



ROYAL BAFOKENG NATION

KGOTHAKGOTHE

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ROYAL BAFOKENG NATION

CONTENTS

TABLE OF CONTENTS

Vision 2035	03
- Plan 35 themes	
Local & macroeconomic overview	06
- Local challenges: 2017	
- Macro-economic challenges: 2017	
- How macro-economic issues have impacted our listed asset portfolio vs ALSI - 2017	
Organisational structure	10
- Bafokeng Group structure	
Commercial summary	12
- RBN spending vs funding ('R million)	
- Municipality spending vs RBN spending	
- Cash & cash cover ratio – 5 year trend	
Individual development	16
- Individual development strategy	
- How we are creating individual development for Morafe	
Community development	21
- Community development strategy	
- How we are promoting community development	
Sustainability & growth	25
Key challenges to achieving Plan 35 goals (2017 period)	
Resolution on 2017 matters	31
Supreme Council's position on key issues	
Conclusion: Opportunities for Baagi	34
Questions	

Vision 2035



Vision 2035

“To be an innovative and relevant traditional African community in a changing world”.

Plan '35 themes

In striving to be a relevant and innovative traditional African community, **our aspiration** for **intergenerational economic independence** and **social development for Baagi** by 2035 is embodied through our **Plan '35**. In order to achieve these plans, **accountability** and **transparency** in how we **invest, administer** our **plans** and **allocate funds** will be an important step towards achieving these goals.



