

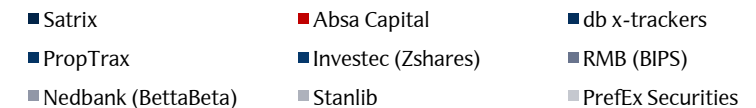
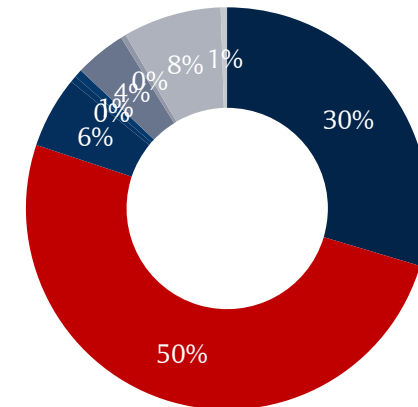
Absa Capital's Exchange Traded Products

Absa Capital / etfSA.co.za Retail Investment Seminar
JSE, September 3, 2012

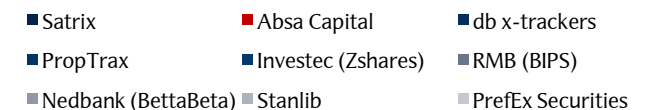
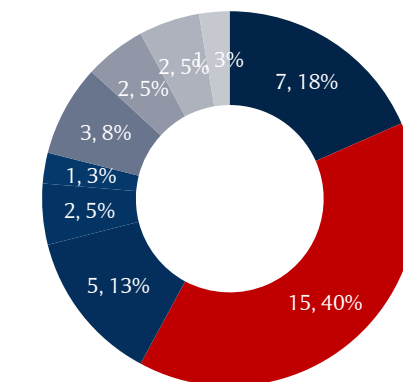
The South African ETF space

- Currently, 38 ETFs listed, with around ZAR38.5bn in AUM
- Absa Capital is the leading provider of exchange traded funds (ETFs) in the South African market
 - ▶ Largest by the number of ETFs - currently 15
 - ▶ Largest by total AUM (50% of the overall market – R19.4bn)
 - ▶ The largest ETF in the South African market – NewGold ETF
 - ▶ Voted No 1 in the Risk South Africa Annual Rankings Survey for 3 years in a row (including 2011)
- Several strong players (Absa Capital & Satrix jointly have 80% of the market share)
- New entrants into the market – Stanlib, Nedbank, PrefEx Securities
- Total AUM growing but still relatively small compared to the unit trust / mutual fund industry (approximately ZAR1tn AUM and close to 1,000 funds)
- Regulatory framework
 - ▶ Only physically backed ETFs allowed
 - ▶ No UCITS III compliant funds allowed
 - ▶ Most ETFs structured as collective investment scheme (mutual fund) portfolios


SA ETF originators - market share



SA ETF originators - number of ETFs



Absa Capital ETFs



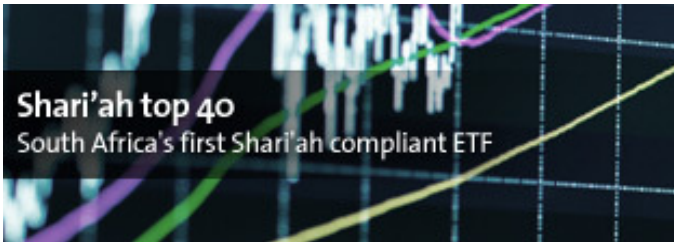
NewRand
Invest in blue-chip Rand hedge companies



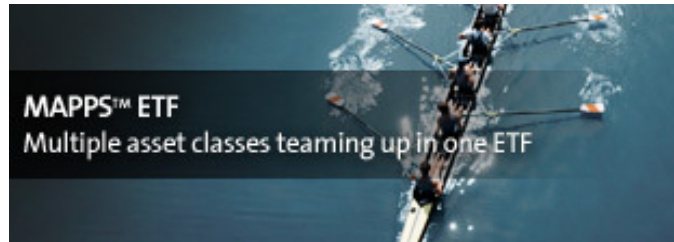
NewGold
South Africa's largest ETF



eRafi
An innovation in portfolio construction



Shari'ah top 40
South Africa's first Shari'ah compliant ETF



MAPPS™ ETF
Multiple asset classes teaming up in one ETF



#1 Exchange Traded Funds

ABSA CAPITAL VOTED #1 AGAIN
in the Exchange Traded Funds category in the annual Risk South Africa Rankings survey



