SUMMARISED, UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND CASH DIVIDEND DECLARATION

'13

for the six months ended 31 December 2013

RMB HOLDINGS

Normalised earnings	+22%	to 205.8 cents per share
Dividend	+52%	to 100 cents per share
Intrinsic value	+16%	or 4 775 cents per share

RMH at a glance

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

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

- **First National Bank** (FNB), the retail and commercial bank;
- **Rand Merchant Bank** (RMB), the corporate and investment bank;
- **WesBank**, the instalment finance business; and
- **Ashburton Investments**, the newly-established investment management business.

Basis of preparation

This report covers the unaudited financial results of RMH for the six months ended 31 December 2013. It is based on International Financial Reporting Standards (IFRS).

The primary results and accompanying commentary are presented on a normalised basis. RMH believes this most accurately reflects underlying economic performance. The normalised earnings have been derived from unaudited, restated 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. Although these amendments did not impact the company's financial results it did impact those of FirstRand. These amendments are applied retrospectively and consequently, it has led to the restatement of the 30 June 2013 and 31 December 2012 results. Details of these restatements can be found on pages 18 to 23.

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

Operating environment

The South Africa macroeconomic environment for the first six months of the financial year continued to be challenging. From a local economic perspective we had to contend with a far less benign global financial environment. South Africa with its current account deficit and large financing requirement, was particularly vulnerable to slowing capital flows and the rand weakened rapidly. This placed upward pressure on inflation and led to the South African Reserve Bank's decision to increase the repo rate by 50 basis points in January 2014.

These external headwinds, combined with a slowdown in real income growth, resulted in continued pressure on South African households. GDP growth in South Africa remained subdued. Capacity constraints and labour market unrest negatively impacted the supply side of the economy.

In the rest of the sub-Saharan region, growth has generally continued on a robust trend, led by strong domestic demand and commodity exports.

Overview of results

RMH produced satisfying results for the six months ended 31 December 2013, achieving **an increase of 22% in normalised earnings per share to 205.8 cents (R2.9 billion)**, over the previous period.

This outcome was driven by the steady performance of FirstRand which continued to benefit from good operational performances from all three of its main operating franchises despite the deteriorating macroeconomic environment.

The interim dividend increased by 52% to 100 cents per share.

Sources of income

FirstRand's well-diversified income stream is drawn from the full spectrum of banking services and is predominantly sourced from Southern Africa. RMH's interest therein may be extrapolated as follows:

SEGMENTAL INFORMATION				
	For the six months ended 31 December			*For the year ended 30 June*
R million	**2013**	2012	% change	2013
FNB	**4 769**	4 016	19	8 124
RMB	**2 268**	1 943	17	4 471
WesBank	**1 406**	1 389	1	2 834
Other	**248**	(105)	>100	(9)
FIRSTRAND NORMALISED EARNINGS	**8 691**	7 243	20	15 420
ATTRIBUTABLE TO RMH	**2 945**	2 455	20	5 226
CORPORATE CENTER	**(39)**	(66)	–	(119)
RMH NORMALISED EARNINGS	**2 906**	2 389	22	5 107

Underlying intrinsic value

RMH's intrinsic value reflected the strong growth experienced over the period in financial sector equity values:

as at	*31 December*			*30 June*
R million	**2013**	2012	% change	2013
Market value of listed interest (FirstRand)	**68 565**	59 223	16	55 269
Net funding	**(1 141)**	(1 320)	(14)	(1 172)
TOTAL INTRINSIC VALUE	**67 424**	57 903	16	54 097
Intrinsic value per share (cents)	**4 775**	4 101	16	3 831

Over the year to 31 December 2013 RMH's market capitalisation increased by 19% and at that date amounted to R68.3 billion or 4 835 cents per share (December 2012: R57.5 billion). This represented a 1.2% premium (December 2012: 0.7% discount) to RMH's underlying intrinsic value.

At 31 December 2013 net borrowings carried at the corporate center amounted to R1.14 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.

Interim Dividend Payment

RMH 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 sole source of dividend income is its investment in FirstRand.

FirstRand re-evaluates the appropriateness of the level of its dividend payout to its shareholders on an annual basis. When assessing the level of payout, FirstRand has regard to inter alia the following:

- Its long-term targeted range for Return on Equity (ROE) (18% to 22%).
- The anticipated growth in risk weighted assets.
- The need to protect the R10 billion of capital currently allocated to its expansion strategy.

