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VALUE CREATED

ABOUT RMI

Basis of preparation

This announcement covers the audited summary financial results of Rand Merchant Investment Holdings Limited (RMI or the group), based on International Financial Reporting Standards (IFRS) for the year ended 30 June 2021.

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 audited IFRS financial results. A reconciliation of the adjustments made to derive normalised earnings is presented in the accompanying schedules. Refer to page 23.

Schalk Human MCom (Acc) CA(SA) prepared these financial results under the supervision of Herman Bosman LLM CFA.

This summarised report is extracted from audited information, but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office.

The directors take full responsibility for the preparation of this report and that the financial information has been correctly extracted from the underlying annual financial statements.

The forward-looking information has not been commented or reported on by the group's external auditor.

NAVIGATION WITHIN THIS ANNOUNCEMENT



Indicates further information available on our website, www.rmih.co.za.



Directs readers to the **page** in this announcement with supplementary information.

Availability of annual financial statements, integrated report and King IV application summary



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Shareholders are advised that RMI's **annual financial statements** for the year ended 30 June 2021, which include the consolidated and separate annual financial statements and the external auditor's unmodified report, have been available on RMI's website (**www.rmih.co.za**) since the results were released on 20 September 2021.



RMI's integrated report and King IV application summary will be available on www.rmih.co.za from 29 October 2021.

A printed copy of the annual financial statements, integrated report and King IV application summary can be requested from the company secretary at **schalk.human@rmih.co.za** and obtained in person at no charge at RMI's registered office, 12th Floor, The Bank, corner of Cradock and Tyrwhitt Avenues, Rosebank, 2196 during office hours.

VALUE CREATED

for the year ended 30 June 2021

RMI measures the execution of its strategy through the creation of discernible value. Notwithstanding the challenging macro-economic environment, as well as the ongoing COVID-19 pandemic and its impact on our businesses, the group has been able to produce pleasing earnings results, which reflect the growth in the underlying value of our investments.

COMPOUND SHAREHOLDERS' RETURN

15.7%

since listing in 2011

GROWTH IN TOTAL SHAREHOLDERS' EQUITY

9.2% per annum

since listing in 2011

NORMALISED EARNINGS

15%

R3 545 million

(2020: R3 086 million)

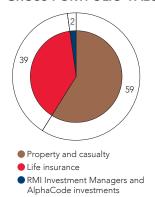
HEADLINE EARNINGS

1 50%

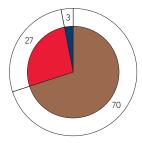
R2 929 million

(2020: R1 956 million)

SECTORAL COMPOSITION OF GROSS PORTFOLIO VALUE

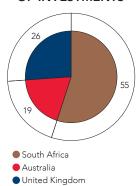


SECTORAL COMPOSITION OF NORMALISED EARNINGS

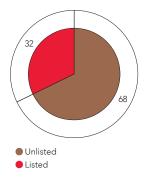


- Property and casualty
- Life insurance
- RMI Investment Managers and AlphaCode investments

GEOGRAPHIC REACH OF INVESTMENTS



LISTED/UNLISTED SOURCE OF NORMALISED EARNINGS



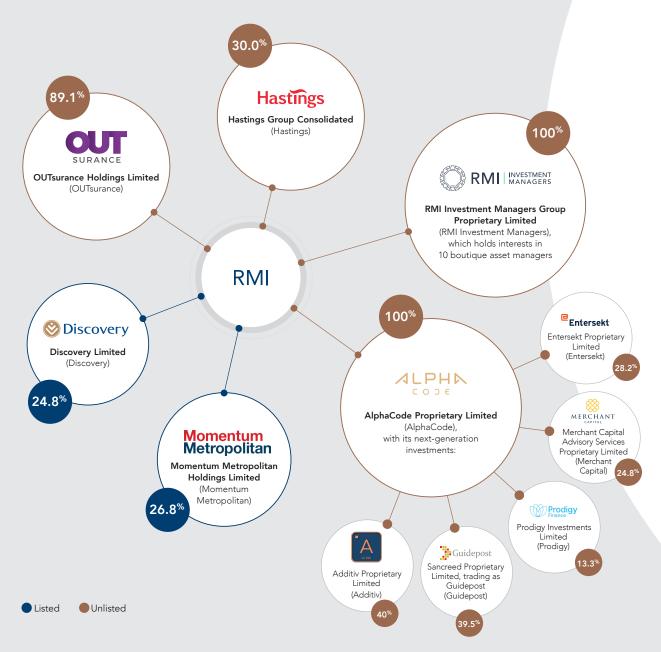
ABOUT RMI

RMI is an investment holding company listed on the JSE Limited (JSE) with a proud track record of investing in dynamic, disruptive financial services businesses, underpinned by our core values and culture of partnership, excellence, impact and creativity.

Sound management is an important investment criterion and operational autonomy and management independence is at the core of the RMI culture and investment methodology. The group's long-term performance has been achieved by partnering with exceptional management teams, encouraging the individuality to operate their businesses as owners.

As an active and responsible owner, RMI contributes to the development of responsible, competitive companies and enables growth and societal development. We practise active ownership through our participation in the boards and board committees of our investee companies and by engaging in ongoing dialogue with our investees.

RMI's portfolio comprises the following investments in financial services businesses:





RMI's effective interest in these group entities is different from the actual interest due to consolidation adjustments in respect of treasury shares. See ${\bf page~20}$.

RMI'S INVESTMENTS

RMI's significant investments as at 30 June 2021:

	SURANCE	Hastings	Objective Discovery	Momentum Metropolitan
Listed or unlisted	Unlisted	Unlisted	JSE-listed	JSE-listed
MARKET CAPITALISATION/ INTERNAL VALUATION (100%)	R39.1 billion ¹	R32.6 billion	R84.1 billion	R29.2 billion
RMI's INTEREST	89.1%	30.0%	24.8%	26.8%
RMI's RANKING AS SHAREHOLDER	1 st	2 nd	1 st	1 st
MARKET VALUE/ INTERNAL VALUATION OF RMI's INTEREST	R35.4 billion	R9.3 billion ²	R20.8 billion	R7.8 billion
SHARE OF RMI PORTFOLIO BASED ON MARKET/ INTERNAL VALUE	47%	12%	28%	11%
NORMALISED EARNINGS (100%)	R2 779 million	R2 066 million	R3 406 million	R1 007 million

¹ Excludes OUTsurance's stake in Hastings.

Represents RMI's effective stake in Hastings as RMI and OUTsurance hold 51% and 49% respectively of the group's 30% stake in Hastings (resulting in a 28.4% effective stake in Hastings belonging to RMI shareholders).

Unlisted investments

OUTsurance provides life- and property and casualty (P&C) insurance products in South Africa and P&C insurance products in Australia and Namibia.

It has a client-centric approach, providing value for money insurance solutions backed by world-class service. Premiums are calculated according to a client's unique risk profile. Clients who remain claim-free receive a cash OUTbonus, the reward system pioneered by OUTsurance in South Africa.

Youi is a sister P&C insurance company of OUTsurance that operates in Australia. It follows the same client-orientated approach that has made OUTsurance successful in South Africa and is underwritten by OUTsurance. Youi is primarily geared to selling insurance for cars, buildings, contents and business liability directly to consumers through an interactive website. It also operates a call centre to offer prospective and current clients professional personal advice.

Youi.Rewards is a loyalty bonus that rewards policyholders with a cash payout after being a client for three years and every three years thereafter, even if they claim.





Hastings is a technology-led challenger to traditional insurers in the United Kingdom (UK) car, van, bike and home insurance market. It is an expert in digital and price comparison distribution, and relies on high digitisation of the customer experience in order to drive client retention.

Hastings provides a simple financial model with low cost, stable and diversified underwriting and retail income and is a highly cash-generative business. It has more than three million live client policies and is a multi-award-winning business.

RMI holds the Hastings interest through Main Street 1353 Proprietary Limited (Main Street), an entity jointly owned by RMI and OUTsurance. The privatisation of Hastings in partnership with Sampo was completed in November 2020.





RMI Investment Managers is now in its fifth year of partnering with a select group of independent South African boutique asset management firms.

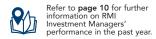
During December 2020, the business reached agreement to dispose of its 30% interest in Tantalum Capital to Laurium Capital. It continues to hold an economic interest in the merged entity through an agreed 24-month agterskot mechanism.

RMI Investment Managers and its shareholders recognise the importance of empowerment and playing a meaningful and active role in transforming the asset management industry in South Africa, through partnering and growing the next generation of significant investment management businesses. The strategic intent is therefore to solve for both distribution and empowerment through strategic partnerships with Momentum Metropolitan and Royal Bafokeng Holdings (RBH). Accordingly, agreement was reached with RBH to extend its empowerment partnership to a wider group of RMI Investment Managers' underlying affiliates. The business believes that this transaction will provide an important growth catalyst to its affiliates and assist them with becoming leading players in the South African asset management industry.

RMI Investment Managers has in the last financial year focused on expanding its asset class reach by supporting the expansion into new products by its affiliates, which enables the overall breadth of the affiliate stable to mature in a healthy, organic manner.

Royal Investment Managers is a joint venture between RMI Investment Managers and RBH.





AlphaCode identifies, partners and grows extraordinary next-generation financial services entrepreneurs. Its investments to date are:

- Entersekt, a leader in authentication app security and paymentsenablement technology, offering a highly scalable solution set, with a track record of success across multiple continents;
- Guidepost, a high-touch health and insurtech innovator that is poised for international growth;
- Merchant Capital, a provider of alternative sources of working capital for small and medium-sized enterprises in South Africa;
- Prodigy, an international fintech platform that offers loans to postgraduate students attending top universities; and
- Additiv, an accredited enterprise and supplier development vehicle, which facilitates business growth and provides seed funding to early-stage fintech (and related vertical) businesses. RMI was the seed investor in Additiv as part of its transformational objectives to support South Africa's entrepreneurial eco-system.

In September 2020, RMI sold its stake in **Luno** to a leading US cryptocurrency firm, Digital Currency Group. The exit was above the targeted internal rate of return of 25% to 35% for AlphaCode's fintech investments.

AlphaCode, through **Additiv**, is actively seeking to fund early-stage new and dynamic, sustainable and scalable business models in the South African financial services industry. It is committed to building a pipeline of next-generation financial services businesses and has launched a number of structured learning and mentorship programmes, including AlphaCode Incubate and AlphaCode Explore.





Refer to page 10 for further information on AlphaCode's performance in the past year.

Listed investments

Discovery is a pioneering market leader with uniquely-positioned businesses in the healthcare, life and non-life insurance, wellness, banking and financial services industries. It is listed on the JSE.

It operates in South Africa, the United Kingdom (UK), China, Singapore, Australia, Japan, Europe and the USA through various business lines.

Its innovative shared value business model incentivises people to be healthier and enhances and protects their lives. This model has demonstrated superior actuarial outcomes for the insurer and has driven behavioural changes that result in a healthier client base.





Refer to page 11 for further information on Discovery's performance in the past year.

Momentum Metropolitan is an insurance-focused financial services group which is listed on the JSE.

It operates primarily in South Africa, with insurance interests in select African countries, the UK (asset management) and India (health).

The core businesses of Momentum Metropolitan offer life and P&C insurance, asset management, savings, investment, healthcare administration and employee benefits. These product and service solutions are provided to all market segments through the Momentum and Metropolitan operating brands.





Refer to **page 12** for further information on Momentum Metropolitan's performance in the past year.

PROPOSED STRATEGIC RESTRUCTURE OF RMI

Proposed unbundling and rights issue

RMI shareholders are referred to the separate SENS announcement, released simultaneously with this results announcement.

RMI's strategy is focused on being an active shareholder to a portfolio of principally life and P&C insurance businesses, which have an entrepreneurial and aspirational culture. More recently, RMI has deliberately focused on evolving its geographic and earnings mix to become an international P&C-biased insurance investor. In line with the ongoing execution of this strategy and consistent with RMI's objective of continuing to maximise shareholder value via optimal corporate structures, shareholders are advised that the board of RMI has resolved to restructure RMI's portfolio.

The restructure comprises the following indivisible elements:

- The distribution of all the shares held by RMI in its two listed, life insurance-focused assets, Discovery and Momentum Metropolitan, to RMI shareholders; and
- An equity capital raise of up to R6.5 billion by way of a *pro rata* rights issue by RMI to optimise its capital structure.

The RMI board believes that this restructure:

- Provides structural alignment to RMI's evolved strategy by creating a focused P&C investment group with exposure to, and influence over, unlisted insurers in South Africa, Australia and the United Kingdom via OUTsurance, Youi and Hastings, respectively;
- Will create an efficient and agile corporate structure with regulatory robustness which optimises the capital structure and enhances the dividend yield; and
- Will unlock material shareholder value through a reduction in the discount at which RMI currently trades to its underlying intrinsic value.

History of our relationship with Discovery and Momentum Metropolitan

RMI's association with Discovery and Momentum Metropolitan (historically through our sister company RMH and prior to the separate listing of the group's insurance businesses in 2011, that created RMI) dates back to the early 1990s. The group acquired a controlling interest in Momentum in 1992 and also provided Adrian Gore and Barry Swartzberg with the seed funding and life insurance license to build Discovery in 1993.

Throughout this journey, RMI has achieved significant success with Discovery and Momentum Metropolitan by acting as the cornerstone shareholder, enjoying a close partnership with Adrian Gore, Barry Swartzberg and Hillie Meyer and their respective management teams and boards.

