



Kgothakgothe

18 November 2017

Comments For This Year

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INTRODUCTION & PURPOSE



To present a
Summary of the
Audited RBN
Annual Financial
Statements
("AFS") for the
year ended 31
December 2016



To present high-
level deliverables
by key RBA
entities



to present
a
more enhanced
procedure to
access the AFS



ROYAL BAFOKENG NATION



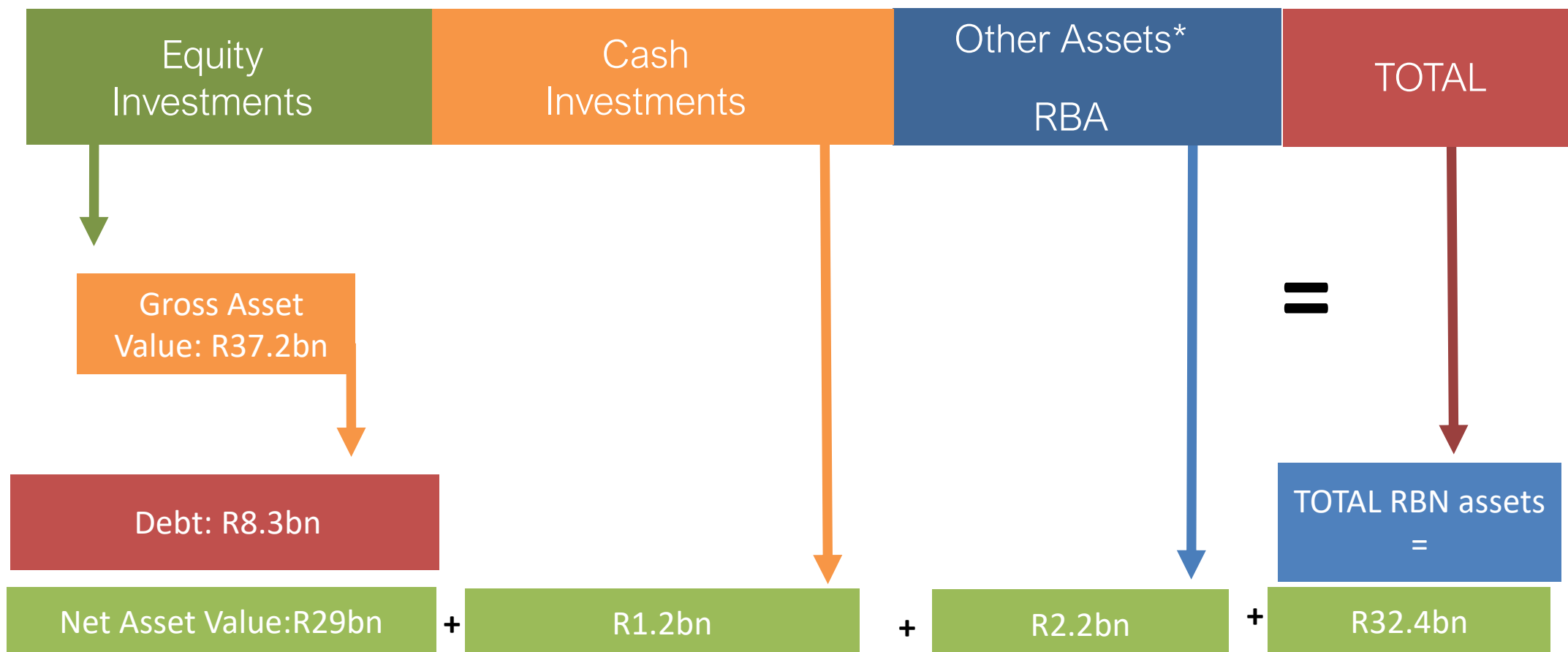
Summary of The RBN Audited Annual Financial Statements for the year ended

31 December 2016





SUMMARY OF RBN'S ASSETS (in R' BILLIONS)

