CONDENSED, AUDITED RESULTS ANNOUNCEMENT AND CASH DIVIDEND DECLARATION

'14

for the year ended 30 June 2014

RMB HOLDINGS

KEY HIGHLIGHTS

Normalised earnings	+22%	to 441.7 cents
Dividend	+33%	to 227.5 cents
Intrinsic value	+42%	to 5 434 cents

RMH at a glance

RMH's primary interest is its 33.9% investment in separately listed FirstRand Limited ("FirstRand"), generally regarded as Southern Africa's pre-eminent financial services group.

The FirstRand group comprises a portfolio of leading financial services franchises, including:

- **First National Bank** ("FNB"), retail and commercial banking;
- **Rand Merchant Bank** ("RMB"), corporate and investment banking;
- **WesBank**, an instalment finance business; and
- **Asburton Investments**, the group's recently-established investment management business.

Basis of preparation

This report covers the audited financial results of RMB Holdings Limited ("RMH" or the "group") based on International Financial Reporting Standards ("IFRS") for the year ended 30 June 2014.

The primary results and accompanying commentary are presented on a normalised basis as RMH believes this most accurately reflects underlying economic performance. The normalised earnings have been derived from audited, IFRS financial results. A reconciliation of the adjustments made to derive normalised earnings is presented in the accompanying schedules.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and amendments to IAS 19 Employee Benefits became effective for financial year ends commencing on or after 1 January 2013. While these amendments did not impact RMH's financial results, they did impact those of FirstRand. These amendments are applied retrospectively and consequently, have led to a restatement of prior year results. Details of these restatements can be found in the accompanying schedules.

Ellen Marais, CA(SA), prepared these financial results under the supervision of Peter Cooper, CA(SA).

Operating environment

The operating environment remained difficult throughout the financial year. This was largely as a consequence of uncertainty in the global macroeconomic arena combined with subdued domestic demand growth and protracted industrial action in the platinum sector.

USA economic activity experienced a gradual recovery which allowed the US Federal Reserve to taper its asset purchases. The expected increase in US interest rates impacted on foreign capital flows to emerging markets.

South Africa with its large current account deficit was negatively impacted with the slow-down in capital flows. This led to the further weakening of the rand, which translated into higher domestic inflation and triggered the start of a higher interest rate cycle. Business and consumer confidence were negatively impacted by:

- subdued demand growth;
- slowing of government and consumption spend;
- sluggish employment growth;
- rising inflation;
- a 50bps interest rate hike; and
- a weaker rand exchange rate.

The slowdown in household credit extension continued. To an extent this was offset by increased credit growth in the corporate sector.

While some of these headwinds also affected the rest of the sub-Saharan region, most economies continued to expand at a brisk pace. Domestic demand – fuelled by credit growth and investment in infrastructure development – remained the major catalyst.

Overview of results

RMH produced good results for the year ended 30 June 2014, reporting normalised earnings of R6.2 billion (2013: R5.1 billion), an increase of 22%. Normalised earnings per share amounted to 441.7 cents per share (2013: 361.7 cents).

These results were achieved on the back of the strong operational performances of all three of the main FirstRand brands. FNB, RMB and WesBank which continued to outperform the market.

The final dividend of 127.5 cents per share (2013: 104.5 cents) resulted in dividends for the year increasing by 33%.

Sources of normalised earnings

FirstRand's well-diversified income stream is drawn from the full spectrum of banking services and is predominantly sourced from South Africa. RMH's interest in FirstRand's normalised earnings is as follows:

SEGMENTAL INFORMATION

	For the year ended 30 June		
R million	**2014**	2013*	% change
FNB	**9 462**	7 998	18
RMB	**5 342**	4 383	22
WesBank	**2 830**	2 774	2
Other	**1 029**	265	>100
FIRSTRAND NORMALISED EARNINGS	**18 663**	15 420	21
Attributable to RMH	**6 325**	5 226	21
Center costs	**(88)**	(119)	(26)
RMH NORMALISED EARNINGS	**6 237**	5 107	22

* *Restated from prior year. Refer to www.firstrand.co.za for FirstRand normalised earnings and for RMH refer to page 20, for prior year restatements*

Underlying intrinsic value

Over the year to 30 June 2014 RMH's market capitalisation increased by 30% and at that date amounted to R74.2 billion or 5 259 cents per share (June 2013: R55.6 billion). This represented a 3.3% discount (June 2013:1.2% premium) to RMH's underlying intrinsic value:

	As at 30 June		
R million	**2014**	2013	% change
Market value of listed interest (FirstRand)	**77 850**	55 269	41
Net funding	**(1 128)**	(1 172)	(4)
TOTAL INTRINSIC VALUE	**76 722**	54 097	42
Intrinsic value per share (cents)	**5 434**	3 831	42

At 30 June 2014 net borrowing at the center amounted to R1.13 billion of which the core element comprised R1.18 billion fixed rate preference shares due for redemption on 6 December 2017, paying dividends at 7.08% per annum, six monthly in arrears.

