



- Normalised earnings
- Dividend
- Intrinsic value

+ 33% to 335,4c or R3,98 billion  
 + 25% to 141,5c or R1,68 billion  
 + 34% to 3 486c or R41,41 billion

# SUMMARISED AUDITED RESULTS ANNOUNCEMENT

## for the year ended 30 June 2007

### OVERVIEW OF RESULTS

For the major part of the year to 30 June 2007 the South African financial services sector operated in a robust environment, and largely shrugged off the impact of:

- A 250 basis point increase in interest rates over the period;
- A higher current account deficit; as well as
- Steadily increasing inflation rates (driven by higher oil and food prices).

In the face of this, consumer demand for credit showed a level of resilience that increasingly has become cause for concern from the Central Bank's perspective. At the same time, increasing capital expenditure (on the back of the government's extensive infrastructure development program) and increased corporate action gave rise to good growth in the corporate sector.

Local equity markets remained strong (+31% for the year) while South African interest and currency markets remained volatile. In global markets, credit was cheap and there was strong demand for commodities. These contributed to good gains in most developed and emerging markets.

Notwithstanding a challenging assurance market, our portfolio of financial services businesses flourished in these market conditions, with the following outstanding increases in normalised earnings being recorded:

- FirstRand Banking Group +35% to R10,0 billion
- Discovery +33% to R920 million
- OUTsurace +28% to R480 million
- RMBSI +26% to R90 million

These excellent results allowed RMBH to report the following income statement outcomes for our ordinary shareholders:

- Earnings +31% to R4,11 billion (2006: R3,15 billion)
- Normalised earnings +33% to R3,98 billion (2006: R2,99 billion)

On a per share basis this translates to:

- Attributable earnings per share +31% to 349,7c (2006: 267,8c)
- Normalised earnings per share +33% to 335,4c (2006: 251,9c)

The intrinsic value of the group's investment portfolio reflects the strong equity markets experienced during the period under review. The intrinsic value of RMBH rose by 34% to R41,4 billion (or 3 486 cents per share (2006: 2 596 cents)).

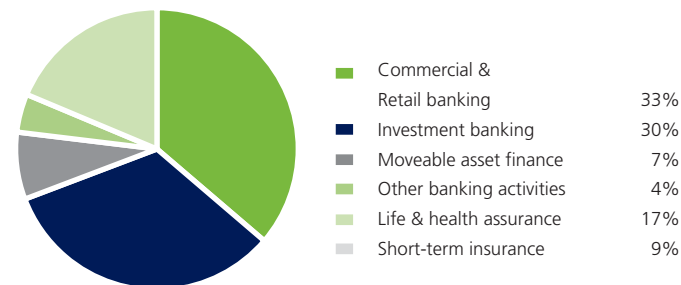
We would be amiss, while basking in the glow of this very satisfying outcome, not to draw the attention of shareholders to the turmoil that has been visited upon global financial markets since the group's year end.

We have witnessed a significant correction in global markets which has created increased uncertainty and investor nervousness, causing a broad re-pricing of risk in all financial markets. We cannot avoid this kind of contagion and clearly this turmoil will also impact on South Africa.

This changing landscape is meaningful for a group such as ours and whilst our diverse portfolio of businesses produced an impressive performance for the year under review, there clearly are challenges ahead and we will need to proceed with circumspection.

### Sources of income

Predominantly sourced from Southern Africa, our well-diversified income stream is drawn from the full spectrum of financial services:



### Further diversification

Given the relative stability and maturity of RMBH's core investments, we have reached a point in the group's development where it is appropriate to give further consideration to investment opportunities that will allow RMBH to grow shareholder returns.

To date we have identified three opportunities that meet our internal criteria:

#### 1. Consolidation of our investment in the Discovery Group

In the last fortnight FirstRand announced its intention to seek approval to unbundle its 57.1% interest in Discovery. As a consequence, RMBH will receive a direct stake in Discovery of approximately 16%.

