



RMB HOLDINGS

Audited results for the year ended 30 June 2002

The RMBH group at a glance

RMBH is the holding company of some of South Africa's leading financial services companies. It acts as a seedbed for the establishment of entrepreneurial financial services businesses with high growth potential which are at the forefront of technological and product innovation in financial services. Many of the products, and the companies that distribute them, did not even exist five years ago.

RMBH's interests include:

- **FirstRand Limited** (the "FirstRand group") (effective interest: 32,8%)
The FirstRand group is a uniquely structured financial services group with critical mass in both banking and insurance. Its operations are a consolidation of:
 - **FirstRand Bank Holdings Limited** (the "FirstRand Banking group"), where FirstRand is involved in retail, corporate and merchant banking, as well as instalment sale and property finance (principally under the First National Bank, Rand Merchant Bank, Wesbank, Ansbacher, eBucks.com and Origin brand names); and
 - **Momentum Group Limited** (the "Momentum group"), which includes life assurance, asset management and health insurance activities (principally under the Momentum Life, Momentum Wealth, RMB Asset Management, Futuregrowth and Discovery brand names).

- **RMB Structured Insurance Limited** ("RMBSI") (effective interest: 100%)
RMBSI is a registered short-term insurance group providing structured insurance products and programmes for large corporate clients. It has operations in South Africa, Namibia, Mauritius and Ireland.
- **OUTsurance Limited** ("OUTsurance") (effective interest 61,2%)
OUTsurance is a direct personal lines 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.
- **Glenrand M.I.B Limited** ("Glenrand M.I.B") (effective interest 17,3%)
Glenrand M.I.B is a leading financial services group focused on providing risk advisory services and solutions, employee benefits and investment advisory services and solutions and selected finance products and health-care administration services.
- **Global Resorts (SA) (Pty) Limited** ("Global Resorts") (effective interest 48,0%)
Global Resorts is a leading player in the gaming industry in South Africa. It designs, develops and operates multi-faceted casino, hotel and entertainment facilities and has an interest in three casinos, the principal of which is Caesars Gauteng.

OVERVIEW OF RESULTS

The financial year to 30 June 2002 must rank as one of the most challenging in the RMBH group's history.

This period was dominated by the events of 11 September 2001, the subsequent uncertainty regarding the world economy (as evidenced by the South American crisis and US corporate failures) and the precipitous fall of the Rand against the US Dollar, which brought about a sharp rise in domestic interest rates. These factors resulted in an uncertain and volatile business environment.

Against this background it is gratifying to report:

- a 42% increase in attributable headline earnings to R1,7bn (2001: R1,2bn);
- a 35% increase in RMBH's core operational headline earnings to R1,5bn (2001: R1,1bn); and
- a 20% increase in core operational headline earnings per share to 126,5 cents (2001: 105,8 cents).

We believe that these results demonstrate the inherent resilience of our group's diversified, but complementary, businesses.

In evaluating the year's results, two factors are of relevance:

- **The decline of the Rand against the US Dollar during the last quarter of 2001 potentially distorts the reported underlying trend of the group's core business units.**

FirstRand, as an integral part of its activities, owns significant foreign currency assets and liabilities. In accordance with South African Generally Accepted Accounting Practice, it is required to include R548m (2001: R239m) of unrealised currency translation gains (from such integral operations of certain subsidiaries) in its income for the year. In addition, FirstRand also transferred unrealised currency gains of R604m (2001: R141m), which is not regarded as integral to such foreign operations, directly to a non-distributable reserve. Given the abnormal impact of such currency translation gain on its core operating performance, FirstRand discloses the amount thereof, and its impact on headline earnings, separately. This is a more conservative approach than that followed at the interim reporting date, when the interest rate differential between the currencies was regarded as part of ongoing earnings and not highlighted as abnormal.