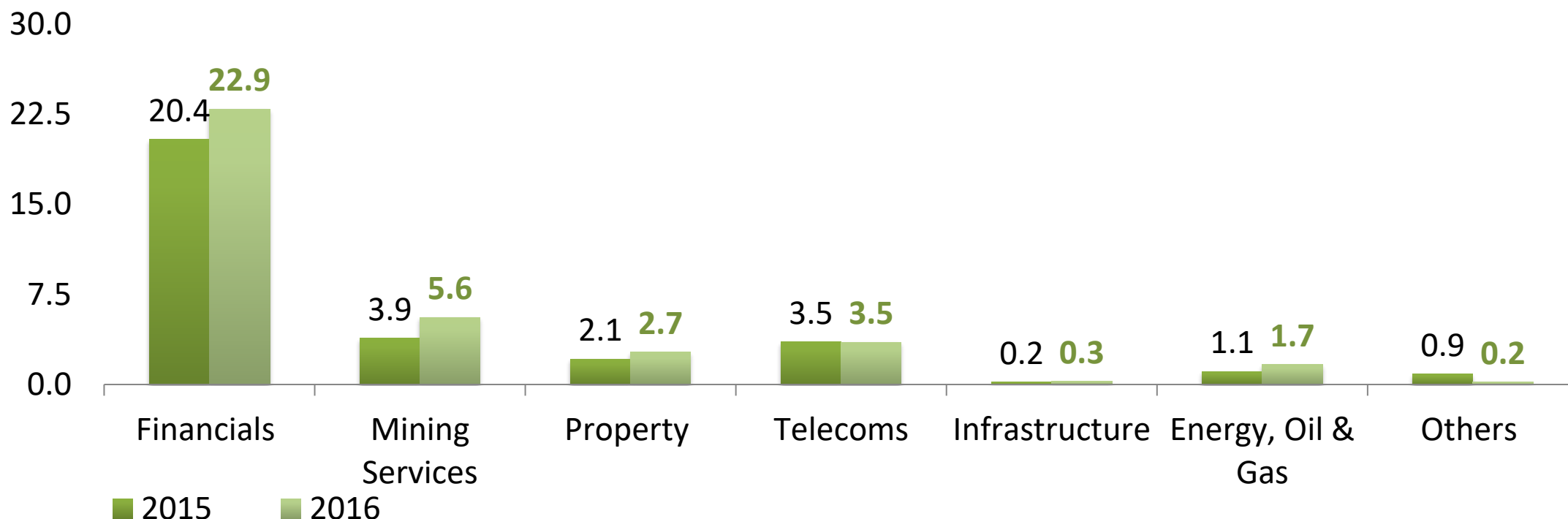


**Financial Services &
Consumer Goods**

Infrastructure

**Resources &
Industrials**

OVERVIEW OF EQUITY INVESTMENTS - R37.2bn (in R' BILLIONS)



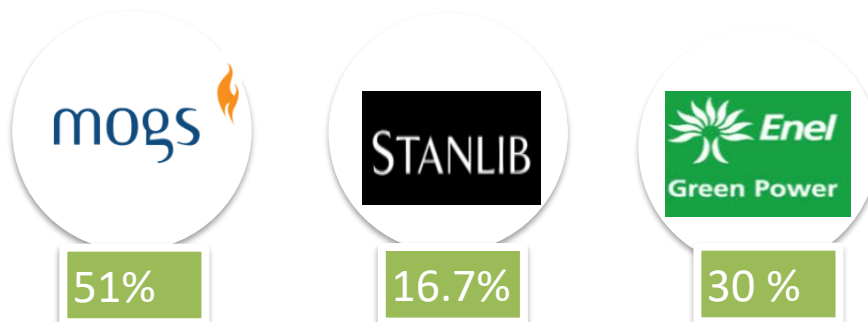
Notes:

- The financial assets recovered at the end of 2016 after the Nene Gate in 2015.
- Mining assets which were affected by a weakening currency in the preceding year bounced back in 2016, improving to R5.6 billion from R3.9 billion at the end of 2015.
- Although the portfolio was heavily weighted toward the financial services sector in 2015, in line with its diversification strategy RBH increased their exposure to property, telecoms as well as oil and gas projects. In 2016 and 2017.
- RBH's portfolio continues to face many macroeconomic challenges within a South African context i.e. Credit ratings downgrades, political instability which is characterised by constant cabinet reshuffles, a weak rand and slow GDP growth rate.