RMI believes that this approach has driven growth and innovation at Discovery and Momentum Metropolitan which has, in turn, created some of the most iconic financial services brands and products in South Africa and delivered strong financial returns. Discovery and Momentum Metropolitan have delivered approximately 308% and 115% total return respectively since RMI's listing in 2011.

Discovery and Momentum Metropolitan are well-established businesses under the stewardship of leading management teams and boards. Both businesses have demonstrated the resilience of their underlying operations over many years, particularly over the course of the devastating COVID-19 pandemic. The unbundlings will have no impact on the respective solvency positions of these businesses.

RMI is working with the management partners in these businesses to ensure a co-ordinated and managed process to enable the businesses to continue to focus on their core growth strategies, while providing more efficient ownership for RMI shareholders.

PERFORMANCE AND OUTLOOK

Post the restructure, RMI will continue to position itself as a strategic, active and value-adding specialised investor focused on the P&C insurance segment. RMI will build on its track record of investing in dynamic companies with unique and disruptive business models and working with its management partners on long-term strategy, capital allocation, incentive structures, orderly succession planning, facilitating M&A, investment in growth opportunities and fostering collaboration, where appropriate.

RMI's focus post the unbundling, will exhibit a preference for unlisted businesses that are not otherwise accessible to investors which, over time, should result in a market capitalisation more reflective of the underlying intrinsic value of the portfolio as its management partners are able to flexibly drive long-term strategic opportunities outside of public market constraints and investment horizons.

Any future investment by RMI will be assessed against its strategy, undertaken within its capital management framework and in line with its financial return requirements. Further detail on RMI's future growth strategy and these criteria will be provided prior to the completion of the restructuring.

External environment

Our operating model, investment decisions and the results of our underlying portfolio companies are influenced by exogenous factors in our external environment which are characterised by the following trends:

The COVID-19 pandemic

The COVID-19 pandemic worsened in recent months, as the Delta variant of the virus spread to more countries and the total number of infections and deaths soared.

Greater vaccine availability in some Western countries has raised hopes that renewed restrictions can be avoided. Health authorities and governments are, however, struggling to gain the cooperation of the wilfully unvaccinated. Meanwhile, in developing countries, vaccines are scarce and most populations are not properly protected.

Economic recovery

The International Monetary Fund (IMF) expects global economic growth to rebound to 5.5 % in 2021 and 4.2% in 2022, buoyed by additional policy stimulus and the continued roll-out of COVID-19 vaccines.

The effects of the latest COVID-19 wave on the global economy remain to be seen and measured. Economic data has been positive on the whole, as economies have reopened. Consumer confidence indicators strengthened globally, with retail spending approaching pre-pandemic levels. Manufacturing continues to lead the recovery, but lately services have been expanding too. Trade momentum continues, especially as supply bottlenecks continue to open.

Inflation is on the rise, stoked by renewed economic activity, government stimulus and residual supply dislocations from the pandemic restrictions in 2020. The consumer inflation rate is high and generally above the targets of central banks, except in the eurozone and China.

The prices of commodities and industrial metals are high compared to prices in the pre-pandemic period.

Official unemployment rates decreased in the eurozone.

In the financial markets, stock indexes in the US and Europe continue to set record-high marks. Volatility indices have maintained a downward trajectory in recent weeks. The US dollar gained against other currencies.

Recovery in South Africa

GDP contracted by 7.2% in 2020. The recovery will be slow, with the National Treasury predicting real economic growth of 3.3% for 2021 moderating to 2.2% in 2022. The economy suffered a further setback with the recent civil unrest and looting that took place in July 2021.

Although the economic recovery is expected to continue in 2021, output and employment are expected to remain well below pre-pandemic levels until 2023.

Ratings agencies affirmed South Africa's long-term sovereign credit rating at BB-, which is three notches below investment grade. Structural constraints, the slow pace of economic reforms and low vaccination rates will continue to constrain medium-term economic growth and limit South African's ability to contain the debt-to-GDP ratio.

Recovery in the United Kingdom

The Organisation for Economic Co-operation and Development (OECD) projects strong GDP growth of 7.2% in 2021 and 5.5% in 2022 as a large share of the population is vaccinated and restrictions to economic activity are progressively eased. Growth is driven by a rebound of consumption, notably of services. GDP is expected to return to its pre-pandemic level in early 2022. Increased border costs following the exit from the EU Single Market will, however, continue to weigh on foreign trade. Unemployment is expected to peak at the end of 2021 as the Coronavirus Job Retention Scheme is withdrawn. Inflation is set to increase due to past increases in commodity prices and strong GDP growth, but should remain below the 2% inflation target.

Recovery in Australia

The OECD projects GDP to grow by 5.1% in 2021 and 3.4% in 2022, driven by domestic demand. Confidence is high and labour demand is strong. Rising incomes and a declining savings rate will support consumption. The unemployment rate is expected to fall further. Until widespread vaccination is achieved, outbreaks may necessitate further restrictions.

Climate change

The threat to human life and economic activity posed by climate change is underscored by recent severe weather events: Extreme rainfall and destructive flooding struck Western Europe and central China, unusually damaging monsoon rains fell in India and the Philippines and severe drought and massive wildfires are gripping western North America. Climate scientists warn that these events will become more frequent and severe in the coming decade.

While the external environment is uncertain and poses significant downside risk, governments across the globe have deployed significant fiscal stimulus packages in an effort to support a turnaround in the global economy and resume economic growth.

We have confidence in the resilience of the South African people to overcome and we trust that, through partnership across sectors and groupings, we will see a turnaround in the South African economy going forward.

Overview of results

As outlined above, RMI's operating environment during the 2021 financial year was once again dominated by the COVID-19 pandemic, with elevated mortality experience materially impacting on the group's life insurance operations. Notwithstanding the adverse impact of COVID-19, the group delivered a strong overall operational performance, with pleasing growth in normalised earnings being achieved by OUTsurance and Hastings, its two large P&C investments. This, together with the positive impact of the lower interest rate environment on the group's funding costs and excellent performance by RMI Investment Managers, enabled the group to deliver a 15% increase in normalised earnings to R3.5 billion.



Normalised earnings, including **OUTsurance**'s stake in Hastings, increased by 15% to R2.8 billion. Excluding its share in Hastings, OUTsurance's normalised earnings increased by 14% to R2.5 billion, driven by strong equity market returns and an excellent 18% increase in gross written premiums to R20.6 billion.

Youi contributed most to the gross written premium growth due to good organic growth in the direct personal lines operation coupled with the positive contributions from the Youi CTP and Youi BZI initiatives.

OUTsurance's claims ratio increased from 51.1% to 51.7% due to the more restrictive lockdown conditions in the prior year, lower average premiums in the current year due to the impact of work-from-home patterns, an increase in the property claims ratio resulting from power surge and dip claims and increased geyser replacements due to colder weather conditions.

The cost-to-income ratio increased from 29.4% to 31.0%:

- In South Africa, this was mainly driven by the increase in size of the OUTsurance Broker distribution force over the course of the financial year; and
- In Australia, by the increased costs related to systems modernisation, increased regulatory and compliance costs and the start-up cost associated with Youi CTP and Youi B7I

As the second and third wave of the pandemic resulted in increased mortality experience, the life insurance segment remained a challenging environment. An additional R46 million in COVID-19-related provisions were raised in the 2021 financial year compared to R36 million in the prior year. Premium growth at **OUTsurance Life** was aided by the Shoprite partnership which commenced in May 2020.



Normalised earnings from ${\it Hastings}$ increased by 20% to R2.1 billion for the year ended 30 June 2021.

The claims ratio for the six months ended 30 June 2021 was 63.4%, compared to 75.6% in the comparative period. Claims frequencies increased from the lows in 2020 but remain below 2019 levels as a result of the ongoing pandemic.

Reserving caution continues to be applied as a result of increased pandemic-related uncertainty on bodily injury claims.

Gross written premiums decreased by 7% to £480.9 million compared to the comparative period of £514.9 million, with the reduction reflecting a mix change towards lower risk market segments.

Live customer policies increased by 4% year-on-year to 3.1 million policies with continued strong retention ratios and stable retail income. Home insurance policies increased by 27% to 300 000 in-force policies. New products, pricing models and sources of data have been added since 2021, laying the foundations for continued profitable growth.



RMI Investment Managers is largely in the consolidation phase of its business model evolution and has, therefore, focused its efforts on optimising the existing portfolio by truly partnering its boutique investment managers in a supportive but non-interfering manner.

Despite the extremely difficult operating environment, the affiliates managed to remain resilient during these turbulent times. Pleasingly, the diversified nature of the affiliate portfolio and asset classes represented, demonstrated its value and resulted in better than expected financial performance on the back of good assets under management (AUM) growth and strong performance fee earnings.

AUM increased by 24% (R32.9 billion) in 2021, reflecting the strong bull market in SA equities (up 25%), global equities (up 16%) and SA bonds (up 14%). Total net inflows across the portfolio amounted to R5 billion for the period, with R5.8 billion invested into retail portfolios, resulting in a 37% increase in total retail AUM (R51 billion at year-end), whereas alternative strategies (hedge fund and private equity) increased by 38% with R35 billion under management.

The **Royal Investment Managers** portfolio performed marginally below expectations, largely due to the difficult year where the impact of COVID-19 affected some businesses more than others. During the year, Royal Investment Managers finalised terms with Balondolozi Investment Services to convert its 30% equity stake acquired in December 2017 into a quasi-debt instrument on favourable terms.



The **AlphaCode** investments have delivered results in line with expectations, taking the impact of COVID-19 on the operating environment into account.

The investment portfolio performed well with a number of the businesses achieving significant milestones:

- Merchant Capital was named South Africa's best small business funder in the UK-based Wealth & Finance magazine's 2020 Fintech Awards;
- Entersekt was awarded 'Most Innovative Company in 2020' by Fast Company; and
- **Prodigy Finance** was named as one of the UK's top fintech companies by Traxn.com.



Discovery's normalised earnings decreased by 9% to R3.4 billion for the year ended 30 June 2021, mainly due to a negative R2.4 billion COVID-19-related impact on **Discovery Life** and pre-tax foreign currency losses of R389 million, compared to pre-tax foreign currency gains of R578 million included in the comparative year. Normalised profit from operations increased by 7% to R6.5 billion for the year under review.

- Discovery Health remained the largest contributor to this number with a 7% increase in normalised operating profit to R3.4 billion, driven by continued operational excellence, growth in lives and providing support to members and society;
- A successful execution of the management plan at VitalityLife contributed to a strong recovery in results with a contribution of R644 million to normalised profit from operations; and
- The loss incurred by **Discovery Bank** decreased by 7% to R1.1 billion. The focus
 remained on strong, high-quality client and deposit growth while deliberately
 pursuing a prudent, quality-focused credit strategy.

Overall, group new business annualised premium income increased by 11% to R21.3 billion and retention levels across the group were strong.

Despite its robust capital position and in line with the prior year, due to the continued uncertainty and potentially volatile economic environment caused by the COVID-19 pandemic, Discovery has not declared an ordinary final dividend for the period.

Discovery has announced that, in order to fund future growth prospects at **Ping An Health**, Ping An requires a capital raising. Discovery's contribution to this raising is approximately R1.5 billion. To the extent that Discovery funds this growth opportunity through equity rather than debt, RMI will support and intends to participate in such capital raising.

Momentum Metropolitan

Momentum Metropolitan recorded a 34% decrease in diluted normalised earnings to R1.0 billion for the year under review. This was largely attributable to the prolonged negative impact that COVID-19 had on mortality claims experience, including the anticipated impact of the ongoing third and possible fourth wave in the 2022 financial year. The group increased its COVID-19 provision by R2.2 billion in the 2021 financial year, of which R2.1 billion related to mortality. Together with a R702 million negative mortality variance, total mortality losses amounted to R2.8 billion.

The South African insurance businesses paid R10.7 billion in mortality claims (gross of reinsurance and tax) during the 2021 financial year, compared to an average of R5.6 billion per annum over the three years preceding the pandemic. Excluding the impact of COVID-19 on mortality, disability, termination and business interruption experience, as well as investment variances impacted by yield curve movements, the group's normalised earnings would have been R3.5 billion.

Investment returns increased by R934 million and were supported by the recovery of investment markets, fair value gains from the revaluation of the group's investment in venture capital funds and the recovery of previously written-off loans. This was partly offset by lower returns on the shareholder investment portfolio due to the lower short-dated interest rates compared to the comparative year.

The present value of new business premiums increased by 31% to R65.9 billion, driven by an excellent performance from **Momentum Investments** and **Metropolitan Life** which continued to deliver exceptional growth in protection new business throughout the year. The value of new business growth to R725 million was outstanding and was driven by strong new business volumes, excellent expense management across the group, a sustained focus on improving the quality of new business written and an improved mix towards higher margin products. This resulted in a significant improvement in new business margins from 0.6% to 1.1%.

Momentum Metropolitan has declared a final ordinary dividend of 15 cents per ordinary share. The total dividend for the 12 months ended 30 June 2021 is 40 cents per ordinary share, which is flat relative to the ordinary dividend declared in the prior period.



The **net funding and holding company costs** decreased by 19% to R597 million. This decrease is mainly due to the decline in the prime lending rate, with a significant portion of the funding still being at a variable rate. RMI has also reduced its spending on the AlphaCode initiative compared to the prior period and benefitted from the timing difference between the movement in the *IFRS 2* cash-settled share-based payment liability and the hedge against this liability.

