



Group Annual Financial Statements – Audited results

for the year ended 30 June 2025

MOMENTUM GROUP

Audited Annual Financial Statements

for the year ended 30 June 2025

CONTENTS

GROUP REPORTS

1	Directors' responsibility and approval
2	CEO and Finance Director confirmation of financial controls
2	Certificate by the Group Company Secretary
3	Independent auditors report
10	Report on the review of the group embedded value
11	Report on Group embedded value
26	Directors' report
30	Report of the Audit Committee

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

33	Statement of financial position
34	Income statement
35	Statement of comprehensive income
36	Statement of changes in equity
37	Statement of cash flows
38	Basis of preparation
39	Critical judgements and accounting estimates
40	Notes to the financial statements

MOMENTUM GROUP LTD ANNUAL FINANCIAL STATEMENTS

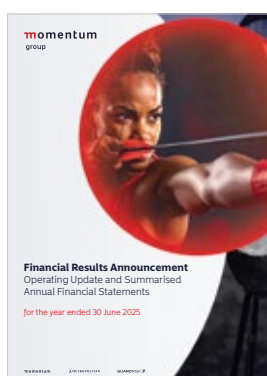
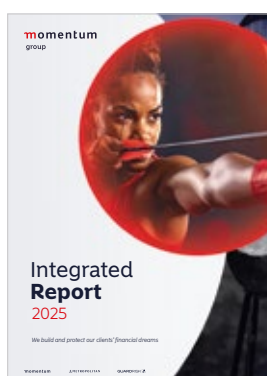
ADDITIONAL INFORMATION

273	Annexures
282	Shareholder profile
283	Stock exchange performance
284	Shareholder diary
284	Administration

The preparation of the Group's audited consolidated results was supervised by the Group Finance Director, Risto Ketola (FIA, FASSA, CFA Charterholder).

OUR REPORTING FOR THE YEAR ENDED 30 JUNE 2025

Our Annual Financial Statements form part of our reporting suite which includes our Integrated Report and other supplementary reports accessible by clicking on the various reports below:



DIRECTORS' RESPONSIBILITY AND APPROVAL

Responsibility for financial statements

The Board of Directors (Board) takes responsibility for ensuring that these financial statements accurately and fairly represent the state of affairs of Momentum Group Ltd (or the Company) and its subsidiaries (collectively Momentum Group or the Group) at the end of the financial year and the profits and losses for the year. The Board is also responsible for the accuracy and consistency of other information included in the financial statements.

To enable the Board to meet these responsibilities:

- The Group and Company financial statements are prepared by management. Opinions are obtained from the external auditors of the companies and also from the Heads of Actuarial Function (HAFs) of the insurance companies (life and non-life) regarding the statutory solvency of those entities.
- The Board is advised by the Audit Committee, comprising independent non-executive directors, and the Actuarial Committee. These committees meet regularly with the auditors, the Group HAF and the management of the Group to ensure that adequate internal controls are maintained, and that the financial information complies with IFRS® Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and advisory practice notes issued by the Actuarial Society of South Africa (ASSA). The internal auditors, external auditors and the HAFs of the companies have unrestricted access to these committees or similar committees applicable at subsidiary level.

The Board is comfortable that the internal financial controls are effective and adequate to support the integrity of the preparation and presentation of the Annual Financial Statements (AFS).

The financial statements have been prepared in accordance with the provisions of the South African Companies Act, 71 of 2008, as amended (Companies Act), the Long-term Insurance Act, 52 of 1998, the Short-term Insurance Act, 53 of 1998, and the Insurance Act, 18 of 2017, and in compliance with IFRS Accounting Standards as issued by the IASB including the IFRIC® interpretations (IFRIC interpretations) and guidelines issued by ASSA.

The Board is satisfied that the Group is a going concern and remains so for the foreseeable future, based on cash forecasts, liquidity, solvency and capital assessments.

It is the responsibility of the independent auditors to report on the financial statements. In order to do so, they were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of directors and committees of the Board. The independent auditor's report is presented on pages 3 to 9.

APPROVAL OF AFS

The AFS, presented on pages 33 to 272, were approved by the Board of directors on 15 September 2025 and are signed on its behalf by:



Paul Baloyi
Chair

Centurion, 15 September 2025



Jeanette Marais (Cilliers)
Group Chief Executive Officer

Centurion, 15 September 2025

CEO AND FINANCE DIRECTOR CONFIRMATION OF FINANCIAL CONTROLS

Each of the directors, whose names are stated below, hereby confirm that:

- The AFS set out on pages 33 to 272, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards as issued by the IASB.
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the AFS false or misleading.
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer.
- The internal financial controls are adequate and effective and can be relied upon in compiling the AFS, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls.
- Where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies.
- We are not aware of any fraud involving directors.



Jeanette Marais (Cilliers)
Group Chief Executive Officer

Centurion, 15 September 2025



Risto Ketola
Group Finance Director

Centurion, 15 September 2025

CERTIFICATE BY THE GROUP COMPANY SECRETARY

In accordance with the provisions of section 88(2)(e) of the Companies Act, I certify that for the year ended 30 June 2025 the companies have lodged with the registrar of companies all such returns as are required of a company in terms of the Companies Act, and that all such returns are true, correct and up to date.



Gcobisa Tyusha
Group Company Secretary

Centurion, 15 September 2025

INDEPENDENT AUDITORS REPORT

To the shareholders of Momentum Group Ltd

Report on the audit of the consolidated and separate financial statements

Our opinion

We have audited the consolidated and separate financial statements of Momentum Group Limited, and its subsidiaries (the Group and Company) set out on pages 33 to 272 which comprise:

- the consolidated and separate statements of financial position as at 30 June 2025;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Momentum Group Limited as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the Group and Company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Reporting in terms of the IRBA Rule on Enhanced Auditor Reporting

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality and group audit scope below.

Final materiality

The amount we set as final materiality represents a quantitative threshold used to evaluate the effects of misstatements to the consolidated and separate financial statements as a whole based on our professional judgement. Qualitative factors are also considered in making final determinations regarding what is material to the consolidated and separate financial statements.

	Consolidated financial statements	Separate financial statements
Final materiality	R599.8 million	R303.8 million
How we determined it	5% of consolidated profit before tax	1% of total assets
Rationale for the materiality benchmark applied	We identified consolidated profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most likely to be measured by users when evaluating a profit-oriented entity and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies and is further based on our professional judgement after consideration of qualitative factors that impact the Group.	We have identified total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most likely to be measured by users when evaluating a holding company and is a generally accepted benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for capital-based companies and is further based on our professional judgement after consideration of qualitative factors that impact the Company.

INDEPENDENT AUDITORS REPORT CONTINUED

To the shareholders of Momentum Group Ltd

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We considered the Group's organisational, legal, consolidation structures and its financial reporting processes when identifying components for purposes of planning and performing audit procedures. For purposes of our Group audit scope, we considered a component to be a single reporting unit within the Group being consolidated.

In establishing the Group audit scope, based on our risk assessment we determined the type of work that needed to be undertaken on the financial information of the components. In selecting components, we performed risk assessment procedures across the Group and their components to identify risks of material misstatement. We then identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response. We have identified 53 components for the Group at which we determined that further audit procedures were required.

Of the 53 components we have identified for the Group:

- 11 components were subject to a full scope audit on the entire financial information of the component; and
- 42 components were subject to an audit of one or more account balances within the component financial information.

For components out of scope, we performed risk assessment analytical procedures to confirm our risk assessment and, where appropriate, tested common controls implemented over components. Based on our risk assessment procedures, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information not subjected to further audit procedures.

We determined the type of work that was needed to be performed by us, as the joint auditors of the Group, or component auditors from other network firms of the joint Group auditors or other firms operating under our instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

In addition, the group audit team led specific audit procedures over certain central functions, the consolidation and certain specific account balances managed and accounted for centrally.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key Audit Matter	How our audit addressed the key audit matter
1. Valuation of insurance and reinsurance contract assets and liabilities	
<p>Refer to the following accounting policies and notes to the consolidated financial statements for the disclosures as it relates to this key audit matter:</p> <ul style="list-style-type: none"> • Note 10 (Insurance Contracts) • Note 11 (Reinsurance Contracts) • Note 13 (Contract holder liabilities – judgements, assumptions and estimates) • Note 45.10 (Material group accounting policies – Life and non-life Insurance and Investment contracts) <p>The Group held insurance and reinsurance contract assets and liabilities due to their insurance operations during the year ended 30 June 2025. These contracts are recognised and measured in accordance with IFRS Accounting Standard 17: Insurance Contracts (IFRS 17). The following net liabilities and assets have been recognised as at 30 June 2025 in this regard:</p> <ul style="list-style-type: none"> • Consolidated net insurance liability: R 173.0 billion (refer to note 10) • Consolidated net reinsurance liabilities: R 6.4 billion (refer to note 11) <p>Management exercises professional judgment and utilises assumptions and estimates to measure its insurance and reinsurance contracts issued or held, which comprise a diverse portfolio of contracts including long-term and short-term products. These judgements are made in the context of the measurement methods applied in the context of IFRS 17, which include the general measurement model (GMM), the variable fee approach (VFA) and the premium allocation approach (PAA).</p> <p>The present value of future cash flows (PVFCs) reflects management's best estimate of future net cash flows from insurance and reinsurance contracts, based on policy data and various financial and non-financial assumptions.</p> <p>The following assumptions are considered key in the valuation of the PVFCs of insurance and reinsurance contract assets and liabilities:</p> <ul style="list-style-type: none"> • Mortality and morbidity assumptions • Persistency assumptions, expected claims and lapses • Attributable expenses <p>Management applies complex models and methodologies in their measurement of the insurance and reinsurance contract assets and liabilities, which may materially impact the valuation thereof.</p> <p>We considered the valuation of insurance and reinsurance contract assets and liabilities to be a matter of most significance to our current year audit of the consolidated financial statements due to:</p> <ul style="list-style-type: none"> • The significant judgements and high degree of estimation uncertainty inherent in the valuation of the insurance and reinsurance contract assets and liabilities; • The complexity of the actuarial models and methodologies applied which increase the risk inherent in the valuations; and • The significance of insurance and reinsurance contract assets and liabilities to the consolidated financial statements. 	<p>Using our actuarial expertise where applicable, we performed the following procedures with respect to this key audit matter:</p> <ul style="list-style-type: none"> • Evaluated the models and methodology applied, considering whether they were appropriate based on our knowledge of the Group, industry standards, regulatory requirements, and the requirements of IFRS 17. • Obtained an understanding of management's process for developing the core actuarial models and tested the design and operating effectiveness of key controls within the process. • For material components of liabilities modelled outside the core actuarial system, we evaluated the reasonability with reference to the applicable principles in IFRS 17. <p>For material portfolios measured using the GMM and VFA we considered the assumptions as follows:</p> <ul style="list-style-type: none"> • Evaluated the mortality, morbidity and persistency assumptions through reviewing management's experience analysis, and testing the inputs into the experience analyses, to evaluate whether the assumptions were a reasonable output thereof. • Assessed the appropriateness of economic assumptions by comparing them to observable market variables, including discount rates (current and locked-in) and illiquidity premiums. • Assessed the expense assumptions adopted by management with reference to the Group's underlying expense basis. In doing so, we also considered the relevant functional cost analyses, and the split of attributable and non-attributable expenses for consistency with the applicable requirements of IFRS 17. • Reviewed the results of model reviews carried out as part of management's independent rolling model validation programme to ensure that models are fit for purpose and align with the requirements of IFRS 17. • Identified model changes made during the year, and evaluated the material methodology, inputs and assumption changes against supporting data and the requirements of IFRS 17. We further validated the impact of material model changes implemented during the year by setting an expectation for the impact of the change and comparing it to the actual impact. • Evaluated the build-up and changes in the different liability components (best estimate liability, risk adjustment and contractual service margin (CSM), against our understanding of the business, prior year information alongside expected current year changes, and consistency with valuation basis changes. • Independently recalculated the CSM, Loss Component and Loss Recovery Component using an independently developed model and compared our outputs to those from management's models. <p>For material portfolios measured using the PAA we:</p> <ul style="list-style-type: none"> • Performed independent testing for various components of the liability for incurred claims and liability for remaining coverage. <p>Outcome:</p> <p>As we performed our procedures over the valuation of insurance and reinsurance contract assets and liabilities, we identified matters for follow up discussions with management. We were able to obtain appropriate explanations or corroborating evidence on the matters identified to support management's valuation of the insurance and reinsurance contract assets and liabilities.</p>

INDEPENDENT AUDITORS REPORT CONTINUED

To the shareholders of Momentum Group Ltd

Key Audit Matter	How our audit addressed the key audit matter
<p>2. Valuation of level 3 assets</p> <p>Refer to the following accounting policies and notes to the consolidated financial statements for the disclosures as it relates to this key audit matter:</p> <ul style="list-style-type: none"> • Note 5.1 (Owner-occupied properties) • Note 6 (Investment properties) • Note 8.1 (Financial assets at fair value through profit and loss) • Note 8.6 (Financial assets hierarchy) • Note 43 (Valuation techniques) • Note 45.5 (Material group accounting policies – Owner-occupied properties) • Note 45.6 (Material group accounting policies – Investment properties) • Note 45.7 (Material group accounting policies – Financial assets) <p>The Group recognised certain assets within the asset categories below that are classified as level 3 in terms of IFRS Accounting Standard 13: Fair value measurements (IFRS 13), implying that their value is determined using unobservable inputs. The following level 3 assets have been recognised by the Group as at 30 June 2025 in this regard and are included in the scope of this key audit matter:</p> <ul style="list-style-type: none"> • Owner occupied properties (refer to note 5.1): <ul style="list-style-type: none"> – R2.6 billion • Investment properties (refer to note 6): <ul style="list-style-type: none"> – R9.6 billion • Financial assets (refer to note 8.6): <ul style="list-style-type: none"> – R7.2 billion <p>Management exercises professional judgment and utilises assumptions and estimates to value these assets, as further explained below:</p> <p>Owner-occupied properties and investment properties</p> <p>These assets are valued using a discounted cash flow (DCF) methodology or income capitalisation approach. The significant assumptions and judgements applied in the DCF models are capitalisation rates, vacancy rates and discount rates.</p>	<p>We performed the following procedures with respect to this key audit matter:</p> <p>Owner-occupied and investment properties</p> <p>Evaluated the design and implementation of the controls supporting the valuations of investment properties by inspecting the minutes of the Investment Committee meetings, which included the appointment of experienced and qualified management experts and approvals of the valuations by the Investment Committee.</p> <p>Assessed the competence, objectivity and capabilities of the registered professional valuers appointed by management, by confirming their affiliation with applicable professional bodies, and inspecting their valuation reports and comparing their methodology to industry norms.</p> <p>Using our valuations expertise, for a sample of owner-occupied and investment properties, we assessed the reasonableness of the fair values by performing the following procedures:</p> <ul style="list-style-type: none"> • Reviewed the methodology being used to determine the fair value against industry available information and the applicable IFRS 13 requirements. We compared the methodologies utilised to the prior year and evaluated the reasonability for any significant changes based on our understanding of the nature of the property. • Reviewed the assumptions underlying the calculation of fair value, ensuring that the assumptions reflect market participant assumptions and contractual data where applicable. We also considered whether the cash flows are reasonable with reference to contractual or market-linked cash flows as applicable. • Assessed whether the forecasts used in the valuation are consistent with market expectations and, where available, compared forecasts to up to date budgets and business plans that have been formally approved by management. • Evaluated the reasonability of the capitalisation rate, where applicable, and valuation adjustments, where applicable, taking into consideration relevant industry benchmarks and market data. • Assessed the reasonability of the discount rate, where applicable, against relevant market data, adjusted for property specific circumstances. • Independently recalculated the valuations utilising the inputs and assumptions referred to above, in accordance with the valuation approach, and compared our results with that of management. <p>Outcome:</p> <p>In performing the procedures above, we determined a range of possible values with respect to the sample of assets selected for testing. While our range itself is subjective, management's valuations were found to be within our acceptable range for the selected assets.</p>

Key Audit Matter**How our audit addressed the key audit matter****2. Valuation of level 3 assets continued****Financial assets at fair value through profit and loss**

- Equity securities: Valued using published prices, DCF or net asset value-based valuation models. Significant judgement or assumptions applied in these valuations include adjustments to account for low liquidity or inactivity of published prices and discount rates where a DCF methodology was applied.
- Debt securities: Where such assets are valued using a DCF methodology, significant assumptions and judgements are applied with respect to discount rates or yields. Where the valuation is based on published prices of listed debt securities, judgement may be applied in adjusting these prices to account for recoverability and credit risk.
- Unit-linked investments: Valued using net asset values (NAVs) or adjusted NAVs. NAV values are determined by underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics. Management may also apply judgement to determine if adjustment is required to such NAV values, due to significant

We considered the valuation of the identified level 3 assets to be a matter of most significance to our current year audit of the consolidated and separate financial statements due to:

- The significant judgements and high degree of estimation uncertainty inherent in the valuation of the identified level 3 assets; and
- The extent of effort required in assessing the completeness and accuracy of data and assumptions utilised in the valuation models which increase the risk inherent in the valuations.

Financial assets at fair value through profit or loss

- We obtained an understanding of management's process for determining the fair value of these assets and evaluated the design and implementation of key controls relevant to the valuation of these assets.
- We assessed the appropriateness of the valuation methodologies applied by management against the applicable requirements in IFRS 13.

For both equity and debt securities we performed the following procedures:

- We tested the accuracy of data inputs used in the relevant valuation models by agreeing them on a sample basis to appropriate source documents (such as underlying contracts) or comparing them to available market benchmarks.
- We evaluated and challenged the key assumptions applied in determining fair value by making a comparison to our own understanding of the market, comparable evidence relied upon by management and to industry benchmarks.
- Where applicable, we used our valuation expertise to perform independent valuations on a sample basis, using independently developed models and assumptions.

For unit-linked investments we performed the following procedures:

- We obtained comfort over the units held in the relevant unit-linked investment fund by confirming them directly with external counterparties.
- In order to obtain comfort over the NAV price applied at year-end:
 - We obtained and evaluated the signed financial statements of the unit-linked investment fund and compared the audited NAV to the NAV price applied at year-end.
 - Where the year-end of the unit-linked investment fund was not coterminous, we further compared material NAV price movements to relevant observable market benchmarks for the comparable period.
- We recalculated the fair value of the investment in the unit-linked investment fund by multiplying the units held by the NAV price as at year-end.

Outcome:

In performing the procedures above, we determined an independent valuation for the selected sample of financial instruments, and compared it to management's valuation, noting no material differences.

INDEPENDENT AUDITORS REPORT CONTINUED

To the shareholders of Momentum Group Ltd

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Momentum Group Annual Financial Statements - Audited results for the financial year ended 30 June 2025", which includes Certificate by the Group Company Secretary, Directors' Report, and Report of the Audit Committee as required by the Companies Act of South Africa and the document titled "Momentum Group Integrated Report 2025". The other information does not include the consolidated or the separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Incorporated and Ernst & Young Incorporated have been the joint auditors of Momentum Group Limited for 1 year, and previous to that Ernst & Young Incorporated was the single auditor of Momentum Group Limited for 5 years (Ernst & Young Incorporated therefore having served 6 years in total).

DocuSigned by:
PricewaterhouseCoopers Inc.
AJC09H10252U141A

PricewaterhouseCoopers Inc.
Director: Dilshad Khalfey
Chartered Accountant (SA)
Registered Auditor

16 September 2025

5 Silo Square
V&A Waterfront
Cape Town
8002
South Africa

Signed by:
Ernst & Young Inc.
7917FFD08DF44EE

Ernst & Young Inc.
Director: Christo Du Toit
Chartered Accountant (SA)
Registered Auditor

16 September 2025

3 Dock Road
V&A Waterfront
Cape Town
8000
South Africa

REPORT ON THE REVIEW OF THE GROUP EMBEDDED VALUE

report of Momentum Group Limited and its subsidiaries to the Directors of Momentum Group Limited

Introduction

We have reviewed the Report on Group Embedded Value of Momentum Group Limited and its subsidiaries ("the Group") as at 30 June 2025, as set out on pages 11 to 25 (the "Report"). The Report is prepared for the purpose of setting out the embedded value of the Group. The directors of Momentum Group Limited are responsible for the preparation and presentation of the Report in accordance with the embedded value basis set out in the Basis of Accounting set out on page 11 of the Report and for determining that the basis of preparation is acceptable in the circumstances. Our responsibility is to express a conclusion on this Report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the basis set out on page 11 of the Report.