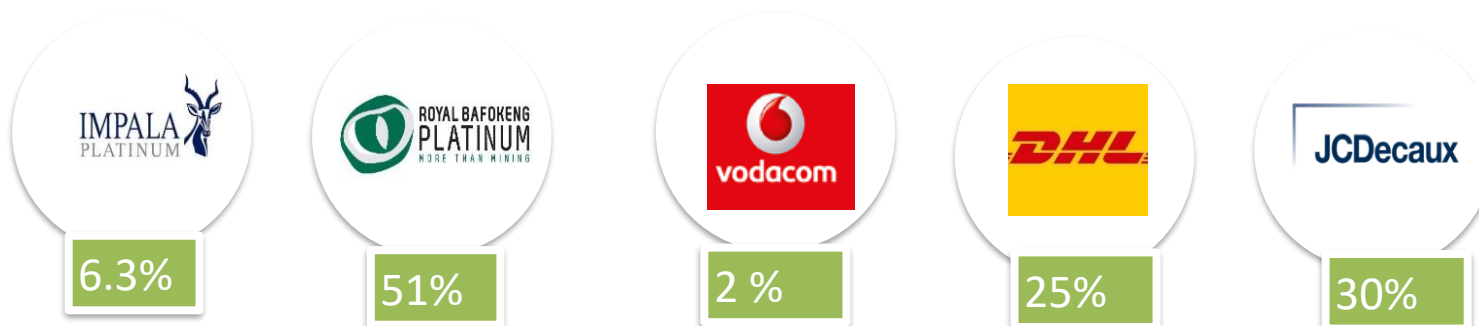
Financial Services & Consumer Goods



Infrastructure



Resources, Industrials & Other



Guided by the Strategic Asset Allocation, RBH continues to drive towards achieving diversification. As a result, RBH has made the following acquisitions which vary in geographic location as well as asset class:



RBH sold 5% of its shares in Implats, using the proceeds to reduce their debt from **R9.3b** in 2015 to **R8.3bn** in 2016.



RBH increased its stake in NEPI by **R200m.**
(Property)- Eastern Europe



RBH acquired a **30%** stake in Neotel for **R1.06b.**
(Telecoms) – Closed in 2017



RBH introduced the Public Investment Corporation (PIC) as a long term strategic partner, in a transaction worth **R920m.**
(Oil and Gas)



Acquisition of Aveng's Infrastructure portfolio for **R520m**
(Infrastructure).
- Closed in 2017

