

South Africa



Michael Coppock
Desserie Forte
Beke Ncube
Eika Ooka
Khetiwe Richards
Anix Vyas

Basic Information about South Africa

BBC: http://news.bbc.co.uk/2/hi/africa/country_profiles/1071886.stm

IMF: <http://www.imf.org/external/country/zaf/index.htm>

OECD:

http://www.oecd.org/document/33/0,3343,en_2649_15162846_39963489_1_1_1_1,00.html

<http://stats.oecd.org/wbos/viewhtml.aspx?queryname=494&querytype=view&lang=en>

Statistics South Africa: <http://www.statssa.gov.za/>

Population: 48.7 million (Mid-2008)

Table A: Mid-year estimates for South Africa by population group and sex, 2008

Population group	Male		Female		Total	
	Number	Percentage of total population	Number	percentage of total population	Number	Percentage of total population
African	18 528 000	79,0	20 037 100	79,4	38 565 100	79,2
Coloured	2 105 800	9,0	2 273 400	9,0	4 379 200	9,0
Indian/Asian	614 700	2,6	628 800	2,5	1 243 500	2,6
White	2 196 300	9,4	2 302 900	9,1	4 499 200	9,2
Total	23 444 800	100,0	25 242 200	100,0	48 687 000	100,0

(Source) "Mid-year population estimates, South Africa: 2008"

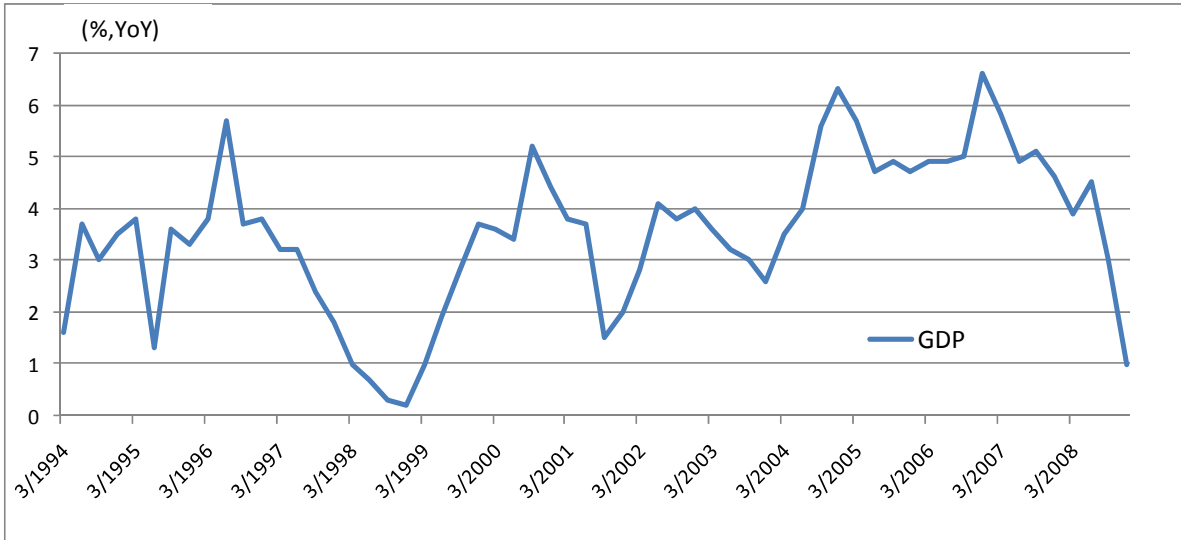
<http://www.statssa.gov.za/publications/P0302/P03022008.pdf>

GDP: -1.8% (4th quarter 2008(q/q))

Real quarterly GDP for the fourth quarter 2008	-1,8%
Main contributors to the -1,8% growth	
• Manufacturing	-3,5%
• Electricity, gas and water	-0,1%
• Wholesale and retail trade, hotels and restaurants	0,0%
• Mining and quarrying	0,0%
Industries with positive contributions	
• Finance, real estate and business services	0,6%
• General government	0,6%
• Agriculture, forestry and fishing	0,5%
• Construction	0,4%
• Transport, storage and communication	0,2%
• Personal services	0,2%

(Source) Statistics South Africa, Fact sheet as of 27 February 2009

South Africa GDP constant 95 price Year over Year



Labor Force: <http://www.statssa.gov.za/qlfs/index.asp>

Unemployment: 23.2% (3rd Quarter 2008)

Unemployment Rate



CPI: 8.1% (y/y) January 2009 <http://www.statssa.gov.za/cpi/index.asp>

PPI: 9.2% (y/y) January 2009 <http://www.statssa.gov.za/keyindicators/ppi.asp>

The Banking System

The South African Banking system comprised of:

- the South Africa Reserve Bank;
- 55 locally controlled banks;
- 5 mutual banks;
- 12 foreign-controlled banks; and
- 9 branches and 60 representative offices of foreign banks.

South Africa's "Big Four" local banks include Absa, First National Bank (a division of First Rand National Bank), Standard Bank and Nedbank. These provide retail and investment banking services in competition with a wide range of niche commercial banks. Notably, South African banks have been excluded from corporate banking due to more aggressive pricing at European, Malaysian and U.S. banks operating in South Africa. As South African banks gain better control of their cost structures, they become more likely to offer competitive lending margins.

International investment in South Africa has been facilitated through several initiatives, including:

- Exchange control legislation;
- the National Payment System Act of 1998, which introduced in South Africa international standards for settlement systems and systemic risk procedures; and
- The introduction of agreements on payment clearing house matters agreements by the Payment Association of South Africa.

A recent RNCOS research paper reports that:

- Bank deposits in South Africa are expected to grow at a compounded annual growth rate of 9% between 2008-2012;
- bank loans are projected to expand at a CAGR of 10.16% during 2008-2012;
- mortgage loans, and overdrafts and loans represented the largest portions of loans and advances, amounting to 40% and 22.5% respectively at the end of December 2007;
- the number of credit card transactions increased at a CAGR of 12.3% between 2002 and 2007; and
- Net interest income of South African banks is forecasted to grow at a CAGR of 6.2% between 2008 and 2012.

Additional information follows.

South African Banking Industry Overview

Bank Lending

Table: Lending Overview (ZARbn)				
	December 31 2006	December 31 2007	Movement, %	Absolute change
Mortgages	680.1	852.3	25.3	172.2
Credit cards	43.9	55.1	25.5	11.2
Bills etc	39.1	50.0	27.9	10.9

FC loans	192.1	190.9	-0.6	-1.2
Overdrafts	383.6	474.6	23.7	91.0
All others	389.1	486.8	25.1	97.7
Total	1,727.9	2,109.7	22.1	381.8

Source: South African Reserve Bank

According to the South African Reserve Bank total lending by the banks to customers rose by 22% to ZAR2.110trn. The total was held back by the small contraction in foreign-currency lending. All other categories of lending rose by 25-27%. In absolute terms, the increase in mortgage lending accounted for almost half the total growth.

Total Assets, Client Loans and Client Deposits

Table: Comparison Of Total Assets, Client Loans And Client Deposits (US\$bn)

	End 2007			End 2006		
	Total assets	Client loans	Client deposits	Total assets	Client loans	Client deposits
South Africa	380.1	314.9	277.9	294.3	245.1	218.4

Source: Central banks, Regulators, BMI

[Note from BMI: We have updated our tables using the latest data that are available from official sources such as bank regulators and central banks. In many cases, these data pertain to December 31 2007, though in some cases they may pertain to a later date.]

Per-Capita Deposits

Table: Comparison Of Per-Capita Deposits, Late 2007 (US\$)

Per-capita GDP	Total per-capita deposits	Rich 20%	Poor 80%
		per-capita deposits	per-capita deposits
South Africa	5,731	5,801	23,204
			1,450

Source: Central banks, Regulators, BMI

[Note from BMI: The above table compares per-capita deposits...in the region as at the end of 2007 (and, in some cases, at a later date). In order to gain a better insight as to the extent to which individual customers use banking services in each of the countries, we have assumed that 80% of the deposits are held by the richest 20% of the population, while the remaining 20% are held by the poorest 80% of the population. We also show the respective per-capita deposits for the rich and poor groups.]

Table: Comparison Of Loan/Deposit, Loan/Asset And Loan/GDP Ratios, Late 2007/ Early 2008

	Loan/ deposit ratio, %	Trend	Loan/ asset ratio, %	Trend	Loan/GDP ratio, %	Trend
South Africa	113.3	Rising	82.8	Falling	114.7	Rising

Source: Central banks, Regulators, BMI

Commercial Banking Business Environment

Table: Levels (ZARbn)

Date	Total assets	Client loans	Bond portfolio	Other	Liabilities and capital	Capital	Client deposits	Other
December 31 2006	2,075.2	1,727.9	255.5	91.7	2,075.2	380.3	1,539.4	155.5
December 31 2007	2,546.7	2,109.7	316.4	120.6	2,546.7	458.2	1,861.7	226.9
Change, %	23	22	24	31	23	20	21	46

Source: BMI, Central banks, Regulators

Table: Levels (US\$bn)

Date	Total assets	Client loans	Bond portfolio	Other	Liabilities and capital	Capital	Client deposits	Other
December 31 2006	294.3	245.1	36.2	13.0	294.3	53.9	218.4	22.1
December 31 2007	380.1	314.9	47.2	18.0	380.1	68.4	277.9	33.9
Change, %	29	28	30	38	29	27	27	54

Source: BMI, Central banks, Regulators

Table: Levels At December 31 2007

Loan/deposit ratio	Loan/asset ratio	Loan/GDP ratio	GDP per capita, US\$	Deposits per capita, US\$
113.3%	82.8%	114.7%	5,731	5,801

Source: BMI, Central banks, Regulators

Table: Average Annual Growth Rate Projections, 2008-2013 (%)

	Assets	Loans	Deposits
Q208	18	21	18
Latest/Q109	16	16	15

Source: BMI, Central banks, Regulators

Table: Projected Levels (ZARbn)

	December 2007e	December 2008e	December 2009f	December 2010f	December 2011f	December 2012f
Total assets	2,546.7	3,067.3	3,624.0	4,198.9	4,768.9	5,307.2
Client loans	2,109.7	2,530.3	2,980.1	3,445.4	3,908.8	4,350.0
Client deposits	1,861.7	2,215.5	2,593.8	2,986.7	3,381.5	3,763.2

e/f = BMI estimate/forecast. Source: BMI, Central banks, Regulators

Table: Projected Levels (US\$bn)

	December 2007e	December 2008e	December 2009f	December 2010f	December 2011f	December 2012f
Total assets	380.1	383.4	441.9	509.0	603.7	680.4
Client loans	314.9	316.3	363.4	417.6	494.8	557.7
Client deposits	277.9	276.9	316.3	362.0	428.0	482.5

e/f = BMI estimate/forecast. Source: BMI, Central Banks, Regulators

Table: Bond Portfolios, Late 2007

	Bond portfolio, US\$bn	Bonds as % total assets	Year-on-year growth, %
South Africa	47.2	12.4	30.3

Source: Central banks, Regulators, BMI

Industry Projections

Table: Average Annual Growth Rate Projections, 2009-2013 (%)

	Assets	Loans	Deposits
Q208	18	21	18
Latest/Q109	16	16	15

Source: BMI, Central banks, Regulators

Table: Projected Levels (ZARbn)

	December 2007e	December 2008e	December 2009f	December 2010f	December 2011f	December 2012f
Total assets	2,546.7	3,067.3	3,624.0	4,198.9	4,768.9	5,307.2
Client loans	2,109.7	2,530.3	2,980.1	3,445.4	3,908.8	4,350.0
Client deposits	1,861.7	2,215.5	2,593.8	2,986.7	3,381.5	3,763.2

e/f = BMI estimate/forecast. Source: BMI, Central banks, Regulators

Table: Projected Levels (US\$bn)

	December 2007e	December 2008e	December 2009f	December 2010f	December 2011f	December 2012f
Total assets	380.1	383.4	441.9	509.0	603.7	680.4
Client loans	314.9	316.3	363.4	417.6	494.8	557.7
Client deposits	277.9	276.9	316.3	362.0	428.0	482.5

e/f = BMI estimate/forecast. Source: BMI, Central banks, Regulators

Please see the following exhibits for additional commentary and data on the South African banking sector:

- Exhibit A for BMI commentary on Key Issues
- Exhibit B for BMI's SWOT Analysis of the South African banking industry
- Exhibit C for a discussion of the Competitive Landscape
- Exhibit D for BMI Commentary on Certain Ratios
- Exhibit E for Critical Statistics for Four Largest Banks

Insurance

Resources on South African Insurance Sector

The South African Insurance Association: <http://www.saia.co.za>

The Association of Collective Investments of South Africa: <http://www.aci.co.za>

South African Venture Capital & Private Equity Association: <http://www.savca.co.za/>

The South African Small Enterprise Development Agency: <http://www.seda.org.za/>

South African Ministry of Finance: <http://www.treasury.gov.za/ministry/default.aspx>

Insurance Sector Overview:

In light of recent global economic conditions, some experts (including BMI) believe that the insurance sector faces increasing risks to economic growth over the course of 2009. This stems from concerns of credit rating institutions such as Fitch and Standard & Poor's about South Africa's growth potential and macroeconomic stability. These institutions have recently downgraded the country's external credit rating outlook from 'stable' to 'negative'. Therefore, the country's open economy and financial markets could be more heavily exposed to the economic downturn than initially anticipated.

