



THINK AFRICA. THINK RMB.

RMB's African Growth Story

15 October 2015



BE THE AFRICAN FINANCIAL SERVICES GROUP OF CHOICE

In its domestic market:

Protect and grow lending and transactional franchises through disruption and differentiation

Capture a larger share of profits from the broader financial services markets

Establish meaningful in-country franchises in chosen markets in the rest of Africa

Underpinned by its commitment to:

Create long-term franchise value

Deliver superior and sustainable economic returns within acceptable levels of volatility

Maintain balance sheet strength

Strategy executed through operating franchises and appropriate platforms

FirstRand's 3 pillars for execution of strategy in Africa



1

Utilise South African franchise (B/S, intellectual capital, international platforms) with existing footprint

2

Start in-country franchises and grow organically

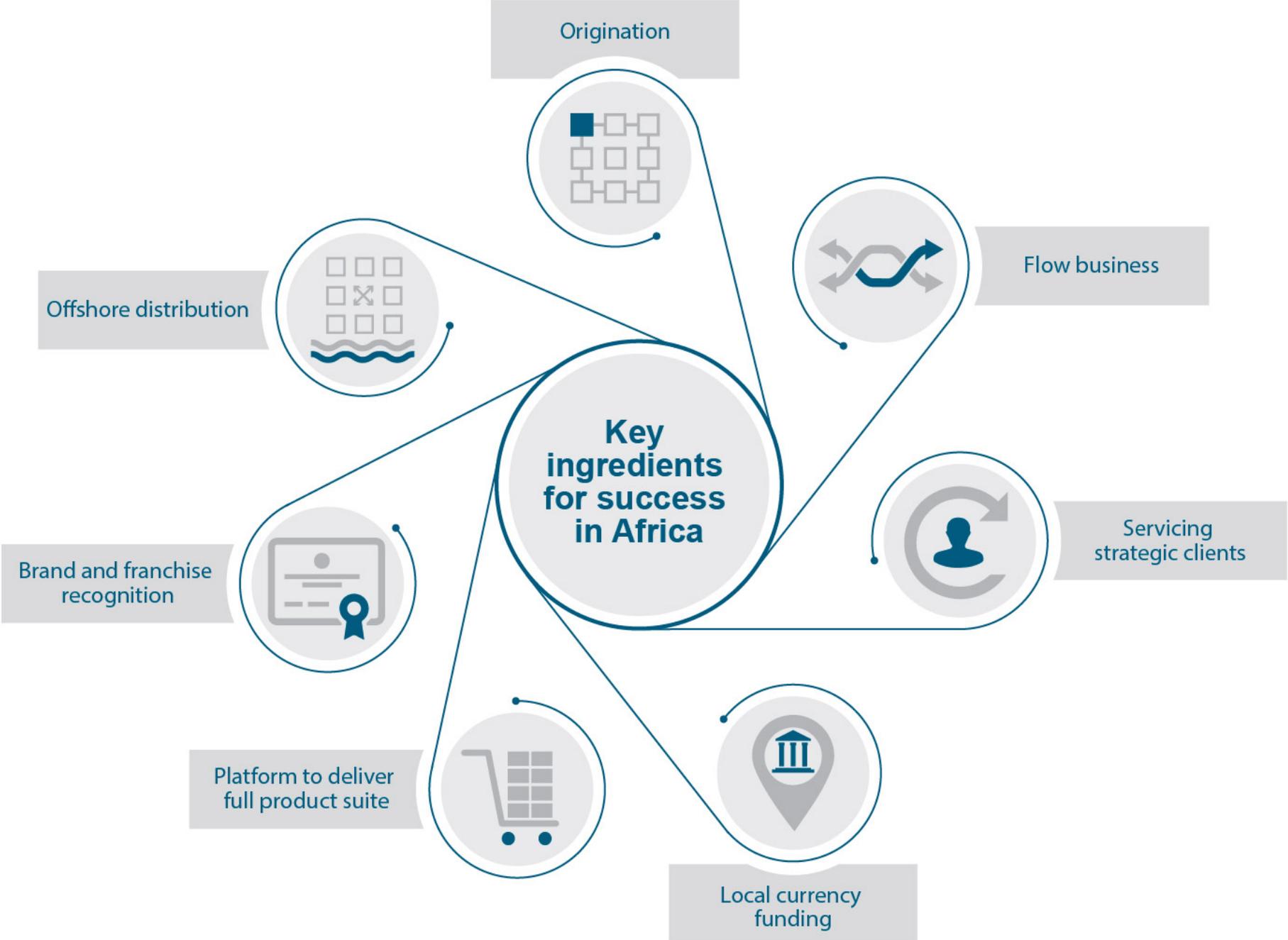
3

Acquire bolt-on in-country franchises where it makes commercial sense

Where most of FirstRand's growth has come from historically

Shift in focus given limited runway for cross-border activities. Continue to remain disciplined in deployment of capital / acquisitions

