RMB HOLDINGS

CONDENSED UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND CASH DIVIDEND DECLARATION

for the six months ended 31 December 2015

CONTENTS

KEY HIGHLIGHTS

NORMALISED EARNINGS

+9%

to 258.8 cents

DIVIDEND

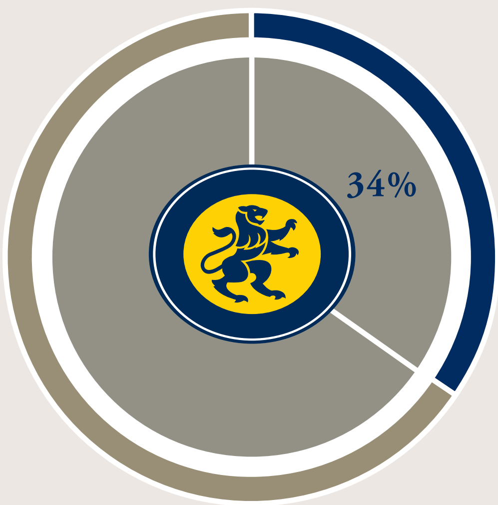
+16%

to 142.0 cents

OUR STRUCTURE

RMB Holdings Limited (RMH or the group) has significant influence over one of South Africa's leading bank and financial services groups, FirstRand Limited (FirstRand).

RMB HOLDINGS



FNB First National Bank

FNB represents FirstRand's retail and commercial activities in South Africa and the broader African continent.

WesBank

WesBank is FirstRand's franchise in vehicle and asset finance in the retail, commercial and corporate segments.

RMB

RMB offers advisory, funding, trading, corporate banking and principal investing solutions.

ASHBURTON INVESTMENTS

Ashburton is the investment management business.

The balance of FirstRand includes its African banking subsidiaries and group treasury.

RMH AT A GLANCE

RMH's sole interest is its 34% investment in FirstRand, generally regarded as Southern Africa's pre-eminent financial services group.

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

FIRST NATIONAL BANK (FNB)	the retail and commercial bank
RAND MERCHANT BANK (RMB)	the corporate and investment bank
WESBANK	the instalment finance business
ASHBURTON INVESTMENTS	the investment management business
The FCC franchise represents group-wide functions, including group treasury	

RMH is an influential shareholder of FirstRand and partners management in strategic dialogue. The group provides benefits such as broad-based black economic (BBBEE) shareholding, portfolio optimisation and long-term focus.

The group is well known for its entrepreneurship, innovation and value creation. RMH entered the JSE Top 40 in June 2002 and has remained in the Top 40 ever since.

BASIS OF PREPARATION

This report covers the unaudited interim financial results of RMH based on International Financial Reporting Standards (IFRS) for the six months ended 31 December 2015.

The primary results and accompanying commentary are presented on a normalised basis as we believe this most accurately reflects the group's underlying economic performance. The normalised earnings have been derived from the unaudited, IFRS financial results. A reconciliation of the adjustments made to derive normalised earnings is presented in the accompanying schedules. Refer to page 15.

Ellen Marais, CA (SA), prepared these financial results under the supervision of Herman Bosman, LLM CFA.

OPERATING ENVIRONMENT

Since the release of our year-end results in September 2015, the South African economy experienced additional headwinds and was negatively impacted by a number of internal and external pressures. These included:

- global commodity prices falling on the back of slowing growth in China;
- the first interest rate increase by the US Federal Reserve in nine years, which resulted in a significant outflow of foreign capital from emerging markets, including South Africa;
- the euro zone providing only limited support to South African exports;
- domestic household consumption continuing to be impacted by higher interest rates, rising inflation and moderating levels of income growth; and
- reduced growth in government spending to stabilise public sector debt and protect the country's sovereign credit rating from the elevated risk of a downgrade.

The South African Reserve Bank (SARB) continues to implement a gradual and moderate interest rate hiking cycle. The economy remains vulnerable to a more aggressive approach, should capital inflow slow down or reverse. The currency remains weak after having devalued 25% during the period.

Sub-Saharan economies were negatively affected by these global developments, with the Nigerian, Zambian and Ghanaian economies weakening markedly. Economic growth also slowed in Namibia and Botswana.

