



Annual Financial Statements For The Year Ended 31 December 2015



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INTRODUCTION & PURPOSE



To present the
RBN
Consolidated
Annual Financial
Statements
("AFS") for the
year ended 31
December 2015



To present
highlevel
deliverables by
key RBA
entities

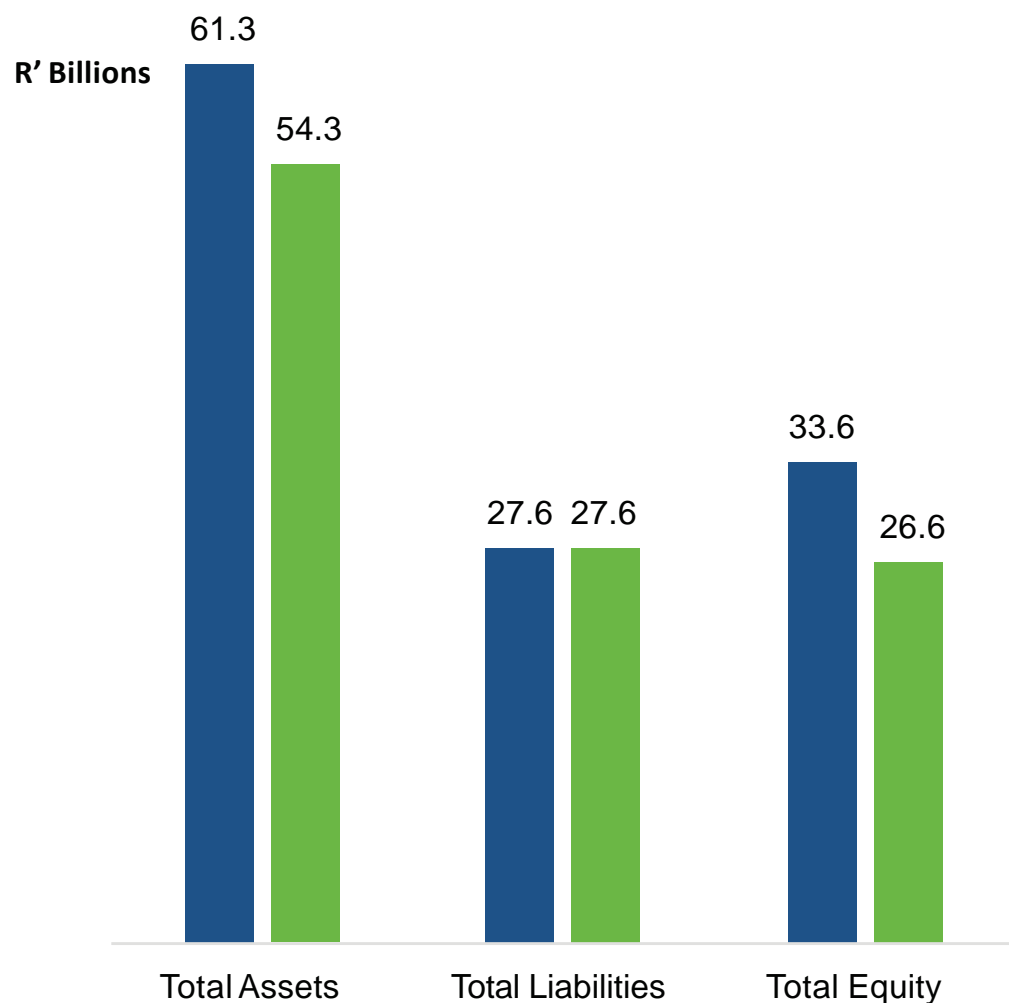


Video clip:
showcase of
RBH social
impact projects



Summary Of The RBN/A Audited
Consolidated Annual Financial
Statement for the year ended
31 December 2015

RBN GROUP CONSOLIDATED TOTAL ASSETS, EQUITY & LIABILITIES



ROYAL BAFOKENG NATION

■ 2014 ■ 2015

The total decrease in RBN total assets by **11%** year on year compared to 2014 was due to :

Impala

67%
(~R4.2bn)

RBPlat

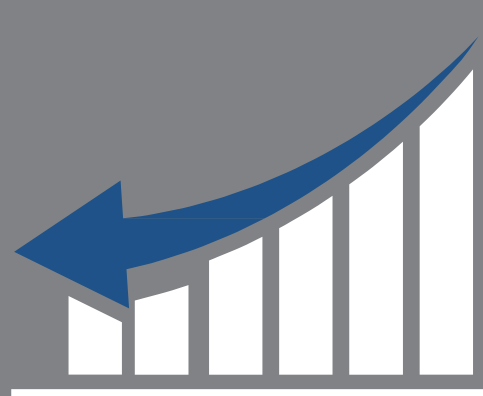
49%
(~R2.6bn)

RMBH

14%
(~R1.8bn)

RMIH 5%

(~R479m)