Given our fundamental belief in the investment case presented by Discovery, we believe that RMBH should build a stake of not less than 25% in that group. To this end we have announced that:

- RMBH has reached agreement with Remgro Limited that RMBH will acquire the 4.5% interest in Discovery that Remgro will receive as a result of its direct stake in FirstRand. We intend to settle the purchase consideration due to Remgro through a fresh issue of RMBH shares; and
- RMBH has entered into further purchase agreements in terms of which it will acquire an additional 4.5% interest in Discovery. These acquisitions will be cash settled.

Upon completion of the transaction RMBH will have invested an additional R1,4 billion in Discovery (over and above the R2,6 billion interest received out of the unbundling). In return we will hold a significant stake in an entity that we believe has excellent growth prospects and we will effectively be in partnership with a management team whose entrepreneurial skills we have long admired.

#### 2. Creation of a diversified emerging market equity portfolio

Through FirstRand and our other investments we already have significant stakes in arguably South Africa's pre-eminent financial services groups. FirstRand has stated its objective to build over time a portfolio of businesses in emerging markets. When this

comes to pass, FirstRand will naturally be RMBH's entry point and we stand ready to support them in meeting any realistic capital calls that may be required.

In the interim, we believe that there are attractive investment opportunities presenting themselves in the markets that the greater group will in due course enter. To this end, we have over the last nine months, with the help of independent investment counsel built a bespoke emerging market portfolio of selected listed financial services equities, primarily in India and Brazil. RMBH has invested R500 million in the portfolio. At the outset, the portfolio was geared 50% with the underlying capital drawn from our surplus resources in excess of R650 million. The portfolio has been designated as a "fair value through profit or loss" asset for accounting purposes and the gain has been recorded in income. While the portfolio has not avoided the contagion previously highlighted, it is at the time of writing still valued at levels above that recorded at year end.

#### 3. Underwriting OUTsurace's international expansion

We make reference elsewhere in this report to OUTsurace's proposed international expansion plans. RMBH and FirstRand (as co-shareholders) agreed to underwrite the capital requirements arising (of the order of R400 million over three years). This will allow the South African business to continue to drive its growth plans unfettered by the burden of the start up costs that will need to be incurred.

It is our intention to explore these initiatives and the philosophy underlying them in greater detail when presenting the 2007 RMBH annual financial statements to shareholders.

#### Group capital position

At the centre, RMBH is substantially without borrowings. At the end of June 2007 our borrowings amounted to some R373 million, directed largely at the emerging markets portfolio described above and at meeting our working capital requirements.

In the current year we will need to escalate our borrowing levels to implement the transactions envisaged in consolidating our interest in Discovery and in supporting OUTsurace's international expansion. We have sufficient banking facilities available to meet these calls. At present, we do not foresee any further capital requirements from the other companies in which RMBH is invested.

The intrinsic value of the group's investment portfolio reflects the strong equity markets experienced during the period under review. The increase in value over the last year may be summarised as follows:

	2007 Rm	2006 Rm	% change
Market value of listed interests (FirstRand, Glenrand M.I.B.)	38 353	28 527	+34
Director's valuation of unlisted interests (OUTsurace, RMBSI)	2 769	2 081	+33
Net cash resources/investments	283	232	+22
Total Intrinsic Value (un-audited)	41 405	30 840	+34
Per RMBH share (cents)	3 486c	2 596c	+34

### FIRSTRAND GROUP

FirstRand's diversified portfolio of businesses benefited handsomely from the market conditions experienced during the year to 30 June 2007. The retail, corporate and investment banking segments performed particularly well, although the life assurance markets remained challenging. All entities within the FirstRand Group exceeded its two main performance targets, these being real earnings growth of 10% per annum and ROE of 10% per annum above the weighted average cost of capital.

The FirstRand Group of companies achieved a normalised return on equity of 28% per annum and grew normalised earnings by 32% from the following main sources:

Year ended 30 June	2007 Rm	2006 Rm	% change
Normalised earnings for ordinary shareholders derived from:			
- FirstRand Banking Group	10 041	7 463	35%
- Momentum Group	1 716	1 514	13%
- Discovery Group	536	424	26%
- FirstRand Ltd (inc. pref. div. payments)	(448)	(443)	-
Group normalised earnings (un-audited)	11 845	8 958	32%
Attributable to RMBH *	3 494	2 619	33%

\*After consolidation eliminations

### FirstRand Banking Group

FNB, the commercial and retail bank, achieved a significant increase in customer numbers, robust growth in deposits and advances, and strong volume growth, which all contributed to normalised earnings growth of 27% to R 4.1 bn, despite a 63% deterioration in the bad debts to advances ratio (predominantly in the retail portfolio).