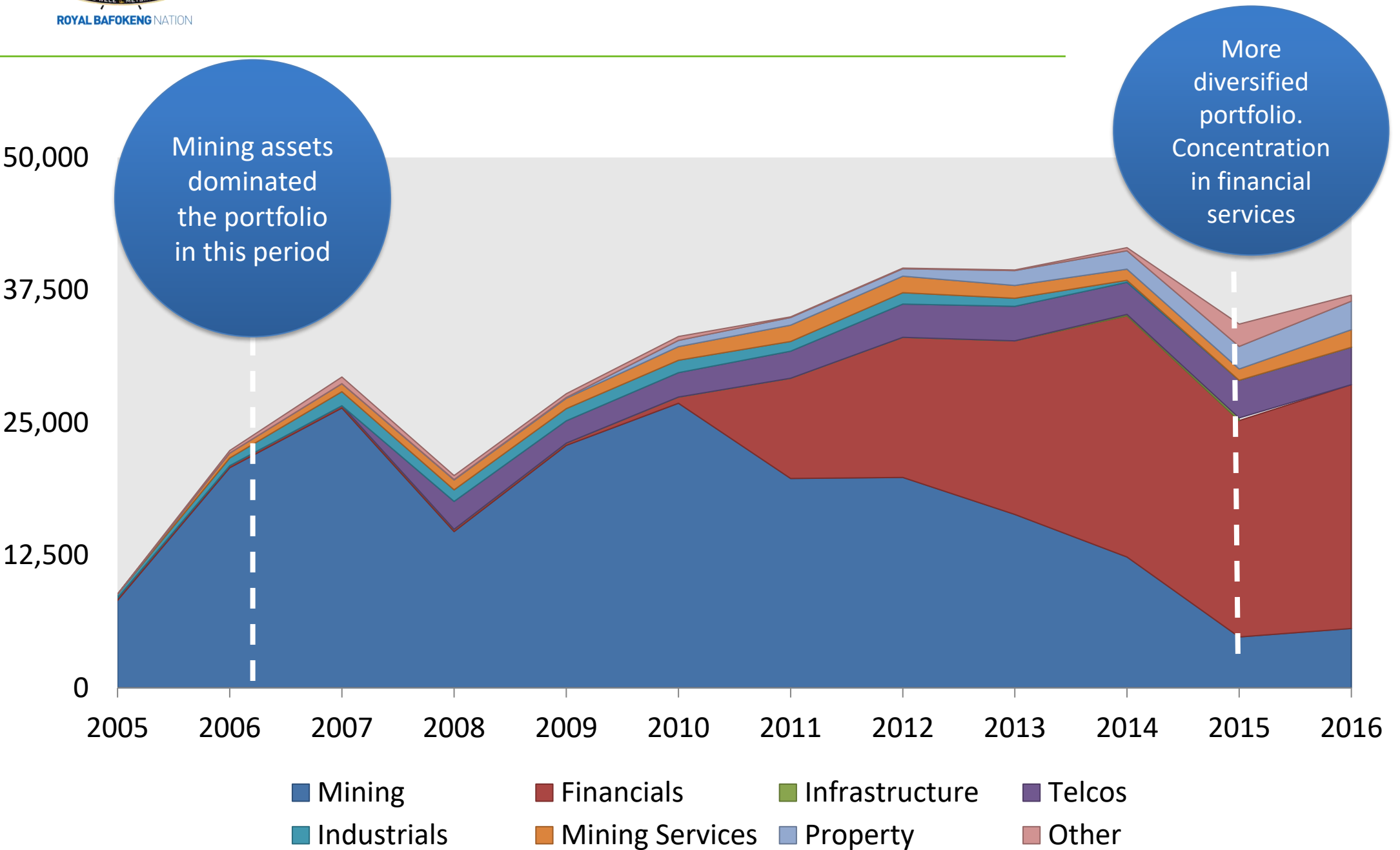


Increased stake in **ZENPROP**, investing an additional **R281m.** This increased RBH's stake to 50%.
(Property)- United Kingdom

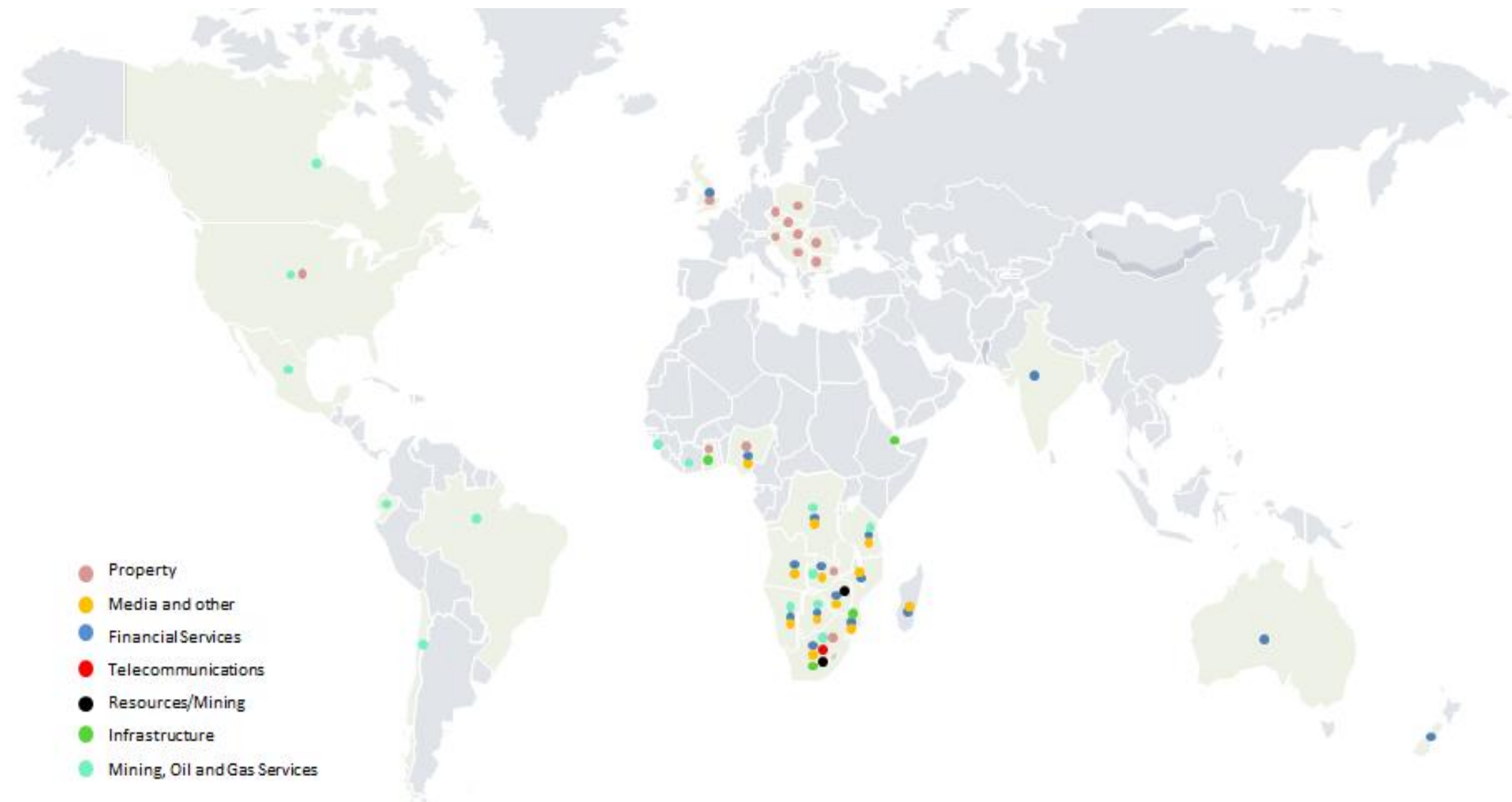


A portion of Big Yellow Storage was acquired by RBH for **R500m.**
(Property)- United Kingdom