At the June 2013 year end, following a comprehensive analysis of the above factors, FirstRand reduced its dividend cover to 2.0 times (2012: 2.2 times). It continues to regard this to be both appropriate and prudent as all of its buffers remain intact, even under severe risk scenarios. As a consequence of this process, FirstRand increased its interim dividend payment by 40%.

Having due regard to the interim dividend receivable from FirstRand and applying the dividend practice outlined above, the board of RMH has resolved to declare a gross interim dividend of 100 cents per share (2012: 66 cents). Such dividend is covered 2.1 times by normalised earnings per share and represents a year-on-year increase of 52%. This dividend increase reflects both the reported growth in earnings as well as the change in dividend cover. Shareholders should bear in mind that the rate of growth in the dividend payout for the full financial year will be from the higher base recorded in 2013 as a result of the change in dividend cover for that year. Consequently, the dividend growth rate for the full year will in all likelihood track the growth in normalised earnings for the year.

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 interim dividend.

Dividend Withholding Tax ("DWT") at a rate of 15% is levied on dividends paid to shareholders who are not exempt from DWT. RMH did not accumulate any Secondary Tax Credits ("STC") which could be used to reduce the DWT liability arising from the dividend.

Outlook

South Africa's dependence on foreign capital flows to fund the wide current account deficit continues to introduce uncertainty and vulnerability to the macroeconomic outlook.

The recent increase in the repo rate is likely to be the first in an interest rate hiking cycle. This will place further pressure on the South African consumer. RMH believes that FirstRand's strategy to grow customers, drive non-interest revenue and exercise discipline in its credit origination strategies in the retail market, particularly over the past 18 months will place it in a strong position to weather what is expected to be a difficult domestic credit cycle. Good operational performances are expected from all three the major franchises for the second half of the year.

From a shareholder perspective, we believe that all the strategic imperatives required to enable RMH to continue to deliver real growth in earnings are in place.

The information provided above is not an earnings forecast and has not been reviewed and reported on by the company's external auditors.

For and on behalf of the board

GT Ferreira
Chairman

P Cooper
Chief executive officer

Sandton
5 March 2014

Financial outcome

FirstRand produced good results for the six months to 31 December 2013, achieving normalised earnings of R8.7 billion, an increase of 20% on the prior period, and producing a normalised ROE of 23.4% (2012:22.3%).

Operational overview

All three the main operating franchises continued to achieve good operational performances, despite the deteriorating macroeconomic environment.

- FNB experienced ongoing strong topline growth and profitability due to its consistent strategy to acquire core transactional accounts, grow loans and deposits and drive transactional volumes across all of its platforms, particularly electronic;
- WesBank grew new business volumes across all portfolios; and
- RMB's diversified corporate and investment banking portfolios delivered strong growth in profits, particularly from the client-centric and investment activities.

FirstRand's income statement benefited from an increase of 20% in net interest income (NII), driven by good growth in new business at FNB, WesBank and RMB. Asset margins continued to be positively impacted by asset repricing and growth in advances in higher-yielding asset classes, such as vehicle asset finance (VAF) and unsecured lending. This trend, however, is reducing on a rolling six-month basis.

Total non-interest revenue (NIR) increased 8% year-on-year, with strong contributions from all franchises.

- FNB's NIR growth continued to be driven by increases in fee and commission income, particularly on the back of the acquisition of core transactional accounts. The strategy to drive customers onto electronic platforms continued to produce strong growth in volumes across cellphone (+27%) and internet (+16%) banking channels.
- WesBank's NIR benefited from robust levels of new business origination.
- Growth in knowledge-based fees at RMB was resilient despite muted levels of activity from the local corporate sector; however, client execution revenues remained strong particularly from RMB's activities in the rest of Africa.

Overall operating cost growth was 14% for the period, reflecting the continued investment in FNB's electronic platforms and the FirstRand's African operating footprint. In addition, costs associated with the strong underlying growth from alliance partnerships (particularly at WesBank) also increased and IFRS 2 share-based payments increased 19% year-on-year, reflecting the increase in FirstRand's share price.

Bad debts are currently trending below expectations at 77 bps although reflecting higher levels of portfolio impairments in the core advances book (excluding portfolio overlays) due to FirstRand's view that the previously benign credit cycle has bottomed. This is considered prudent given the strong book growth year-on-year. All of FirstRand's portfolios are tracking as anticipated, reflecting origination decisions taken as early as 2011 to exit high-risk segments, particularly in the unsecured lending market.