The performance of the Banking Group's operations was underpinned by a particularly strong performance from the investment bank, RMB, which grew normalised earnings 82% to R3,9 billion. This was driven by good performances across the entire portfolio with particularly significant earnings growth from the Investment Banking, Equity Trading and Private Equity divisions.

WesBank, the vehicle finance business, continued to experience "negative gearing" in its local franchise with retail asset growth slowing and a significant increase in bad debts. However, corporate sales increased and represented 28% of total new business compared to 25% in the previous year. Such negative gearing, which is to be expected at this point in the cycle, together with increased start up costs and operating losses in Wesbank's international operations, resulted in normalised earnings decreasing by 13% to R0,92 billion.

#### Introduction of the National Credit Act

The National Credit Act (NCA), which seeks to protect consumers from over-indebtedness, became operational 1st June 2007. Whilst the cost of implementation was mainly incurred by the Banking Group's retail operations (FNB and Wesbank) in the current year, the NCA is expected to impact certain retail banking revenues going forward. Since implementation of the NCA there has been a slight slow down in new business sales from mortgage, credit card and vehicle finance. It is however, too early

to establish a trend, particularly as its implementation coincided with an interest rate increase.

#### FirstRand Banking Group Capital Position

From 2000 to 2004 FirstRand generated very high ROEs whilst the demand for capital from the Banking Group's lending businesses was low, resulting in the Group generating significant surplus capital. In the first half of 2005 the Group considered various mechanisms to return this excess to shareholders and reduced its dividend cover from 3 times to 2.5 times. However, from 2005 to date the lower interest rate, lower inflation environment translated into extremely favourable consumer credit markets, resulting in the high-growth retail lending operations of the Bank growing advances at a compound rate of 43%. This resulted in FirstRand Bank's core equity reducing to 8.1%, still above the minimum target of 8%. The Banking Group is actively seeking to increase this ratio through actions such as securitisation, first loss risk transfers and is further evaluating moving from an "originate and hold" to an "originate and distribute" strategy. The Banking Group does not believe that it will in the foreseeable future need to resort to shareholders to raise additional equity for existing operations.

#### Momentum

The group's wholly-owned insurance operations performed well. Momentum's insurance operations showed continued strong new business growth with margins improving compared to the first half of the year due to increased sales of higher margin products. Collaboration with FNB in the mass and middle market segments also continued to produce good growth.

Momentum continued with its strategy to diversify its business with further investments in new distribution channels, products and markets. This assisted in it

achieving a 17% increase in recurring retail premium income (driven by solid growth in both risk and savings products) while lump sum insurance inflows increased by 18% as a result of continued focus on specialist investment brokers and positive investor sentiment. FNB Insurance made a large contribution to growth in all areas with new annualised recurring premium growing by 65% to R364 million.

Momentum increased its normalised earnings by 13% to R1,7 billion. This outcome does not take cognisance of the impact of the payment during the year of special dividends of R2.4 billion from Momentum to FirstRand. Without such dividend payments, Momentum would have increased normalised earnings by 19%.

Discovery achieved a solid operational performance in substantially all of its businesses and increased normalised earnings by 33% to R920 million (FirstRand's share amounts to R536 million).

Given its dominant size and resultant high base, Discovery Health performed particularly well through a strong focus on efficiencies. It grew operating profit by 12%. Discovery Life delivered a strong 29% increase in operating profit, reflecting its strong market position in pure risk insurance.

Of Discovery's international initiatives, UK based PruHealth performed as expected with new business growing strongly. Notwithstanding some operational successes, financial returns at USA based Destiny Health were disappointing. Discovery's board continues to monitor and evaluate its strategy regarding the USA initiative.