Basis of Accounting and Restriction on Use

Without modifying our conclusion, we draw attention to page 11 of the Report, which describes the basis of accounting. The Report is prepared to set out the embedded value of the Group. As a result, the Report may not be suitable for another purpose. Our report is intended solely for the directors of Momentum Group Limited and should not be used by any other parties. We agree to the publication of our report in the Group Annual Financial Statements Results for the year ended 30 June 2025 of Momentum Group Limited provided it is clearly understood by the recipients of the Group Annual Financial Statements Results for the year ended 30 June 2025 that they obtain our report for information only and that we accept no duty of care to them in respect of our report.

DocuSigned by:
PricewaterhouseCoopers Inc.
AJ 099182521141A...

PricewaterhouseCoopers Inc.
Director: Dilshad Khalfey
Chartered Accountant (SA)
Registered Auditor

16 September 2025

5 Silo Square
V&A Waterfront
Cape Town
8001
South Africa

Signed by:
Ernst & Young Inc.
7617FFD048DF44EE...

Ernst & Young Inc.
Director: Christo Du Toit
Chartered Accountant (SA)
Registered Auditor

16 September 2025

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South Africa

REPORT ON GROUP EMBEDDED VALUE

at 30 June 2025

The report on Group embedded value sets out the diluted embedded value (EV), taking into account all shares issued by Momentum Group Ltd. This report has been prepared in accordance with the EV guidance from the ASSA – APN 107.

Embedded value reporting methodology

The Group has revised its Embedded Value (EV) valuation methodology for covered business following the transition to IFRS 17. Given that IFRS 17 is more closely related with realistic balance sheet reporting, the Group has revised its EV methodology to incorporate some of the features in IFRS 17, which also simplifies the translation from the IFRS Accounting Standards balance sheet to what is reflected in EV reporting.

The EV methodology for covered business is as follows:

- 1) Investment return assumptions for all asset classes are set with reference to the market-related, risk-free yield curve used for IFRS Accounting Standards reporting.
- 2) Explicit allowance is made for non-financial risk in insurance contracts, which is taken as the IFRS 17 risk adjustment. For annual renewable insurance contracts in Momentum Corporate and all covered investment contracts, non-financial risk is allowed for implicitly through appropriate risk discount rates.
- 3) The value of in-force for long-term insurance contracts is determined as the aggregate of:
 - The IFRS 17 contractual service margin (CSM), net of tax; and
 - The present value of future cash flows not measured and reported under IFRS 17, but that are attributable to the underlying insurance contracts, net of tax.
- 4) The cost of capital reflects the frictional costs expected to be incurred over the lifetime of the in-force business, and comprises the following components:
 - Expected taxes on investment returns generated by assets supporting required capital; and
 - Expected asset management costs on the assets supporting required capital and the CSM.

Covered and non-covered business

All insurance business underwritten by regulated life insurance companies of the Group (except Guardrisk and Ghana) have been included as covered business. The off-balance sheet investment business written through the Momentum Wealth platform (both local and offshore) is included as covered business to be consistent with the on-balance sheet Wealth business. All underwritten health business (both local and in Africa) are classified as non-covered business.

Momentum Metropolitan Life Ltd required capital

Momentum Metropolitan Life Ltd required capital is determined as the amount of assets required to support the internal capital targets of the covered business over the business planning horizon.

Other covered business

A multiple of regulatory capital requirements applicable to those entities has been used.

Assets backing required capital

The assumed composition of the assets backing the required capital has been determined with reference to the shareholder fund mandate.

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2025

Assumptions

Changes in bases and assumptions

The Group constantly reviews its EV methodologies to align them with evolving practice and to ensure consistency with current practices.

Economic Assumptions

The principal economic assumptions used in the EV calculations are described below.

Economic assumptions (South Africa) ¹	30.06.2025 %	30.06.2024 %
Risk-free spot rates – nominal ²		
1 year	7.2	8.3
5 years	9.0	10.2
10 years	10.9	12.3
20 years	13.0	13.7
Risk-free spot rates – real ²		
1 year	3.6	3.8
5 years	4.7	4.6
10 years	5.0	5.1
20 years	5.4	5.5
Expense inflation spot rates ³		
1 year	5.0	5.5
5 years	4.1	5.4
10 years	5.6	6.8
20 years	7.2	7.8
Real world asset return assumptions ⁴		
Equities	11.7	12.8
Properties	9.7	10.8
Government stock	10.2	11.3
Corporate debt ⁵	8.6	9.6
Money market	7.6	8.7
Illiquidity premium – retail annuities ⁶	0.35	0.35
Illiquidity premium – corporate annuities ⁶	0.50	0.50
Risk allowance – annual renewable insurance business ⁷	2.5	2.5
Risk allowance – investment business ⁷	1.5	1.5
Cost of capital rate ⁸	2.2	2.4

¹ The assumptions relate only to the South African life insurance business. Assumptions relating to international life insurance businesses are based on local requirements and can differ from the South African assumptions. All assumptions quoted are pre-tax unless stated otherwise.

² Risk-free interest rate curves are derived from observable government bond market yields at the valuation date used for IFRS Accounting Standards reporting. Beyond the maturity date of the longest government bond, the Group applies an extrapolation methodology to derive long-term rates, assuming an ultimate spot rate of 10.0% (30.06.2024: 10.0%).

³ An inflation rate of 5.0% p.a. (30.06.2024: 5.5% p.a.) is used over the planning horizon (three years) where after the inflation rate is derived from market inputs as the difference between nominal and real yields across the term structure of these curves. An addition to the expense inflation assumption quoted is allowed for in some divisions to reflect the impact of closed books that are in run-off.

⁴ Asset returns are set with reference to real world expectations of asset returns. These real world expectations represent one-year expected returns and are only applied for the purposes of analysing the EV earnings over the year, and is not capitalised in the EV.

⁵ This represents the average expected return on floating rate debt instruments in balanced fund mandates.

⁶ Illiquidity premiums are applied to the risk-free rates for certain policy contracts, i.e. non-profit annuity contracts, including CPI-linked annuity products.

⁷ For insurance contracts measured under IFRS 17 (general measurement model, variable fee approach and premium allocation approach), non-financial risk is allowed for explicitly through the IFRS 17 risk adjustment as opposed to using a risk discount rate.

The risk discount rate applied to annual renewable insurance contracts is determined as the risk-free return + 2.50%. For covered investment contracts, the risk discount rate is determined as the risk-free return + 1.50%. The risk premiums added to the risk-free return allows for the expected non-financial risk in future shareholder cash flows. The risk discount rates are net of tax.

⁸ The cost of capital rate, net of tax, represents the annual expected frictional cost applicable to the assets supporting the required capital and the value of in-force.

Non-economic

The EV calculation uses the same best estimate assumptions with respect to future experience as those used for IFRS Accounting Standards reporting.

The value of new business (VNB) excludes premium increases during the current year resulting from premium indexation arrangements in respect of in-force business, but includes the expected value of future premium increases in respect of new policies written during the current financial year.

	2025 Rm	2024 Rm
Embedded value results		
Covered business		
Equity attributable to owners of the parent	32 550	29 724
Fair value adjustments on Metropolitan business acquisition and other consolidation adjustments	(20)	(87)
Net assets – non-covered business within life insurance companies	(4 126)	(3 751)
Net assets – non-covered business outside life insurance companies	(9 118)	(7 845)
Diluted adjusted net worth (ANW) – covered business	19 286	18 041
Net value of in-force business	20 769	19 038
Diluted embedded value – covered business	40 055	37 079
Non-covered business		
Net assets – non-covered business within life insurance companies	4 126	3 751
Net assets – non-covered business outside life insurance companies	9 118	7 845
Consolidation adjustments ¹	(250)	(70)
Adjustments for dilution ²	982	908
Diluted adjusted net worth – non-covered business	13 976	12 434
Write-up to directors' value (DV)	3 822	2 392
Non-covered business	7 286	5 866
Holding company expenses ³	(2 254)	(1 972)
International holding company expenses ³	(1 210)	(1 502)
Diluted embedded value – non-covered business	17 798	14 826
Diluted adjusted net worth	33 262	30 475
Net value of in-force business	20 769	19 038
Write-up to directors' value	3 822	2 392
Diluted embedded value	57 853	51 905
Required capital – covered business (adjusted for qualifying debt) ⁴	10 248	10 146
Free surplus – covered business ⁵	9 038	7 895
Diluted embedded value per share (cents)	4 251	3 694
Diluted adjusted net worth per share (cents)	2 444	2 169
Diluted number of shares in issue (million) ⁶	1 361	1 405
Return on embedded value (%) – annualised internal rate of return	17.9	11.5
Return on embedded value excluding Exceptional items (%) – annualised internal rate of return ⁷	18.0	13.0

¹ Consolidation adjustments include mainly goodwill and intangibles in subsidiaries that are eliminated.

² Liabilities related to iSabelo transaction. In the EV analysis it is deemed to be external from the Group.

³ The holding company expenses reflect the present value of projected recurring head office expenses. The international holding company expenses reflect the allowance for support services to the international businesses.

⁴ The required capital for in-force covered business amounts to R14 630 million (30.06.2024: R14 470 million) and is adjusted for qualifying debt of R4 382 million (30.06.2024: R4 324 million).

⁵ Included in the Free surplus are the assets supporting the qualifying debt.

⁶ The diluted number of shares in issue takes into account all issued shares and includes the treasury shares held on behalf of contract holders as well as the treasury shares held on behalf of employees.

⁷ Exceptional items for the financial year ended 30 June 2024 related to the transition impact of IFRS 17 on the embedded value since the opening embedded value was not restated. For the current period a small change in the EV adjusted net worth was analysed as an exceptional item to align with the IFRS net asset value for covered business (which would then also ensure alignment in earnings between IFRS Accounting Standards and EV going forward).

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2025

Analysis of net value of in-force business	2025 Rm	2024 Rm
Momentum Retail	7 452	7 571
Gross value of in-force business	8 196	8 253
Less cost of required capital	(744)	(682)
Momentum Investments¹	4 394	3 597
Gross value of in-force business	4 410	3 618
Less cost of required capital	(16)	(21)
Metropolitan Life	3 106	2 435
Gross value of in-force business	3 215	2 688
Less cost of required capital	(109)	(253)
Momentum Corporate	4 035	3 622
Gross value of in-force business	4 698	4 217
Less cost of required capital	(663)	(595)
Momentum Metropolitan Africa	1 711	1 688
Gross value of in-force business	2 048	2 056
Less cost of required capital	(337)	(368)
Shareholders²	71	125
Gross value of in-force business	71	125
Less cost of required capital	-	-
Net value of in-force business	20 769	19 038

¹ Included in covered business is Wealth business not deemed to be long-term insurance business with a value of in-force of R271 million (30.06.2024: R327 million).

² A VIF has been placed on the deferred tax relating to the IFRS 17 phase-in period.

Embedded value detail	Adjusted net worth Rm	Net value of in-force Rm	2025 Rm	2024 Rm
Covered business				
Momentum Retail	4 400	7 452	11 852	11 571
Momentum Investments ¹	656	4 394	5 050	4 390
Metropolitan Life	2 025	3 106	5 131	5 085
Momentum Corporate	4 525	4 035	8 560	7 647
Momentum Metropolitan Africa	3 024	1 711	4 735	4 690
Operating segments	14 630	20 698	35 328	33 383
Qualifying Debt	(4 382)	-	(4 382)	(4 324)
Free Surplus ²	9 038	71	9 109	8 020
Total covered business	19 286	20 769	40 055	37 079

¹ Included in covered business is Wealth business not deemed to be long-term insurance business with a value of in-force of R271 million (30.06.2024: R327 million).

² Included in the Free surplus are the assets supporting the qualifying debt.

Embedded value detail	Adjusted net worth Rm	Write-up to directors' value Rm	2025 Rm	2024 Rm
Non-covered business				
Momentum Retail	378	-	378	117
Other	378	-	378	117
Momentum Investments	1 744	1 309	3 053	2 594
Investment and savings	1 562	1 340	2 902	2 513
Momentum Money	182	(31)	151	81
Metropolitan Life	13	-	13	12
Other	13	-	13	12
Momentum Corporate	284	(371)	(87)	135
Other	284	(371)	(87)	135
Momentum Metropolitan Health	862	927	1 789	1 559
Health	793	1 161	1 954	1 789
Momentum Multiply	69	(234)	(165)	(230)
Guardrisk	3 179	3 439	6 618	5 731
Cell captives	3 179	3 439	6 618	5 731
Momentum Insure	1 958	325	2 283	1 940
Non-life insurance	1 958	325	2 283	1 940
Momentum Metropolitan Africa	528	(878)	(350)	(812)
Life insurance	117	(5)	112	69
Health	392	189	581	439
Non-life insurance	95	58	153	110
Other	(76)	90	14	72
International holding company expenses ¹	-	(1 210)	(1 210)	(1 502)
India	1 404	1 325	2 729	2 350
India ²	1 404	1 325	2 729	2 350
Shareholders	3 626	(2 254)	1 372	1 200
Other	3 626	-	3 626	3 172
Holding company expenses ¹	-	(2 254)	(2 254)	(1 972)
Total non-covered business	13 976	3 822	17 798	14 826
Total embedded value	33 262	24 591	57 853	51 905

¹ The international holding company expenses reflect the allowance for support services to the international businesses. The holding company expenses reflect the present value of projected recurring head office expenses.

² The India directors' value is carried at historical cost.

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2025

Analysis of changes in Group embedded value	Notes	Covered business				
		Adjusted net worth (ANW) Rm	Gross value of in-force (VIF) Rm	Cost of required capital Rm	12 mths to 30.06.2025 Total EV Rm	12 mths to 30.06.2024 Total EV Rm
Profit from new business	A	(881)	1 407	(57)	469	589
Profit from existing business		4 464	111	107	4 682	3 236
Expected return	B	-	2 469	(170)	2 299	2 212
Expected contribution from real world economic assumptions	C	430	468	-	898	799
Release of the cost of capital	D	-	-	347	347	351
Expected (or actual) net of tax profit transfer to net worth	E	3 602	(3 602)	-	-	-
Operating experience variances	F	248	415	-	663	299
Development expenses	G	(76)	-	-	(76)	(137)
Operating assumption changes	H	260	361	-	621	(374)
Change in cost of capital ¹		-	-	(70)	(70)	86
Embedded value profit/(loss) from operations		3 583	1 518	50	5 151	3 825
Investment return on adjusted net worth	I	1 094	-	-	1 094	1 234
Investment market related variances	J	628	166	-	794	190
Exchange rate movements	K	(3)	(3)	-	(6)	(34)
Exceptional items	L	(51)	-	-	(51)	(735)
Embedded value profit/(loss) - covered business		5 251	1 681	50	6 982	4 480
Transfer of business to non-covered business	M	-	-	-	-	138
Other capital transfers	N	(132)	-	-	(132)	454
Dividend paid		(3 874)	-	-	(3 874)	(3 693)
Change in embedded value - covered business		1 245	1 681	50	2 976	1 379
Non-covered business						
Change in directors' valuation and other items					2 306	1 466
Change in holding company expenses					10	(313)
Embedded value profit/(loss) - non-covered business					2 316	1 153
Transfer of business from covered business	M				-	(138)
Other capital transfers	N				132	(454)
Dividend received					3 874	3 693
Dividend paid					(2 021)	(1 808)
Allowance for shareholder flows related to iSabelo transaction					74	82
Shares repurchased					(1 403)	(1 000)
Finance costs - preference shares					-	(37)
Change in embedded value - non-covered business					2 972	1 491
Total change in Group embedded value					5 948	2 870
Total embedded value profit					9 298	5 633
Return on embedded value (%) - annualised internal rate of return					17.9	11.5
Return on embedded value excluding Exceptional items (%) - annualised internal rate of return					18.0	13.0

¹ The cost of required capital is not analysed in the same level of granularity as the other components of the embedded value. The Group only shows the unwind and expected release. The balance of the movement is shown in one line and forms part of the embedded value profit/(loss) from operations.

	Adjusted net worth (ANW) Rm	Gross value of in-force (VIF) Rm	Cost of required capital Rm	12 mths to 30.06.2025 Rm	12 mths to 30.06.2024 Rm
Analysis of changes in Group embedded value					
Momentum Retail					
Profit from new business	(126)	209	(38)	45	(86)
Expected return	-	1 017	(56)	961	888
Expected contribution from real world economic assumptions	(74)	103	-	29	99
Release of the cost of capital	-	-	96	96	114
Expected (or actual) net of tax profit transfer to net worth	1 267	(1 267)	-	-	-
Operating experience variances	65	82	-	147	140
Development expenses	(44)	-	-	(44)	(116)
Operating assumption changes	79	(402)	-	(323)	88
Change in cost of capital	-	-	(64)	(64)	179
Embedded value profit/(loss) from operations	1 167	(258)	(62)	847	1 306
Investment return on adjusted net worth	163	-	-	163	201
Investment market related variances	46	201	-	247	85
Exceptional items	-	-	-	-	(783)
Embedded value profit/(loss) - covered business	1 376	(57)	(62)	1 257	809
Momentum Investments					
Profit from new business	(263)	728	44	509	744
Expected return	-	373	(2)	371	335
Expected contribution from real world economic assumptions	198	70	-	268	246
Release of the cost of capital	-	-	19	19	19
Expected (or actual) net of tax profit transfer to net worth	670	(670)	-	-	-
Operating experience variances	(48)	(37)	-	(85)	(133)
Development expenses	(4)	-	-	(4)	(10)
Operating assumption changes	16	296	-	312	(71)
Change in cost of capital	-	-	(56)	(56)	(86)
Embedded value profit/(loss) from operations	569	760	5	1 334	1 044
Investment return on adjusted net worth	59	-	-	59	23
Investment market related variances	198	32	-	230	(33)
Exceptional items	-	-	-	-	88
Embedded value profit/(loss) - covered business	826	792	5	1 623	1 122
Metropolitan Life					
Profit from new business	(136)	134	(11)	(13)	(41)
Expected return	-	369	(21)	348	320
Expected contribution from real world economic assumptions	55	168	-	223	242
Release of the cost of capital	-	-	63	63	71
Expected (or actual) net of tax profit transfer to net worth	631	(631)	-	-	-
Operating experience variances	28	216	-	244	(14)
Development expenses	(15)	-	-	(15)	(3)
Operating assumption changes	75	336	-	411	(114)
Change in cost of capital	-	-	113	113	(25)
Embedded value profit/(loss) from operations	638	592	144	1 374	436
Investment return on adjusted net worth	108	-	-	108	118
Investment market related variances	119	(65)	-	54	96
Exceptional items	-	-	-	-	(489)
Embedded value profit/(loss) - covered business	865	527	144	1 536	161

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2025

	Adjusted net worth (ANW) Rm	Gross value of in-force (VIF) Rm	Cost of required capital Rm	12 mths to 30.06.2025 Rm	12 mths to 30.06.2024 Rm
Analysis of changes in Group embedded value					
Momentum Corporate					
Profit from new business	(161)	130	(20)	(51)	22
Expected return	-	456	(50)	406	482
Expected contribution from real world economic assumptions	278	71	-	349	143
Release of the cost of capital	-	-	97	97	91
Expected (or actual) net of tax profit transfer to net worth	621	(621)	-	-	-
Operating experience variances	384	194	-	578	325
Development expenses	(3)	-	-	(3)	(3)
Operating assumption changes	125	266	-	391	(150)
Change in cost of capital	-	-	(95)	(95)	76
Embedded value profit/(loss) from operations	1 244	496	(68)	1 672	986
Investment return on adjusted net worth	165	-	-	165	180
Investment market related variances	229	(15)	-	214	(26)
Exchange rate movements	-	-	-	-	-
Exceptional items	-	-	-	-	374
Embedded value profit/(loss) - covered business	1 638	481	(68)	2 051	1 514
Momentum Metropolitan Africa					
Profit from new business	(195)	206	(32)	(21)	(50)
Expected return	-	246	(41)	205	174
Expected contribution from real world economic assumptions	(27)	56	-	29	69
Release of the cost of capital	-	-	72	72	56
Expected (or actual) net of tax profit transfer to net worth	367	(367)	-	-	-
Operating experience variances	(39)	(40)	-	(79)	(52)
Development expenses	(10)	-	-	(10)	(5)
Operating assumption changes	(35)	(135)	-	(170)	(127)
Change in cost of capital	-	-	32	32	(58)
Embedded value profit/(loss) from operations	61	(34)	31	58	7
Investment return on adjusted net worth	315	-	-	315	390
Investment market related variances	(23)	29	-	6	100
Exchange rate movements	(3)	(3)	-	(6)	(34)
Exceptional items	-	-	-	-	81
Embedded value profit/(loss) - covered business	350	(8)	31	373	544
Shareholders					
Expected return	-	8	-	8	13
Expected (or actual) net of tax profit transfer to net worth	46	(46)	-	-	-
Operating experience variances	(142)	-	-	(142)	33
Embedded value profit/(loss) from operations	(96)	(38)	-	(134)	46
Investment return on adjusted net worth	284	-	-	284	322
Investment market related variances	59	(16)	-	43	(32)
Exceptional items	(51)	-	-	(51)	(6)
Embedded value profit/(loss) - covered business	196	(54)	-	142	330

A. Value of new business (VNB)

In determining the VNB for retail and traditional corporate business:

- Premium increases that have been allowed for in the value of in-force covered business are not included as new business at inception.
- The expected value of future premium increases, resulting from premium indexation on the new recurring premium business written during the financial year under review, is included in the VNB.
- Only client-initiated continuations of individual policies and deferrals of retirement annuity policies after the maturity dates of contracts not previously expected in the present valuation of in-force business, are allowed for.
- For corporate business, increases in business from new schemes or new benefits on existing schemes are included as new business, but new members or salary-related increases under existing schemes are allowed for in the value of in-force covered business.
- Renewable recurring premiums under existing group insurance contracts are treated as in-force covered business.