TOWARDS DIVERSIFICATION – EVOLUTION OF THE PORTFOLIO



TOWARDS DIVERSIFICATION - GEOGRAPHIC DIVERSIFICATION



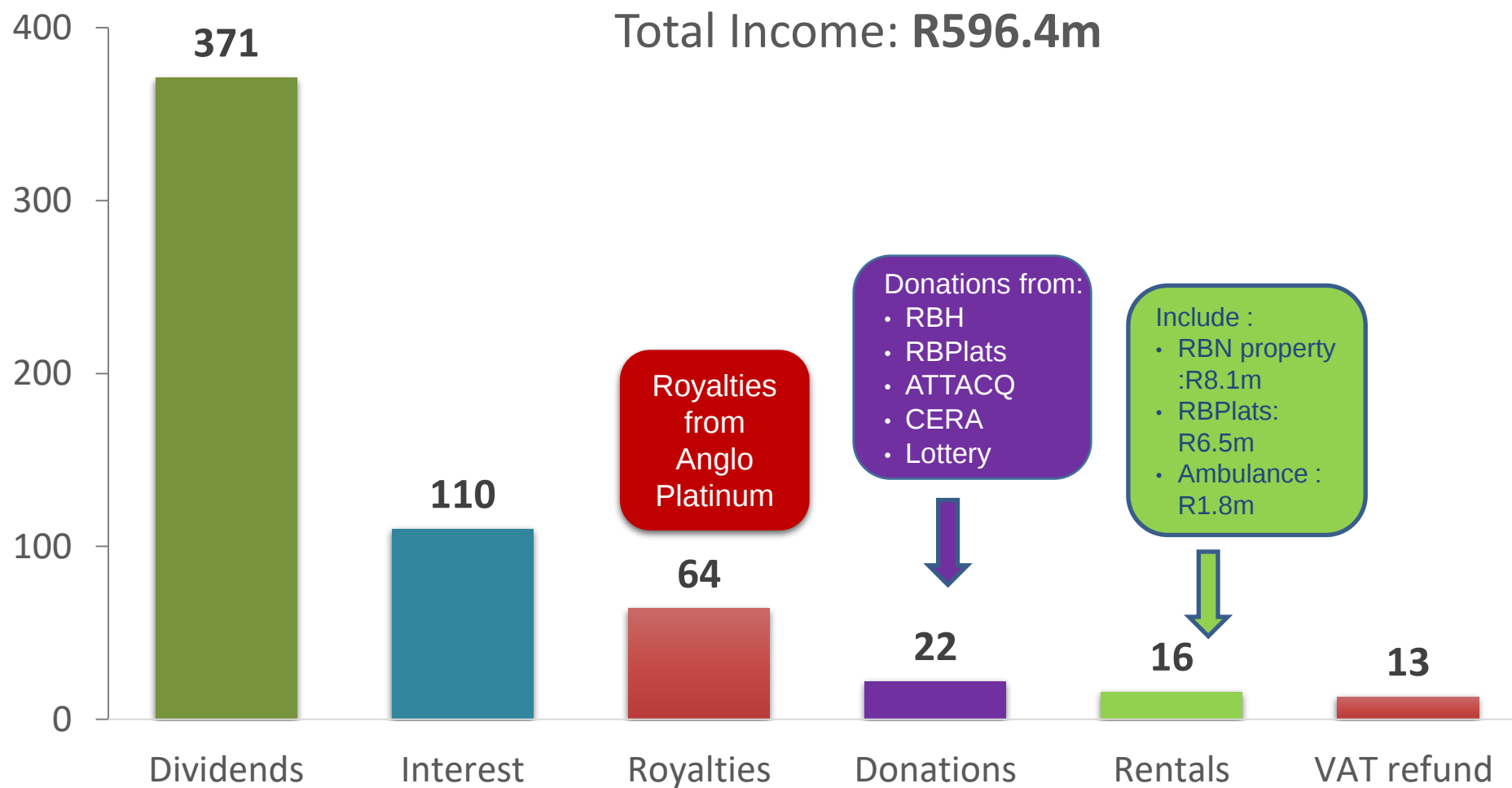


ROYAL BAFOKENG NATION

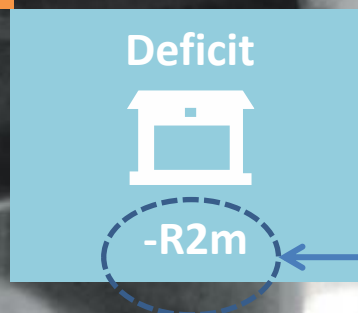
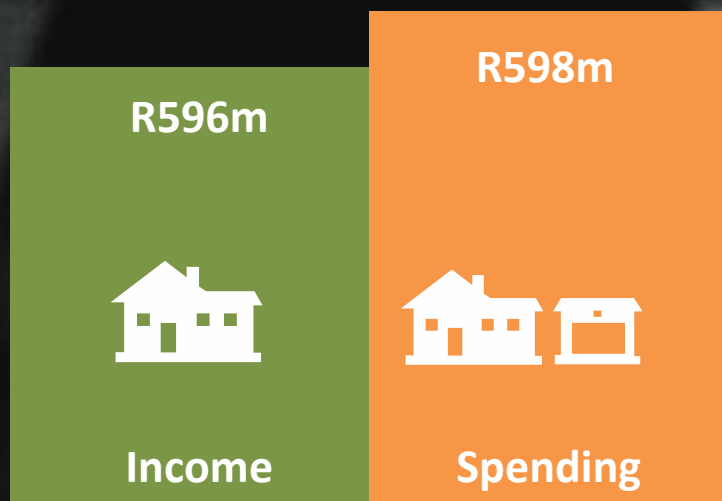


Income & Expenditure Overview

RBN TOTAL INCOME (R'MILLIONS) AT 31 DECEMBER 2016



TOTAL INCOME VS SPENDING (R' MILLIONS) 2016



The R2m deficit demonstrates the prudent use of financial resources under challenging economic times