Non-performing loans (NPLs) have continued to trend down, with retail NPLs declining 8% mainly as a result of the continuing significant reductions in residential mortgage NPLs. Unsecured lending NPLs have increased as expected, although all of these loan books are still performing better than expected at this point in the cycle. Corporate NPLs declined 14% on the back of decreases in the WesBank Corporate and RMB portfolios.

FirstRand's balance sheet showed a robust increase in advances year-on-year, with particularly good growth from card, secured affordable housing and overdrafts at FNB, and excellent growth generated from the FNB Africa portfolio. RMB's core advances book posted strong growth, which was also generated from activities in the rest of Africa. On a rolling six-month basis, growth in certain retail portfolios, such as unsecured lending and vehicle asset finance, has moderated.

FirstRand's growth strategy

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. 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 and international platforms;
- start an in-country franchise and grow organically; and
- make small-to medium-sized acquisitions where it makes commercial sense.

FNB Africa performed well, growing pre-tax profits 27%. The established subsidiaries continued to show good growth, with Namibia performing particularly strongly driven by increased NIR and NII. The newer subsidiaries, Zambia, Mozambique and Tanzania, continued to invest in footprint and product roll-out.

RMB's Africa performance included the following:

- The Global Markets division continued to grow their African footprint.
- The Investment Banking division's Africa expansion initiatives paid off and strong growth was experienced in African cross-border lending. Advances in the rest of Africa increased >100% to R25 billion (2012: R12 billion).

WesBank's rest of Africa business grew 20% year-on-year.

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

CONDENSED CONSOLIDATED INCOME STATEMENT

	For the six months ended 31 December			*For the year ended 30 June*
R million	**2013**	2012*	% change	2013*
Share of after-tax profit of associate company	**3 079**	2 476	24	5 154
Investment income	**13**	17		23
Net income	**3 092**	2 493	24	5 177
Administration expenses	**(9)**	(27)		(41)
Income from operations	**3 083**	2 466	25	5 136
Finance costs	**(43)**	(56)		(100)
Profit before tax	**3 040**	2 410	26	5 036
Income tax expense	**(1)**	–		(1)
PROFIT FOR THE PERIOD	**3 039**	2 410	26	5 035
Attributable to:				
Equity holders of the company	**3 039**	2 410	26	5 035
PROFIT FOR THE PERIOD	**3 039**	2 410	26	5 035

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 31 December			*For the year ended 30 June*
R million	**2013**	2012*	% change	2013*
PROFIT FOR THE PERIOD	**3 039**	2 410	26	5 035
Other comprehensive income, after tax:				
Items that may subsequently be reclassified to profit or loss				
Share of other comprehensive income of associate after tax and non-controlling interests	**141**	232		633
Items that will not be reclassified to profit or loss				
Share of other comprehensive income of associate after tax and non-controlling interests	**(7)**	(8)		8
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**134**	224	(40)	641
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3 173**	2 634	20	5 676
Total comprehensive income attributable to:				
Equity holders of the company	**3 173**	2 634	20	5 676
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3 173**	2 634	20	5 676

* *Refer to restatements of prior period numbers on pages 18 to 23.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at	*31 December*		*30 June*
R million	**2013**	2012*	2013*
Assets			
Cash and cash equivalents	**29**	11	12
Loans and receivables	**6**	6	53
Investment securities	**57**	37	52
Derivative financial instruments	**17**	–	11
Property and equipment	**–**	1	1
Investment in associate	**31 328**	28 191	30 243
Receiver of Revenue	**1**	2	–
TOTAL ASSETS	**31 438**	28 248	30 372
Equity			
Share capital and premium	**8 819**	8 790	8 822
Reserves	**21 369**	18 081	20 249
TOTAL EQUITY	**30 188**	26 871	29 071
Liabilities			
Financial liabilities	**1 180**	1 330	1 234
Derivative financial instruments	**11**	–	9
Long-term liabilities	**6**	4	2
Provisions	**8**	2	2
Trade and other payables	**45**	41	54
TOTAL LIABILITIES	**1 250**	1 377	1 301
TOTAL EQUITY AND LIABILITIES	**31 438**	28 248	30 372