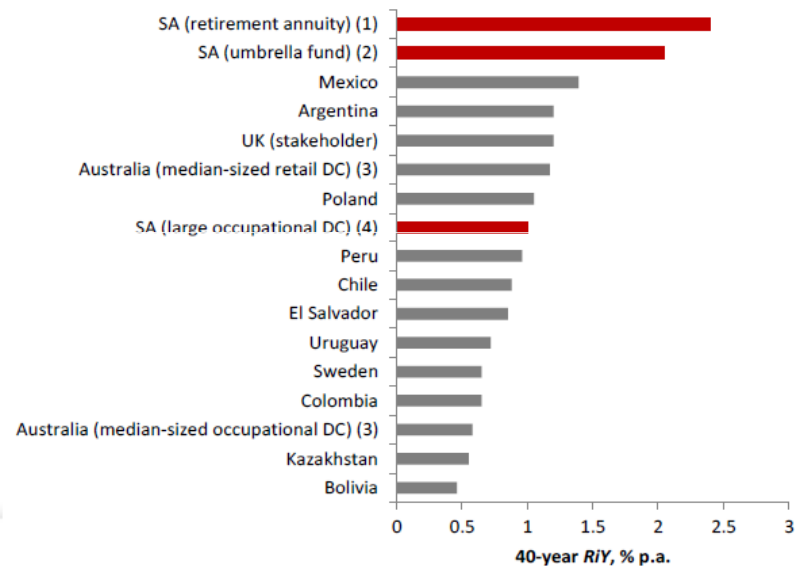
Absa Capital's ETF offering

ETF name	Underlying index / asset	Listed	Issuer	NAV
NewGold ETF	Gold bullion	SA: Nov 2, 2004, Botswana: Jul 14, 2010, Nigeria: Dec 19, 2011 Ghana: Aug 23, 2012	NewGold Issuer Limited	R18,991,831,320
NewRand ETF	NewRand Index	June 25, 2003	Trackhedge (Pty) Ltd	R77,794,324
eRAFI™ Overall ETF	eRAFI™ Overall Index	June 23, 2008	NewFunds CIS	R102,876,048
eRAFI™ Financial 15 ETF	eRAFI™ Financial 15 Index	June 15, 2009	NewFunds CIS	R5,083,816
eRAFI™ Industrial 25 ETF	eRAFI™ Industrial 25 Index	June 15, 2009	NewFunds CIS	R7,797,608
eRAFI™ Resource 20 ETF	eRAFI™ Resource 20 Index	June 15, 2009	NewFunds CIS	R7,385,265
NewSA ETF	NewSA Index	Dec 1, 2008	NewFunds CIS	R44,252,614
Shari'ah 40 ETF	FTSE/JSE Shari'ah 40 Index	Apr 6, 2009	NewFunds CIS	R17,938,951
MAPPST™ Growth ETF	SWIX (75%), GOVI (10%), ILBI (10%), Cash (5%)	May 25, 2011	NewFunds CIS	R17,879,132
MAPPST™ Protect ETF	SWIX (40%), GOVI (15%), ILBI (35%), Cash (10%)	May 25, 2011	NewFunds CIS	R27,064,929
GOVI ETF	GOVI Index	Jan 26, 2012	NewFunds CIS	R41,800,700
ILBI ETF	ILBI Index	Jan 26, 2012	NewFunds CIS	R49,660,200
Equity Momentum ETF	Equity Momentum Index	Jan 26, 2012	NewFunds CIS	R17,960,000
SWIX 40 ETF	FTSE/JSE SWIX 40 Index	Jan 26, 2012	NewFunds CIS	R9,338,400
TRACI 3m ETF	TRACI 3m Index	Jan 26, 2012	NewFunds CIS	R21,392,843