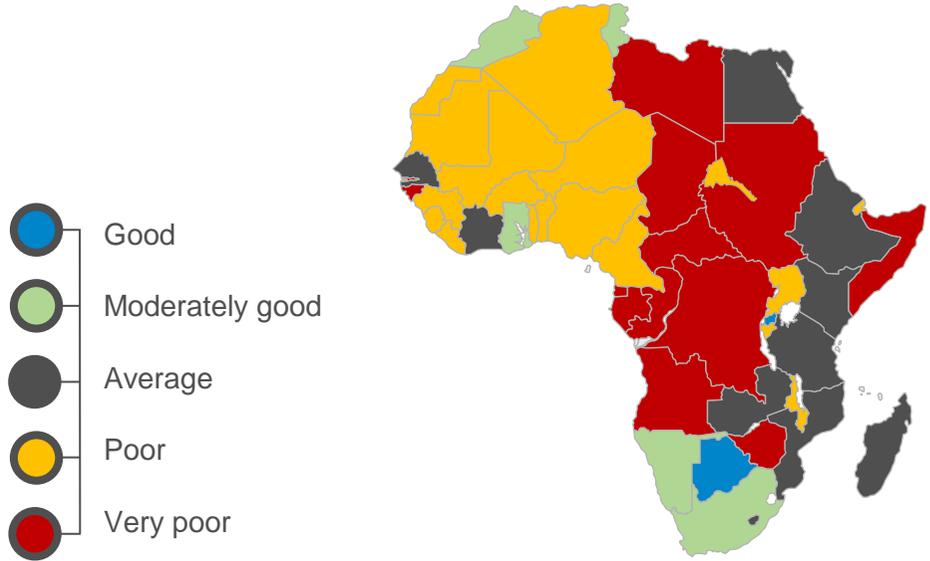
Key ingredients for success in Africa



What has informed our decision on which markets to focus on?

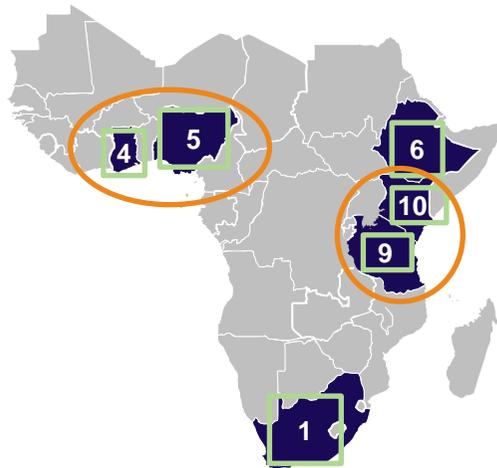


RMB “Ease of Business” index¹

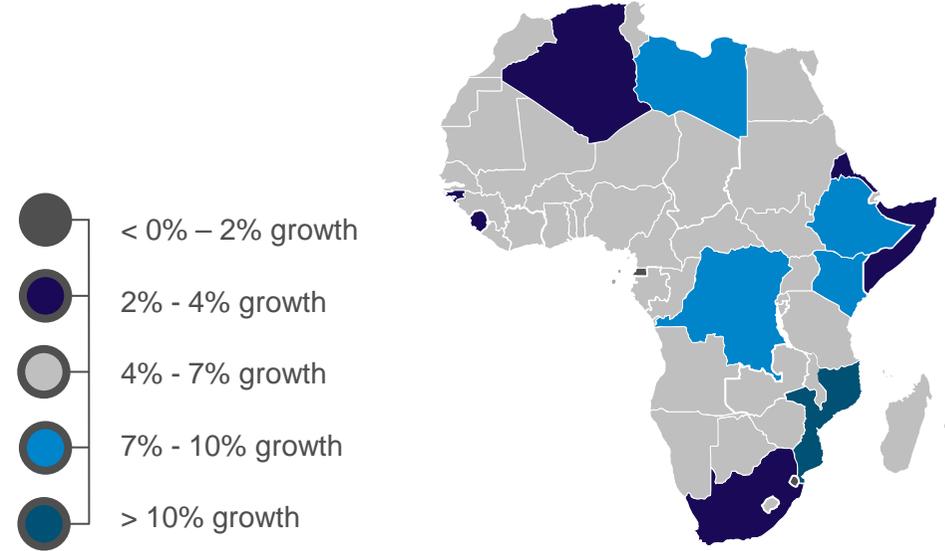


Top investment destinations in sub Saharan Africa

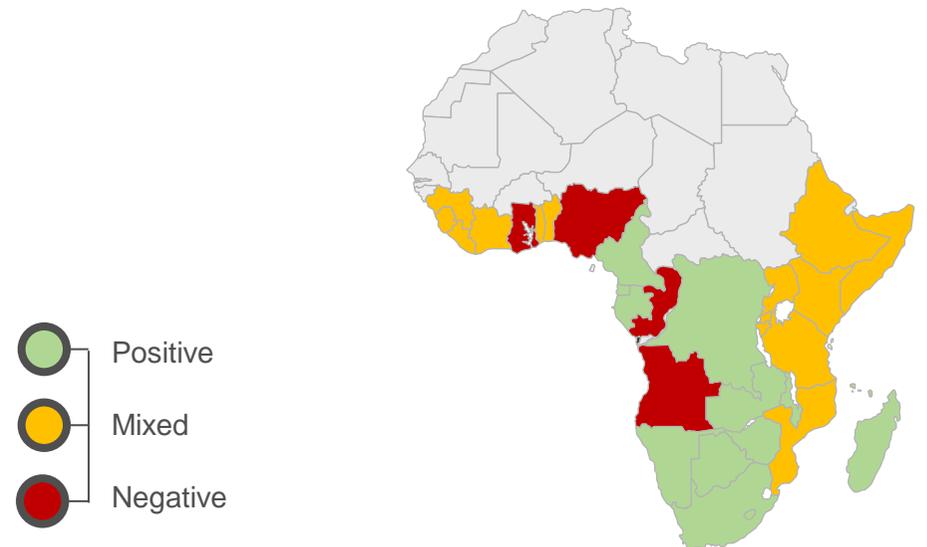
1. South Africa
4. Ghana
5. Nigeria
6. Ethiopia
9. Tanzania
10. Kenya