FirstRand has announced it will seek shareholder approval to unbundle its 57.1% interest in Discovery. Separate commentary regarding RMBH's intention in this regard is offered elsewhere in this report.

For and on behalf of the Board

GT Ferreira  
Chairman

P Cooper  
Chief Operating Officer

Sandton  
19 September 2007

### DIRECTLY HELD INSURANCE INTERESTS

#### OUTsurace

The OUTsurace group is active in the short-term insurance market and continues to grow and perform extremely well. It has become an established and trusted brand in a relatively short space of time.

OUTsurace posted excellent results for the year with net earned premium income increasing by 28% to R2,7 billion (2006: R2,1 billion). Headline earnings also increased by 28% to R480 million (2006: R376 million). These increases were largely driven by premium growth (on the back of growth in client numbers) and a successful reduction in the management expense ratio. At 30 June 2007 OUTsurace had total assets of R2,6 billion (2006: R2,1 billion) with a solvency margin of 42%.

The OUTsurace group has now entered its tenth year of operation. During this period it has succeeded in establishing itself as a respected player in the personal lines market and successfully launched several new profitable initiatives, including Business OUTsurace, directed at smaller commercial enterprises. It also provides pricing and administration infrastructure for other entities in the FirstRand group.

Over the last two years it has conducted intensive research to determine the transportability of its business model into international markets. This work is fast

coming to fruition and OUTsurace is due to launch its first international program by entering the Australian short term market during the first half of calendar 2008. The start up cost attaching to this program is likely to cause OUTsurace's growth in earnings for the 2008 financial year to be somewhat muted when compared to its historical growth trajectory.

RMBH's attributable share of OUTsurace's normalised earnings for the year amounted to R282 million (2006: R221 million).

#### RMB Structured Insurance

RMBSI creates individual insurance and financial risk solutions for large corporates by using innovative financial structures.

RMBSI grew net insurance premiums by 14% to R2,6 billion and reported a pleasing outcome with headline earnings increasing by 26% to R90 million (2006: R71 million). At 30 June 2007 RMBSI had total assets of R4,2 billion (2006: R3,6 billion) and was adequately capitalised in all the jurisdictions in which it operates.

A core element of RMBSI's business is the provision of specialist insurance services to the retail furniture sector. While its current suite of products is compliant with the requirements of the NCA, it is too early to determine whether the general slowdown experienced by the sector upon implementation of the Act will persist over time.

RMBH's attributable share of RMBSI's normalised earnings for the year amounted to R69 million (2006: R55 million).

### OTHER FINANCIAL SERVICES INTERESTS

#### Glenrand M.I.B

In the year ended 30 June 2007 Glenrand M.I.B returned to profitability and made significant progress towards the implementation of various strategic initiatives aimed at growing the business.

These results were achieved against a backdrop of returning the group to its core Risk Advisory Services business, with the loss making Benefit Services Business having been sold (subject to certain resolutive conditions) at the year end.

Glenrand M.I.B reported headline earnings of R15 million (2006: loss R29 million). This outcome reflects that, as a result of its disposal, the loss making Benefit Services Business was treated as a "discontinuing operation" and accordingly excluded from the calculation of headline earnings.

Despite highly competitive market conditions, Risk Services achieved new business flows that were ahead of expectation. Its margins were impacted by investments in inter alia information technology, selected acquisitions and the retention of specialist skills. Management is confident that these initiatives will bear fruit in the near future.

RMBH's share of Glenrand M.I.B's headline earnings amounted to R2 million (2006: loss R8 million).

### DIVIDEND DECLARATION

Notice is hereby given that a final dividend of 80,0 cents per share was declared on 19 September 2007 in respect of the financial year ended 30 June 2007.

Shareholders' attention is drawn to the following important dates:

- Last day to trade in order to participate in this dividend Friday, 12 October 2007
- Shares commence trading "ex dividend" on Monday, 15 October 2007
- The record date for the dividend payment will be Friday, 19 October 2007
- Dividend payment date Monday, 22 October 2007

No dematerialisation or rematerialisation of share certificates may be done between Monday, 15 October 2007 and Friday, 19 October 2007 (both days inclusive).