OVERVIEW OF RESULTS

Against this challenging economic backdrop, FirstRand produced resilient results, increasing normalised earnings by 9% and delivering a return on equity (ROE) of 23.4%. RMH, tracking the results of FirstRand, increased normalised earnings by 9% and produced normalised earnings of R3.6 billion (2014: R3.3 billion). Normalised earnings per share amounted to 258.8 (2014: 237.7) cents per share. FirstRand franchises, FNB, RMB and WesBank, all produced resilient operating results.

The RMH interim dividend of 142.0 (2014: 122.0) cents per share increased by 16%. The increase is mainly due to FirstRand's change in dividend cover to 1.8 at 30 June 2015 compared to a dividend cover at 31 December 2014 of 1.9 together with RMH's stated policy of returning dividends to shareholders after provision for RMH's funding and administrative costs.

SOURCES OF INCOME

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:

R million	For the six months ended 31 December 2015	2014	% change	For the year ended 30 June 2015
FNB	**6 208**	5 674	9	11 299
RMB	**2 805**	2 449	15	5 758
WesBank	**1 856**	1 619	15	3 307
Other*	**46**	251	(82)	922
FIRSTRAND NORMALISED EARNINGS	**10 915**	9 993	9	21 286
Attributable to RMH	**3 717**	3 386	10	7 240
RMH's funding and administrative costs	**(63)**	(30)	>(100)	(82)
RMH NORMALISED EARNINGS	**3 654**	3 356	9	7 158

* *Other is the total of FCC including group treasury and the preference dividend paid on non-cumulative, non-redeemable preference shares issued by FirstRand. Year-on-year negative accounting mismatches primarily reflected in the nominal net interest income (NII) of FirstRand is included in this amount.*

UNDERLYING INTRINSIC VALUE

RMH's intrinsic value reflected the decrease experienced due to the depressing macroeconomic outlook and the resulting rerating of FirstRand.

R million	as at 31 December 2015	2014	% change	30 June 2015
Market value of listed interest (FirstRand)	**80 945**	96 611	(16)	101 864
Net funding	**(1 068)**	(1 070)	<1	(1 067)
TOTAL INTRINSIC VALUE	**79 877**	95 541	(16)	100 797
Intrinsic value per share (cents)	**5 658**	6 767	(16)	7 140

INTERIM DIVIDEND PAYMENT

RMH's sole source of dividend income is its investment in FirstRand. FirstRand believes that due to the regulatory uncertainty, the challenging operating environment and expected demand for capital, its current dividend strategy remains appropriate. FirstRand considers a dividend pay-out level of between 1.8 and 2.2 to be appropriate, but will reassess this level on an annual basis.

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

Having due regard for 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 142.0 cents per share (2014: 122.0 cents). This dividend is 1.8 times covered by normalised earnings per share and represents a year-on-year increase of 16%.

OUTLOOK

Based on the FirstRand outlook and current macroeconomic conditions, the second half of the year will continue to be characterised by low GDP growth. As the SARB may have to increase rates again before the end of 2016, it will place further pressure on the South African consumer. Unemployment is trending upwards, with retrenchments increasing across a number of industry sectors.

RMH remains positive, that due to FirstRand's strong balance sheet and the resilience and diversity of its diverse income streams, FirstRand will continue to deliver sustainable and superior returns to shareholders. This, in turn will allow RMH to deliver to its shareholders.

RMH continues to believe its investment in FirstRand provides it with a diversified and growing exposure to the South African banking and general financial services industries.

The board continuously evaluates appropriate investment opportunities, which may include further exposure to FirstRand. However, the intention remains not to activate the portfolio on a general basis.

For and on behalf of the board

GT Ferreira
Chairman

HL Bosman
Chief executive officer

Sandton
8 March 2016

INTERIM DIVIDEND DECLARATION

Notice is hereby given that a gross interim dividend of 142.0 cents per share, payable out of income reserves, was declared on 8 March 2016 in respect of the six months ended 31 December 2015.

The dividend will be subject to Dividend Withholding Tax at a rate of 15%, which will result in a net dividend of 120.7 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 comprises 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 — Wednesday, 23 March 2016
- Shares commence trading ex-dividend on — Thursday, 24 March 2016
- The record date for the dividend payment will be — Friday, 1 April 2016
- Dividend payment date — Monday, 4 April 2016

No dematerialisation or rematerialisation of share certificates may be done between Thursday, 24 March 2016 and Friday, 1 April 2016 (both days inclusive).