INDIVIDUAL
WELFARE



COMMUNITY
WELFARE

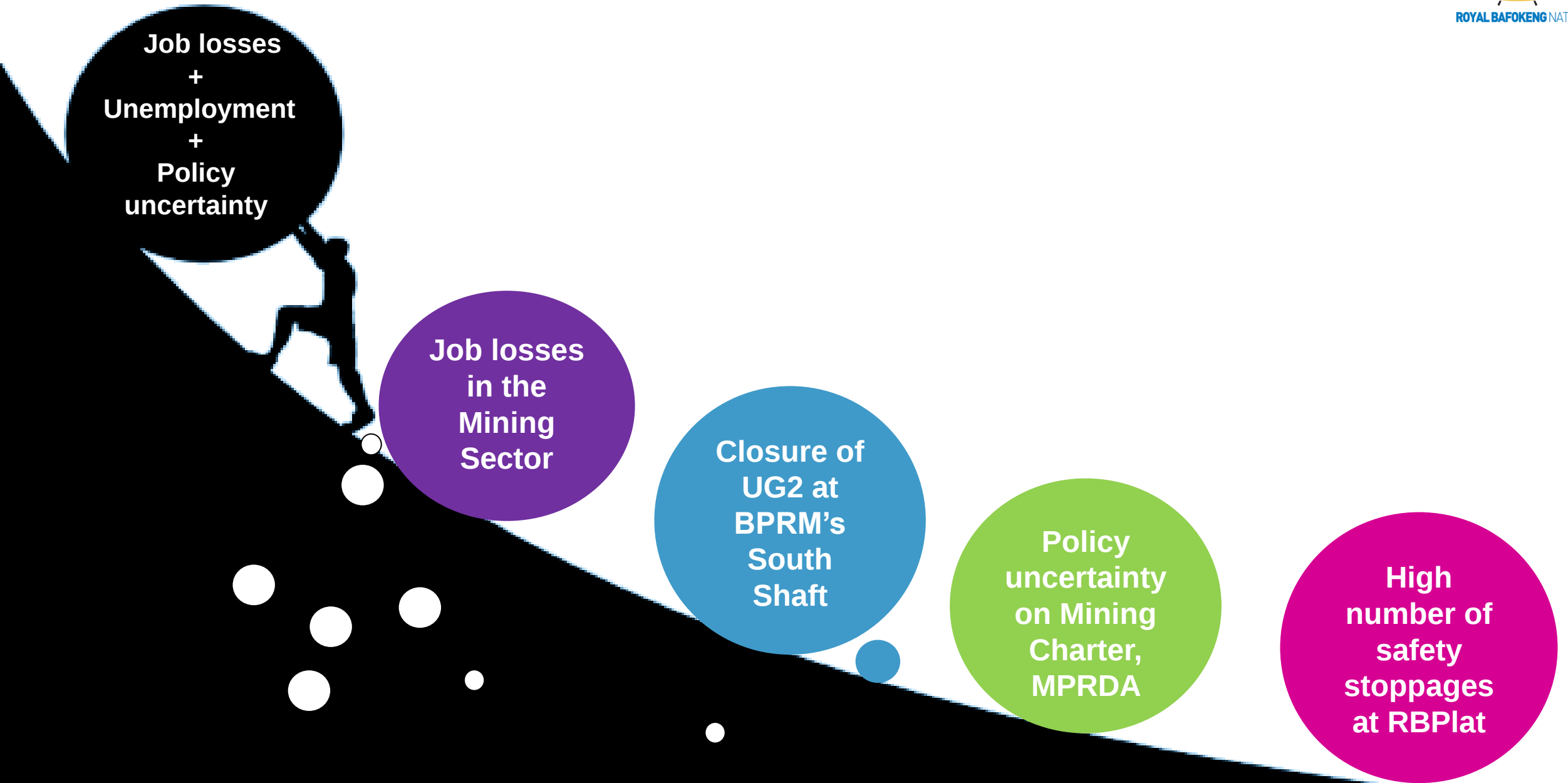


SUSTAINABILITY
& GROWTH



Local & macro-economic overview

Local challenges : 2017



Macro-economic challenges: 2017



Unstable macro
economy: low
investor
confidence and
policy
uncertainty

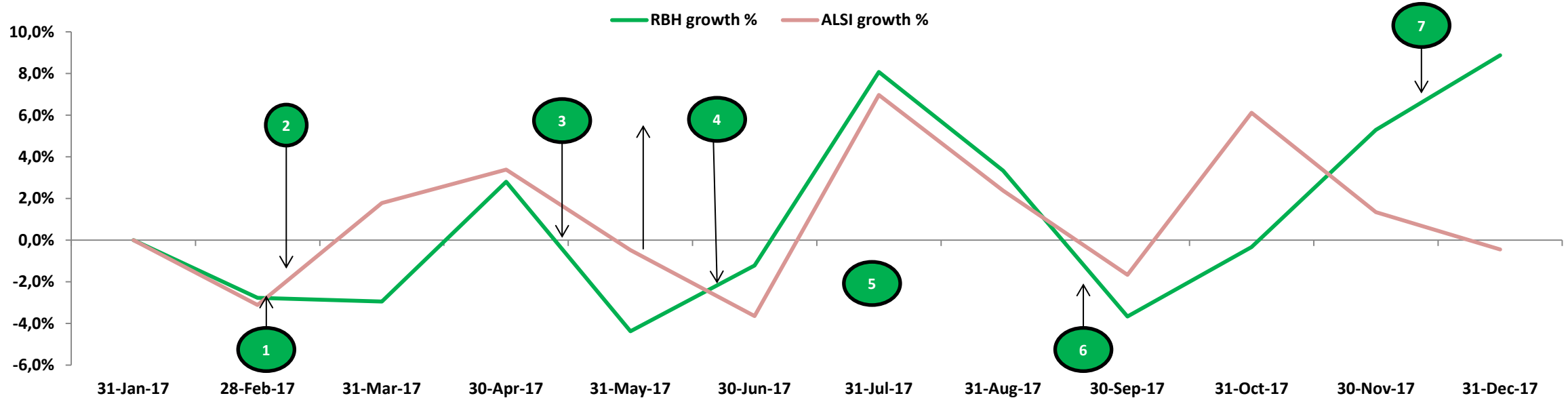
SA
unemploy-
ment rate
at R6.2
million

Moody's
places SA's
Baa3 rating
on review for
downgrade

S&P
downgrades
SA's
investment
grade to junk
status

Low
confidence
levels amongst
SA consumers
& Business
Enterprises

How macro-economic issues have impacted our listed asset portfolio vs ALSI - 2017