The VNB for long-term insurance business measured under IFRS 17 is measured as the aggregate of:

- New business earnings as reflected in the IFRS Accounting Standards income statement, net of tax.
- The IFRS 17 contractual service margin (CSM), net of tax.
- The present value of future cash flows not measured and reported under IFRS 17, but that are attributable to the underlying insurance contracts, net of tax.
- Any adjustments required for new business definition differences between IFRS Accounting Standards and EV.
- The cost of capital (CoC).

Following the revised EV methodology, the present value of new business premiums (PVNBP) is calculated at the risk-free discount rate.

	12 mths to 30.06.2025 Rm	12 mths to 30.06.2024 Rm
Reconciliation of lump sum inflows		
Total lump sum inflows	51 467	60 844
Inflows not included in value of new business	(6 471)	(12 703)
Wealth off-balance sheet business	13 177	12 235
Term extensions on maturing policies	147	157
Automatically Continued Policies	1 800	2 342
Non-controlling interests and other adjustments	19	(10)
Single premiums included in value of new business	60 139	62 865

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2025

A. Value of new business (VNB) continued

Value of new business ^{1,2}	Momentum Retail Rm	Momentum Investments ³ Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Africa Rm	Total Rm
12 mths to 30.06.2025						
Value of new business	45	509	(13)	(51)	(21)	469
Gross	83	465	(2)	(31)	11	526
Less cost of required capital ⁴	(38)	44	(11)	(20)	(32)	(57)
New business premiums	3 785	48 345	3 413	7 117	1 669	64 329
Recurring premiums	1 105	280	1 608	674	523	4 190
Protection	486	-	1 035	204	217	1 942
Long-term savings	619	256	566	468	305	2 214
Annuities ⁵	-	24	7	2	1	34
Single premiums	2 680	48 065	1 805	6 443	1 146	60 139
Protection	-	-	-	-	49	49
Long-term savings	2 680	40 788	381	6 172	492	50 513
Annuities	-	7 277	1 424	271	605	9 577
New business premiums (APE)	1 373	5 087	1 788	1 318	638	10 204
Protection	486	-	1 035	204	222	1 947
Long-term savings	887	4 335	604	1 085	354	7 265
Annuities	-	752	149	29	62	992
Present value of new business premiums (PVNBP) ⁶	8 720	49 279	6 462	11 730	3 602	79 793
Profitability of new business as a percentage of APE	3.3	10.0	(0.7)	(3.9)	(3.3)	4.6
Profitability of new business as a percentage of PVNBP ⁶	0.5	1.0	(0.2)	(0.4)	(0.6)	0.6
12 mths to 30.06.2024						
Value of new business	(86)	744	(41)	22	(50)	589
Gross	16	663	(35)	47	(24)	667
Less cost of required capital ⁴	(102)	81	(6)	(25)	(26)	(78)
New business premiums	3 605	47 654	3 877	10 429	1 450	67 015
Recurring premiums	1 080	258	1 659	726	427	4 150
Protection	474	-	1 132	271	164	2 041
Long-term savings	606	228	518	452	263	2 067
Annuities ⁵	-	30	9	3	-	42
Single premiums	2 525	47 396	2 218	9 703	1 023	62 865
Protection	-	-	-	-	71	71
Long-term savings	2 525	37 820	349	9 554	484	50 732
Annuities	-	9 576	1 869	149	468	12 062
New business premiums (APE)	1 333	4 998	1 881	1 696	529	10 437
Protection	474	-	1 132	271	171	2 048
Long-term savings	859	4 010	553	1 407	311	7 140
Annuities	-	988	196	18	47	1 249
Present value of new business premiums (PVNBP) ⁶	8 461	48 546	6 901	15 393	2 840	82 141
Profitability of new business as a percentage of APE	(6.5)	14.9	(2.2)	1.3	(9.5)	5.6
Profitability of new business as a percentage of PVNBP ⁶	(1.0)	1.5	(0.6)	0.1	(1.8)	0.7

¹ Value of new business and new business premiums are net of non-controlling interests.

² The value of new business has been calculated using opening demographic and point of sale economic assumptions. Investment yields at the point of sale have been used for fixed annuity and guaranteed endowment business; for other business the implied economic assumptions at the start of the period have been used. The Group does not allow for marginal diversification benefits to be allocated to the value of new business for purposes of deriving the cost of required capital.

³ Included in covered business is Wealth business not deemed to be long-term insurance business with value of new business of R43 million (30.06.2024: R58 million).

⁴ For Momentum Investments the liability margins on the IFRS Accounting Standards basis are more than sufficient to cover the capital requirement and hence results in a positive value.

⁵ Recurring premiums on Annuity business relates mainly to the whole-of-life portion of Capital Protector Annuities.

⁶ Following the revised EV methodology, PVNBP is calculated at the risk-free discount rate.

B. Expected return

For annual renewable insurance contracts and covered investment contracts, the expected return is determined by applying the relevant risk discount rate applicable at the beginning of the reporting year to the present value of in-force covered business at the beginning of the reporting year. The expected return on new business is determined by applying the current risk discount rate to the value of new business from the point of sale to the end of the year.

For long-term insurance contracts measured under IFRS 17, the expected return is determined by calculating the expected risk-free investment return earned over the period on the opening value of in-force business. Where the value of in-force business is represented by the contractual service margin (CSM), the expected return is taken as the CSM interest accretion over the period. For new business a similar approach is taken whereby the expected return is calculated with reference to the value of new business at point of sale.

The expected return includes the expiry of risk as measured by the release of the IFRS 17 risk adjustment.

C. Expected contribution from real world economic assumptions

In addition to the relevant risk-free investment return over the period the expected contribution from real world risk premiums are analysed in this item. The effect is quantified with regard to assets backing the contractual service margin (CSM), yield enhancement strategies and the effect on future asset-based revenue.

D. Release of the cost of capital

The release of the cost of capital represents the frictional cost incurred over the year on the assets backing required capital, consisting of the tax on investment income generated by assets supporting required capital and asset management costs on the assets supporting required capital and the value of in-force.

E. Expected (or actual) net of tax profit transfer to net worth

The expected profit transfer for covered business from the present value of in-force to the adjusted net worth.

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2025

F. Operating experience variances

Operating experience variances	Notes	12 mths to 30.06.2025			12 mths to 30.06.2024
		ANW Rm	Gross VIF Rm	EV Rm	EV Rm
Momentum Retail		65	82	147	140
Mortality and morbidity	1	216	7	223	146
Terminations, premium cessations and policy alterations	2	(21)	41	20	10
Expense variance		40	-	40	(5)
Change in risk adjustment		(3)	-	(3)	(18)
Other	3	(135)	1	(134)	8
Contractual service margin transfer		(32)	33	1	(1)
Momentum Investments		(48)	(37)	(85)	(133)
Mortality and morbidity	4	40	-	40	63
Terminations, premium cessations and policy alterations	5	(1)	(96)	(97)	(156)
Expense variance		(9)	-	(9)	(59)
Change in risk adjustment		-	-	-	(1)
Other		(15)	(4)	(19)	20
Contractual service margin transfer		(63)	63	-	-
Metropolitan Life		28	216	244	(14)
Mortality and morbidity	4	103	(1)	102	91
Terminations, premium cessations and policy alterations	6	141	63	204	(43)
Expense variance		(73)	-	(73)	(85)
Change in risk adjustment		15	-	15	23
Other		21	(24)	(3)	1
Contractual service margin transfer		(179)	178	(1)	(1)
Momentum Corporate		384	194	578	325
Mortality and morbidity	7	540	-	540	607
Terminations, premium cessations and policy alterations	8	(25)	188	163	(162)
Expense variance		(97)	-	(97)	(111)
Change in risk adjustment		(26)	-	(26)	(3)
Other		(2)	-	(2)	(6)
Contractual service margin transfer		(6)	6	-	-
Momentum Metropolitan Africa		(39)	(40)	(79)	(52)
Mortality and morbidity	4	21	-	21	69
Terminations, premium cessations and policy alterations	9	(15)	(8)	(23)	(63)
Expense variance		(23)	-	(23)	(55)
Change in risk adjustment		2	-	2	1
Other	10	(52)	(4)	(56)	(4)
Contractual service margin transfer		28	(28)	-	-
Shareholders	11	(142)	-	(142)	33
Total operating experience variances		248	415	663	299

Notes

- The largest contributor to the experience is Protection business aided by a recovery in the experience of Traditional business.
- Persistency losses were offset by profitable alterations experience.
- Driven by a reinsurance pricing change that was implemented on Protection business.
- Overall, mortality and morbidity experience for the 12 months were better compared to what was allowed for in the valuation basis.
- Long-term savings business experience is mainly reflected in the VIF, with a persistency and alterations loss mainly due to fee alterations.
- The impact is as a result of positive persistency and alteration experience on the Protection and Long-term savings businesses.
- Driven by positive underwriting profits on Group Insurance business offset by adverse experience on Myriad Continuation Assurance Option business.
- The adverse persistency experience on ANW is mainly due to higher than expected terminations on Myriad Continuation Assurance Option business.
- The positive experience on VIF is due to lower than expected terminations on Savings and Group Insurance businesses.
- Impact due to adverse termination experience in Botswana.
- As part of the system migration process a correction was made to policyholder liabilities.
- Includes the impact of tax and expense variances.

G. Development expenses

Business development expenses within segments.

H. Operating assumption changes

		12 mths to 30.06.2025			12 mths to 30.06.2024
		ANW Rm	Gross VIF Rm	EV Rm	EV Rm
Operating assumption changes	Notes				
Momentum Life		79	(402)	(323)	88
Mortality and morbidity assumptions	1	(24)	(13)	(37)	(18)
Termination assumptions	2	(322)	4	(318)	284
Renewal expense assumptions	3	(31)	(47)	(78)	(203)
Change in risk adjustment		82	-	82	(30)
Modelling, methodology and other changes		28	3	31	60
Contractual service margin transfer		346	(349)	(3)	(5)
Momentum Investments		16	296	312	(71)
Mortality and morbidity assumptions	4	242	1	243	-
Termination assumptions		-	-	-	(7)
Renewal expense assumptions	3, 5	(200)	357	157	(65)
Change in risk adjustment		(18)	-	(18)	3
Modelling, methodology and other changes	6	-	(70)	(70)	(2)
Contractual service margin transfer		(8)	8	-	-
Metropolitan Life		75	336	411	(114)
Mortality and morbidity assumptions	4	211	(2)	209	1
Termination assumptions	7	143	2	145	(268)
Renewal expense assumptions	3	(117)	(37)	(154)	105
Change in risk adjustment		(45)	-	(45)	31
Modelling, methodology and other changes	8	262	(7)	255	18
Contractual service margin transfer		(379)	380	1	(1)
Momentum Corporate		125	266	391	(150)
Mortality and morbidity assumptions	9	72	(46)	26	264
Termination assumptions	10	11	125	136	(19)
Renewal expense assumptions	3	(78)	(385)	(463)	(376)
Change in risk adjustment		(3)	-	(3)	-
Modelling, methodology and other changes	11	43	652	695	(19)
Contractual service margin transfer		80	(80)	-	-
Momentum Metropolitan Africa		(35)	(135)	(170)	(127)
Mortality and morbidity assumptions	12	60	(47)	13	30
Termination assumptions	13	(9)	(103)	(112)	24
Renewal expense assumptions	14	(39)	(43)	(82)	(247)
Change in risk adjustment		24	-	24	(14)
Modelling, methodology and other changes		(13)	-	(13)	80
Contractual service margin transfer		(58)	58	-	-
Total operating assumption changes		260	361	621	(374)

Notes

1. Mainly due to the overall strengthening of the mortality basis on Traditional business.
2. Driven by the strengthening of the persistency basis on Protection business, whereby total premium growth (i.e. voluntary and compulsory growth) is now used as the main determinant of the lapse assumption.
3. Expense basis updated in line with changes in the expense budget as well as reducing the short-term expense inflation assumption from 5.5% to 5.0%.
4. Due to an increase in the mortality assumptions on Annuity business, in line with experience.
5. Includes the impact of a change in the allocation of expenses between products, whereby expenses increased for Annuity business and decreased for Wealth business.
6. The impact relates to the minimum tax rate now applied on offshore companies.
7. The terminations basis has been updated in line with the most recent experience investigation on voluntary premium increases on Protection and Long-term savings businesses.
8. Release of data reserves following modelling refinements and product management reviews on some legacy products.
9. Driven by a weakening of mortality assumptions on Myriad Continuation Assurance Option business and With-profit annuities (ANW impacts) and an increase in underwriting profit assumptions and a decrease in admin fee assumptions on Group Insurance business (VIF impacts).
10. Mainly due to a decrease in the termination assumptions of Group Insurance, Myriad Continuation Assurance Option and Savings businesses.
11. Other changes are driven mainly by an increase in short-term underwriting profit assumptions on Group Insurance business and a review (and increase) of the modelling of fee structures in the VIF, offset by a refinement (and decrease) on the cash flow run-off model for With-profit annuities.
12. Revision of mortality assumptions in line with experience in Namibia and Lesotho.
13. Revision of termination assumptions in line with experience in Lesotho.
14. Expense basis updated in line with changes in the expense budget partly offset by the release of the book shrinkage allowance in Namibia.

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2025

I. Investment return on adjusted net worth

	12 mths to 30.06.2025 Rm	12 mths to 30.06.2024 Rm
Investment return on adjusted net worth		
Investment income	921	1 154
Capital appreciation and other ¹	173	80
Investment return on adjusted net worth	1 094	1 234

¹ This includes the revaluation of owner-occupied properties.

J. Investment market related variances

Investment market related variances represent the impact of higher/lower than assumed investment returns on current and expected future after-tax profits from in-force business as well as the effect of the change in assumed rate of investment return, expense inflation rate and risk discount rate in respect of local and offshore business.

K. Exchange rate movements

The impact of foreign currency movements on International covered businesses.

L. Exceptional items

For the current period, final alignment between the IFRS net asset value and EV adjusted net worth for covered business has been implemented following the transition to IFRS 17. This will allow for an easier reconciliation between earnings on the two bases in future.

For the prior period this represents the impact of transitioning to IFRS 17 and the subsequent revision of the EV methodology. The key drivers of the change in the Group EV are as follows:

- Adjusted net worth increases following the net release of insurance contract liabilities on IFRS 17 transition.
- Value of in-force reduces in response to the net release in insurance contract liabilities (i.e. release of deferred margins previously included in the value of in-force) and the removal of risk premiums from the investment return assumptions.
- Cost of capital reduces mainly as a result of the reduction in the cost of capital rate, but the impact is partially offset by the increase in the level of required capital. Required capital increases as a result of the net increase in adjusted net worth following the transition to IFRS 17.

M. Transfer of business from/to non-covered business

Transfer of business between covered and non-covered business.

N. Other capital transfers

Capital transfers include the alignment of the net asset value of subsidiaries between covered and non-covered business and the recapitalisation of some International subsidiaries. In addition, the change in the treatment of intercompany loans to align with capital management practices has been analysed as capital transfers (this represents the bulk of the number).

Sensitivity of the in-force value and the VNB

This section illustrates the effect of different assumptions on the adjusted net worth, the value of in-force business, the VNB and the cost of required capital. For each sensitivity illustrated, all other assumptions have been left unchanged.

The table below shows the impact on the EV (adjusted net worth, value of in-force and cost of required capital) and VNB (gross and net of the cost of required capital) of independent changes in a range of experience assumptions. For each EV sensitivity, the impacts on policyholder liabilities and matching assets, as well as the value of in-force are collectively disclosed under the "In-force business" heading. For the market risk sensitivities, the impact on the shareholder fund is disclosed under the "Adjusted net worth" heading. The effect of an equivalent improvement in these experience assumptions would be to increase the base values by a percentage approximately equal to the reductions shown below. The sensitivities have been performed in accordance with APN107 and industry best practice.

Covered business: sensitivities - 30.06.2025	Adjusted net worth Rm	In-force business			New business written		
		Net value Rm	Gross value Rm	Cost of required capital ⁴ Rm	Net value Rm	Gross value Rm	Cost of required capital ⁴ Rm
Base value	19 286	20 769	22 638	(1 869)	469	526	(57)
10% decrease in future expenses % change ¹		23 157 11	25 026 11	(1 869) -	651 39	708 35	(57) -
10% decrease in lapse, paid-up and surrender rates % change		21 211 2	23 080 2	(1 869) -	639 36	696 32	(57) -
5% decrease in mortality and morbidity for assurance business % change		24 384 17	26 253 16	(1 869) -	623 33	680 29	(57) -
5% decrease in mortality for annuity business % change		20 192 (3)	22 061 (3)	(1 869) -	428 (9)	485 (8)	(57) -
1% reduction in expense inflation rate % change		22 184 7	24 053 6	(1 869) -	572 22	629 20	(57) -
10% reduction in premium indexation take-up rate % change		19 758 (5)	21 627 (4)	(1 869) -	431 (8)	488 (7)	(57) -
10% decrease in non-commission- related acquisition expenses % change					618 32	675 28	(57) -
1% reduction in nominal yield curve ² % change ³	19 313 -	20 206 (3)	22 026 (3)	(1 820) (3)	491 5	548 4	(57) -
10% fall in market value of equities and properties % change ³	18 995 (2)	19 701 (5)	21 570 (5)	(1 869) -			

¹ No corresponding changes in variable policy charges are assumed, although in practice it is likely that these will be modified according to circumstances.

² The sensitivity tests a 1% reduction in the nominal risk-free yield curve across all durations (i.e. observable market yields and ultimate spot rate).

For a 1% reduction in observable nominal yields and the ultimate spot rate remaining unchanged, the Group's EV earnings are estimated to increase by R111 million. This is a more accurate reflection of the Group's economic exposure to parallel movements in nominal market yields.