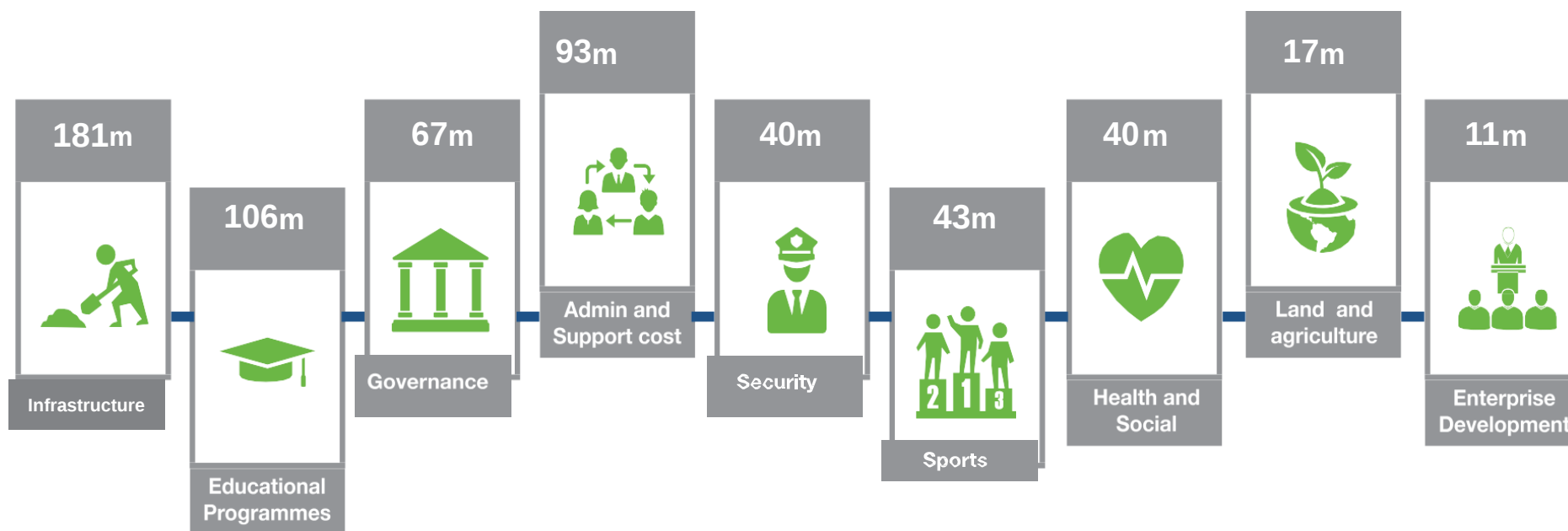


Socioeconomic
spend

Overview

RBN SOCIO-ECONOMIC SPEND: R 598 MILLION

2016



IMPACT OF OUR SOCIAL SPEND

SERVICES/CONTRIBUTIONS FROM EXTERNAL PARTIES

R152m given to the RBN in kind

We continue to improve our working relationships with other key stakeholders, as a result, the RBN received services to the value of R152m in 2016, compared to R42m received in 2015.