By order of the Board

AH Arnott  
Company Secretary  
19 September 2007

## THE RMBH GROUP AT A GLANCE

RMBH is the holding company of some of South Africa's leading financial services companies. Our interests include:



The FirstRand Group is a uniquely structured financial services group with critical mass in both banking and insurance. For regulatory oversight purposes, its operations are housed in three subsidiary groups under FirstRand Bank Holdings Limited, Momentum Group Limited and Discovery Holdings Limited.

#### BANKING

The FirstRand Banking Group provides customers with a comprehensive range of products and services according to specific target market segments.



EFFECTIVE INTEREST 32,8%\*

First National Bank ("FNB") services the retail, business and medium corporate segments. In addition it provides transactional services to the group's large corporate clients.

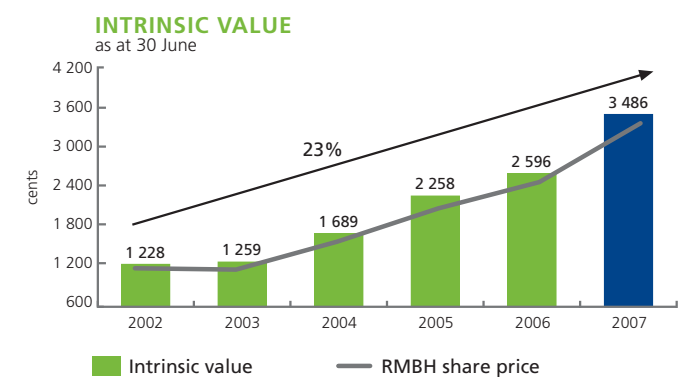
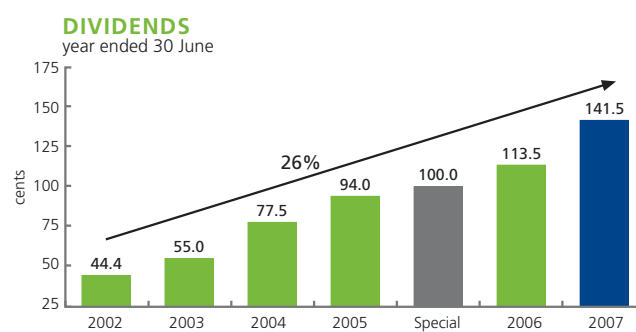
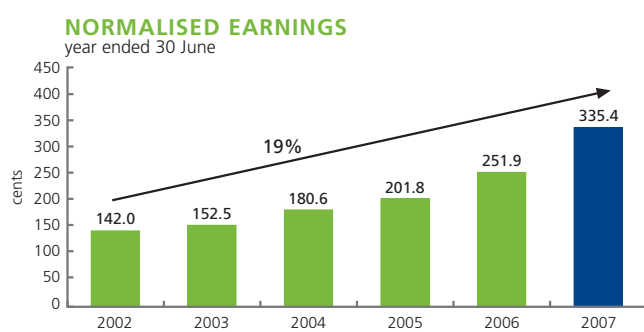
Rand Merchant Bank ("RMB") is responsible for the large corporate segment, to which it provides loans, value added advisory and structuring services.

WesBank is South Africa's dominant moveable asset financier. It is active in both the retail and corporate sectors.

Momentum Group targets individuals in the middle and upper income markets, principally under the Momentum Life, Momentum Wealth, Momentum Health and RMB Unit Trust brand names.

Discovery Group (57.1%\* held) services the health insurance and life assurance markets.