Another factor impacting the insurance industry is increased political uncertainty. South Africa's next general election will be held on April 22nd. Some analysts predict an almost certain return to another African National Congress (ANC) government, which may result in reduced investor confidence and increased volatility. This would have negative repercussions on the country's real economy. On a positive note, some South African financial institutions are unlikely to experience many of the problems faced by their American and European counterparts, thus shielding the South African economy from a severe economic downturn.

The global financial crisis is likely to affect various segments of the global insurance industry in different ways. A reduction in the number of insurance policies granted should result in downward pressure on premiums. By contrast, the main problem for the life segment in almost every country is the extreme volatility of financial markets. In the long term however, the fortunes of life insurance will likely recover thanks to the secular growth of organized savings in most countries. Some particular niches should also do well in the current environment, such as legal liability insurance.

According to Business Monitor's 2009 Insurance Report¹, total premiums in South Africa rose by an estimated 13% to ZAR259,087mn. Non-life premiums² rose by 15% to ZAR61,612mn, while life premiums³ rose by 13% to ZAR197,475mn. Between now and the end of the forecast period of 2013, we expect that annual non-life premiums will grow by ZAR68,569mn, while

¹ Business Monitor International South Africa Insurance Report Q1 2009, ISSN: 1750-5763

² Non-life premiums comprise both the actual premiums payable by policyholders to obtain insurance cover during the accounting period (premiums earned) and the premium supplements payable out of the property income attributed to insurance policyholders, but excluding social contributions.

³ A Life premium insurance policy that is paid for in one payment instead of monthly or yearly payments

annual life premiums should grow by ZAR45,545mn. Growth in non-life premiums should be driven by the general growth of nominal GDP plus a rise in non-life penetration from the current level of 2.78% to 3.50%. Growth in life premiums should be driven by the change in the overall population and a rise in life density from US\$519.77 to US\$630.00 per capita.

Table: Overview Of South Africa's Insurance Sector

Non-life segment	ZARmn	US\$mn	EURmn
2008 premiums, mn	65,500	8,027	5,779
2008-2013 premium growth, mn	64,681	8,105	6,964
2008-2013 CAGR, %	15	15	17
2008 penetration, % of GDP	3.0		
Segment measure of openness to new entrants (out of 10)	10.0		
BMI segment rating	72.5		
Life segment			
2008 premiums, mn	212,513	26,043	18,751
2008-2013 premium growth, mn	30,507	4,071	5,039
2008-2013 CAGR, %	3	3	5
2008 penetration, % of GDP	9.6		
Segment measure of openness to new entrants (out of 10)	5.0		
BMI segment rating	67.5		
Total insurance sector			
2008 premiums, mn	278,013	34,070	24,531
2008-2013 CAGR, %	6	6	8
2008 penetration, % of GDP	12.5		
BMI's Insurance Business Environment Rating	67.6		

Please see Exhibit F for BMI's SWOT Analysis of the South African Insurance Sector

Competitive Landscape

Table: Non-Life Premiums In A Regional Context, 2008

	Premiums, US\$m	Premiums, EURmn	Penetration, % of GDP	Density, US\$ per capita	Density, EUR per capita
South Africa	8,027	5,779	2.96%	167.93	120.91

Source: BMI

Table: Life Premiums In A Regional Context, 2008

	Premiums, US\$m	Premiums, EURmn	Penetration, % of GDP	Density, US\$ per capita	Density, EUR per capita
South Africa	26,043	18,751	9.59%	544.84	392.28

Source: BMI

Table: Comparison Of Major Lines As % Of Non-Life Premiums, 2006

	Total motor	Total accident and health	Total MAT	Property/fire	Personal liability	Other lines
South Africa	44	4	5	32	3	12

MAT = marine, aviation and transport; na = not available/applicable. Source: CEA, Regulators, Trade associations

Please See Exhibit G for a BMI Commentary on the Competitive Landscape in the Insurance Sector.

Table: South Africa -- Insurance Business Environment Indicators

Limits of potential returns	Data
Non-life premiums (2008)	US\$8,026.9mn
Non-life premium increase (2008-2013)	US\$8,104.6mn
Non-life penetration (2008)	3.0% of GDP
<i>Measure of openness</i>	10.0
Life premiums (2008)	US\$26,043.3mn
Life premium increase (2008-2013)	US\$4,070.7mn
Life penetration (2008)	9.6% of GDP

Measure of openness

GDP per capita (2008)	US\$5,682.0
Active population, % of total	64.1%

Please see Exhibit G for BMI commentary of the South African Insurance Business Environment

Table: Insurance Data And Projections, 2005-2013

	2005	2006	2007	2008e	2009f	2010f	2011f	2012f	2013f	CAGR 2008 - 2013
Non-life premiums, ZARmn	46,200	51,000	55,590	65,500	75,452	87,117	99,488	114,340	130,181	
% change		10%	9%	18%	15%	15%	14%	15%	14%	15%
Life premiums, ZARmn	145,210	156,030	175,534	212,513	269,917	257,345	236,431	239,673	243,020	
% change		7%	13%	21%	27%	-5%	-8%	1%	1%	3%
Total premiums, ZARmn	191,410	207,030	231,124	278,013	345,369	344,463	335,919	354,013	373,201	
% change		8%	12%	20%	24%	0%	-2%	5%	5%	6%
Non-life premiums, US\$mn	7,276	7,556	7,852	8,027	7,508	9,367	11,986	13,978	16,132	
% change		4%	4%	2%	-6%	25%	28%	17%	15%	15%
Life premiums, US\$mn	22,868	23,116	24,793	26,043	26,857	27,672	28,486	29,300	30,114	
% change		1%	7%	5%	3%	3%	3%	3%	3%	3%
Total premiums, US\$mn	30,143	30,671	32,645	34,070	34,365	37,039	40,472	43,278	46,246	
% change		2%	6%	4%	1%	8%	9%	14%	7%	6%

Non-life premiums										
, EURmn	5,748	6,044	5,653	5,779	5,856	7,307	9,349	10,903	12,744	
% change		5%	-6%	2%	1%	25%	28%	17%	17%	17%
Life premiums										
, EURmn	18,065	18,492	17,851	18,751	20,949	21,584	22,219	22,854	23,790	
% change		2%	-3%	5%	12%	3%	3%	3%	4%	5%
Total premiums										
, EURmn	23,813	24,537	23,504	24,531	26,805	28,890	31,568	33,757	36,534	
% change		3%	-4%	4%	9%	8%	9%	7%	8%	8%

Please see Exhibit H for BMI commentary on South African Insurance Industry Projections.

Central Bank and Its Role in the Economy:

The South African Reserve Bank (SARB): <http://www.reservebank.co.za/>

Established in 1921. Located in Pretoria. Address: 370 Church Street, Pretoria, 0002. Postal address : P.O. Box 427, Pretoria, 0001.

Mission

South Africa's central bank is known as the South African Reserve Bank (the "Bank"). Its mission is to achieve and maintain price stability in the South African economy. The Bank explicitly recognizes the principles of "a market system, private and social initiative, effective competition and social fairness," and pursues the dual goals of economic development and growth. In pursuing price stability, the Bank is committed "to performing its functions independently, without fear, favor or prejudice."

Board Structure

Strategic matters at the Bank are governed by a fourteen-member Board of Directors. The Board is comprised of one governor and two deputy governors, all of whom are responsible for the day-to-day affairs of the Bank and are appointed to five-year terms by the President of South Africa. Eleven additional directors are elected by the shareholders of the Bank for three-year terms. In its current configuration, there are four directors for commerce or finance, two directors for government, three directors for industry, and one director for agriculture. One Board seat remains vacant.

Management

In addition to the Board of Directors, management of the Bank is carried out through several administrative departments, including the following:

- Currency and Protection Services Department
- Financial Markets Department
- Exchange Control Department
- Head - Research Department

- Bank Supervision Department and Registrar of Banks
- Financial Stability Department
- National Payment System Department
- Financial Services Department
- Legal Services Department and General Counsel
- Internal Audit Department and Chief Internal Auditor
- Human Resources Department
- Corporate Services Department
- Business Systems and Technology Department
- SARB College

Ownership of the Bank

The Bank is privately owned by 630 shareholders who trade its shares on an over-the-counter market coordinated within the Bank itself. Aside from limitations on concentration of ownership, there are no limits on shareholding. Since the Bank's excess earnings are paid to the government of South Africa, the Bank believes its operations to be in the best interests of the South African people.

Establishment of the South African Reserve Bank:

The Bank was established in 1921 in order to address unintended consequences of a rule requiring commercial banks to convert notes into gold upon tender at their respective branches. As prices for gold rose outside of South Africa during World War I, arbitrageurs began to tender notes in South Africa only to re-sell in London the gold they had received upon tender. In order to back their notes, South African Banks were forced to buy gold in London for import to South Africa. Having been forced to buy at London's high prices and sell at South Africa's lower prices, the banks found themselves in an untenable position for which they sought legislative relief. Relief came in the form of the 1920 Currency and Bank Act, under which Parliament established the Bank, which began operations on June 30, 1921.

While the 1920 Currency and Bank Act was superseded by a series of subsequent legislative reforms, the Constitution makes clear that the Bank must pursue low inflation and stable financial conditions "without fear, favor or prejudice".

Overview of Bank Functions

The Bank has assumed responsibility for carrying out the following broad functions:

- formulating and implementing monetary policy in such a way that the primary goal of the Reserve Bank will be achieved in the interest of the whole community that it serves;
- ensuring that the South African money, banking and financial system as a whole is sound, meets the requirements of the community and keeps abreast of international

developments;

- assisting the South African government, as well as other members of the economic community of southern Africa, in the formulation and implementation of macro-economic policy; and
- informing the South African community and all interested stakeholders abroad about monetary policy and the South African economic situation.

