

Welcome !

So the much anticipated 2010 is here, bringing with it a sense of excited expectation. And why not? Hosting the Fifa 2010 World Cup will surely be a once-in-a-lifetime experience for South Africans. Added to that is the hope of further economic recovery and the excitement of seeing how South Africa continues its march into the global spotlight on the entertainment, sporting and economic fronts.

Notably, South Africa has even been described as being, "probably the leading economy in the world" by Dr Martyn Davies of Frontier Advisory in a CNBC interview. He substantiates his statement by adding, "no other country of our size and economic ranking has produced as many globally successful Fortune 500 companies as we have ... there is a phenomenal ability for South African companies to grow and go global from South Africa. No other comparably sized emerging market has been able to succeed in doing that; not even the Chinese, not even the Indians."



At RBS, over the last few years especially, we've adopted an unashamedly positive, optimistic approach to business and life, while also keeping our feet on the ground. Our determination for 2010, therefore, is to enjoy the buzz, but also to adopt the advice from Cees Bruggemans (FNB's Chief Economist), who recommends maintaining "sobriety" for 2010 (see his article summarized ahead). So we're keeping focussed. We're determined to continue improving. And we're resolute in looking for ways to provide our clients with better value and services.

We're glad to also, in this issue of the RBS newsletter, again share some industry and economic insights and ideas that you may find enlightening, interesting or even entertaining.

Kind regards,

Michael Petersen
Group CEO

In Touch**Renting Out Your Property for the FIFA World Cup? A Warning!**

The possibility of renting out one's property during the World Cup for thousands (or in some cases tens of thousands) of Rands per day is, undoubtedly, an attractive prospect. However, there are pitfalls. Please take careful note.

- Renting out your property – or a portion thereof – will be seen by your Insurer as a "material change of risk". And it will be seen as a "business risk" or as "commercial use" of the property. Your current policy is likely not designed to cover risks of this nature, and no doubt there will be a substantial increase in the premium for insurance. It would be the wise option then to approach your insurer to investigate and negotiate alternative cover.
- Another pitfall is to be found in the old adage: "the only certainties in life are death and taxes." Yes, SARS will want their share of any World Cup rental action. Rental revenue must be declared as 'gross income' and will be taxed at the marginal rate. And as a safety measure, SARS requires rental agents to submit a document showing the rent collected and paid over to the landlord.

**Economic Outlook for 2010: Sobriety**

"We may have left the pits of hell" says Cees Bruggemans (Chief Economist at FNB), "but we did so at enormous cost of added unemployment, huge financial losses, global output forgone and large additions to national debts (with the full tally only to be completed in coming years)."

What's the watchword, then, for 2010? Sobriety.

We were all "certified crazy" for a while, Bruggemans observes. "Five plasma screens in the house when none would do", and all that "other stuff" (houses, cars, boats, planes, watches, cell phones, gadgets - the "trophy goods.") The losses have been real. They've hurt and created a "learn to say 'no' and mean it" consumer.

Along with the economic "pits of hell", may have come other checks in the form of divorce, job losses, being passed over for promotion, a failed exam or business venture.

"A new, unusual sobriety was born and took hold, as far ago as mid-2008" Bruggemans says in his article. It's been a time for taking stock.

But now, as national income starts to rise anew, policymakers have started putting "juicy carrots" in front of us all, especially low interest rates. Many consumers remain wary, however, and in no visible hurry to rush into new debt-ridden "goodies."

He concludes by saying, "This cyclical recovery will take time and effort to vest its normal healthy internal momentum ... Until such time that recovery is fully vested, treat our budding revival kindly and gently, nurture it."

[Based on Cees Bruggemans' weekly comment on the <http://www.fnb.co.za/> website.]

Inside Info

Innovation from RBS and Builders' Guild

Following global trends, RBS and Builders' Guild have created an insurance scheme to handle Builders' Guild members' insurance requirements.

Rob Johnson - the associations executive director - said that that the initiative was prompted by thefts of and damage to tools and vehicles suffered by its members. *"By determining individual members' corporate and personal needs, the company can ensure the best available cover for them at the most affordable premiums"* Johnson said. He added that in the search for a partner, *"RBS differentiated itself from its competitors not only with its entrepreneurial approach, but with its willingness to build personal relationships."*



Industry News

Foreign Driver's Licenses: Important Alert!

New legislation on driving licenses – effective January 1, 2010 – could mean that you, or someone employed by you, now falls outside the law and may not be covered by insurance.

The following legislation now applies to drivers from Lesotho, Swaziland, Angola, Botswana, Malawi, Mozambique, Namibia, Zambia and Zimbabwe:

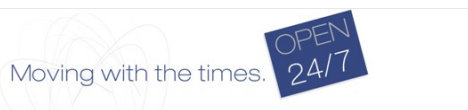
1. The license must be valid in the country of issue;
2. The holder's photograph and signature must be on the license;
3. The license must be in an official language or a translation must be attached;
4. The license must be validated by the embassy of the country where the license was issued;
5. If the driver obtains permanent residency or intends to remain in South Africa for more than 12 months, he has to change to a South African license and his foreign license may not be used on the road anymore.

We therefore encourage our clients who have any foreign drivers to give this urgent attention. This will ensure you avoid the possible consequences and the delays associated with testing and licensing.

In Contact

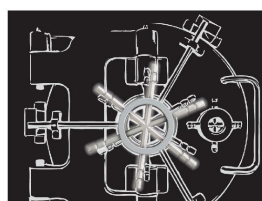
Did You Know?

Did you know that Senior Management mans the after hours phone lines at RBS? That's our commitment to better service and to having good, competent, knowledgeable people available to help you at all times.



On Securing Your Valuables

Although not wanting to be alarmist – we can't ignore headlines such as "Joburg's rich suburbs under siege". It's clearly evident that we need to take more care of our valuables, especially jewelry, in the face of crime. But having a safe could actually be dangerous, and using a regular bank safe deposit box is not a convenient option.



The Knox Titanium Vault Company has come up

with an attractive alternative. They have a state-of-the-art security facility, and for a cost effective fee they will safeguard your valuables. In addition to this they also offer a pick-up and drop-off and vehicle escort services.

Please see <http://www.knoxvault.co.za/> for more and for details of the cheaper insurance premium options that result from taking up their offering.

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