³ Bonus rates are assumed to change commensurately.

⁴ The change in the value of cost of required capital is disclosed as nil where the sensitivity test results in an insignificant change in the value.

DIRECTORS' REPORT

The Board is pleased to present the audited financial statements of Momentum Group Ltd (or the Company) and its subsidiaries (collectively Momentum Group or the Group) for the year ended 30 June 2025. The Board is comfortable that the Group is in compliance with the Companies Act as well as the Company's Memorandum of Incorporation. The material risk factors applicable to the Group can be found in the Integrated Report which is available online in PDF format at <https://www.momentumgroup.co.za>.

Nature of activities

Momentum Group is a South African based financial services group that offers a comprehensive range of products and administration services, including life and non-life insurance, employee benefits, medical scheme and asset management to clients in selected African and other countries. Momentum Group Ltd is listed on the Johannesburg Stock Exchange (JSE) and A2X Markets (A2X) in South Africa, and the Namibian Stock Exchange (NSX) in Namibia.

Corporate events

Acquisitions

On 30 April 2025, the Group, through its wholly owned subsidiary, Momentum Strategic Investments (Pty) Ltd (MSI), acquired 100% of the shares in FinGlobal Migration (Pty) Ltd (FinGlobal) for a purchase consideration of R215 million. The purchase consideration consisted of an initial cash payment of R215 million. This acquisition has resulted in goodwill of R31 million, intellectual property of R133 million and broker network of R9 million being recognised. The acquisition extends Momentum's advice offering to clients with emigration services which can be bolted on to any of the Momentum distribution channels as an additional service offering.

Listed debt

On 12 November 2024, Momentum Metropolitan Life Ltd (MML) listed two subordinated debt instruments to the combined value of R750 million on the JSE Ltd. The proceeds of the issuance replaced the funds used to redeem the MMIG07 subordinated debt instrument that was redeemed on 18 September 2024, the first call date.

Share buyback programme

The Group bought back a total of 44 million shares (for a cost of R1 403 million including transaction costs) during the current year. 42 million shares were cancelled prior to 30 June 2025.

Presentation of financial statements

The consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, as set out in these financial statements, have been prepared in accordance with:

- IFRS Accounting Standards as issued by the IASB.
- IFRIC interpretations by the IFRS Interpretations Committee issued and effective at the time of preparing these statements.
- JSE Listings Requirements, JSE LR 8.57(a).
- Companies Act.
- Financial Pronouncements (as issued by the Financial Reporting Standards Council).
- South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides (as issued by the Accounting Practices Committee).

The accounting policies of the Group have been applied consistently to all years presented except specific restatements listed in note 1 of the AFS. The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates as well as the exercise of managerial judgement in the application of the Group's accounting policies. Such judgement, assumptions and estimates are disclosed in the Critical judgements and accounting estimates note on page 39 of the AFS, including changes in estimates that are an integral part of the insurance business.

Solvency assessment and going concern

The Board is satisfied of the Group's solvency, taking into account its ability to withstand impacts from the continuously evolving environment, and its ability to continue as a going concern.

Corporate governance

The Board has satisfied itself that the Group has applied the principles of corporate governance as detailed in the King Report on Corporate Governance™ for South Africa, 2016 (King IV)* throughout the year under review. Refer to the Integrated Report and the King IV Application Summary available on the Group's website for details of the Governance Framework and assessment of its application throughout the year.

Provisions, contingent liabilities and capital commitments

The Group is party to legal proceedings and appropriate provisions are made when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and that amount is measured reliably. The Group is not aware of capital commitments at 30 June 2025 that were not in the ordinary course of business other than what is disclosed in note 31.

* Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

Results of operations

The operating results and the financial position of the Group are reflected in the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows, segmental report and the notes thereto.

Group earnings and headline earnings attributable to equity holders for the year under review were R5 978 million (2024: R3 847 million) and R6 002 million (2024: R4 061 million) respectively. Group normalised headline earnings were R6 260 million (2024: R4 438 million) and normalised headline earnings per share 451.0 cents (2024: 309.7 cents). Refer to note 2 for a reconciliation of earnings to normalised headline earnings.

Normalised headline earnings adjust the JSE definition of headline earnings for the impact of finance costs related to preference shares that can be converted into ordinary shares of the Group when it is anti-dilutive, the impact of treasury shares held by the iSabelo Trust, the amortisation of intangible assets arising from business combinations and Broad-based black economic empowerment (B-BBEE) costs. Additionally, the iSabelo special purpose vehicle, which houses preference shares issued as part of the employee share ownership scheme's funding arrangement is deemed to be external from the Group and the discount at which the iSabelo Trust acquired the Momentum Group Ltd's treasury shares is amortised over a period of 10 years and recognised as a reduction to normalised headline earnings. Group normalised headline earnings are reported by segment and disclosed in note 3. For the current and prior year it is as follows:

Analysis of normalised headline earnings	2025		2024	
	Rm	% of total	Rm	% of total
Momentum Retail	1 356	22	1 109	25
Momentum Investments	963	15	533	12
Metropolitan Life	868	14	595	13
Momentum Corporate	1 618	25	1 182	27
Momentum Metropolitan Health	295	5	255	6
Guardrisk	775	12	653	15
Momentum Insure	438	7	192	4
Momentum Metropolitan Africa	288	5	376	8
India	(67)	(1)	(274)	(6)
Shareholders	(274)	(4)	(183)	(4)
Total	6 260	100	4 438	100

Subsidiaries, associates and joint ventures

Details of significant subsidiary companies are contained in note 41. Details of associates are contained in note 7 and 42. Details of joint ventures are contained in note 7.

Share capital

Share issue and repurchase

No ordinary shares were issued in the current year. During the prior year, all of the A3 preference shares were converted into ordinary shares. The Group bought back shares as part of its share buyback programme during the current financial year. Refer to note 17 for more details.

Share options

The Group awards units to employees as part of cash-settled share-based schemes. Refer to note 16.1.2 for more details.

The iSabelo Trust has been set up to hold and administer 3% of total issued Momentum Group Ltd's shares until such time as the shares are allocated to employees. At commencement of the programme, units in the iSabelo Trust were allocated to all current South African employees during April 2021. Units will also be allocated, on an annual basis, to new South African employees who joined after the commencement date. Vesting will occur as follows: 10% to vest in year one and 15% thereafter for years two to seven. The shares will be distributed to employees at the end of the 10th anniversary of their initial allocation. Refer to note 18.6 for more details.

Shareholder dividend

Momentum Group Ltd – ordinary shares

During the current year, interim ordinary dividends of 85 cents per share were declared in March 2025 and a final ordinary dividend of 90 cents per share was declared on 15 September 2025 by the Board, resulting in a total ordinary dividend of 175 cents per share. In the prior year, an interim ordinary dividend of 60 cents per share was declared in March 2024 and a final ordinary dividend of 65 cents per share was declared in September 2024 by the Board.

The dividend is payable out of income reserves to all holders of ordinary shares recorded in the register of the Company at the close of business on Friday, 10 October 2025, and will be paid on Monday, 13 October 2025. The dividend will be subject to local dividend withholding tax (DWT) at a rate of 20% unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate. This will result in a net final dividend of 72 cents per ordinary share for those shareholders who are not exempt from paying dividend tax.

The last day to trade cum dividend will be Tuesday, 7 October 2025. The shares will trade ex dividend from the start of business on Wednesday, 8 October 2025. Share certificates may not be dematerialised or rematerialised between Wednesday, 8 October 2025 and Friday, 10 October 2025, both days inclusive. The number of ordinary shares in issue at the declaration date was 1 360 509 016. The Company's income tax number is 975 2050 147.

Where applicable, dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, dividend cheques will be posted to certificated shareholders on or about payment date. Shareholders who hold dematerialised shares will have their accounts with their Central Securities Depository Participant or broker credited on the payment date.

DIRECTORS' REPORT CONTINUED

Preference shares

In the prior year, dividends of R18.2 million (132 cents per share p.a.) were declared on the unlisted A3 Momentum Group Ltd preference shares as determined by the Company's Memorandum of Incorporation.

Momentum Group Ltd convertible redeemable preference shares (issued to Kagiso Tiso Holdings (Pty) Ltd (KTH))

The A3 Momentum Group Ltd preference shares were redeemed on 17 May 2024 after extending it by 9 months in the prior year.

Shareholders

Details of the Group's shareholders are provided in the Shareholder profile note of this report.

Directorate, secretary and auditor

The Group had the following directors at 30 June 2025:

PC Baloyi (Chair)	Independent non-executive
JC Marais (Cilliers) (Group Chief Executive)	Executive
RS Ketola (Group Finance Director)	Executive
DM Mbethe (CEO: Momentum Corporate)	Executive
P Cooper	Independent non-executive
L de Beer	Independent non-executive
NJ Dunkley	Independent non-executive
T Gobalsamy	Independent non-executive
SC Jurisich	Independent non-executive
AF Leautier	Independent non-executive
P Matlakala	Independent non-executive
HP Meyer	Non-executive
DJ Park	Independent non-executive
S Rapeti	Independent non-executive
JJ Sieberhagen (appointed 1 March 2025)	Independent non-executive
TD Soondarjee	Independent non-executive

¹ Apart from the appointment of JJ Sieberhagen to the Board on 1 March 2025, there were no other Board appointments, resignations or retirements during the year.

Detailed information regarding the directors and Group Company Secretary of the Company is provided in the Integrated Report which is available online in PDF format at <https://www.momentumgroupltd.co.za>.

In accordance with section 90(6) of the Companies Act, Ernst & Young Inc. and PricewaterhouseCoopers Inc. are joint auditors.

Directors' interest

No material contracts involving directors' interests were entered into by Group entities during the year.

Directors' shareholding

The aggregate direct and indirect holdings in Momentum Group Ltd of the directors of the Company at 30 June 2025 are set out below:

	Direct Beneficial '000	Indirect Beneficial '000	Total 2025 '000	Total 2024 '000
Listed				
Executive directors	366	-	366	307
Non-executive directors	833	1 466	2 299	2 295
Total	1 199	1 466	2 665	2 602

The above directors' effective Momentum Group Ltd shareholding amounts to 0.20% (2024: 0.19%).

Refer to the Shareholder profile note for the percentage of issued shares held by directors.

All transactions in listed shares of the Company involving directors were disclosed on the Stock Exchange News Service as required.

No changes occurred between the reporting date and the date of approval of the financial statements. The detail in terms of the Listings Requirements of the JSE is set out in note 44.

Directors' remuneration

The executive directors have standard employment contracts with the Company or its subsidiaries with a minimum of a one-month notice period. The aggregate remuneration of the Momentum Group Ltd directors for the period ended 30 June 2025 is set out below. The detail in terms of the Listings Requirements of the JSE is set out in note 44.

	Fees R'000	Salary R'000	Short-term incentive payments¹ R'000	Retirement fund R'000	Medical aid R'000	Long-term incentive payment R'000	Total 2025 R'000	Total 2024 R'000
Executive	-	18 181	12 500	1 019	203	51 799	83 702	75 031
Non-executive	24 365	-	-	-	-	-	24 365	20 578
Total	24 365	18 181	12 500	1 019	203	51 799	108 067	95 609

¹ Bonus payments relate to the 2024 financial year's bonus.

Refer to note 44 for additional information regarding Director's emoluments, including information regarding the unwinding of the LTIP and deferred bonus units.

Borrowing powers

In terms of the Company's Memorandum of Incorporation, directors have unlimited borrowing powers (subject to section 45 of the Companies Act); however, Prudential Authority (PA) approval is required for any borrowings within a South African life insurance company or the controlling company in the Group.

Events after the reporting period

The operating model review of the Momentum Metropolitan Africa segment has been completed. From 1 July 2025, the short-term insurance business will be reported in Guardrisk and the health insurance business reported in Momentum Metropolitan Health. As a result, the Momentum Metropolitan Africa segment will comprise only the life and asset management businesses. However, the Namibia health business will continue to be reported as part of Momentum Metropolitan Africa.

The Financial Sector Conduct Authority (FSCA) approved the liquidation of the Sage Group Pension Fund during August 2025.

The sale of 100% of Metropolitan Life Insurance Ghana Ltd, Metropolitan Pensions Trust Ghana Ltd and the Group's 85% share of Metropolitan Health Insurance Ghana Ltd to emPLE Group was concluded on 9 September 2025.

The Board declared a final ordinary dividend of 90 cents per share on 15 September 2025.

The Group bought back a total of 17.5 million shares for a cost of R602 million including transaction costs during the period 1 July 2025 to 12 September 2025. 16.8 million shares of these have been cancelled with the remainder to be cancelled in September 2025.

Guardrisk Life Ltd has received regulatory approval for a Section 50 transfer of insurance business related to a specific cell that has obtained its own insurance license. In terms of this approval, the associated insurance liabilities and corresponding matching assets will be transferred during September 2025.

The Board has approved a further R1 billion for the buyback programme of the Group's ordinary shares, subject to Prudential Authority approval.

Refer to note 33 for more details relating to these events. No other material events occurred between the reporting date and the date of approval of these results.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee (the Committee) of the Momentum Group herewith presents its report for the financial year ended 30 June 2025. The Group consists of Momentum Group Ltd (the Company) and its subsidiaries, which includes the Momentum Metropolitan Life Group.

Function of the Committee

The Committee had discharged its responsibilities as mandated by the Board, its statutory duties in compliance with the Companies Act, Insurance Act 18 of 2017, the JSE Listings Requirements, as well as best practices in corporate governance, set out in King IV.

The Committee's oversight responsibilities delegated to the Committee by the Board include:

- The integrity of financial reporting.
- The internal audit function, including the annual internal audit plan as well as objectivity and performance of the function.
- Assessment of the internal control environment.
- Combined assurance.
- External audit, including independence and audit quality.

The Committee's terms of reference, which are regularly reviewed and are available on our website, are aligned with the above legislation, regulations and practices.

An overview of the Committee's responsibilities, focus areas for the current year and 2026 objectives are included on page 119 of the Group's 2025 Integrated Report. This report does not elaborate on the complete list of responsibilities of the Committee, as set out in its terms of reference, but instead focuses on the more pertinent matters and required assessments, sign offs and attestations by the Committee.

Committee composition, attendees and meetings

The Committee comprises only independent non-executive directors. The Chair of the Board of the Company is not a member of the Committee.

The Committee's composition during the year was as follows:

Linda de Beer (Chair)
David Park
Nigel Dunkley
Seelan Gobalsamy
Tyrone Soondarjee

A brief profile of the current members can be viewed on pages 111 to 114 of the 2025 Integrated Report and the Group's website at www.momentumgrouppltd.co.za.

The Committee had five scheduled meetings during the year. Three further meetings were held to consider information for the purposes of trading updates. Member attendance is reflected on pages 111 to 114 of the 2025 Integrated Report, which is available on the Group's website.

Key members of management as well as heads of the control functions, namely Risk, Compliance, Actuarial and Group Internal Audit, attend meetings of the Committee by invitation. Closed sessions of Committee members only with internal audit, external audit and management are held on a regular basis.

Focus areas of the Committee for the year

During the current year, the Committee, in addition to its regular agenda as per its terms of reference, paid specific attention to the following:

- Overseeing the implementation of the joint audit regulation.
- Embedding IFRS 17 into reporting and business-as-usual processes.
- Embedding audit automation and data analytics in internal audit processes.
- Ongoing oversight of the maturity of processes and controls in respect of FICA.
- Monitoring enhancements of technical finance skills and capacity within business units.

These matters are elaborated on further in the Integrated Report.

Annual confirmations by the Committee

On an annual basis the Committee assesses the following:

Group financial reporting practice processes and annual financial statements

As required by the JSE Listings Requirements, the Committee considered the appropriateness of financial reporting procedures and whether these are operational in all entities in the Group, to effectively prepare and report on the financial statements. This oversight by the Committee is supported by the combined assurance activities of the Group, as further explained below.

Furthermore, the Committee considered all related guidance and requirements issued by the JSE, including its 2024 Proactive Monitoring Report in particular, Annexure 4 thereof and IFRS 17 thematic review on MML, to assess the impact thereof on the Group.

The Committee recommended the Group Annual Financial Statements (AFS) to the Board for approval.

Going concern

The Committee considered management's assessment of the ability of the Group to continue as a going concern, including key assumptions, forecasts, current and future liquidity, solvency and capital adequacy and has made a recommendation to the Board in accordance with this assessment. The Board's statement on the going concern status is included on page 1 of the AFS.

Group Finance Director and finance function

The Committee considered and satisfied itself that Risto Ketola has the appropriate skills and experience to fulfil the role of Group Financial Director and that the finance function is adequately skilled and experienced. Furthermore, the Committee considered whether the finance function has established appropriate financial reporting procedures across all entities included in the consolidated Group financial statements, to allow complete information and effective preparation of the Group's financial reports.

Integrated Report

The Committee considered the Group's 2025 Integrated Report to satisfy itself as to the integrity thereof, including an appropriate and consistent view of the Group's position and performance relative to operational and financial information known to the Committee. The Integrated Report was recommended to the Board for approval.

External audit quality and independence

The Committee assessed and is satisfied with the suitability of EY and PwC as the joint auditors of the Group, as well as Christo du Toit and Dilshad Khalfey as the lead engagement partners.

To support the above, all requirements in line with the JSE Listings Requirements (3.84(g)(iii), 3.86 and 3.87) and in accordance with section 94(8) of the Companies Act, were considered and the Committee was satisfied with the suitability, independence and objectivity of EY and PwC, as well as Christo du Toit and Dilshad Khalfey in carrying out their duties as external auditors.

In addition, Motlanalo Chartered Accountants and Auditors Incorporated was appointed to perform audit work on specified components within the Group audit. The Committee considered this appointment appropriate and confirmed that such work will be performed under the direction and responsibility of the joint auditors.

External audit fees are disclosed on page 165 within note 25.5 to the AFS. All the non-audit services (disclosed on page 165, note 25.5 of the AFS) provided by the external auditors were approved by the Committee in accordance with the policy for the provision of non-audit services.

Internal audit

Otsile Sehularo, Chief Audit Executive (CAE), oversees the Group Internal Audit function and the internal audit co-sourced relationship with KPMG. The Committee annually assesses the performance of the CAE and Group Internal Audit and remains satisfied that the co-sourced internal audit model results in the appropriate independence of Group Internal Audit, provides access to subject matter assurance expertise and has the authority to fulfil its duties as per its mandate, which is outlined in the internal audit charter.

The charter and the risk-based internal audit plan are reviewed annually and approved by the Committee. Progress in terms of the internal audit plan is monitored by the Committee. Similarly, the Committee require business units where cause for concern findings in respect of specific internal controls is raised by Group Internal Audit, to report to the Committee to better understand the remedial action(s) put in place, and progress made to enhance internal controls.

REPORT OF THE AUDIT COMMITTEE CONTINUED

Combined assurance and internal financial control assessment

The Group has a well-established combined assurance framework and practices to enable integrated planning, execution and reporting of the various assurance activities across the business. These assurance activities include all internal assurance functions, namely Compliance, Risk, Actuarial and Group Internal Audit as well as external assurance providers, most pertinently external audit. This integrated approach allows for improved understanding and coverage of risks by all relevant Group assurance providers.

As Chair of this Committee, I am a member of the Board's Risk, Capital and Compliance Committee and the chair of the Risk, Capital and Compliance Committee is also a member of this Committee. The dual membership ensures that the Committee is appropriately made aware of material matters that may impact the Group's financial reporting.

The Committee has carried out its responsibilities with the support of the Combined Assurance Forums that represent the various operating structures within the Group. The Combined Assurance Forums report to the Committee every quarter.

Details of the Group's combined assurance framework and the results of the assurance work in 2025 are provided on page 41 of the Integrated Report.

Through the work of the quarterly Combined Assurance Forums and the various assurance activities, the Committee was able to assess that the review of the design, implementation and effectiveness of the Group's internal controls, with specific focus on internal financial controls, was performed.