More specifically, the Bank acts as:

- Banker to the Government: In this recently diminished role, the Bank provides banking services to the South African national government (provincial and local governments are excluded). The Bank manages the flow of government funds to and from other banks, thus influencing liquidity in the banks in which it holds accounts.
- Administrator of Exchange Control Policy: The Minister of Finance has authorized certain banks to buy and sell foreign exchange. While authority to set policy regarding such foreign exchange activity rests with the Minister of Finance, the Governor and Deputy Governors of the Bank are charged with implementing such policies in accordance with Treasury regulations. Consequently, the Bank acts as an adviser to the Minister of Finance on matters of day-to-day administration of exchange control.
- Provision of Liquidity to Banks: The Bank acts as lender-of-last-resort to banks experiencing temporary shortages of cash. The primary purpose of this function is to ensure stability of the financial system by inspiring confidence on the part of depositors at otherwise troubled institutions. Without these protections, such depositors might be inclined to begin a “run on the bank”, causing instability to spread to banks throughout the financial system. Note that the Bank will provide liquidity assistance only after analyzing the problems at troubled banks, as well as the reasons for such problems.
- Banknotes and Coin: The Bank has exclusive authority for making, issuing and destroying banknotes and coin in South Africa.
- Banker to other Banks: According to the Bank website, the Bank “acts as custodian of the cash reserves that banks are legally required to hold or prefer to hold voluntarily with the Bank. The Bank has the authority to change the minimum cash reserves that banks are required to hold and can use such adjustments to influence bank liquidity and the amount of money in circulation.”
- Settlement of Interbank Claims: [The Reserve Bank provides for final real-time electronic settlement of interbank obligations, emanating from non-cash payments (e.g. cheques) made in the economy, via the South African Multiple Option Settlement (SAMOS) system. In addition, the Bank oversees the safety and soundness of the payment system through the introduction of settlement risk reduction measures as and when required. The settlement risk reduction measures are aimed at minimizing possible systemic risk emanating from, *inter alia*, the settlement default (inability or lack of funds to settle obligations) of one or more settlement banks.]
- Bank Supervision: The Bank regulates and supervises banks in South Africa by issuing licenses to banking institutions and providing oversight of their activities pursuant to South African law.

- Internal Administration.
- Money and Capital Market Administration: The Bank participates in domestic money and capital markets in order to achieve and maintain low inflation in South Africa. Through these open market operations, the Bank can influence interest rates in accordance with its policy goals.
- [Gold and Foreign Exchange Reserves. The Bank is the custodian of the country's gold and foreign-exchange reserves. Emanating from international trade and foreign investment inflows to South Africa, foreign-exchange reserves (currencies of other countries but mainly United States dollars) are accumulated by the Reserve Bank. These reserves can be used to supplement the supply of foreign currencies in the foreign-exchange market during periods when demand temporarily exceeds the supply from other sources. These are supplemented by gold reserves.]

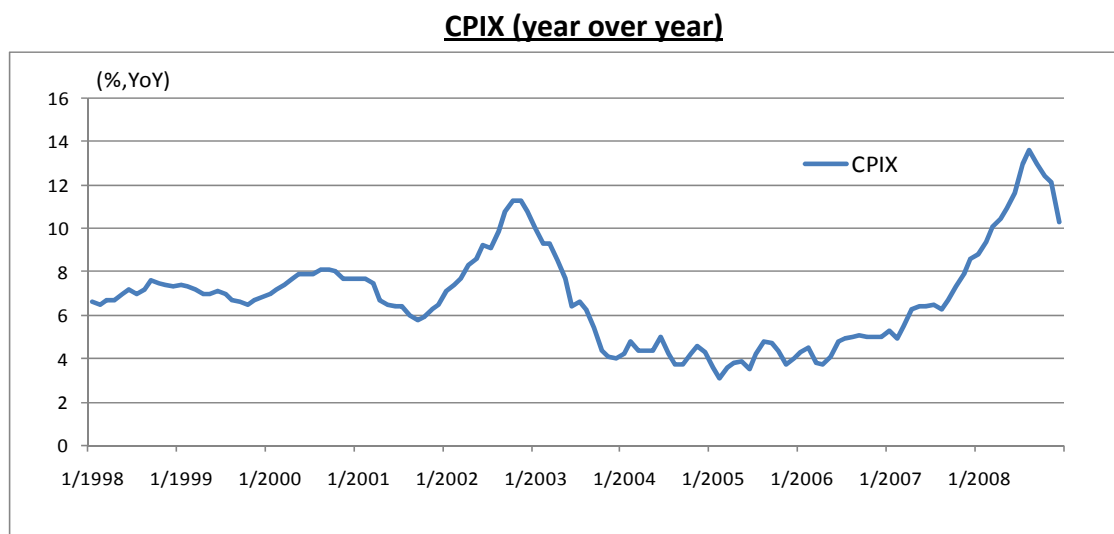
□

Monetary Policy

The South African Reserve Bank conducts monetary policy within an inflation targeting framework. The current target is for CPIX inflation to be within the target range of 3 to 6 per cent on a continuous basis.

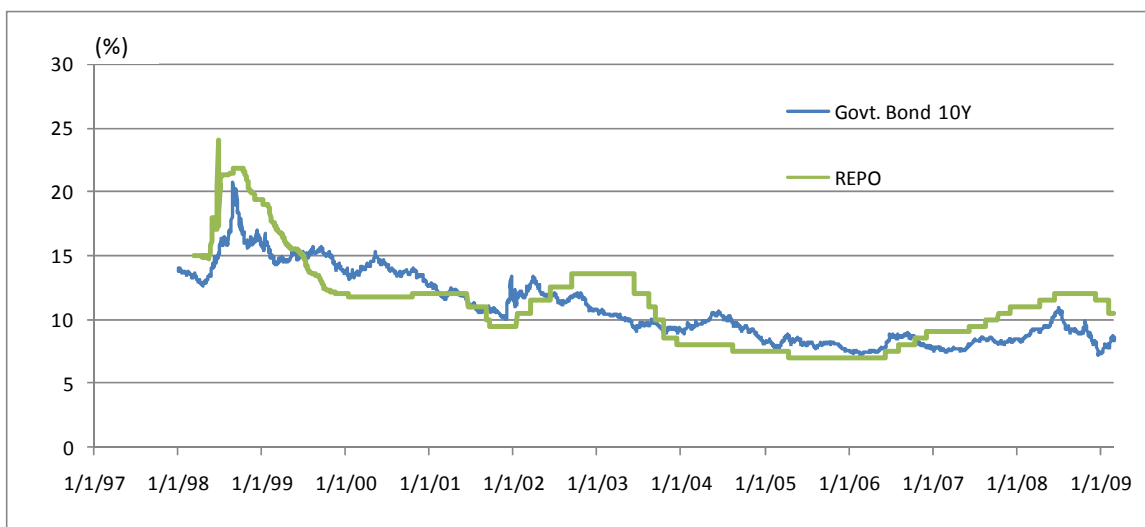
Target rate

CPIX inflation (year-on-year increase in the consumer price index excluding mortgage interest costs for metropolitan and other urban areas)



The bank's main market operation rate is Repurchase rate (Repo rate).

Repo rate & 10 year Government Bond rate



The South African Reserve Bank holds Monetary Policy Committee (MPC) meetings to decide monetary policy six times a year in even numbered months.

The Bank's operations in the money market support the Bank's interest rate policy as determined by the MPC, with the aim of achieving the Bank's inflation target. In its monetary operations, the Bank endeavors to promote financial stability by managing the liquidity needs of the banking system as a whole. It also contributes to the development and efficiency of the domestic financial markets, in particular the interbank market. The Financial Markets Department uses various instruments to conduct the Bank's monetary operations.

Exchange rates:

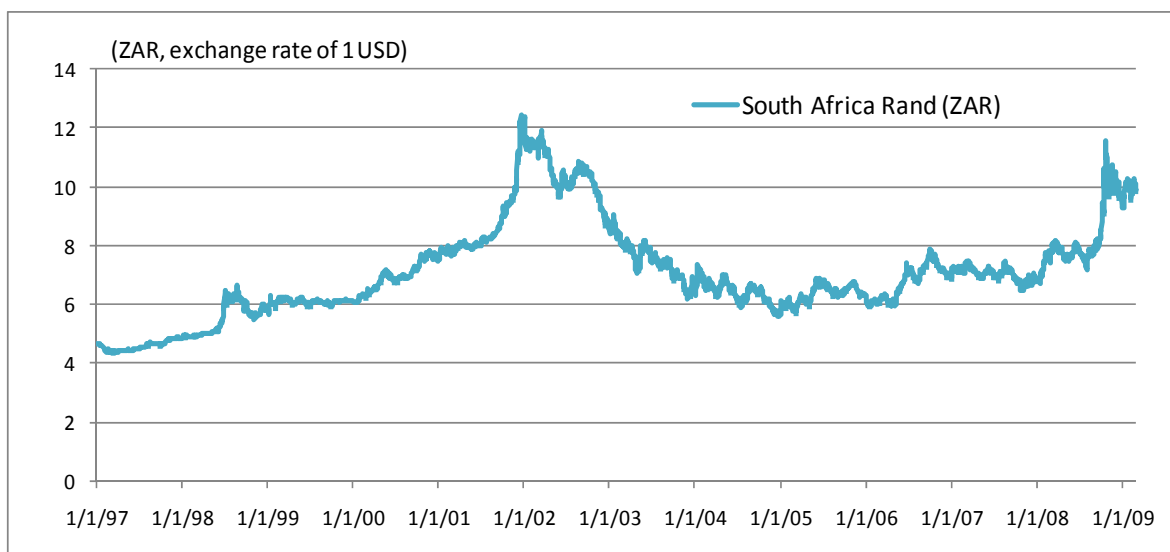
The South African rand (ZAR) is an official currency of South Africa. As of March 13, 1995, South Africa has moved to a single currency by abolishing the Financial Rand.

Prior to February 7, 1983, and between September 1985 and March 1995, a dual exchange rate existed consisting of the commercial and financial rand.

The commercial rand was a managed float and applied to all current transactions, while the financial rand floated freely and applied to local sale or redemption proceeds of South African securities and other South African investments owned by nonresidents.

The South African Reserve Bank has a floating exchange rate policy and there are no exchange rate targets.

South Africa Rand Exchange Rate (against 1 US dollar)



(Source: Bloomberg)

The South African Reserve Bank has revised the weights used in the calculation of the nominal and real effective exchange rates of the rand. The revised weights have been used in the calculation of the nominal and real effective exchange rate time series from 1 January 2005 when it was statistically linked to the previously calculated effective exchange rate time series. Data prior to 1 January 2005 will therefore not be affected by the revision exercise. The methodology for the calculation of the new weights has remained unchanged. A comprehensive note explaining the methodology and related issues was included in the December 2008 Quarterly Bulletin released on 9 December 2008. Below is a table comparing the previous and revised weights.

Comparison between previous and revised weights as of 12/1/2008

Country/Area	Previous weight	Revised weight
Euro area	36,38	34,82
United States	15,47	14,88
China	3,14	12,49
United Kingdom	15,37	10,71
Japan	10,43	10,12
Switzerland	5,54	2,83

Australia	1,68	2,04
Sweden	1,81	1,99
India	-	2,01
Republic of Korea	2,64	1,96
China, Hong Kong SAR	2,70	1,48
Singapore	1,66	1,40
Brazil	-	1,37
Israel	1,22	1,11
Zambia	-	0,80
Canada	1,96	-
Total	100,00	100,00

Historical data is available on the web.

Foreign Exchange Operations:

The Treasury Section (dealing room) within the Financial Markets Department is responsible for the execution of the Bank's exchange rate policy in the spot and forward foreign exchange market, as well as for certain aspects of the management of physical gold. Another important function performed by the Treasury Section is the frequent provision of updates on market developments.

The following activities take place in the dealing room of the South African Reserve Bank:

- Calculation of exchange rates for valuation of foreign currency accounts.
- Calculation of forward exchange rates (short term and long term).
- Payment of foreign currency on behalf of government departments.
- Funding of foreign currency accounts.
- Management of the forward book on a daily basis.
- Execution of money market swaps for monetary policy purposes.
- Quoting spot US\$/R prices to other African central banks.
- Daily interaction with local authorized dealers/international market.
- Management of gold reserves.
- Quoting Krugerrand prices to branches on a daily basis for the public.
- Quoting rates on collateralized gold loans to commercial banks for onlending to the jewellery industry.

Functions :

Primary function of the South African Reserve Bank include price stability and bank supervision, as well as management of official gold and foreign exchange reserves.

- Settlement – The Reserve Bank oversees the safety and soundness of the national payment system and implements risk-reduction measures in the payment system to reduce systemic risk. The Reserve Bank provides an inter-bank settlement service via the real-time electronic settlement system, the South African Multiple Option Settlement (SAMOS) system.
- Bank Supervision – The Reserve Bank is responsible for bank regulation and supervision in South Africa. The purpose is to achieve a sound, efficient banking system in the interest of the depositors of banks and the economy as a whole. This function is performed by issuing banking licenses to banking institutions, and monitoring their activities in terms of either the Banks Act, 1990 (Act No. 94 of 1990), or the Mutual Banks Act, 1993 (Act No. 124 of 1993).