We believe that by highlighting the unrealised currency gains in this manner, a clearer view of the underlying operational and business trend emerges. We have thus applied such analysis consistently to RMBH's results, with the following trend arising:

Year ended 30 June	2002 Rm	2001 Rm	% Change
RMBH headline earnings as reported	1 683	1 184	42
Less: Attributable portion of currency translation gain	(180)	(73)	
Core operational headline earnings	1 503	1 111	35
On an earnings per share basis, the following result is derived:			
Year ended 30 June	2002 Cents	2001 Cents	% Change
RMBH headline earnings per share as reported	141,7	112,8	26
Less: Attributable portion of currency translation gain	(15,2)	(7,0)	
RMBH core operational headline earnings per share	126,5	105,8	20

- **The share exchange transaction, in terms of which RMBH acquired an additional 7,8% interest in FirstRand, in exchange for issuing new RMBH ordinary shares to the Remgro group, took effect on 1 January 2001.**

The results for the prior year (ended 30 June 2001) thus include an effective 25% of the FirstRand group for the first six months, while that of the second six months and the current financial year incorporates 32,8% of FirstRand. As such increased interest in FirstRand was financed through the issue of new RMBH shares, it has been brought to account in reporting earnings on a per share basis.

The 20% year-on-year growth in RMBH's core operational headline earnings per share is thus a more appropriate reflection of the underlying growth achieved.

Based on such underlying core operational trend, RMBH has declared a final dividend of 30,2 cents per share, which, together with the interim dividend, amounts to 44,4 cents per share in total. This represents a 23% increase over the previous year.

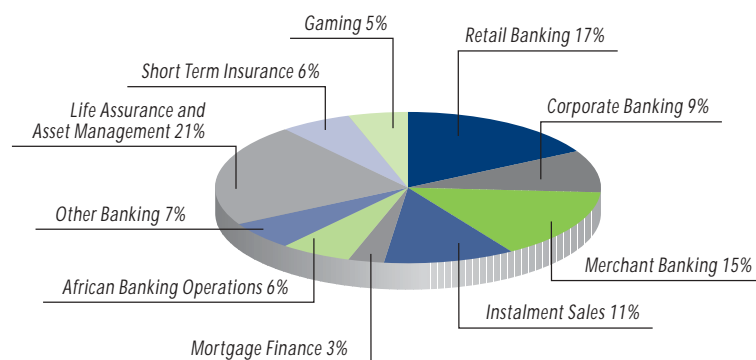
In the four years since 1998, when RMBH merged substantially all of its financial services interests into FirstRand, it has:

- achieved a compound growth rate in core headline earnings per share of 26% per annum; and
- increased its dividend paid per share at a compound growth rate of 22% per annum.

Notwithstanding the extremely volatile and uncertain business environment encountered during the period, we believe that the core operational trend highlighted above is inherently sound and sustainable.

SOURCES OF INCOME

RMBH has a well-diversified earnings base, drawn from the full spectrum of South African financial services:



FirstRand reports that some 15% of its earnings is derived from international sources (including its African banking operations). Effectively, RMBH thus derives 14% (2001: 16%) of its earnings from outside South Africa.

REVIEW OF OPERATIONS

FirstRand group

Summary of FirstRand financial results

Year ended 30 June	2002 Rm	2001 Rm	% Change
Headline earnings comprise:			
– FirstRand Banking group	3 744	2 787	34
Core operations	3 196	2 580	24
Currency translation gain	548	207	>100
– Momentum group	1 038	943	10
Core operations	1 038	911	14
Currency translation gain	–	32	–
– FirstRand Limited	(61)	(41)	49
Total headline earnings	4 721	3 689	28
Less: Currency translation gain	(548)	(239)	>100
Core operational headline earnings	4 173	3 450	21
Attributable to RMBH*	1 362	1 003	36

*After consolidation eliminations

Operating environment and financial results

Against a background of unprecedented volatility and change in almost all of the markets in which the FirstRand group operate, a 28% year-on-year increase in headline earnings (21%, if currency translation gains are removed) bears testimony to the inherent resilience of the group's diversified, core businesses.

FirstRand Banking group

FirstRand Banking group was able to increase headline earnings by 34% to R 3 744m.