Final dividend payment

RMH currently follows a stated practice of returning net dividends (after providing for funding and operational costs incurred at the center) received by it in the ordinary course of business to shareholders. RMH's primary source of dividend income is its investment in FirstRand.

The board is of the opinion that RMH is adequately capitalised at this stage and that the company will be able to meet its obligations in the foreseeable future after payment of the final dividend.

Having due regard to the final dividend receivable from FirstRand and applying the dividend practice outlined above, the board of RMH has resolved to declare a gross final dividend of 127.5 cents per share (2013: 104 cents). Such final dividend, together with the interim dividend of 100 cents, brings the total dividend for the year to 30 June 2014 to 227.5 cents per ordinary share (2013: 170.5 cents). Such dividend is covered 1.9 times by normalised earnings per share and represents a year-on-year increase of 33%. The lowering of the dividend cover to 1.9 is as a direct results of FirstRand stating that it considers a dividend cover of between 1.8 to 2.2 as adequate. FirstRand indicated that it would on an annual basis assess the level of cover and would take into account the following factors:

- actual performance;
- forward factors;
- demand for capital; and
- potential changes in regulations.

FirstRand confirmed that for 2014 it believed a 1.9 cover was appropriate.

Dividend Withholding Tax ("DWT") at a rate of 15% is levied on dividends paid to shareholders who are not exempt from DWT. RMH has accumulated Secondary Tax Credits ("STC") which have been used to reduce the DWT liability arising. A non-exempt shareholder would have needed to pay DWT of 19.12500 cents per share. Due to the STC credit of 5.89826 cents per share being utilised to reduce the liability by the shareholder, the net DWT tax payable amounts to 18.24026 cents per share.

The net dividend receivable by non-exempt shareholder is therefore 109.25974 cents per share. An exempt shareholder will receive 127.5 cents per share.

Outlook

The South African consumer will be placed under further pressure due to the current interest rate hiking cycle.

RMH believes that FirstRand's strategy to:

- grow its customer base;
- drive non-interest revenue; and
- exercise discipline in its credit origination strategies in the retail market

will place FirstRand in a good position to weather the difficult credit cycle that is expected to continue to emerge over the next 12 to 18 months.

FirstRand's franchises have the appropriate strategies in place to continue to deliver good operational performance. FirstRand's balance sheet is strong and its diverse income streams should put it in a position to continue to deliver sustainable and superior returns to its equityholders.

Board changes

During the current year the following board appointments were made:

- Mr HL Bosman (2 April 2014) as executive director/chief executive officer-designate.
- Mr JP Burger as non-executive director (30 June 2014).
- Mr P Lagerström as independent non-executive director (30 June 2014).

Mr MM Morobe was appointed as an independent non-executive director effective 1 August 2014. We extend a warm welcome to all the new appointees.

As part of a process to achieve compliance with the various prescriptions regarding board structures and corporate governance, Mr JJ Durand resigned as non-executive director effective 30 June 2014, and remained as an alternate to Mr L Crouse.

Mr Cooper retires, effective 10 September 2014, as chief executive officer and financial director. He will continue to serve on the board in a non-executive capacity. We would like to express a word of gratitude to Mr Cooper for the value he has created for the equityholders during his career. We wish him well as he scales back his corporate involvement.

The board has confirmed Mr Bosman as chief executive officer and financial director of RMH (effective 10 September 2014). We wish him well in his career with RMH and look forward to support him in his strategic initiatives.

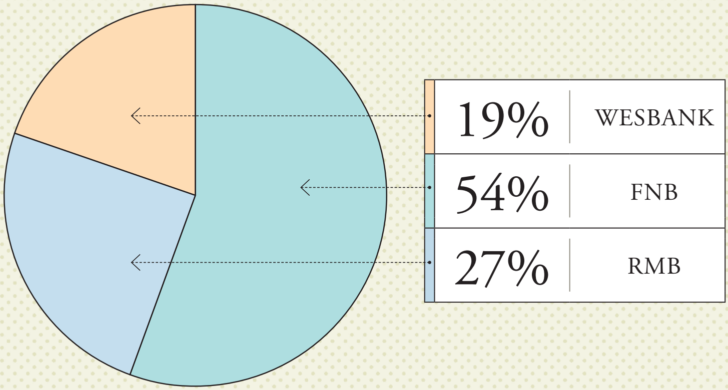
For and on behalf of the board

GT Ferreira
Chairman

HL Bosman
Chief Executive Officer

Sandton
10 September 2014

Sources of normalised earnings



FirstRand managed to increase normalised earnings to R18.6 billion and deliver a normalised ROE of 24.2%, very good results in the current macroeconomic environment.