## SUMMARISED GROUP INCOME STATEMENT

for the year ended 30 June

	2007 Audited Rm	2006 Audited Rm	% change
Share of after tax results in associate companies	3 590	2 757	30
Impairment of associate	(13)	-	-
Profit on sale of interest in associates	-	6	-
Earned premiums net of reinsurance	5 326	4 415	-
Commission income	5	-	-
Fee income	67	52	-
Investment income	1 208	919	-
<b>Income</b>	<b>10 183</b>	<b>8 149</b>	
Net claims paid	(2 960)	(2 426)	-
Investment contract benefits and insurance provisions	(294)	(181)	-
Acquisition, marketing and administration expenses	(1 922)	(1 746)	-
<b>Operating profit</b>	<b>5 007</b>	<b>3 796</b>	<b>32</b>
Net finance costs	(296)	(232)	-
<b>Profit before tax</b>	<b>4 711</b>	<b>3 564</b>	<b>32</b>
Taxation	(333)	(270)	23
<b>Net profit for the year</b>	<b>4 378</b>	<b>3 294</b>	<b>33</b>
Attributable to:			
Equityholders of RMBH	4 109	3 145	31
Minority interest	269	149	81
	<b>4 378</b>	<b>3 294</b>	<b>33</b>

## COMPUTATION OF HEADLINE EARNINGS

for the year ended 30 June

	2007 Audited Rm	2006 Audited Rm	% change
<b>Earnings attributable to ordinary shareholders</b>	<b>4 109</b>	<b>3 145</b>	<b>31</b>
Adjustment for:			
Profit on partial sale of interest in associates	-	(6)	-
Impairment of associate	13	-	-
Other	5	13	-
Share of adjustment made by associates:			
Reversal of private equity realisations	(130)	(71)	-
Profit on sale of shares in subsidiary and associate	(22)	(30)	-
Profit on sale of available-for-sale financial assets	(225)	(117)	-
Other	20	(26)	-
<b>Headline earnings attributable to ordinary shareholders</b>	<b>3 770</b>	<b>2 908</b>	<b>30</b>

## SOURCES OF HEADLINE EARNINGS

for the year ended 30 June

	2007 Audited Rm	2006 Audited Rm	% change
<b>Headline earnings from:</b>			
FirstRand	3 265	2 521	30
Glenrand M.I.B.	2	(8)	>100
OUTsurace	299	234	28
RMB Structured Insurance	69	56	23
	<b>3 635</b>	<b>2 803</b>	<b>30</b>
RMBH and other	135	105	29
<b>Headline earnings</b>	<b>3 770</b>	<b>2 908</b>	<b>30</b>

## COMPUTATION OF EARNINGS PER SHARE

for the year ended 30 June

	2007 Audited Rm	2006 Audited Rm	% change
<b>Earnings attributable to ordinary shareholders</b>	<b>4 109</b>	<b>3 145</b>	<b>31</b>
<b>Headline earnings attributable to ordinary shareholders</b>	<b>3 770</b>	<b>2 908</b>	<b>30</b>
Number of shares in issue (millions)	1 188	1 188	-
Weighted average number of shares in issue (millions)	1 175	1 174	-
<b>Earnings per share (cents)</b>	<b>349.7</b>	<b>267.8</b>	<b>31</b>
<b>Diluted earnings per share (cents)*</b>	<b>340.6</b>	<b>260.5</b>	<b>31</b>
<b>Headline earnings per share (cents)</b>	<b>320.9</b>	<b>247.6</b>	<b>30</b>
<b>Diluted headline earnings per share (cents)*</b>	<b>312.6</b>	<b>240.3</b>	<b>30</b>
<b>Dividend per share (cents)</b>			
Interim	61.5	50.5	22
Final	80.0	63.0	27
<b>Total</b>	<b>141.5</b>	<b>113.5</b>	<b>25</b>
Dividend cover (relative to headline earnings)	2.3	2.2	-

\* The diluted calculations give cognisance to the impact of a similar calculation within FirstRand. This has no impact on RMBH's weighted average number of shares.

## SUMMARISED GROUP BALANCE SHEET

as at 30 June

	2007 Audited Rm	2006 Audited Rm
<b>Assets</b>		
Property and equipment	104	105
Goodwill and other intangible assets	7	13
Investment in associate companies	15 193	13 121
Financial assets	5 391	3 044
Receivables and prepayments	675	634
Reinsurers' share of insurance provision	56	24
Cash and cash equivalents	1 978	2 236
<b>Total assets</b>	<b>23 404</b>	<b>19 177</b>
<b>Equity</b>		
Share capital and premium	4 605	4 605
Reserves	12 018	9 511
Capital and reserves attributable to equityholders of the company	16 623	14 116
Minority interest	972	399
<b>Total equity</b>	<b>17 595</b>	<b>14 515</b>
<b>Liabilities</b>		
Financial liabilities	1 594	1 150
Insurance contract provisions	3 734	3 206
Payables and provisions	481	306
<b>Total liabilities</b>	<b>5 809</b>	<b>4 662</b>
<b>Total equity and liabilities</b>	<b>23 404</b>	<b>19 177</b>