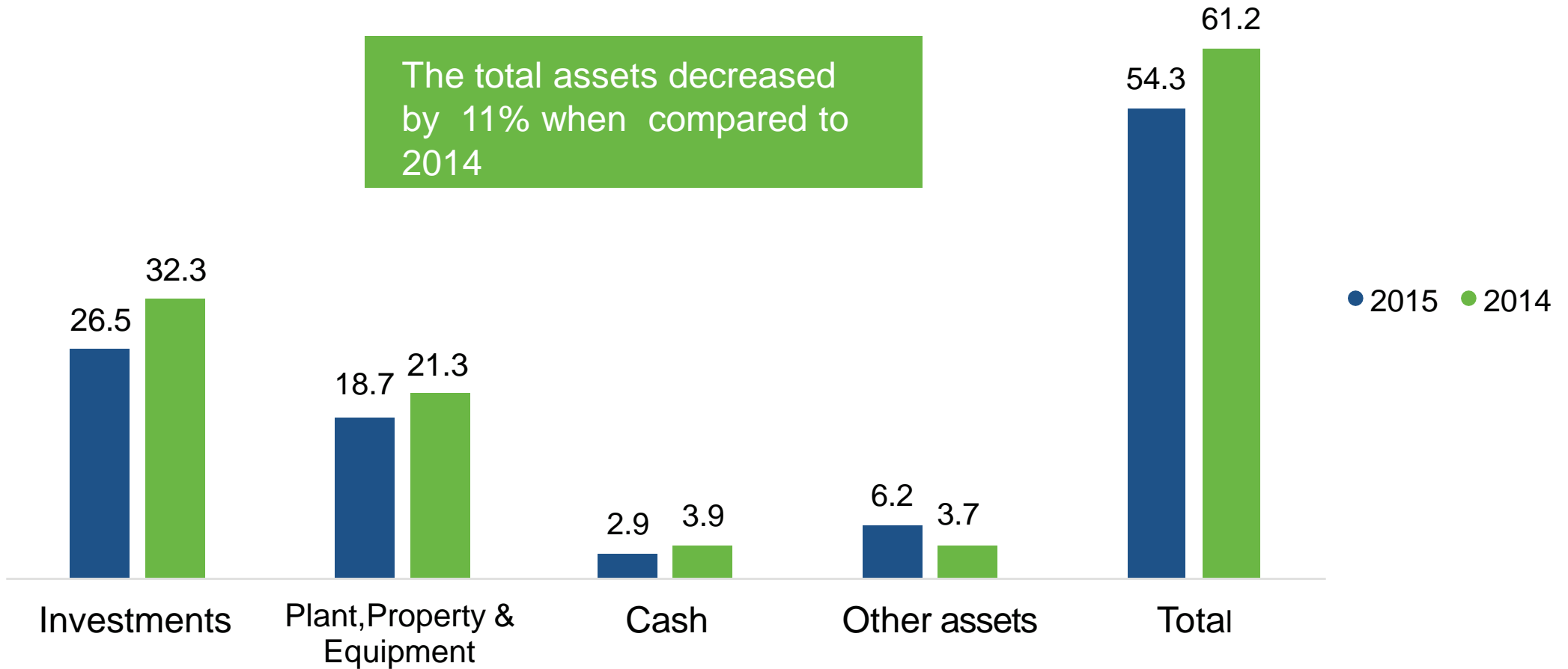


The **RMB** debt decreased from **R 7.2bn** in 2014 to **R 6.7bn** in 2015, however additional credit facility of about R990m was acquired to grow and diversify RBN commercial investments; hence total liabilities remained when compared to 2014 financial period