Sources of normalised earnings

RMI regards normalised earnings as the appropriate basis to evaluate business performance as it eliminates the impact of non-recurring items and accounting anomalies. The total normalised earnings of RMI's investee companies for the year under review are listed in the table below:

For the year ended 30 June

R million	2021	2020	% change
OUTsurance (excluding Hastings)	2 535	2 218	14
OUTsurance (including Hastings)Hastings included in OUTsurance	2 779 (244)	2 411 (193)	15 26
Hastings RMI Investment Managers and	2 066	1 720	20
AlphaCode investments	142	(10)	>100
Discovery Momentum Metropolitan	3 406 1 007	3 747 1 521	(9) (34)

A detailed reconciliation between reported headline earnings and normalised earnings has been provided in the annual financial statements of the respective portfolio companies. The annual financial statements of these investee companies are available on their respective websites.

RMI's consolidated normalised earnings for the year under review are listed in the table below:

For the year ended 30 June

R million	2021	2020	% change
OUTsurance (excluding Hastings)	2 296	2 008	14
OUTsurance (including Hastings)Hastings included in OUTsurance	2 513 (217)	2 180 (172)	15 (26)
Hastings RMI Investment Managers and AlphaCode investments	585 142	486 (10)	20 >100
Discovery Momentum Metropolitan Funding and holding company costs	850 269 (597)	933 407 (738)	(9) (34) 19
Normalised earnings	3 545	3 086	15
Normalised earnings per share (cents)	231.4	201.5	15



A reconciliation of the adjustments made to headline earnings to derive normalised earnings is presented on page 23.

Market value of investments

The intrinsic value of RMI's portfolio increased by 19% during the year ended 30 June 2021. RMI's share price increased by 7% (2020: decreased by 14%), compared to a 9% increase in the life insurance index (2020: decreased by 26%) and a 3% decrease in the non-life insurance index (2020: decreased by 7%). RMI has delivered a total annual compound return to shareholders of 15.7% since its listing in March 2011.

The individual investment performances during the 2021 financial year are outlined below:

- The internal valuation of OUTsurance (excluding its stake in Hastings) increased by 11%;
- The internal valuation of RMI's effective stake in Hastings increased by 20%;
- The value of RMI's investments in RMI Investment Managers and AlphaCode investments increased by 6%;
- Discovery's share price increased by 21% (2020: decreased by 30%); and
- Momentum Metropolitan's share price increased by 11% (2020: decreased by 7%).

As at 30 June

R million	2021	2020	% change
Internal valuation of unlisted investments	46 295	41 223	12
OUTsurance (excluding Hastings) ¹ Hastings ² RMI Investment Managers and AlphaCode ³	35 429 9 258 1 608	32 024 7 684 1 515	11 20 6
Market value of listed investments	28 631	24 293	18
Discovery ⁴ Momentum Metropolitan ⁴	20 811 7 820	17 231 7 062	21 11
Gross value of portfolio Net liabilities of holding company ⁵	74 926 (8 485)	65 516 (9 808)	14 13
Net value of portfolio ⁶	66 441	55 708	19
Net value of portfolio per share (cents)	4 337	3 637	19

The valuations are based on:

- Based on an internal discounted cash flow management model that has been independently verified.
- A discounted cash flow valuation was performed as at 30 June 2021. The 30 June 2020 valuation represents the closing market price of Hastings on the London Stock Exchange (Hastings was subsequently delisted on 16 November 2020). The ZAR:GBP exchange rate as at year-end was used to translate the GBP valuation into ZAR.
- The investments in RMI Investment Managers and AlphaCode are shown at the internal management valuation. RMI sold its stake in Luno in September 2020, the proceeds of which are included in the net liabilities of the holding company.
- $^4\,\,$ Market capitalisation on 30 June 2021.
- The net liabilities of the holding company include all the liabilities and assets at holding company level other than the investments shown separately in the table above.
- ⁶ The information in the table above does not include a provision for CGT. The size of RMI's stakes in its underlying investee companies qualifies for certain tax exemptions when certain corporate actions are performed.

Events after the reporting period

On 20 September 2021, RMI announced its intention to unbundle its shareholdings in Discovery and Momentum Metropolitan. A consequence of the unbundling is that RMI will require an equity raise of up to R6.5 billion via a *pro rata* rights issue to optimise the capital structure.

Changes to the board of directors

There were no changes to the board of directors during the year ended 30 June 2021.

Final dividend for the 2021 financial year

After not paying a final dividend for the year ended 30 June 2020 due to the uncertainty caused by the impact of COVID-19, the board of RMI has decided to declare an interim dividend of 22.5 cents per share in March 2021 and a final dividend of 22.5 cents per share on 20 September 2021. The board believes RMI is adequately capitalised and that the group will be able to meet its obligations in the foreseeable future after payment of the final dividend.

The total dividend per ordinary share for the year of 45.0 cents (2020: 45.0 cents) is covered 5.1 times (2020: 4.5 times) by the normalised earnings of 231.4 cents (2020: 201.5 cents) per share.



Shareholders are referred to the dividend declaration on page 18 regarding the applicability of Dividend Withholding Tax to the ordinary dividend.

Outlook and future value creation



OUTsurance's world-class service proposition is enabled by the dedication of its employees, a business culture that strives for operational excellence with a pivotal focus on treating customers fairly. Customer complaint ratios continue to decline across all service interactions. OUTsurance again delivered the lowest Insurance Ombudsman complaint and overturned ratios of all the major insurers, a position it has held over the past six years.

Following a foundational year in 2021, **OUTsurance** and **Youi** are well-positioned to deliver on their growth ambitions, which are expected to deliver a strong growth cadence with improved profitability over the medium term.

At the core of OUTsurance's strategy is the incremental improvement of operational performance to deliver pricing discipline, a relentless focus on brand trust and awesome service outcomes. Its systems transformation journey will ensure its agility to grow its competitive positioning and respond actively to changing market dynamics.

OUTsurance will continue to invest in local growth and opportunities to deliver a world-class insurance service to the communities it serves.



Hastings continues to make good progress on its strategic initiatives, including:

- Improvements in customer service through systems enhancements, digital improvements and process and supplier changes, leading to continued high customer NPS scores;
- New products, pricing models and sources of data have been added during the first half of 2021, laying the foundations for continued profitable growth;
- New functionality continues to be added on its mobile app, supporting increased usage with customer engagement and feedback also remaining positive;
- Claims transformation initiatives continue to make good progress, including optimising and digitalising repair journeys for customers; and
- New internal home claims management capabilities are due to launch later in 2021.

Hastings is well-prepared for the recently introduced whiplash reforms, with early results being monitored closely, and the FCA's review of general insurance pricing practices, due to be implemented by the end of 2021.



RMI Investment Managers' view is that the portfolio is largely complete, however, they remain opportunistic and continue to explore the addition of affiliates to either solve for additional exposure or under-exposure in certain asset classes or to further add value to the portfolio.

The RMI Investment Managers team continues to actively engage in strategic dialogue with its affiliates with a focus on implementing its shareholder value map, which offers affiliates access to comprehensive strategic support including operational, governance and financial support, succession planning, talent management and board representation. In addition, the team continues to play a strategic advisory role in helping its affiliates raise retail assets and foster meaningful and trusted client relationships. Many of the affiliates have also benefited from marketing support provided by the team. This has enabled the affiliates to expand their branding, marketing and public relations efforts in order to enhance their brand presence and credibility in the market.

RMI Investment Managers will ensure that its reputation as a trusted, value-adding but non-interfering shareholder of choice for the independent asset management industry remains a core philosophy. The team and its partners in Momentum Metropolitan and RBH remain excited and committed to working with its affiliates to support their growth to scale.



AlphaCode identifies, partners and grows the next-generation of financial services entrepreneurs through incubation, acceleration, collaboration and investment. The entry-level programme, AlphaCode Explore, hosted numerous virtual events and workshops, connecting entrepreneurs with global partners who provide enabling infrastructure, investment expertise and a peer network. The AlphaCode Incubate programme continues to go from strength to strength with the 10 businesses on the programme experiencing more than 50% revenue growth since the beginning of the year and they have created 22 new jobs between them. We continue to be impressed with the resilience and innovative thinking displayed by South Africa's entrepreneurial talent.

AlphaCode has recognised the need for very-early-stage and seed funding in the South African entrepreneurial landscape and has launched its maiden seed fund. The fund is a fully-accredited Enterprise Supplier Development beneficiary and will provide funding of R1 to 2 million for early-stage financial services (and related) entrepreneurs. The fund works closely with the Incubate programme which offers an exciting pipeline of start-ups and provides a proven base of mentor and entrepreneurial support to investees.

As part of the mandate of investing in disruptive, innovative financial services businesses, AlphaCode grew its investment portfolio by deploying additional equity funding into one of its existing investee companies, **Prodigy Finance**. Prodigy is a lending platform that provides education loans to international post-graduate students at the world's leading universities. Prodigy has facilitated over \$1 billion in loans and recently launched its maiden securitisation, which was heavily oversubscribed, which is a testament to the quality of the business.

All the businesses in the portfolio are on a path to profitability and have strong growth prospects for the upcoming financial year.



Discovery's business model has proven to be highly relevant during the COVID-19 pandemic and the consolidating trends are likely to accentuate this relevance going forward. It is confident in its ability to capitalise on emerging opportunities and Discovery's Shared-value Insurance model positions it well to deliver continued growth and operational resilience despite the challenging macro environment.

Discovery Life has provided for the expected future mortality impacts of COVID-19 given the expected retail claims. Group life provisions have been made up to the next policy renewal date to the extent that existing contracts are deemed to be onerous. The effect of continued interest rate and currency volatility in South Africa is expected to remain a feature of the reported results.

Discovery is considering an additional capital contribution for **Ping An Health** and intends to follow its rights in this regard, given the excellent long-term prospects for private healthcare and private health insurance in China.

Momentum Metropolitan

Momentum Metropolitan continues to improve its market share in most market segments. The Reset and Grow strategy, which was the cornerstone of the operational turnaround evident in its results over the past three years, has now come to an end. The group is in a significantly healthier position and has built a foundation and capabilities that improved its competitive position and created a strong foundation from where it can continue to grow.

It launched its Reinvent and Grow strategy for the next three years, indicating its intent. The key elements of the Reinvent and Grow strategy include:

- Significant focus on an investment in digital initiatives to generate efficiencies and to improve the ease of doing business for its clients and advisers;
- Further focus and growth of existing distribution channels, complimented by the development of alternative distribution opportunities
- Targeting normalised headline earnings for the group of between R4.6 to 5.0 billion by 2024;
- Dynamic and disciplined management of group capital, with the objective of improving the return on equity to 18% to 20% by 2024.

Considering the uncertainty in the operating environment, it would be inappropriate to provide firm guidance on near-term earnings expectations.

Momentum Metropolitan is navigating through this challenging period with a strong solvency position and with sufficient liquidity to withstand impacts from the continuously evolving environment. It will continue to selectively invest in its core operations to take advantage of the opportunities for growth brought about by the current crisis.

Appreciation

We express our appreciation for the ongoing commitment of all our stakeholders in navigating the COVID-19 pandemic and subsequent recovery. We are confident that our updated strategy of focus, collaborate and grow will enable RMI to continue to deliver value in the short, medium and long term.

Jannie Durand

Chairman

Rosebank 20 September 2021 **Herman Bosman**Chief executive officer



CASH DIVIDEND DECLARATION

Notice is hereby given that a gross final cash dividend of 22.5 cents per ordinary share, payable out of income reserves, was declared on 20 September 2021 in respect of the year ended 30 June 2021.

The dividend will be subject to Dividend Withholding Tax at a rate of 20%, which will result in a net dividend of 18.0 cents per ordinary share for those shareholders who are not exempt.

The company's tax reference number is 9469/826/16/9. Its issued share capital at the declaration date comprises 1 531 807 770 ordinary shares.

Shareholders' attention is drawn to the following important dates:

- Last day to trade in order to participate in this dividend will be Tuesday, 19 October 2021.
- Shares commence trading ex-dividend on Wednesday, 20 October 2021.
- The record date for the dividend payment will be Friday, 22 October 2021.
- Dividend payment date will be on Monday, 25 October 2021.

No dematerialisation or rematerialisation of share certificates may be done between Wednesday, 20 October 2021 and Friday, 22 October 2021 (both days inclusive).

By order of the RMI board.

Schalk Human

Company secretary

Rosebank

20 September 2021

FINANCIAL REVIEW

Basis of presentation of results

The summary consolidated financial statements contained in this booklet are prepared in accordance with the JSE Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

This report is prepared in accordance with:

- The framework concepts and the recognition and measurement requirements of International Financial Reporting Standards (IFRS), including interpretations issued by the IFRS Interpretations Committee;
- Financial Reporting Pronouncements as issued by Financial Reporting Standards Council:
- SAICA Financial Reporting Guide as issued by the Accounting Practices Committee; and
- As a minimum, the information required by IAS 34: Interim Financial Reporting.

The directors take full responsibility and confirm that this information has been correctly extracted from the audited consolidated annual financial statements from which the summary consolidated financial statements were derived.

Accounting policies

These summary results incorporate accounting policies that are consistent with those used in preparing the financial results for the previous financial year.

The audited consolidated annual financial statements, from which these summary consolidated financial statements are extracted, are prepared in accordance with the going concern principle under the historical cost basis, as modified by the fair value accounting of certain assets and liabilities, where required or permitted by IFRS.

No new or amended IFRS became effective for the year ended 30 June 2021 that impacted the group's reported earnings, financial position, reserves or accounting policies.

Auditor's report

The auditor also expressed an unmodified opinion on the consolidated annual financial statements from which the summary consolidated financial statements were derived. Unless the financial information in this booklet is specifically stated as audited, it should be assumed to be unaudited.

A copy of the auditor's report on the consolidated annual financial statements is available for inspection at RMI's registered office, 12th Floor, The Bank, corner of Tyrwhitt and Cradock avenues, Rosebank, together with the financial statements identified in the auditor's reports.