Based on the feedback from the Combined Assurance Forums, the annual self-assessments by the management of the various businesses, the work done to support the CEO and FD conclusion and sign off on the financial controls to support the accuracy of the financial statements, as well as the assurance provided by Group Internal Audit, the Committee concluded that internal financial controls are effective and adequate to support the integrity of the preparation and presentation of the AFS.

The Committee's response to key audit matters reported by the external auditor

Key audit matters (KAMs) are matters that, in the external auditor's professional judgement, were of most significance in the audit of the AFS for the current financial year.

The Committee considers these matters as follows:

Valuation of insurance and reinsurance contract assets and liabilities

The valuation of insurance and reinsurance contract assets and liabilities are a critical focus area for the Committee. The Committee considers the key judgements and assumptions applied, as well as other adjustments and changes to valuations methods and accounting policies, to understand the impact it would have on the valuations.

The Committee relies on the Board's Actuarial Committee to interrogate the consistency and appropriateness of the actuarial assumptions, methodology and modelling applied in determining the appropriate level of provisioning, and the reasonableness of basis changes, as these involve complex and significant judgements about future events, both internal and external to the business for which small changes can result in a material impact to the resultant valuation. Feedback from the Chair of the Actuarial Committee was given to the Committee.

Comfort on the accuracy and completeness of the actuarial data is obtained through the Group's combined assurance model, supported by the various assurance functions and service providers.

The Committee is satisfied that the valuation of insurance and reinsurance contract assets and liabilities was adequately considered.

Valuation of level 3 assets

The Committee has considered the appropriateness and consistency of the methodology applied, as well as the assumptions and judgements made by management to determine the fair value of its property portfolio, investment in non-listed entities and credit exposure in respect of lending activities. In particular, the Committee spent time better understanding the investment philosophy as well as management judgements and assumptions in respect of venture capital investments and the valuation thereof. To this end, in compliance with the measurement requirements of IFRS Accounting Standards, the Committee was comfortable with these valuations and that the related judgements in this regard are adequately considered and disclosed.

Planned focus areas of the Committee for 2026

In 2026, the Committee will focus on the following, in addition to its ongoing responsibilities in terms of the Committee terms of reference:

- Ongoing focus on regulatory matters and compliance, where required in collaboration with the Risk, Capital and Compliance Committee.
- Automation of the Group financial reporting consolidation process.
- Enhancement of IFRS 17 disclosures.
- Creating greater capacity through the expansion of independent assurance services to support the Group Internal Audit function.
- Monitoring the potential balance sheet impact of the transition from the Johannesburg Interbank Average Rate (JIBAR) to the South African Overnight Index Average (ZARONIA) as South Africa's primary reference rate for financial transactions.



Linda de Beer
Chair: Audit Committee

15 September 2025

STATEMENT OF FINANCIAL POSITION

at 30 June

	Notes	2025 Rm	Restated 2024 ¹ Rm	Restated 1 July 2023 ¹ Rm
Assets				
Intangible assets	4	4 844	4 683	4 818
Owner-occupied properties	5	2 764	2 728	3 049
Fixed assets	5.2	699	591	478
Investment properties	6	9 573	9 188	8 825
Properties under development		264	267	172
Investments in associates and joint ventures	7	2 044	1 700	1 732
Employee benefit assets	16.2	470	431	400
Financial assets at fair value through profit and loss (FVPL)	8.1	710 560	621 890	551 705
Financial assets at amortised cost	8.2	7 602	7 834	9 083
Insurance contract assets	10	14 464	11 314	9 735
Reinsurance contract assets	11	10 112	9 228	10 802
Deferred income tax	15	526	606	561
Other receivables	9	1 219	1 174	1 227
Non-current assets held for sale	46	950	338	56
Current income tax assets	28.2	168	568	82
Cash and cash equivalents	8.3	36 954	33 898	32 958
Total assets		803 213	706 438	635 683
Equity				
Equity attributable to owners of the parent		32 550	29 724	28 580
Share capital	17	13 457	13 457	13 192
Other components of equity	18	1 040	725	1 938
Retained earnings		18 053	15 542	13 450
Non-controlling interests		404	333	290
Total equity		32 954	30 057	28 870
Liabilities				
Insurance contract liabilities	10	187 481	167 681	152 612
Investment contracts designated at FVPL	12	481 765	419 081	373 382
Financial liabilities at FVPL	14.1	60 360	53 546	45 073
Financial liabilities at amortised cost	14.2	3 521	3 678	3 969
Reinsurance contract liabilities	11	16 478	13 914	12 883
Deferred income tax	15	3 118	3 252	2 775
Provisions	32	276	404	385
Employee benefit obligations	16.1	3 013	2 111	1 749
Other payables	14.3	12 972	12 385	12 821
Non-current liabilities held for sale	46	623	-	-
Current income tax liabilities	28.2	652	329	1 164
Total liabilities		770 259	676 381	606 813
Total equity and liabilities		803 213	706 438	635 683

¹ Refer to note 1 for more information on the restatements.

INCOME STATEMENT

for the year ended 30 June

	Notes	2025 Rm	Restated 2024 ¹ Rm
Insurance revenue	3, 10, 19	61 024	58 484
Insurance service expenses	3, 10, 20	(45 248)	(42 703)
Allocation of reinsurance premiums	3, 21	(17 497)	(18 728)
Amounts recoverable from reinsurers for incurred claims	3, 22	10 856	10 372
Insurance service result		9 135	7 425
Investment income	3, 23.1	37 876	35 279
Amortised cost		2 596	2 738
Other investment income		35 280	32 541
Net realised and unrealised fair value gains	3, 23.2	62 000	30 118
Net impairment loss on financial assets	3, 23.3	(19)	(1)
Finance expenses from insurance contracts issued	3, 23.4	(22 787)	(17 226)
Finance (expense)/income from reinsurance contracts held	3, 23.5	(666)	266
Investment returns due to third-party cell owner	3, 23	(883)	(812)
Fair value adjustments on investment contract liabilities	3, 12, 23	(61 914)	(37 885)
Fair value adjustments on collective investment scheme (CIS) liabilities	3, 23	(5 003)	(3 210)
Net insurance and investment result		17 739	13 954
Fee income	3, 3.5, 24	9 891	9 185
Contract administration		4 397	3 918
Health administration		2 736	2 616
Trust and fiduciary services		1 679	1 517
Cell captive commission		141	231
Other fee income		938	903
Other operating expenses	3, 25	(13 567)	(12 597)
Results of operations		14 063	10 542
Share of equity-accounted profit/(loss) on associates and joint ventures	3, 7	70	(193)
Other (expenses)/income related to associates and joint ventures	3	(20)	19
Other finance costs	3, 26	(2 117)	(1 906)
Profit before tax		11 996	8 462
Income tax expense	3, 27	(5 881)	(4 526)
Earnings for the year		6 115	3 936
Attributable to:			
Owners of the parent	2, 3	5 978	3 847
Non-controlling interests	3	137	89
Earnings for the year		6 115	3 936
Basic earnings per ordinary share (cents)	2	445.1	282.9
Diluted earnings per ordinary share (cents)	2	435.4	276.0

¹ Refer to note 1 for more information on the restatements.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June

	Notes	2025 Rm	2024 Rm
Earnings for the year		6 115	3 936
Other comprehensive income/(loss), net of tax		248	(212)
Items that may subsequently be reclassified to income		134	(271)
Exchange rate differences on translating foreign operations ¹		162	(176)
Share of other comprehensive loss and translation of foreign associates		(28)	(95)
Items that will not be reclassified to income		114	59
Own credit gains/(losses) on financial liabilities designated at FVPL	14.1	18	(29)
Land and building revaluation	18	96	91
Remeasurements of post-employee benefit funds	18	4	18
Income tax relating to items that will not be reclassified	18	(4)	(21)
Total comprehensive income for the year		6 363	3 724
Attributable to:			
Owners of the parent		6 221	3 636
Non-controlling interests		142	88
Total comprehensive income for the year		6 363	3 724

¹ The movement in the current year is primarily caused by the weakening of the ZAR against the GBP and GHS. In the prior year, the movement was primarily caused by the strengthening of the ZAR against the USD, GBP, EUR and INR.

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital Rm	Share premium Rm	Other components of equity Rm	Retained earnings Rm	Total attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
Balance at 1 July 2023		9	13 183	2 051	13 337	28 580	290	28 870
Restatement ¹		-	-	(113)	113	-	-	-
Restated balance at 1 July 2023		9	13 183	1 938	13 450	28 580	290	28 870
Total comprehensive (loss)/income		-	-	(182)	3 818	3 636	88	3 724
Income statement		-	-	-	3 847	3 847	89	3 936
Other comprehensive loss		-	-	(182)	(29)	(211)	(1)	(212)
Dividend declared/paid		-	-	-	(1 808)	(1 808)	(99)	(1 907)
Equity-settled share-based payments	18.6	-	-	39	-	39	-	39
Business combinations	29	-	-	-	-	-	44	44
Conversion of preference shares		-	265	-	-	265	-	265
Transfer to retained earnings from other reserves ¹		-	-	(1 070)	1 070	-	-	-
Increase relating to transactions with non-controlling interests/owners		-	-	-	12	12	10	22
Shares repurchased and cancelled		-	-	-	(1 000)	(1 000)	-	(1 000)
Restated balance at 1 July 2024		9	13 448	725	15 542	29 724	333	30 057
Total comprehensive income		-	-	225	5 996	6 221	142	6 363
Income statement		-	-	-	5 978	5 978	137	6 115
Other comprehensive income		-	-	225	18	243	5	248
Dividend declared/paid		-	-	-	(2 021)	(2 021)	(86)	(2 107)
Equity-settled share-based payments	18.6	-	-	25	-	25	-	25
Transfer from retained earnings to other reserves		-	-	65	(65)	-	-	-
Increase relating to transactions with non-controlling interests/owners		-	-	-	4	4	15	19
Shares repurchased and cancelled		-	-	-	(1 403)	(1 403)	-	(1 403)
Balance at 30 June 2025		9	13 448	1 040	18 053	32 550	404	32 954

¹ Refer to note 1 for more information on the restatements.

STATEMENT OF CASH FLOWS

for the year ended 30 June

	Notes	2025 Rm	2024 Rm
Cash flow from operating activities			
Cash utilised in operations	28.1	(20 605)	(22 948)
Interest received		26 014	23 217
Dividends received		6 766	5 491
Income tax paid	28.2	(5 275)	(5 487)
Interest paid	28.3	(2 453)	(2 075)
Net cash inflow/(outflow) from operating activities		4 447	(1 802)
Cash flow from investing activities			
Net investments in subsidiaries	29	(156)	(263)
Proceeds on sale of associate		20	-
Contingent consideration paid relating to business combinations		(67)	(7)
Investment in associates and joint ventures		(428)	(205)
Loans advanced to related parties		(262)	(287)
Loan repayments from related parties		1	288
Purchases of owner-occupied properties		(8)	(6)
Proceeds from disposal of owner-occupied properties		-	32
Purchase of fixed assets		(353)	(316)
Proceeds from disposal of fixed assets		28	4
Purchases of computer software		(55)	(68)
Dividends from associates and joint ventures		86	57
Net cash outflow from investing activities		(1 194)	(771)
Cash flow from financing activities			
Subordinated call notes issued	28.4.1	750	750
Subordinated call notes repaid	28.4.1	(750)	(750)
Proceeds from carry positions	28.4.2	266 798	201 528
Repayment of carry positions	28.4.2	(263 548)	(194 917)
Proceeds from other borrowings measured at fair value	28.4.4	309	117
Repayment of other borrowings measured at fair value	28.4.4	(5)	(45)
Proceeds from borrowings measured at amortised cost		202	295
Repayment of borrowings measured at amortised cost		(212)	(375)
Proceeds from cumulative redeemable preference shares measured at amortised cost		1 000	-
Repayment of cumulative redeemable preference shares measured at amortised cost		(1 000)	-
Unilateral payment relating to cumulative redeemable preference shares		-	(11)
Dividends paid to equity holders		(2 021)	(1 773)
Dividends paid to non-controlling interest shareholders		(86)	(99)
Shares issued to non-controlling interest shareholders		19	22
Shares repurchased		(1 403)	(1 000)
Net cash inflow from financing activities		53	3 742
Net cash flow		3 306	1 169
Cash resources and funds on deposit at beginning		33 898	32 958
Foreign currency translation		(178)	(229)
Cash resources and funds on deposit at end		37 026	33 898
Made up as follows:			
Cash and cash equivalents	8.3	36 954	33 898
Assets relating to disposal groups held for sale		72	-

BASIS OF PREPARATION

The financial statements, as set out below, have been prepared in accordance with IFRS Accounting Standards as issued by the IASB, IFRIC interpretations issued and effective at the time of preparing these statements, the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), Financial Pronouncements (as issued by the Financial Reporting Standards Council), the Listings Requirements of the JSE and the Companies Act. These statements have been prepared on the historical cost basis, except for the following items which are carried at fair value or valued using another measurement basis:

Fair value

- Owner-occupied and investment properties.
- Investments in associates at FVPL.
- Financial assets at FVPL.
- Investment contract liabilities designated at FVPL and financial liabilities at FVPL.
- Liabilities for cash and equity-settled share-based payment arrangements.

Other measurement basis

- Insurance contracts issued and reinsurance contracts held. Refer to accounting policies for measurement basis.
- Employee benefit obligations measured using the projected unit credit method.
- Investments in associates and joint ventures measured using the equity method of accounting.
- Assets and liabilities relating to disposal groups held for sale measured at the lower of carrying value or fair value less cost to sell.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in note 45. These policies have been consistently applied to all the years presented except specific restatements being listed in note 1 of the AFS.

The preparation of financial statements in accordance with IFRS Accounting Standards as issued by the IASB requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. There are areas of complexity involving a higher degree of judgement and areas where assumptions and estimates are significant to the consolidated financial statements. These judgements, assumptions and estimates are disclosed in detail in the notes to the AFS and in a summary in the Critical judgements and accounting estimates note.

The Ghanaian entities are within the scope of IAS 29 – Financial reporting in hyperinflationary economies. The standard has not been applied due to materiality.

The preparation of the Group's consolidated results was supervised by the Group Finance Director, Risto Ketola (FIA, FASSA, CFA Charterholder) and have been audited by Ernst & Young Inc. and PricewaterhouseCoopers Inc. in compliance with the requirements of the Companies Act.

Published standards, amendments and interpretations effective for June 2025 financial period

The following published standards are mandatory for the Group's accounting period beginning on or after 1 July 2024 and have been implemented in accordance with the transitional provisions of these standards. These standards had no material impact on the Group's earnings or NAV:

- Classification of liabilities as current or non-current and non-current liabilities with covenants: Amendments to IAS 1.
- Lease liability in a sale and leaseback: Amendments to IFRS 16.
- Disclosures: supplier finance arrangements: Amendments to IAS 7 and IFRS 7.

CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES

Preparation of financial statements

The consolidated financial statements are prepared on the going concern basis of accounting. The statement of financial position is presented based on liquidity. The income statement is presented on a mix of nature and function. In the statement of cash flows, the cash flows from operating activities are reported on the indirect method. The consolidated financial statements are presented in South African Rand, which is the functional currency of the parent.

Application of accounting policies

Estimates and assumptions are an integral part of financial reporting and as such have an impact on the assets and liabilities of the Group. Management applies judgement in determining best estimates of future experience. Judgements are based on historical experience and management's best-estimate expectations of future events. Estimates and assumptions are regularly updated to reflect actual experience. Actual experience in future financial years can be materially different from the current assumptions and judgements and could require adjustments to the carrying amount of the affected assets and liabilities. The critical judgements and estimates made in applying the Group's accounting policies are detailed in the notes to the AFS, as listed below:

- Impairment testing of intangible assets – note 4.
- Valuation assumptions for both owner-occupied and investment properties – notes 5 and 6.
- Valuation of financial assets – note 8.
- Assessment of control over CISs – note 8.
- Assumptions and estimates of contract holder liabilities (also applicable to reinsurance contracts) – note 13.
- Provision for deferred tax – note 15.
- Business combinations – note 29.
- Assessment of the principles of IFRS 15 – Revenue from Contracts with Customers around the timing of revenue recognition – note 45.
- Valuation assumptions for financial instruments – note 43.
- Valuation assumptions for cash and equity-settled arrangements – note 44.

NOTES TO THE FINANCIAL STATEMENTS

1 Restatement

The following restatements were made to the consolidated statement of financial position and income statement for the following periods:

Guardrisk						
	Before restatement Rm	IFRS 17 - Corrections Rm	Classification of cell captive arrangements Rm	Deferred tax adjustments Rm	Intercompany investment contract Rm	Owner-occupied properties change in accounting policy Rm
	After restatement Rm					
Statement of financial position as at 30 June 2024						
Financial assets at FVPL	621 452	-	-	-	438	-
Financial assets at amortised cost	7 628	206	-	-	-	-
Insurance contract assets	11 329	(15)	-	-	-	-
Reinsurance contract assets	9 246	(17)	(1)	-	-	-
Deferred income tax	1 168	(4)	-	(558)	-	-
Other receivables	1 420	(176)	(70)	-	-	-
Other components of equity	(842)	-	-	-	-	-
Retained earnings	(15 425)	-	-	-	-	117
Insurance contract liabilities	(167 731)	24	26	-	-	(15 542)
Investment contracts designated at FVPL	(418 476)	(2)	(43)	(122)	(438)	(167 681)
Reinsurance contract liabilities	(14 617)	(91)	88	706	-	(419 081)
Deferred income tax	(3 226)	-	-	(26)	-	(13 914)
Other payables	(12 460)	75	-	-	-	(3 252)
						(12 385)
as at 1 July 2023						
Financial assets at amortised cost	9 099	(16)	-	-	-	-
Insurance contract assets	9 495	240	-	-	-	9 083
Reinsurance contract assets	10 813	(11)	-	-	-	9 735
Deferred income tax	1 088	(3)	-	(524)	-	10 802
Other receivables	1 205	51	(29)	-	-	561
Other components of equity	(2 051)	-	-	-	-	1 227
Retained earnings	(13 337)	-	-	-	-	(1 938)
Insurance contract liabilities	(152 631)	(3)	22	-	-	(13 450)
Investment contracts designated at FVPL	(373 297)	-	(54)	(31)	-	(152 612)
Reinsurance contract liabilities	(13 197)	(297)	56	555	-	(373 382)
Other payables	(12 857)	39	(3)	-	-	(12 883)
Current income tax liabilities	(1 172)	-	8	-	-	(12 821)
						(1 164)
Income statement for the year ended 30 June 2024						
Insurance revenue	58 881	(48)	(349)	-	-	-
Insurance service expenses	(43 119)	259	157	-	-	58 484
Allocation of reinsurance premiums	(18 365)	(793)	279	151	-	(42 703)
Amounts recoverable from reinsurers for incurred claims	9 789	659	(76)	-	-	(18 728)
Net impairment reversal/(loss) on financial assets	13	(14)	-	-	-	10 372
Finance expenses from insurance contracts issued	(17 172)	(55)	1	-	-	(1)
Finance expenses from reinsurance contracts held	(72)	337	1	-	-	(17 226)
Investment returns due to third-party cell owner	(831)	19	-	-	-	266
Fair value adjustments on investment contract liabilities	(37 799)	3	4	(93)	-	(812)
						(37 885)
Fee income	3 929	-	(11)	-	-	-
Contract administration	241	(10)	-	-	-	3 918
Cell captive commission	(12 245)	(346)	(6)	-	-	231
Other operating expenses	(4 457)	(11)	-	(58)	-	(12 597)
Income tax expense	3 936	-	-	-	-	(4 526)
Earnings for the year						3 936

1 **Restatement continued**

IFRS 17 Insurance Contracts – corrections

The Group implemented IFRS 17 for the financial year ended 30 June 2024. The Group restated prior years to correct the presentation, measurement and disclosure of information in the financial statements. These restatements had no impact on equity or earnings of the Group. The measurement, disclosure and presentation of insurance and reinsurance contracts are highly interrelated and as such, material adjustments to financial statement line items in the financial statements may result in immaterial adjustments to other financial statement line items. For the year ended 30 June 2025, corrections to financial statement line items relate primarily to material corrections in various Guardrisk financial statements regarding third-party cell captive arrangements managed by Guardrisk.