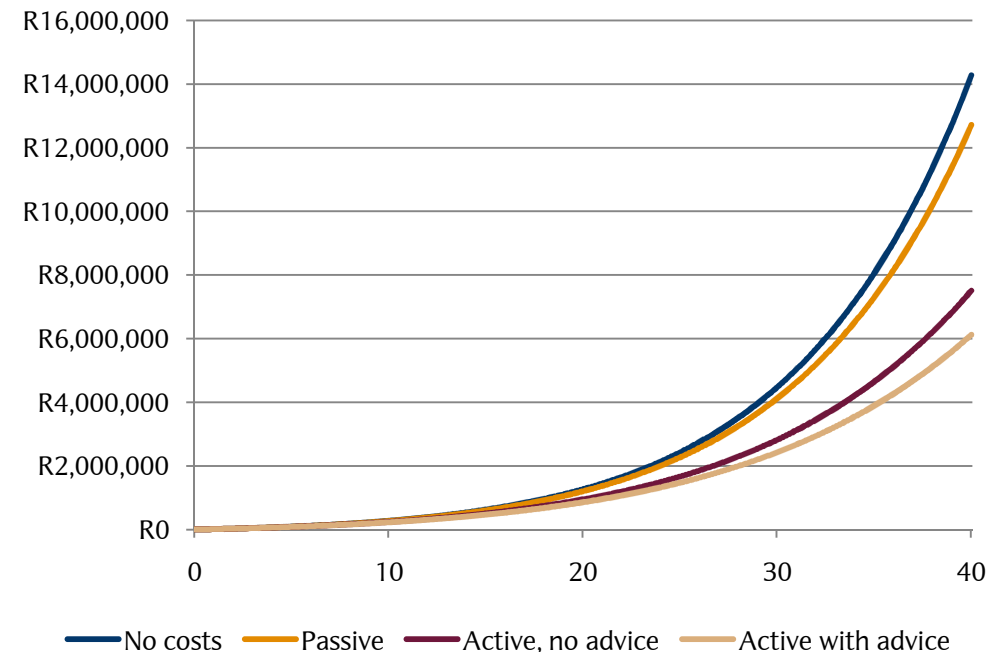
Absa Capital's ETN offering

ETN name	Underlying index / asset	Listed	Issuer	NAV
NewWave Platinum ETN	Platinum spot price	March 12, 2012	Absa Bank Limited	R64,529,320
NewWave Silver ETN	Silver spot price	March 12, 2012	Absa Bank Limited	R3,480,942
NewWave Commodity Index ETN	Barclays Commodity Index Pure Beta TR Index	June 11, 2012	Absa Bank Limited	R4,680,178
NewWave USD Currency ETN	eRAFI™ Financial 15 Index	March 12, 2012	Absa Bank Limited	R11,282,246
NewWave GBP Currency ETN	eRAFI™ Industrial 25 Index	March 12, 2012	Absa Bank Limited	R3,455,022
NewWave EUR Currency ETN	eRAFI™ Resource 20 Index	March 12, 2012	Absa Bank Limited	R2,733,301

Drive 1: cost reduction



Source: Whitehouse (2000) unless otherwise indicated. Figures refer to mandatory national retirement systems, unless otherwise indicated.



- To emphasize the importance of fees on investment performance, we look at performance of various investment options :
 - investment at no cost,
 - fully passive option at 0.5% p.a., all in fee,
 - active option with no advice (2.5% p.a. asset management fee, 0.4% p.a., platform fee) and
 - active option with advice (as before, plus 1% p.a. ongoing advisory fee and no upfront advisory fees).
- We further assume R1,000 per month investment escalated by inflation (6% p.a.) over 40 years, and real rate of investment return of 5%.

	No fees	Passive	Active, no advice	Active, with advice
End assets	R14,282,964	R12,724,776	R7,714,640	R6,125,565
Total fees (ZAR)	R0	R1,558,188	R6,768,324	R8,157,399
Total fees (%)	0%	10.91%	47.39%	57.11%

Drive 1: cost reduction

Effective 1 February 2012, the Management fees for the majority of our existing NewFunds CIS ETFs will be charged on a cost recovery basis, which will bring down our Total Expense Ratio's (TERs) significantly.

These lower ETFs should lead to enhanced after cost performance over time.