The auditor's report does not necessarily report on all of the information contained in these summary consolidated financial statements. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should review the auditor's report together with the accompanying financial information from the issuer's registered office.

The forward-looking information has not been commented or reported on by the group's external auditor. RMI's board of directors takes full responsibility for the preparation of this booklet.

Normalised results

RMI believes that normalised earnings more accurately reflect operational performance.

Headline earnings in terms of Circular 4/2018: Headline Earnings are adjusted to exclude non-operational items and accounting anomalies.



A reconciliation between headline earnings and normalised earnings is provided on page 23.

Effective interest

RMI's effective interest in the group entities is different from the actual holdings as a result of the following consolidation adjustments:

- Treasury shares held by group entities;
- Shares held by consolidated share incentive trusts;
- 'Deemed' treasury shares arising from broad-based black economic empowerment (B-BBEE) transactions entered into; and
- 'Deemed' treasury shares held by policyholders and mutual funds managed by them.

The effective interest held by RMI can be compared to the actual interest in the statutory issued share capital of the companies as follows:

	As at 30 June 2021		1 As at 30 June 202	
Audited	Effective	Actual	Effective	Actual
OUTsurance	90.6%	89.1%	91.1%	89.1%
Hastings Group Consolidated	30.0%	30.0%	_	_
Hastings Group Holdings	_	_	29.7%	29.7%
Discovery	25.1%	24.8%	25.1%	25.0%
Momentum Metropolitan	28.2%	26.8%	27.7%	27.3%
RMI Investment Managers	100.0%	100.0%	100.0%	100.0%
Merchant Capital	24.8%	24.8%	24.8%	24.8%
Entersekt	28.2%	28.2%	28.2%	28.2%
Guidepost	39.5%	39.5%	25.1%	25.1%

SUMMARY CONSOLIDATED INCOME STATEMENT

Audited R million	2021	2020	% change
Gross insurance premiums Less: Reinsurance premiums	20 570 (1 658)	17 349 (774)	19
Net insurance premiums Gross change in provision for unearned premiums Reinsurance relating to provision for unearned premiums	18 912 (1 043) 182	16 575 (452) 30	14
Net insurance premiums earned Fee and other income Investment income Interest income on financial assets using the effective interest rate method Realised losses Net fair value gains/(losses) on financial assets Expected credit losses on financial assets	18 051 85 152 333 (6) 406 (2)	16 153 64 252 458 – (421) (20)	12
Net income Gross claims paid Reinsurance recoveries received Provision for non-claims bonuses Transfer to policyholder liabilities under insurance contracts Acquisition expenses Fair value adjustment to financial liabilities Marketing and administration expenses	19 019 (10 019) 1 276 (509) (249) - (140) (5 598)	16 486 (9 310) 1 664 (500) (34) (41) (139) (4 859)	15
Profit before finance costs, results of associates and taxation Finance costs Share of after-taxation results of associates	3 780 (626) 1 207	3 267 (689) 259	16
Profit before taxation Taxation	4 361 (1 139)	2 837 (1 031)	54
Profit for the year from continuing operations Profit for the year from discontinued operations	3 222 -	1 806 104	78
Profit for the year	3 222	1 910	69
Attributable to: Equity holders of the company Non-controlling interests	2 893 329	1 592 318	82 3
Profit for the year	3 222	1 910	69
Earnings per share Diluted earnings per share	189.2 188.5	104.1 102.7	82 84

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Audited R million	2021	2020	% change
Profit for the year	3 222	1 910	69
Other comprehensive income for the year			
Exchange differences on translation of foreign operations ¹	(502)	731	
Fair value losses on other comprehensive income financial instruments ²	(67)	(134)	
Deferred tax on fair value losses on other comprehensive income			
financial instruments	_	3	
Share of comprehensive (loss)/income of associates	(761)	1 159	
Items that may subsequently be reclassified to profit or loss, after taxation	(901)	1 548	
Movement in liabilities accounted for as net investment hedge ¹	215	(460)	
Items that will not be reclassified to profit or loss, after taxation	(75)	71	
Other comprehensive (loss)/income for the year	(1 330)	1 759	
Total comprehensive income for the year	1 892	3 669	(48)
Attributable to:			
Equity holders of the company	1 682	3 175	(47)
Non-controlling interests	210	494	(57)
Total comprehensive income for the year	1 892	3 669	(48)

¹ This amount may subsequently be reclassified to profit or loss.

^{2 (}R75 million) of this amount (2020: (R94 million)) may subsequently be reclassified to profit or loss and R8 million of this amount (2020: (R40 million)) will not be reclassified to profit or loss.

COMPUTATION OF HEADLINE EARNINGS

FOR THE YEAR ENDED 30 JUNE

Audited R million	2021	2020	% change
Earnings attributable to equity holders	2 893	1 592	82
Adjustment for:			
Impairment of intangible assets by associates	138	192	
(Gain)/loss on dilution and disposal of equity accounted investments	(84)	62	
Profit on sale of subsidiary	(41)	(111)	
Derecognition of intangible assets and property and equipment	10	38	
Adjustments within equity accounted earnings	9	_	
Loss on disposal of property and equipment	4	1	
FCTR reversal on sale of foreign subsidiary	(4)	12	
Impairment of owner-occupied building to below cost	3	152	
Loss on dilution of joint venture	1	_	
Impairment relating to held for sale entities	_	14	
Impairment of goodwill	_	2	
Loss on step-up of joint venture	-	2	
Headline earnings attributable to equity holders	2 929	1 956	50

COMPUTATION OF NORMALISED EARNINGS

R million	2021	2020	% change
Headline earnings attributable to equity holders RMI's share of normalised adjustments made by associates	2 929 610	1 956 1 153	50
Amortisation of intangible assets relating to business combinations Restructuring costs	289 219	305 20	
Economic assumption adjustments net of discretionary margin and interest rate derivative Unrealised losses/(gains) on foreign exchange contracts not designated as a hedge	95 54	897 (47)	
Deferred tax raised on assessed losses Time value of money movement of swap contract in VitalityLife	(38)	(69) 24	
Adjustments for iSabelo B-BBEE cost	11 7	- -	
Transaction costs related to VitalityLife interest rate derivatives Initial expenses related to Prudential Book transfer	1 –	9 14	
Group treasury shares	6	(23)	
Normalised earnings attributable to equity holders	3 545	3 086	15

COMPUTATION OF EARNINGS AND DIVIDEND PER SHARE

FOR THE YEAR ENDED 30 JUNE

2 893 2 929	1 592	82
2 929		
	1 956	50
1 532 1 529	1 532 1 529	
189.2 188.5 191.6 190.9	104.1 102.7 127.9 126.2	82 84 50 51
189.2 188.5 191.6 190.9	98.9 97.5 127.8 126.1	91 93 50 51
22.5 22.5	45.0	(50) >100
	189.2 188.5 191.6 190.9 189.2 188.5 191.6 190.9	189.2 104.1 188.5 102.7 191.6 127.9 190.9 126.2 189.2 98.9 188.5 97.5 191.6 127.8 190.9 126.1 22.5 45.0 22.5 —

COMPUTATION OF NORMALISED EARNINGS PER SHARE

R million	2021	2020	% change
Normalised earnings attributable to equity holders	3 545	3 086	15
Number of shares in issue (millions) Weighted average number of shares in issue (millions)	1 532	1 532	_
	1 532	1 532	_
Continuing and discontinued operations Normalised earnings per share (cents) Diluted normalised earnings per share (cents)	231.4	201.5	15
	231.1	199.9	16
Continuing operations Normalised earnings per share (cents) Diluted normalised earnings per share (cents)	231.4	201.4	15
	231.1	199.8	16

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE

A Decide		
Audited R million	2021	2020
Killinon	2021	2020
ASSETS		
Property and equipment	1 056	1 160
Intangible assets	213	117
Right-of-use assets	104	83
Investments in associates	29 301	29 288
Financial assets		
– Equity securities		
– fair value through profit or loss	1 741	1 563
– fair value through other comprehensive income	365	464
– Debt securities		
– fair value through profit or loss	3 090	1 323
– fair value through other comprehensive income	3 338	3 205
– amortised cost	6 122	6 089
– Derivative asset	133	_
Insurance and other receivables	3 803	3 546
Deferred acquisition cost	513	463
Reinsurance contracts	1 140	1 338
Deferred taxation	502	304
Taxation	25	24
Cash and cash equivalents	2 618	2 414
Total assets	54 064	51 381
EQUITY		
Share capital and premium	15 353	15 342
Reserves	11 885	10 506
T. I.I. I. II. I. I.	07.000	05.040
Total shareholders' equity	27 238	25 848
Non-controlling interests	1 776	1 697
Total equity	29 014	27 545
LIABILITIES		
Financial liabilities		
– Preference shares	11 514	9 514
- Interest-bearing loans	_	2 242
– Financial liabilities at fair value through profit or loss	125	104
– Derivative liability	130	283
– Investment contracts at fair value through profit or loss	37	24
Lease liabilities	118	89
Share-based payment liability	258	121
Employee benefit liability	237	191
Deferred taxation	270	76
Insurance and other payables	1 909	1 518
Insurance contracts	10 311	9 601
Taxation	141	73
Total liabilities	25 050	23 836
Total equity and liabilities	54 064	51 381

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Audited R million	Share capital	Equity accounted reserves	Transac- tions with non- controlling interests	Other reserves	Retained earnings	Non- controlling interests	Total equity
Balance as at 30 June 2019	15 359	7 089	(3 637)	275	5 435	1 602	26 123
Profit for the year	_	_	_	_	1 592	318	1 910
Other comprehensive income	_	1 146	_	437	_	176	1 759
Dividends paid	_	_	_	_	(1 685)	(315)	(2 000)
Income of associate companies retained	_	(828)	_	_	828	_	_
Movement in treasury shares	(17)	(1)	_	_	_	_	(18)
Transactions with non-controlling interest	_	(5)	(219)	_	(1)	(98)	(323)
Issue of share capital to non-controlling interests							
by subsidiaries	_	-	_	_	_	11	11
Share-based payment reserve	_	31	_	4	3	1	39
Share of equity financial instrument				11		1	12
Reserve adjustment of associates	_	31	_	-	_	1	32
,						·	
Balance as at 30 June 2020	15 342	7 463	(3 856)	727	6 172	1 697	27 545
Profit for the year	-	(755)	_	(457)	2 893	329	3 222
Other comprehensive income	-	(755)	-	(456)	- (24E)	(119)	(1 330)
Dividends paid	_	_	-	_	(345)	(226)	(571)
Income of associate companies retained	_	651	_	_	(651)	_	_
Movement in treasury shares	11	(1)	_	_	-	(10)	_
Transactions with non-controlling		· · /				(10)	
interest	_	3	(76)	_	(2)	54	(21)
Issue of share capital to non-controlling interests							
by subsidiaries	_	_	_	_	_	50	50
Share-based payment reserve	_	83	_	2	7	1	93
Share of equity financial							
instrument	-	-	-	5	-	-	5
Conversion of equity financial							
instrument	-	-	-	(6)	-	-	(6)
Sale of financial assets through				(47)	47		
other comprehensive income Reserve adjustment of associates	_	- 59	_	(47)	(32)	_	- 27
					(32)		
Balance as at 30 June 2021	15 353	7 503	(3 932)	225	8 089	1 776	29 014

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

Audited R million	2021	2020
KIMMON	2021	2020
Cash flows from operating activities		
Cash generated from operations	4 424	3 188
Interest income	308	537
Dividends received	653	1 236
Cash flows on assets backing policyholder liabilities	(244)	(201)
Purchase of financial assets	(7 986)	(7 935)
Proceeds on disposal of financial assets	7 558	8 020
Income tax paid	(1 116)	(936)
Net cash generated from operating activities	3 597	3 909
Cash flows from investing activities		
Purchase of property and equipment	(81)	(98)
Disposal of property and equipment	1	3
Purchase of financial assets	(3 112)	(519)
Proceeds on disposal of financial assets	1 395	124
Proceeds from sale of New Zealand insurance business	_	78
Additional acquisition of associates	(226)	(127)
Disposal of associate	11	_
Net cash outflow from investing activities	(2 012)	(539)
Cash flows from financing activities		
Proceeds from the issue of preference share debt	2 000	934
Borrowings repaid	(2 108)	(935)
Borrowings raised	_	100
Repayment of lease liability	(41)	(37)
Cost of funding	(68)	(80)
Dividends paid on preference shares in issue	(560)	(612)
Dividends paid by subsidiaries to non-controlling interests	(226)	(315)
Cash dividends paid to shareholders	(345)	(1 685)
Proceeds on issue of shares to non-controlling interest	40	11
Net cash outflow from financing activities	(1 308)	(2 619)
Net increase in cash and cash equivalents for the year	277	751
Unrealised foreign currency translation adjustment on cash and cash equivalents	(73)	61
Cash and cash equivalents at the beginning of the year	2 414	1 602
Cash and cash equivalents at the end of the year	2 618	2 414

SEGMENTAL REPORT

The segmental analysis is based on the management accounts prepared for the group.

and the second s						
Audited	O.L.T		5.	Momentum	0.1 4	50.00
R million	OUTsurance	Hastings	Discovery	Metropolitan	Other ¹	RMI
Year ended 30 June 2021						
Net income	18 568	_	_	_	75	18 643
Interest received	284	_	_	_	92	376
Policyholder benefits and transfer	20.				/-	0,0
to policyholder liabilities	(9 501)	_	_	_	_	(9 501)
Depreciation	(129)	_	_	_	(7)	(136)
Amortisation	(20)	_	_	_	_	(20)
Other expenses	(5 302)	_	_	_	(140)	(5 442)
Finance costs	(9)	_	_	_	(617)	(626)
Fair value adjustment to financial						
liabilities	(140)	-	_	-	-	(140)
Share of after-tax results of						
associates	68	184	790	108	57	1 207
Profit/(loss) before taxation	3 819	184	790	108	(540)	4 361
Taxation	(1 115)	_	_	_	(24)	(1 139)
Profit/(loss) for the year	2 704	184	790	108	(564)	3 222
Hastings included in OUTsurance	(61)	61	-	-	-	-
Profit/(loss) for the year	2 643	245	790	108	(564)	3 222
Normalised earnings	2 779	341	850	269	(694)	3 545
Hastings included in OUTsurance	(244)	244	-	-	-	-
Normalised earnings	2 535	585	850	269	(694)	3 545
As at 30 June 2021						
Assets	20 853	_	_	_	3 697	24 550
Investments in associates	3 716	6 184	12 482	6 149	770	29 301
Intangible assets	213	_	_	-	-	213
Total assets	24 782	6 184	12 482	6 149	4 467	54 064
Hastings included in OUTsurance	(3 627)	3 627	-	-	-	-
Total assets	21 155	9 811	12 482	6 149	4 467	54 064
Total liabilities	13 186	_	-	-	11 864	25 050

¹ Other includes RMI, RMI Investment Managers, Merchant Capital, Entersekt, Prodigy, Guidepost and consolidation entries.