By order of the board

(Ms) EJ Marais
Company secretary

8 March 2016

FIRSTRAND

FNB	RMB	WESBANK
57%	26%	17%

FirstRand increased normalised earnings to R10.9 billion and delivered a normalised ROE of 23.4%, a resilient performance in a difficult macroeconomic environment.

OPERATIONAL REVIEW

FirstRand's operational performance was mainly driven by:

- A 9% increase in NII on the back of strong growth experienced in both advances and deposits, although margins did come under pressure due to:
  - higher term funding and liquidity costs;
  - higher levels of high quality liquid assets as a result of the Liquid Coverage Ratio (LCR) being effective from 1 January 2015; and
  - negative accounting mismatches from certain interest rate hedging strategies and term funding instruments.
- Non-interest revenue (NIR) reflected a muted performance, increasing 5%. This was as a result of:
  - the regulatory change of interchange fee reductions;
  - FNB's transaction volumes remained robust; fee levels, however, were lower due to FNB's deliberate strategy to move clients to less expensive electronic platforms;
  - WesBank's insurance streams and increase in new business volumes had a positive impact on NIR; and
  - RMB's investing activities and a private equity realisation in excess of R1 billion also had a positive impact on NIR.
- Cost growth was contained to 8%. Investing in infrastructure, operating footprint and initiatives to satisfy increased regulatory requirements did have an impact on the cost to income ratio, increasing it marginally to 51.1%.
- Non-performing loans (NPLs) increased 8%, reflecting the continued deterioration in the credit cycle as well as the strong growth in most of the major retail books. In addition, the downturn in commodity prices impacted a small component of RMB's large corporate book, particularly certain South African resources counters, and oil and gas exposures in the rest of Africa, as these exposures represent 2.2% of the Corporate and Investment Banking book. FirstRand is comfortable with these exposures. FirstRand also remains comfortable with the agricultural component (7%) of its commercial book as the portfolio is well diversified across regions and commodities and is weighted towards large commercial farmers.
- Whilst both specific and portfolio provisions increased, the NPL coverage ratio at 83.3% reduced, reflecting the change in the mix of NPLs.
- FirstRand continues to exercise prudence in overall portfolio provisions. Once the franchises' models reflect the anticipated deterioration, the central overlay created is released. R165 million was released at the centre during the period, which brings the balance of central overlays to R760 million.

Below is a summary of the performance of franchises:

FNB

FNB increased pre-tax profits 10% and produced an ROE of 40.5%, despite increasing economic and regulatory headwinds. The performance is well above set hurdle rates.

The performance was impacted by:

- The ongoing strategy to grow and retain core transaction accounts, cross-sell and up-sell into the customer base by providing innovative transaction and savings products. The cross-sell ratio improved 10% and is now at 2.63.
- Growth in NII (16%), due to growth in advances (11%) and deposits (14%).
- Bad debts and NPLs are trending upwards as expected and utilisation of certain overlay is expected to start in the second six months.

- NIR growth was modest. Although volumes increased 13%, the reduction in interchange fees (>R300 million), which became effective March 2015, had a negative impact. This was slightly offset by FNB's electronic migration strategy.
- Cost growth in the South African franchise was contained at 7%, but total costs grew 9% due to further investing in the Africa strategy.
- Poor performances were delivered in Botswana and Mozambique. This, together with further investment in Ghana, Zambia and Tanzania, led to a decrease of 10% in Africa profits.
- Progress on current initiatives:
  - On the back of FirstRand's life licence, FNB launched two new products, namely a credit life product and an investment product.
  - The campaign to cross-sell to the Direct Axis client base led to 6000 new accounts being opened in the first six months.