Excellent growth was achieved in Retail, Corporate and Investment banking as well as by the African subsidiaries. The banking group's international loan portfolios suffered losses as a result of the events in South America and US corporate failures. However, the market volatility arising from these events created trading opportunities that the group exploited successfully, with the profits generated substantially mitigating the loan losses.

The upheavals in the financial markets placed severe liquidity pressure on second tier banks in South Africa. In the ensuing period of consolidation in the banking industry the FirstRand Banking Group was able to conclude two strategic acquisitions in the form of the NBS HomeLoan mortgage book (valued at R11,5bn) and the Saambou group's deposit liabilities (valued at R12,8bn).

Sound growth in advances and deposits, coupled with improved efficiencies enabled the FirstRand Banking group to further improve its cost-to-income ratio to 57,6% (2001: 60,9% – in calculating such ratios, the favourable impact of the currency translation gains have been disregarded).

Momentum group

The Momentum group's headline earnings exceeded R1 billion for the first time, representing a 10% increase on the prior year. This represents an increase of 9,8% in group operating profit after tax (R848m) and an increase of 11,1% in the investment income on shareholders' assets (R190m).

The highlight of Momentum's operating performance was its Individual Business unit which achieved a 24% increase in operating profits, notwithstanding negative consumer confidence levels and further restrictions on international investments. The Employee Benefits unit reported a decline in earnings as a result of the negative impact of AIDS on its claims experience. To counter this, corrective measures, including more regular re-pricing of risk, have been put in place.

Discovery increased headline earnings by 14% per share, notwithstanding the restrictive impact (on growth and embedded value) of the agreement reached with the Registrar of Medical Schemes.

Directly held insurance interests

RMB Structured Insurance

RMBSI reported a 29% increase in headline earnings, which amounted to R32,2m (2001: R24,3m). This also represents RMBH's share of headline earnings for 2002 (In 2001 RMBH reported its share of headline earnings as being R19,4m, due to its effective interest in RMBSI, prior to 1 March 2001, having been 70%).

Such increase in headline earnings arose primarily as a result of fee income, investment income derived from the larger capital base maintained to support statutory solvency requirements, as well as a lower effective tax rate arising from movements in insurance-related provisions.

This group expended considerable effort on research and development during the year under review and is well positioned to exploit its refined and expanded suite of products during the coming year.

A re-assessment of the level of capital required to support RMBSI's ongoing insurance activities has allowed it to declare a maiden dividend of R20m.

OUTsurance

OUTsurance, having completed its fourth full year of operation, continues to reap the benefits of its direct sales business model.

In the year to 30 June 2002, record sales volumes (with gross premiums up 40% to R590m), a reduction in management expense ratios and good client retention contributed to a profitable underwriting result. Coupled with higher than anticipated investment income, such result enabled OUTsurance to report headline earnings of R58,9m for the year. This represents an improvement of some 85% over the prior year (R31,9m).

During June 2002 OUTsurance acquired the homeowners insurance business of the BoE Insurance group. While such acquisition did not have a material impact on the results in 2002, it will have a favourable impact in future years.

RMBH's attributable share of OUTsurance's headline earnings for the year amounted to R36,1m (2001: R19,1m).

Other financial services interests

Glenrand M.I.B

Glenrand M.I.B reported a satisfying performance for the year under review with headline earnings increasing by 25% to R73,7m (2001: R58,9m).

Robust revenue growth in the group's Risk Advisory Services business, coupled with the inclusion for the first time of results from the Protector group (engaged in the provision, management and administration of employee health benefits), contributed to this result.

RMBH's share of attributable earnings from Glenrand M.I.B amounted to R13,3m (2001: R11,0m).

Gaming interests

Global Resorts

Global Resorts reported headline earnings of R164,6m – a 5,4% increase over 2001(R156, 2m). RMBH's share of headline earnings amounted to R 79,0m (2001: R75,0m)

The upheavals experienced during the first half of the year had a negative impact on operations at Caesars Gauteng. This was further exacerbated by capacity constraints caused by the anti-smoking legislation (in force from July 2001) in the gaming areas. Corrective steps taken by management (including a R40m reconfiguration of the smoking areas) had the desired effect and by year-end the facility had reverted to earlier profit levels.

