance** towards internalising the principles of **Broad-Based Black Economic Empowerment (B-BBEE)** into the way our people conduct their business.

Employment equity



“

At RMB, diversity is not about how we differ. It's about **embracing each other's uniqueness.**

”

RMB actively works towards building a workforce that matches South Africa's diverse demographics.

CASE STUDY

Athena: shifting the gender conversation



A group of senior RMB women have begun a series of discussions designed to **explore the realities associated with gender** and gender equality.

- They agreed that although women start their careers with the same level of ambition and opportunity as men, something prevents them from reaching their full potential at work.
- They also realised that addressing this problem is not a women's issue, instead, it demands a focused and formalised approach that also involves men.
- Result: Athena – a pioneering initiative with a very clear agenda: to focus men and women's attention and energy on achieving gender equality in RMB and beyond.
- In September 2016, Athena won RMB the Women Empowerment in the Workplace Award at the Gender Mainstreaming Awards.
- Run by Business Engage, these awards encourage the private sector to achieve more meaningful representation of women in mainstream business.
- While celebrating this achievement, we know there is still some way to go before RMB achieves true gender equality.

Skills development

Building a learning culture where people thrive

R29.4 million
on skills development

R4.5 million
on bursaries and
learnerships to
support employees
to achieve full
qualifications

55%
on training
programmes for our
ACI employees

49%
on
developing
women



Leadership development

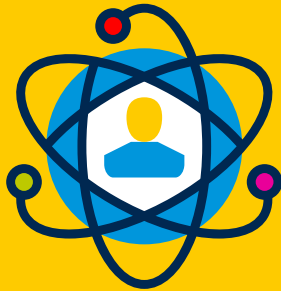
Developing leaders with the power to transform

“ During the year, we expanded the work we do on leadership and culture with a clear focus on equipping our people to unlock their full potential to better serve our clients and shareholders while protecting and growing the RMB franchise. ”



- RMB maintains a strong focus on equipping our leaders to navigate their careers and unlock their full potential.
- We have developed a leadership growth and development framework comprising programmes that provide targeted training for leaders at all levels.
- There were a number of significant developments to this programme.
- Following the launch of the Athena programme (see page 6), for example, we launched Lotus, a programme aimed at helping women to take control of their careers and overcome their own unconscious biases.
- We also extended our senior leadership programme, LeadRMB, to include an alumni component – LeadRMB+. It aims to connect our senior leaders, offer them further support and development opportunities, and help them bring leadership and strategic philosophy closer to their teams.

Leadership development



488

**employees participated
in our various leadership
development programmes**

10

**leadership
programmes**



42

**mentees and
mentors also
completed
our 18-month
mentorship
programme***

35

**of RMB's top
leaders
attended the
LeadRMB
programme**

**Looking ahead, our leadership and culture
themes will include client-centricity, diversity
and transformation, gender and Africa**

CASE STUDY

Finding strength within

Our **18-month mentorship programme** taught us a great deal about what is required in our environment to ensure our transformation agenda succeeds.

- Since the programme concluded, we have extended RMB's Coaching and Mentoring Centre to include sponsorship.
- As well as extending the centre's mentorship offering, we are also exploring the option of launching a cultural exchange initiative in 2017.

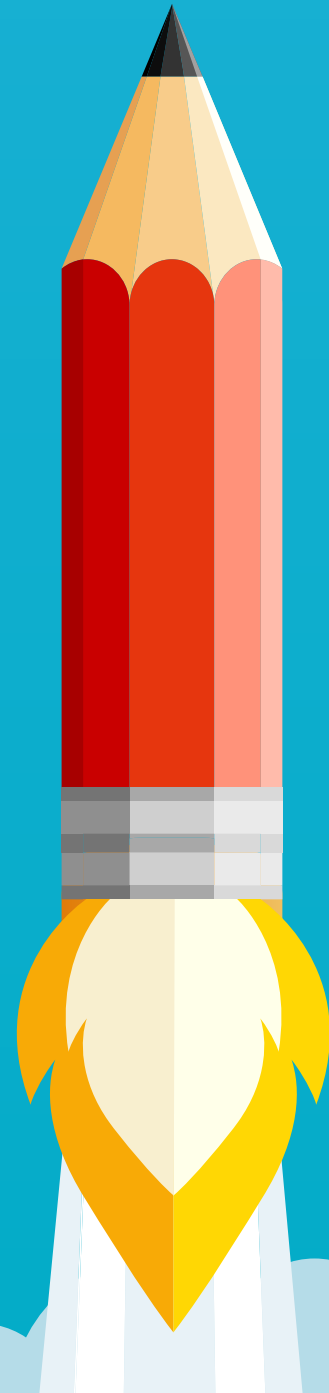


Learning and development

Fostering lifelong learning

During the year, we held a number of learning and development initiatives. Among others, these included:

- **LearnX:** an open day for all RMB Corporate Banking employees to meet our leadership development providers.
- **Skills for the future:** which exposed our people to the possibilities of tech disruption using data visualisation technology in the business.
- **Enabling day:** which allowed various providers to showcase their tools and software to support learners living with disabilities.





