Private and confidential

Global Markets: Foreign Exchange

Citrus Conference

March 2015

Standard Bank
Also trading as Stanbic Bank

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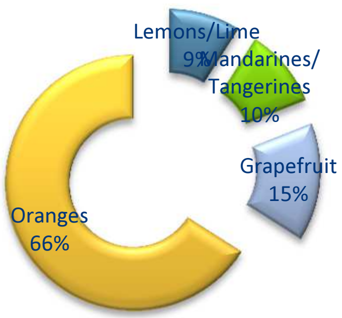
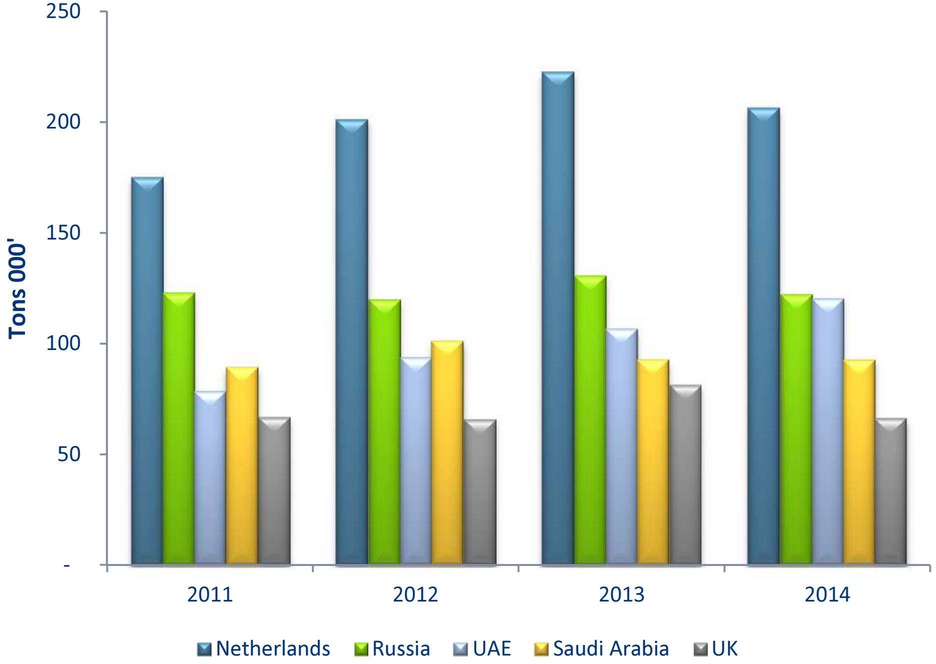
GM FX – Citrus Conference

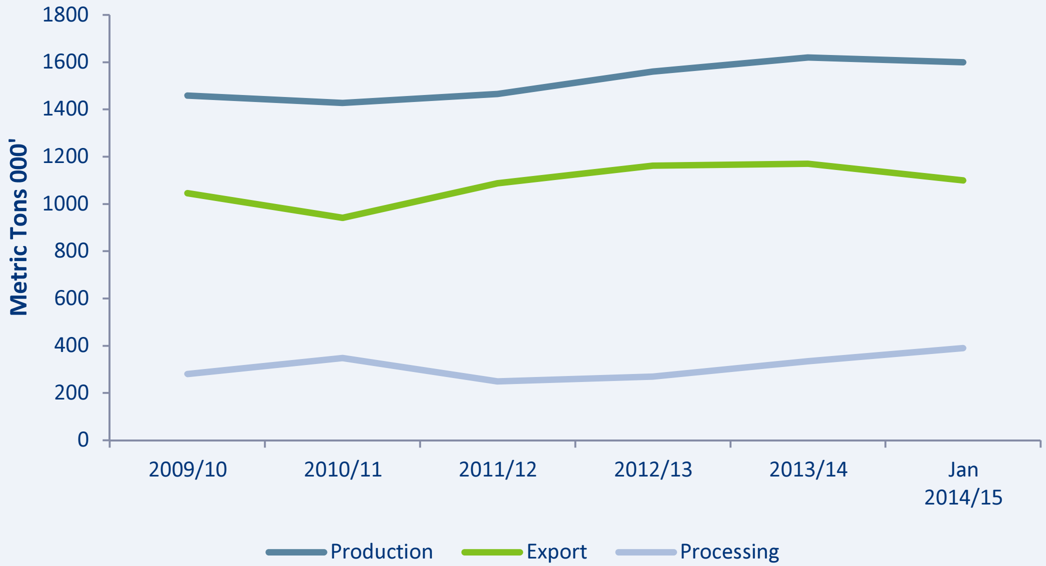
GM - FX: Citrus Production and Export Statistics, 2014/15