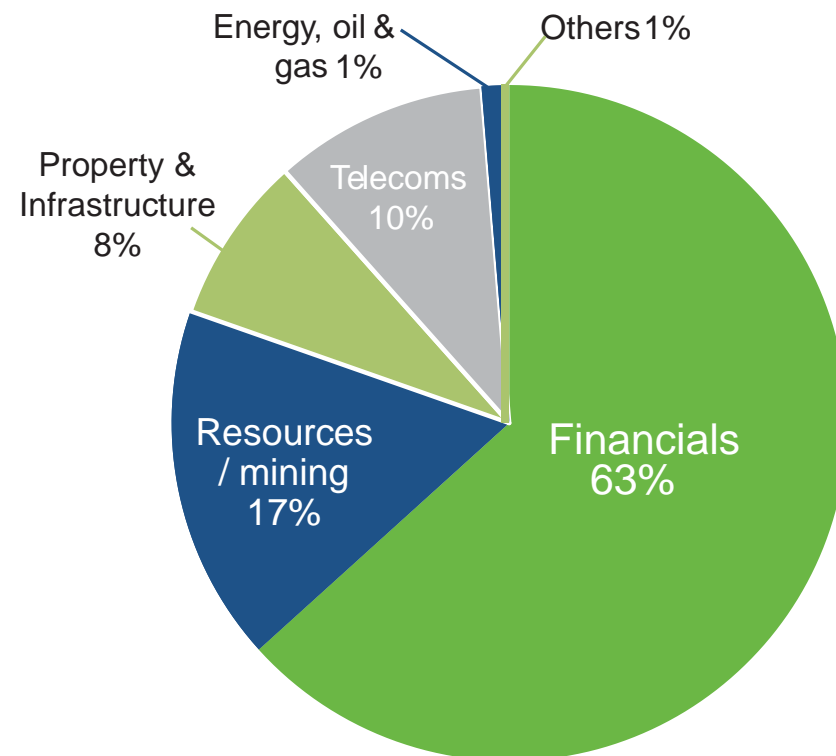
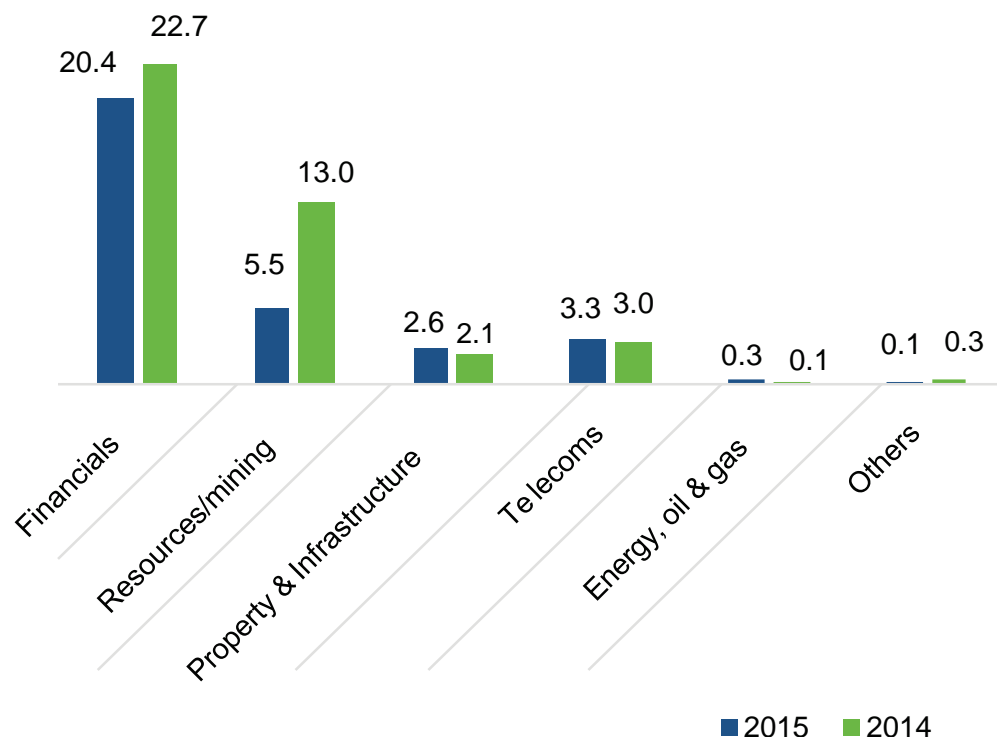
BREAKDOWN OF CONSOLIDATED ASSETS (In Billions)



The total assets decreased
by 11% when compared to
2014



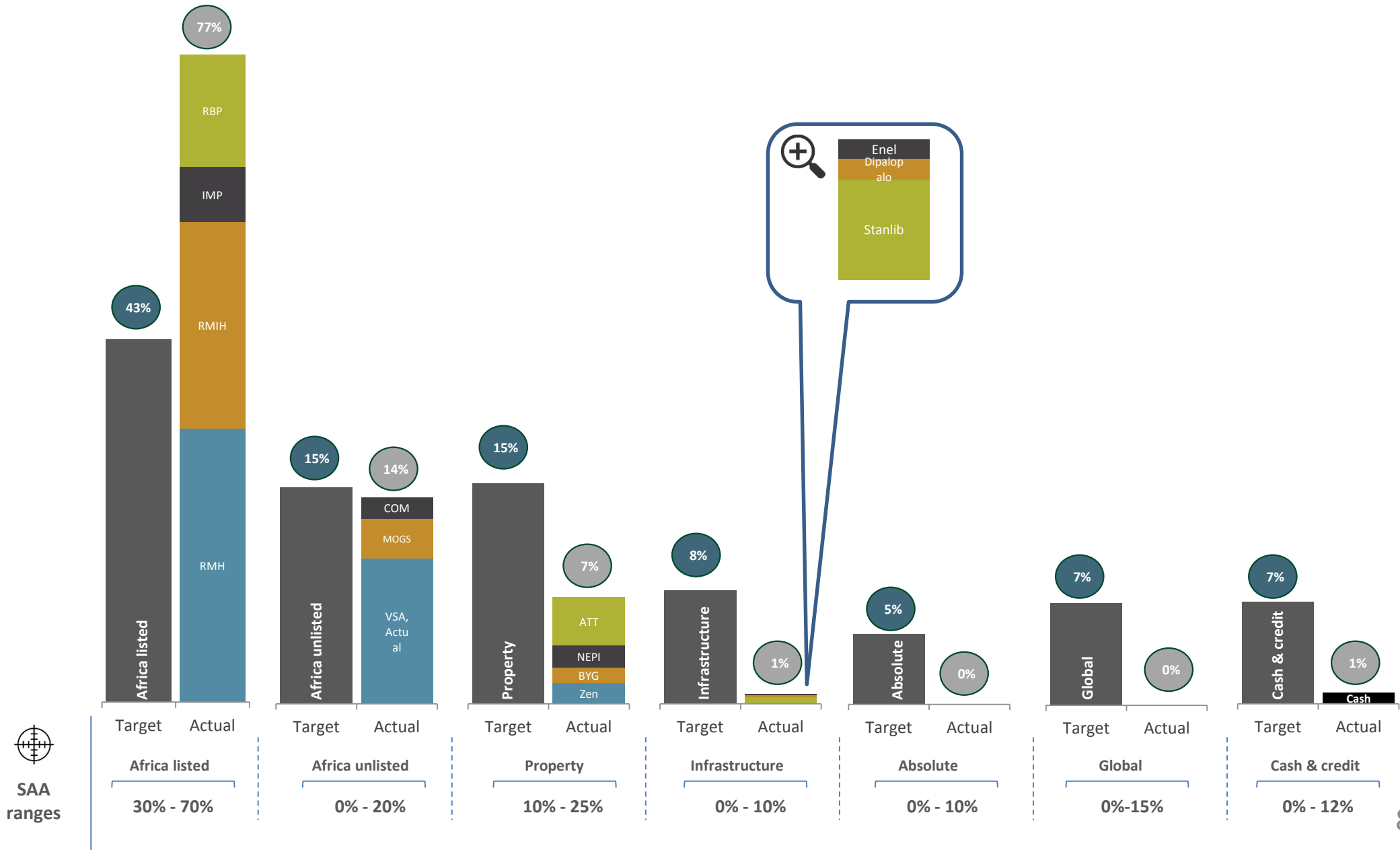
OVERVIEW OF THE 2015 GROSS EQUITY INVESTMENTS (In Billions)