Government Bond Market:

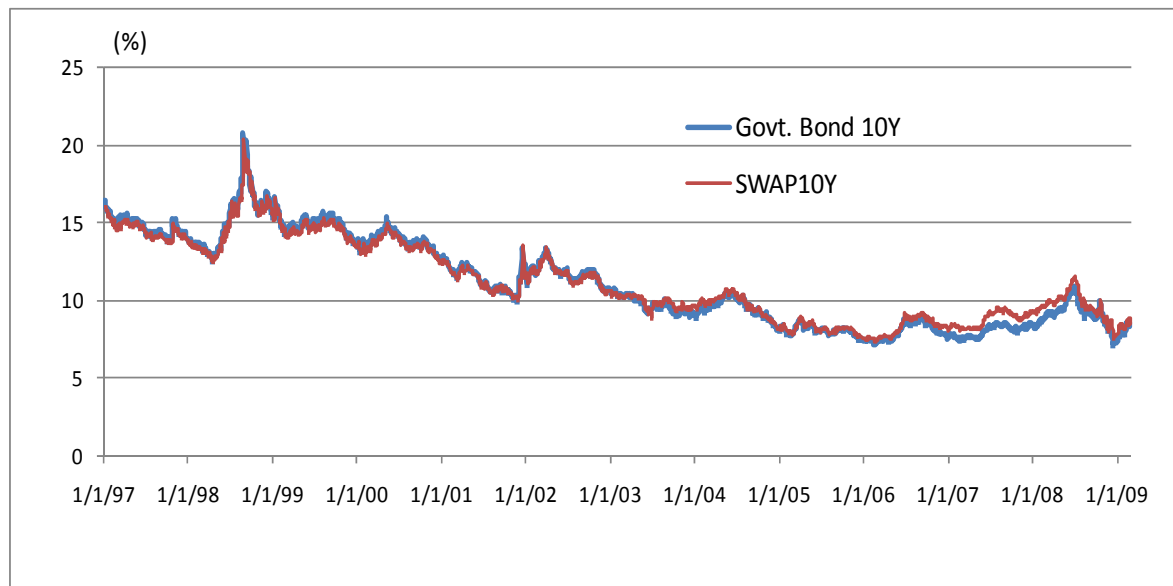
Government bond issues in South Africa started in the 1980s when bonds were only issued on demand. The South African Revenue Bank was the principal underwriter of those bonds.

The Bond Market Association (BMA) was formed in an attempt at self-regulation of the market. The BMA was granted an exchange license in 1996 and was converted into the Bond Exchange of South Africa (BESA). Trading began on May 15, 1996. In 2005 the Bank for International Settlement (BIS) reported that South Africa's government bond market was the sixth most liquid market in the world behind Canada, Chile, Poland, Taiwan and the United States. Liquidity of a market attracts new investors and helps lessen pressure during financial hardships.

South Africa's government bond market also has a turnover ratio equivalent to other mature markets. According to the Bond Exchange of Africa's 2007 market performance, "turnover on the bond exchange reached a record R13.8 trillion, with R13 trillion in trades occurring in government bonds."

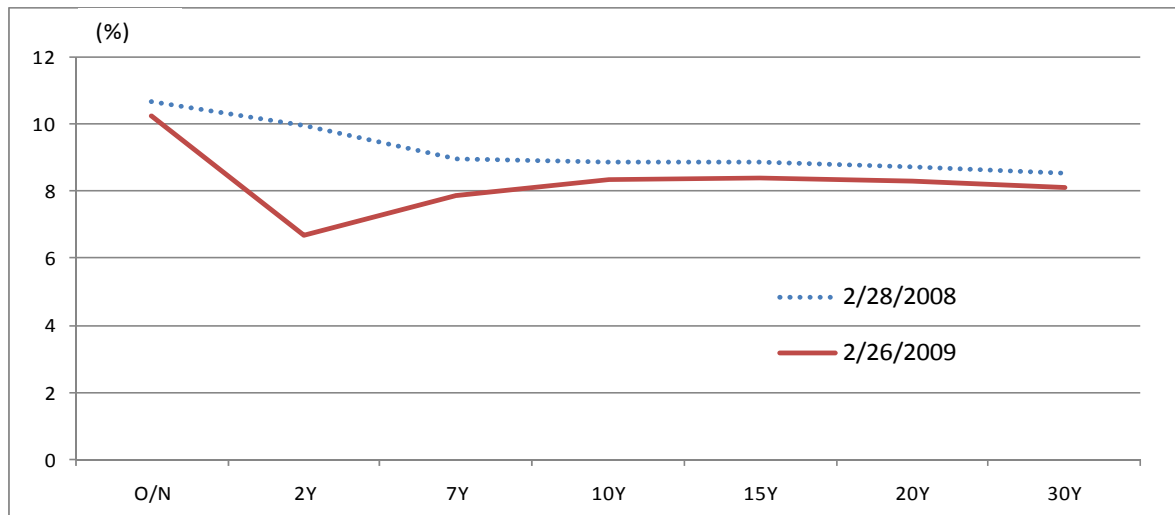
Government bonds have always dominated the bond market, but now more and more companies are issuing bonds. Before 2007 government bonds accounted for about 60% of all bonds issued. At the end of 2007 companies had actually issued more bonds than the government, which makes for a less volatile market.

10 year Government Bond yield and 10 year SWAP rate



(Source: Bloomberg)

Government Bond Yield Curve



(Source: Bloomberg)

Government: <http://www.gov.za/>

Interest rates: <http://stats.oecd.org/mei/default.asp?lang=e&subject=15&country=ZAF>

“The challenges facing the bond market in South Africa” <BIS>

<http://www.bis.org/review/r070522e.pdf>

“Financial Developments in Africa: new challenges for central banks?” <BIS>

<http://www.bis.org/events/fmda07.pdf?noframes=1>

Table 5 Government debt¹

	Local currency			Foreign currency	Total
	Short-term	Long term	Total		
North Africa ²	9,4	27,1	36,6	18,7	66,2
Nigeria.....	8,4	6,4	14,8	2,8	17,6
South Africa.....	6,7	20,7	27,3	3,2	30,5
Other Africa ³	7,1	11,5	18,7	25,2	43,9
Asia ⁴	12,3	19,7	32,0	0,8	32,8
China.....	17,4	12,3	29,7	0,2	29,9
India.....	2,5	32,4	34,9	0,0	34,9
Latin America ⁵	18,5	16,9	35,4	9,6	45,0
Mexico.....	8,4	11,7	20,1	5,3	25,5
Other emerging ⁶	4,1	18,8	23,0	6,1	29,1

1 Figures refer to 2006, as a percentage of GDP. Regional figures are weighted averages based on 2000 GDP and PPP exchange rates of the countries

2 Algeria, Egypt and Morocco

3 Botswana, Ghana, Kenya, Lesotho, Mauritius, Namibia, Swaziland, Tanzania, Uganda and Zambia

4 China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan (China) and Thailand

5 Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela

6 The Czech Republic, Hungary, Poland, Russia and Turkey

Sources: IMF; OECD; Moody's; BIS

<Cf. Corporate bond markets, Credit Spreads>

Bond Exchange South Africa: <http://www.bondexchange.co.za/besa/view/besa/en/page1>

(Bond market performance 2007)

<http://www.bondexchange.co.za/besa/view/besa/en/page44712>

“The Empirical Determinants of Local-Currency-Denominated Corporate Spreads in Emerging Economies: Evidence from South Africa” <BIS>

<http://www.bis.org/publ/wgpapers/cgfs28grandes1.pdf>

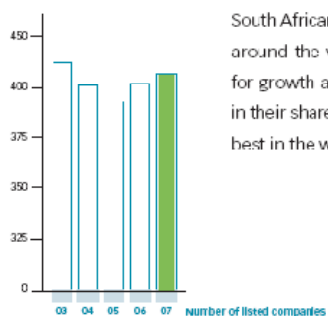
Stock Market:

The JSE Limited ("the JSE") was formally established on November 8, 1887. It was borne of the needs of a rapidly developing gold mining industry and has emerged as an active player in meeting both the political and economic challenges of post apartheid South Africa. The JSE is licensed as an exchange under the Security Services Act, 2004 and is Africa's premier exchange. It has operated as a market place for the trading of financial products for nearly 120 years. In this time, the JSE has evolved from a traditional floor based equities trading market to a modern securities exchange providing fully electronic trading, clearing and settlement in securities, financial and agricultural derivatives and other associated instruments and has extensive surveillance capabilities. The JSE is also a major provider of financial information.

Number of Companies / Securities Listed and Market Capitalisation									
	Month Ended	Month Ended	% Change						
	Jan 2009	Jan 2008	Year on Year	2008	2007	2006	2005	2004	
Mainboard, Venture & Development Capital									
Companies Listed	347	345	0.58	348	347	364	373	394	
No of New Listings	-	1	-100.00	18	25	18	13	12	
No of Delistings	1	3	-66.67	18	40	23	34	39	
Alternative Exchange									
Companies Listed	77	75	2.67	77	75	37	15	10	
No of New Listings	-	-	0.00	5	37	19	6	5	
No of Delistings	-	-	0.00	2	-	1	1	-	
Overall JSE									
No of New Listings	-	1	-100.00	23	62	37	19	17	
No of Delistings	1	3	-66.67	20	40	24	35	39	
Foreign Listings	46	37	24.32	46	37	30	24	21	
Domestic Listings	378	383	-1.31	379	385	371	364	383	
Companies Listed	424	420	0.95	425	422	401	388	404	
No of Securities Listed	988	1,230	-19.67	992	1,174	1,047	984	873	
Market Capitalisation (Rbn at period)	4,447.2	5,366.6	-17.13	4,541.9	5,696.8	5,041.5	3,586.1	2,566.4	

Source: Equity Market Profile (01 January 2009), JSE Website

Please see Exhibit J for a list of companies currently listed on the Johannesburg Stock Exchange.



South African companies, and increasingly companies from around the world, are attracted to the JSE to raise capital for growth and to access a regulated market for the trade in their shares. The JSE offers a service comparable with the best in the world, at globally competitive costs.

Source: JSE 2007 Annual Report, JSE Website

Total number of Companies listed on JSE, excluding investment funds

End 1998	End 1999	End 2000	End 2001	End 2002	End 2003	End 2004	End 2005	End 2006	End 2007
669	658	606	532	451	411	389	373	389	411

Total Value of Share Trading on JSE (Domestic & Foreign, including Investment Funds)(in USD millions)

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
61,836.9	86,838.1	77,446.1	69,278.4	78,391.8	101,126.9	161,072.8	201,779.1	311,041.4	423,731.2

JSE All Share Index Levels at Year End

End 1998	End 1999	End 2000	End 2001	End 2002	End 2003	End 2004	End 2005	End 2006	End 2007
5,430.48	8,542.78	8,326.19	10,441.68	9,277.22	10,387.22	12,656.86	18,096.54	24,915.20	28,915.20

Turnover

Exchange	2008 Turnover velocity	2007 Turnover velocity
Johannesburg SE	63.1%	52.5%

Source: World Federation of Exchanges

- Trading Volume

JSE's share performance during 2007

Number of shares in issue	85 140 050
Close (31 December 2007)	R87,00
High/low and (12 month high/12 month low)	R88,02/R86,00 and (R95,00/R49,00)
Weighted average volume traded	94 055 338
Value traded	R6 534 027 334
Market capitalisation	R7 407 184 350

Source: JSE 2007 Annual Report, JSE Website

- Market capitalization / Turnover

	JSE		JSE		Ranking			
	Dec 2008	Ranking	Dec 2007	Ranking	2007	2006	2005	2004
Market Capitalisation (US\$ million)	482,700	18	828,185	19	19	19	17	15
Market Turnover (US\$ million)	400,758	22	425,325	22	21	21	21	21
Liquidity %	70.5	36	43.7	33	33	33	33	38

Source: Equity Market Profile (01 January 2009), JSE Website

- Automation vs. manual trading
Trade was stimulated by market volatility and carried out using an upgraded technology system – the London Stock Exchange's TradElect™. The average daily number of trades in 2007 was 46,216, compared with 31,899 in 2006, and a record number of trades, totaling 99,959, occurred on the futures close-out on 20 December 2007.