Rustenburg Local Municipality (IDP-2016/17)

R99.8m invested in the RBN through public service interventions such as roads, high mast lights and storm water maintenance

Social & Labour Plans

R38m invested in

- Repair of roads
- Sports fields
- High mast lights
- Computer centre at Photsaneng Primary School

HSDS

R14.3m in services and donations for:

- OVC
- Trauma centre
- Foodbank

IMPACT OF OUR SOCIAL SPEND

Where did the money go to in 2016?

Health & Social Development

- **R6.78** million contributed towards health services and social development in the RBN.
- **449 710** patients were assisted during this period
- **26 338** orphaned children were assisted through focused interventions



EMERGENCY SERVICES:

R1.82m invested in emergency medical services



HEALTH

R4.96m invested in health services and community development

Education

- Invested in 425 university and TVET college students at a cost of **R20.16m**. Popular areas of study included Education, Engineering, Commerce and Science



PROTECTIVE SERVICES:

R13.2m spent towards security for all RBN property.

In 2016, a total number of **838** suspicious criminals were arrested by the Reaction Force while attending to a total number of **4612** crime incidents.

R5m was spent in schools. Investment areas included:
ECD programmes
201 SGB members and **21** Principals were trained
28 Educators **trained** on discipline for all schools.
23 Bafokeng learners received scholarships at Lebone II College

IMPACT OF OUR SOCIAL SPEND

Where did the money go to in 2016?

Royal Bafokeng Enterprise Development



ENTERPRISE DEVELOPMENT

R62.2m of RBN spending was allocated to SMMMEs

614 SMMMEs attended business enterprise workshops

SMMMEs linked to mining procurement to the value of **R676.4m**

3 New funding applications approved by ABSA for SMMMEs to date. ABSA also providing **financial literacy** and **work readiness workshops**

12 new SMMMEs added to Impala supplier's database for opportunities

Training of 323 SMMMEs funded by external parties

Royal Bafokeng Sports & Platinum Stars

Platinum Stars FC allocated **R3.3m** towards assisting **42** Bafokeng SMMMEs in 2016.

RBS launched Metshameko Primary schools league in partnership with RBH and Platinum Stars in 2016

7 players qualified to play in the Platinum Stars Academy

RBS produced **2** Athletes participated in the 2016 Rio Olympics

4588 learners participated in school **sporting programmes** including basketball, soccer, netball, athletics and martial arts in 2016.

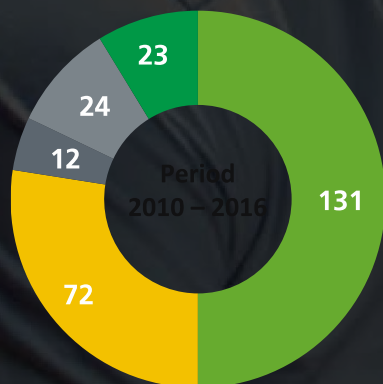
IMPACT OF OUR SOCIAL SPEND

Where did the money go to in 2016?

R8,3m contributed by RBH and investee companies towards education, skills development, enterprise and supplier development

'Class of' programme

internship programme aimed at recruiting and placing Bafokeng graduates who have successfully completed their tertiary education



Total no of candidates placed

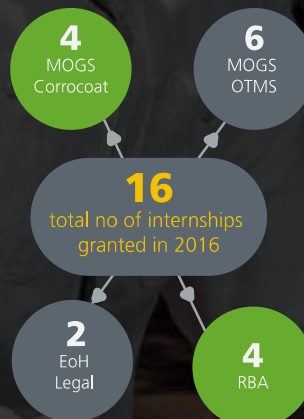
No of permanent or absorbed Graduates

Fixed term contracts

Internships

Not absorbed

2016 Internships for Bafokeng graduates



Current Challenges

1. Lack of suitable candidates when sourcing candidates
2. Lack of responsiveness to job advertisements
3. Applicants not being able to attend interviews due to transport constraints