Notes:

- Financials: Decline in financials was mainly due to political instability caused by the firing of the then Minister of Finance, Mr Nene
- Resource/Mining: affected by decline in commodity prices , weakening of the rand , rising interest rates , negative economic outlook on emerging market and political uncertainty. Furthermore the investment in Merafe was disposed off
- Property and infrastructure: increased mainly as a result of acquisition of new investments during the year (Continental Outdoor, Zen Property & New Europe Property Investment)
- Energy :new investments were made into energy projects through Stanlib infrastructure fund and Enel green power project
- Investment into the Oil and Gas and Mining Services (MOGS) increased by **42%** during the year

Strategic Asset Allocation (SAA) target



What we continue to look for when investing?



Dividend
paying
investments
– managed to
reinstate the
dividend in 2015



Long-term
investment
partnerships – to
support our
intergenerational
strategy



Partner with well run
companies who are
like-minded –
support
not only our investments
strategy but the
development plans of
the RBN

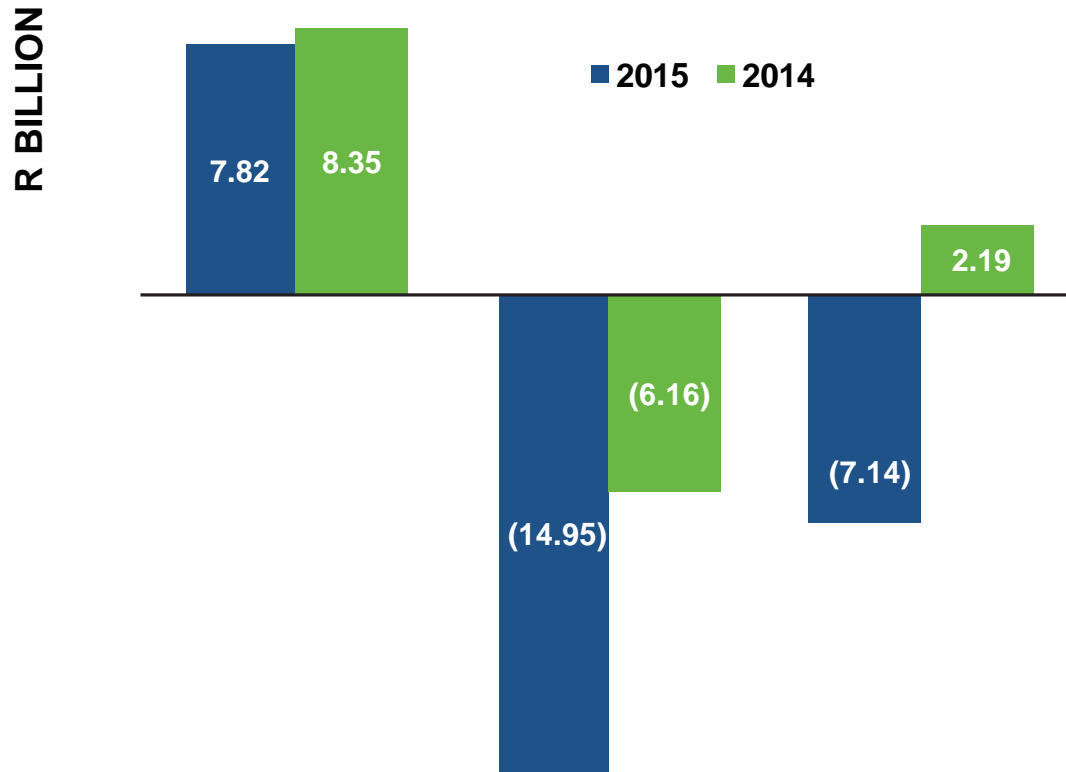


ROYAL BAFOKENG NATION



Income & Expenditure **Overview**

RBN GROUP CONSOLIDATED INCOME & EXPENDITURE



	Revenue	Expenditure	Net profit/ Loss
2015	7.82	(14.95)	(7.14)
2014	8.35	(6.16)	2.19