The other two casino complexes performed in line with expectation.

The launch of the Internet gaming initiative has proven to be more complex than anticipated and the project has been shelved. All development and start up costs (R7,5m) have been expensed.

Global Resorts has provided all of the funding required by its Economic Empowerment partners at Caesars Gauteng. As a result, it earned an additional equity linked return on the risks assumed. The project has now matured sufficiently to allow such risk funding to be replaced with more appropriate loan funding, effective 1 July 2002. Consequently, each partner will, in future, derive a return that reflects its changed economic interest in the property. Had such restructuring been in effect during the current reporting period, the earnings reported by Global Resorts would have been approximately a third lower.

Core operational headline earnings per share 20%

Core operational headline earnings 35%

Dividend per share 23%

“We believe that these results demonstrate the inherent resilience of our group’s diversified, but complementary, businesses” GT Ferreira – Chairman

CAPITAL POSITION AND FUNDING

Both FirstRand Banking group and Momentum are adequately capitalised at present. The following factors are impacting on the FirstRand group's capital position:

- The SA Reserve Bank has implemented significant changes to regulatory requirements of banks, including an increase of the minimum capital adequacy requirement to 10% (previously 8%);
- The Financial Services Board has given notice that it intends revising the manner in which strategic investments are valued when computing the capital adequacy reserves of life assurers;
- During the year the FirstRand Banking group's capital position was impacted by acquisition growth while Momentum had to take cognisance of the funding requirements of Discovery's international operations as well as its settlement with the Medical Schemes regulator.

The FirstRand group's unique corporate structure will facilitate the anticipatory steps needed to ensure that the group can maintain its historic organic growth pattern. Capital optimisation steps being considered in this regard include further asset securitisations, both locally and in the international markets.

Given its strong organic growth and the recent acquisition of a significant short-term insurance book, it was agreed that OUTsurance should retain the capital that it currently holds in excess of its solvency requirements to fund future growth.

A re-assessment of the level of capital required to support RMBSI's ongoing insurance activities has allowed it to declare a maiden dividend of R20m to RMBH.

Net finance cost substantially represents funding costs incurred in financing RMBH's commitment at Global Resorts. Since the opening of the permanent facilities at Caesars Gauteng during December 2000, Global Resorts have returned 40% of the development capital advanced to it by shareholders. It is anticipated that it will be able to return the balance of such funding during the next two calendar years.

CORPORATE GOVERNANCE

RMBH and all of the companies in which we invest have embraced the recommendations of the King II report on Corporate Governance. A comprehensive review of governance practices has been undertaken in the group. We remain committed to the highest standard of Corporate Governance and in this regard strive to provide reports to shareholders which are timeous, accurate, consistent and informative.

STRATE

The dematerialisation of RMBH shares under STRATE has been successfully implemented without material occurrences being reported. On 29 September 2002 the insurance cover provided by Lloyds of London to the Dispossessed Members Fund (the "DMF") terminates. The DMF was established to cover losses or claims arising from any tainted share certificates that may exist in the market place.

To avoid the risk of tainted certificates, shareholders are advised to dematerialise their shares and surrender all share certificates to their Central Securities Depository Participants or broker prior to 29 September 2002.

DIVIDEND PAYMENT

The Board has resolved to declare a final dividend of 30,2 cents per share (2001: 24,2 cents). Such final dividend, together with the interim dividend of 14,2 cents brings the total dividend for the year ended 30 June 2002 to 44,4 cents (2001: 36,0 cents). This represents a year-on-year increase of 23% and a dividend cover ratio of 2,8 times.

OUTLOOK FOR THE GROUP

When FirstRand was created in April 1998, we projected that it would take between three and five years for the full benefits of the merger to be crystallised. At the start of the financial year under review we believed that the merger had been successfully completed and that it would be appropriate to pursue an outward focus. This strategy has proven particularly successful in the FirstRand Banking Group.