Operational review

All three franchises, FNB, RMB and WesBank delivered strong operational performances and continued to outperform the market.

FNB's results were positively influenced by:

- lower non-performing loans ("NPLs") in residential mortgages (-19%) due to FNB's proactive work-out strategy together with an increase in advances (5%) in line with house price increases;
- ongoing customer acquisition in target segments and increased cross-sell benefited the transactional franchises;
- migration of customers to electronic channels continued to drive growth in volumes, transactional volumes in electronic channels increased 15%;
- counter-cyclical origination actions taken in personal loans in 2011 has paid dividends; and
- strong growth across the African footprint with both established and new subsidiaries performing well (pre-tax profit increased 21%).

RMB's results were positively influenced by:

- very strong earnings from underlying investments in private equity together and a significant investment realisation (pre-tax profit increased 86%);

- the global markets division delivered a solid performance despite a challenging market volatility, subdued macroeconomic environment and increased competitive pressures (pre-tax profit increased 44%); and
- growing contribution from activities in the rest of Africa, particularly in investment banking and global markets activities.

WesBank's results were positively influenced by:

- its consistent point of sale presence and partnership model ensured resilient new business volumes;
- excellent performance from MotoNovo in the United Kingdom, which grew strongly in GBP terms; and
- discipline in origination of vehicle-asset-finance ("VAF") and personal loans resulted in a better than expected cost of credit.

Ashburton continued to execute on its organic strategy. Since its launch in June 2013 assets under management grew 14% to R115 billion. 41% of its assets under management are now composed of non-traditional assets, giving clients access to inflation-linked bonds, private equity, unlisted corporate debt and longer dated loans.

The FirstRand income statement benefited from an increase of 19% in net interest income ("NII"), driven by ongoing gains in new business at FNB, WesBank and RMB.

Total non-interest revenue ("NIR") increased 14% year-on-year, due to the following:

- the strong contribution from FNB, which grew NIR 10%. This performance was driven by both the retail and commercial segments and resulted from increases in fee and commission income. FNB's ongoing strategy to migrate customers onto electronic platforms continued to produce good growth in electronic volumes of 15% year-on-year;
- NIR growth driven by RMB's client franchises, particularly in the rest of Africa. In addition, RMB's investing activities produced an excellent performance, with good growth from equity accounted income generated by the private equity portfolio, boosted by the realisation of a significant investment; and
- WesBank's NIR (including share of profits from associates and joint ventures) which increased 13%, in line with new business volumes and benefiting from continued growth in the full maintenance rental book.

Overall operating costs increased 15%, reflecting the continued investment in electronic platforms and FirstRand's African operating footprint, whilst operating income grew by 18%.

Whilst overall bad debts continued to trend down, NPLs showed a mixed picture. Residential mortgages, FNB commercial and RMB's investment banking division saw NPLs reducing whilst NPLs in FNB card, VAF and personal loans increased. Strong book growth resulted in an increase in NPLs in FNB's business segment and the FNB African portfolio.

The overall credit picture remains in line with expectations and all of FirstRand's portfolios are tracking as anticipated, reflecting decisions taken as early as 2011 to exit origination in high-risk segments, particularly in personal loans. Portfolio overlays at a franchise level increased 55% year-on-year. This reflects FirstRand's view that the negative retail credit cycle will continue to emerge, already reflected in the higher levels of arrears being experienced. FirstRand's balance sheet continued to show good growth in advances year-on-year, particularly from FNB's card and commercial books and certain of the rest of Africa subsidiaries. RMB's core advances book also posted strong growth, particularly benefiting from activities in the rest of Africa and renewable energy drawdowns in South Africa. On a rolling six-month basis, growth in certain retail portfolios, such as personal loans and VAF, continued to moderate.

Firstrand's vision and progress on growth strategy outside of South Africa

FirstRand's vision is to be the African financial services group of choice, create long-term franchise value, deliver superior and sustainable economic returns to shareholders within acceptable levels of volatility and maintain balance sheet strength. FirstRand seeks to achieve this with two parallel growth strategies, which are executed through its portfolio of operating franchises, within a framework set by FirstRand and supported by RMH.