Distribution of Citrus Product,
South Africa





Orange: Production, Export, Processing
South Africa



2015 Citrus Market Comments

- South Africa is the 7th largest producer of Oranges and 2nd largest exporter by metric ton,
- South Africa's production is virtually unchanged at 1.6 million tons. Accounting for over 25 percent of global trade, exports are forecast down 6 percent to 1.1 million tons with the EU and Russia the largest markets,
- In September 2014, South Africa voluntarily suspended exports to the EU during the last part of the year to avoid possible restrictions due to findings of Citrus Black Spot,
- Exports to the Middle East (UAE) have been growing at an average 15% since 2011 – 2014.

Source: USDA Foreign Agricultural Service: GAIN (Global Agricultural Information Network) Report, Citrus: World Markets & Trade

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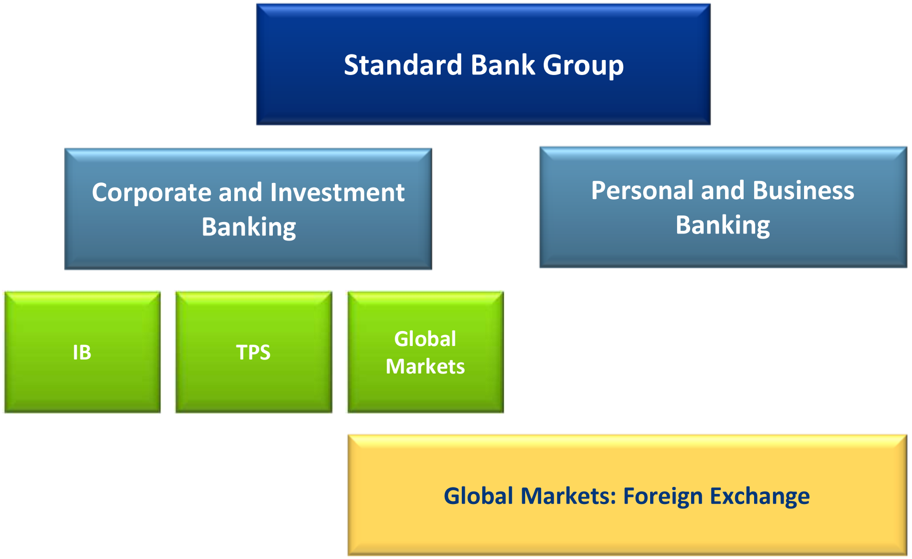
GM - FX: In Context…Foreign Exchange

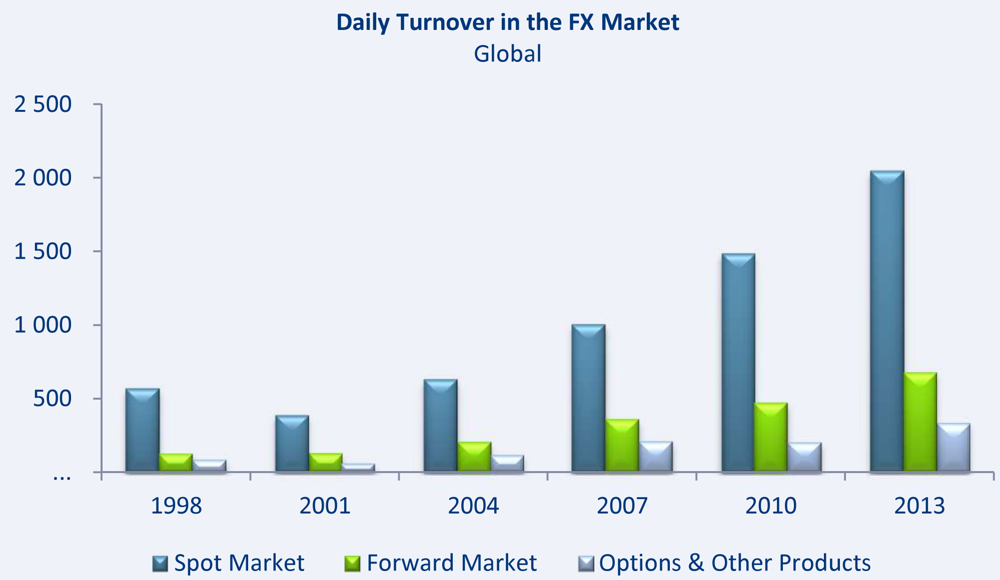


Standard Bank is the No. 1 Market Maker of South African Rand, in the world,

Trade 200 currency pairs across the globe (including 43 currencies in Africa),

$8 billion traded daily

Market Share of 36% on average for past 3 years.