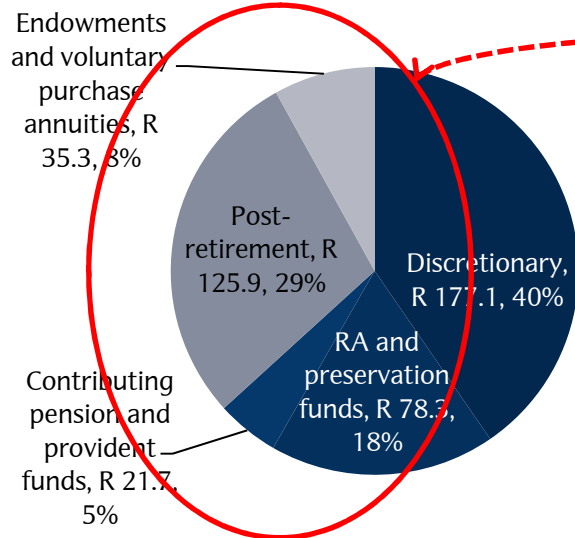
ETF name	Asset Class	Underlying index / Asset	TER 31Dec 11	TER 31 July 12*	Current Month TER
NewGold	Commodity	Gold Bullion	0.40%	0.40%	0.40%
MAPPST TM Growth	Balanced	SWIX (75%), GOVI (10%), ILBI (10%), Cash (5%)	1.06%	0.80%	0.42%
MAPPST TM Protect	Balanced	SWIX (40%), GOVI (15%), ILBI (35%), Cash (10%)	0.95%	0.75%	0.40%
NewFunds TRACI	Cash	Barclays & Absa Capital ZAR Tradable Cash Index	n/a	0.21%	0.18%
NewFunds GOVI	Fixed Income	SA Government Bond Total Return Index	n/a	0.30%	0.28%
NewFunds ILBI	Fixed Income	Barclays & Absa Capital South African Government ILBI Index	n/a	0.30%	0.29%
eRAFI TM Overall	Equity	eRAFI TM Overall SA Index	0.62%	0.30%	0.10%
Shari'ah 40	Equity	FTSE/JSE Shari'ah 40 Index	0.90%	0.41%	0.41%
NewFunds SWIX 40	Equity	FTSE/JSE SWIX 40 Total Return Index	n/a	0.44%	0.33%
NewFunds Equity Momentum	Equity	Barclays & Absa Capital SA Equity Momentum Index	n/a	0.43%	0.35%

Source: Absa Capital, 31 July 12

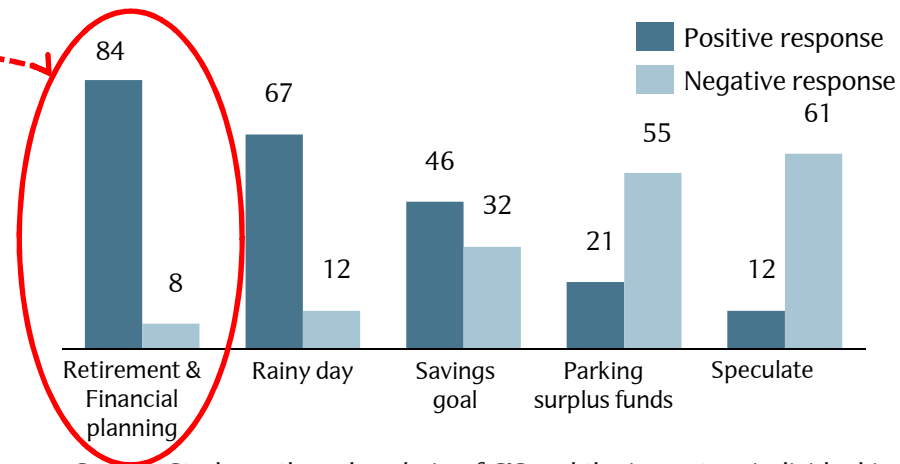
Note: The table above shows the new TERs that can be anticipated for ETFs going forward. While the official TER will only reflect these savings once 12 months have passed, the actual savings for the investor are immediate.