Jan-Jun highlights

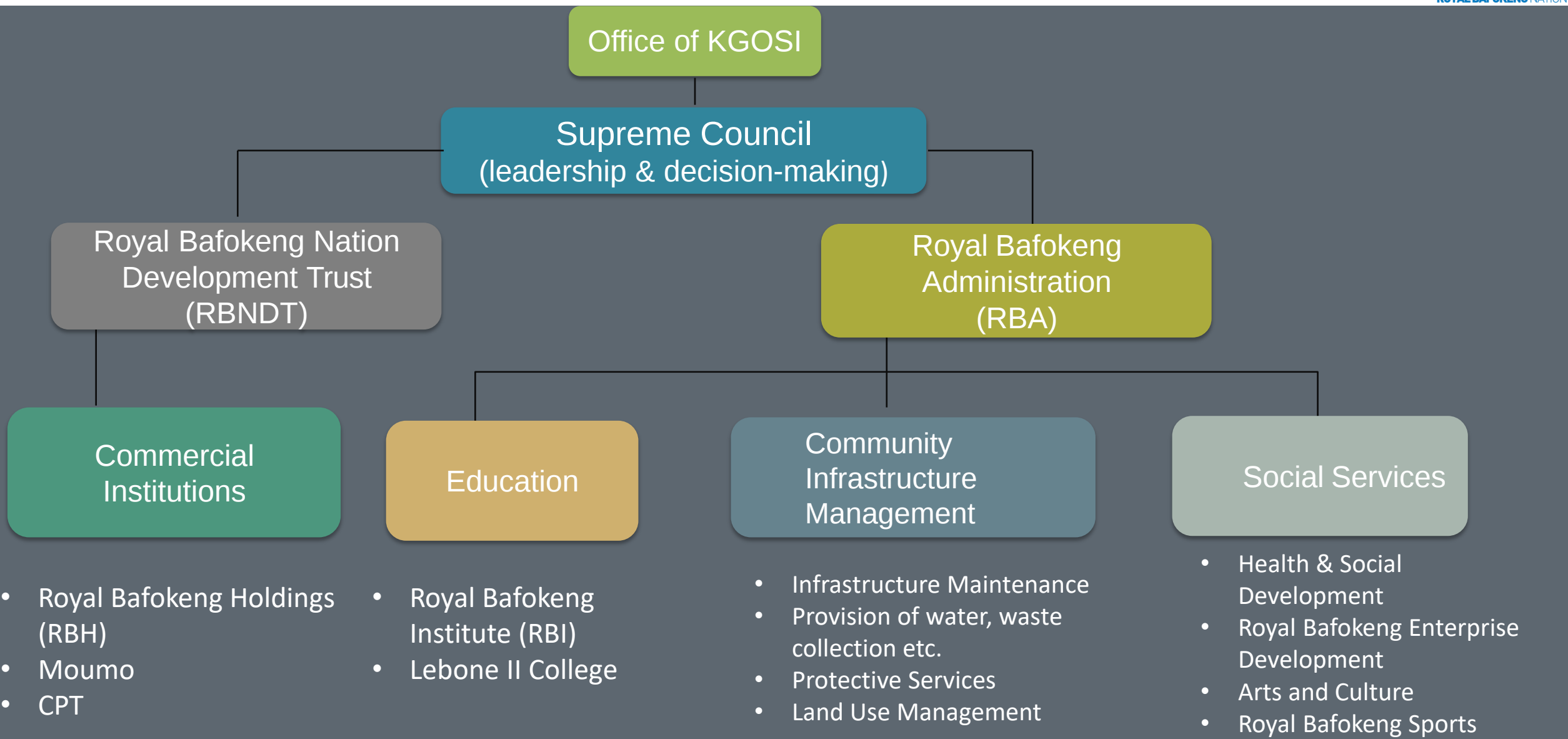
- 1 • Minister of Finance, Pravin Gordhan, released 2017 annual budget speech on 23 Feb 17.
- 2 • President Zuma reshuffles his Cabinet on 31 Mar 17 causing the Rand to decrease against the Dollar.
- 3 • Platinum prices continue to drop in May 2017.
• Emails involving the Gupta family implicated in state capture were released to the media
• Former President, Jacob Zuma survives vote of no confidence in Parliament.
- 4 • Moody's downgrades South Africa's long-term foreign and local currency debt to a credit rating - one notch above junk status.

Jul-Dec highlights

- 5 • South African Reserve Bank dropped interest rates by 25 basis points to 6.75%.
- 6 • New Europe Property Investments ("NEPI") mergers with Rockcastle to form NEPI Rockcastle. RBH acquires 5.1 million shares in NEPI Rockcastle.
- 6 • Impala Platinum releases its full year results. RBH's value in Impala decreases by 23%.
- 7 • Cyril Ramaphosa becomes the President of the ANC on 13 December 2017.