Management and investment fees

Entities within Guardrisk earn management and investment fees from the management of third-party cell captive arrangements. In the prior year management and investment fees incurred by third-party cell captive arrangements were incorrectly accounted for as an increase in Insurance service expenses and as a decrease in Other operating expenses. 30 June 2024 was corrected to decrease Insurance service expenses and increase Other operating expenses on the income statement by R346 million. The restatement had no impact on the equity or earnings of the Group.

Allocation of reinsurance premiums

In the prior year, Guardrisk Life Ltd incorrectly included an amount of R318 million relating to allocation of reinsurance premiums in Amounts recoverable from reinsurers for incurred claims. 30 June 2024 was restated to include the amount in Allocation of reinsurance premiums on the income statement. The restatement had no impact on the equity or earnings of the Group.

Reinsurance finance income and expenses

In the prior year Reinsurance finance income and expenses on in-substance reinsurance contracts were incorrectly included in Allocation of reinsurance premiums on the income statement. 30 June 2024 was corrected to include the finance income and expenses in Reinsurance finance income and expenses on the income statement. Guardrisk Insure Ltd included an amount of R238 million in Finance expenses from reinsurance contracts held, that was previously included in Allocation of reinsurance premiums. The restatement had no impact on the equity or earnings of the Group.

Premium debtors

Premium debtors of R236 million were incorrectly included in other receivables in the prior year. This has been corrected to include the premium debtors in financial assets at amortised cost on the statement of financial position. 30 June 2024 has been restated accordingly.

Fulfilment cash flows

The measurement of fulfilment cash flows regarding profit share payments and expected premium increases, and the timing of recognition of new business in Guardrisk Life Ltd were incorrect in prior years. The profit share payments, expected premium increases and timing of the recognition of new business related to insurance contracts in third-party cell captive arrangements. The opening statement of financial position on 1 July 2023 and the financial year ended 30 June 2024 have been restated. The restatement impacted fulfilment cash flows and CSM of insurance contract liabilities for remaining coverage and in-substance reinsurance contract liabilities for remaining coverage measured in terms of the PAA. The restatement had no impact on the equity or earnings of the Group.

For the year ended 30 June 2024 the result of the restatement was:

- insurance contract asset for remaining coverage and in-substance reinsurance contract liability for remaining coverage decreased with R15 million;
- insurance service revenue decreased with R39 million;
- insurance service expenses increased with R165 million;
- allocation of reinsurance premiums ceded decreased with R61 million;
- amounts recoverable from reinsurers for incurred claims increased with R143 million;
- finance expenses from insurance contracts increased with R49 million; and
- finance income from reinsurance contracts held increased with R49 million.

On 1 July 2023, the result of the restatement was:

- insurance contract asset for remaining coverage and in-substance reinsurance contract liability for remaining coverage increased with R240 million.

The restatements had no impact on the equity or earnings of the Group.

Investment components

Non-distinct investment components were treated incorrectly in the prior year and as a result, 30 June 2024 has been restated. Reinsurance contract assets and in-substance reinsurance contract liabilities reduced by R27 million. Allocation of reinsurance premiums ceded and the Amount recoverable from reinsurers for incurred claims increased with R122 million. The restatement had no impact on the equity or earnings of the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 Restatement continued

Classification of cell captive arrangements

Cell captive arrangements recognised by Guardrisk International Ltd PCC were incorrectly classified as third-party cell captive arrangements. Policies sold by third-party cell captive arrangements are accounted for as insurance contracts, while policies sold by first-party cell captive arrangements are accounted for as investment contracts. 30 June 2024 and 1 July 2023 were restated to correct the classification to that of first-party cell captive arrangements. The restatement did not impact the equity or the earnings of the Group.

Deferred tax adjustments

During the year ended 30 June 2024, an error in the calculation of deferred tax resulted in Guardrisk Life Ltd understating the deferred tax expense. The tax impacts are for the account of cell owners and impact the reinsurance contract liabilities for third-party cells and the investment contracts designated at FVPL for first-party cells.

In respect of 1 July 2023, the correction of the error resulted in the following:

- a decrease in deferred tax assets of R448 million;
- an increase in investment contracts designated at fair value through profit or loss of R106 million; and
- a decrease in in-substance Reinsurance contract liabilities of R555 million.

At 30 June 2024, the correction of the error resulted in the following:

- a decrease in deferred tax assets of R558 million;
- an increase in investment contracts designated at fair value through profit or loss of R122 million;
- an increase in deferred tax liabilities of R26 million; and
- a decrease in in-substance Reinsurance contract liabilities of R706 million.

During the year ended 30 June 2023, an error was made in the calculation of the deferred tax liability regarding the transition to IFRS 17.

At 1 July 2023, the correction of the error resulted in the following:

- a decrease in investment contract liabilities designated at fair value through profit or loss of R76 million; and
- a decrease in deferred tax assets of R76 million.

The cumulative impacts of the restatements on the income statement for the year ended 30 June 2024, was the following:

- a decrease in Allocation of reinsurance premiums of R151 million;
- an increase in the Fair value adjustment on investment contract liabilities of R93 million; and
- an increase in Income tax expenses of R58 million.

The restatements related to first- and third-party cell captive arrangements and had no impact on the equity or earnings of the Group.

Intercompany investment contract

In the prior year there was a partial settlement of the intercompany debt security and investment contract designated at FVPL between MML and Guardrisk Life Ltd. The consolidation journal eliminating this intercompany arrangement did not take the partial settlement into account and resulted in the overstatement of the elimination. 30 June 2024 was restated to correct the intercompany journal and eliminate the correct intercompany balances.

Owner-occupied properties change in accounting policy

The Group owns properties which are classified as owner-occupied property within the policyholder investment portfolio, which are measured on the variable fee approach (VFA). This is largely applicable to Metropolitan Life Namibia Ltd. Historically, these properties were accounted for under the revaluation model as owner-occupied in accordance with IAS 16 – Property, Plant and Equipment, with fair value changes recognised in a separate reserve. As these properties meet the criteria of paragraph 29A of IAS 16, the Group has elected to apply this exemption. The new accounting policy adopts the IAS 40 – Investment Property fair value model, reflecting a more accurate economic representation of the property than the previous IAS 16 revaluation approach. The fair value movements are now recognised in profit or loss, which reduces an accounting mismatch in profit or loss.

2 Earnings

Normalised headline earnings adjust the JSE definition of headline earnings for the impact of finance costs related to preference shares that can be converted into ordinary shares of the Group when it is anti-dilutive, the impact of treasury shares held by the iSabelo Trust, the amortisation of intangible assets arising from business combinations and B-BBEE costs. Additionally, the iSabelo special purpose vehicle, which houses preference shares issued as part of the employee share ownership scheme's funding arrangement is deemed to be external from the Group and the discount at which the iSabelo Trust acquired the Momentum Group Ltd's treasury shares is amortised over a period of 10 years and recognised as a reduction to normalised headline earnings.

Group earnings per ordinary share attributable to owners of the parent	Basic earnings		Diluted earnings	
	2025	2024	2025	2024
Earnings (cents per share)	445.1	282.9	435.4	276.0
Headline earnings (cents per share)	446.9	298.6	437.1	291.3
Normalised headline earnings (cents per share)			451.0	309.7

2 Earnings continued

	Basic earnings		Diluted earnings	
	2025	2024	2025	2024
Number of shares (million)				
Weighted average number of ordinary shares in issue¹	1 343	1 360	1 343	1 360
Adjustments for				
Employee share scheme ²			30	19
Conversion of 28 million preference shares (weighted)			-	28
Weighted average - earnings and headline earnings¹			1 373	1 407
Employee share scheme ²			(30)	(19)
Treasury shares held on behalf of employees			45	45
Weighted average - normalised headline earnings³			1 388	1 433

¹ For basic and diluted earnings and headline earnings per share, treasury shares held by a subsidiary on behalf of employees are deemed to be cancelled.

² The diluted number of shares in issue includes the dilutive potential ordinary shares from the iSabelo employee scheme. The diluted number of shares in issue for normalised headline earnings does not include this adjustment as these shares are deemed to be issued.

³ For normalised headline earnings per share, treasury shares held by a subsidiary on behalf of employees are deemed to be issued.

	Basic earnings		Diluted earnings	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Reconciliation of headline earnings attributable to owners of the parent				
Earnings - equity holders of the Group	5 978	3 847	5 978	3 847
Finance costs - convertible preference shares			-	37
Diluted earnings			5 978	3 884
Profit on sale of associate	(6)	-	(6)	-
Gain on step-up of associate ¹	-	(30)	-	(30)
Intangible asset impairments ²	-	249	-	249
Tax on intangible asset impairments	-	(9)	-	(9)
Investment in associate impairment ³	29	11	29	11
Loss/(Profit) on sale of fixed assets	6	(3)	6	(3)
Tax on loss/(profit) on sale of fixed assets	-	(1)	-	(1)
Net reversal of impairment of owner-occupied property below cost	(10)	(3)	(10)	(3)
Tax on net reversal of impairment of owner-occupied property below cost	5	-	5	-
Headline earnings⁴	6 002	4 061	6 002	4 098
B-BBEE costs			-	32
Adjustments for iSabelo ⁵			115	114
Fair value movement on preference shares issued to iSabelo special purpose vehicle ⁶			-	40
Amortisation of intangible assets relating to business combinations			143	154
Normalised headline earnings⁷			6 260	4 438

¹ In the prior year, this related to the step-up acquisition of the RMI Investment Managers Affiliates 2 (Pty) Ltd associate (Momentum Investments segment).

² The prior year impairments related to:

- Goodwill and broker network recognised as part of the acquisition of Momentum Global Investment Management Ltd (MGIM) (Momentum Investments segment). Following an assessment of the near-term revenue outlook, and considering valuations of its peer group, the recoverable amount of the MGIM cash-generating unit (CGU) at 30 June 2024 was downwardly adjusted, to reflect lower earnings expectations over the short to medium term. This led to an impairment of R206 million and associated deferred tax of R8 million, resulting in a net impairment of R198 million. R174 million of the gross impairment was allocated to goodwill and the remaining R32 million was allocated to broker network. The impairment was not directly attributable to recent acquisitions (Seneca Investment Managers Ltd (Seneca) and Crown Agents Investment Management Ltd (CAIM)), but rather was reflective of prevalent macroeconomic and trading conditions. Plans to restore earnings to prior levels within the next two to three years were not taken into account in the valuation at 30 June 2024.
- The implementation of a new insurance policy administration system in Momentum Metropolitan Africa was ceased during the prior year due to cost overruns and project delays, as such the balance was fully impaired.

³ This relates to the impairment of Methealth Namibia Administrators (Pty) Ltd (Momentum Metropolitan Africa segment) due to a decline in value of this associate.

⁴ The long-term insurance industry exemption which allows that net realised and unrealised fair value gains on investment properties not being excluded from headline earnings has been applied.

⁵ This mainly includes the add back of the IFRS 2 - Share-based Payment expense incurred as a result of the employee share ownership scheme, as well as the investment income earned on the preference shares.

⁶ In the prior year, the fair value movement of the iSabelo preference shares previously recognised was reversed. In the current year no fair value adjustment was made.

⁷ Refer to note 3 for an analysis of normalised headline earnings per segment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report

The Group's reporting view reflects the following segments:

- **Momentum Retail:** Momentum Retail includes protection and savings products focused on the middle and affluent client segments.
- **Momentum Investments:** Momentum Investments consists of wealth platform management, retail annuities and guaranteed investment products, local and offshore asset management and investment solutions, stockbroking solutions and property development and management. Momentum Money is included in this portfolio.
- **Metropolitan Life:** Metropolitan Life focuses on the lower and middle income retail market segment, with a range of protection, savings and annuity products.
- **Momentum Corporate:** Momentum Corporate offers group risk, annuities, pension savings and umbrella fund (FundsAtWork) products.
- **Momentum Metropolitan Health:** Provides healthcare solutions to individuals, corporates and the public sector within a range of structures and products, including Momentum Multiply, an incentivised wellness product.
- **Guardrisk:** Guardrisk offers cell captive insurance and risk solutions to corporate and commercial entities.
- **Momentum Insure:** Provides retail non-life insurance to the middle, upper and high-net-worth market segments and small to medium businesses.
- **Momentum Metropolitan Africa:** This segment includes the Group's operations within other African countries. This includes life and non-life insurance, healthcare, asset management and pension administration.
- **India:** This segment mainly consists of the Group's investment in Aditya Birla Health Insurance Company Ltd (ABHI), a health insurance business in India.
- **Shareholders:** The Shareholders segment includes free surplus assets in the life licence and other discretionary investments not specifically allocated to segments (such as venture capital funds). Head office costs not allocated to segments (e.g. holding company costs) and Group financing activities are included in this segment.

Intergroup fees are charged at market-related rates. Corporate costs are allocated on a usage or time spent basis. Intergroup charges are eliminated in the "Reconciling items" column. No individual customer generates more than 10% of revenue for the Group.

The Executive Committee of the Group assesses the performance of the operating segments based on normalised headline earnings.

A reconciliation of earnings to normalised headline earnings is provided in note 2.

Refer to the embedded value report for in depth detail on covered business.

Reconciliation of management information to IFRS Accounting Standards

The segmental information is reconciled to the IFRS Accounting Standards income statement results. The "Reconciling items" column represents the IFRS Accounting Standards accounting reclassifications and adjustments that are required to reconcile management information to the IFRS Accounting Standards financial statements. More information has been provided in note 3.1.

3 Segmental report continued

	Notes	Momentum Retail Rm	Momentum Investments Rm	Momentum Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Metropolitan Africa Rm	India Rm	Shareholders Rm	Segmental total Rm	Reconciling items ¹ Rm	Total ² Rm
2025														
Insurance revenue	3.6	9 043	3 171	6 187	7 754	1 701	26 248	3 294	3 626	-	-	61 024	-	61 024
Insurance service expenses		(6 707)	(2 776)	(4 789)	(6 047)	(1 399)	(17 855)	(2 447)	(3 228)	-	-	(45 248)	-	(45 248)
Contract holder tax ³		(235)	-	(307)	(1)	-	(1 875)	-	(5)	-	-	(2 423)	2 423	-
Allocation of reinsurance premiums		(2 744)	-	(39)	(781)	-	(13 466)	(68)	(399)	-	-	(17 497)	-	(17 497)
Amounts recoverable from reinsurers for incurred claims		2 425	-	31	431	-	7 663	(13)	319	-	-	10 856	-	10 856
Insurance service result		1 782	395	1 083	1 356	302	715	766	313	-	-	6 712	2 423	9 135
Investment income, net realised and unrealised														
fair value gains and net impairment loss on financial assets ³	3.7.1	12 743	37 973	6 707	23 369	125	4 935	70	2 803	4	702	89 431	10 426	99 857
Finance (expenses)/income from insurance contracts		(4 097)	(7 320)	(6 409)	(3 779)	(3)	641	(3)	(1 817)	-	-	(22 787)	-	(22 787)
Finance income/(expense) from reinsurance contracts held		403	-	6	233	-	(1 317)	-	9	-	-	(666)	-	(666)
Investment returns due to third-party cell owner		-	-	-	-	-	(878)	-	(5)	-	-	(883)	-	(883)
Fair value adjustments on investment contract liabilities		(9 076)	(30 017)	(108)	(19 230)	-	(2 816)	-	(694)	-	27	(61 914)	-	(61 914)
Fair value adjustments on CIS liabilities		-	-	-	-	-	-	-	(179)	-	(66)	(245)	(4 758)	(5 003)
Net insurance and investment result		1 755	1 031	1 279	1 949	424	1 280	833	430	4	663	9 648	8 091	17 739
Fee income		1 217	4 764	24	1 661	3 036	560	9	101	182	1 179	12 733	(2 842)	9 891
Intergroup fee income	3.5, 3.6	1 190	3 778	22	1 657	2 944	560	8	101	17	21	10 298	(407)	9 891
Other operating expenses	3.7.2	27	986	2	4	92	-	1	-	165	1 158	2 435	(2 435)	-
Results of operations		(1 352)	(4 726)	(337)	(1 636)	(2 975)	(843)	(470)	(485)	(197)	(1 985)	(15 006)	1 439	(13 567)
Shareholder investment return ⁴		1 620	1 069	966	1 974	485	997	372	46	(11)	(143)	7 375	6 688	14 063
Share of equity-accounted profit/(loss) on associates and joint ventures		216	88	143	223	-	(22)	201	397	2	(46)	1 202	(1 202)	-
Other income/(expenses) related to associates and joint ventures		-	73	-	-	23	-	-	27	(58)	5	70	-	70
Other finance costs		-	9	-	-	-	-	-	(29)	-	-	(20)	-	(20)
Profit/(loss) before tax		1 836	1 239	1 109	2 197	508	975	573	441	(67)	(184)	8 627	3 369	11 996
Income tax expense ³		(481)	(247)	(241)	(579)	(442)	(232)	(157)	(452)	-	(281)	(2 512)	(3 369)	(5 881)
Earnings for the year		1 355	992	868	1 618	366	743	416	289	(67)	(465)	6 115	-	6 115

1 Refer to note 3.1 for information on the reconciling items.

2 The total of non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts) located in South Africa is R18 142 million, and the total of such non-current assets located in other countries is R2 046 million.

3 Contract holder tax is reallocated from the Income tax expense line. This represents the following taxes:

- Contract holder tax is reallocated from the Income tax expense line. This represents the following taxes:
 - to insurance and investment contracts and paid on behalf of contract holders to the revenue authority.
 - For Guardrisk this represents tax on earnings in third-party cells that are paid on behalf of the cell owner to the revenue authority. The corresponding tax charges to the cell owner are included within the Allocation of reinsurance premiums line.
 - Shareholder investment return relates to investment return on excess assets. It is separately disclosed for segmental reporting, but is disclosed as investment income, net realised and unrealised fair value gains, certain expenses incurred relating to excess assets and other finance costs in the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

	Notes	Momentum Retail Rm	Momentum Investments Rm	Momentum Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Metropolitan Africa Rm	India Rm	Shareholders Rm	Segmental total Rm	Reconciling items ¹ Rm	Total Rm
2025														
Earnings for the year		1 355	992	868	1 618	366	743	416	289	(67)	(465)	6 115	-	6 115
Non-controlling interests		-	(34)	-	-	(75)	(4)	-	(34)	-	10	(137)	-	(137)
Earnings - equity holders of the Group/Diluted earnings		1 355	958	868	1 618	291	739	416	255	(67)	(455)	5 978	-	5 978
Profit on sale of associate		-	(6)	-	-	-	-	-	-	-	-	(6)	-	(6)
Investment in associate impairment		-	-	-	-	-	-	-	29	-	-	29	-	29
Profit on sale of fixed assets		-	-	-	-	-	-	-	-	-	6	6	-	6
Net reversal of impairment of owner-occupied property below cost		-	-	-	-	-	-	-	-	-	(10)	(10)	-	(10)
Tax on net reversal of impairment of owner-occupied property below cost		-	-	-	-	-	-	-	-	-	-	-	-	-
Headline earnings		1 355	952	868	1 618	291	739	416	284	(67)	(454)	6 002	-	6 002
Adjustments for iSabelo		-	1	-	-	4	2	2	-	-	106	115	-	115
Amortisation of intangible assets relating to business combinations		1	10	-	-	-	34	20	4	-	74	143	-	143
Normalised headline earnings		1 356	963	868	1 618	295	775	438	288	(67)	(274)	6 260	-	6 260
Operating profit/(loss) ²		1 644	1 209	1 044	1 984	411	1 054	402	(18)	(69)	119	7 780	-	7 780
Tax on operating profit/(loss)		(452)	(312)	(284)	(535)	(116)	(257)	(111)	(71)	-	(161)	(2 299)	-	(2 299)
Investment return		216	88	143	223	-	(22)	201	397	2	(46)	1 202	-	1 202
Tax on investment return		(52)	(22)	(35)	(54)	-	-	(54)	(20)	-	(186)	(423)	-	(423)
Normalised headline earnings		1 356	963	868	1 618	295	775	438	288	(67)	(274)	6 260	-	6 260
Covered	3.3	1 374	817	867	1 637	-	-	-	349	-	167	5 211	-	5 211
Non-covered	3.4	(18)	146	1	(19)	295	775	438	(61)	(67)	(441)	1 049	-	1 049
Normalised headline earnings		1 356	963	868	1 618	295	775	438	288	(67)	(274)	6 260	-	6 260

¹ Refer to note 3.1 for information on the reconciling items.