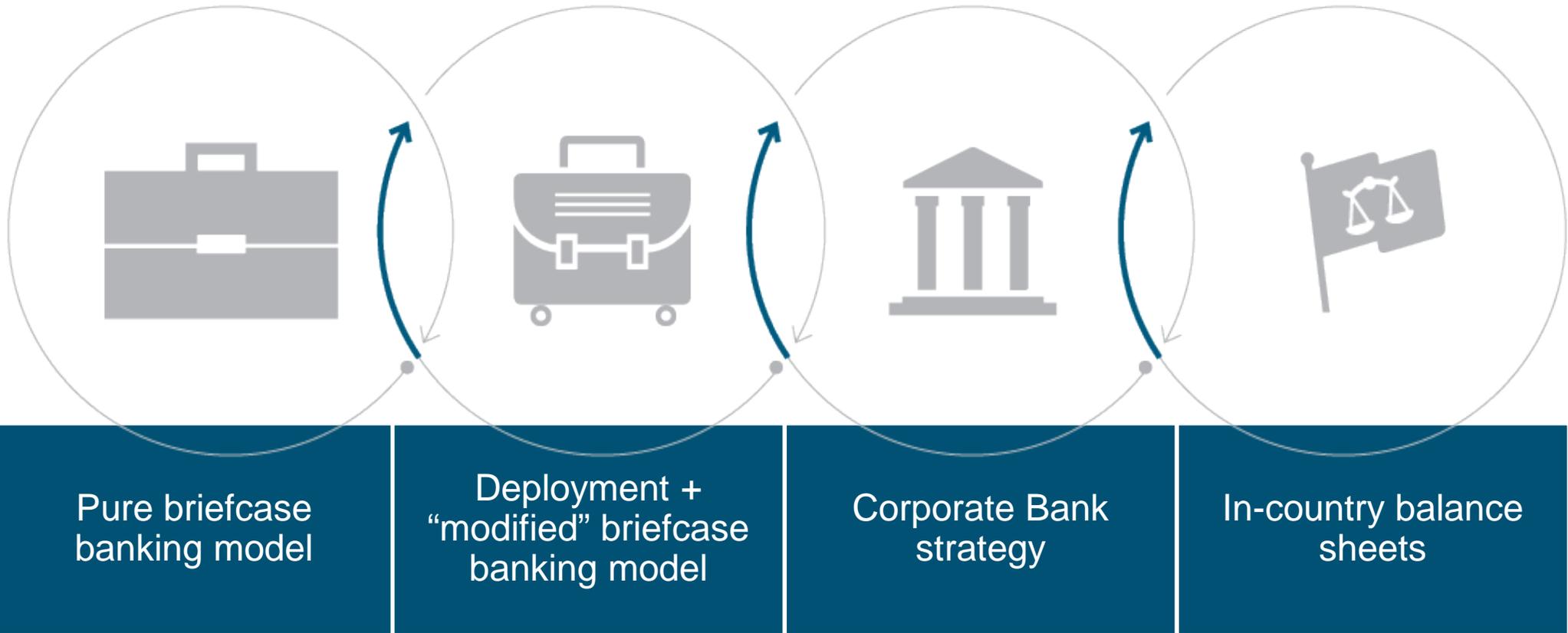
Forecast growth 2015 - 2020²



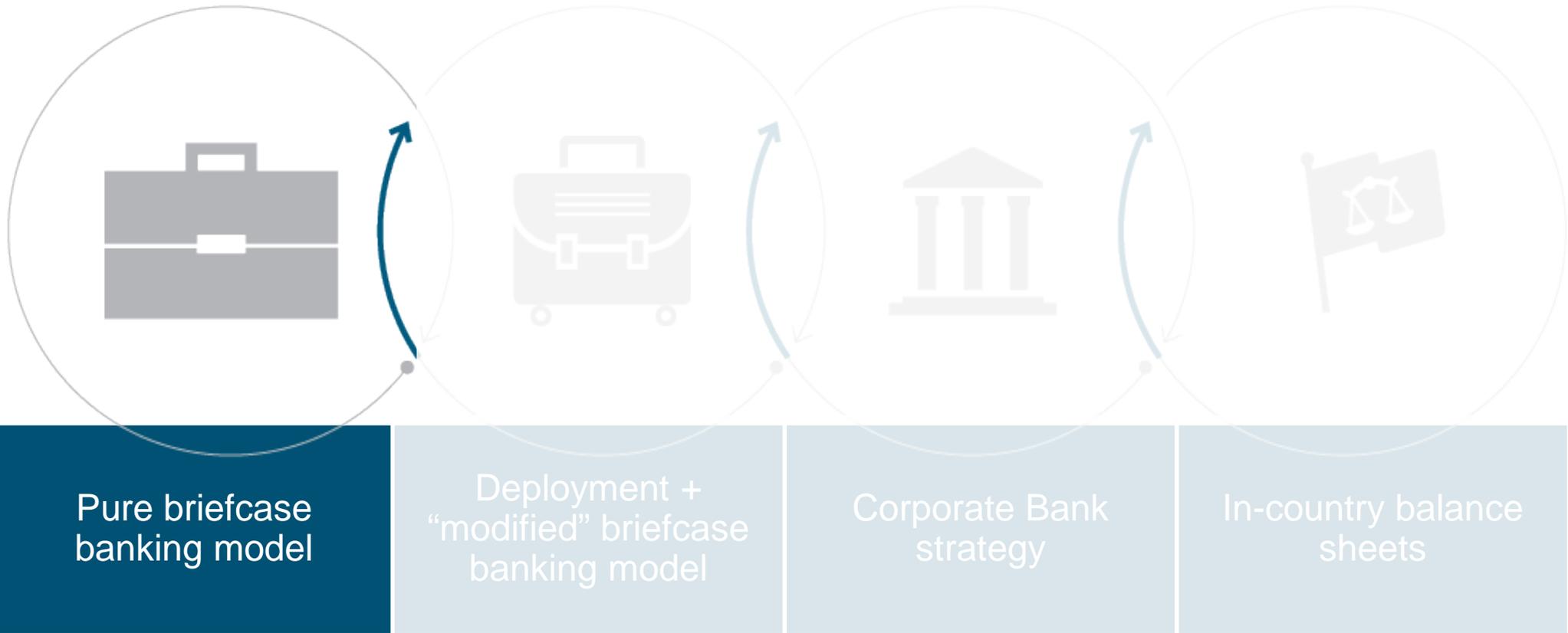
Impact of oil prices > need for diversification



How is our strategy evolving to deliver the key ingredients for success?