Bond Information:

In addition to the bond data and background information discussed elsewhere in this report, please find additional recent bond information on page 4 of the Absa Capital Morning Sheet (April 15, 2009) , at [https://webcafe.wharton.upenn.edu/eRoomReq/Files/aisp/fnce899-sp09-1/0_34c89/Absa%20Capital%20South%20Africa%20Report%20\(April%2015\).pdf](https://webcafe.wharton.upenn.edu/eRoomReq/Files/aisp/fnce899-sp09-1/0_34c89/Absa%20Capital%20South%20Africa%20Report%20(April%2015).pdf).

Other Types of Finance:

Micro finance

Introduction

The South African credit granting industry is highly dualistic. On the one hand, there exists a plethora of financial and credit products aimed at the middle-upper income groups. At the opposite end, as much as 50% of low income individuals remain unbanked. The micro lending

sector therefore, in most cases, becomes the primary source of access to credit for this category of borrowers. Micro lenders in the South African context are defined as institutions involved with micro lending (for any purpose) and not only those lending to micro-enterprises.

In terms of total consumer credit extension (USD 51.7 billion), South Africa's micro finance market is relatively small (USD 2 billion). Because micro loans are relatively small (i.e. under USD 1,430), its sphere of influence, however, is considerable. Today there are approximately 3 million borrowers, 1,400 registered micro lenders with a branch outreach of 7,000 outlets in all of South Africa's nine provinces.

Regulation of micro lending in South Africa

As regulators to the South African micro lending industry, the Micro Finance Regulatory Council (MFRC) has a dual mandate in ensuring the sustainability of the industry in providing access to finance for lower income individuals as well as ensuring consumer protection.

The MFRC was established in 1999 as non-profit organization. Its board of directors comprises of representatives from government, lenders' associations and consumer representatives.

The MFRC was mandated by South Africa's Department of Trade & Industry to regulate the micro lending industry by virtue of an Exemption to the country's Usury Act. The Usury Act establishes a consumer protection framework for money-loans and includes a cap on interest rates. The cap is relatively low (currently, about 10 percentage points above the prime lending rates). Given that most small loans would not be viable at such interest rates, an Exemption was created to the Usury Act which provides exemption from the interest rate ceiling imposed by the Usury Act as long as (1) the loan fall is of an amount of less than USD 1,430 and for a shorter than 36 month loan term (2) the lending entity is registered with the MFRC and (3) the transaction complies with a simplified set of consumer protection requirements which is contained in the Exemption Notice.

Unless also registered as banks with the South African central bank, a micro lender would not be allowed to take deposits, retail or wholesale. Herein lies an important regulatory distinction. The MFRC has been established not to monitor prudential lender risks, but to introduce compliance rules surrounding market conduct. This market conduct includes:

- Registration with the MFRC, followed by annual re-registration;
- Submission of quarterly financial returns by lenders;
- Submission of annual financial statements prepared by an independent accounting officer or auditor;
- Approval of a lenders loan agreement with its borrower; and
- Inspection of lenders' premises to monitor compliance with MFRC Rules.

Microfinance regulation is also activity-based rather than institution-based. Thus, there is no restriction on the type of institution that may issue micro loans. Accordingly, the diversity of lenders in the country reflects the diversity of general legal structure. Amongst registered micro lenders, loan products of all types are offered: housing, education, enterprise, health and many others. There are a number of lenders that specializes in particular niches providing small money

loans. These entities also include a number of listed stock exchange companies, non-government organizations (NGOs), SACCOs and a large number of small cash lenders.

Source: Micro Finance Regulatory Council, South Africa (Paper)

Companies in Microfinance in South Africa

Name	Type of Institution	Gross Loan Portfolio (US\$)	Number of Active Borrowers
ARTPAC	NGO	471,002	115
Beehive EDC	NGO	518,469	5,892
Capitec Bank	Bank	-	826,541
Credit U	Non-Bank Financial Institution	621,345	13,076
Ekukhanyeni	NGO	26,651	600
Kuyasa Nations Trust	NGO	1,397,305	1,372
Opportunity Finance	Non-Bank Financial Institution	319,158	147
Protea FSG	Non-Bank Financial Institution	1,010,736	2,069
SEF-ZAF	NGO	9,660,019	8,450
Siyakhula	NGO	8,925,384	50,319
TEBA	Bank	151,311	946
Tiisha	NGO	41,145,047	157,776
Tiholo	NGO	68,386	740
		47,159	244

Source: The Mix Market

Informal finance

Informal Insurance – Funeral Insurance:

<http://www.ilo.org/public/english/employment/finance/download/wpap22.pdf>

Table 1: Segments of Financial Systems by Degree of Formality

Tier	Definition	Institutions	Principal Clients
Formal banks	} Licensed by } central bank	Commercial & development banks	Large businesses Government
Specialized non-bank financial institutions (NBFIs)		Rural banks Post Bank Savings & loan companies Deposit-taking microfinance banks	Large rural enterprises Salaried workers Small & medium enterprises
Semi-formal	Legally registered, but not licensed as financial institution by central bank	Credit unions Microfinance NGOs	Microenterprises Entrepreneurial poor
Informal	Not legally registered at national level (though may belong to a registered association)	Savings (susu) collectors Savings & credit associations, susu groups Moneylenders	Self-employed Poor

Source: Steel (2006)

Source: From Informal Finance to Formal Finance in Sub-Saharan Africa: Lessons from Linkage Efforts, IMF Working Paper:

<https://www.imf.org/external/np/seminars/eng/2008/afrfin/pdf/Aryeetey.pdf>

Private equity

South Africa's private equity industry is showing promising growth in recent years, nearly doubling in size from 2006 to 2007. Africa obviously has problems in maintaining stability in many nations--both political and economic--but South Africa has been receptive to private equity and its financial markets are developing to meet the global standards. This is it is important to keep an eye on this exciting country that is gradually growing into an important emerging private equity market.

The Venture Capital and Private Equity Industry Performance Survey that analyzed South Africa's private equity market from 2006-2007 reveals a booming economy with impressive achievements. Most notably, South Africa's private equity industry holds R86.6 billion under management as of December 31, 2007, compared to December 31, 2006 at R59.3 billion. This is a 46% boost in the industry, a major jump that brought the percentage of South Africa's GDP from private equity funds under management up from 1.7% to 2.8% in the same period. Another major increase from the end of 2006 to the end of 2007 was the number of funds under management by independents which rose by 74%.

Other highlights of the report from Dec. 31 2006 to Dec. 31 2007 include:

- An increase of funds rose annually from R14.5 to R15.3 billion
- Investment activity increased 270% in the one year period, spurred on by Bain Capital's big buyout of Edcon, valued at R8.7billion
- Private equity activity reached the Global top 10 for the first time.

United States investors have shown a major interest in doing business in South Africa. 64% of funds raised during 2007 were from U.S. sources, and American investors also contributed 39% of funds raised the previous year. According to the report, this makes the United States the biggest contributor of total funds raised to date and not yet returned to investors (followed closely by

South Africa and then the United Kingdom).

South Africa has demonstrated that it can maintain a stable economy that fosters growth in the private equity industry. As many investors look for regions outside the United States and UK, emerging markets like South Africa will take on a critical role in private equity.

Source: <http://privateequityblogger.com/2008/11/south-africa-private-equity.html>

Exhibit A:
BMI Commentary on Key Issues in South African Commercial Banking Industry

Concerns about South Africa's growth potential and macroeconomic stability have been highlighted by **Fitch** and **Standard & Poor's** decision to downgrade the country's external credit rating outlook to 'negative' from 'stable' on November 11 2008. While it is currently not our core scenario that South Africa will slip into a full-blown recession over the course of 2009, the country's open economy and financial markets could be more heavily exposed to the downturn in external conditions than currently anticipated.

Moreover, as mentioned in several meetings, increasing uncertainty surrounding South Africa's future political direction will bode ill for investor confidence and much-needed portfolio inflows over the medium term. This is because at times of high volatility and worsening investor sentiment, any deterioration in South Africa's political conditions and policy credibility will negatively affect the country's financial markets, with likely negative repercussions for the country's real economy.

Recession scenarios and political risk put aside, one of South Africa's greatest assets is the robustness of its domestic banking sector, a key advantage which is likely to greatly reduce the risk of a recession.

For sure, as highlighted by the **South African Reserve Bank (SARB)**'s most recent financial stability report, commercial banks' profitability declined noticeably over the course of H108, mainly on the back of rising interest rates and tighter credit conditions. Indeed, key profitability ratios, such as return on assets and return on equity, fell to 1.76% and 17.48% at the end of Q208, respectively, which marked a significant decrease from 2.44% and 24.12% at the beginning of the year. At the same time, credit risk has been on the rise, with the percentage of non-performing loans increasing to 2.6% in Q208, up from 2.0% just six months earlier. Considering that domestic credit conditions are likely to remain tight, banks' profits and credit risk are likely to come under further pressure over the course of 2009. Furthermore, although commercial banks' foreign debt levels are relatively low (8.5% of GDP), almost 84.0% of external liabilities have short-term maturities. This means that refinancing costs are likely to be noticeably higher in light of surging international borrowing costs, thus potentially reducing banks' profitability ratios further going forward.

That said, the South African banking sector is by no means as over-leveraged as Eastern European banks, for example, and stringent regulations have prevented South African banks from gaining exposure to the US subprime disaster. First, commercial banks' aggregate capital adequacy ratio stood at a relatively robust 12.5% in Q208, which is above the reserve bank's prescribed 9.75% threshold and marks an improvement from 11.70% at the beginning of 2008. Second, the loans-to-deposit ratio came in at 97.0%, while deposits as a percentage of total liabilities amounted to 85.0%, providing a solid lending basis and much-needed confidence in the currently volatile international climate. With depositors' trust in the banking sector not having been undermined so far, the potential for a run on the banks and an ensuing banking crisis remains relatively

limited, at least over the medium term. Against this backdrop, South Africa is significantly better protected from a potential recession than countries which could experience a disappearance of capital in the wake of a collapsing banking sector.

From Q209, we will include data that pertain to late 2008 and will extend forecasts out to 2013. We will also incorporate much greater discussion of the various protagonists in each country's commercial banking sector and a number of new features. We believe that the figures we compiled in mid-2008 provide insights as to how the various commercial banking sectors will fare in the current, extremely uncertain, environment. We have therefore left them essentially unchanged.

The figures on the tables above provide a snapshot of the banking sector in South Africa prior to the onset of the global financial crisis. To place the figures in context, it may be useful to bear in mind certain aspects of the 59 countries whose banking sectors are currently surveyed by **BMI**. Across this sample, the median growth in assets in local currency terms was 21.3% (in Colombia). The median loan growth was 21.6% (in India). The median growth in deposits was 17.9% (in Brazil).

On their own, the ratios of loans to deposits, assets and GDP mean little. However, they can provide useful hints when combined with other data. Across the 59 countries, the median loan/deposit ratio is 92.3% (in Greece). The median loan/asset ratio is 56.0% (in Poland). The median loan/GDP ratio was 63.9% in India.

Since Q108, we have calculated, on a consistent basis, a Commercial Bank Business Environment Rating (CBBER) for each of the 59 countries surveyed. The CBBER includes an assessment of the *limits of potential returns*. It does this by taking into account the size, growth potential and bancassurance potential of the banking sector, as well as aspects of the economy in 2007. The CBBER also depends on an assessment of the *risks to the realization of potential returns*. This reflects **BMI**'s assessments of overall country risk, together with the regulatory and competitive environment.