## SUMMARISED GROUP CASH FLOW STATEMENT

for the year ended 30 June

	2007 Audited Rm	2006 Audited Rm
Cash available from operating activities	2 218	1 708
Return of capital to shareholders	-	(1 188)
Servicing of finance from shareholders	(1 478)	(1 214)
Investment activities	(903)	(1 051)
Financing activities	(95)	(308)
<b>Net decrease in cash and cash equivalents</b>	<b>(258)</b>	<b>(2 053)</b>
Unrealised foreign currency translation adjustments	-	(9)
Cash and cash equivalents at the beginning of the year	2 236	4 298
<b>Cash and cash equivalents at the end of the year</b>	<b>1 978</b>	<b>2 236</b>

Cash available from operating activities includes net premium receipts by short-term insurance operations. Given the fluctuations inherent in non-recurring structured insurance transactions, such cashflows are not necessarily directly comparable between years.

## SUMMARISED STATEMENT OF CHANGES IN EQUITY

	Share Capital and Premium Rm	Treasury Shares Reserve Rm	Equity Accounted Reserves Rm	Non-Distributable Reserves Rm	Retained Earnings Rm	Total Shareholders' Funds Rm	Minority interest Rm	Total Equity Rm
<b>Balance at 30 June 2005 (audited) – as previously reported</b>	<b>5 793</b>	<b>-</b>	<b>5 357</b>	<b>458</b>	<b>2 253</b>	<b>13 861</b>	<b>313</b>	<b>14 174</b>
Prospective adjustment due to implementation of IFRS	-	(202)	(425)	-	(138)	(765)	-	(765)
<b>Balance at 1 July 2005</b>	<b>5 793</b>	<b>(202)</b>	<b>4 932</b>	<b>458</b>	<b>2 115</b>	<b>13 096</b>	<b>313</b>	<b>13 409</b>
Restatement due to de-designation of asset	-	-	-	(2)	2	-	-	-
Return of share premium	(1 188)	-	-	-	-	(1 188)	-	(1 188)
Net profit for the year	-	-	-	-	3 145	3 145	149	3 294
Dividend paid	-	-	-	-	(1 217)	(1 217)	(77)	(1 294)
Income of associated companies retained	-	-	1 733	-	(1 733)	-	-	-
Capital invested by minorities	-	-	-	-	-	-	11	11
Share option expense reserve	-	-	-	1	-	1	-	1
Reserve movements relating to subsidiaries	-	-	-	30	(27)	3	3	6
Change in carrying value of associate due to elimination of treasury shares	-	-	(19)	-	-	(19)	-	(19)
Movement in treasury shares	-	62	-	-	-	62	-	62
Reserve movements relating to associates	-	-	233	-	-	233	-	233
<b>Balance at 30 June 2006 (audited)</b>	<b>4 605</b>	<b>(140)</b>	<b>6 879</b>	<b>487</b>	<b>2 285</b>	<b>14 116</b>	<b>399</b>	<b>14 515</b>
Net profit for the year	-	-	-	-	4 109	4 109	269	4 378
Dividend paid	-	-	-	-	(1 479)	(1 479)	(103)	(1 582)
Income of associated companies retained	-	-	2 344	-	(2 344)	-	-	-
Capital invested by minorities	-	-	-	-	-	-	407	407
Share option expense reserve	-	-	-	2	-	2	-	2
Reserve movements relating to subsidiaries	-	-	-	23	(35)	(12)	-	(12)
Change in carrying value of associate due to elimination of treasury shares	-	-	26	-	-	26	-	26
Movement in treasury shares	-	(26)	113	-	3	90	-	90
Reserve movements relating to associates	-	-	(229)	-	-	(229)	-	(229)
<b>Balance at 30 June 2007 (audited)</b>	<b>4 605</b>	<b>(166)</b>	<b>9 133</b>	<b>512</b>	<b>2 539</b>	<b>16 623</b>	<b>972</b>	<b>17 595</b>

## Basis of preparation of results

The accompanying summarised results for the year ended 30 June 2007 reflect:

- the consolidation of the operations of RMBH and its subsidiaries including OUTsurace and RMB Structured Insurance; and
- RMBH's proportionate interest in its associates, FirstRand and Glenrand M.I.B which have been equity accounted.