How is our strategy evolving to deliver the key ingredients for success?



Significant transactions originated through the Rep Offices



Country information Kenya

Established Rep Office: 2012

Nr. of employees 6 employees

Main activities Deal sourcing and origination in East Africa

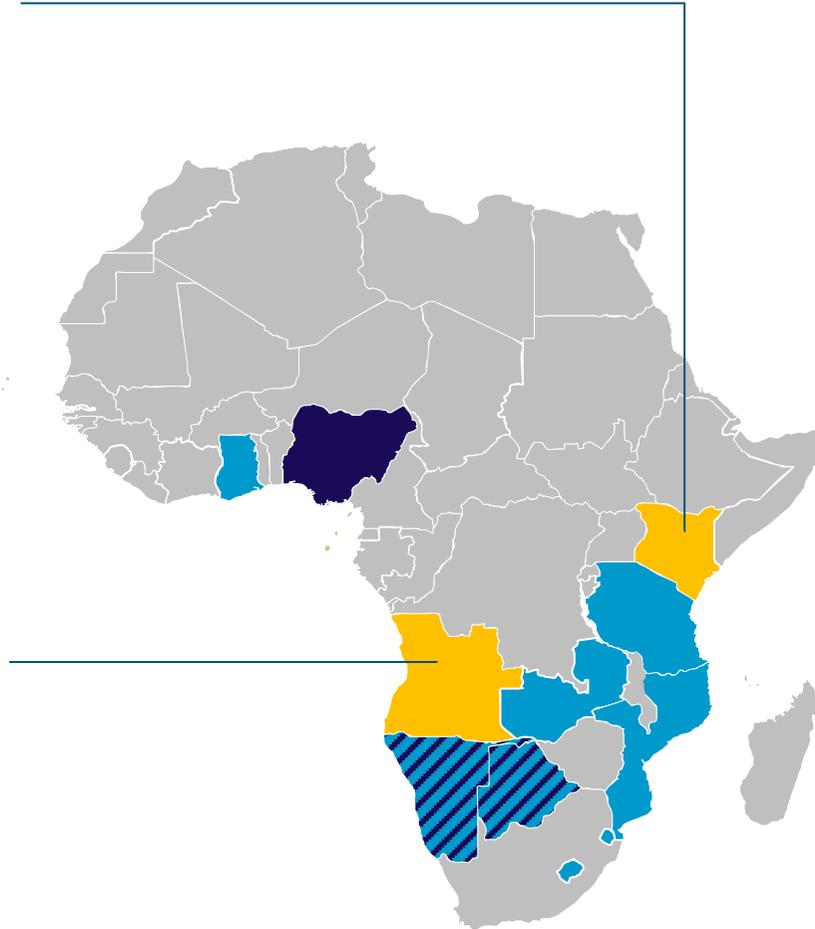


Country information Angola

Established Rep office: 2010

Nr. of employees 1 Representative Officer

Main activities Trade and Wholesale Cash



- RMB subsidiary
- FNB subsidiary
- FNB & RMB subsidiary
- FirstRand rep office



PTA Bank

Syndicated loan



Kenya Power & Lighting Co

7 year term loan



Kenya Pipeline Company

Syndicated loan



Centum

Bilateral facility



Imperial Tullow Oil

Secured corporate revolving credit facility



Sonangol

Syndicated receivables purchase agreement facility



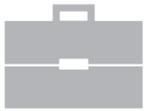
Angola Airports

Facility for rehabilitation of 4 domestic airports



TAAG

Amortising & bullet facilities



- Yes
- To some extent
- No

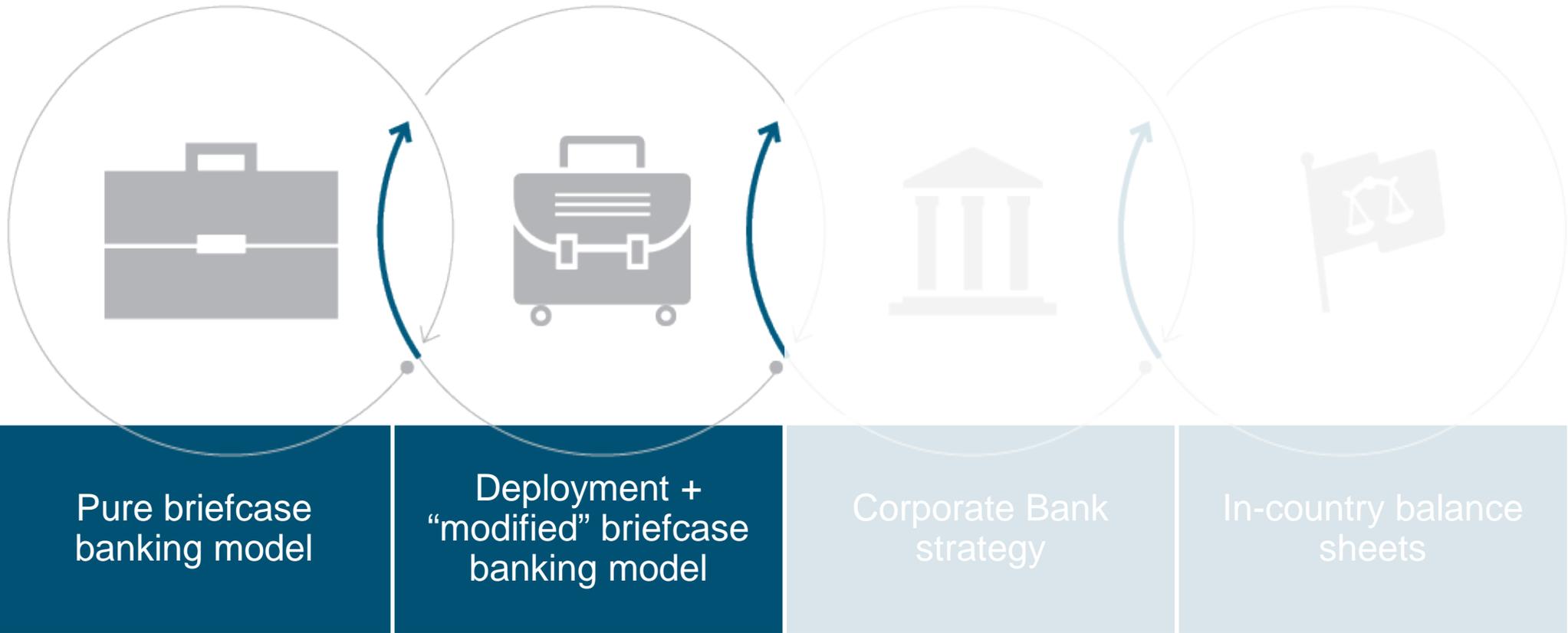
Drivers of success

- Following strategic clients
- Tailoring structured and innovative solutions for clients
- USD cheaper cross border versus in-country
- Long track record of sector and product expertise

Continuing benefits

- Offset capacity and liquidity constraints in-country
- Augment limited in-country platforms to mine full value proposition
- Leverage South African product expertise while developing in-country relationships