Exhibit B:
BMI SWOT Analysis of South African Commercial Banking Industry

South Africa Commercial Banking SWOT	
Strengths	<ul style="list-style-type: none">▪ The government has pursued a prudent fiscal policy since the 1994 election, while the independent central bank's implementation of inflation-based monetary policy has won the confidence of the financial markets▪ The state has rich mineral resources and is the continent's financial hub▪ Relative to most other countries reviewed by BMI, South Africa is home to a banking sector that is already large

- Growth in total assets and total loans should be higher in South Africa than for any other country in Africa, the Middle East or Central and Eastern Europe bar Russia
- Financial infrastructure is very well developed in relation to per-capita incomes and the overall volatility of the economy in the past

Weaknesses

- It looks like high unemployment will affect South Africa for at least another generation
- Currency fluctuations have taken their toll on industry planning
- For the foreseeable future, low per-capita incomes and fairly high tax rates will reduce the attractiveness of South Africa's banking sector

Opportunities

- Increasing the trend rate of growth is essential to long-term plans to alleviate poverty. This will require a raft of microeconomic reforms, including improved skills training
- The weaker rand will increase opportunities for exporters and also enable firms within South Africa to compete more effectively against imports in the domestic market

Threats

- The government's Black Economic Empowerment (BEE) initiative should increase equality in the participation and ownership of financial resources, but over the short term the costs of compliance will be high
- High levels of HIV/AIDS will require significant increases in fiscal expenditure, while reducing long-term growth
- Bureaucracy within the South African government and (especially) external risks are the main factors holding back the overall BMI risk rating for South Africa

Exhibit C:

Competitive Landscape And Protagonists

South Africa's commercial banking industry is dominated by four local banks, each of which is predominantly owned by -- and/or has a strategic relationship with -- a local financial services/insurance group. For instance, the largest shareholder in **Standard Bank of South Africa**, the leading institution in terms of assets, total loans and total deposits, is **Old Mutual**. In turn, Standard Bank is a major shareholder in **Liberty Group**. **Absa**, the second-largest bank, is majority-owned by **Barclays**; it is the leading mortgage lender in South Africa, with a market share of over 30%. The third-largest bank, which is comparable with Absa in most aspects other than mortgage lending is **Nedbank**, the commercial banking arm of **Nedcor**. Marginally smaller again, is **FirstRand**.

Of the remaining 35 banks, the only South African-owned institution with a significant (i.e. bigger than 2%) share of assets, loans, or deposits is **Investec**, a full-service institution that accounts for around 4% of mortgage lending in the country. Following Barclays' purchase of a controlling stake in Absa, it is reasonable to suggest that other foreign groups see each of the major South African

banks as attractive acquisition targets. This is partly because of their potential to grow within South Africa, but also because South African banks provide a platform for expansion throughout sub-Saharan Africa.

To date, the major foreign groups with operations in South Africa have, for the most part, focused on corporate, institutional or high-net-worth individual clients. With 3-4% of total assets, loans and deposits, **Citibank** is the largest of the foreign banks in the country. Other notable foreign players include **Calyon Investment Bank**, **JP Morgan Chase**, **Deutsche Bank**, **Commerzbank**, **HSBC**, **Standard Chartered** and **Société Générale**.

Four other features of the competitive landscape are worthy of note. The first is that, in terms of absolute size, the four largest banks would rate as medium-to-large institutions even in developed countries. The second is that the South African operations of foreign banks are relatively large by comparison with the typical emerging market subsidiaries of multinational institutions. These foreign institutions are genuinely in South Africa to do business, and not just to increase the number of countries in which they can claim to have a presence. The third is that, for all the excitement surrounding micro-lenders and other institutions operated by and for black South Africans, groups such as **African Bank** are tiny in absolute terms. Finally, there is a long tail of small institutions -- 21 in all -- whose aggregate market share is insignificant. Some of these banks are local groups; others are subsidiaries of emerging markets banks such as **Bank of Baroda**, **Bank of China**, **Bank of Taiwan** and **China Construction Bank**.

Exhibit D:

BMI Commentary on Certain Ratios

Loan/Deposit Ratio

The loan/deposit ratio is, crudely speaking, a measure of the extent to which deposits from non-bank customers are recycled as loans to non-bank customers. A ratio that exceeds 110% indicates that banks are, collectively, financing lending by borrowing from other banks (probably foreign) and may suggest that the country in question is emerging as an offshore financial centre in which loans are booked for fiscal, or other, reasons.

Loan/Asset

Ratio

The loan/asset ratio is in essence a measure of the relative importance of lending to non-bank clients in comparison to other activities (such as investing in bonds) that give rise to items on the asset side of the banks' balance sheets. In developed countries with highly sophisticated and liquid markets, the ratio can be reduced (as can the other two ratios) through the process of securitization.

Loan/GDP

Ratio

The loan/GDP ratio is a measure of the importance of bank lending as a source of finance within the overall economy. The median (in India) is 64%. If the figure exceeds 100%, it deserves explanation. In developed countries, the reason is usually the extent of funding for (especially

residential) mortgages. Australia, South Africa, Israel and the eurozone are examples of where the loan/GDP ratio has been boosted to above 100% by mortgage lending.

Exhibit E:**Selected Financial Information for South Africa's Top Banks****ABSA BANK****Ownership Structure (By Shareholder)**

Barclays Bank PLC	58.62%
Public Investment Corporation	8.45%
Stanlib Asset Management.	1.98%
Investec Asset Management	1.59%
Sanlam Investment Management	1.13%
Absa Stockbrokers (Proprietary) Limited	1.10%
Foord Asset Management	1.08%
AXA Financial SA .(Bernstein and Alliance)	.90%
Other	18.47%

Source: Absa Bank Group Annual Report

Loans and advances mix (%)

Year	Retail Banking	ACBB	Absa Capital	Other
Dec. 2006	15.5	10.4	0.3	0.0
Dec. 2007	19.8	11.6	0.2	0.0
Dec. 2008	65.2	22.6	12.1	0.1

Note: December 2006 comparatives have not been restated for the move of Commercial Asset Finance (CAF) from retail banking to ACBB.

Total Funding (%)

	Dec 2008	Dec 2007	Dec 2006
Deposits due to customers	63.4	59.1	69.3
Retail banking	22.4	19.4	20.6
ACBB	16.6	14.8	17.4
Absa Capital	24.3	24.9	31.3
Other	00.1	0.0	0.0
Deposits from banks	9.1	11.1	6.2
Debt securities	27.5	29.8	24.5
Total	100.0	100.0	100.0

Total Deposits (Rbn)

	Dec 2008	Dec 2007	Dec 2006
Retail banking	135.0	130.7	126.2
ACBB	100.0	77.6	70.2
Absa Capital	146.7	130.7	126.2
Other	0.6	0.3	0.1
Total	100.0	100.0	100.0

Total Assets (Rm)

	Dec 2008	Dec 2007
	773,758	640,909

Loans & Advances (Rm)

	Dec 2008	Dec 2007
	787,934	634,675

STANDARD BANK**Ownership by Type**

Type	% of Total Shares Outstanding
Institutions	35.53
Corporations	22.57
Insiders	0.03
ESOPs	-
Corporate Foundation	-
Public and Other	41.86
Total	100.00

Ownership by Shareholder (Top 50)

Holder	% Owned
Industrial and Commercial Bank of China Limited, Asset Management Arm	19.629
Public Investment Corporation	11.876
Old Mutual Asset Managers (South Africa) (Pty) Limited	3.926
Liberty Group Ltd.	2.454

Investment Solutions Limited	2.454
Tutuwa Staff Holdings 1 Pty Ltd.	2.355
Tutuwa Strategic Holdings 1 Pty Ltd	2.257
Sanlam Investment Management (Pty) Ltd.	2.061
OppenheimerFunds, Inc.	1.468
Tutuwa Community Pty Ltd.	1.178
Barclays Global Investors, National Association	1.047
Allan Gray Unit Trust Management Limited	0.94
The Vanguard Group, Inc.	0.543
Global Pension Fund (Norway)	0.425
Templeton Asset Management Ltd.	0.402
AllianceBernstein L.P.	0.363
Coronation Fund Managers Ltd. (JSE:CML)	0.359
Investec Asset Management (South Africa) Limited	0.357
STANLIB Asset Management Limited	0.342
RMB Asset Management (Pty) Ltd.	0.299
Grantham, Mayo, Van Otterloo & Co. LLC	0.278
Massachusetts Financial Services Company	0.242
Genesis Investment Management, LLP	0.215
Nomura Asset Management Co., Ltd.	0.194
Baillie Gifford & Co.	0.172
JPMorgan Asset Management (UK) Limited	0.139
Legg Mason International Equities Limited	

	0.132
Dimensional Fund Advisors LP	0.116
SSgA Funds Management Inc.	0.104
Foord Asset Management (Pty) Limited	0.095
BI Asset Management Fondsmæglerselskab AS	0.082
UBS Global Asset Management	0.076
Harding, Lovner Management, L.P.	0.071
Delaware Management Company Inc.	0.066
FIL Investment Advisors (UK) Limited	0.062
Old Mutual Investment Group (South Africa) (Pty) Ltd.	0.057
Gartmore Investment Ltd.	0.053
Charlemagne Capital (UK) Limited	0.053
Goldman Sachs Asset Management International Ltd	0.045
Principal Global Investors, LLC	0.04
Regarding Capital Management (Pty) Ltd	0.039
Old Mutual Investment Group(South Africa) (Pty) Limited, ESOP	0.038
Taquanta Asset Managers (Pty) Ltd	0.038
Pensionskassernes Administration A/S	0.038
AP Fonden 1	0.037
Universal-Investment-Gesellschaft mbH	0.035
State Street Global Advisors France S.A.	0.032
Coronation Asset Management (Pty) Ltd.	0.031
Select Equity Investments	0.031

Frater Asset Management (Pty) Ltd	0.031
TOTAL	57.38%

Total Assets (Rm)

	Dec 2008	Dec 2007
	1,503,653	1,182,126

Deposits and Current Accounts (Rm)

	Dec 2008	Dec 2007
	843,815	680,097

NEDBANK

Ownership By Type

Type	% Owned
Institutions	75.17
Corporations	8.01
Insiders	-
ESOPs	-
Corporate Foundation	-
Public and Other	16.82
Total	100.00

Ownership by Shareholder (Top 50)

Holder	% Owned
Old Mutual Asset Managers (South Africa) (Pty) Limited	59.876
Public Investment Corporation	8.008
Sanlam Investment Management (Pty) Ltd.	3.162
STANLIB Asset Management Limited	3.058
Lazard Asset Management LLC	1.801
Metropolitan Asset Managers	1.362
Barclays Global Investors, National Association	1.345

Allan Gray Unit Trust Management Limited	1.269
Dimensional Fund Advisors LP	0.691
RMB Asset Management (Pty) Ltd.	0.569
The Vanguard Group, Inc.	0.38
Grantham, Mayo, Van Otterloo & Co. LLC	0.222
Old Mutual Investment Group (South Africa) (Pty) Ltd.	0.186
BNY Mellon Fund Advisers	0.153
Global Pension Fund (Norway)	0.152
Lazard Asset Management Ltd.	0.115
Old Mutual Unit Trust Managers Ltd., Asset Management Arm	0.079
SSgA Funds Management Inc.	0.065
Allianz Global Investors Advisory GmbH	0.064
Coronation Asset Management (Pty) Ltd.	0.059
TIAA-CREF Investment Management, LLC	0.056
Siemens Kapitalanlagegesellschaft mbH	0.034
Nomura Asset Management Co., Ltd.	0.031
Universal-Investment-Gesellschaft mbH	0.03
The Dreyfus Corporation	0.028
Taquanta Asset Managers (Pty) Ltd	0.027
Aylett & Company (pty) Ltd	0.027
UBS Global Asset Management	0.025
Marriott Unit Trust Management Company Ltd.	0.021
State Street Global Advisors France S.A.	