RMB

RMB produced solid results, increasing pre-tax profits by 13% to R4 billion and achieved a satisfactory ROE of 22.2%. RMB's results were influenced by the following:

- Investment banking and advisory increased pre-tax profits 21%. The challenging macroeconomic environment led to muted balance sheet growth, margin compression, increased funding cost and further specific provision for oil, gas and resources exposures. This was, however, offset by a strong fee income performance due to key advisory mandates as clients sought expansion opportunities.
- Corporate and transactional banking activity showed solid growth, increasing pre-tax profits 12%.
- Market and structuring activities also delivered a solid performance on the back of increased foreign currency volatility. The performance was negatively impacted by a specific credit event and the adverse mark-to-market movements on fixed income positions.
- The investing activities delivered a good performance due to an increase in equity accounted earnings and a realisation in excess of R1 billion. The unrealised profit of the private equity portfolio marginally decreased to R4.5 billion.
- Investment activities showed improvement in assets under management, but this was offset by reduced appetite for credit assets via RMB's conduit programmes.
- The legacy portfolio realised a loss of R24 million and the resource portfolio (which RMB is in the process of exiting) realised a loss of R129 million due to the downturn in the commodity cycle.

WESBANK

WesBank delivered a resilient performance despite its sensitivity to the local retail credit cycle. Solid growth in new business volumes underpinned a 13% increase in pre-tax profits to R2.6 billion, an ROE of 20.5% and return on assets of 1.8%. WesBank's results were influenced by the following:

- New business volumes grew across all WesBank's retail lending portfolios.
- Credit appetite remains disciplined.
- Overall productions volumes were up 11%, with personal loans up 7% and MotoNovo origination volumes up 43 % (29% in GBP terms).
- Overall interest margins showed resilience despite higher funding and liquidity costs.
- As anticipated, bad debts are trending upwards but remain within the through-the-cycle thresholds.
- Core cost grew 8%, in line with inflation.

- Progress on current initiatives:
  - The creation of MotoVantage in conjunction with Hollard, as announced at year-end, was formalised during the period and presents further cross-sell opportunities.
  - The acquisition of Regent Insurance by Hollard is also well advanced, which will add to the value added products and services offered through MotoVantage.

INVESTMENT MANAGEMENT

FirstRand has an organic strategy to grow an asset management and wealth and investment management franchise.

The asset management business, Ashburton Investments (AI), comprises a wide range of component funds. The structured or guaranteed product solutions are currently delivered through RMB Global Market Fund Solutions.

Overall assets under management (AUM) have grown 15% from R105 billion to R121 billion (excluding conduits). The largest contributor to the growth is AI which has grown 17% from R77 billion to R90 billion, an increase of R13 billion.

The wealth and investment management business includes portfolio management, stock broking, share investing and all investor platform-related administration capabilities. There are two pillars to the strategy, both currently in build phase:

- a direct offering of asset management solutions/funds to the FNB client's base, through FNB's banking channels; and
- a bespoke offering of tailored portfolio management solutions to FNB's wealth advised clients.

Traction has been satisfactory in the period under review.

ADJUSTMENT TO STRATEGIC FRAMEWORK

FirstRand's consistently stated long-term strategic objective is to deliver superior and sustainable economic returns to shareholders within acceptable levels of volatility and maintain balance sheet strength. Against this background, given the global and regional challenges developing, FirstRand has been through a review process to assess whether alternative strategic opportunities exist or should be considered to ensure value creation for shareholders over the medium to long term.

FirstRand has in the past decade focused on building a diversified portfolio of banking businesses. This led to the establishment of high quality lending and transactional franchises such as FNB, RMB and WesBank.

In addition to protecting and growing these franchises, FirstRand started leveraging off its existing resources to execute on strategies to grow in other profit pools in the broader domestic financial services industry, namely insurance and investment management.

FirstRand is committed to growing in the Africa continent, where it has established a physical presence. However, due to elevated risk in these countries, expansion initiatives will be reassessed within a revised risk/return framework.

FirstRand is of the view that, due to macroeconomic pressure in emerging markets over the medium term, developed market dynamics might represent a more attractive risk/return profile for shareholders. FirstRand will therefore seek opportunities to extend current business lines outside of Africa, as an example the successful deployment of WesBank's model through MotoNovo in the UK.

FirstRand's strategic framework has therefore been adjusted to accommodate a broader set of growth opportunities, both from a market, segment and geographic perspective.

This strategy is executed on the back of disruptive and innovative thinking, underpinned by an owner-manager culture and combined with the disciplined allocation of financial resources.

FirstRand believes this approach will ensure sustainable and superior returns for shareholders.