- Provides opportunity to better understand a market before entry

How is our strategy evolving to deliver the key ingredients for success?



Growing in partnership with FNB



Country information FNB Ghana

Established Soft opening October 2015



Country information FNB Tanzania

Established 2011
Small market and challenging environment



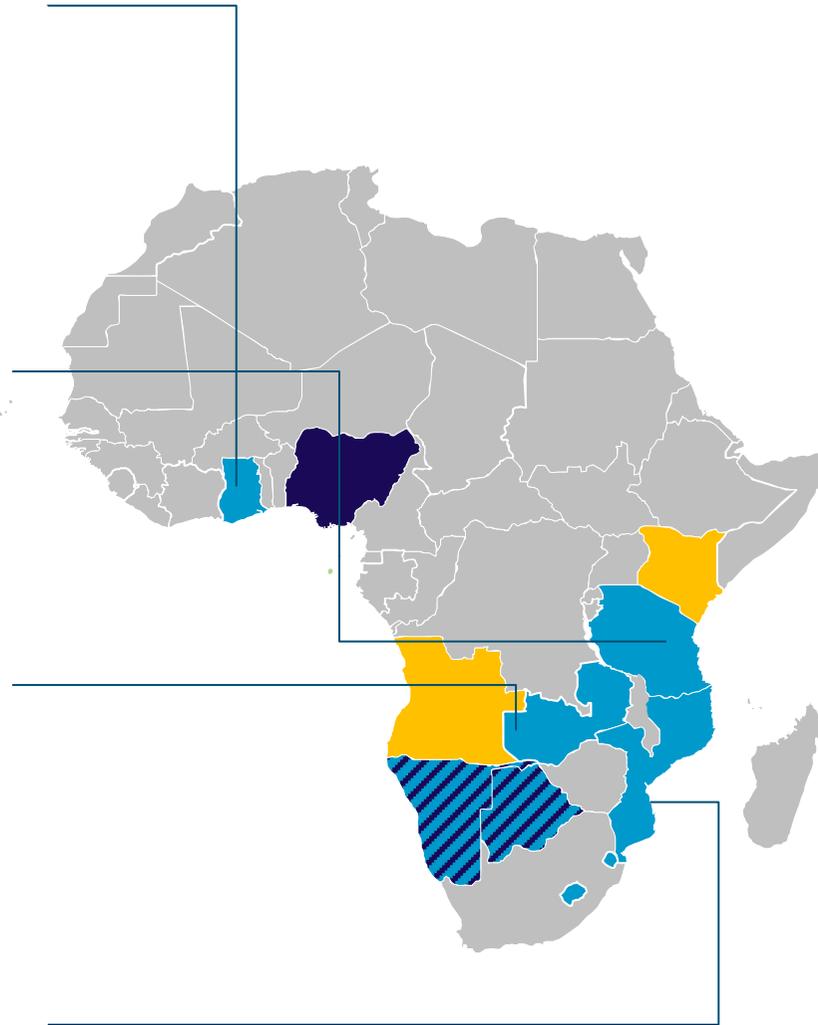
Country information FNB Zambia

Established FNB Zambia: 2009
CIB Zambia 2015
Nr. of employees 34 employees across CIB



Country information FNB Mozambique

Established Acquired in 2008
Nr. of employees 30 employees across CIB



- RMB subsidiary
- FNB subsidiary
- FNB & RMB subsidiary
- FirstRand rep office



Cenpower

Gas fired power station



Ghana Ports & Harbours

Expansion of Tema Port



Government of Tanzania

Private placement (ongoing)



MeTL

Facility



First Quantum Minerals

Corporate facility



RCL Foods

Acquisition of minority interest in Zam Chick



Petrochemical company

Asset disposal



Deployment + “modified” briefcase banking model



- Yes
- To some extent
- No

Drivers of success

Global Markets

Total ownership of GM product set in subs

Investment and training to bring clients up the product curve

Aim to be market-leading franchise with market share in line with overall bank market share

In-country coverage teams

Engage in-country clients and originate opportunities for RMB as a whole

Leverage South African expertise to deliver innovative solutions to our in-country clients