Global Foreign Exchange Market Comments

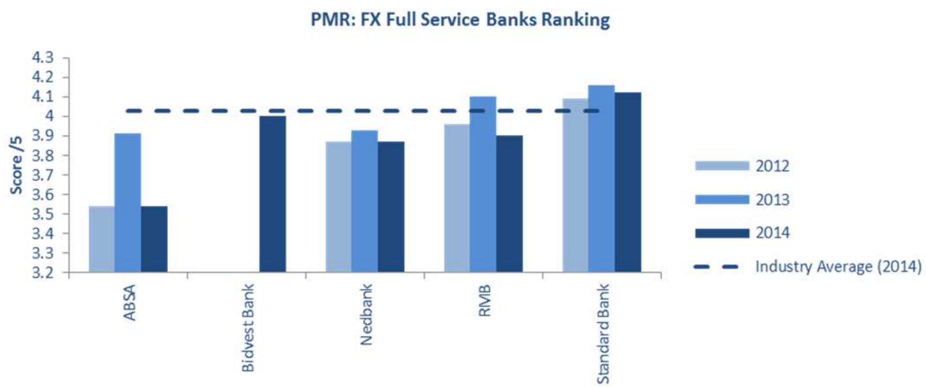
- $3 Trillion traded daily,
- The Spot Market has grown by an average 35%, annually, since 1998,
- Forward market growing by an 42% for the same period,
- The most traded currencies in the world are the US Dollar (43%), the Euro (17%) & the Japanese Yen (12%),
- South African Rand is ranked 17th in the Global FX distribution list, with a share of 1%,
- Currency Trading is increasingly concentrated in the largest financial centers – the UK, US, Singapore and Japan made up 71% of FX turnover in 2013 (66% in 2010).

Source: BIS, Triennial Central Bank Survey of foreign exchange and derivatives market activity in 2013 (Excluding the Swap Turnover)

GM - FX: In Context…Foreign Exchange, *cont*

"No.1 Market maker in South African Rand and Nigerian Naira"

PWC Peer Ranking (FX)				
Bank	**2007**	**2009**	**2011**	**2013**
SBSA	1	1	1	1
RMB	4	2	3	2
ASBA	2	3	2	3
NED	6	4	4	4



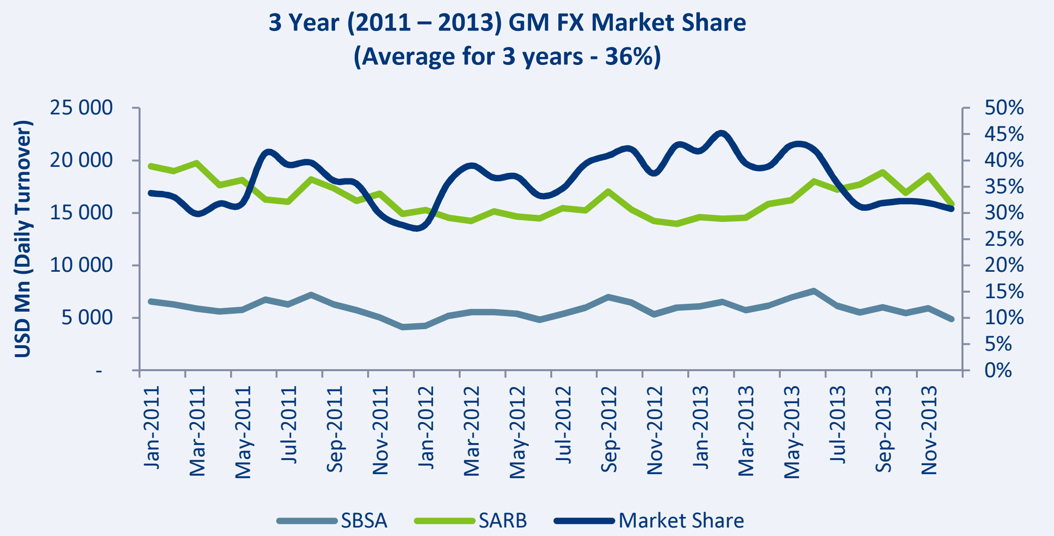
FX•Week Best Banks Awards 2013 Winner

pmr.africa

Risk SouthAfrica Rankings 2013

Best Foreign Exchange Provider in Africa 2015
for a third successive year.