² Operating profit/(loss) is normalised headline earnings gross of tax less investment return.

3 Segmental report continued

	Notes	Restated 2024																									
		Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	
Insurance revenue	3.6	8 353	2 744	6 201	7 884	1 440	25 312	3 272	3 278	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58 484	
		(6 656)	(2 485)	(5 253)	(6 211)	(1 182)	(14 972)	(2 954)	(2 990)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(42 703)	
		(172)	-	(240)	(1)	-	(1 835)	-	(6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 254	
Allocation of reinsurance premiums		(2 470)	-	(30)	(856)	-	(14 932)	(73)	(367)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18 728)	
Amounts recoverable from reinsurers for incurred claims		2 685	-	45	454	-	6 951	4	233	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10 372	
Insurance service result		1 740	259	723	1 270	258	524	249	148	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 425	
Investment income, net realised and unrealised																											
Fair value gains and net impairment loss on financial assets ⁴																											
Finance expenses from insurance contracts issued	3.7.1	7 007	24 330	4 744	14 352	93	4 036	65	2 402	2	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 043	
Finance income/(expenses) from reinsurance contracts held		(3 137)	(4 614)	(4 509)	(3 037)	(2)	(382)	(4)	(1 541)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17 226)	
Investment returns due to third-party cell owner		275	-	-	190	-	(213)	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	266	
Fair value adjustments on investment contract liabilities		-	-	-	-	-	(812)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(812)	
Fair value adjustments on CIS liabilities		(4 430)	(19 381)	(97)	(11 308)	-	(2 268)	-	(453)	-	52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37 885)	
Net insurance and investment result		-	-	-	-	-	-	-	(202)	-	(39)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3 210)	
Fee income		1 455	594	861	1 467	349	885	310	368	2	335	885	310	368	2	335	885	310	368	2	335	885	310	368	2	335	
Inter-group fee income		1 167	4 373	14	1 263	2 872	693	10	209	164	1 014	693	10	209	164	1 014	693	10	209	164	1 014	693	10	209	164	1 014	
Shareholder investment return ⁵	3.5, 3.6	1 143	3 473	11	1 260	2 798	698	10	210	29	135	698	10	210	29	135	698	10	210	29	135	698	10	210	29	135	
Other operating expenses		24	900	3	3	74	(5)	-	(1)	-	-	(5)	-	(1)	-	-	(5)	-	(1)	-	-	(5)	-	(1)	-	-	
Results of operations	3.7.2	(1 413)	(4 629)	(303)	(1 375)	(2 793)	(693)	(390)	(580)	(173)	(1471)	(693)	(390)	(580)	(173)	(1471)	(693)	(390)	(580)	(173)	(1471)	(693)	(390)	(580)	(173)	(12 597)	
Share of equity-accounted profit/(loss) on associates and joint ventures		1 209	338	572	1 355	428	885	(70)	(3)	(7)	(122)	885	(70)	(3)	(7)	(122)	885	(70)	(3)	(7)	(122)	885	(70)	(3)	(7)	10 542	
Other income/expenses related to associates and joint ventures		259	101	153	240	-	(15)	178	436	1	(281)	(15)	178	436	1	(281)	(15)	178	436	1	(281)	(15)	178	436	1	(281)	
Other finance costs		-	20	-	-	24	-	-	29	(269)	3	-	-	-	-	-	-	-	29	(269)	3	-	-	-	-	-	
Profit/(loss) before tax		-	36	-	-	-	-	-	(11)	-	(6)	-	-	-	-	-	-	-	(11)	-	(6)	-	-	-	-	19	
Income tax expense ⁴		1 468	495	725	1 595	452	870	108	451	(275)	(406)	870	108	451	(275)	(406)	870	108	451	(275)	(406)	870	108	451	(275)	(406)	
Earnings for the year		(359)	(128)	(130)	(413)	(135)	(260)	62	(117)	1	(68)	(260)	62	(117)	1	(68)	(260)	62	(117)	1	(68)	(260)	62	(117)	1	(68)	
		1 109	367	595	1 182	317	610	170	334	(274)	(474)	610	170	334	(274)	(474)	610	170	334	(274)	(474)	610	170	334	(274)	(474)	3 936
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¹ Refer to note 1 for more information on the restatements.

² Refer to note 3.1 for information on the reconciling items.

³ The total of non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts) located in South Africa is R17 426 million, and the total of such non-current assets located in other countries is R1 731 million.

⁴ Contract holder tax is reallocated from the income tax expense line. This represents the following taxes:

- Contract holder tax is reallocated from the income tax expense line to the Contract holder tax line (insurance contracts) and the investment income line (investment contracts). This represents contract holder taxes that are directly chargeable to insurance and investment contracts and paid on behalf of contract holders to the revenue authority.
- For Guardrisk this represents tax on earnings in third-party cells that are paid on behalf of the cell owner to the revenue authority. The corresponding tax charges to the cell owner are included within the Allocation of reinsurance premiums line.
- Shareholder investment return relates to investment return on excess assets. It is separately disclosed for segmental reporting, but is disclosed as investment income, net realised and unrealised fair value gains, certain expenses incurred relating to excess assets and other finance costs in the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

	Notes	Momentum Retail Rm	Momentum Investments Rm	Momentum Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Metropolitan Africa Rm	India Rm	Shareholders Rm	Total Rm
2024												
Earnings for the year		1 109	367	595	1 182	317	610	170	334	(274)	(474)	3 936
Non-controlling interests		-	(9)	-	-	(66)	-	-	(16)	-	2	(89)
Earnings - equity holders of the Group		1 109	358	595	1 182	251	610	170	318	(274)	(472)	3 847
Finance costs - convertible preference shares		-	-	-	-	-	-	-	-	-	37	37
Diluted earnings		1 109	358	595	1 182	251	610	170	318	(274)	(435)	3 884
(Gain)/Loss on step-up of associate		-	(36)	-	-	-	-	-	-	-	6	(30)
Intangible asset impairments		-	206	-	-	-	-	-	43	-	-	249
Tax on intangible asset		-	(9)	-	-	-	-	-	-	-	-	(9)
Impairments		-	-	-	-	-	-	-	-	-	-	-
Investment in associate		-	-	-	-	-	-	-	11	-	-	11
Impairment		-	-	-	-	-	-	-	-	-	(3)	(3)
Profit on sale of fixed assets		-	-	-	-	-	-	-	-	-	(1)	(1)
Tax on profit on sale of fixed assets		-	-	-	-	-	-	-	-	-	-	-
Net reversal of impairment		-	-	-	-	-	-	-	-	-	-	-
of owner-occupied property		-	-	-	-	-	-	-	-	-	-	-
below cost		-	-	-	-	-	-	-	-	-	(3)	(3)
Headline earnings		1 109	519	595	1 182	251	610	170	372	(274)	(436)	4 098
B-BBEE costs		-	-	-	-	-	-	-	-	-	32	32
Adjustments for iSabelo		-	2	-	-	4	2	2	-	-	104	114
Fair value movement on preference shares issued to iSabelo special purpose vehicle		-	-	-	-	-	-	-	-	-	40	40
Amortisation of intangible assets relating to business combinations		-	12	-	-	-	41	20	4	-	77	154
Normalised headline earnings		1 109	533	595	1 182	255	653	192	376	(274)	(183)	4 438
Operating profit/(loss) ¹		1 267	625	656	1 363	360	887	(41)	26	(276)	145	5 012
Tax on operating profit/(loss)		(360)	(175)	(180)	(367)	(105)	(219)	100	(53)	1	(46)	(1 404)
Investment return		259	101	153	240	-	(15)	178	436	1	(281)	1 072
Tax on investment return		(57)	(18)	(34)	(54)	-	-	(45)	(33)	-	(1)	(242)
Normalised headline earnings		1 109	533	595	1 182	255	653	192	376	(274)	(183)	4 438
Covered	3.3	1 109	533	595	1 182	255	653	192	376	(274)	(183)	4 438
Non-covered	3.4	1 157	387	595	1 201	-	-	-	408	-	252	4 000
		(48)	146	-	(19)	255	653	192	(32)	(274)	(435)	438
Normalised headline earnings		1 109	533	595	1 182	255	653	192	376	(274)	(183)	4 438

¹ Operating profit/(loss) is normalised headline earnings gross of tax less investment return.

3 Segmental report continued

3.1

	Notes	Contract holder tax Rm	Shareholder investment return Rm	Property subsidiaries not allocated to a reporting segment Rm	CIS subsidiaries not allocated to a reporting segment Rm	Intercompany fees and expenses Rm	Intercompany finance income and costs Rm	Allocation of finance expense Rm	Total reconciling items Rm
Reconciling items									
2025									
Contract holder tax		2 423	-	-	-	-	-	-	2 423
Insurance service result									
Investment income, net realised and unrealised fair value gains		2 423	-	-	-	-	-	-	2 423
and net impairment loss on financial assets	3.7.1								
Fair value adjustments on CIS liabilities		767	1 647	892	5 657	-	(82)	1 545	10 426
		-	-	(279)	(4 479)	-	-	-	(4 758)
Net insurance and investment result									
Fee income		3 190	1 647	613	1 178	-	(82)	1 545	8 091
		-	-	-	(407)	(2 435)	-	-	(2 842)
Fee income	3.5, 3.6	-	-	-	-	-	-	-	(407)
Intergroup fee income		-	-	-	-	(2 435)	-	-	(2 435)
Other operating expenses	3.7.2	-	(50)	(599)	(439)	2 435	-	92	1 439
Results of operations									
Shareholder investment return		3 190	1 597	14	332	-	(82)	1 637	6 688
Other finance costs		-	(1 202)	-	-	-	-	-	(1 202)
		-	(395)	(6)	(161)	-	82	(1 637)	(2 117)
Profit/(loss) before tax									
Income tax expense		3 190	-	8	171	-	-	-	3 369
		(3 190)	-	(8)	(171)	-	-	-	(3 369)
Earnings for the year									
		-	-	-	-	-	-	-	-
2024									
Contract holder tax		2 254	-	-	-	-	-	-	2 254
Insurance service result									
Investment income, net realised and unrealised fair value gains		2 254	-	-	-	-	-	-	2 254
and net impairment loss on financial assets	3.7.1								
Fair value adjustments on CIS liabilities		539	1 533	730	3 975	-	(75)	1 341	8 043
		-	-	(130)	(2 839)	-	-	-	(2 969)
Net insurance and investment result									
Fee income		2 793	1 533	600	1 136	-	(75)	1 341	7 328
		-	-	-	(460)	(2 134)	-	-	(2 594)
Fee income	3.5, 3.6	-	-	-	-	-	-	-	(460)
Intergroup fee income		-	-	-	-	(2 134)	-	-	(2 134)
Other operating expenses	3.7.2	-	(17)	(602)	(381)	2 134	-	89	1 223
Results of operations									
Shareholder investment return		2 793	1 516	(2)	295	-	(75)	1 430	5 957
Other finance costs		-	(1 072)	-	-	-	-	-	(1 072)
		-	(419)	-	(132)	-	75	(1 430)	(1 906)
Profit/(loss) before tax									
Income tax expense		2 793	25	(2)	163	-	-	-	2 979
		(2 793)	(25)	2	(163)	-	-	-	(2 979)
Earnings for the year									
		-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 SEGMENTAL REPORT continued

		2025 Rm	2024 Rm
3.2 India			
3.2.1 Reconciliation of normalised headline earnings¹			
Health Insurance profit/(loss) after tax ²		11	(413)
Momentum Group share of Health Insurance profit/(loss) after tax (44.1%)		5	(182)
IFRS adjustments		(53)	(81)
Momentum Group share of Health Insurance results (44.1%) ³		(48)	(263)
Momentum Group share of Wellness results (49%) ³		(10)	(6)
Group support costs		(39)	(34)
Group IT and IT services		28	28
Other		2	1
Normalised headline earnings		(67)	(274)
3.2.2 Additional information^{1,4}			
Gross written premiums (Rm)		10 542	8 316
Combined ratio		105%	110%
Claims ratio		71%	68%
In-force lives⁵:			
Retail and Group		12 309 058	7 895 451
Rural		5 304 373	5 474 248
Byte		4 094 706	5 342 604
Total in-force lives		21 708 137	18 712 303

¹ The India results have been reported with a three-month lag.

² Profit/(loss) reported per Indian GAAP.

³ These line items were previously disclosed on a net basis and have subsequently been disaggregated to reflect the Group's share of the Health Insurance results and Wellness results in separate lines for comparability purposes as the percentage owned of the businesses differs.

⁴ Metrics are reported per Indian GAAP.

⁵ This information was not presented in the prior year and represents unaudited figures.

	Notes	Change %	2025 Rm	2024 Rm
3.3 Change in normalised headline earnings				
Momentum Retail		22	1 356	1 109
Momentum Investments		81	963	533
Metropolitan Life		46	868	595
Momentum Corporate		37	1 618	1 182
Momentum Metropolitan Health		16	295	255
Guardrisk		19	775	653
Momentum Insure		>100	438	192
Momentum Metropolitan Africa		(23)	288	376
India		76	(67)	(274)
Normalised headline earnings from operating segments		41	6 534	4 621
Shareholders		(50)	(274)	(183)
Total normalised headline earnings	3	41	6 260	4 438

3 Segmental report continued

	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Metropolitan Africa Rm	India Rm	Shareholders Rm	Total Rm
3.4 Segmental analysis												
2025												
Covered												
Protection		956	-	301	1 166	-	-	-	116	-	-	2 539
Long-term savings		121	76	166	186	-	-	-	(85)	-	-	464
Annuities and structured products		-	655	287	132	-	-	-	(50)	-	-	1 024
Traditional		138	-	10	-	-	-	-	6	-	-	154
Other ¹		(4)	32	(5)	(12)	-	-	-	47	-	(30)	28
Investment return ²		163	54	108	165	-	-	-	315	-	197	1 002
Total	3	1 374	817	867	1 637	-	-	-	349	-	167	5 211
Non-covered												
Investment and savings		-	124	-	-	-	-	-	-	-	-	124
Life insurance		-	-	-	-	-	-	-	1	-	-	1
Health		-	-	-	-	310	-	-	78	-	-	388
Momentum Multiply		-	-	-	-	(57)	-	-	-	-	-	(57)
Cell captives		-	-	-	-	-	749	-	-	-	-	749
Non-life insurance		-	-	-	-	-	-	278	23	-	-	301
Holding company expenses		-	-	-	-	-	-	-	(224)	-	(280)	(504)
India		-	-	-	-	-	-	-	-	(73)	-	(73)
Momentum Money		-	(35)	-	-	-	-	-	-	-	-	(35)
Other ³		(19)	45	1	(23)	42	48	13	(1)	4	268	378
Investment return		1	12	-	4	-	(22)	147	62	2	(429)	(223)
Total	3	(18)	146	1	(19)	295	775	438	(61)	(67)	(441)	1 049
Normalised headline earnings		1 356	963	868	1 618	295	775	438	288	(67)	(274)	6 260

¹ Included in Other are once-off items that are not linked to a specific product as well as earnings that are not contract holder related.

² For covered business, this is only the return on shareholder assets.

³ Included in Other is mainly earnings that are not contract holder related.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

3.4 Segmental analysis continued

	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Metropolitan Africa Rm	India Rm	Shareholders Rm	Total Rm
2024												
Covered												
Protection		801	-	232	822	-	-	-	29	-	-	1 884
Long-term savings		90	(30)	(13)	94	-	-	-	2	-	-	143
Annuities and structured products		-	371	236	114	-	-	-	2	-	-	723
Traditional		63	-	29	-	-	-	-	4	-	-	96
Other ¹		1	11	(8)	(8)	-	-	-	38	-	17	51
Investment return ²		202	35	119	179	-	-	-	333	-	235	1 103
Total	3	1 157	387	595	1 201	-	-	-	408	-	252	4 000
Non-covered												
Investment and savings		-	171	-	-	-	-	-	-	-	-	171
Life insurance		-	-	-	-	-	-	-	3	-	-	3
Health		-	-	-	-	291	-	-	75	-	-	366
Momentum Multiply		-	-	-	-	(49)	-	-	-	-	-	(49)
Cell captives		-	-	-	-	-	652	-	-	-	-	652
Non-life insurance		-	-	-	-	-	-	55	-	-	-	55
Holding company expenses		-	-	-	-	-	-	-	(168)	-	(176)	(344)
India		-	-	-	-	-	-	-	-	(276)	-	(276)
Momentum Money		-	(85)	-	-	-	-	-	-	-	-	(85)
Other ³		(48)	12	-	(26)	13	16	4	(12)	1	258	218
Investment return		-	48	-	7	-	(15)	133	70	1	(517)	(273)
Total	3	(48)	146	-	(19)	255	653	192	(32)	(274)	(435)	438
Normalised headline earnings		1 109	533	595	1 182	255	653	192	376	(274)	(183)	4 438

¹ Included in Other are once-off items that are not linked to a specific product as well as earnings that are not contract holder related.

² For covered business, this is only the return on shareholder assets.

³ Included in Other¹ is mainly earnings that are not contract holder related.

3 Segmental report continued

		Total revenue in scope of IFRS 15					
	Notes	Contract admini- stration Rm	Trust and fiduciary services Rm	Health admini- stration Rm	Cell captive commission Rm	Other fee income Rm	Total fee income Rm
3.5 Segment IFRS 15 – Revenue from Contracts with Customers							
2025							
Momentum Retail		1 023	49	-	-	118	1 190
Momentum Investments		2 105	1 414	-	-	259	3 778
Metropolitan Life		13	-	-	-	9	22
Momentum Corporate		1 034	580	-	-	43	1 657
Momentum Metropolitan Health		3	-	2 735	-	206	2 944
Guardrisk		196	-	-	133	231	560
Momentum Insure		-	-	-	-	8	8
Momentum Metropolitan Africa		23	45	1	8	24	101
India		-	-	-	-	17	17
Shareholders		-	-	-	-	21	21
Segmental total		4 397	2 088	2 736	141	936	10 298
Reconciling items	3.1	-	(409)	-	-	2	(407)
Total	3	4 397	1 679	2 736	141	938	9 891
Restated 2024							
Momentum Retail		1 020	36	-	-	87	1 143
Momentum Investments		1 871	1 412	-	-	190	3 473
Metropolitan Life		8	-	-	-	3	11
Momentum Corporate		720	490	-	-	50	1 260
Momentum Metropolitan Health		1	-	2 616	-	181	2 798
Guardrisk ¹		165	-	-	231	302	698
Momentum Insure		-	-	-	-	10	10
Momentum Metropolitan Africa		133	42	-	-	35	210
India		-	-	-	-	29	29
Shareholders		-	-	-	-	13	13
Segmental total		3 918	1 980	2 616	231	900	9 645
Reconciling items	3.1	-	(463)	-	-	3	(460)
Total	3	3 918	1 517	2 616	231	903	9 185

¹ Refer to note 1 for more information on the restatements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

	Notes	SA Rm	Namibia Rm	Mauritius Rm	Botswana Rm	Lesotho Rm	Other ² Rm	Total revenue Rm
3.6 Revenue per geographical basis¹								
2025								
Momentum Retail		10 233	-	-	-	-	-	10 233
Momentum Investments		6 339	-	-	-	-	610	6 949
Metropolitan Life		6 209	-	-	-	-	-	6 209
Momentum Corporate		9 411	-	-	-	-	-	9 411
Momentum Metropolitan Health		4 645	-	-	-	-	-	4 645
Guardrisk		25 097	-	1 686	-	-	25	26 808
Momentum Insure		3 302	-	-	-	-	-	3 302
Momentum Metropolitan Africa		-	1 716	-	752	715	544	3 727
India		-	-	-	-	-	17	17
Shareholders		21	-	-	-	-	-	21
Segmental total		65 257	1 716	1 686	752	715	1 196	71 322
Reconciling items	3.1	(327)	(3)	-	-	-	(77)	(407)
Total	3	64 930	1 713	1 686	752	715	1 119	70 915
Restated 2024								
Momentum Retail		9 496	-	-	-	-	-	9 496
Momentum Investments		5 552	-	-	-	-	665	6 217
Metropolitan Life		6 212	-	-	-	-	-	6 212
Momentum Corporate		9 144	-	-	-	-	-	9 144
Momentum Metropolitan Health		4 238	-	-	-	-	-	4 238
Guardrisk ³		23 955	-	2 036	-	-	19	26 010
Momentum Insure		3 282	-	-	-	-	-	3 282
Momentum Metropolitan Africa		-	1 500	-	795	633	560	3 488
India		-	-	-	-	-	29	29
Shareholders		13	-	-	-	-	-	13
Segmental total		61 892	1 500	2 036	795	633	1 273	68 129
Reconciling items	3.1	(317)	(2)	-	-	-	(141)	(460)
Total	3	61 575	1 498	2 036	795	633	1 132	67 669

¹ This table has been updated in the current year due to not disaggregating the revenue of the foreign countries within the Group in the prior year.