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 31 December		*For the year ended 30 June*
R million	**2013**	2012*	2013*
Net cash generated from operating activities	**1 588**	1 005	2 120
Dividends paid	**(1 475)**	(1 037)	(1 967)
Net cash outflow in investment activities	**–**	–	(16)
Net cash (outflow)/inflow in financing activities	**(96)**	26	(142)
Net increase/(decrease) in cash and cash equivalents	**17**	(6)	(5)
Cash and cash equivalents at the beginning of the period	**12**	17	17
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**29**	11	12

* *Refer to restatements of prior period numbers on pages 18 to 23.*

CONDENSED STATEMENT OF CHANGES IN EQUITY

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 period	–	2 634	2 634	–	2 634
Dividend paid	–	(1 037)	(1 037)	–	(1 037)
Change in carrying value of associate due to elimination of treasury shares	–	43	43	–	43
Reserve movements relating to associate	–	(323)	(323)	–	(323)
Movement in treasury shares	19	–	19	–	19
BALANCE AT 31 DECEMBER 2012	8 790	18 081	26 871	–	26 871
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 period	–	5 676	5 676	–	5 676
Dividends paid	–	(1 967)	(1 967)	–	(1 967)
Change in carrying value of associate due to elimination of treasury shares	–	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 30 June 2013					
As previously reported	**8 822**	**20 496**	**29 318**	**–**	**29 318**
Restatement	**–**	**(247)**	**(247)**	**–**	**(247)**
Balance at 1 July 2013	**8 822**	**20 249**	**29 071**	**–**	**29 071**
Total comprehensive income for the period	**–**	**3 173**	**3 173**	**–**	**3 173**
Dividend paid	**–**	**(1 475)**	**(1 475)**	**–**	**(1 475)**
Change in carrying value of associate due to elimination of treasury shares	**–**	**(14)**	**(14)**	**–**	**(14)**
Reserve movements relating to associate	**–**	**(564)**	**(564)**	**–**	**(564)**
Movement in treasury shares	**(3)**	**–**	**(3)**	**–**	**(3)**
BALANCE AT 31 DECEMBER 2013	**8 819**	**21 369**	**30 188**	**–**	**30 188**

COMPUTATION OF HEADLINE AND NORMALISED EARNINGS

R million	For the six months ended 31 December 2013	2012*	% change	For the year ended 30 June 2013*
Earnings attributable to equity holders	**3 039**	2 410	26	5 035
Adjustment for:				
RMH's share of adjustment made by associate:				
Loss on disposal of investment securities and other investments of a capital nature	**3**	–		5
Gain on disposal of available-for-sale assets	**(23)**	–		(11)
Gains on disposal of investments in associates or joint ventures	**(3)**	–		–
Gain on disposal of investment in subsidiaries	**(4)**	(3)		(22)
Loss on the disposal of property and equipment	**4**	–		27
Fair value of investment properties	**–**	–		(2)
Impairment of goodwill	**–**	1		153
Impairment of assets in terms of IAS 36	**4**	88		99
Gain from a bargain purchase	**–**	–		(5)
Other	**–**	–		(48)
Tax effects of adjustments	**7**	(24)		(12)
Non-controlling interests adjustment	**1**	1		7
HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS	**3 028**	2 473	22	5 226
RMH's share of adjustments made by associates:				
IFRS 2 Share-based payment expenses	**4**	8		15
Treasury shares	**22**	15		11
Total Return Swap adjustment	**(51)**	(18)		30
IAS 19 adjustment	**(18)**	(20)		(38)
Private equity subsidiary realisations	**3**	2		15
Adjustment for:				
RMH shares held by associate[1]	**(1)**	(2)		(6)
Group treasury shares[2]	**(81)**	(69)		(146)
NORMALISED EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS	**2 906**	2 389	22	5 107