Focus areas

Investment Banking

Deployed resources where market is of sufficient size for the product set

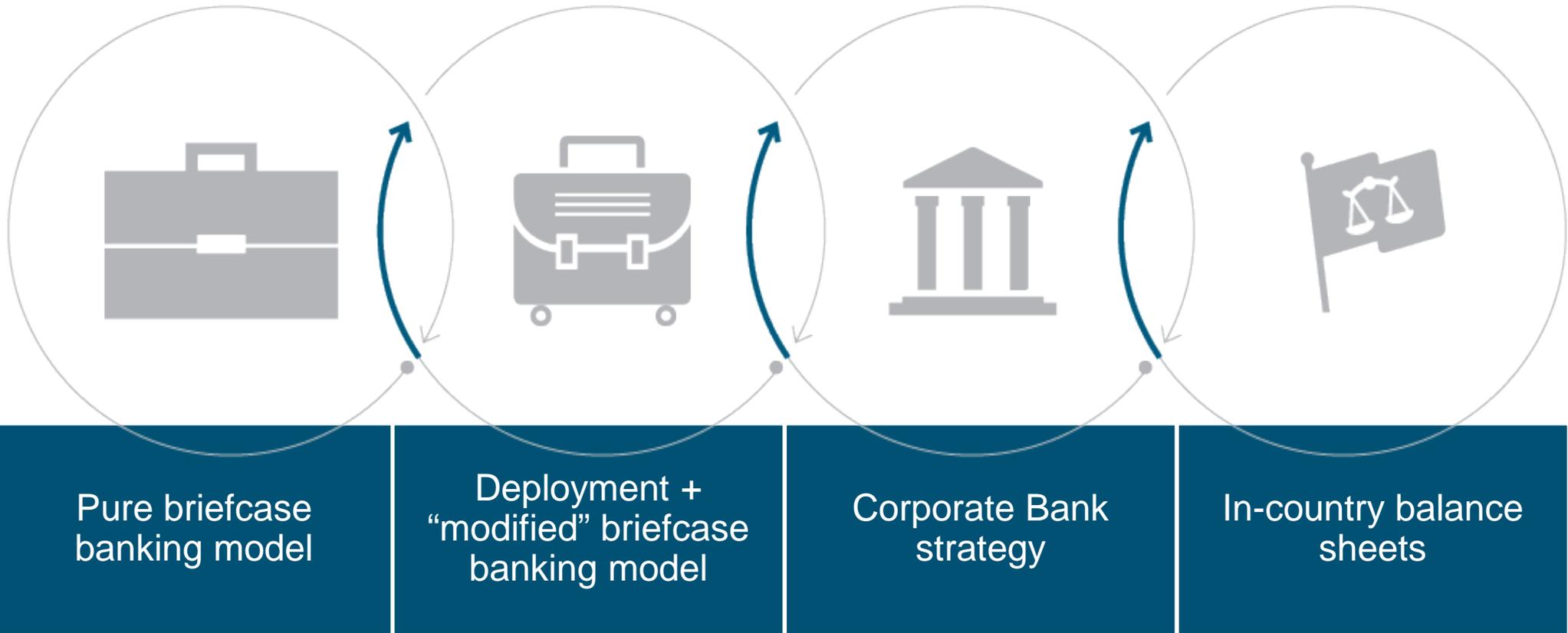
Maturity of sub dictates in-country versus South African balance sheet utilisation

Strategy for lending in non-strategic countries more clearly defined

Credit

Continued exposure of senior credit executives to the in-country client base and operating environment to further enhance our credit capabilities

How is our strategy evolving to deliver the key ingredients for success?

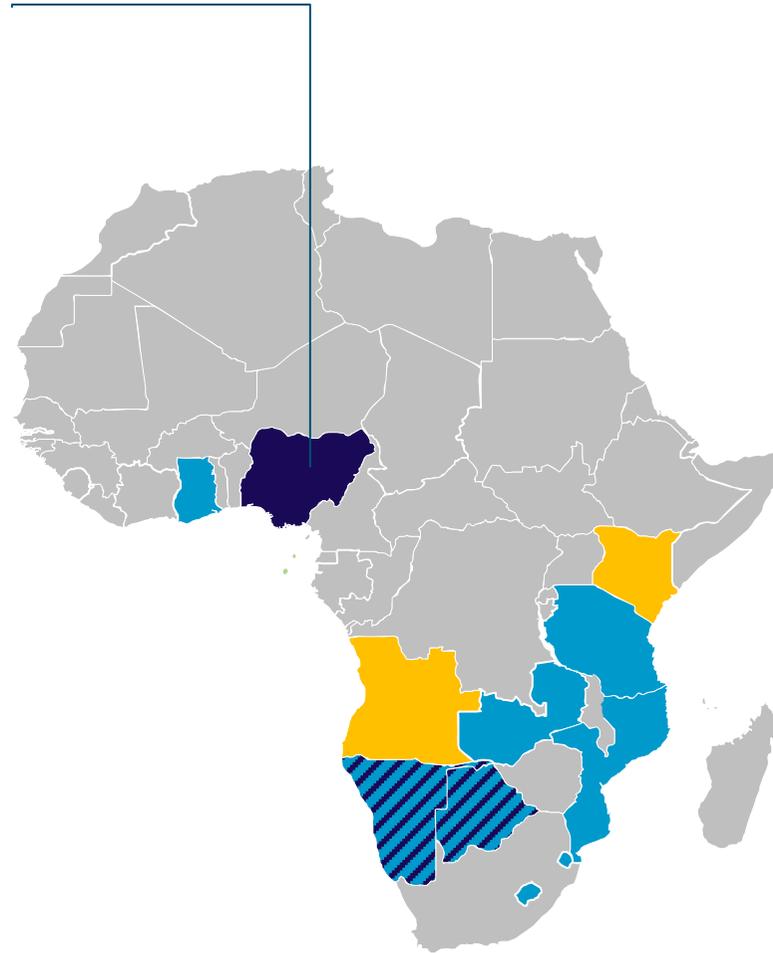


Building on the investment banking platform



Country information RMB Nigeria

Established	Rep Office: 2009 Merchant Bank: 2013
Nr. of employees	45 employees across CIB
Main activities	Full service corporate and investment banking (excluding transactional banking)