MANAGEMENT OF FINANCIAL RESOURCES

The management of financial resources, defined as capital, funding and liquidity, and risk appetite, are critical to the achievement of FirstRand's stated growth and return targets, and are driven by the overall risk appetite. As such, the financial and prudential targets are set through different business cycles and scenarios. FirstRand is expected, at a defined confidence level, to deliver on its commitments to the providers of capital.

Given the high levels of uncertainty and volatility in funding markets, FirstRand is exploring strategic options to protect its counterparty status. In addition, access to hard-currency funding will be key to the execution of strategy for the rest of Africa and growing MotoNovo.

CAPITAL

FirstRand has maintained its very strong capital position. FirstRand's total capital requirement is 16.6%, exceeding the regulatory minimum requirement of 10% and its internal target of 14.4%. Capital planning is undertaken on a three-year forward-looking basis, and the level and composition take into account organic growth, stress-testing and scenario outcomes. External factors such as regulatory and accounting changes, macroeconomic conditions and future outlook are also taken into consideration.

LIQUIDITY POSITION

FirstRand exceeds the 60% minimum LCR as set out by the Basel Committee, with an LCR for the group of 71% at 31 December 2015, holding available liquidity of R145 billion.

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

CONDENSED UNAUDITED INTERIM RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT

	For the six months ended 31 December			For the year ended 30 June
R million	2015	2014	% change	2015
Share of after-tax profit of associate company	3 569	3 418	4	7 388
Fee income	–	12		–
Investment income	(5)	3		434
Net fair value (loss)/gain on financial assets and liabilities	(21)	74		83
Net income	3 543	3 507	1	7 905
Administration expenses	(2)	(32)	94	(41)
Income from operations	3 541	3 475	2	7 864
Finance costs	(43)	(42)	2	(86)
Profit before tax	3 498	3 433	2	7 778
Income tax expense	–	(9)	100	(9)
PROFIT FOR THE PERIOD	**3 498**	3 424	2	7 769
Attributable to:				
Equity holders of the company	3 498	3 424	2	7 769
PROFIT FOR THE PERIOD	**3 498**	3 424	2	7 769

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 31 December			For the year ended 30 June
R million	2015	2014	% change	2015
Profit for the period	3 498	3 424	2	7 769
Other comprehensive income, after tax:				
Items that may be reclassified to profit or loss				
Share of other comprehensive income of associate after tax and non-controlling interests	792	(47)		(144)
Items that may not subsequently be reclassified to profit or loss		.		
Share of other comprehensive income of associate after tax and non-controlling interests	(22)	20		(48)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**770**	(27)	>100	(192)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4 268**	3 397	26	7 577
Total comprehensive income attributable to:				
Equity holders of the company	4 268	3 397	26	7 577
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4 268**	3 397	26	7 577

COMPUTATION OF HEADLINE AND NORMALISED EARNINGS

R million	For the six months ended 31 December 2015	2014	% change	For the year ended 30 June 2015
Earnings attributable to equity holders	**3 498**	3 424	2	7 769
Adjustment for:				
RMH's share of adjustments made by associate:				
Loss on disposal of investment securities and other investments of a capital nature	**(2)**	–		–
Gain on disposal of available-for-sale assets	**1**	(78)		(100)
Gain on disposal of investment in subsidiaries	**–**	(64)		(75)
(Gain)/loss on the disposal of property and equipment	**(27)**	(4)		2
Fair value of investment properties	**–**	–		(11)
Other	**–**	–		3
Tax effects of adjustments	**–**	–		6
Non-controlling interests adjustment	**–**	8		10
RMH's own adjustments:				
Net profit on maturing of the FirstRand BBBEE transaction	**–**	113		(427)
Loss on deemed sale of associate due to change in effective shareholding	**6**	–		–
HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS	**3 476**	3 399	2	7 177
RMH's share of adjustments made by associate:				
IFRS 2 Share-based payment expenses	**–**	26		26
Treasury shares	**–**	17		9
Total Return Swap adjustment	**194**	(49)		(12)
IAS 19 adjustment	**(18)**	(19)		(36)
Private equity subsidiary realisations	**–**	57		63
RMH's own adjustments:				
RMH shares held by associate[1]	**3**	1		1
Group treasury shares[2]	**(1)**	(40)		(34)
Other[3]	**–**	(36)		(36)
NORMALISED EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS	**3 654**	3 356	9	7 158