The growth strategies are:

- become a predominant player in all of the financial services profit pools in South Africa, growing in existing markets and those where it is under-represented; and
- grow its franchise in the broader African continent, targeting those countries expected to show above average domestic growth and which are well positioned to benefit from the trade and investment flows between Africa, India and China.

With regard to expansion into the rest of Africa, there are three pillars to its execution:

- utilise the capabilities of the South African franchise, particularly the domestic balance sheet, intellectual capital, international platforms and the existing operating footprint in the rest of Africa;
- start an in-country franchise and grow organically; and
- small- to medium-sized acquisitions where it makes commercial sense.

During the year under review the African operations increased net profit before tax by 21%, WesBank African business included in this number increased by 66%.

Capital

FirstRand has maintained its very strong capital position. FirstRand's total capital adequacy ratio at 16.7% (internal target >14%) exceeds the regulatory minimum requirements of 10.0%. FirstRand's internal target levels have been revised in order to meet the 2019 end-state regulatory minimum requirements under Basel III including the capital conservation buffer and also after considering various stakeholder constraints.

For a comprehensive, in-depth review of FirstRand's performance, RMH shareholders are referred to **www.firstrand.co.za**.

CONDENSED CONSOLIDATED INCOME STATEMENT (AUDITED)

	For the year ended 30 June		
R million	**2014**	2013*	% change
Share of after-tax profit of associate company	**6 426**	5 154	25
Fee income	**15**	13	
Investment income	**4**	3	
Net fair value gain on financial assets	**18**	7	
Net income	**6 463**	5 177	25
Administration expenses	**(40)**	(41)	(2)
Income from operations	**6 423**	5 136	25
Finance costs	**(85)**	(100)	(15)
Profit before tax	**6 338**	5 036	26
Income tax expense	**(1)**	(1)	–
PROFIT FOR THE YEAR	**6 337**	5 035	26
Attributable to:			
Equityholders of the company	**6 337**	5 035	26

* *For restatement of prior year numbers refer to page 20.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (AUDITED)

	For the year ended 30 June		
R million	**2014**	2013*	% change
Profit for the year	**6 337**	5 035	26
Other comprehensive income, after tax:			
Items that will not be reclassified to profit or loss			
Share of other comprehensive income of associate after tax and non-controlling interests	**(29)**	8	
Items that may subsequently be reclassified to profit or loss			
Share of other comprehensive income of associate after tax and non-controlling interests	**254**	633	
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**225**	641	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**6 562**	5 676	
Total comprehensive income attributable to:			
Equityholders of the company	**6 562**	5 676	16
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**6 562**	5 676	16

* *For restatement of prior year numbers refer to page 20.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (AUDITED)

	As at 30 June		
R million	**2014**	2013*	2012*
Assets			
Cash and cash equivalents	**14**	12	17
Loans and receivables	**6**	53	2
Investment securities	**178**	52	32
Derivative financial instruments	**20**	11	–
Property and equipment	**–**	1	1
Investment in associate	**33 348**	30 243	26 862
TOTAL ASSETS	**33 566**	30 372	26 914
Equity			
Share capital and premium	**8 819**	8 822	8 771
Reserves	**23 401**	20 249	16 764
TOTAL EQUITY	**32 220**	29 071	25 535
Liabilities			
Financial liabilities	**1 272**	1 234	1 305
Derivative financial instruments	**17**	9	–
Long-term liabilities	**9**	2	4
Provisions	**2**	2	7
Trade and other payables	**46**	54	63
TOTAL LIABILITIES	**1 346**	1 301	1 379
TOTAL EQUITY AND LIABILITIES	**33 566**	30 372	26 914

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (AUDITED)

	For the year ended 30 June	
R million	**2014**	2013*
Net cash generated from operating activities	**3 007**	2 120
Dividends paid	**(2 887)**	(1 967)
Net cash outflow in investment activities	**–**	(16)
Net cash (outflow)/Inflow in financing activities	**(118)**	(142)
Net decrease in cash and cash equivalents	**2**	(5)
Cash and cash equivalents at the beginning of the year	**12**	17
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**14**	12

* *For restatement of prior year numbers refer to page 20.*

CONDENSED STATEMENT OF CHANGES IN EQUITY (AUDITED)