Organisational Structure

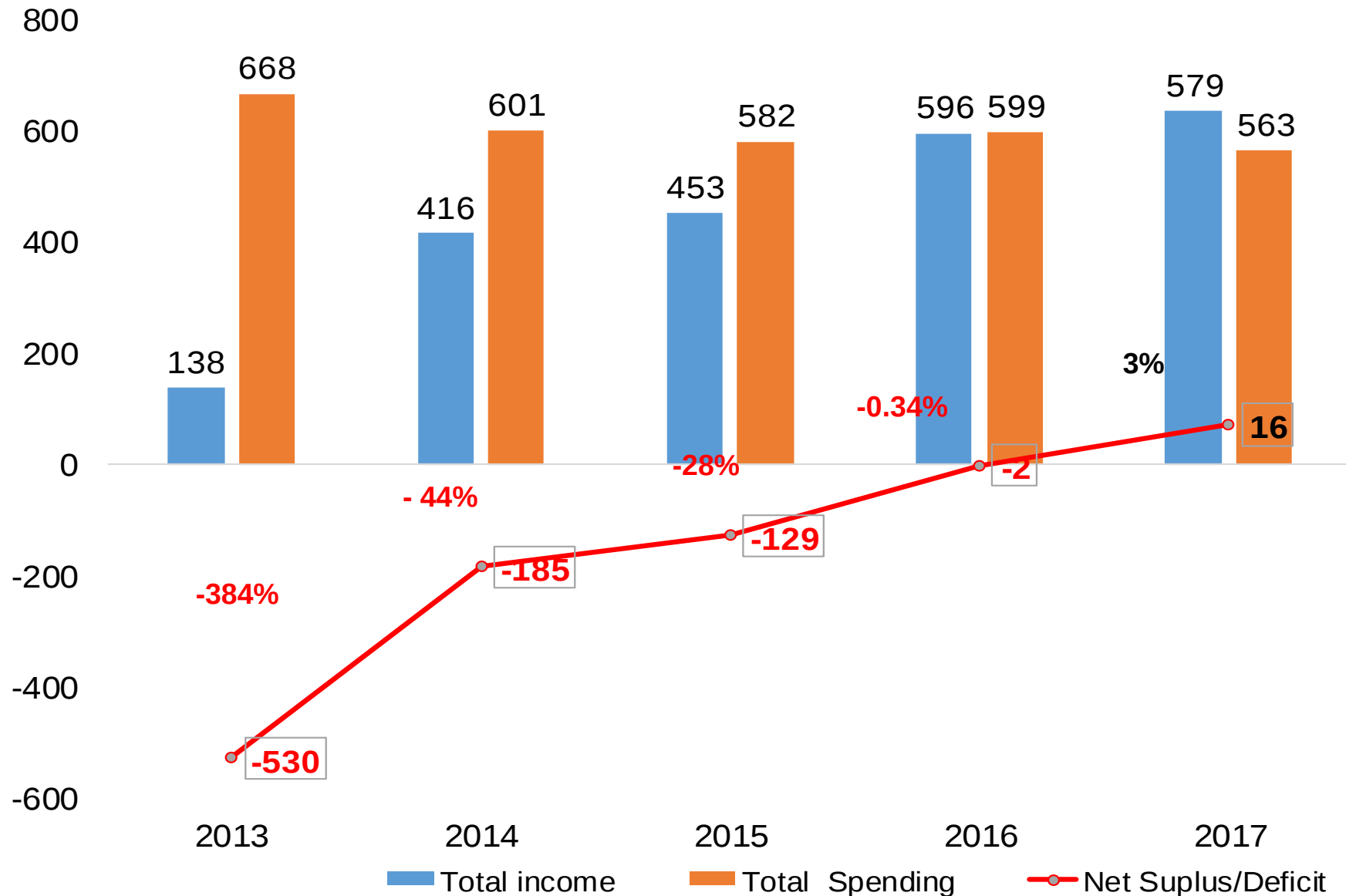
Bafokeng Group Structure



A group of school children in white uniforms are jumping joyfully in a schoolyard. A teacher in a red shirt is in the center, also jumping. The children are in various stages of a jump, with arms raised. The background features a large tree and a brick building.

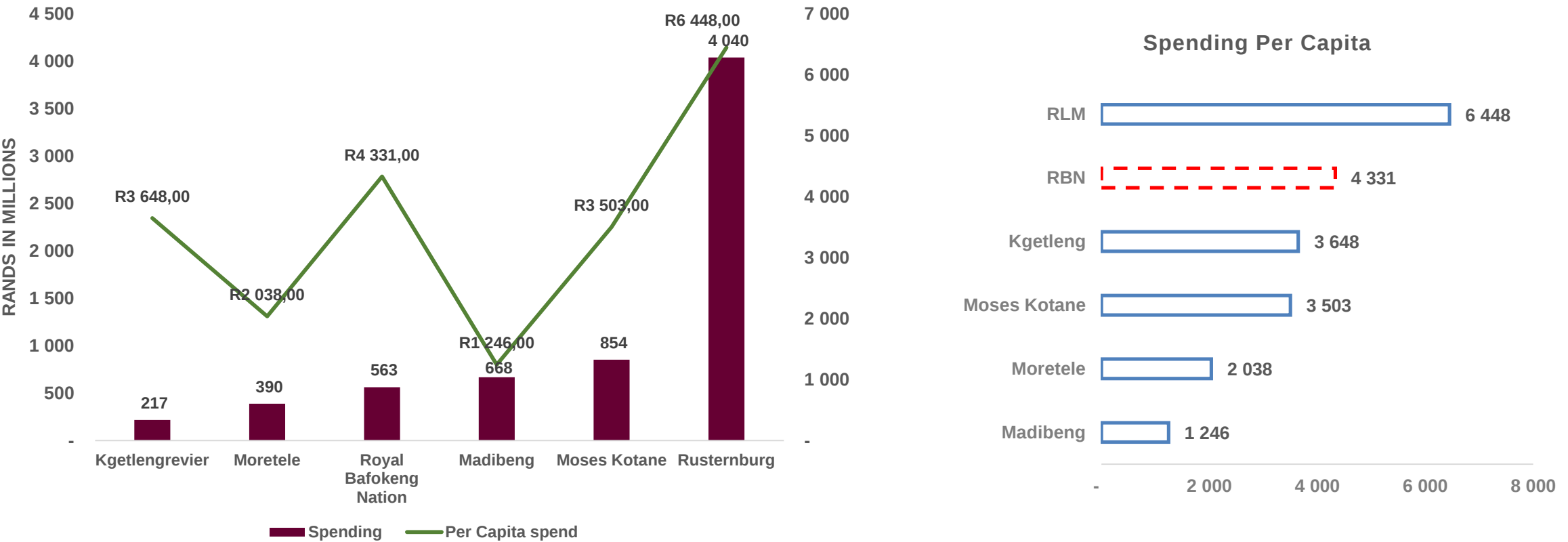
Commercial Summary

RBN spending vs funding ('R million)