- Total revenue declined from **R8.35bn** to **R7.82bn** in 2015
- Expenses were also higher as a result of:
 - Impairment loss of **R4.4bn** suffered by RBPlats on its assets due a reduction in PGM prices
 - RMBH also declined by **R1.7bn** in 2015 along with other financial services sector.
- This resulted in a Net Loss- **R7.14bn** in 2015



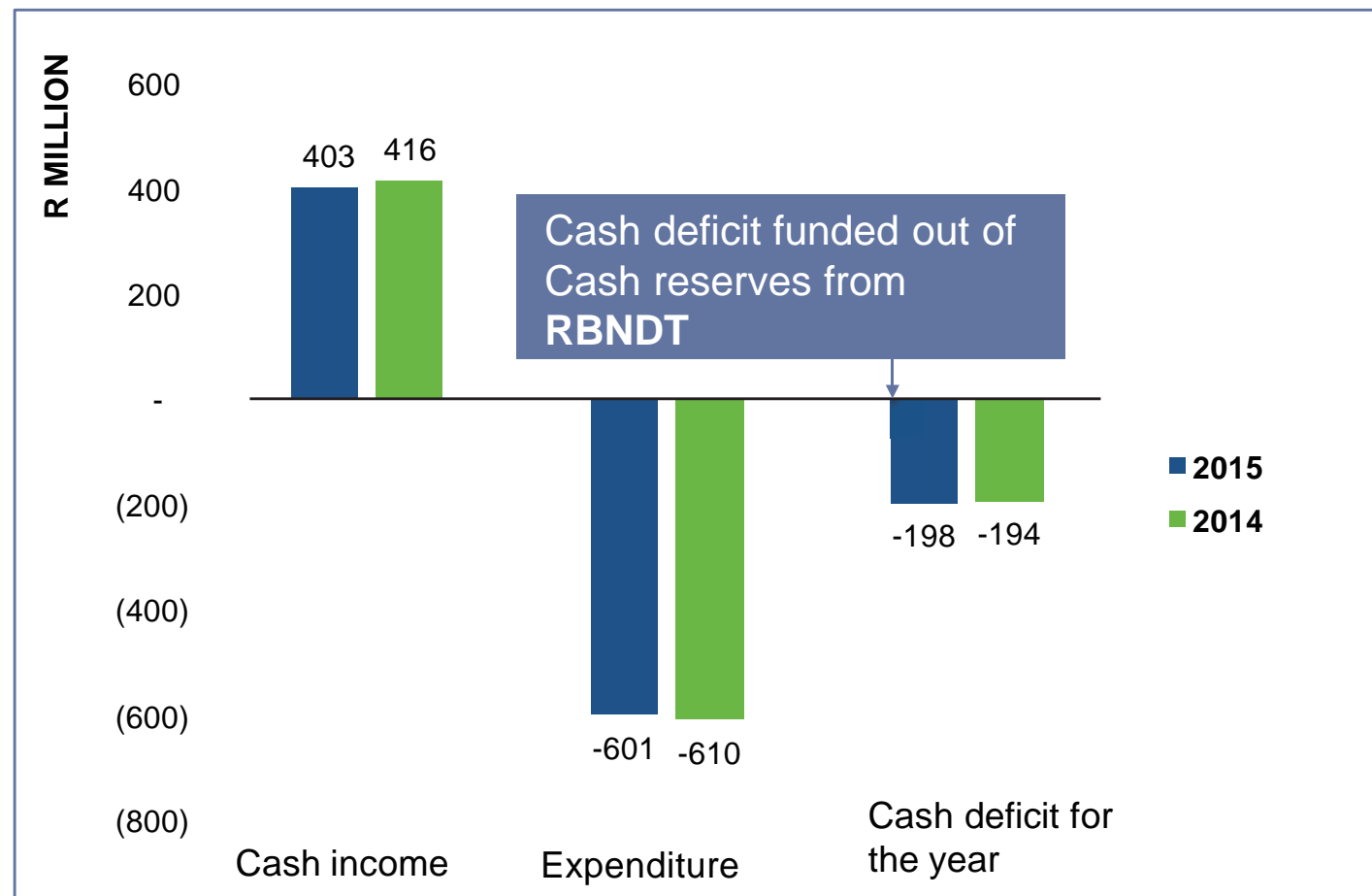
CASH MOVEMENT AT RBA LEVEL