**Invested
in our
clients**
—

Harnessing the power of innovation

We aim to support our clients and our shareholders by equipping them with the financial resources to create sustainable value.

- This involves placing our clients at the centre of everything we do while using the power of innovation to unlock new opportunities for them to grow.
- In 2011, we launched the Nova innovation competition to drive the spirit of innovation across our business.
- To date, 184 fully implemented innovations have been scored with a combined NPV (over three years) representing both cost savings and business growth of R1.3 billion.
- In 2016, the prize money for Stellar was R265 000, while we made R1.75 million available to Avant-Garde innovations.

There are two Nova award categories:

Stellar innovations

with a net present value (NPV) of less than

R3 million
over
3 years

Avant-Garde innovations

with a net present value (NPV) of more than

R3 million
over
3 years

Between 2012 and 2016,

1 183 ideas
were logged on Nova



CASE STUDY

Financing a greener future



RMB's track record for **financing major infrastructure projects** using innovative financing solutions goes from strength-to-strength – especially in the renewables sector.

R12 billion
financing transaction
that will jump-start the
construction of the
**100 MW Kathu
Solar Park**
in the Northern Cape

expected to contribute
390 000 MWh
annually to the national grid



enough to power
approximately
50 000
households

- This transaction marks another milestone in RMB's journey towards becoming a **leading financial player** in some of the world's **largest renewable energy projects**.
- Kathu Solar Park is a concentrated solar power (CSP) thermal generating facility that uses commercially proven parabolic trough technology.
- This deal, among the biggest of its type ever signed in South Africa, exemplifies **RMB's innovative approach to financing** major renewable energy initiatives.
- It incorporates an **inflation-linked debt facility**, funded predominantly by RMB, which is designed to provide a natural hedge by mirroring the inflation-linked revenue that the project will receive.

Environmental and social governance

Managing our environmental and social risks.

- In 2009, FirstRand adopted the Equator Principles, an international framework covering the management of environmental risks for deals with project capital costs **exceeding USD10 million**.
- The group **also applies its own environmental and social risk assessment process** – ESRA – to all business-related transactions across all FirstRand franchises.
- **92%** of these deals were **originated by FNB and RMB 5%**.

6 530
lending transactions

screened for environmental and social risk in its South African operations and engaged with clients on their environmental and social risk management processes on

3 166
transactions
during the same period.



For more details, read the FirstRand Climate Change and Energy Report 2016 and the FirstRand Environmental and Social Risk Assessment Report 2016.

Project finance transactions

Total number reaching financial close in the reporting period: 7

TOTALS	0	2	5
TOTALS	CATEGORY A	CATEGORY B	CATEGORY C
Mining			
Infrastructure			
Oil and gas			
Power		2	
Other			5
REGION	CATEGORY A	CATEGORY B	CATEGORY C
Americas			
Europe, Middle East and Africa		2	5
Asia Pacific			
COUNTRY DESIGNATION	CATEGORY A	CATEGORY B	CATEGORY C
Designated**			
Non-designated		2	5
INDEPENDENT REVIEW	CATEGORY A	CATEGORY B	CATEGORY C
Yes		2	
No			5

* Transactions listed under other related to the retail sector.

** Designated countries are those deemed to have robust environmental and social governance, legislation systems and institutional capacity.