- RBH reinstated a dividend of R330 million in 2014 (i.e. 1 year earlier than anticipated)
- The RBN restructuring process resulted in a cumulative *real* saving of approximately R1.5bn over the past 5 years

Municipality spending vs RBN spending



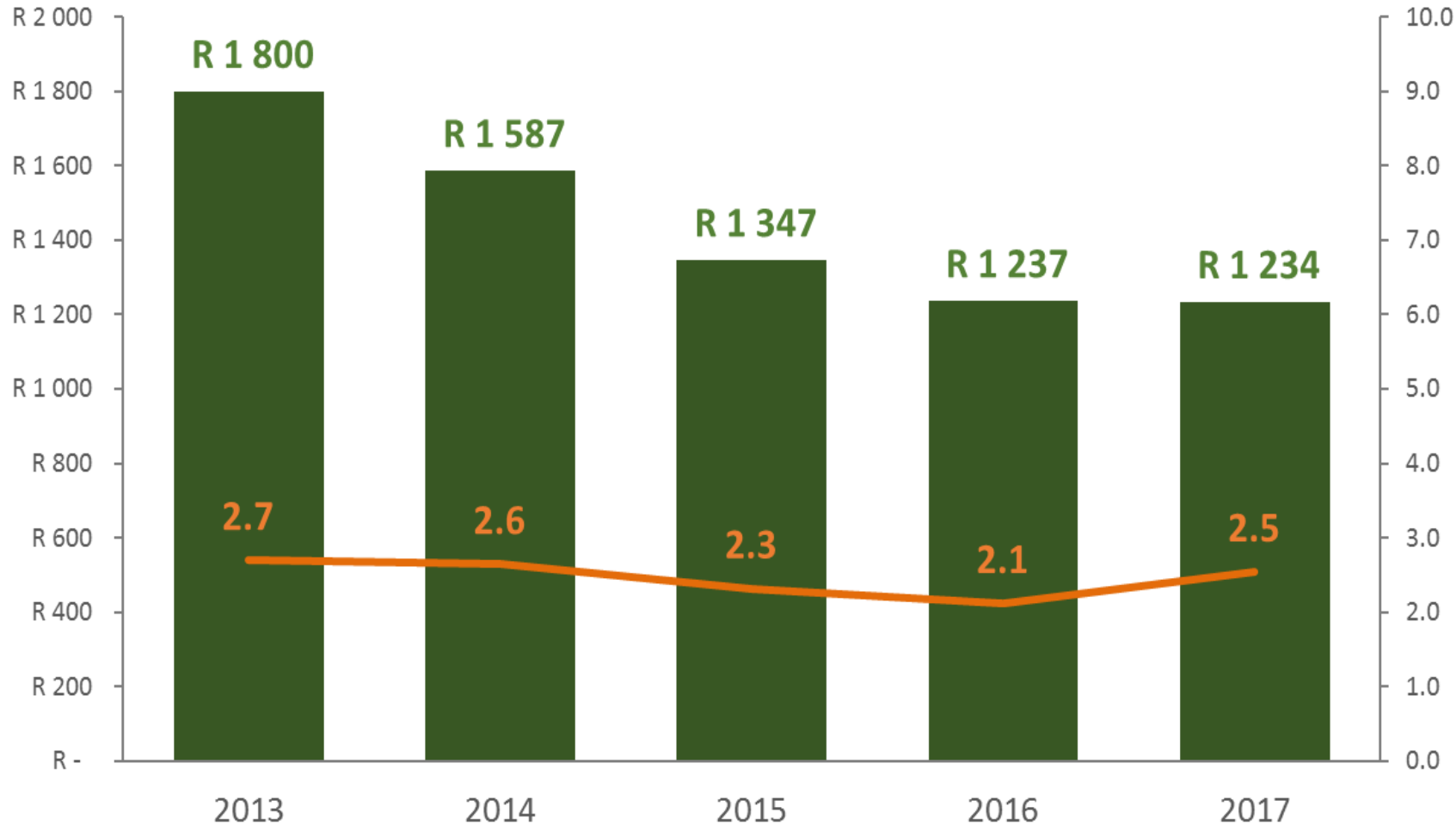
Aside for RLM, the RBN spends higher than most municipalities.

*Per capita Calculation based on the following population size
 Rustenburg 626K; Moses Kotane 243K, Kgetleng 59K; Madibeng 536K, Moretele 191K; RBN 130K

Source : Municipalities annual financial statements

Cash & cash cover ratio – 5 year trend

RBNDT Annual Cash Position & Cash Cover Ratio



Insight

Whilst cash remained flat the cash cover ratios are starting to stabilise to within **2.5 – 3** times cover range.

Risk

- SARS notified the RBA of a tax liability of about R222m in VAT (2012 – 2016).
- The Alternative Dispute Resolution (ADR) process formally commenced on 26 March 2018.