	0.021
Lloyd George Management (Europe) Ltd	0.02
AP Fonden 1	0.019
Parametric Portfolio Associates LLC	0.018
Union Investment Privatfonds GmbH	0.016
World Asset Management	0.016
Raiffeisen Kapitalanlage-Gesellschaft m.b.H.	0.015
Prescient Investment Management (Pty) Ltd.	0.014
Alliancebernstein Institutional Investment Mgmt	0.01
BNP Paribas Asset Management Inc.	0.01
Eurizon Capital SA	0.009
Investeringsforeningen Sydinvest	0.008
Templeton Asset Management Ltd.	0.008
AllianceBernstein L.P.	0.008
State Street Global Advisors Limited	0.007
Simplicity AB	0.007
Umbono Fund Managers (pty) Ltd.	0.007
Liberty Asset Management Ltd., Asset Management Arm	0.007
BNP Paribas Asset Management SGR SpA	0.006
Handelsbanken Asset Management	0.006
MFS Investment Management Company (LUX) S.A.	0.006
TOTAL	83.133%

Balance Sheet as of:	Reclassified Dec-31-2006	Dec-31-2007	Jun-30-2008
----------------------	-----------------------------	-------------	-------------

Total Assets	424,912.0	488,856.0	549,007.0
Total Deposits	313,450.0	375,665.0	416,439.0
Net Loans (includes Advances)	301,729.0	367,809.0	402,899.0

FIRST RAND BANK**Ownership By Type**

Type	% of Total Shares Outstanding
Institutions	20.50
Corporations	57.77
Public and Other	21.73
Total	100.00

Ownership by Shareholder (Top 50)

Holder (Top 50: 77.98%)	% Owned
RMB Holdings Ltd. (JSE:RMH)	32.519
FirstRand Empowerment Trust	10.269
Public Investment Corporation	10.257
Remgro Ltd., ESOP	9.232
FirstRand Share Trust	4.722
Old Mutual Asset Managers (South Africa) (Pty) Limited	3.08
RMB Asset Management (Pty) Ltd.	1.871
Sanlam Investment Management (Pty) Ltd.	0.994
Barclays Global Investors, National Association	0.991
Global Pension Fund (Norway)	0.612
Grantham, Mayo, Van Otterloo & Co. LLC	0.459
The Vanguard Group, Inc.	0.396
Allan Gray Unit Trust Management Limited	0.345
Scottish Widows Investment Partnership Limited	0.332
Investec Asset Management (South Africa) Limited	0.274
STANLIB Asset Management Limited	

	0.183
Coronation Fund Managers Ltd. (JSE:CML)	0.153
Old Mutual Investment Group (South Africa) (Pty) Ltd.	0.104
SSgA Funds Management Inc.	0.104
Dimensional Fund Advisors LP	0.098
TIAA-CREF Investment Management, LLC	0.075
BNY Mellon Fund Advisers	0.068
Nordea Investment Management Sverige AB	0.056
J.P. Morgan Investment Management Inc.	0.055
J.P. Morgan Asset Management	0.054
Old Mutual Investment Group(South Africa) (Pty) Limited, ESOP	0.051
Select Equity Investments	0.043
Allianz Global Investors Advisory GmbH	0.042
Halbis Capital Management (UK) Limited	0.041
Regarding Capital Management (Pty) Ltd	0.039
Crédit Agricole Asset Management (ENXTPA:CE9)	0.032
HQ Fonder AB	0.03
Taquanta Asset Managers (Pty) Ltd	0.028
Pictet Asset Management (Japan) Ltd.	0.026
Nordea Investment Management AB	0.026
Fideuram Investimenti SGR S.p.A.	0.026
Charlemagne Capital (UK) Limited	0.026
Coronation Asset Management (Pty) Ltd.	0.025

State Street Global Advisors France S.A.	0.025
BlackRock Investment Management LLC	0.023
AP Fonden	0.022
Schroder Investment Management Limited	0.022
Martin Currie Inc.	0.02
Fideuram Asset Management (Ireland) Limited	0.02
WestLB Mellon Asset Management KAG mbH	0.02
Prescient Investment Management (Pty) Ltd.	0.02
Schroder Investment Management (Japan) Ltd.	0.019
UBS Global Asset Management	0.019
BNP Paribas Asset Management Inc.	0.018
AllianceBernstein L.P.	0.016
TOTAL	77.980

Balance Sheet as of:	Reclassified Jun-30-2007	Jun-30-2008	Dec-31-2008
Net Loans	367,106.0	416,677.0	427,014.0
Total Assets	721,559.0	820,058.0	849,869.0
Total Deposits	407,668.0	470,697.0	490,153.0

Exhibit F
BMI's SWOT Analysis of South African Insurance Industry

South Africa Insurance Industry SWOT	
Strengths	<ul style="list-style-type: none">▪ Regulatory framework highly conducive to a competitive, developing market▪ Well-established and developed insurance sector, with the ongoing prospect of growth in gross premiums in both the life and non-life segments
Weaknesses	<ul style="list-style-type: none">▪ Despite its well-developed insurance markets, South Africa nonetheless has a low GDP per capita by international standards and this limits the rate of market development▪ Sensitivity to external factors both in Africa and internationally, which contribute to a potentially volatile GDP and broader economic conditions
Opportunities	<ul style="list-style-type: none">▪ A number of larger local players, especially in the non-life segment, who do not have unassailable positions within the market▪ The non-life segment has a very high rating (10 out of a possible 10) for its amenability to the entrance of new companies
Threats	<ul style="list-style-type: none">▪ Weaker economic growth outlook coupled with the potential for ongoing high inflation▪ Uncertainty created by current political situation

Exhibit G
BMI Commentary on Competitive Landscape

Sub-Saharan Africa

In sub-Saharan Africa, we profile 19 companies. These are AIG, AGF, Allianz, Cardif, Global Alliance, Guardrisk, HDI-Gerling, Hollard, Liberty Group, Metropolitan, Momentum Group, Munich Re, Mutual & Federal, Nedgroup, Old Mutual, OUTsurance, Sanlam, Santam, and Zurich South Africa.

South African companies dominate the list. Three factors set the South African insurers apart from their counterparts in the rest of the world. First, with exceptions discussed below, they are typically owned by and operated in conjunction with one of the major local banking groups. **ABSA** (which is ultimately owned by the UK's **Barclays** group) and Nedgroup are associated with the eponymous banks. Liberty Group is the insurance arm of **Standard Bank**. OUTsurance and

Momentum Group are parts of the **FirstRand Group**, focusing respectively on non-life and life insurance. Association with the banking group gives these insurers access to the brand, distribution networks, and capital.

The other South African companies are generally large (by most standards) listed groups. Sanlam and Santam focus on life insurance and non-life insurance, respectively. Old Mutual was originally a life company that has become a diversified financial services business. Old Mutual has done this through its ownership of asset management operations in the UK and North America and its ownership of **Skandia**, the long-term insurance and savings products business that operates mainly in the UK and Scandinavia. Old Mutual is also the dominant owner of the listed Mutual & Federal. Hollard describes itself as South Africa's largest privately owned insurance company. Guardrisk is a subsidiary of **Alexander Forbes**, a diversified provider of consultancy and risk-management solutions that is active mainly in South Africa and the UK.

The second factor setting South African firms apart from their counterparts is their appetite for risk in other countries in the region that are poorer and less stable than South Africa. These countries, for the time being at least, present tiny market opportunities for South African companies. Many of the South African groups have operations in at least one of Lesotho, Swaziland, Namibia, Botswana, Mozambique or Zimbabwe. **Global Alliance**, a small firm that is based in Mozambique, also has operations in Ghana, Angola, and Sao Tome & Principe as well as auxiliary businesses in the UK and South Africa.

Most of the relatively few multinationals that have a presence in South Africa have little interest in the rest of the region. The main exception is AGF, the composite insurer that is essentially the semi-autonomous French arm of German giant Allianz. AGF has a network of businesses across most of Francophone Africa.

The third and perhaps most important factor is that the South African insurers operate in an environment of world-class sophistication. Often, they will distribute their products through unrelated and diversified financial services groups that do not operate insurance businesses of their own, such as **Investec** and **Allan Gray**. Sometimes they will distribute the products of other insurance companies alongside their own.

In short, Africa's largest insurance market by far has a number of features that make it less attractive to multinational insurers than other market opportunities in the Middle East and North Africa (such as Turkey) or the Asia-Pacific region. The local competitors are well entrenched, well capitalized and have already lifted the penetration and density of life insurance to levels that are extraordinarily high for a country of South Africa's per capita GDP. The opportunity for multinationals lies mainly in the identification of a suitable opportunity to partner with one of the major local companies. All South African insurance companies have developed products for low-income customers. Such products are rarely duplicated in other middle-income countries with large numbers of poor people, but over the long term will probably develop into a very substantial business for the insurers. All insurance companies in South Africa have faced costs associated with the implementation of the Financial Services Charter -- the mechanism that implements Black Economic Empowerment objectives within the industry.

Over the coming months, we will be producing an annual report on Nigeria's insurance industry. Analysis of the Nigerian insurance sector has been complicated by the absence of publicly available and generally accepted figures for **NICON**, which has in the past been the largest insurer in the country. The government, operating through **NAICOM** -- the Nigerian insurance regulator -- took control of NICON in November 2007 and restored it to control of the previous management group in June 2008.

South Africa -- Non-Life Segment

We estimate that non-life premiums in 2008 were ZAR61,612mn, US\$7,550mn or EUR5,436mn. In respect of the 2008-2013 forecast period, we currently envisage that annual non-life premiums will grow by ZAR68,569mn, US\$8,581mn or EUR7,308mn. The current operating conditions of the non-life segment are discussed elsewhere in this report, in the section that deals with the Insurance Business Environment Rating: we note that the segment's openness to new entrants is such that we have given it a measure of Openness to New Entrants of 10.0.

South Africa -- Life Segment

We estimate that life premiums in 2008 were ZAR197,475mn, US\$24,200mn or EUR17,424mn. In respect of the 2008-2013 forecast period, we currently envisage that annual non-life premiums will grow by ZAR45,545mn, US\$5,914mn or EUR6,366mn. The current operating conditions of the non-life segment are discussed elsewhere in this report, in the section that deals with the Insurance Business Environment Rating: we note that the segment's openness to new entrants is such that we have given it a measure of Openness to New Entrants of 5.0.

Exhibit H

BMI Commentary on South African Insurance Business Environment

Since last year, we have been taking a much more systematic approach to assessing the current and potential conditions of the insurance sectors in each of the countries surveyed by **BMI**. We have calculated the IBER, which takes into account objective measures of the current state and long-term potential of both the non-life and the life segments. It also takes into account an assessment of the openness of each segment to new entrants, and economic conditions. Collectively, these measures enable an objective assessment of the limits to potential returns across all countries and over a period of time. The IBER also incorporates an objective assessment of the risks to the realization of returns. The risk assessment is based on **BMI**'s Country Risk Rating. It embodies a subjective assessment of the impact of the regulatory regime on the development and the competitive landscape of the insurance sector.

In early 2009 the overall IBER for South Africa was 67.6. By this measure, the country is the top regional insurance market in terms of its attractiveness relative to other countries in Middle East and Africa surveyed by **BMI**. Of the Middle Eastern and African countries surveyed by **BMI**, Israel is the only other country with an IBER above 60.0. Relative to the other countries in the region, South Africa stands out for the absolute size of and likely absolute growth in annual life and non-

life premiums. It is worth noting that relative to each other, the rating for the non-life segment is boosted above that of the life segment by virtue of its openness to foreign participants. The other factor that boosts South Africa's IBER is a high Regulatory Framework score, with a regime conducive to competition and development in the insurance sector. The major factor limiting South Africa's IBER is the Country Structure -- particularly in terms of GDP, where the low per-capita level and volatility will limit the market's development.

Exhibit I

BMI Commentary on South African Insurance Industry Projections

Projections And Drivers Of Growth:

In the past, we assumed that non-life insurance premiums were driven by two factors: nominal GDP and penetration. Furthermore, we assumed that non-life penetration (i.e. premiums as a percentage of GDP) would rise steadily from the 2007 level to the level we projected for 2012. In a similar way, we assumed that life premiums were driven by two factors: total population and density (i.e. premiums per capita). We assumed that life density would rise steadily from the 2007 level to the level that we projected for 2012. In this report we seek to improve our forecasting technique. Going forward we will, if possible project premiums 'from the bottom up.' Specifically, we seek to incorporate hard numbers published by the regulator and/or trade association in relation to the development of the insurance sector. We will also try to incorporate the data that is available in relation to particular lines. If, for instance, compulsory third-party motor liability (CTPML) insurance dominates the non-life segment (as it does in some countries), then growth in non-life premiums will depend on factors such as the numbers of motor vehicles and pricing.