- RMB subsidiary
- FNB subsidiary
- FNB & RMB subsidiary
- FirstRand rep office

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Growing the RMB franchise



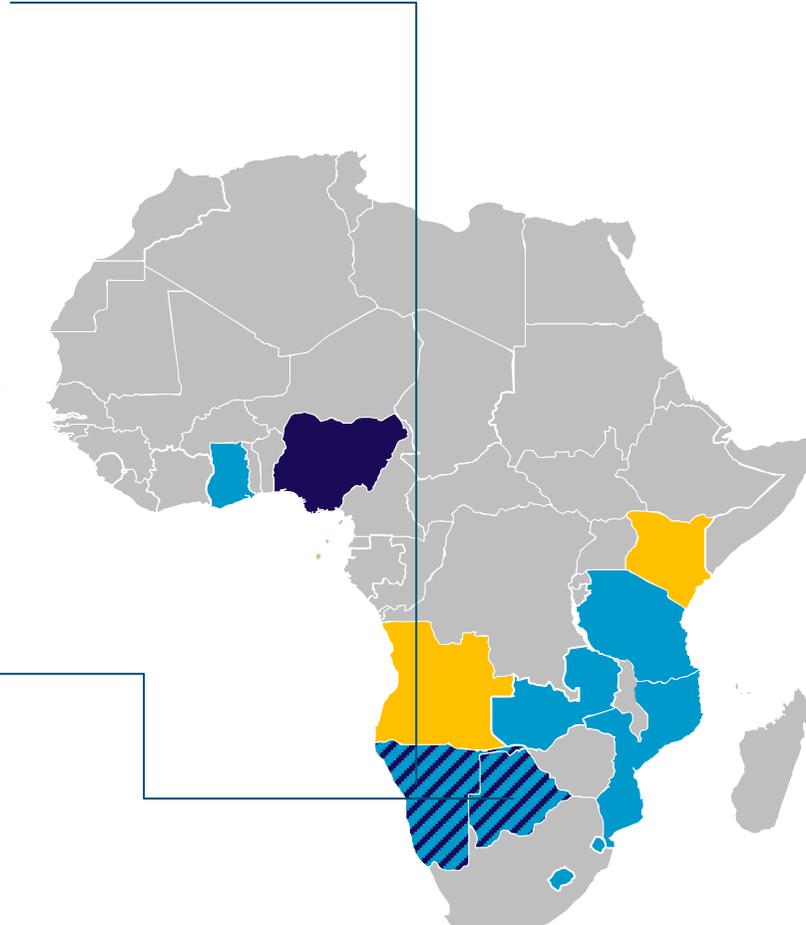
Country information RMB Namibia

Established	2011
Nr. of employees	71 employees, building to 76
Main activities	Full service corporate and investment banking



Country information RMB Botswana

Established	2013
Nr. of employees	84 employees across CIB
Main activities	Full service corporate and investment banking



-  RMB subsidiary
-  FNB subsidiary
-  FNB & RMB subsidiary
-  FirstRand rep office



RMB Namibia

Yuan trading



Ohrongo Cement

Term plus overdraft facility



Debmarine Namibia

Vessel finance



Air Namibia

Aircraft financing



Puma Energy

Disposal of minority interest



Botswana Development Corporation

Facility



Puma Energy

Facility for operating subsidiaries



Choppies

Secondary listing on the JSE



- Yes
- To some extent
- No

RMB-led strategy

- Focused Corporate Banking sales and product teams
- Differentiated strategy to previously commercial-led approach
- Look at markets by segment and product line in terms of strategy, structure and people

Investment in platforms

- Multi-currency functionality
- Misys (trade system)
- Channel integration
- Custody