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. For the prior period the effect of the issue of an additional 35 420 014 issued on 21 January was taken into account on 1 January 2015 as the impact is immaterial on the group results.*

3 *Adjustment reflects reversal of a once-off hedge break gain realised on the restructuring of the funding facility in the prior period.*

COMPUTATION OF EARNINGS PER SHARE

R million	For the six months ended 31 December 2015	2014	% change	For the year ended 30 June 2015
Earnings attributable to equity holders	**3 498**	3 424	2	7 769
Headline earnings attributable to equity holders	**3 476**	3 399	2	7 177
Normalised earnings for the period	**3 654**	3 356	9	7 158
Net asset value	**36 902**	32 898	12	35 174
Number of shares in issue (millions)	**1 412**	1 412	–	1 412
Weighted average number of shares in issue (millions)	**1 411**	1 411	–	1 411
Diluted weighted average number of shares in issue (millions)	**1 411**	1 411	–	1 411
Weighted average number of shares in issue for normalised earnings (millions)	**1 412**	1 412	–	1 412
Earnings per share (cents)	**247.9**	242.6	2	550.5
Diluted earnings per share (cents)	**247.9**	242.6	2	550.5
Headline earnings per share (cents)	**246.4**	240.8	2	508.5
Diluted headline earnings per share (cents)	**246.4**	240.8	2	508.5
Normalised earnings per share (cents)	**258.8**	237.7	9	507.0
Diluted normalised earnings per share (cents)	**258.8**	237.7	9	507.0
Net asset value per share (cents)	**2 613.5**	2 329.9	12	2 491.1

DIVIDEND PER SHARE

R million	For the six months ended 31 December 2015	2014	% change	For the year ended 30 June 2015
Dividend per share (cents)				
Interim	**142.0**	122.0	16	122.0
Final	**–**	–	–	154.0
TOTAL	**142.0**	122.0	16	276.0
Dividend cover (relative to headline earnings)	**1.7**	2.0		1.8
Dividend cover (relative to normalised earnings)	**1.8**	1.9		1.8

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	as at 31 December		as at 30 June
R million	2015	2014	2015
ASSETS			
Cash and cash equivalents	16	15	16
Loans and receivables	2	6	1
Investment securities	209	221	229
Derivative financial instruments	14	34	36
Investment in associate	37 970	33 968	36 241
TOTAL ASSETS	38 211	34 244	36 523
EQUITY			
Share capital and premium	8 813	8 818	8 815
Reserves	28 089	24 080	26 359
TOTAL EQUITY	36 902	32 898	35 174
LIABILITIES			
Financial liabilities	1 217	1 229	1 221
Derivative financial instruments	24	45	46
Trade and other payables	54	47	60
Taxation payable	–	–	1
Long-term liabilities	12	21	18
Provisions	2	4	3
TOTAL LIABILITIES	1 309	1 346	1 349
TOTAL EQUITY AND LIABILITIES	38 211	34 244	36 523

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R million	For the six months ended 31 December 2015	For the six months ended 31 December 2014	For the year ended 30 June 2015
Net cash generated from operating activities	2 179	1 874	3 661
Dividends paid	(2 174)	(1 800)	(3 522)
Net cash outflow in financing activities	(5)	(73)	(137)
Net increase in cash and cash equivalents	–	1	2
Cash and cash equivalents at the beginning of the period	16	14	14
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	16	15	16

CONDENSED STATEMENT OF CHANGES IN EQUITY

R million	Share capital and premium	Total reserves	Total equity holders' funds	Non-controlling interest	Total equity
Balance as at 1 July 2014	8 819	23 401	32 220	–	32 220
Total comprehensive income for the period	–	3 397	3 397	–	3 397
Dividend paid	–	(1 800)	(1 800)	–	(1 800)
Settlement of share-based payment	–	(1)	(1)	–	(1)
Reserve movements relating to associate	–	(918)	(918)	–	(918)
Movement in treasury shares	(1)	1	–	–	–
BALANCE AS AT 31 DECEMBER 2014	8 818	24 080	32 898	–	32 898
Balance as at 1 July 2015	8 815	26 359	35 174	–	35 174
Total comprehensive income for the period	–	4 268	4 268	–	4 268
Dividend paid	–	(2 174)	(2 174)	–	(2 174)
Reserve movements relating to associate	–	(367)	(367)	–	(367)
Movement in treasury shares	(2)	3	1	–	1
BALANCE AS AT 31 DECEMBER 2015	8 813	28 089	36 902	–	36 902