R million	Share capital and premium	Total reserves	Total equity-holders' funds	Non-controlling interest	Total equity
Balance at 30 June 2012					
As previously reported	8 771	17 051	25 822	–	25 822
Restatement	–	(287)	(287)	–	(287)
Balance at 1 July 2012	8 771	16 764	25 535	–	25 535
Total comprehensive income for the year	–	5 676	5 676	–	5 676
Dividends paid	–	(1 967)	(1 967)	–	(1 967)
Change in carrying value of associate due to change in effective shareholding	–	19	19	–	19
Reserve movements relating to associate	–	(243)	(243)	–	(243)
Movement in treasury shares	51	–	51	–	51
BALANCE AT 30 JUNE 2013	8 822	20 249	29 071	–	29 071
Balance at 1 July 2013	**8 822**	**20 249**	**29 071**	**–**	**29 071**
Total comprehensive income for the year	**–**	**6 562**	**6 562**	**–**	**6 562**
Dividends paid	**–**	**(2 887)**	**(2 887)**	**–**	**(2 887)**
Change in carrying value of associate due to change in effective shareholding	**–**	**(21)**	**(21)**	**–**	**(21)**
Reserve movements relating to associate	**–**	**(502)**	**(502)**	**–**	**(502)**
Movement in treasury shares	**(3)**	**–**	**(3)**	**–**	**(3)**
BALANCE AT 30 JUNE 2014	**8 819**	**23 401**	**32 220**	**–**	**32 220**

COMPUTATION OF HEADLINE AND NORMALISED EARNINGS (AUDITED)			
	For the year ended 30 June		
R million	**2014**	2013*	% change
Earnings attributable to equityholders	**6 337**	5 035	26
Adjustment for:			
RMBH's share of adjustment made by associate:			
Loss on disposal of investment securities and other investments of a capital nature	**9**	5	
Gain on disposal of available-for-sale assets	**(24)**	(11)	
Gain on disposal of investments in associates or joint ventures	**(21)**	–	
Gain on disposal of investments in subsidiaries	**(6)**	(22)	
Loss on the disposal of property and equipment	**11**	27	
Fair value of investment properties	**–**	(2)	
Impairment of goodwill	**45**	153	
Impairment of assets in terms of IAS 36	**53**	99	
Gain from a bargain purchase	**–**	(5)	
Other	**–**	(48)	
Tax effects of adjustments	**9**	(12)	
Non-controlling interests adjustment	**5**	7	
HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS	**6 418**	5 226	23
RMBH's share of adjustments made by associates:			
IFRS 2 Share-based payment expenses	**63**	15	
Treasury shares	**34**	11	
Total Return Swap adjustment	**(69)**	30	
IAS 19 adjustment	**(36)**	(38)	
Private equity subsidiary realisations	**5**	15	
Adjustment for:			
RMBH shares held by associate[1]	**(2)**	(6)	
Group treasury shares[2]	**(176)**	(146)	
NORMALISED EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS	**6 237**	5 107	22

* *For restatement of prior year numbers refer to page 20.*

[1] *RMH shares held for client trading activities by FirstRand.*

[2] *Adjustment to reflect earnings impact based on actual RMH shareholding in FirstRand i.e. reflecting treasury shares as if they are non-controlling interests.*

COMPUTATION OF EARNINGS PER SHARE (AUDITED)			
	For the year ended 30 June		
R million	**2014**	2013*	% change
Earnings attributable to equityholders	**6 337**	5 035	26
Headline earnings attributable to equityholders	**6 418**	5 226	23
Normalised earnings for the year	**6 237**	5 107	22
Net asset value	**32 220**	29 071	11
Number of shares in issue (millions)	**1 412**	1 412	
Weighted average number of shares in issue (millions)	**1 411**	1 410	
Diluted weighted average number of shares in issue (millions)	**1 411**	1 410	
Weighted average number of shares in issue (millions) for normalised earnings	**1 412**	1 412	–
Earnings per share (cents)	**449.0**	357.1	26
Diluted earnings per share (cents)[1]	**444.2**	355.1	25
Headline earnings per share (cents)	**454.7**	370.6	23
Diluted headline earnings per share (cents)[1]	**449.9**	368.7	22
Normalised earnings per share (cents)	**441.7**	361.7	22
Diluted normalised earnings per share (cents)	**441.7**	361.7	22
Net asset value per share (cents)	**2 281.9**	2 058.8	11
Dividend per share (cents)			
Interim	**100.0**	66.0	52
Final	**127.5**	104.5	22
TOTAL	**227.5**	170.5	33
Dividend cover (relative to headline earnings)	**2.0**	2.2	
Dividend cover (relative to normalised earnings)	**1.9**	2.1	

[1] *The diluted calculations give cognisance to the impact of the similar calculation within FirstRand. This has no impact on RMH's weighted average number of shares.*

* *For restatement of prior years numbers refer to page 20.*

SEGMENTAL INFORMATION (AUDITED)			
	For the year ended 30 June		
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RMH NORMALISED EARNINGS	**6 237**	5 107	22

* *Restated from prior year. Refer to www.firstrand.co.za for FirstRand normalised earnings restatements and for RMH refer to page 20, for prior year restatements*

Basis of preparation of results

The accompanying condensed results for the year ended 30 June 2014 reflects:

- the operations of RMH and its proportionate interest in its associate, FirstRand, which has been equity accounted.