Audited				Momentum		
R million	OUTsurance	Hastings	Discovery	Metropolitan	Other ¹	RMI
Year ended 30 June 2020						
Net income	16 405	_	_	_	81	16 486
Policyholder benefits and transfer to						
policyholder liabilities	(8 180)	_	_	_	_	(8 180)
Depreciation	(124)	_	_	_	(1)	(125)
Amortisation	(10)	_	_	_	_	(10)
Other expenses	(4 641)	_	_	_	(124)	(4 765)
Finance costs	(8)	_	_	_	(681)	(689)
Fair value adjustment to financial						
liabilities	(139)	_	_	_	_	(139)
Share of after-tax results of		201				0=0
associates	120	231	49	24	(165)	259
Profit/(loss) before taxation	3 423	231	49	24	(890)	2 837
Taxation	(988)	_	_	_	(43)	(1 031)
Profit/(loss) for the year from						
continuing operations	2 435	231	49	24	(933)	1 806
Profit for the year from discontinued						
operations	104	_	_	_	-	104
Profit/(loss) for the year	2 539	231	49	24	(933)	1 910
Hastings included in OUTsurance	(116)	116	_	_	-	-
Profit/(loss) for the year	2 423	347	49	24	(933)	1 910
Normalised earnings	2 411	293	933	407	(958)	3 086
Hastings included in OUTsurance	(193)	193	_	_	_	_
Normalised earnings	2 218	486	933	407	(958)	3 086
As at 30 June 2020						
Assets	19 462	_	_	_	2 514	21 976
Investments in associates	3 732	6 388	12 017	6 305	846	29 288
Intangible assets	117	_	_	_	_	117
Total assets	23 311	6 388	12 017	6 305	3 360	51 381
Hastings included in OUTsurance	(3 640)	3 640	_	_	_	_
Total assets	19 671	10 028	12 017	6 305	3 360	51 381
Total liabilities	11 825	-	-	_	12 011	23 836

 $^{1\} Other\ includes\ RMI,\ RMI\ Investment\ Managers,\ Merchant\ Capital,\ Entersekt,\ Prodigy,\ Guidepost,\ Luno\ and\ consolidation\ entries.$

GEOGRAPHICAL SEGMENTS

Audited	South		United	
R million	Africa	Australasia	Kingdom	RMI
Year ended 30 June 2021				
Net income	10 751	8 268	_	19 019
Policyholder benefits and transfer to policyholder liabilities	(5 074)	(4 427)	_	(9 501)
Other expenses	(3 585)	(2 779)	_	(6 364)
Share of after-tax results of associates	633	_	574	1 207
Profit before taxation	2 725	1 062	574	4 361
Taxation	(796)	(343)	-	(1 139)
Profit for the year	1 929	719	574	3 222
As at 30 June 2021				
Assets				
Property and equipment	364	692	_	1 056
Investments in associates	19 490	-	9 811	29 301
Financial assets	6 788	6 104	-	12 892
Other assets	3 977	6 838		10 815
Total assets	30 619	13 634	9 811	54 064
Liabilities				
Insurance contract liabilities	2 785	7 526	-	10 311
Other liabilities	12 825	1 914		14 739
Total liabilities	15 610	9 440		25 050
Year ended 30 June 2020				
Net income	9 475	7 011	_	16 486
Policyholder benefits and transfer to policyholder liabilities	(4 454)	(3 726)	_	(8 180)
Other expenses	(3 413)	(2 315)	_	(5 728)
Share of after-tax results of associates	538		(279)	259
Profit/(loss) before taxation	2 146	970	(279)	2 837
Taxation	(742)	(289)	-	(1 031)
Profit/(loss) for the year from continuing operations	1 404	681	(279)	1 806
Profit for the year from discontinued operations	_	104	_	104
Profit/(loss) for the year	1 404	785	(279)	1 910
As at 30 June 2020	'			
Assets				
Property and equipment	336	824	_	1 160
Investments in associates	19 260	_	10 028	29 288
Financial assets	6 650	5 994	_	12 644
Other assets	2 263	6 026		8 289
Total assets	28 509	12 844	10 028	51 381
Liabilities				
Insurance contract liabilities	2 617	6 984	_	9 601
Other liabilities	10 471	1 621	2 143	14 235
Total liabilities	13 088	8 605	2 143	23 836

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE

Financial instruments measured at fair value

The table below analyses financial instruments carried at fair value by level in the fair value hierarchy. The different levels are based on the extent that observable prices and/or data are used in the calculation of the fair value of the financial instruments. These levels are defined as follows:

Level 1 – fair value is based on quoted market prices (unadjusted) in active markets for identical instruments as measured on the reporting date.

Level 2 – fair value is determined from inputs other than quoted prices that are observable for the asset or liability, either directly (for example prices) or indirectly (for example derived from prices).

Level 3 – fair value is determined from inputs for the asset or liability that are not based on observable market data.

The following table presents the group's financial assets and liabilities that are measured at fair value:

Audited R million	Level 1	Level 2	Level 3	Total carrying amount
As at 30 June 2021				
Financial assets				
Equity securities				
– Exchange traded funds	952	253	_	1 205
– Listed preference shares	310	_	_	310
 Collective investment schemes 	_	135	_	135
– Listed equity securities	81	-	_	81
– Unlisted equity securities	_	_	375	375
Debt securities				
- Unsecured loans	_	18	47	65
– Zero-coupon deposits	_	708	_	708
– Convertible Ioan	_	-	13	13
– Government, municipal and public utility securities	_	260	_	260
– Money market securities	_	4 995	_	4 995
– Other debt securities at fair value through profit or loss	_	37	372	409
Derivative assets	-	133	-	133
Total financial assets recognised at fair value	1 343	6 539	807	8 689
Financial liabilities				
Financial liabilities at fair value through profit or loss	_	_	125	125
Investment contract liability	-	37	_	37
Derivative liability	-	130	-	130
Total financial liabilities recognised at fair value	-	167	125	292

R million	2021	2020
Reconciliation of movement in Level 3 assets		
Balance at the beginning of the year	912	696
Additions in the current year	90	396
Disposals (sales and redemptions)	(118)	(46)
Fair value movement	(77)	(134)
Balance at the end of the year	807	912
The Level 3 financial assets at fair value through profit or loss represent loans and preference share investments, the value of which is not significantly sensitive to an increase or decrease in the counterparty credit rating due to the collateralised nature of the transaction.		
Reconciliation of movement in Level 3 liabilities		
Balance at the beginning of the year	104	104
Preference dividends charged to profit or loss	140	139
Preference dividends paid	(119)	(139)
Balance at the end of the year	125	104

The Level 3 financial liabilities at fair value through profit or loss represent profits arising out of profit-sharing arrangements on ring-fenced insurance business that accrue on a monthly basis.

Audited				Total carrying
R million	Level 1	Level 2	Level 3	amount
As at 30 June 2020				
Financial assets				
Equity securities				
– Exchange traded funds	1 023	_	_	1 023
– Listed preference shares	303	_	_	303
- Collective investment schemes	_	114	_	114
– Listed equity securities	112	_	_	112
– Unlisted equity securities	_	_	475	475
Debt securities				
- Unsecured loans	_	18	42	60
– Zero-coupon deposits	_	858	_	858
– Convertible loan	_	_	11	11
– Government, municipal and public utility securities	_	128	_	128
– Money market securities	_	3 077	_	3 077
- Collective investment schemes	_	10	_	10
– Other debt securities at fair value through profit or loss	-	_	384	384
Total financial assets recognised at fair value	1 438	4 205	912	6 555
Financial liabilities				
Financial liabilities at fair value through profit or loss	_	_	104	104
Investment contract liability	_	24	_	24
Derivative liability	-	283	_	283
Total financial liabilities recognised at fair value	-	307	104	411

The fair values of the above instruments were determined as follows:

LEVEL 1

The fair value of financial instruments traded in an active market is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The listed preference share investments comprise instruments which are listed on a securities exchange. The fair values of these investments are calculated based on the quoted closing prices of the individual investments on reporting date. These instruments are included in Level 1 and comprise mainly equity and debt instruments classified as trading securities. The investment in the exchange traded funds track the performance of the top fifty companies listed on the JSE.

LEVEL 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are market observable, the instrument is included in Level 2.

Level 2 instruments comprise the following, with a description of their valuation techniques provided:

- Collective investment schemes: These instruments are fair valued monthly by multiplying the number of units held by the closing market price which is based on the most recently available observable inputs.
- Zero-coupon deposits: These instruments are not traded actively during a financial reporting period. The Group uses zero-coupon deposits to offset the interest rate risk inherent in some of the life insurance products underwritten by OUTsurance Life. The counterparties to these deposits are the large South African banks. The zero-coupon deposits have been structured to allow for the payment of the notional initial deposit to be spread over the specified term to enable cash flow matching. The maturity dates of the accreting zero-coupon deposits are long-term, with maturity dates at the various trading dates not exceeding 15 years. The fair values of the accreting zero-coupon deposits are determined monthly based on observable market inputs. To determine the fair values of the accreting zero-coupon deposits, a risk-free Swap Yield Curve produced every business day by the Johannesburg Securities Exchange is referenced. The instruments are designated at fair value through profit or loss, with both the interest accrual and fair value accounted for in profit or loss. The entire balance of the zero-coupon deposits is exposed to credit risk. The zero-coupon deposit has specifically remained classified as fair value through profit or loss under the 'accounting mismatch' rule as these financial assets have specifically been acquired to match the non-claims bonus portion of the policyholder liability.
- Government, municipal and public utility securities and money market securities: The fair value of money market instruments and government, municipal and public utility securities is determined based on observable market inputs. These instruments consist of fixed and floating rate notes held in segregated portfolios and are typically listed on the JSE Interest Rate Market. These listed instruments are not as actively traded as Level 1 instruments. The fair value of these instruments are determined by using market observable inputs. The fair value yield, term-to-maturity, coupon payments and maturity value are used to discount the expected cash flows of these instruments to their present value in determining the fair value at the financial year-end.
- Zero-coupon deposits backing endowment policies and the investment contract liability backing the asset: These
 instrument related a linked endowment policy. The fair value is based on the quoted interest rates provided in each
 contract. The Group is not the ultimate counterparty to these endowment policies but rather acts as an agent to the
 arrangement between the client and third party. As such the asset and liability are designed to set off against each
 other
- Interest rate swaps: These swap arrangements consists of fixed for floating instruments. The fixed leg is priced at a fixed percentage plus a contractually agreed basis point adjustment and the floating leg is priced at 3 month JIBAR.
- Collateralised swaps: The fair value of collateralised swap arrangement, whereby the R2 048 government bond serves as collateral and is the underlying, is determined in the same manner as other money market instruments described above.

• Forward exchange contracts: The group makes use of forward exchange contracts to reduce the impact of the currency risk contained in its open foreign currency exposure. The fair value of forward exchange contracts is determined using the difference between the spot closing exchange rate and the forward exchange rate at the statement of financial position date multiplied by the number of currency units purchased.

The group makes use of an interest rate swap as well as a collateralised swap arrangement to manage the interest rate risk contained in the non-bonus policyholder liability.

While the above instruments are not traded on an active market, the variable inputs relating to their valuation are readily available in the market place. The remaining inputs have been contractually agreed and are reflective of market related terms and conditions.

LEVEL 3

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3. The financial instruments at fair value through profit or loss represent the following:

- Unlisted equity: The fair of the equity investment is determined based on standard valuation techniques where the net asset value is a key input.
- Unsecured loan: This is a loan made to the ASISA Enterprise Development Fund to the value of R49 million. This loan relates to funding provided for a BBBEE supplier development scheme that the Group is partaking in. The loan has a five-year term with no contractual interest rate. In calculating the fair value of the loan at 30 June 2021, the interest rate attached to a risk-free government bond with a term based on the remaining contract period at the date of fair value measurement was utilised as the discount rate. This resulted in the value of R49 million being discounted at 5.33% (2020: 5.04%), arriving at a fair value of R44 million (2020: R42 million). This discount will unwind over the remaining maturity period.