* *Refer to restatements of prior period numbers on pages 18 to 23.*

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

	For the six months ended 31 December			For the year ended 30 June
R million	**2013**	2012*	% change	2013*
Earnings attributable to equity holders	**3 039**	2 410	26	5 035
Headline earnings attributable to equity holders	**3 028**	2 473	22	5 226
Normalised earnings for the period	**2 906**	2 389	22	5 107
Net asset value	**30 188**	26 871	12	29 071
Number of shares in issue (millions)	**1 412**	1 412		1 412
Weighted average number of shares in issue (millions)	**1 412**	1 410		1 410
Diluted weighted average number of shares in issue (millions)	**1 412**	1 410		1 410
Weighted average number of shares in issue (millions) for normalised earnings	**1 412**	1 412		1 412
Earnings per share (cents)	**215.2**	170.9	26	357.1
Diluted earnings per share (cents)[1]	**213.2**	168.9	26	355.1
Headline earnings per share (cents)	**214.4**	175.4	22	370.6
Diluted headline earnings per share (cents)[1]	**212.5**	173.3	23	368.7
Normalised earnings per share (cents)	**205.8**	169.2	22	361.7
Diluted normalised earnings per share (cents)	**205.8**	169.2	22	361.7
Net asset value per share (cents)	**2 138.0**	1 903.0	12	2 058.8
Dividend per share (cents)				
Interim	**100.0**	66.0	52	66.0
Final	**–**	–	–	104.5
TOTAL	**100.0**	66.0	52	170.5
Dividend cover (relative to headline earnings)	**2.1**	2.7		2.2
Dividend cover (relative to normalised earnings)	**2.1**	2.6		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.*

* *Refer to restatements of prior period number on pages 18 to 23.*

SEGMENTAL INFORMATION

	For the six months ended 31 December			For the year ended 30 June
R million	**2013**	2012	% change	2013
FNB	**4 769**	4 016	19	8 124
RMB	**2 268**	1 943	17	4 471
WesBank	**1 406**	1 389	1	2 834
Other	**248**	(105)	>100	(9)
FIRSTRAND NORMALISED EARNINGS	**8 691**	7 243	20	15 420
ATTRIBUTABLE TO RMH	**2 945**	2 455	20	5 226
CENTER COSTS	**(39)**	(66)	(41)	(119)
RMH NORMALISED EARNINGS	**2 906**	2 389	22	5 107

Basis of preparation of results

The accompanying condensed results for the six months ended 31 December 2013 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 board takes full responsibility for the preparation of the results announcement.

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. The new and amended standards that became effective for the first time and had a financial impact on results during the reporting period 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 pages 18 to 23.

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 share: 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 from the 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.

ACCOUNTING CLASSIFICATIONS AND FAIR VALUES OF FINANCIAL ASSET AND LIABILITIES

The table below categorises RMH's assets and liabilities as at 31 December 2013 between which is financial and non-financial. All financial assets and liabilities have been classified according to their measurement category with disclosure of the fair value being provided for those items required.

	As at 31 December 2013					
R million	Designated at fair value	Loans and receivables	Other amortised cost	Other non-financial assets/ liabilities	Total carrying amount	Fair value assets and liabilities
Assets						
Cash and cash equivalents	**–**	**29**	**–**	**–**	**29**	**29**
Loans and receivables	**–**	**6**	**–**	**–**	**6**	**6**
Investment securities	**57**	**–**	**–**	**–**	**57**	**57**
Derivative financial instruments	**17**	**–**	**–**	**–**	**17**	**17**
Investment in associate	**–**	**–**	**–**	**31 328**	**31 328**	**–**
Receiver of Revenue	**–**	**–**	**–**	**1**	**1**	**–**
TOTAL ASSETS	**74**	**35**	**–**	**31 329**	**31 438**	**109**
Liabilities						
Financial liabilities	**–**	**–**	**1 180**	**–**	**1 180**	**1 180**
Derivative financial instruments	**11**	**–**	**–**	**–**	**11**	**11**
Long-term liabilities	**–**	**–**	**–**	**6**	**6**	**–**
Provisions	**–**	**–**	**–**	**8**	**8**	**–**
Trade and other payables	**–**	**–**	**45**	**–**	**45**	**45**
TOTAL LIABILITIES	**11**	**–**	**1 225**	**14**	**1 250**	**1 236**

FAIR VALUE MEASUREMENTS

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.

Financial instruments

When determining the fair value of a financial instrument, where the financial instrument has a bid or ask price , RMH uses the bid price for financial assets or the ask/offer price for financial liabilities.

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

The table below analysis RMH's financial assets and liabilities that are measured at fair value at the end of the reporting period, by level of fair value hierarchy as required by IFRS. The different levels are based on the extent to which observable market data and inputs are used in the calculation of the fair value of the financial assets and liabilities. The levels of the hierarchy are defined as follows:

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.

As at 31 December 2013

R million	Level 1	Level 2	Level 3	Total fair value
Assets				
Investment securities	**57**	**–**	**–**	**57**
Derivative financial instruments		**17**	**–**	**17**
TOTAL ASSETS	**57**	**17**	**–**	**74**
Liabilities				
Derivative financial instruments		**11**	**–**	**11**
TOTAL LIABILITIES	**–**	**11**	**–**	**11**

There were no transfers between levels during the reporting period.