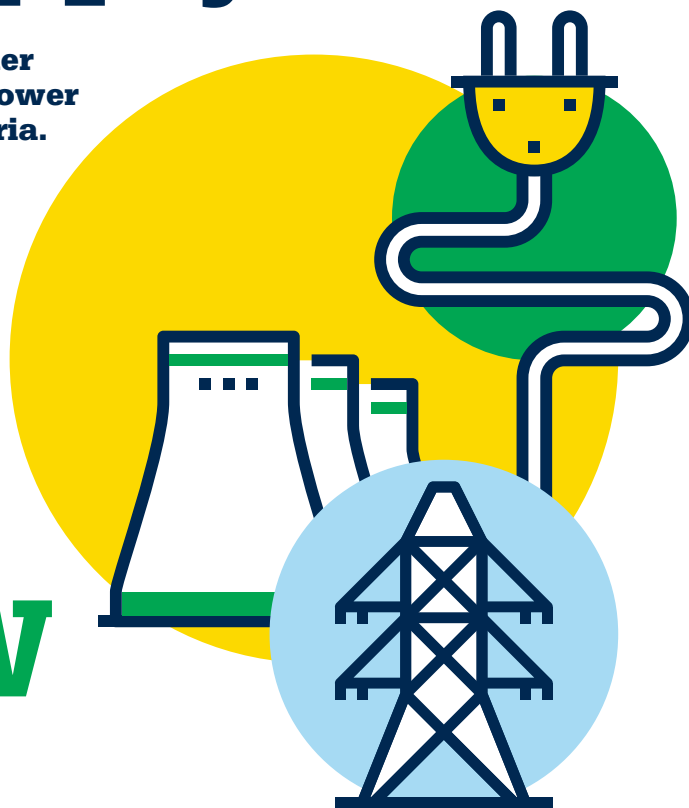
RMB funds Nigeria's future power supply

**As joint mandated lead arranger, lender
and hedging bank to the Azura-Edo power
plant near Benin City, Edo State, Nigeria.**

450 MW

**open cycle gas turbine
power station
marks the first phase of a**

**2 000 MW
power plant facility**



The project reached financial close on 28 December 2015 and construction started on 5 January 2016.

RMB partners IFC to raise a green bond in SA

RMB acted as chosen partner to the International Finance Corporation (IFC) in raising a ZAR-denominated, JSE inward listed bond. IFC, a member of the World Bank Group,

will use the proceeds to support investments

in renewable energy

and

energy efficiency projects

and other initiatives that

reduce greenhouse emissions

in emerging markets.





**Invested
in our
communities**

RMB Fund

**R43 million
invested
into RMB's
creative arts
and environment
programmes**

**and ongoing
partnerships
in the
FirstRand
Foundation**



Streamlining our community investment for **maximum impact**. Significantly, we asked every organisation that applied for funding to provide a plan on how they aim to **integrate people with disabilities and those without disabilities** in their respective projects.



Aim

- To promote access to quality arts in education, enabling more young people, regardless of physical or socio-economic disadvantages, to access learning opportunities offered through the creative arts.
- To promote excellence in music, dance, drama, visual art and heritage, enabling young artists to participate effectively in the creative economy.

Current partners

Apollo Music Trust, Artist Proof Studio, Assemblage, VANSAs, ASSITEJ South Africa, Business and Arts South Africa, Cape Philharmonic Orchestra, Cape Town Opera, Clowns Without Borders SA, Drakensberg Boys' Choir School, Drama for Life, Durban Music School, Forgotten Angle Theatre Company, Joburg Ballet, Johannesburg Youth Orchestra Company, Keiskamma Trust, Lefika Art Therapy Centre, Lutheran CO Foundation, Magnet Theatre, Moving into Dance, National School of the Arts, PAST, Play Africa Children's Museum, Sibikwa, Thanda Arts.

Volunteer programme



The spirit of giving

RMB volunteers joined volunteers from other FirstRand franchises

They registered

404

non-profit organisations and

620

schools on the FirstRand Volunteers intranet site



The volunteers donated

R4.9 million

in time and money

The 2016 FirstRand Volunteers School Education Fund supported

95 schools

across the country with a total donation of

R475 000





**Invested
in our
environment**
—



As a FirstRand franchise, we are governed by the group's **stringent policies** when it comes to managing our **environmental impact** and the way we use **natural resources**. What's more, we also take active measures to **integrate the principles of environmental and social risk management** into our decision-making processes.

Reducing our carbon footprint

In 2016, the group's total carbon footprint for its South African operations decreased by

7%

Factors behind this overall reduction included

84%

fall in fuel purchased for generators

Factors behind this overall reduction included

50%

cut in emissions from business travel by road



As well as the launch of a group-wide energy management programme

Supporting the Carbon Disclosure Project

The UK-based **Carbon Disclosure Project (CDP)** works with 3 000 of the world's largest corporations to make carbon emission reduction integral to their business.

As part of the FirstRand group, RMB has **participated** in the CDP **since 2008**.

In 2016, FirstRand received CDP Gold Awards for appearing on the Carbon Disclosure Leadership Index and the Carbon Disclosure Performance Index for six years or more.



Invested in tomorrow

Thinking. Pulling. Together.

It is said that you are only as good as your last victory. To win can be a dangerous thing. Only if you consistently strive to improve does excellence become a habit. This story concludes with a principle and a promise. RMB will continue to offer multi-disciplinary solutions to complex problems, day after day.