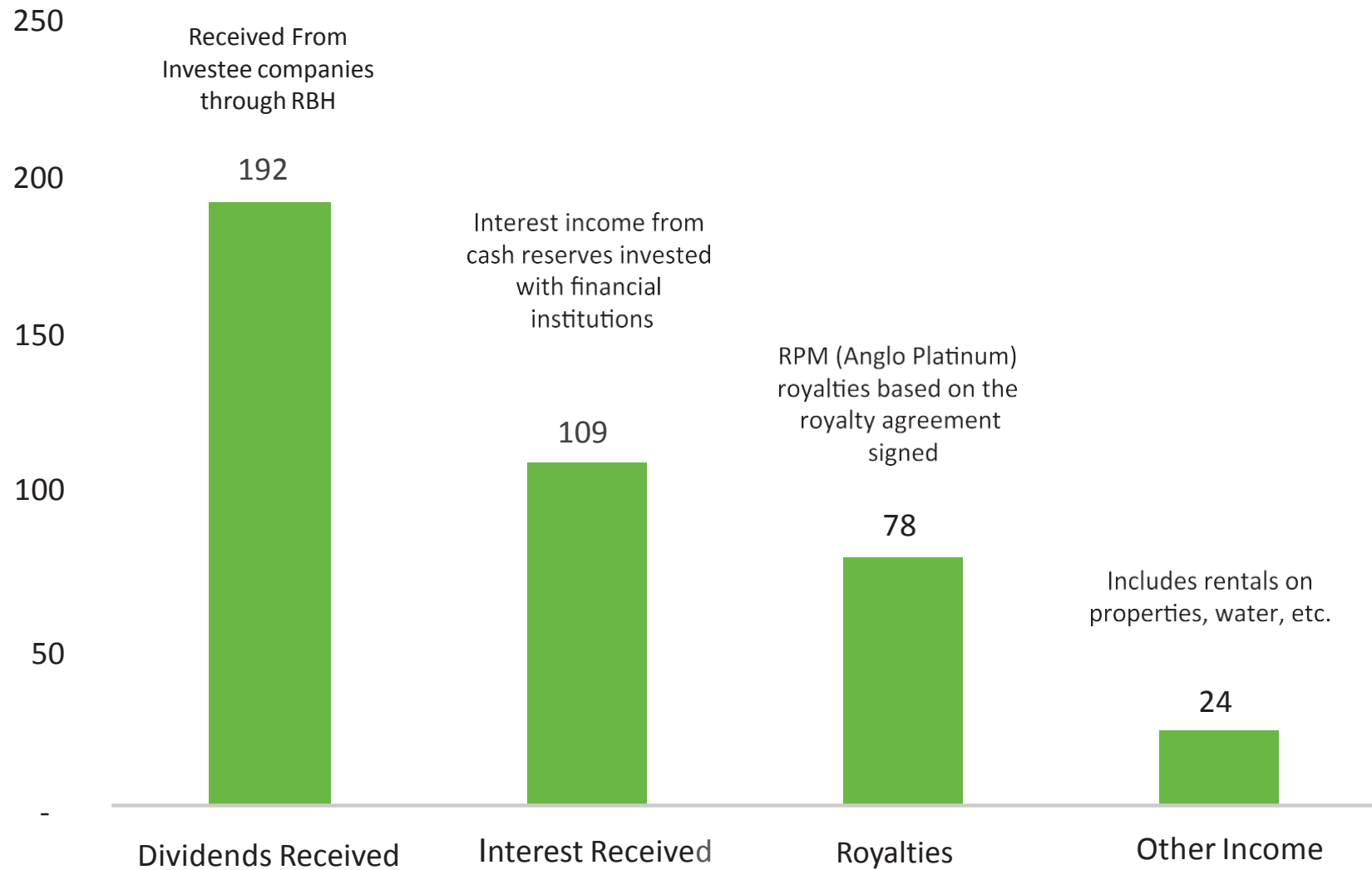
Way forward:

Given the protracted deficits, RBA is using a combination of long and short term strategies to ensure sustainability:

- **Long term:** Continue diversification strategy in order to ensure a predictable dividend income
- **Short term:** Cost reduction options



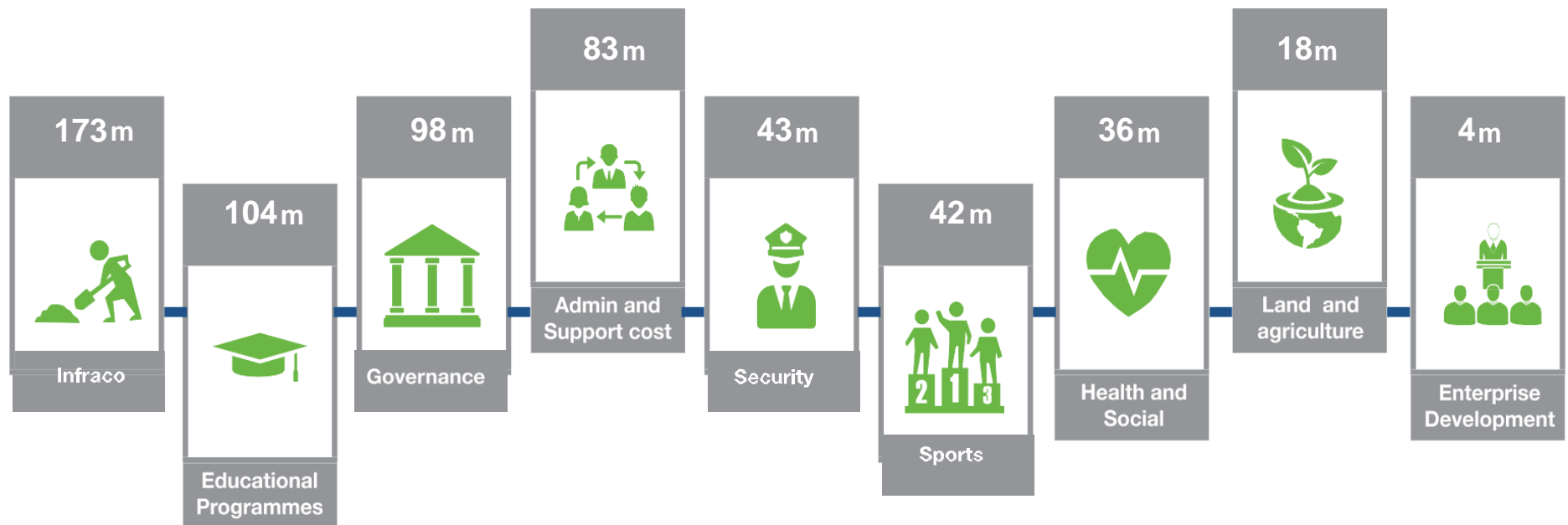
BREAKDOWN OF 2015 CASH INCOME GENERATED : R403m