Exhibit J

Companies Listed on Johannesburg Stock Market

(source, Wikipedia)

ABSA Group Limited	African Bank Investments Limited
Absolute Holdings Limited	African Dawn Capital Limited
ACC-ROSS Holdings Limited	African Media Entertainment Limited
Acucap Properties Limited	African Oxygen Limited
Adcorp Holdings Limited	African Rainbow Minerals Limited
Adonis Knitwear Holdings Limited	Afrimat Limited
Advtech Limited	Afrocentric Investment Corporation Limited
AECI Limited	AG Industries Limited
Afgem Limited	Alex White Holdings Limited
Afgri Limited	Alexander Forbes Limited
Aflease Gold Limited	All Joy Foods Limited
African & Overseas Enterprises Limited	Allan Gray Property Trust
	Alliance Data Corporation Limited
	Allied Electronics Corporation Limited

Allied Technologies Limited	CBS Property Portfolio Limited
Alpina Investments Limited	Cadiz Holdings Limited
Amalgamated Appliance Holdings Limited	Calulo Property Fund Limited
Amalgamated Electronics Corporation Limited	Cape Empowerment Trust Limited
Ambit Properties Limited	Capital Property Fund
Anbeeco Investments Holdings Limited	Capitec Bank Holdings Limited
Anglo American plc	Cargo Carriers Limited
Anglo Platinum Limited	Cashbuild Limited
Anglogold Ashanti Limited	Caxton and CTP Publishers and Printers Limited
Anglorand Holdings Limited-Preference Shares	Cenmag Holdings Limited
	Ceramic Industries Limited
	Chrometco Limited
Anooraq Resources Corporation	City Lodge Hotels Limited
ApexHi Properties Limited	Clientele Life Assurance Company Limited
APS Technologies Limited	Comair Limited
Aquarius Platinum Limited	Combined Motor Holdings Limited
Arch Equity Limited	Command Holdings Limited
Argent Industrial Limited	Compu Clearing Outsourcing Limited
Aspen Pharmacare Holdings Limited	Conafex Holdings Societe Anonyme
Assore Limited	Concor Limited
Astral Foods Limited	Conduit Capital Limited
Astrapak Limited	Consol Limited
Atlas Properties Limited	Control Instruments Group Limited
Aveng Limited	Coronation Fund Managers Limited
AVI Limited	Corvus Capital (SA) Holdings Limited
Awethu Breweries Limited	Crookes Brothers Limited
Barloworld Limited	Cullinan Holdings Limited
Barnard Jacobs Mellet Holdings Limited	Datacentrix Holdings Limited
Barplats Investments Limited	DataPro Group Limited
Basil Read Holdings Limited	Datatec Limited
Beget Holdings Limited	Decillion Limited
Beige Holdings Limited	Delta Electrical Industries Limited
Bell Equipment Limited	Diamond Core Resources Limited
BHP Billiton plc	Digicore Holdings Limited
BICC CAFCA Limited	Dimension Data Holdings
BidBEE Limited	Discovery Holdings Limited
Bidvest Group Limited, The	Distell Group Limited
Bowler Metcalf Limited	Distribution and Warehousing Network Limited
Brait S.A.	Diversified Property Income Fund Limited
Brandcorp Holdings Limited	Don Group Limited, The
Brian Porter Holdings Limited-Preference Shares	Dorbyl Limited
Brimstone Investment Corporation Limited	DRDGold Limited
Buildmax Limited	Dynamic Cables RSA Limited
Business Connexion Group Limited	Edgars Consolidated Stores Limited
Bytes Technology Group Limited	Eland Platinum Holdings Limited

ELB Group Limited
 Ellerine Holdings Limited
 Emira Property Fund
 Enaleni Pharmaceuticals Limited
 Enterprise Risk Management Limited
 Enviroserv Holdings Limited
 EOH Holdings Limited
 Esor Limited
 Eureka Industrial Limited
 Excellerate Holdings Limited
 Exxaro Resources Limited
 Exxoteq Limited
 Fairvest Property Holdings Limited
 Famous Brands Limited
 Faritec Holdings Limited
 Firstrand Limited
 First Uranium Corporation
 Foord Compass Limited-Debentures
 Foschini Limited
 Freestone Property Holdings Limited
 Gencor Limited
 Gijima AST Group Limited
 Glenrand M.I.B. Limited
 Global Village Holdings Limited
 Gold Fields Limited
 Gold Reef Casino Resorts Limited
 Good Hope Diamonds (Kimberley) Ltd
 Great Basin Gold Limited
 Grindrod Limited
 Group Five Limited
 Growthpoint Properties Limited
 GVM Metals Limited
 Halogen Holdings Societe Anonyme
 Harmony Gold Mining Company Limited
 Heritage Collection Holdings Limited
 Highveld Steel and Vanadium Corporation Limited
 Hosken Consolidated Investments Limited
 Hospitality Property Fund Limited
 Howden Africa Holdings Limited
 Hudaco Industries Limited
 Hwange Colliery Company Limited
 Hyprop Investments Limited
 Idion Technology Holdings Limited
 IFA Hotels and Resorts Limited
 Ifour Properties Limited
 Iliad Africa Limited
 Illovo Sugar Limited
 Impala Platinum Holdings Limited 'Implats'
 Imperial Holdings Limited
 Imuniti Holdings
 Independent Financial Services Limited
 Indequity Group Limited
 Industrial Credit Company Africa Holdings Limited
 Infowave Holdings Limited
 Integrear Limited
 Interconnective Solutions Limited
 Intertrading Limited
 Investec Bank Limited- Preference Share
 Investec Limited
 Investec
 Invicta Holdings Limited
 IPSA Group
 ISA Holdings Limited
 Italtile Limited
 Itrix CIS
 Jasco Electronics Holdings Limited
 JCI Limited2
 JD Group Limited
 John Daniel Holdings Limited
 Johnnic Communications Limited
 Johnnic Holdings Limited
 JSE Limited
 Jubilee Platinum plc
 Kagiso Media Limited
 Kairos Industrial Holdings Limited
 KAP International Holdings Limited
 Kelgran Limited
 Kelly Group Limited
 King Consolidated Holdings Limited
 Kumba Iron Ore Limited
 KWV Beleggings Beperk
 LA Group Limited
 Labat Africa Limited
 Lereko Mobility (Pty) Limited
 Lewis Group Limited
 Liberty Group Limited
 Liberty Holdings Limited
 Liberty International plc
 London Finance & Investment Group plc
 Lonmin plc

Lonrho Africa plc
 M Cubed Holdings Limited
 Madison Property Fund Managers Holdings Ltd
 Makalani Holdings Limited
 Marshalls Limited
 Martprop Property Fund
 Masonite (Africa) Limited
 Massmart Holdings Limited
 Matodzi Resources Limited
 Medi-Clinic Corporation Limited
 Merafe Resources Limited
 Mercantile Bank Holdings Limited
 Messina Limited
 Metair Investments Limited
 Metboard Properties Limited
 Metmar Limited
 Metorex Limited
 Metrofile Holdings Limited
 Metropolitan Holdings Limited
 MICC Property Income Fund Limited
 Micromega Holdings Limited
 Milkworx Limited
 Miranda Mineral Holdings Limited
 Mittal Steel South Africa Limited
 Mobile Industries Limited
 Moneyweb Holdings Limited
 Monteagle Holdings Societe Anonyme
 Moribo Leisure Limited
 Mr Price Group Limited
 MTN Group Limited
 Murray & Roberts Holdings Limited
 Mustek Limited
 Mutual & Federal Insurance Company Limited
 Mvelaphanda Group Limited
 Mvelaphanda Resources Limited
 Namibian Sea Products Limited
 Nampak Limited
 Naspers Limited
 Nedbank Group Limited
 Nedbank Limited-Preference Shares
 Network Healthcare Holdings Limited
 New Africa Investment Limited
 New Clicks Holdings Limited
 New Corpcapital Limited
 Nictus Beperk
 Northam Platinum Limited
 Nu-World Holdings Limited
 Oando plc
 Oasis Crescent Property Fund
 Oceana Group Limited
 Octodec Investments Limited
 Old Mutual plc
 Omnia Holdings Limited
 Onelogix Group Limited
 Palabora Mining Company Limited
 Pals Holdings Limited
 Pangbourne Properties Limited
 Paracon Holdings Limited
 Paramount Property Fund Limited
 Pasdec Resources SA Limited
 Peermont Global Limited
 Peregrine Holdings Limited
 Petmin Limited
 Phumelela Gaming and Leisure Limited
 Pick 'n Pay Holdings Limited
 Pick 'n Pay Stores Limited
 Pinnacle Technology Holdings Limited
 Premium Properties Limited
 Pretoria Portland Cement Company Limited
 Primedia Limited
 Primeserv Group Limited
 Prism Holdings Limited
 PSG Financial Services Limited - Preference Shares
 PSG Group Limited
 Purple Capital Limited
 Putprop Limited
 Quyn Holdings Limited
 Rainbow Chicken Limited
 Real Africa Holdings Limited
 Redefine Income Fund Limited
 Remgro Limited
 Resilient Property Income Fund Limited
 Reunert Limited
 Rex Trueform Clothing Company Limited
 Richemont Securities AG
 RMB Holdings Limited
 SA Retail Properties Limited
 Sable Holdings Limited
 SABMiller Plc
 Sabvest Limited

Sallies Limited
 Sanlam Limited
 Santam Limited
 Sappi Limited
 Sasfin Holdings Limited
 Sasol Limited
 Scharrig Mining Limited
 Seardel Investment Corporation
 SecureData
 Sekunjalo Investments Limited
 Sentula Mining
 Set Point Technology Holdings Limited
 Shoprite Holdings Limited
 Simeka BSG Limited
 Simmer & Jack Mines Ltd
 Siyathenga Property Fund Limited
 South African Eagle Insurance Company
 Southern Electricity Company Limited
 Sovereign Food Investments Limited
 Spanjaard Limited
 Spar Group Limited, The
 Spearhead Property Holdings Limited
 Spectrum Shipping Limited
 Spescom Limited
 Spur Corporation Limited
 Square One Solutions Group Limited
 Standard Bank Group Limited
 Steinhoff International Holdings
 Steinhoff Investment Holdings-Preference
 Stella Vista Technologies Ltd
 Sterling Waterford CCN SPV 2 GBC1
 Stratcorp Limited
 Sun International Limited
 Super Group Limited
 SXR Uranium One Inc
 Sycom Property Fund Managers Limited
 Synergy Holdings Limited
 Tawana Resources NL
 Telkom SA Limited
 Thabex Exploration Limited
 The House of Busby Limited
 The Standard Bank of South Africa Limited -
 Deposit Note
 Tiger Brands Limited
 Tiger Wheels Limited
 Tongaat Hulett Sugar
 Tourism Investment Corporation Limited
 Tradehold Limited
 Trans Hex Group Limited
 Transpaco Limited
 Trematon Capital Investments Limited
 Trencor Limited
 Truworths International Limited
 UCS Group Limited
 Unitrans Limited
 Value Group Limited
 Venfin Limited
 Venter Leisure & Commercial Trailers Limited
 Verimark Holdings Limited
 Vesta Technology Holdings Limited
 Village Main Reef Gold Mining Company (1934)
 Limited
 Vukile Property Fund Limited
 W B Holdings Limited
 W G Wearne Limited
 Wellco Health Limited
 Wesco Investments Limited
 Wescoal Holdings Limited
 Wesizwe Platinum Limited
 Western Areas Limited
 Wilson Bayly Holmes - Ovcon Limited
 Winhold Limited
 Wooltru Limited
 Woolworths Holdings Limited
 York Timber Organisation Limited, The
 Zambia Copper Investments Limited
 Zaptronix Limited