The report is prepared in accordance with:

- International Financial Reporting Standards ("IFRS"), including IAS 34: Interim Financial Reporting;
- The requirements of the South African Companies Act, Act 71 of 2008;
- SAICA Financial Reporting Guide as issued by the Accounting Practices Committee;
- Financial Reporting Pronouncements as issued by Financial Reporting Standards Council; and
- The Listings Requirements of the JSE Limited.

The results are audited. The board takes full responsibility for the preparation of the results booklet.

Accounting policies

These summarised results incorporate accounting policies that are consistent with those used in preparing the financial results for the year ended 30 June 2013. Other than the new and amended standards that became effective for the first time and had a financial impact on results during the reporting period which can be summarised as follows:

- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint arrangements; and
- IAS 19 Employee Benefits.

These requirements were applied retrospectively.

The following standards influence disclosure requirements but had no financial impact on results:

- IFRS 12 Disclosure of Interest in Other Entities; and
- IFRS 13 Fair Value measurement.

Details of restatements can be found on page 20.

The announcement itself is not audited but is extracted from the audited information. The independent auditor's report does not necessarily encompass all the information contained in this announcement. Unless the financial information is specifically stated as audited, it should be assumed it is unaudited. The board of directors takes full responsibility for the preparation of this announcement and the financial information has been correctly extracted from the underlying annual financial statements. The complete annual financial statements were audited by PriceWaterhouseCoopers Inc. Their unmodified opinion is dated 10 September 2014. Shareholders are advised that for a full understanding of the nature of the auditors' engagement they should obtain a copy of the auditors' unmodified report together with the complete annual financial statements from RMH's registered office, 3rd Floor, 2 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton.

Normalised results

RMH believes normalised earnings more accurately reflect operational performance. Headline earnings are adjusted to take into account the following non-operational and accounting anomalies:

1. RMH's portion of normalised adjustment made by its associate FirstRand Limited which have a financial impact:
   - Share-based payments and treasury shares: consolidation of staff share trust;
   - FirstRand shares held for client trading activities;
   - the Total Return Swap which is an economic hedge against the share-based payment obligation;
   - the consolidation of private equity subsidiaries which is excluded as per Rule 1 exemption of Circular 2/2013, Headline Earnings per Share; and
   - IAS 19 measurement of plan asset.
2. RMH shares held for client trading activities by FirstRand.
3. Adjustment to reflect earnings impact based on actual RMH shareholding in FirstRand.

FAIR VALUE MEASUREMENTS (AUDITED)

Valuation methodology

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date i.e. an exit price. Fair value is therefore a market based measurement and when measuring fair value RMH uses the assumptions that market participants would use when pricing an asset or liability under current market conditions, including assumptions about risk. When determining fair value it is presumed that the entity is a going concern and the fair value is therefore not an amount that represents a forced transaction, involuntary liquidation or a distressed sale.

The fair value of publicly traded derivatives is based on quoted bid prices for assets held or liabilities to be issued and current offer prices for assets to be acquired and liabilities held. The fair value of non-traded derivatives is based on discounted cash flow models and option pricing models as appropriate. The group recognises derivatives as assets when the fair value is positive and as liabilities when the fair value is negative .The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the group recognises profits or losses on day one. Where fair value is determined using valuation techniques whose variables include non-observable market data, the difference between the fair value and the transaction price (the day one profit or loss) is not recognised in the statement of financial position. These differences are however monitored for disclosure purposes. If observable market factors that market participants would consider in setting a price subsequently become available, the balance of the deferred day one profit or loss is released to profit or loss.

Fair value measurements are determined on both a recurring and non-recurring basis.

RECURRING FAIR VALUE MEASUREMENTS

Recurring fair value measurements are those for assets and liabilities that IFRS requires or permit to be recognised at fair value and are recognised in the statement of financial position at reporting date. This includes financial assets, financial liabilities and non-financial asset.

Financial instruments

RMH uses the most representative price when determining fair value.

NON-FINANCIAL ASSETS

When determining the fair value of a non-financial asset, a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use, is taken into account. This includes the use of the asset that is physically possible, legally permissible and financially feasible.