BASIS OF PREPARATION OF RESULTS

The accompanying condensed results for the six months ended 31 December 2015 reflect:

- the operations of RMH and its proportionate interest in its associate, FirstRand, which has been equity accounted. This does not qualify as a group under the strict definition of IFRS but as an economic entity. In this announcement, where the term group is used, it actually refers to the economic entity.

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, 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 prepared in accordance with the going concern principle under historical cost basis, as modified by the fair value accounting of certain assets and liabilities, where required or permitted by IFRS. This announcement is the responsibility of the directors. The information contained in this announcement including any forward looking statements do not constitute an earnings forecast and has not been reviewed and reported on by the company's external auditors.

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 2015.

There were no new standards and interpretations which became effective for the first time in the current financial period.

NORMALISED RESULTS

RMH believes that normalised earnings more accurately reflect its 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:

- the Total Return Swap, which is an economic hedge against the share-based payment obligation;
- *IFRS 2* share-based payment expense in terms of the BBBEE transaction;
- FirstRand shares held for client trading activities;
- I*AS 19* measurement of plan asset; and
- the consolidation of private equity subsidiaries which is excluded from the Rule 1 exemption of *Circular 2/2015, Headline Earnings per Share.*

2. RMH shares held for client trading activities by FirstRand.
3. Adjustment to reflect earnings impact based on actual RMH shareholding in FirstRand.
4. The once-off hedge break gain realised on the restructuring of the preference share facility on 21 August 2014 in the prior period.

OTHER REQUIRED DISCLOSURES

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.

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 the reporting date. This includes financial assets, financial liabilities and non-financial assets.

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 where this best represents 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. In determining the fair value of the group's investment properties and commodities, the highest and best use of the assets was their current use.

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 in terms of another IFRS, for example 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.

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 the 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 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 are 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
As at 31 December 2015				
Recurring fair value measurements				
Financial asset				
Equity instruments				
– at fair value through profit or loss	209	–	–	209
Derivative financial instruments	–	14	–	14
Investment in associate	80 945	–	–	80 945
FINANCIAL ASSET RECOGNISED AT FAIR VALUE	81 154	14	–	81 168
Recurring fair value measurements				
Financial liabilities				
Financial liabilities	–	1 176	–	1 176
Derivative financial instruments	–	24	–	24
FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE	–	1 200	–	1 200
As at 31 December 2014				
Recurring fair value measurements				
Financial assets				
Equity instruments				
– at fair value through profit or loss	221	–	–	221
Derivative financial instruments	–	34	–	34
Investment in associate	96 611	–	–	96 611
FINANCIAL ASSET RECOGNISED AT FAIR VALUE	96 832	34	–	96 866
Recurring fair value measurements				
Financial liabilities				
Financial liabilities	–	1 180	–	1 180
Derivative financial instruments	–	45	–	45
FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE	–	1 225	–	1 225
As at 30 June 2015				
Recurring fair value measurements				
Financial assets				
Equity instruments				
– at fair value through profit or loss	229	–	–	229
Derivative financial instruments	–	36	–	36
Investment in associate	101 864	–	–	101 864
FINANCIAL ASSET RECOGNISED AT FAIR VALUE	102 093	36	–	102 129
Recurring fair value measurements				
Financial liabilities				
Financial liabilities	–	1 182	–	1 182
Derivative financial instruments	–	46	–	46
FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE	–	1 228	–	1 228

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

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,(MS) SEN De Bruyn-Sebotsa, LL Dippenaar, JW Dreyer, PM Goss, PK Harris, (Ms) A Kekana, P Lagerström, MM Morobe and KC Shubane

Alternate directors: JJ Durand and O Phetwe

CHANGES TO THE BOARD:
Mr L Crouse resigned as non-executive director effective 31 March 2016 and Mr F Knoetze has been appointed as non-executive director effective 1 April 2016.

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 Proprietary 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

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