The annual financial statements for the year ended 30 June 2007, to which the profit announcement relates, were prepared in accordance with:

- International Financial Reporting Standards ("IFRS");
- The requirements of the South African Companies Act, Act 61 of 1973, as amended; and
- The Listings Requirements of the JSE Limited (the "JSE").

Such annual financial statements were audited by PricewaterhouseCoopers Inc. A copy of their unqualified audit opinion is available for inspection at RMBH's registered office.

These financial statements incorporate accounting policies that are consistent with those used in preparing the financial results for the year ended 30 June 2006, with the exception of de-designating certain financial assets previously designated as at fair value through profit or loss in accordance with IAS 39: Financial Instruments: Recognition and Measurement (Revised January 2006). These financial assets are now held as available-for-sale financial assets.

The impact of the above mentioned restatements on net profit for the year ended 30 June 2006 was R0.5 million. Financial assets previously designated as at fair value through profit or loss of R599.1 million were reclassified as available-for-sale financial assets. These restatements are not evident in this results announcement as it is prepared on a summarised basis.

## RMB Holdings Limited ("RMBH")

Registration number: 1987/005115/06  
Share code: RMH ISIN code: ZAE000024501  
Directors: GT Ferreira (Chairman), P Cooper (COO), LL Dippenaar, JW Dreyer, DM Falck, PM Goss, PK Harris and KC Shubane  
Secretary and registered office: AH Arnott  
Physical address: 4th Floor, 4 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 8088 Web address: www.rmbh.co.za  
Sponsor (in terms of JSE Listing Requirements): Rand Merchant Bank (A division of FirstRand Bank Ltd)  
Physical address: 1 Merchant Place, corner of Fredman Drive and Rivonia Road, Sandton 2196  
Auditors: PricewaterhouseCoopers Inc.  
Physical address: 2 Eglon Road, Sunninghill 2157  
Transfer secretaries: Computershare Investor Services 2004 (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

## DIRECTLY HELD INSURANCE INTERESTS



FirstRand Short-term Insurance Limited  
("OUTsurace")

OUTsurace is a direct personal lines and small business short-term insurer. Pioneers of the OUTbonus concept, it has grown rapidly by applying a scientific approach to risk selection, product design and claims management.

**EFFECTIVE INTEREST 62.2%\***



RMB Structured Insurance Limited  
("RMBSI")

RMBSI holds both short-term and life insurance licences. It creates bespoke insurance and financial risk solutions for South Africa's large corporations by using sophisticated risk techniques and innovative financial structures.

**EFFECTIVE INTEREST 15.8%\***



Glenrand M.I.B Limited  
("Glenrand M.I.B")

Glenrand M.I.B is a financial services group focused on providing innovative and cost effective risk advisory services and short term broking services in the corporate, mid market and personal lines sectors.

\* The effective interest held by RMBH in these businesses shows variations between years as a result of consolidation, by such entities of:

- Treasury shares held by them;
- Shares held in them by their staff share incentive trusts; and/or
- "Deemed" treasury shares held in them by policyholders and mutual funds managed by them; as well as
- "Deemed" treasury shares arising from BEE transactions entered into.

The resultant interest of RMBH in group entities after such consolidation adjustments may be tabulated as follows:

	Interest in Issued Share Capital	Effective Interest
FirstRand	30,1%	32,8%
OUTsurace	58,6%	62,2%
RMBSI	76,9%	80,0%
Glenrand M.I.B	12,3%	15,8%

The "Effective Interest" is the basis upon which earnings from a particular entity is brought to account by RMBH.