In-country balance sheet



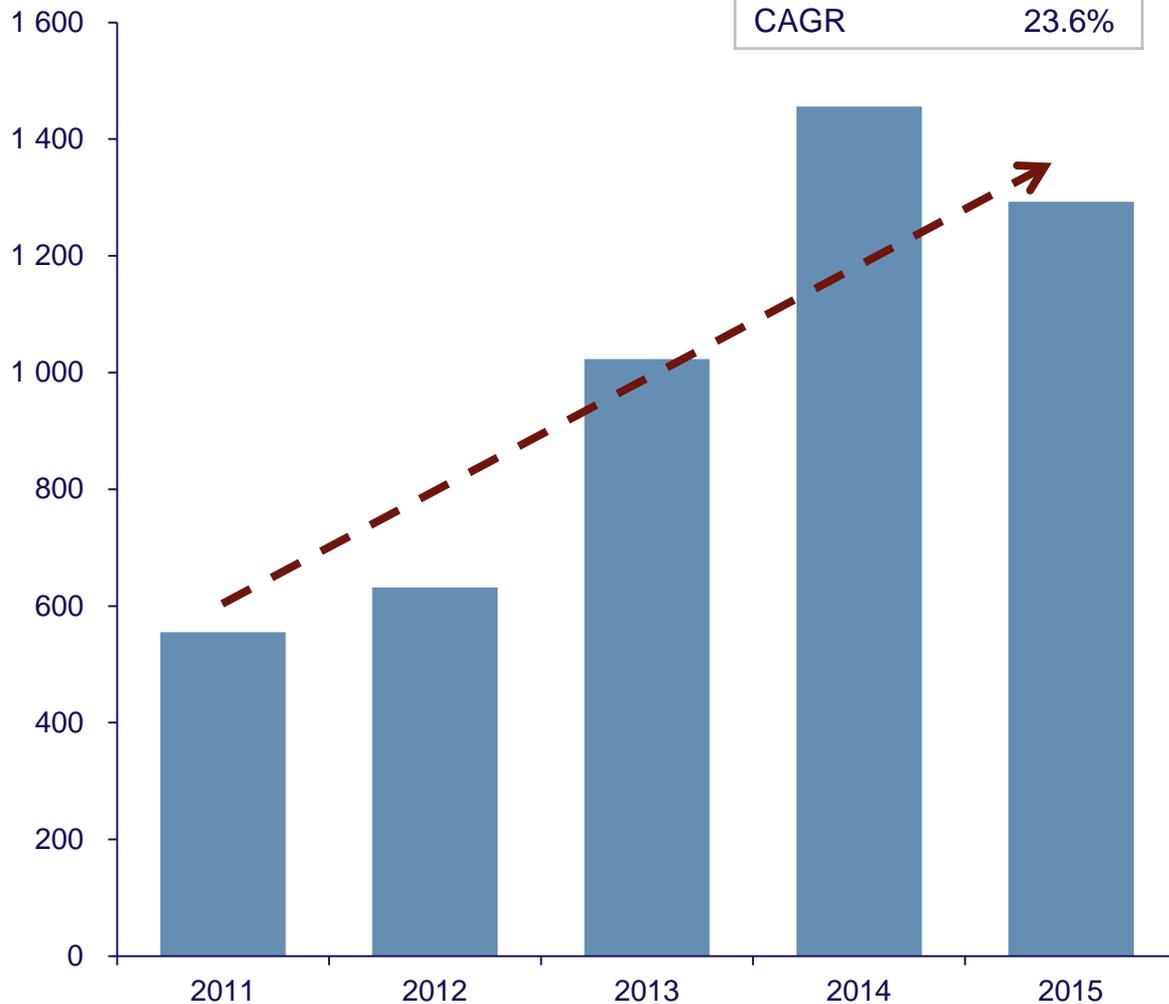
- Yes
- To some extent
- No

Why?	Harness ancillary business opportunities
	Fully develop in-country client relationships
How?	Building a deposit franchise across all segments (including institutional)
	Building product capability (cross currency swaps, dual currency deposits)
	Approaching DFI's
	DMTN programme (local issuances)
What?	Diversified portfolio of countries across Africa
	Successful, stand-alone businesses - seeded player in each of our markets
	Through acquisitions or greenfield in partnership with other FirstRand brands

How have we performed in Africa?



Rest of Africa gross revenue* (R million)



Africa has been a source of growth over the past 5 years – strategy is paying off

Short term outlook negatively impacted by adverse growth impact of commodity price cycle

Long term strategy - will continue to grow while remaining disciplined in deployment of capital

Where to from here for RMB in Africa?



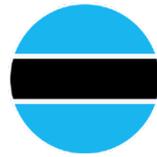
- Investment Banking business is tracking the business case
- Looking to augment the business with custody and stockbroking services



- Initial focus on Global Markets and Corporate Bank
- Follow our strategy to build out the CIB business



- Continuing with Rep Office but looking for growth opportunities
- Key market and integral part of the Corridor strategy

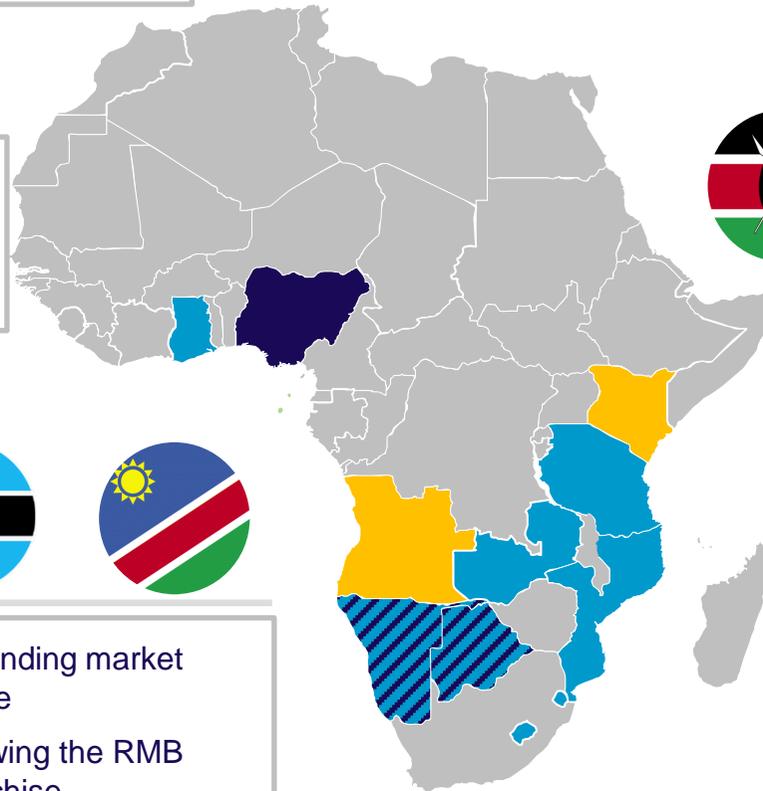


- Defending market share
- Growing the RMB franchise



- Focus on GM businesses being “seeded” in the market

- RMB subsidiary
- FNB subsidiary
- FNB & RMB subsidiary
- FirstRand rep office



We take a long term view on the growth opportunities presented in sub Saharan Africa and remain committed to our strategy to be the Corporate and Investment Bank of choice in Africa



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