Individual Development

Individual Development: Strategy



*To provide a **better standard of living for all individuals** by improving the quality of life and social well-being. This includes the promotion of healthy individuals; the promotion of individual dignity as well as the promotion of educated individuals.*

How we are creating individual development for Morafe



Highlights

Fresh water & sanitation

- **12** chemical and bacteriological test reports were received and reviewed. Rectification measures were implemented where necessary
- **922** burst pipes repaired
- **934** water leaks repaired
- **22** new household water meters installed



2018 priorities

- Sustainable water management solution
- Reduction of plumbing leaks per kilometre
- Lefaragatlhe Pump House
- Luka Bulk Water Line
- Mfidikwe Bulk Sewer Line



Highlights

Protection of the most vulnerable

- **650** elderly people participated in physical activities and soccer tournaments facilitated by HSDS
- In the 4th quarter, **159** older persons attended the Commemoration of International Day of Older Persons (2017)
- **1,881** community members and **30,133** pupils reached through awareness campaigns on issues related to rape, domestic violence, child abuse and human trafficking
- **2,188** individuals reached through Trauma centre victim victim empowerment programme (in house) and referral to other service providers
- **612** family unit cases were assessed in 2017, indicating **33%** increase. **215** of the assessed cases were provided with counselling intervention



2018 priorities

- Child care
- Place of safety
- Poverty alleviation
- Early Childhood Development (from pre-birth)

How we are creating individual development for Morafe cont.

 Highlights	Increase <i>Baagi</i> life expectancy • HSDS in collaboration with the Department of Health ensured that people living on Bafokeng land had access to primary health care services through clinics and mobile clinics. • 324,886 visits/consultations were done at clinics and 10,499 at the mobile clinics in 2017 • Support given to approx. 20,000 adults on Anti-Retroviral (ARV) Treatment and 598 individuals below the age of 15 years • 41,194 children were immunised at the Bafokeng-based clinics and mobile clinics • 32,587 were immunised at pre and primary schools • EMRS attended to 5,770 calls for the entire year.
 2018 priorities	• Ensure infant mortality rate is reduced by at least 95% in the RBN • Facilitation of primary health care and allied units. • Start operations at the Phokeng Health Centre Radiography Unit • Reduce fragmentation • Ideal Clinics status • Render quality RMRS service to Morafe

 Highlights	Access to adequate housing • In 2017, 31 stand allocations were made and 329 applications received
 2018 priorities	• Ensuring data can be used for water billing within the RBN • Ensure Land Use Management Workflow is fully functional, with Land Use Management support in utilizing the system • Ensure that land is allocated in line with RBN Master Plan • Address back log on stand applications

How we are creating individual development for Morafe cont.



Highlights

Access to uplifting learning opportunities

- **80%** matric pass rate across schools in the Bafokeng nation
- **106** matric students passed Mathematics with more than **50%**
- **100%** pass rate at Lebone II College with **91%** Bachelors Passes, **9%** Diploma passes and **106** distinctions
- **291** students graduated from RBI's Hospitality, Engineering and Construction Programs
- Approximately **10,000** people attended and participated in the Royal Bafokeng Jr NBA League finals held by Royal Bafokeng Sports
- **30** players were identified and selected into the Royal Bafokeng development netball programme through Metshameko leagues
- In 2017 **RBH, in partnership with Ubank**, rolled out an **NQF 5 National Certificate in Banking Services Advice (BSA)** offered through Milpark Education. **15 Bafokeng learners** were placed on the programme, and are due to complete their studies in March 2018



2018 priorities

RBI

- School Within a School programmes
- Kutlwanong Mathematics and Science Partnership
- Ntataise Early Childhood Partnership with RBI
- Akanyang BEd Foundation Phase Learning Support Programme and further developments
- Exploring possibilities of a Public – Private Partnership with North West University

RBS

- Development of Elite Athletics programmes
- Development of Sports Programmes
- Life skills training for couches.



Community Development

Community Development : Strategy



*Promoting a **safe, healthy and appealing environment**; a **valued identity and traditional heritage** and providing **good governance and leadership**.*

How we are promoting community development

 Highlights	<i>A safe, secure and fraud-free community</i> • A total of 3,453 incidences were attended to in 2017 • 168 criminal cases were attended to under the Criminal Procedures Act • 133 cases were handed over for court proceedings	 Highlights	<i>A clean and appealing environment</i> • In 2017, waste was collected from 19,671 service
 2018 priorities	• Intensifying joint crime fighting operations with the SAPS/Public Safety and other related law enforcement agencies • Awareness campaigns/community mobilisation • Criminal prosecutions	 2018 priorities	• Finalisation of the new lease in discussion with Impala, Sibanye Platinum, Anglo Platinum Omnia and Royal Bafokeng Platinum • Exploration drillings in Bierkraal commenced in October 2017 to be completed in the 1st quarter of 2018 • Boschpoort heritage project commenced - to be completed in 2018 • Environmental Impact Assessments for cemeteries at Central 1 and Capital region
 Highlights	<i>An effective, professional administration</i> • Transparency and accountability continues to be an important guiding principles in how we execute various mandates. For comprehensive real-time updates on past and current projects and programmes, please visit the RBN operations room website: www.rbnoperationsroom.com		

How we are promoting community development cont.