NON-RECURRING FAIR VALUE MEASUREMENTS

Non-recurring fair value measurements are those triggered by particular circumstances and include the classification of assets and liabilities as non-current assets or disposal groups held for sale under IFRS 5 where fair value less costs to sell is the recoverable amount, IFRS 3 business combinations where assets and liabilities are measured at fair value at acquisition date, and IAS 36 impairments of assets where fair value less costs to sell is the recoverable amount. These fair value measurements are determined on a case by case basis as they occur within each reporting period.

Other fair value measurements

Other fair value measurements include assets and liabilities not measured at fair value but for which fair value disclosures are required under another IFRS e.g. financial instruments at amortised cost. The fair value for these items is determined by using observable quoted market prices where these are available, or in accordance with generally acceptable pricing models such as a discounted cash flow analysis.

Fair value hierarchy and measurements

Valuations based on observable inputs include:

- Level 1 – fair value is based on quoted market prices (unadjusted) in active markets for identical instruments as measured on reporting date. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis.
- Level 2 – fair value is determined through valuation techniques based on observable market inputs. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Valuations based on unobservable inputs include:

- Level 3 – fair value is determined through valuation techniques which use significant unobservable inputs.

The table below sets out the valuation techniques applied by RMH for fair value measurements of financial assets and liabilities categorised as level 2 in the fair value hierarchy.

Instrument	Fair value hierarchy level	Valuation technique	Description of valuation technique and main assumptions	Observable inputs
Derivative financial instruments – Equity derivatives	Level 2	Industry standard model	The models calculate fair value based on input parameters such as stock prices and interest rates.	Market interest rates and prices
Financial assets and liabilities not measured at fair value but for which fair values is disclosed	Level 2	Discounted cash flows	The future cash flows are discounted using a market related interest rate and curves adjusted for credit inputs.	Market interest rates and curves

R million	Level 1	Level 2	Level 3	Total
Group				
30 June 2014				
Recurring fair value measurements				
Financial asset				
Equity instruments				
– at fair value through profit or loss	**178**	**–**	**–**	**178**
Derivative financial instruments	**–**	**20**	**–**	**20**
FINANCIAL ASSET RECOGNISED AT FAIR VALUE	**178**	**20**	**–**	**198**
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments	**–**	**17**	**–**	**17**
FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE	**–**	**17**	**–**	**17**
30 June 2013				
Recurring fair value measurements				
Financial asset				
Equity instruments				
– at fair value through profit or loss	52	–	–	52
Derivative financial instruments	–	11	–	11
FINANCIAL ASSET RECOGNISED AT FAIR VALUE	52	11	–	63
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments	–	9	–	9
FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE	–	9	–	9

There were no transfers between level 1 and level 2 during the current and prior reporting period.

RESTATEMENT OF 30 JUNE 2013 AUDITED FINANCIAL RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT (AUDITED)				
	for the year ended 30 June 2013			
R million	As previously reported	Restated	Difference	Description
Share of after-tax profit of associate company	5 088	5 154	66	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Investment income	23	23	–	
Net income	5 111	5 177	66	
Administration expenses	(41)	(41)	–	
Income from operations	5 070	5 136	66	
Finance costs	(100)	(100)	–	
Profit before tax	4 970	5 036	66	
Income tax expense	(1)	(1)	–	
Profit after tax	4 969	5 035	66	
Attributable to:				
Equityholders of the company	4 969	5 035	66	
PROFIT FOR THE YEAR	4 969	5 035	66	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.

RESTATEMENT OF 30 JUNE 2013 AUDITED FINANCIAL RESULTS continued

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (AUDITED)

	for the year ended 30 June 2013			
R million	As previously reported	Restated	Difference	Description
Profit for the year	4 969	5 035	66	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Other comprehensive income, after tax:				
Items that will not be reclassified to profit or loss				
Share of other comprehensive income of associate after tax and non-controlling interests	–	8	8	
Items that may subsequently be reclassified to profit or loss				
Share of other comprehensive income of associate after tax and non-controlling interests	636	633	(3)	
OTHER COMPREHENSIVE INCOME FOR THE YEAR	636	641	5	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5 605	5 676	71	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Total comprehensive income attributable to:				
Equityholders of the company	5 605	5 676	71	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5 605	5 676	71	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.