Drive 2: cater for needs; solutions, not products

LISP assets - breakdown by product wrap (R'bn)

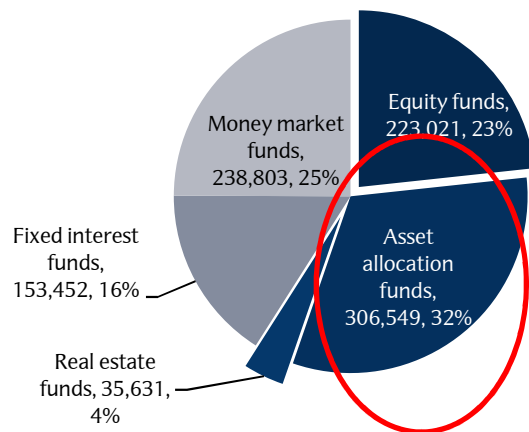


Only 25% of adult South Africans (34m) save, why do they save?



Source: Study on the value chain of CIS and the impact on individual investors (2008)

Domestic CIS - breakdown by asset class (R'm)



- Not sufficient to sell individual building blocks, but well diversified, multi asset solutions
- Needs to cater for investor needs – retirement and voluntary saving
- Simplicity of access, both direct and through advisors.
- Absa Capital provides multi-asset exposures in a single investment (MAPPS), as well as the widest coverage of asset classes in the ETF/ETN industry.

Source: ASISA, data as of 31 March, 2012

Contacts

Dr Vladimir Nedeljkovic
Absa Capital

Investments Team
Absa Capital

+27 (11) 895-5367
vladimir.nedeljkovic@absacapital.com

+27 (11) 895-5517
ETF@absacapital.com

FAIS Act Notice and Disclaimer

This presentation is made by Absa Capital, the investment banking division of Absa Bank Limited a registered bank in RSA ("Absa"). Absa is regulated by the SA Reserve Bank. Absa Bank Limited is a licensed Financial Services Provider. This presentation is for information purposes only and you must not regard this as a prospectus for any security, financial product or transaction. Absa does not in any way represent, recommend or propose that the securities and/or financial or investment products or services ("the products") referred to in this presentation are appropriate and/or suitable for your particular investment objectives or financial situation or needs. This presentation is not: (i) "advice" as defined and/or contemplated in Financial Advisory and Intermediary Services Act, 37 of 2002, ("FAIS Act") or (ii) any other financial, investment, trading, tax, legal, accounting, retirement, actuarial or other professional advice or service whatsoever ("advice"). You have to obtain your own independent advice prior to making any decision or taking any action whatsoever based hereon and Absa disclaims any liability for any direct, indirect or consequential damage or losses that you may suffer from using or relying on this presentation even if notified of the possibility of such damage or loss and irrespective of whether or not you have obtained independent advice. This presentation is neither an offer to sell nor a solicitation of an offer to buy any of the products, which shall always be subject to Absa's internal approvals and a formal agreement between you and Absa. Any pricing included in this commentary is only indicative and is not binding as such on Absa. All the risks and issues related to the products are not disclosed and therefore, prior to investing or transacting, you should fully understand the products and any risks and issues related to or associated with them. The products may involve a high degree of risk including, but not limited to, the risk of (a) low or no investment returns, (b) capital loss, (c) counterparty or issuer default, (d) adverse or unanticipated financial market fluctuations, (e) inflation and (f) currency exchange. The value of any product may fluctuate daily as a result of these risks. Absa does not predict actual results, performances and/or financial returns and no assurances, warranties or guarantees are given in this regard. The information, views and opinions expressed herein are based on third party sources believed by Absa to be reliable and are therefore expressed in good faith. Absa gives no recommendation, guide, warranty, representation, undertaking or guarantee concerning the accuracy, adequacy and/or completeness of the information or any view or opinion expressed herein. Any information on past financial returns, modelling or back-testing is no indication of future returns. All opinions, views and estimates are given as of the date hereof and may change without notice. Absa expressly disclaims any liability for any damage or loss as a result of errors or omissions. Absa, its affiliates and individuals associated with them may (in various capacities) have positions or deal in securities (or related derivative securities), financial products or investments identical or similar to the products. Absa intends to make this presentation available in South Africa to persons who are financial services providers as defined in the FAIS Act. The information and views contained in this presentation are proprietary to Absa and are protected by copyright under the Berne Convention. In terms of the Copyright Act, 98 of 1978, as amended, no part of this presentation may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, electronic scanning, recording, or by any information storage or retrieval system, without the prior permission in writing from Absa. The illegal or attempted illegal copying or use of this information or views may result in criminal or civil legal liability.