The fair value of the loan is sensitive to movements in the interest rate of the risk-free government bond utilised in the calculation. A 1% movement in the interest rate would result in the following fair value being recognised at 30 June 2021:

R million	Current	1% increase in interest rate	1% decrease in interest rate
30 June 2021 Fair value	44	43	45
30 June 2020 Fair value	42	41	44

• Convertible loan: The loan with AutoGuru Australia Pty Limited (AutoGuru). The only significant unobservable inputs in the calculation are the market value of the AutoGuru shares, as this is an unlisted private company, and the underlying interest rate. Due to the fact that the loan is convertible into shares of AutoGuru, it exposes the Group to equity price risk. As a result of the absence of quoted prices for the shares when the convertible bond was issued it fails the SPPI criteria, therefore the loan is designated as fair value through profit or loss.

R million	Current	1% increase in interest rate	1% decrease in interest rate
30 June 2021 Fair value	13	14	13
30 June 2020 Fair value	11	11	11

The fair value is determined based on a present value calculation taking into account the term to maturity, underlying interest rate and the share price of AutoGuru. The fair value of R13 million (2020: R11 million) at 30 June 2021 is derived from an interest rate of 6.6% (2020: 6.7%). This interest rate has been contractually agreed and is adjusted for the prevailing BBSR applicable at valuation date. A 1% movement in the interest rate would result in the following fair value being recognised at 30 June 2021:

- For other debt securities through profit or loss a discounted cash flow valuation was used.
- Financial liabilities at fair value through profit and loss: A specific valuation technique is used to value this Level 3 financial instrument which represents an accrued profit related to the FirstRand Limited Homeowners profit sharing arrangement.

Profits arising out of the profit-sharing arrangements that accrue on a monthly basis and which are distributed as preference dividends bi-annually to FirstRand Limited Group. The only significant unobservable input in the calculation of the preference dividend is the historic profit of the profit-sharing arrangements and there are no other inputs that determine the value of these instruments. Should the profit of the profit-sharing arrangement increase or decrease by 10%, for instance, the preference dividend will also increase or decrease by 10%.

No assumptions or adjustments or any other inputs are made to the profits before or after distribution. Distribution of the profits arising are made in the form of preference dividends.

The profit or loss of these profit-sharing arrangements is sensitive to:

- claims ratio of the pool of business;
- expense ratio of the pool of business; and
- investment income on this pool of business.

Discontinued operations

On 25 September 2019, OUTsurance Holdings Limited agreed to transfer the New Zealand insurance portfolio business to Tower Insurance Limited, New Zealand's third largest general insurer, for a consideration of N\$12.6 million. Following regulatory approval by the Reserve Bank of New Zealand, the transfer was effected on 31 December 2019.

The insurance business was not previously classified as held for sale or as a discontinued operation. The comparative consolidated income statement has been represented to show the discontinued operation separately from continuing operations.

The sale provides an opportunity for Youi to unlock value on favourable terms and, going forward, will allow the Youi group to focus on its Australian business where the greater scale and diversity of the market offers more growth opportunities for a challenger brand like Youi.

Audited R million	2020
Income statement	
Gross insurance premium	106
Outward reinsurance premiums	(89)
Net premiums	17
Change in provision for unearned premiums	8
Earned premiums, net of reinsurance	25
Commission income	33
Interest income on financial assets using the effective interest rate method	1
Income	59
Policyholder benefits on insurance contract net of reinsurance	(14)
Gross policyholder benefits under insurance contract	(54)
Reinsurers' share of insurance contract claims	40
Marketing and administration expenses	(44)
Result of operating activities	1
Profit on sale of business unit	103
Net profit for the year from discontinued operations	104

There were no items that affected other comprehensive income and therefore the reconciliation of other comprehensive income has not been disclosed.

Carrying value amounts of assets and liabilities as at date of sale were:

R million	2019
Statement of financial position	
Assets	
Reinsurance share of insurance contract provisions	23
Financial assets – Amortised cost	42
Insurance and other receivables	92
Total assets	157
Liabilities	
Insurance contract liabilities	145
Insurance and other payables	12
Total liabilities	157

Contingencies and commitments

The purchase agreement between RMI and Merchant Capital Advisory Services Proprietary Limited (Merchant Capital) stipulates that RMI would be a debt and equity investor that comprise the following:

- RMI acquired a 25.1% equity stake in Merchant Capital in September 2015.
- A junior loan facility to Merchant Capital of not more than R9 228 000.
- A senior loan facility to Merchant Capital of not more than R200 000 000.

The long-term growth from the equity investment in Merchant Capital is expected to offset the cost of debt to Merchant Capital.

As at 30 June 2021, R95 million of the senior loan facility and R5 million of the junior loan facility has been issued to Merchant Capital.

RMI guarantees a liability of one of its associates, limited to a maximum amount of R28 million.

LEASE COMMITMENTS

The group had the following lease commitments as at 30 June 2021:

R million	2021	2020
Within 1 year	32	37
1 to 5 years	43	46
More than 5 years	43	6
Lease liability	118	89
Within 1 year	4	8
Short-term leases	4	8

Subsequent events

Proposed strategic restructure of RMI

On 20 September 2021, RMI announced its intention to unbundle its shareholdings in Discovery and Momentum Metropolitan. A consequence of the unbundling is that RMI will require an equity raise of up to R6.5 billion via a *pro rata* rights issue to optimise the capital structure. This is a non-adjusting event.

Dividend

RMI declared a dividend of 22.5 cents per share on 20 September 2021, payable on 25 October 2021. This is a non-adjusting event.

Acquisition of shares in Youi Holdings

The group has exercised its call option to purchase 109 375 000 Youi Holdings original shares from Howard Aron, a former executive of Youi Holdings. The option was exercised on 5 August 2021 and will be payable in October 2021. The strike price per share is A\$0.55 per share and fixed at R10.71 per Australian Dollar with an FEC instrument. The group's effective ownership in Youi Holdings will increase from 84.5% to 89.6% as a result of this transaction. The financial effect of this transaction will be the inclusion of a loss of R194 million being recorded in the transactions with non-controlling interests reserve in the statement of changes in equity. This is a non-adjusting event.

SHAREHOLDER INFORMATION

SHAREHOLDING

As at 30 June 2021

As at 30 June 2020

	Number of shareholders	Shares held (000's)	%	Number of shareholders	Shares held (000's)	%
Analysis of shareholding Financial Securities Limited (Remgro) Royal Bafokeng Holdings	1	469 449	30.6	1	469 449	30.6
Proprietary Limited	2	216 935	14.2	2	222 853	14.5
Public Investment Corporation	6	109 591	7.2	8	114 701	7.5
Allan Gray (on behalf of clients)	1	91 068	5.9	1	118 839	7.8
Total of shareholders holding more than 5% Other	10 25 059	887 043 644 765	57.9 42.1	12 27 888	925 842 605 966	60.4 39.6
Total	25 069	1 531 808	100.0	27 900	1 531 808	100.0
Shareholder type Corporates Unit trusts Pension funds Private investors Insurance companies and banks Other		686 384 262 529 168 090 41 040 53 489 320 276	44.8 17.1 11.0 2.7 3.5 20.9		692 302 250 330 173 178 44 636 45 033 326 329	45.2 16.4 11.3 2.9 2.9 21.3
Total		1 531 808	100.0		1 531 808	100.0
Public and non-public shareholders Public Non-public	25 059 10	753 769 778 039	49.2 50.8	27 890 10	747 851 783 957	48.8 51.2
CorporatesDirectors and associates	3 7	686 384 91 655	44.8 6.0	3 7	692 302 91 655	45.2 6.0
Total	25 069	1 531 808	100.0	27 900	1 531 808	100.0
Geographic ownership South Africa International		1 348 900 182 908	88.1 11.9		1 347 571 184 237	88.0 12.0
Total		1 531 808	100.0		1 531 808	100.0

The information above is extracted from the shareholder analysis provided by Orient Capital Limited.

PERFORMANCE ON THE JSE LIMITED

	2021	2020
Number of shares in issue (000's)	1 531 808	1 531 808
Market prices (cents per share)		
- Closing	3 134	2 920
– High	3 404	3 528
- Low	2 819	1 733
– Weighted average	3 111	2 793
Closing price/net asset value per share (times)	1.8	1.7
Closing price/headline earnings per share (times)	16.4	22.8
Volume of shares traded during the year (million)	517	460
Value of shares traded during the year (R million)	16 082	12 840
Market capitalisation at year-end (R million)	48 007	44 729

SHAREHOLDERS' DIARY

Reporting

Interim results for the 2022 financial year

Announcement for the six months ending 31 December 2021 Mid-March 2022

Final results for the 2022 financial year

Announcement for the year ending 30 June 2022

Posting of financial results and AGM notice

Annual general meeting

Mid-September 2022

End-October 2022

End-November 2022

Dividends

Interim dividend for the 2022 financial year

Declare Mid-March 2022
Payable Early April 2022

Final dividend for the 2022 financial year

Declare Mid-September 2022
Payable End-October 2022

NOTICE OF THE ANNUAL GENERAL MEETING

This document (which is available in English only) is important and requires your immediate attention. The action you need to take is set out in this notice. If you are in any doubt as to what action to take, please consult your broker, attorney or other professional advisor immediately.

Rand Merchant Investment Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 2010/005770/06 • JSE ordinary share code: RMI • ISIN code: ZAE000210688 (RMI or the company)

Notice is hereby given to the holders of ordinary shares in RMI (shareholders), in terms of section 62(3)(a) of the Companies Act, 71 of 2008 (Companies Act), that the eleventh annual general meeting of the ordinary shareholders of RMI will be held in the boardroom, 12th floor, The Bank, corner of Cradock and Tyrwhitt Avenues, Rosebank, 2196 on Wednesday, 24 November 2021 at 09:00 to consider and, if approved, pass the resolutions set out below, with or without modification, as well as such other matters as may be required to be dealt with at the annual general meeting in terms of the Companies Act.

Salient dates

Record date to be eligible to receive the notice of the annual general meeting	Friday, 15 October 2021
Posting date	Tuesday, 26 October 2021
Last day to trade to be eligible to attend and vote at the annual general meeting	Tuesday, 16 November 2021
Record date to be eligible to attend and vote at the annual general meeting	Friday, 19 November 2021
Proxies due by 09:00 (for administrative purposes)*	Monday, 22 November 2021
Annual general meeting	Wednesday, 24 November 2021

^{*} Alternatively, to be handed to the chairman of the annual general meeting at any time prior to the person appointed as proxy exercising any rights of the shareholder at the annual general meeting.

Notes:

- 1. The above dates, times and place are subject to amendment, provided that, in the event of an amendment, an announcement will be released on SENS. All dates and times indicated above are references to South African dates and times.
- 2. If the annual general meeting is adjourned or postponed, the above dates and times will change, but the forms of proxy submitted for the initial annual general meeting will remain valid in respect of any adjournment or postponement of the annual general meeting.

Agenda

Presentation of the audited consolidated and separate annual financial statements

The audited consolidated and separate annual financial statements for the financial year ended 30 June 2021 (as approved by the board of directors of the company), including the reports of the external auditor, the directors and audit and risk committee, and the integrated report, including the report of the social, ethics and transformation committee, which are available on the company's website, **www.rmih.co.za**, in accordance with section 30(3)(d) of the Companies Act are presented to the meeting.



Shareholders are referred to the integrated report on www.rmih.co.za for the report of the social, ethics and transformation committee of RMI as required in terms of regulation 43(5)(c) of the Companies Regulations, 2011.

2. Advisory endorsements of the remuneration policy and implementation report

2.1 Advisory endorsement of remuneration policy

To endorse, through a non-binding advisory vote, the company's remuneration policy (excluding the remuneration of the non-executive directors and the members of board committees for their services as directors and members of committees), as set out in the remuneration report included in the integrated report.

2.2 Advisory endorsement of remuneration implementation report

To endorse, through a non-binding advisory vote, the company's remuneration implementation report, as set out in the remuneration report included in the integrated report.



Shareholders are referred to the integrated report on www.rmih.co.za for the remuneration report.

Additional information in respect of advisory endorsements of remuneration policy and implementation report

The endorsements of the remuneration policy and implementation report are tabled as non-binding advisory votes, however, the outcome of each vote will be acknowledged when considering the remuneration policy and the implementation thereof. In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% (twenty-five percent) or more of the voting rights exercised in respect of each respective non-binding advisory vote, the RMI board will initiate engagement with the relevant shareholders and the outcome thereof will be disclosed in the 2022 integrated report.

Advisory endorsement of the appointment of KPMG to succeed PricewaterhouseCoopers Inc. as external auditor in the 2024 financial year in terms of mandatory audit firm rotation

To endorse, through a non-binding advisory vote, the appointment of KPMG to succeed PricewaterhouseCoopers Inc. as external auditor in the 2024 financial year in terms of mandatory audit firm rotation.

Additional information in respect of the appointment of KPMG to succeed PricewaterhouseCoopers Inc. as external auditor in the 2024 financial year in terms of mandatory audit firm rotation

After a comprehensive tender process, the RMI board has endorsed the proposal made by a subcommittee comprising members of the RMI, OUTsurance and Youi audit and risk committees to appoint KPMG as external auditor with effect from the 2024 financial year. Shareholders are requested to indicate their endorsement for this decision through a non-binding advisory vote. The official appointment will only be made at the 2023 RMI annual general meeting.