Proposed Solutions

1. RBI and RBA to create a screening and work readiness hub.
2. Interviews to be conducted in Phokeng

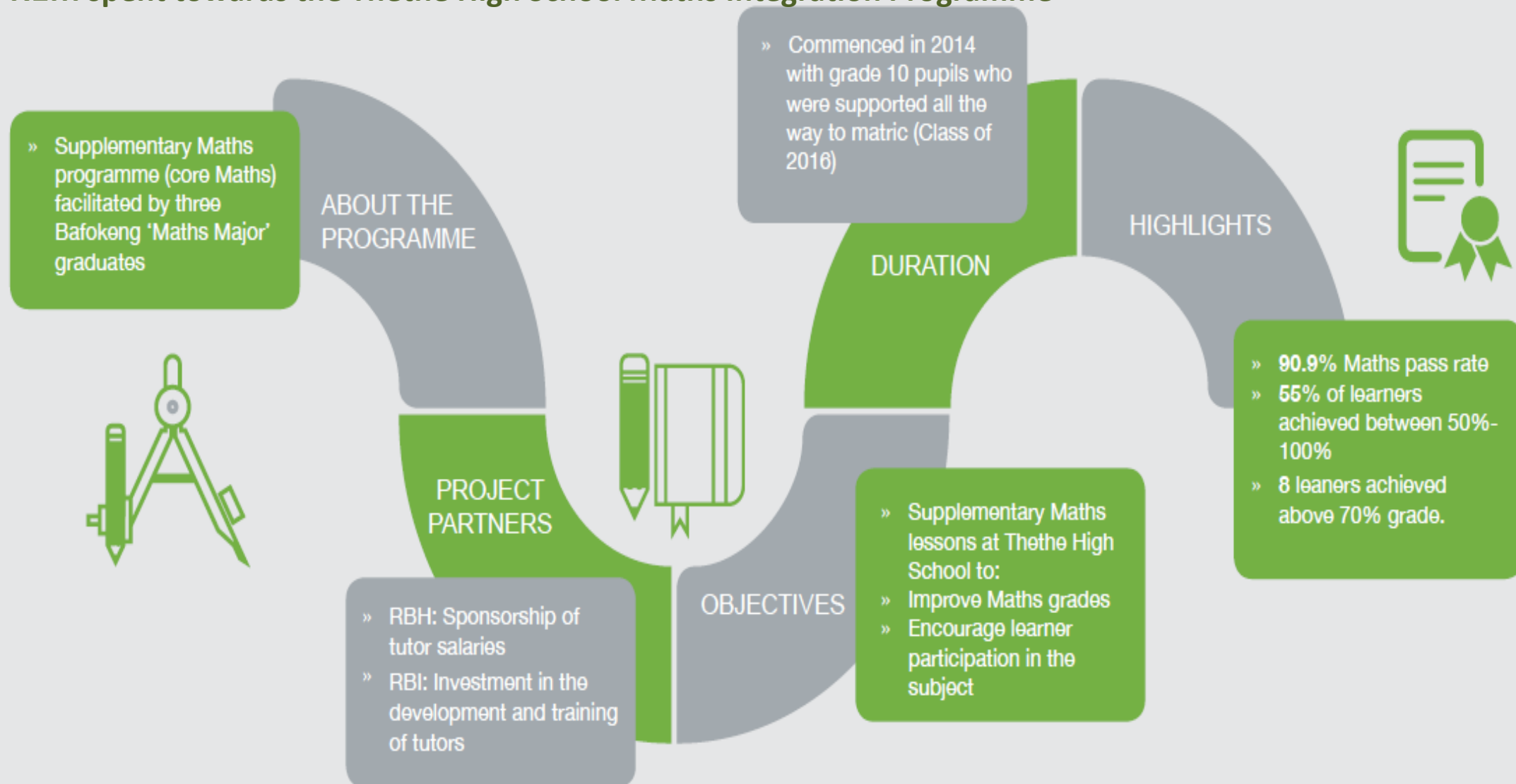
Training unemployed youth on the AAT FET Accounting Certificate (NQF Level 4) as part of the RBH's Skills Development Project

Thutopele learnership programme: **87%** pass rate

IMPACT OF OUR SOCIAL SPEND

Where did the money go to in 2016?

R1m spent towards the Thethe High School Maths Integration Programme



IMPACT OF OUR SOCIAL SPEND

Where did the money go to in 2016?

Agriculture

LAND AGRICULTURAL SUPPORT

R1.6m invested in agricultural programmes

FARMING PROGRAMME

R1.1m went towards:

- Mini market construction cost (at Rietvlei)
- Windmill construction cost (RBN cattle grassing land);
 - Cattle feed for Morafe cattle;
 - Seedlings bought for local NGOs.

Public Service Management

PUBLIC SERVICES & MAINTENANCE

- **R79m** supported water services
- **R9m** went towards waste collection services
- **R 40.21m** was the total spend on infrastructure maintenance

Royal Bafokeng Administration

RBN operations room development:

R262m invested for the creation of an improved Central Management System

- The AFS, as presented have been audited by an independent audit firm Pricewaterhouse Coopers “PwC”;
- Unqualified audit opinion (Clean report) has been expressed on the RBN Group Annual Financial Statements by PwC;
- A detailed and complete set of Annual Financial Statements are available at the civic centre for inspection.

RE A LEBOGA

DIPOTSO?



ROYAL BAFOKENG NATION

A E WELE METSING • LET PEACE REIGN IN OUR LAND