Global Finance



Standard Bank, GM FX Comments

- Continue to maintain dominant position in the Corporate FX market in ZAR although margins remain under pressure with the ever increasing presence of outsourcing intermediaries and multi-dealer platforms,
- Market share has grown in the Interbank market, countered by a loss of market share in currency futures
- Our algorithm internalises trades ,reducing our need to go to the market.
- Voice brokers have confirmed our no1 status in their activity with local banks.
- We are currently busy with the 2nd generation of our FX e-commerce platform as well as launching new technology to assist with price generation and dissemination
- The FX market has become a lot more transparent with improved price discovery.

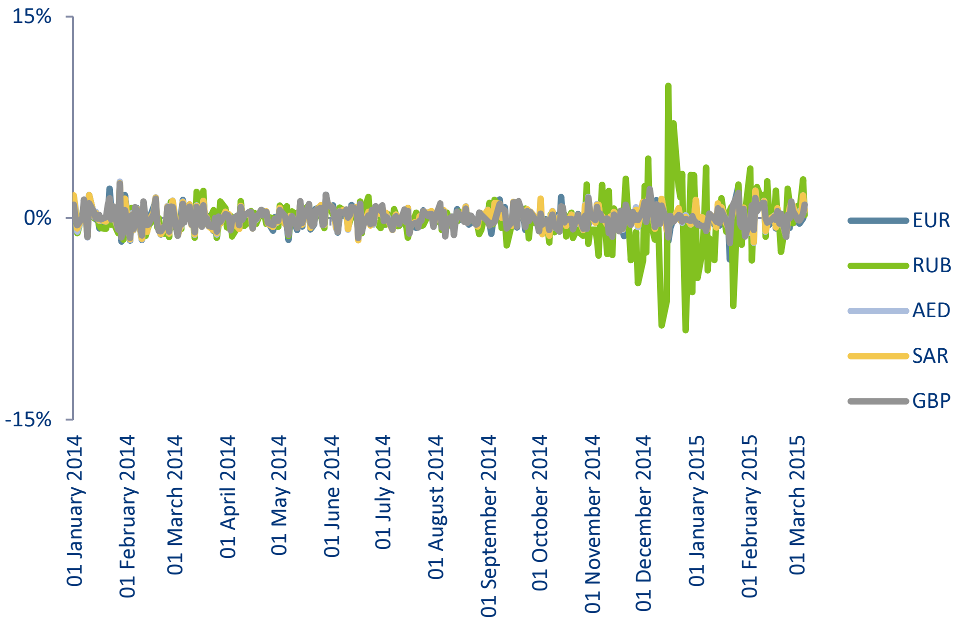
GM - FX: Solutions, Our Capabilities (Foreign Exchange)

Global Markets FX Risk Management

- Foreign Exchange is an important element of your business and bequests various risks to the profitability of your exports, we are experts at managing those risks…
- For exporters, current market conditions (Depreciating Rand) favor trade in Pound and Middle East Currencies,
- However, the Euro and the Ruble have depreciated against the Rand since 1 January 2014 until March 2015 by 9% and 42%, respectively.

"This kind of risk need not be borne by your business…"

Daily Average Change



				2014 USD Mn	
Country	Currency Code	Daily Average Change 2014 to present	Currency	Citrus Export Turnover	SB 2014 Turnover
Netherlands	EUR	-9%	Euro	95	725 861
Russia	RUB	-42%	Russian Ruble	56	482
UAE	AED	15%	United Arab Emirates Dirham	55	368
Saudi Arabia	SAR	15%	Saudi Riyal	43	268
UK	GBP	6%	Great Britain Pound	31	423 805

1) We can customise a solution for you if you know **when you will receive payment** and you **know what the value is.**

   There are many variations of this solution that we call the FX Forward – providing you with an exchange rate today for your **confirmed future transaction**.

2) **If the future transaction is not confirmed, i.e. is not definitive** - We can provide you the right (but not the obligation) to buy Rand at a rate (Strike Price) for a once off premium. This product is called a FX Option.

   All you need provide us is **when you will most likely receive payment** and you **know what the value is**.

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GM - FX: Solutions, Our Capabilities (Trade Transactions)

Exporter

Importer

Negotiation

Contract/ Purchase Order/ Written or Verbal Agreement

Decision to Use

Advance Payment/ Open Account

Collection

Documentary Credit

Hennie van Zyl

Global Markets Foreign Exchange and Trade

PBB Mpumalanga and Limpopo

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Best Foreign Exchange Provider in Africa 2015
for a third successive year.

Confidentiality disclaimer