4. Ordinary resolution numbers 1.1 to 1.5

Re-election of directors

To re-elect, by way of separate ordinary resolutions, the following directors, who retire in terms of article 25.7 of the company's memorandum of incorporation (MOI) and who, being eligible, offer themselves for re-election in accordance with the Companies Act and the company's MOI:

Ordinary resolution number 1.1 – Peter Cooper (65)

Non-executive director

Date of appointment: 8 December 2010 **Educational qualifications:** BCom (Hons) CA(SA)

HDip Tax

Other listed directorships: Imperial Logistics Limited, Momentum Metropolitan Holdings Limited, RMB Holdings Limited and Shoprite Holdings Limited.

Ordinary resolution number 1.2 – Lauritz Lanser Dippenaar (72)

Non-executive director

Date of appointment: 8 December 2010 **Educational qualifications:** MCom CA(SA)

Ordinary resolution number 1.3 – Jan Jonathan Durand (54)

Non-executive director

Date of appointment: 8 December 2010 **Educational qualifications:** BAcc (Hons) MPhil

(Oxford) CA(SA)

Other listed directorships: Distell Group Limited, Mediclinic International Limited, RCL Foods Limited and Remgro Limited

Ordinary resolution number 1.4 – Per-Erik Lagerström (57)

Independent non-executive director

Date of appointment: 30 June 2014

Educational qualifications: BSc (Accounting)

MSc (Economics) (London School of Economics)

Other listed directorship: RMB Holdings Limited

Ordinary resolution number 1.5 – Mafison Murphy Morobe (64)

Independent non-executive director **Date of appointment:** 1 August 2014 **Educational qualifications:** Diploma in Project

Management MCEF (Princeton)

Other listed directorships: Remgro Limited and

RMB Holdings Limited

Additional information in respect of ordinary resolutions numbers 1.1 to 1.5



A brief CV of each of the persons nominated above appears on pages 48 and 49.

5. Ordinary resolution number 2

General authority to issue ordinary shares for cash

Resolved that the board of directors of the company be and are hereby authorised, by way of a renewable general authority, to issue ordinary shares (including securities convertible into ordinary shares and/or options over ordinary shares) in the share capital of the company for cash as and when, and upon such terms and conditions, as they in their discretion deem fit, subject to the Companies Act, the company's MOI and the JSE Listings Requirements.

The JSE Listings Requirements currently provide, *inter alia*, that:

- This authority shall be valid until the company's next annual general meeting or for 15 (fifteen) months from the date of this resolution, whichever period is shorter
- The ordinary shares must be issued to public shareholders, as such term is defined by the JSE Listings Requirements and not to related parties provided that, to the extent that the JSE Listings Requirements are amended to allow an issue of shares for cash to related parties under a general authority to issue shares for cash, the authorisation contemplated

- by this ordinary resolution number 2 will include such an authorisation to issue shares for cash to the related parties of the company, subject to the relevant JSE Listings Requirements pertaining thereto
- Securities which are the subject of this authority may not exceed 100 000 000 ordinary shares, being 5% (five percent) of the company's authorised ordinary shares and 6.5% (six point five percent) of the number of listed equity securities of the company as at the date of this notice of annual general meeting, provided that:
 - Any equity securities issued under this authority during the period must be deducted from the number above
 - In the event of a sub-division or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio
 - The calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of the notice of annual general meeting, excluding treasury shares
 - In determining the price at which an issue of shares may be made in terms of this authority, the maximum discount at which the ordinary shares may be issued is 10% (ten percent) of the weighted average traded price of the company's ordinary shares measured over 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the company and the party subscribing for the securities
 - A paid press announcement giving full details will be published at the time of any issue representing, on a cumulative basis within the period of this authority, 5% (five percent) or more of the number of ordinary shares in issue prior to that issue, in terms of the JSE Listings Requirements and
 - Any such general issue is subject to exchange control regulations and approval at that time (if and to the extent applicable).

Additional information in respect of ordinary resolution number 2

Approval for this ordinary resolution is obtained by achieving at least 75% (seventy-five percent) of the votes cast in favour of this resolution at the annual general meeting by all equity security holders entitled to vote thereon and present or represented by proxy. Further, shareholders should note that 5% (five percent) or 100 000 000 of the company's authorised ordinary shares represents approximately 6.5% (six point five percent) of the issued ordinary shares, calculated as at the date of this notice of annual general meeting. As at 30 June 2021, this was valued at approximately R3.1 billion.

6. Ordinary resolution number 3

Approval of reappointment of the auditor

Resolved as an ordinary resolution that, as nominated by the audit and risk committee, PricewaterhouseCoopers Inc. be reappointed as auditor of the company for the financial year ending 30 June 2022 and until the conclusion of the next annual general meeting and that their remuneration for the financial year ending 30 June 2022 be determined by the audit and risk committee.

7. Ordinary resolution numbers 4.1 to 4.3

Election of the company's audit and risk committee members

Resolved by way of separate ordinary resolutions that, in terms of section 94(2) of the Companies Act, the following persons, who are independent non-executive directors of the company, be and are hereby elected as members of the audit and risk committee with effect from the end of the annual general meeting:

Ordinary resolution number 4.1 – Johan Petrus Burger (62)

Independent non-executive director **Date of appointment:** 30 June 2014

Educational qualifications: BCom (Hons) CA(SA) **Other listed directorship:** FirstRand Limited

Ordinary resolution number 4.2 – Per-Erik Lagerström (57) (subject to the passing of ordinary resolution number 1.4)

Independent non-executive director

Date of appointment: 30 June 2014

Educational qualifications: BSc (Accounting)

MSc (Economics) (London School of Economics)

Other listed directorship: RMB Holdings Limited

Ordinary resolution number 4.3 – James Andrew Teeger (54)

Independent non-executive director **Date of appointment:** 31 March 2018

Educational qualifications: BCom BAcc CA(SA)

HDip Tax

Other listed directorship: RMB Holdings Limited

Additional information in respect of ordinary resolution numbers 4.1 to 4.3



A brief CV of each of the persons nominated above appears on ${\bf pages}~48$ and ${\bf 49}.$

8. Ordinary resolution number 5

Signing authority

Resolved as an ordinary resolution that each director and/or the company secretary of the company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to the implementation of the resolutions passed at the annual general meeting of the company and set out in this notice.

Additional information in respect of ordinary resolution number 5

For the sake of practicality, the directors and/or the company secretary of the company must be empowered to enforce the resolutions so passed by the shareholders at this annual general meeting.

9. Special resolution number 1

Approval of non-executive directors' remuneration with effect from 1 December 2021

Resolved as a special resolution that, in terms of section 66(9) of the Companies Act, the following annual remuneration (excluding value-added tax) of the non-executive directors for their services as directors of the company from 1 December 2021, as set out below, be and is hereby approved:

40 001 041 001011, 20 4114 10 110102 y 41	- p - c - c - c - c - c - c - c - c - c
	Per annum
Board (four meetings per annum)	
– Chairman	R597 218
– Director	R298 557
Audit and risk committee (two	
meetings per annum)	
– Chairman	R149 331
– Member	R74 613
Social, ethics and transformation	
committee (two meetings per	
annum)	
– Chairman	R74 718
– Member	R37 307
Investment committee (per meeting)	
– Chairman	R17 634
– Member	R14 108
Remuneration committee (one	
meeting per annum)	
– Chairman	R14 108
– Member	R11 286
Ad hoc meetings (per hour)	R4 703

Additional information in respect of special resolution number 1

The reason for special resolution number 1 is to approve the annual remuneration of the non-executive directors, effective from 1 December 2021.

10. Special resolution number 2

General authority to repurchase company shares

Resolved that the acquisition by the company and/or any subsidiary of the company from time to time of the issued ordinary shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, be and is hereby authorised, but subject to the company's MOI, the Companies Act and JSE Listings Requirements.

The JSE Listings Requirements currently provide, *interalia*, that:

- This authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing this special resolution
- Any such repurchase be effected through the order book operated by the JSE Limited trading system and done without any prior understanding or agreement between the company and the counterparty (reported trades are prohibited)
- A paid press release, giving such details as may be required in terms of the JSE Listings Requirements, be published when the company or its subsidiaries have cumulatively repurchased 3% (three percent) of the initial number of the relevant class of shares, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter
- A general repurchase may not in the aggregate in any one financial year, in respect of this special resolution number 2, exceed 10% (ten percent) of the number of shares in the company's issued share capital as at the beginning of the financial year, provided that subsidiaries of the company may not at any one time hold more than 10% (ten percent) in aggregate of the number of issued shares of the company
- No repurchases will be effected by the company and/or any subsidiary of the company during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless there is in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and details thereof have been submitted to the JSE Limited in writing. In this regard, the company will instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE Limited

- At any point in time, the company may only appoint one agent to effect repurchases on the company's behalf
- A resolution has been passed by the board of directors of the company authorising the repurchase, and the company and its subsidiaries have passed the solvency and liquidity test as set out in section 4 of the Companies Act and that, since the application of the solvency and liquidity test, there have been no material changes to the financial position of the company and the group
- In determining the price at which shares may be repurchased in terms of this authority, the maximum premium permitted will be 10% (ten percent) above the weighted average traded price of the ordinary shares as determined over the 5 (five) business days prior to the date of repurchase and
- Any such general repurchase is subject to exchange control regulations and approvals at the point in time, if and to the extent applicable.

Additional information in respect of special resolution number 2

The board has no immediate intention to use this authority to repurchase company shares. However, the board is of the opinion that this authority should be in place should it become appropriate to undertake a share repurchase in the future.

After having considered the effect on the company of the repurchase contemplated under this general authority, the directors are of the opinion that, and undertake that they will not commence a general repurchase of shares as contemplated above, unless the following can be met:

- The company and the group will, in the ordinary course of business, be able to pay its debts for a period of 12 months after the date of the repurchase
- The assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the audited consolidated annual financial statements for the year ended 30 June 2021
- The company's and the group's ordinary share capital and reserves will be adequate for ordinary business purposes for a period of 12 months following the date of the repurchase and
- The company and the group will, after such repurchase, have sufficient working capital for ordinary business purposes for a period of 12 months following the date of the repurchase.

For purposes of considering this special resolution and in compliance with section 11.26 of the JSE Listings Requirements, the information listed below has been included in the places indicated:

Major shareholders



Refer page 38 in this announcement

There have been no material changes in the financial and trading position of the company that have occurred since the end of the last financial period for which audited annual financial statements have been published.

Share capital of the company



Refer page 5 of the annual financial statements available on www.rmih.co.za.

The directors collectively and individually accept full responsibility for the accuracy of the information given in these notes to special resolution number 2 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement in these notes false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the notice contains all information required by the JSE Listings Requirements.



Refer to the Inside Back Cover for the names of the directors.

11. Special resolution number 3

Issue of shares, convertible securities and/or options to persons listed in section 41(1) of the Companies Act for the purposes of their participation in a reinvestment option

Resolved that, if and to the extent required in terms of section 41(1) of the Companies Act, but subject to the provisions of the Companies Act, the company's MOI and the JSE Listings Requirements, the directors of the company be and are hereby authorised, as and when they deem appropriate, to allot and issue shares (including securities convertible into shares and/or options over shares) to directors, future directors, prescribed officers, future prescribed officers, persons related or inter-related to the company, or a director or a prescribed officer of the company and/or a nominee of any of the aforementioned persons, for the purpose of affording such persons (as shareholders of the company) an opportunity to participate alongside the company's other shareholders in a reinvestment option or similar corporate action from time to time pursuant to which each of them may elect to reinvest all or part of their dividends in new shares of the company (including securities convertible into shares and/or options over shares).

Additional information in respect of special resolution number 3

The reason for special resolution number 3 is to enable the company to extend an offer, pursuant to a reinvestment option or similar corporate action, to the class of persons contemplated in section 41(1) of the Companies Act (which includes directors, prescribed officers, persons related or inter-related to the company and/or a nominee of any of such persons). In the absence of the authorisation contemplated in terms of the resolution, such persons would not be eligible to participate, as a shareholder of the company, in a reinvestment option or similar opportunity made available to the company's shareholders.

12. Special resolution number 4

Financial assistance to directors, prescribed officers and employee share scheme beneficiaries

Resolved, as a special resolution of the company in terms of section 44 and 45 of the Companies Act, that the directors of the company may, subject to compliance with the requirements of the company's MOI, the Companies Act and the JSE Listings Requirements, when applicable, each as presently constituted and as amended from time to time during the 2 (two) years commencing on the date of this special resolution, authorise the company to provide direct or indirect financial assistance (as contemplated in sections 44 and 45 of the Companies Act) to, inter alia, any present or future director or prescribed officer of the company or of a related or inter-related company (as defined in section 2 of the Companies Act) or any employee share scheme beneficiary on such terms and conditions as the directors of the company determine, provided that nothing in this approval will limit the provision by the company of financial assistance that does not require approval by way of special resolution of the shareholders in terms of sections 44 and 45 of the Companies Act or falls within the exemptions contained in these sections.

Additional information in respect of special resolution number 4

The reason for special resolution number 4 is to grant the directors of the company the authority required by the Companies Act to provide direct or indirect financial assistance through, *inter alia*, the lending of money, guaranteeing of a loan or other obligation and securing any debt or obligation, to directors, prescribed officers of the company or of a related or inter-related company or to employee share scheme beneficiaries.

13. Special resolution number 5

Financial assistance to related or inter-related entities

Resolved, as a special resolution of the company in terms of section 44 and 45 of the Companies Act, that the directors of the company may, subject to compliance with the requirements of the company's MOI, the Companies Act and the JSE Listings Requirements, when applicable, each as presently constituted and as amended from time to time during the 2 (two) years commencing on the date of this special resolution, authorise the company to provide direct or indirect financial assistance (as contemplated in sections 44 and 45 of the Companies Act) to, inter alia, any related or inter-related (as contemplated in section 2 of the Companies Act) company, trust or other entity in the company's group (wheresoever incorporated) on such terms and conditions as the directors of the company determine, provided that nothing in this approval will limit the provision by the company of financial assistance that does not require approval by way of special resolution of the shareholders in terms of sections 44 and 45 of the Companies Act or falls within the exemptions contained in these sections.