SOCIO-ECONOMIC SPENDING: R 601m



2015



WHAT DID THE MONEY BUY?



EDUCATION



Education support including the following:

- Student loans funding for **230 students** studying at universities
- Student funding assistance to about **1116** students studying for TVET programmes
- Feeding of kids at **5 ELCs** supported by RBN (**250 kids**) Teacher development & governance programs in all **43 schools**

HEALTH



- Assistance to all **7 clinics** with primary health care with Doctors, Nurses, Psychologists, Physiotherapists ; Dietician services
- Attends to about **7000** call on emergency medical rescue
- Youth development in **43** schools, and 16 youth committees
- Support to elderly, destitute people, PwD ,OVC (**6000** children) and victim empowerment programs mainly through established NGOs
- Food distribution to about **750** people through nutritional program
- Support elderly programs, assisting about **1 100** elders with food and basic necessities



WHAT DID THE MONEY BUY? (Cont...)



ENTERPRISE DEV



- Supports about **705** SMMEs who registered in the database with the following
- Absa funding assistance
- Training on business management
- Assistance with linking to business opportunities in the mines
- SMME mentorship programs

INFRASTRUCTURE



- Maintenance of all RBN buildings, roads and water infrastructure
- Electricity provision to schools and RBN properties
- Provision of water and refuse collection on about **20 000** stands
- Facilitation of SLP & IDP capital projects to be rolled into RBN villages
- Cleaning and gardening services across all villages to keep clean environment



WHAT DID THE MONEY BUY? (Cont...)



SECURITY



- Attends to about **6000** crime and incidents calls in all the villages
- Investigates about **1200** criminal cases with the community
- Collaboration with SAPS to reduce crime
- Guarding of **31** RBN properties

SPORTS



- Support the sports development programmes including the following
- Support of about **1030** kids participating in basketball programme
- **30** Netball team and **590** netball participants
- **417** Athletes in schools and at village level
- **25** participants in disability sports
- About **5400** participants in all sports programs
- Grant funding to Platinum Stars Football Club

AUDIT OPINION



Annual Financial Statements for the year ended 31 December 2015 have been audited by an independent audit firm “PwC”



Unqualified audit opinion (Clean report) has been expressed on the RBN Group Annual Financial Statements by PwC



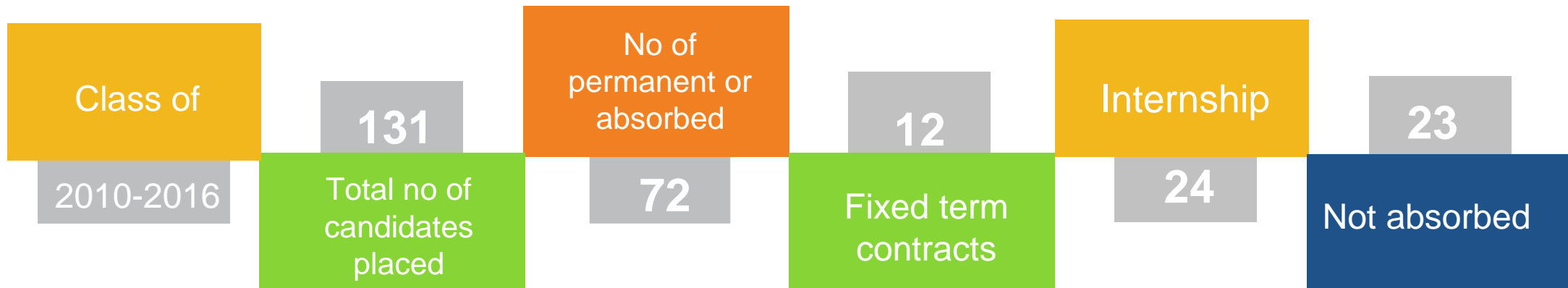
A detailed and complete set of Annual Financial Statements are available at the civic centre for inspection



Human Capital

'Class of' programme

The Class of programme refers to the Royal Bafokeng Nations internship programme aimed at recruiting and placing graduates who have successfully completed their tertiary qualifications across various disciplines of study mainly with investee companies.