 Highlights	<i>Relevant traditional governance with active community participation</i> • Traditional Governance successfully appointed new Traditional Council members	 Highlights	<i>Preservation of cultural heritage</i> • Our culture & heritage continue to form an important part part of who we are and to this end, in 2017, we focused our efforts on rebuilding the Bafokeng Digital Archive (BDA) to ensure the preservation of the Bafokeng history
 2018 priorities	• Develop Supreme Council policies for all key focus • Induction of Makgotla executives • Establishing unit of the Tribal Court dealing with land • Criminal prosecution of RBN land trespassers via Magistrate Court	 2018 priorities	• Rebuilding of the BDA: web design, collection of oral histories, re-scanning of hard copies and hosting • Setting up physical archives: file existing organisation documents • Heritage Route: finalise heritage site plaques • Heritage Awareness campaign: registration of site applications and grading of sites



Sustainability & Growth



Sustainability & Growth: Strategy



Sustainability & Growth

*To promote **stewardship** of our **resources** and
economic opportunity*

How we are promoting sustainability and growth



Highlights

Provision of enabling infrastructure

- Land Use Management constructed a Mini Market in Phokeng
- Constructed windmill and borehole that will benefit up to 35 Bafokeng farmers who have livestock grazing in the area
- 957, 8 km of firebreaks installed in all farms under the administration of the RBN in the 4th quarter of 2017
- The Municipal Services Coordination Department continues to ensure that the people living on RBN land receive fair benefit from mining activities as allocated through mining companies' legally mandated Social and Labour Plans (SLPs)



2018 priorities

- Engagement on ongoing SLP projects with Impala Platinum Mines, Glencore Wonderkop, Sibanye Platinum and Lanxess Chrome Mining
- Replacement of Civic Centre Lifts
- Roads rehabilitation in the RBN
- Five year maintenance plan with targets and costing per annum



Highlights

Sustainable financial management

- In 2017, the administration collected R6 464 562.00 (86% of total invoiced amount) in rental income from leasing out commercial sites, farms and residential property
- In order to protect and grow the wealth of Morafe, RBH continues to invest in assets that have potential capital growth and steady cash flows. In 2017, **RBH achieved a 12.9% increase in portfolio net return, closing at R32.1bn**



2018 priorities

- Fortify efforts to collect outstanding debts on RBN Properties
- Reduce water consumption
- Increase management information on water demand
- Ensure that RBA gets equitable share for registered indigents

How we are promoting sustainability and growth cont.

 Highlights	Government service provision - The Municipal Services Management Department has been monitoring the implementation of Rustenburg Local Municipality (RLM) Integrated Development Plan (IDP) on Bafokeng land, as well as ensuring that both RLM and RBN implement, enforce and give effect to the terms of their Memorandum of Understanding - RBN continues to engage with RLM on issues surrounding the RLM/RBN Water Service Agreement	 Highlights	Diversification of Lefatshe-based income - RBED continues to develop Bafokeng SMMEs into self-sustainable businesses through implementation of various interventions. To-date, RBED has a database of 1,321 SMMEs receiving support from them 58 SMME development workshops were facilitated and 14 conferences, expos and exhibitions attended by our local SMMEs Local farmers sold R831,500.00 worth of livestock in the informal market. A further R339,408.00 worth of livestock was sold in the formal market (registered auctions)
 2018 priorities	- Economic Development SLA with RLM - Water Service Provider Agreement with RLM - Engagement on ongoing SLP projects with Impala Platinum Mines, Glencore Wonderkop, Sibanye Platinum and Lanxess Chrome Mining	 2018 priorities	- Continued implementation of SETA New Venture Creation programmes for Youth Entrepreneurship Development Arts and craft commercialisation and improvement Phoka shop (Arts and craft shop at Marang Hotel) product range and support CCBSA youth project land allocation and funding Expanding youth focused business start-up training projects in to all Bafokeng regions Improve data quality in RBED database - Increased business linkage effectiveness

How we are promoting sustainability and growth cont.



Highlights

Productive land management

- **Phokeng Mall growth** for April 2017 was **10%**
- Debonairs - Mofokeng-owned franchise, started trading in May 2017
- Moumo **subsidises** various **local SMMEs** since the opening of the Mall
- Moumo assisted RLM in paying the **rentals for the library totalling R345 810 to-date**
- Moumo secured the **upgrade of the Bleskop siding, a R40m project with local SMMEs earmarked for construction in 2018**
- Land Committee **approved the rollout of 29 cellphone towers and fibre applications**



Highlights

Access to employment opportunities

- In 2017, local SMMEs accessed procurement opportunities of approx. **R1.4bn from the mines** (Impala and Royal Bafokeng Platinum), of which more than R 22.5 million is with youth-owned companies
- **R41m was accessed by SMMEs** through RBN entities (RBA, RBED, RBI, RBS, Platinum Stars, CPT and Lebone II College)