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 derivative	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

RESTATEMENT OF 31 DECEMBER 2012 UNAUDITED FINANCIAL RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 31 December 2012

R million	As previously reported	Restated	Difference	Description
Share of after-tax profit of associate company	2 456	2 476	20	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Investment income	17	17	–	
Net income	2 473	2 493	20	
Administration expenses	(27)	(27)	–	
Income from operations	2 446	2 466	20	
Finance costs	(56)	(56)	–	
Profit before tax	2 390	2 410	20	
Income tax expense	–	–	–	
Profit after tax	2 390	2 410	20	
Attributable to:				
Equity holders of the company	2 390	2 410	20	
PROFIT FOR THE PERIOD	2 390	2 410	20	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.

RESTATEMENT OF 31 DECEMBER 2012 UNAUDITED FINANCIAL RESULTS continued

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2012

R million	As previously reported	Restated	Difference	Description
Profit for the period	2 390	2 410	20	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Other comprehensive income, after tax:				
Items that may subsequently be reclassified to profit or loss				
Share of other comprehensive income of associate after tax and non-controlling interests	239	232	(7)	
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)	
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	239	224	(15)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2 629	2 634	5	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Total comprehensive income attributable to:				
Equity holders of the company	2 629	2 634	5	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2 629	2 634	5	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.

RESTATEMENT OF 31 DECEMBER 2012 UNAUDITED FINANCIAL RESULTS continued

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

R million	As previously reported	Restated	Difference	Description
Assets				
Cash and cash equivalents	11	11	–	
Loans and receivables	6	6	–	
Investment securities	37	37	–	
Property and equipment	1	1	–	
Investment in associate	28 468	28 191	(277)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Receiver of Revenue	2	2	–	
TOTAL ASSETS	28 525	28 248	(277)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Equity				
Share capital and premium	8 790	8 790	–	
Reserves	18 358	18 081	(277)	
TOTAL EQUITY	27 148	26 871	(277)	Direct result of restatements done by FirstRand in terms of IAS 19, IFRS 10 and IFRS 11.
Liabilities				
Financial liabilities	1 330	1 330	–	
Long-term liabilities	4	4	–	
Provisions	2	2	–	
Trade and other payables	41	41	–	
TOTAL LIABILITIES	1 377	1 377	–	
TOTAL EQUITY AND LIABILITIES	28 525	28 248	(277)	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

CONDENSED CONSOLIDATED INCOME STATEMENT

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:				
Equity holders of the company	4 969	5 035	66	
PROFIT FOR THE PERIOD	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

for the year ended 30 June 2013

R million	As previously reported	Restated	Difference	Description
Profit for the period	4 969	5 035	66	Direct result of restatements done by FirstRand in terms of IAS 19, FRS 10 and IFRS 11.
Other comprehensive income, after tax:				
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)	
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	
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	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 PERIOD	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:				
Equity holders of the company	5 605	5 676	71	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	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

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	–	
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.

INTERIM CASH DIVIDEND DECLARATION

Notice is hereby given that a gross interim dividend of 100 cents per share payable out of income reserves was declared on 5 March 2014 in respect of the six months ended 31 December 2013.

The company did not have any Secondary Tax on Companies credits to reduce the Dividend Withholding Tax liability. The gross dividend will therefore be subject to Dividend Withholding Tax at a rate of 15%, which will result in a net dividend of 85 cents per share for those shareholders who are not exempt. The company's tax reference number is 9950/098/71/6. 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	Thursday, 20 March 2014
• Shares commence trading "ex dividend" on	Monday, 24 March 2014
• The record date for the dividend payment will be	Friday, 28 March 2014
• Dividend payment date	Monday, 31 March 2014

No de-materialisation or re-materialisation of share certificates may be done between Monday, 24 March 2014 and Friday, 28 March 2014 (both days inclusive).

By order of the board

(Ms) EJ Marais
Company secretary

5 March 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), P Cooper (CEO), L Crouse, LL Dippenaar, JW Dreyer, JJ Durand, PM Goss, PK Harris, (Ms) A Kekana, KC Shubane, and (Ms) SEN Sebotsa.

Alternate director: O Phetwe.

SECRETARY AND REGISTERED OFFICE

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

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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
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RMB HOLDINGS

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