RBH SOCIAL DEVELOPMENT UPDATE (Cont...)



We anticipate **26** Bafokeng youths to be placed in RBH investee companies and RBN entities, during 2016 provided we can find youth with relevant qualifications



Existing challenge:
- we struggle to find suitable candidates when sourcing for opportunities. Applicants not being able to attend interviews due to transport and transport fee constraints



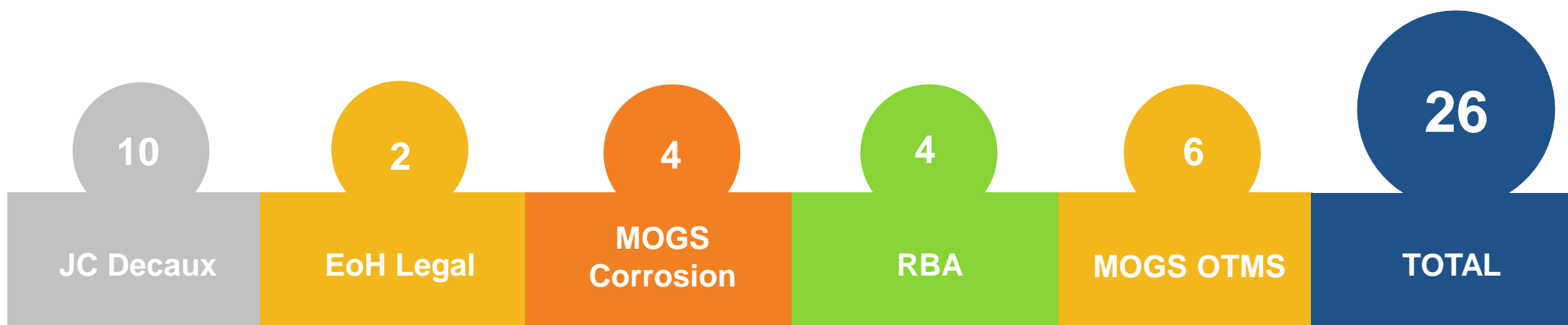
Proposed solution: work with RBI and RBA to create a screening and work readiness hub.



Interviews to be conducted in Phokeng

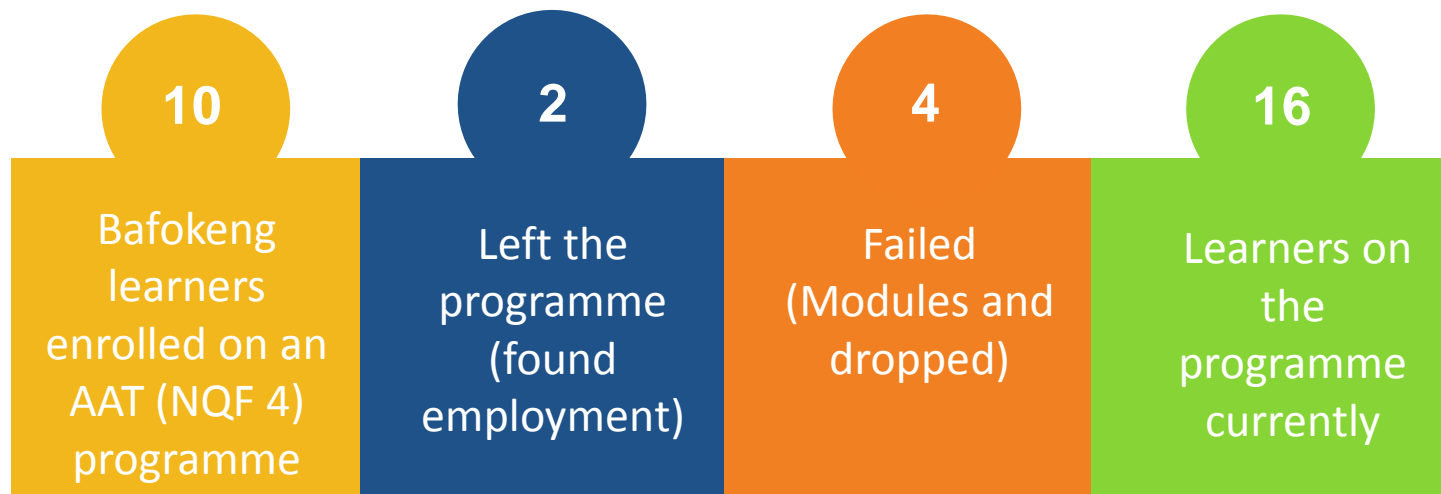


2016 **Internships** planned





Thutopelo Learnership



- **Thutopele** is a **6** months long Book keeping programme
- It is expected that only **50%** of the learners will pass the NQF 4 AAT programme
- It is to be noted that the learners enrolled on the programme had no accounting or maths as subjects when they were doing their matric hence the poor pass rate.



Re a leboga

Dipotso?