2018 priorities

- Ongoing construction of the Commco towers
- Tender and upgrade of the Bleskop Railway/Siding
- Confirming the feasibility of the housing project for the local community
- Kick-off of the Swartruggens Cattle Project
- Tenanting of Shaft 5 Incubation Hub and workshop for local SMMEs with RBED
- Piloting hydroponic veggies and non-nicotine tobacco projects with local farmers
- Upgrade of Bakwena Plaza to a regional centre with USave

Key challenges to achieving Plan '35 goals (2017 period)

Challenges



Resources & Administration	Performance	Service delivery
Backlog of land-related cases awaiting trial at the Tribal Court	Final approval for Wall of Remembrance, Registration of sites not received yet	Rustenburg Local Municipality (RLM) delay in signing the Water Service Level Agreement (SLA)
Budget cuts, lower wages and contractual work in RBS hindered ability to fully realise 2017 goals	Community members submitting Social and Labour Plans (SLP) requests that are not in line with Plan '35	Central Region 2, North East Region 2 and North Region A cemeteries still awaiting Record of Decision from the Provincial Department of Rural, Environment and Agricultural Development
The finalisation of the stand allocation workflow and the issues relating to land use management in terms of the verification of the documents before stands can be allocated	Prioritisation and reprioritisation by the community resulting in projects not delivered on time	The R303 888.00 collected for payment of water only makes up 0.3% of the R101 million spent by the administration to purchase bulk water
Various procurement , shared services, IT and HR issues that hinder the achievement of an effective, professional administration	Depressed macro-economic outlook makes external fundraising a challenge	The R101 million excludes other water reticulation expenses such as maintenance of reservoirs, pump stations, reticulation systems and other support costs
		Moumo reported a lack of confirmation of water availability and the proposed new legislation impacting land owned by traditional communities as challenges in the Marang Housing Development Project

Resolution on 2017 matters



Supreme Council's position on key issues

In a bid to enhance the quality of our engagements with Morafe, the following is the position of the Supreme Council on the following matters:

	Issue	Response
1	The court application to remove the Minister as a trustee of our land	The interest of Morafe is first and foremost, in all areas of development regarding the use of its assets, whether in the form of money or land.
2	Land densification in the RBN	- Land has and will always be an intimate part of our history, identity and aspirations. To ensure we afford all eligible community members the dignity of space, there is a pressing need to re-arrange the spatial construct and maximise the existing infrastructure to meet the current and future needs of Bafokeng. To this end, the Strategic Land Management Committee has embarked on the execution of a Land Densification Programme which is focusing at the Capital Region as a start. - In order to ensure security of land to current and future generations, Bafokeng who occupy large stands (i.e: more than 1500m²) are urged to volunteer their stands to be sub-divided. Such people will be incentivised appropriately. - Community engagement in this area continues to be imperative and as such, Makgotla (particularly in the Capital Region) have been engaged and consulted extensively on this Programme.

Supreme Council's position key issues cont.

	Issue	Response
3	Platinum Stars Sale	- In the context of an ailing economy and constrained economic opportunities in our community, an investment decision was made to sell Platinum Stars. The successful sale of the team will unlock wider economic and social investment opportunities in the Royal Bafokeng Nation. - By selling the soccer club, a substantial saving is realised which will be directed to creating an environment in which Bafokeng, in their individual capacity, can one day develop their own professional soccer club and use the very stadium that was previously used by Platinum Stars. In the same breath, we are exploring with various teams to use the stadium as their home base, as well as using the venue for events such as concerts etc.
4	Job opportunities through agricultural initiatives and partnerships	We continue to look for strategic partnerships towards the establishment of sustainable, employment-creating projects for the benefit of the Royal Bafokeng community and the greater North West region.
5	Sustainable Water Management in RBN	- In seeking to create individual development for Morafe, the sustainable provision of fresh water continues to be a priority towards improving the quality of life and social well-being of Morafe. - To this end, we have embarked on a Sustainable Water Management programme that will only be realised through a community-wide commitment to reducing irregular water consumption and payment of water services.

Conclusion: Opportunities for Baagi

In seeking to invest sustainably in our Nation amid a challenging environment, the following 3 key areas have been identified as opportunity-bearing areas:

FOCUS	GEOGRAPHIC ADVANTAGE	LAND	PORTFOLIO DIVERSIFICATION
↓	Our location gives us a strategic advantage to invest more in targeted, job-creating and income- producing initiatives in the tourism and manufacturing sectors.	Our arable land gives us strategic opportunity to invest in programmes that will impact the entire agricultural production value chain.	We continue to identify opportunities to diversify our portfolio by sector, asset class and geography.
↓	- Jobs - Boost local economy	- Jobs - Boost local economy	- Asset portfolio with sustainable returns - Sustainable dividends for Morafe
OUTPUT			



ROYAL BAFOKENG NATION

RE A LEBOGA

DIPOTSO?



ROYAL BAFOKENG NATION



ROYAL BAFOKENG NATION

A E WELE METSING • LET PEACE REIGN IN OUR LAND