The upheavals of the past year have vividly tested the foundations laid in the merger processes. We are gratified that the outcome has demonstrated the inherent resilience of all of FirstRand's businesses.

RMBH's other interests, while overshadowed by the absolute size of FirstRand, are each unique in their own abilities and also stand poised to extract further value from their identified niches.

Consequently, RMBH remains confident of delivering real growth in earnings per share in the coming year.

For and on behalf of the board

GT Ferreira
Chairman

P Cooper
Chief Operating Officer

Sandton
16 September 2002

DIVIDEND DECLARATION

Notice is hereby given that a final dividend of 30,2 cents per share was declared on 16 September 2002 in respect of the financial year ended 30 June 2002.

Shareholders' attention are drawn to the following important dates:

- Last day to trade in order to participate in this dividend Friday, 25 October 2002
- Shares commence trading "ex dividend" on Monday, 28 October 2002
- The record date for the dividend payment will be Friday, 1 November 2002
- Dividend payment date Monday, 4 November 2002

No dematerialisation or rematerialisation of share certificates may be done between Monday, 28 October 2002 and Friday, 1 November 2002 (both days inclusive). Where shares have been dematerialised in terms of STRATE or electronic transfer instructions are in place, dividends will be credited to the shareholders' bank accounts on Monday, 4 November 2002. In the absence of such mandates, dividend cheques will be posted to shareholders on that date.

By order of the board

PF de Beer FCIS
Company Secretary

16 September 2002

These results are a consolidation of the operations of RMBH, OUTsurance and RMB Structured Insurance. RMBH's proportionate interest in its associates, FirstRand, GlenRand M.I.B and Global Resorts have been equity accounted.

SUMMARISED GROUP INCOME STATEMENT
for the year ended 30 June

	2002 Audited Rm	2001 Audited Rm	% Change
Operating profit	130	88	48
Net finance costs	(18)	(20)	10
Profit before tax	112	68	65
Taxation	(36)	(27)	33
Operating profit after tax	76	41	85
Share of after tax results in associate companies	1 565	1 125	39
Net goodwill amortised	(136)	(167)	19
Attributable earnings	1 505	999	51
Earnings attributable to outside shareholders	(23)	(18)	28
Earnings attributable to ordinary shareholders	1 482	981	51
Computation of headline earnings:			
Earnings attributable to ordinary shareholders	1 482	981	51
Adjustment for:			
Net goodwill amortised	136	167	(19)
Profit on dilution of shareholding	(4)	-	-
Adjustment made by associates:			
Goodwill amortised and impaired	88	13	>100
Profit on sale of subsidiary	(10)	-	-
Other	(9)	23	>100
Headline earnings attributable to ordinary shareholders	1 683	1 184	42
Adjustment for:			
Associate's currency translation gain	(180)	(73)	>100
Core operational headline earnings attributable to ordinary shareholders	1 503	1 111	35
Computation of earnings per share:			
Number of shares in issue (millions)	1 188	1 188	
Weighted average number of shares in issue (millions)	1 188	1 050	
Earnings per share (cents)	124,7	93,5	33
Headline earnings per share (cents)	141,7	112,8	26
Core operational headline earnings per share (cents)	126,5	105,8	20
Dividend per share (cents)			
- Interim	14,2	11,8	20
- Final	30,2	24,2	25
Total	44,4	36,0	23
Dividend cover (relative to core operational headline earnings)	2,8	2,9	

SOURCES OF CORE OPERATIONAL HEADLINE EARNINGS
for the year ended 30 June

	2002 Audited Rm	2001 Audited Rm	% Change
Core operational headline earnings from:			
FirstRand	1 362	1 003	36
Glenrand M.I.B	13	11	18
OUTsurance	36	19	89
RMB Structured Insurance	32	19	68
Global Resorts	79	75	5
	1 522	1 127	35
RMBH and other	(19)	(16)	(19)
Core operational headline earnings	1 503	1 111	35

SUMMARISED GROUP CASH FLOW STATEMENT
for the year ended 30 June

	2002 Audited Rm	2001 Audited Rm
Cash available from operating activities	549	1 325
Cash flows for servicing of finance from shareholders	(456)	(329)
Cash flows on investment activities	(350)	(73)
Cash flows from financing activities	-	(9)
Net (decrease)/increase in cash and cash equivalents	(257)	914
Cash and cash equivalents at the beginning of the year	1 376	462
Cash and cash equivalents at the end of the year	1 119	1 376
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 directly comparable between years.		