Additional information in respect of special resolution number 5

The reason for special resolution number 5 is to grant the directors of the company the authority required by the Companies Act to provide direct or indirect financial assistance through *inter alia* the lending of money, guaranteeing of a loan or other obligation and securing any debt or obligation, to any related or interrelated company, trust or other entity in the company's group in the ordinary course of business.

14. To transact any other business that may be transacted at an annual general meeting

Approvals required for resolutions

Ordinary resolution numbers 1.1 to 1.5, 3, 4.1 to 4.3 and 5 contained in this notice of annual general meeting require the approval of more than 50% (fifty percent) of the votes exercised on each resolution by shareholders present, or represented by proxy, at the annual general meeting.

Ordinary resolution number 2 (general authority to issue shares for cash) and special resolution numbers 1 to 5 contained in this notice of annual general meeting require the approval of at least 75% (seventy-five percent) of the votes exercised on each resolution by shareholders present, or represented by proxy, at the annual general meeting.

Important notice regarding attendance at the annual general meeting

General

Shareholders wishing to attend the annual general meeting have to ensure beforehand with the transfer secretaries of the company that their shares are in fact registered in their name.

Certificated shareholders

Shareholders who have not dematerialised their shares or who have dematerialised their shares with 'own name' registration are entitled to attend and vote at the meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a shareholder. It is requested that proxy forms be forwarded to reach the company's transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank (Private Bag X9000, Saxonwold, 2132) or at fax number 011 688 5238 and be received by them no later than 09:00 on Monday, 22 November 2021. Any forms of proxy not submitted by this time may nevertheless be submitted to the transfer secretaries before the meeting or handed to the chairman of the annual general prior to the shareholder exercising any rights of a shareholder at the annual general meeting.

Dematerialised shareholders

Shareholders who have dematerialised their shares, other than those members who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement:

- To furnish them with their voting instructions and
- In the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Voting will be by way of a poll and every shareholder of the company present, whether in person or represented by proxy, shall have one vote for every share held in the company by such shareholder.

Shares held by a share trust or scheme, treasury shares and unlisted shares will not have their votes at the annual general meeting taken into account for the purposes of any resolution proposed in terms of the JSE Listings Requirements.

Electronic participation

Shareholders or their proxies may participate in the annual general meeting by way of a teleconference call, provided that if they wish to do so they must contact the company secretary by email at **schalk.human@rmih.co.za** by no later than 09:00 on Monday, 22 November 2021 in order to obtain a PIN number and dial-in details for that conference call.

Voting by way of teleconference call will only be permitted if the applicable shareholder is represented by a proxy who is physically present at the meeting and in respect of whom a proxy form has been duly submitted in accordance with the provisions contained in this notice of annual general meeting.

Shareholders wishing to participate in this manner are reminded that they will be billed separately by their respective telephone service providers.

Proof of identification required

Kindly note that, in terms of section 63(1) of the Companies Act, participants at the meeting (including shareholders and proxies) will be required to provide reasonably satisfactory identification, and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as proxy for a shareholder) has been reasonably verified, before being entitled to attend or participate in a shareholders' meeting.

Acceptable forms of identification include valid identity documents, driver's licences and passports.

Summary of shareholder rights

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out below:

- A shareholder entitled to attend and vote at the annual general meeting may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the annual general meeting in the place of the shareholder. A proxy need not be a shareholder of the company.
- A proxy appointment must be in writing, dated and signed by the shareholder appointing the proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the annual general meeting.
- A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

- The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.
- The appointment of a proxy is revocable by the shareholder in question by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph.
- If the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by the company to the shareholder, must be delivered by the company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so.



Attention is also drawn to the instructions on signing and lodging the form of proxy on page 52.

By order of the board of directors.

Schalk HumanCompany secretary

Rosebank 26 October 2021

CVs OF DIRECTORS STANDING FOR RE-ELECTION AND AUDIT AND RISK COMMITTEE MEMBERS



Johan Burger (62)

Independent non-executive

Chairman of the investment and remuneration committees

BCom (Hons) CA(SA)

Appointed:

30 June 2014

Johan joined RMB in 1986, where he performed a number of roles before being appointed financial director in 1995. Following the formation of FirstRand Limited in 1998, he was appointed financial director of the FirstRand banking group and in 2002 was appointed CFO of the FirstRand group. In addition to his role as group CFO, Johan was also appointed group COO in 2009 and deputy chief executive officer in October 2013. He was appointed chief executive officer in October 2016 and held this role until March 2018.

Committees











Other directorship in listed entity

FirstRand Limited



Peter Cooper (65)

Non-executive director BCom (Hons) CA(SA) HDip Tax

Appointed:

8 December 2010

Peter graduated from the University of Cape Town. After qualifying as a chartered accountant in 1981, he worked in the financial services sector, first as a tax consultant and later specialising in structured finance.

Peter joined RMB's Special Projects division in 1992 and transferred to RMH in 1997. He is the immediate past chief executive officer of RMI, as well as its sister company, RMH.

Committees





Other directorships in listed entities

- Imperial Logistics Limited
- Momentum Metropolitan Holdings Limited
- Shoprite Holdings Limited



Laurie Dippenaar (72)

Non-executive director MCom CA(SA)

Appointed:

8 December 2010

Laurie was a co-founder of RCI in 1977. He became an executive director of RMB in 1985 and managing director of RMB in 1988, a position he held until 1992 when RMH acquired a controlling interest in Momentum. He served as executive chairman of Momentum from 1992 until the formation of FirstRand in 1998. He was appointed as the first chief executive officer of FirstRand and held this position until the end of 2005, when he assumed a non-executive role. He was chairman of FirstRand from November 2008 until 31 March 2018. He also served as the non-executive chairman of OUTsurance for 22 years until 1 July 2020.

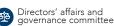
Committees























Jannie Durand (54)

Non-executive chairman

BAcc (Hons) CA(SA) MPhil (Oxford)

Appointed:

8 December 2010

Jannie joined the Rembrandt Group in 1996, became financial director of VenFin Limited in 2000 and chief executive officer in May 2006. Jannie was appointed chief investment officer of Remgro Limited in November 2009 and chief executive officer from 7 May 2012.

Committees







Other directorships in listed entities

- Distell Group Limited
- Mediclinic International Limited
- RCL Foods Limited
- Remgro Limited (chief executive officer)



Per Lagerström (57)

Independent non-executive director Chairman of audit and risk committee

BSc (Accounting) MSc (Economics) (London School of Economics

Appointed:

30 June 2014

Per is the co-founder of the Energos group, specialists in Big Data solutions for human capital. Previously he was a partner at McKinsey & Company where he headed up the Financial Services Sector and the Organisation Practice.

Committees







Other directorship in listed entity

RMB Holdings Limited



Murphy Morobe (64)

Lead independent director

Chairman of directors affairs and governance, nominations and social, ethics and transformation committees

Diploma in Project Management MCEF (Princeton)

Appointed:

1 August 2014

After finishing a seven-year stint as chief executive officer of Kagiso Media Limited, Murphy assumed the role of chairman and national director of the Programme to Improve Learner Outcomes (PILO) in 2013. As a committed social and development activist, Murphy has, since his release from Robben Island in 1982, continued to involve himself with various social causes, mainly relating to youth development. His roles in the public service included being chairman of the Financial and Fiscal Commission (1994 - 2004) and other roles in the private sector.

Committees







Other directorships in listed entities

- Remgro Limited
- RMB Holdings Limited



James Teeger (54)

Independent non-executive director

BCom BAcc CA(SA) HDip Tax

Appointed:

31 March 2018

James leads the investment activities of the Oppenheimer family. He was previously a director of De Beers and spent 12 years at RMB where he held the position of co-head of structured finance.

Committees







RMB Holdings Limited

Notes		

FORM OF PROXY

Only for use by shareholders who have not dematerialised their shares or who have dematerialised their shares with 'own name' registration.

Rand Merchant Investment Holdings Limited

Incorporated in the Republic of South Africa • Registration number: 2010/005770/06 • Share code: RMI • ISIN code: ZAE000210688 (RMI or the company)

For use by shareholders who have not dematerialised their shares or who have dematerialised their shares but with 'own name' registration, at the annual general meeting to be held at 09:00 on Wednesday, 24 November 2021 in the boardroom, 12th floor, The Bank, corner of Cradock and Tyrwhitt Avenues, Rosebank, 2196 and at any adjournment thereof.

Shareholders who have dematerialised their shares, other than with 'own name' registration, must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the necessary authorisation to attend or they must provide their CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person.

I/We, the undersigned (na	ame)	
of (address)		
and (contact number)		
the registered holder of		
ordinary shares in Rand M	lerchant Investment Holdings Limited (Registration n	umber 2010/005770/06), hereby appoint:
1.	, of	or failing him/he
2.	, of	or failing him/he
3. the chairman of the ann	0	

as my/our proxy to be present and act on my/our behalf, speak and on a poll, vote on my/our behalf as indicated below on the ordinary and special resolutions, with or without modification, to be proposed at the annual general meeting of shareholders of the company to be held at 09:00 on Wednesday, 24 November 2021 and at any adjournment thereof as follows: (see note 2)

	In favour of	Against	Abstain
Advisory endorsement of remuneration policy			
Advisory endorsement of remuneration implementation report			
Advisory endorsement of the appointment of KPMG to succeed PricewaterhouseCoopers Inc. as external auditor in the 2024 financial year in terms of mandatory audit firm rotation			
Ordinary resolution numbers 1.1 to 1.5: Re-election of directors			
1.1 Peter Cooper			
1.2 Lauritz Lanser Dippenaar			
1.3 Jan Jonathan Durand			
1.4 Per-Erik Lagerström			
1.5 Mafison Murphy Morobe			
Ordinary resolution number 2: General authority to issue ordinary shares for cash			
Ordinary resolution number 3: Approval of reappointment of the auditor			
Ordinary resolution numbers 4.1 to 4.3: Election of the company's audit and risk committee members			
4.1 Johan Petrus Burger			
4.2 Per-Erik Lagerström			
4.3 James Andrew Teeger			
Ordinary resolution number 5: Signing authority			
Special resolution number 1: Approval of non-executive directors' remuneration with effect from 1 December 2021			
Special resolution number 2: General authority to repurchase company shares			
Special resolution number 3: Issue of shares, convertible securities and/or options to persons listed in section 41(1) of the Companies Act for the purposes of their participation in a reinvestment option			
Special resolution number 4: Financial assistance to directors, prescribed officers and employee share scheme beneficiaries			
Special resolution number 5: Financial assistance to related or inter-related entities			

Signature of registered sha	eholder (assisted	d by me as applicable)
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Date

2021

Please see the notes on the reverse side of this form

Notes

- 1. A shareholder, who is entitled to attend and vote at the annual general meeting, may appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company.
- 2. Every shareholder present in person or by proxy and entitled to vote at the annual general meeting of the company shall, on a show of hands, have one vote only, irrespective of the number of shares such shareholder holds, but in the event of a poll, every ordinary share in the company shall have one vote.
- 3. Dematerialised shareholders with 'own name' registration are shareholders who appointed Computershare Custodial Services as their Central Securities Depository Participant (CSDP) with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of members in their own names.

Instructions for signing and lodging the proxy form

- 1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided overleaf, with or without deleting 'the chairman of the annual general meeting', but any such deletion must be initialled by the shareholder. Should this space be left blank, the chairman of the annual general meeting will exercise the proxy. The person whose name appears first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
- 2. A shareholder's voting instructions to the proxy must be indicated by the insertion of the number of votes exercisable by that shareholder in the appropriate spaces provided overleaf. Failure to do so shall be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she thinks fit in respect of all the shareholder's exercisable votes. A shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.
- 3. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
- 4. The company requests that completed proxy forms be forwarded to reach the company's transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or at fax number 011 688 5238 to be received by no later than 09:00 on Monday, 22 November 2021 for administrative purposes only. Proxy forms may only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with 'own name' registration.
- 5. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the transfer secretaries or waived by the chairperson of the annual general meeting.
- 6. The completion and lodging of this proxy form shall not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
- 7. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this proxy form must be initialled by the signatory/ies.
- 8. The chairperson of the annual general meeting may reject or accept any proxy form which is completed other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.

ADMINISTRATION

Rand Merchant Investment Holdings Limited (RMI)

Registration number: 2010/005770/06

JSE ordinary share code: RMI

ISIN code: ZAE000210688

Directors

JJ Durand (chairman), HL Bosman (chief executive officer and financial director), JP Burger, P Cooper, (Ms) SEN De Bruyn, LL Dippenaar, PK Harris, (Ms) A Kekana, P Lagerström, (Ms) MM Mahlare, MM Morobe, RT Mupita, O Phetwe and JA Teeger

Alternates

DA Frankel, F Knoetze and UH Lucht

Secretary and registered office

JS Human

Physical address: 12th Floor, The Bank

Corner Cradock and Tyrwhitt Avenues Rosebank, Johannesburg, 2196

Postal address: Private Bag X1000, Saxonwold, 2132

Telephone: +27 10 753 2430 Web address: **www.rmih.co.za**

Sponsor

(in terms of JSE 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: Rosebank Towers, 15 Biermann Avenue, Rosebank

Postal address: Private Bag X9000, Saxonwold, 2132

Telephone: +27 11 370 5000 Telefax: +27 11 688 5221