RESTATEMENT OF 30 JUNE 2013 AUDITED FINANCIAL RESULTS continued

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (AUDITED)

	as at 30 June 2013			
R million	As previously reported	Restated	Difference	Description
Assets				
Cash and cash equivalents	12	12	–	
Loans and receivables	53	53	–	
Investment securities	52	52	–	
Deferred income tax	–	–	–	
Derivative financial instruments	11	11	–	
Property and equipment	1	1	–	
Investment in associate	30 490	30 243	(247)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
TOTAL ASSETS	30 619	30 372	(247)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Equity				
Share capital and premium	8 822	8 822	–	
Reserves	20 496	20 249	(247)	
TOTAL EQUITY	29 318	29 071	(247)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Liabilities				
Financial liabilities	1 234	1 234	–	
Derivative financial instruments	9	9	–	
Long-term liabilities	2	2	–	
Provisions	2	2	–	
Trade and other payables	54	54	–	
TOTAL LIABILITIES	1 301	1 301	–	
TOTAL EQUITY AND LIABILITIES	30 619	30 372	(247)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.

RESTATEMENT OF 30 JUNE 2012 AUDITED FINANCIAL RESULTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (AUDITED)

	as at 30 June 2012			
R million	As previously reported	Restated	Difference	Description
Assets				
Cash and cash equivalents	17	17	–	
Loans and receivables	2	2	–	
Investment securities	32	32	–	
Property and equipment	1	1	–	
Investment in associate	27 149	26 862	(287)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
TOTAL ASSETS	27 201	26 914	(287)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Equity				
Share capital and premium	8 771	8 771	–	
Reserves	17 051	16 764	(287)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
TOTAL EQUITY	25 822	25 535	(287)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Liabilities				
Financial liabilities	1 305	1 305	–	
Long-term liabilities	4	4	–	
Provisions	7	7	–	
Trade and other payables	63	63	–	
TOTAL LIABILITIES	1 379	1 379	–	
TOTAL EQUITY AND LIABILITIES	27 201	26 914	(287)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.

FINAL DIVIDEND DECLARATION

Notice is hereby given that a gross final dividend of 127.5 cents per share payable out of income reserves was declared on 10 September 2014 in respect of the year ended 30 June 2014.

The company has utilised Secondary Tax on Companies credits amounting to 5.89826 cents per share. The balance of the dividend will be subject to Dividend Withholding Tax at a rate of 15%, which will result in a net dividend of 109.25974 cents per share for those shareholders who are not exempt. The Company's tax reference number is 99950/098/71/6. Its issued share capital at the declaration date is 1 411 703 218 ordinary shares and 11 800 redeemable preference shares.

Shareholders' attention is drawn to the following important dates:

- Last day to trade in order to participate in this dividend — Friday, 3 October 2014
- Shares commence trading "ex dividend" on — Monday, 6 October 2014
- The record date for the dividend payment will be — Friday, 10 October 2014
- Dividend payment date — Monday, 13 October 2014

No de-materialisation or re-materialisation of share certificates may be done between Monday, 6 October 2014 and Friday, 10 October 2014 (both days inclusive).

By order of the board

(Ms) EJ Marais
Company secretary

10 September 2014

ADMINISTRATION

RMB HOLDINGS LIMITED

("RMH")
(Incorporated in the Republic of South Africa)
Registration number: 1987/005115/06
JSE Ordinary share code: RMH
ISIN code: ZAE000024501

Directors:

GT Ferreira (Chairman), HL Bosman (CEO), JP Burger, P Cooper, L Crouse, LL Dippenaar, JW Dreyer, PM Goss, PK Harris, (Ms) A Kekana, P Lagerström, MM Morobe (Appointed 1 August 2014), KC Shubane and (Ms) SEN Sebotsa.

Alternate directors: JJ Durand and O Phetwe

Secretary and registered office:

(Ms) EJ Marais BCom(Hons), CA(SA)

Physical address: 3rd Floor, 2 Merchant Place,
Corner of Fredman Drive and Rivonia Road, Sandton, 2196

Postal address: PO Box 786273, Sandton, 2146
Telephone: +27 11 282 8000
Telefax: +27 11 282 4210
Web address: www.rmbh.co.za

Sponsor:

(in terms of JSE Limited Listings Requirements) Rand Merchant Bank (a Division of FirstRand Bank Limited)
Physical address: 1 Merchant Place, corner of Fredman Drive and Rivonia Road, Sandton, 2196

Transfer secretaries:

Computershare Investor Services (Pty) Limited
Physical address: Ground Floor, 70 Marshall Street, Johannesburg, 2001
Postal address: PO Box 61051, Marshalltown, 2107
Telephone: +27 11 370 5000
Telefax: +27 11 688 5221

RMB HOLDINGS

www.rmbh.co.za