SUMMARISED GROUP BALANCE SHEET
as at 30 June

	2002 Audited Rm	2001 Audited Rm
ASSETS		
Cash and cash equivalents	1 119	1 376
Investments	1 235	710
Accounts receivable	234	291
	2 588	2 377
Investment in associate companies	6 696	5 432
Property and equipment	22	15
Goodwill	3 584	3 798
Total assets	12 890	11 622
LIABILITIES AND SHAREHOLDERS' FUNDS		
Funding instruments	472	637
Accounts payable and accruals	306	212
Short-term insurance provisions	1 418	1 362
Liabilities to policyholders	101	-
Total liabilities	2 297	2 211
Outside shareholders' interest	121	97
Shareholders' funds		
Share capital and premium	5 793	5 793
Reserves	4 579	3 421
Convertible debentures	100	100
Total shareholders' funds	10 472	9 314
Total liabilities and shareholders' funds	12 890	11 622

SUMMARISED STATEMENT OF CHANGES IN EQUITY

	Share capital Rm	Share distributable premium Rm	Non- reserve Rm	Retained earnings Rm	Total equity Rm
Balance at 30 June 2001 (audited) as previously reported	12	5 781	2 567	977	9 337
Restatements by associates:					
- Pension fund surplus	-	-	51	-	51
- Leave pay provision	-	-	(102)	-	(102)
- Post retirement medical aid	-	-	(81)	-	(81)
- Other	-	-	9	-	9
Restated balance at 30 June 2001 (audited)	12	5 781	2 444	977	9 214
Earnings attributable to ordinary shareholders	-	-	-	1 482	1 482
Dividend paid	-	-	-	(456)	(456)
Income of associated companies retained	-	-	1 092	(1 092)	-
Transfer to contingency reserve by short-term insurance operations	-	-	11	(11)	-
Investment reserve relating to short-term insurance operations	-	-	1	-	1
Negative goodwill taken to income	-	-	(77)	-	(77)
Transfers relating to associates:					
- Movement on foreign currency translation reserves	-	-	197	-	197
- Revaluation of investment assets	-	-	20	-	20
- Other	-	-	(9)	-	(9)
Balance at 30 June 2002 (audited)	12	5 781	3 679	900	10 372

PREPARATION OF RESULTS

RMBH's external auditors, PricewaterhouseCoopers Inc., have expressed their unqualified audit opinion on these results. A copy of their report is available for inspection at the company's registered office.

This report has been prepared using accounting policies which are in accordance with South African Generally Accepted Accounting Practice. Such policies are in all material respects consistent with those applied in the preparation of the unqualified audited financial statements for the year ended 30 June 2001, except that all liabilities and expenses in terms of AC116: "Employee Benefits" have been provided for.

Certain prior year comparatives have been restated and/or reclassified to facilitate a more meaningful comparison.

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, KC Shubane
Secretary and registered office:
PF de Beer FCIS, 17th Floor, 1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196
Postal address:
PO Box 786273, Sandton, 2146 Telephone +27 11 282 8000 Fax +27 11 282 8008
Web address: www.rmbh.co.za

Sponsor (In terms of JSE listings requirements): RMB Corporate Finance:
1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196
Auditors:
PricewaterhouseCoopers Inc., 2 Eglin Road, Sunninghill, 2157
Transfer secretaries:
Computershare Investor Services Limited
2nd Floor, Edura House, 41 Fox Street, Johannesburg, 2001
Postal address
PO Box 61051, Marshalltown, 2001 Telephone +27 11 836 7700 Fax +27 11 836 0792