² Other mainly relates to operations in UK of R558 million (2024: R549 million), Mozambique R326 million (2024: R357 million) and Ghana R218 million (2024: R202 million).

³ Refer to note 1 for more information on the restatements.

3 Segmental report continued

	Notes	Interest income Rm	Other Rm	Total Rm
3.7 Additional information				
3.7.1 Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets¹				
2025				
Momentum Retail		2 603	10 140	12 743
Momentum Investments		10 400	27 573	37 973
Metropolitan Life		2 523	4 184	6 707
Momentum Corporate		5 111	18 258	23 369
Momentum Metropolitan Health		72	53	125
Guardrisk		3 058	1 877	4 935
Momentum Insure		205	(135)	70
Momentum Metropolitan Africa		1 532	1 271	2 803
India		2	2	4
Shareholders		865	(163)	702
Segmental total		26 371	63 060	89 431
Reconciling items	3.1	3 062	7 364	10 426
Total	3	29 433	70 424	99 857
2024				
Momentum Retail		2 620	4 387	7 007
Momentum Investments		8 873	15 457	24 330
Metropolitan Life		2 295	2 449	4 744
Momentum Corporate		4 383	9 969	14 352
Momentum Metropolitan Health		81	12	93
Guardrisk		3 055	981	4 036
Momentum Insure		193	(128)	65
Momentum Metropolitan Africa		1 480	922	2 402
India		1	1	2
Shareholders		756	(434)	322
Segmental total		23 737	33 616	57 353
Reconciling items	3.1	3 397	4 646	8 043
Total	3	27 134	38 262	65 396

¹ This information was not presented in prior years but has been included in response to an IFRIC decision.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

3.7 Additional information continued

	Notes	Non-attributable insurance expense Rm	Investment contracts - management expenses Rm	Investment contracts - DAC amortisation Rm	Employee benefit expenses Rm	Asset management fees Rm	Consulting fees Rm	Information technology expenses Rm	Other ² Rm	Total Rm
3.7.2 Other operating expenses¹										
2025										
Momentum Retail		(132)	(925)	(21)	(27)	(28)	-	-	(219)	(1 352)
Momentum Investments		(23)	(2 089)	(158)	(972)	(317)	(188)	21	(1 000)	(4 726)
Metropolitan Life		(254)	(69)	-	(2)	(10)	-	-	(2)	(337)
Momentum Corporate		(123)	(1 166)	(3)	-	-	-	(5)	(339)	(1 636)
Momentum Metropolitan Health		-	-	-	(1 652)	(154)	(241)	(210)	(718)	(2 975)
Guardrisk		(398)	-	-	(106)	(70)	(4)	(8)	(257)	(843)
Momentum Insure		(174)	-	-	(240)	(7)	(11)	(27)	(11)	(470)
Momentum Metropolitan Africa		(47)	(67)	-	(135)	(2)	(29)	-	(205)	(485)
India		-	-	-	(147)	-	(25)	-	(25)	(197)
Shareholders		-	-	-	(414)	(30)	(245)	(851)	(445)	(1 985)
Segmental total		(1 151)	(4 316)	(182)	(3 695)	(618)	(743)	(1 080)	(3 221)	(15 006)
Reconciling items	3.1	-	-	-	-	(337)	-	-	1 776	1 439
Total	3	(1 151)	(4 316)	(182)	(3 695)	(955)	(743)	(1 080)	(1 445)	(13 567)
2024										
Momentum Retail		(173)	(837)	(169)	(13)	(21)	(4)	-	(196)	(1 413)
Momentum Investments		(20)	(1 875)	(133)	(871)	(279)	(147)	(146)	(1 158)	(4 629)
Metropolitan Life		(255)	(36)	-	(4)	(8)	-	-	-	(303)
Momentum Corporate		(99)	(975)	(8)	-	-	(2)	(4)	(287)	(1 375)
Momentum Metropolitan Health		-	-	-	(1 519)	(142)	(289)	(161)	(682)	(2 793)
Guardrisk		(399)	-	-	(38)	(16)	(4)	(3)	(233)	(693)
Momentum Insure		(171)	-	-	(181)	(3)	(6)	(27)	(2)	(390)
Momentum Metropolitan Africa		(31)	(140)	-	(106)	(4)	(15)	(7)	(277)	(580)
India		-	-	-	(121)	-	(17)	(1)	(34)	(173)
Shareholders		-	-	-	(143)	(24)	(208)	(741)	(355)	(1 471)
Segmental total		(1 148)	(3 863)	(310)	(2 996)	(497)	(692)	(1 090)	(3 224)	(13 820)
Reconciling items	3.1	-	-	-	-	(288)	-	-	1 511	1 223
Total	3	(1 148)	(3 863)	(310)	(2 996)	(785)	(692)	(1 090)	(1 713)	(12 597)

¹ This information was not presented in prior years but has been included in response to an IFRIC decision.

² Other amounting to R1 446 million (2024: R1 713 million) mainly consists of office costs of R222 million (2024: R280 million), marketing costs of R373 million (2024: R290 million) and direct property operating expenses on investment property of R694 million (2024: R723 million).

3 Segmental report continued**3.7 Additional information continued**

	Notes	Other operating expenses		Other finance cost	
		Covered Rm	Non-covered Rm	Covered Rm	Non-covered Rm
3.7.3 Covered and non-covered additional detail 2025					
Momentum Retail		(1 149)	(200)	(150)	-
Momentum Investments		(2 763)	(1 927)	(610)	(54)
Metropolitan Life		(333)	(5)	(543)	-
Momentum Corporate		(1 293)	(323)	(208)	(19)
Momentum Metropolitan Health		-	(2 972)	-	(3)
Guardrisk		-	(820)	-	(40)
Momentum Insure		-	(467)	-	-
Momentum Metropolitan Africa		(180)	(292)	-	(3)
India		-	(201)	-	-
Shareholders		(352)	(1 620)	(229)	(176)
Segmental total		(6 070)	(8 827)	(1 740)	(295)
Reconciling items		(506)	1 836	(2)	(80)
Total	3	(6 576)	(6 991)	(1 742)	(375)
Restated 2024					
Momentum Retail		(1 637)	(187)	(174)	-
Momentum Investments		(2 814)	(1 784)	(435)	(52)
Metropolitan Life		(301)	(6)	(433)	-
Momentum Corporate		(1 095)	(285)	(237)	(13)
Momentum Metropolitan Health		-	(2 805)	-	(4)
Guardrisk ¹		-	(675)	-	(41)
Momentum Insure		-	(389)	-	(1)
Momentum Metropolitan Africa		(269)	(264)	(2)	(3)
India		-	(173)	-	-
Shareholders		(99)	(1 351)	(110)	(235)
Segmental total		(6 215)	(7 919)	(1 391)	(349)
Reconciling items		(102)	1 639	(108)	(58)
Total	3	(6 317)	(6 280)	(1 499)	(407)

¹ Refer to note 1 for more information on the restatements.

	2025	2024
3.7.4 Additional segment metrics		
Momentum Insure		
Gross written premiums (Rm)	3 294	3 270
Momentum Metropolitan Africa		
Number of lives (Health)	443 159	428 319
Momentum Metropolitan Health		
Principal members	1 318 197	1 263 231

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Intangible assets

Refer to note 45.4 for the accounting policies relating to this note.

	Notes	2025 Rm	2024 Rm
Goodwill	4.1	1 358	1 325
Customer relationships	4.2	326	397
Brands and intellectual property	4.3	513	448
Broker network	4.4	337	385
Deferred acquisition costs (DAC) on long-term investment business	4.6	2 069	1 866
Computer software	4.7	241	262
Total		4 844	4 683
4.1 Goodwill			
Carrying amount at beginning ¹		1 325	1 305
Cost		3 181	2 987
Accumulated impairment		(1 856)	(1 682)
Business combinations	29	31	207
Impairment charges ²		-	(174)
Foreign exchange rate differences		2	(13)
Carrying amount at end		1 358	1 325
Cost		3 214	3 181
Accumulated impairment		(1 856)	(1 856)
Cash-generating units (CGUs)			
Guardrisk – Guardrisk		831	831
Eris Property Group – Momentum Investments		191	191
Ex-Metropolitan Group – Metropolitan Life (Metropolitan/Momentum merger)		111	111
Momentum Health (Pty) Ltd – Momentum Metropolitan Health		116	116
Other		109	76
Total		1 358	1 325

¹ In accordance with the requirements of IAS 38 – Intangible assets, the Group has disclosed a disaggregated carrying amount at the beginning of the year, to include the gross carrying amount and accumulated impairment. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

² Goodwill and broker network recognised as part of the acquisition of MGIM (Momentum Investments segment). Following an assessment of the near-term revenue outlook, and considering current valuations of its peer group, the recoverable amount of the MGIM CGU at 30 June 2024 was downwardly adjusted, to reflect lower earnings expectations over the short to medium term. This led to an impairment of R206 million and associated deferred tax of R8 million, resulting in a net write-down of R198 million. R174 million of the gross impairment was allocated to goodwill and the remaining R32 million was allocated to broker network. The impairment is not directly attributable to recent acquisitions (Seneca and CAIM), but rather is reflective of prevalent macroeconomic and trading conditions. Plans to restore earnings to prior levels within the next two to three years have not been taken into account in the valuation at 30 June 2024.

Critical accounting estimates and judgements

Goodwill is allocated to CGUs and impairment testing is performed at the level of individual CGUs.

The recoverable value of these CGUs is determined based on value-in-use calculations with reference to DVs. The value-in-use calculations use risk-adjusted cash flow projections, which include projected new business based on financial forecasts approved by management covering a five-year period. These cash flow projections take account of entity-specific risks and are subject to a revenue ceiling and an expense floor to ensure that the earnings projections lie within boundaries that are deemed appropriate. The financial forecasts are informed by past experience as well as management's best estimate of the future. Appropriate allowance is also made for terminations risk where a CGU has concentrated exposure to large clients.

At the end of the defined projection period, a terminal value is determined based on an assumption of inflationary growth following the five years.

The other assumption that is subject to judgement is the determination of an appropriate discount rate. The approach to setting the discount rate is to reference the yield on long-dated government bonds and add an equity risk premium plus an additional margin for entity-specific risk. The assessment of the risk discount rate (RDR) takes into account the risk adjustments already made in the cash flow projection.

4 Intangible assets continued

4.1 Goodwill continued

The central RDR assumption for most of the strategic subsidiaries resident in South Africa has been derived as follows:

	2025	2024
Risk-free rate (long-term)	11.0%	12.3%
Equity risk premium	3.5%	3.5%
Risk premium applied to unlisted equity investments	2.3%	2.3%
Total (central rate)	16.8%	18.1%

The long-term risk-free rate is set with reference to the 10-year Republic of South Africa (RSA) government bond yield. Rounding is performed to the nearest 25 basis points.

For CGUs where the range of possible outcomes remain wide, the RDR is adjusted to allow for the risk characteristics of the entity under consideration. For entities with risk characteristics above the norm, additions of 2% – 4% to the central rate are made, based on the maturity of the CGU under consideration, as well as the perceived degree of certainty in the cash flow projections.

	2025		2024	
	RDR %	Long-term growth rate %	RDR %	Long-term growth rate %
Assumptions				
Guardrisk	16.8	5.0	18.0	6.3
Eris Property Group	16.8	5.0	18.0	6.3
Ex-Metropolitan Group	13.5	6.0	14.8	7.0
Momentum Health	16.8	5.0	18.0	6.3

Guardrisk, Eris Property Group and Momentum Health are local and established companies. With the inclusion of limits to revenue and margin, the central rate is deemed appropriate.

The discount rate for the ex-Metropolitan Group is based on the run-off of in-force insurance liabilities and thus its valuation employed a lower RDR, in line with the discount rate used for "covered business" in the Group embedded value calculation.

4.2 Customer relationships

Carrying amount at beginning¹

	Notes	2025 Rm	2024 Rm
Cost		1 458	1 766
Accumulated amortisation		(1 031)	(1 248)
Accumulated impairment		(30)	(30)
Amortisation charges		(71)	(91)

Carrying amount at end

Cost		1 458	1 458
Accumulated amortisation		(1 102)	(1 031)
Accumulated impairment		(30)	(30)

The carrying amount is made up as follows:

		To be fully amortised by year:	
Metropolitan/Momentum merger			
Investment contracts – Momentum Corporate	2030	188	233
Momentum Insure – Momentum Insure	2030	59	72
MGIM – Momentum Investments	2031	71	82
Other		8	10
Total		326	397

¹ In accordance with the requirements of IAS 38 – Intangible assets, the Group has disclosed a disaggregated carrying amount at the beginning of the year, to include the gross carrying amount and accumulated impairment. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

The accounting policy previously disclosed related to the useful life on Customer relationships has been corrected. The useful life was previously disclosed as between three and 10 years. The disclosure has been corrected to between three and 19 years. This disclosure correction has no impact on the carrying amount or the amortisation of the intangible assets.

Customer relationships represent the fair value of customer relationships in place immediately before a business combination took place. The recoverable value is based on DVs (see note 4.1).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Intangible assets continued

	Notes	2025 Rm	2024 Rm
4.3 Brands and intellectual property			
Carrying amount at beginning ¹		448	500
Cost		1 273	1 260
Accumulated amortisation		(817)	(752)
Accumulated impairment		(8)	(8)
Business combinations	29	133	13
Amortisation charges		(68)	(65)
Carrying amount at end		513	448
Cost		1 406	1 273
Accumulated amortisation		(885)	(817)
Accumulated impairment		(8)	(8)
	To be fully amortised by year:		
<i>The carrying amount is made up as follows:</i>			
Metropolitan brand – Metropolitan Life (Metropolitan/Momentum merger)	2031	292	346
FinGlobal intellectual property – Momentum Retail	2035	131	-
Guardrisk brand – Guardrisk	2034	47	51
Momentum Insure brand – Momentum Insure	2035	30	33
Momentum Insurance (Namibia) brand – Momentum Metropolitan Africa	2031	10	12
Other		3	6
Total		513	448

¹ In accordance with the requirements of IAS 38 – Intangible assets, the Group has disclosed a disaggregated carrying amount at the beginning of the year, to include the gross carrying amount and accumulated impairment. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

Brands represent the fair value of Brands acquired as part of various acquisitions of the Group. The recoverable value is based on DVs (see note 4.1).

Intellectual property

Included in brands and intellectual property is a carrying amount of R131 million (2024: Rnil) representing intellectual property. The increase in intellectual property is as a result of the acquisition of FinGlobal in the current year of R133 million (2024: Rnil), which is offset by R2 million (2024: Rnil) amortisation charges.

	Notes	2025 Rm	2024 Rm
4.4 Broker network			
Carrying amount at beginning ¹		385	266
Cost		754	560
Accumulated amortisation		(314)	(271)
Accumulated impairment		(55)	(23)
Business combinations	29	9	194
Amortisation charges		(57)	(43)
Impairment charges ²		-	(32)
Carrying amount at end		337	385
Cost ³		725	754
Accumulated amortisation ³		(365)	(314)
Accumulated impairment ³		(23)	(55)
	To be fully amortised by year:		
<i>The carrying amount is made up as follows:</i>			
Guardrisk (life) – Guardrisk	2029	205	221
Guardrisk (non-life) – Guardrisk	2029	67	85
Momentum Insure – Momentum Insure	2030	65	79
Total		337	385

¹ In accordance with the requirements of IAS 38 – Intangible assets, the Group has disclosed a disaggregated carrying amount at the beginning of the year, to include the gross carrying amount and accumulated impairment. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

² Broker network relating to MGIM (Momentum Investments segment) was impaired during the prior year due to a decline in the recoverable amount (R32 million).

³ In the current year, fully amortised assets were derecognised, with associated cost and accumulated amortisation written off.

Broker network represents the fair value of Broker network acquired as part of various acquisitions of the Group. The recoverable value is determined based on DVs which is disclosed in note 4.1.

4 Intangible assets continued

4.5 Sensitivity analysis of intangible assets acquired in business combinations

Management performed sensitivity analysis on intangible assets acquired as part of business combinations to assess how sensitive these assets are to changes in the recoverable amounts, i.e. how much headroom exists in these recoverability tests. The significant items are discussed below:

The Group recognises goodwill, customer relationships and brands relating to the Metropolitan/Momentum merger. The current recoverable amount of these assets is R302 million (2024: R67 million) higher than the carrying amount and has 34% (2024: 9%) headroom available before the Group would need to consider impairing any of the associated goodwill.

For Momentum Insure, the Group recognises intangible assets including customer relationships, broker network and brands on the statement of financial position. The current recoverable amount of these assets is R357 million (2024: R82 million) higher than the carrying amount and has 15% (2024: 4%) headroom available before the Group would need to consider impairing any of the intangible assets. Future revenue and expenses included in the risk-adjusted cash flow projections will need to decrease by 4% (2024: 1%) or increase by 5% (2024: 1%) respectively, for the recoverable amount to equate the carrying amount. Further, 2.5% (2024: 0.6%) increase in RDR or a 5.3% (2024: 0.75%) decrease in long-term growth for the recoverable amount to equate the carrying amount.

For Guardrisk, the Group recognises goodwill and brands on the statement of financial position. The current recoverable amount of these assets is R2 892 million (2024: R2 299 million) higher than the carrying amount and has 44% (2024: 40%) headroom available before the Group would need to consider impairing any of the associated goodwill. Future revenue and expenses included in the risk-adjusted cash flow projections will need to decrease by 21% (2024: 16%) or increase by 35% (2024: 33%) respectively, for the recoverable amount to equate the carrying amount.

In aggregate, if the recoverable amounts of all the CGUs under consideration were to decrease by 10%, it would result in a potential impairment of intangible assets of R1 million (2024: R117 million). Should the recoverable amounts decrease by 20%, an impairment of R131 million (2024: R219 million) will be required, with R103 million (2024: R135 million) of this relating to Momentum Insure intangible assets and R28 million (2024: Rnil million) relating to Investment Managers Group.

4.6 DAC on investment contracts

	2025 Rm	2024 Rm
Carrying amount at beginning	1 866	1 948
Additions	407	357
Derecognition ¹	-	(94)
Amortisation charges	(203)	(343)
Foreign exchange rate differences	(1)	(2)
Carrying amount at end	2 069	1 866

¹ Derecognition of investment contracts in prior year due to amended features on existing contracts that resulted in the recognition of insurance contracts.

An impairment test is conducted annually at reporting date on the DAC balance to ensure that the amount will be recovered from future revenue generated by the applicable remaining investment management contract. Refer to assumptions in note 13.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Intangible assets continued

	Notes	2025 Rm	2024 Rm
4.7 Computer software			
Carrying amount at beginning ¹		262	311
Cost		946	972
Accumulated amortisation		(640)	(660)
Accumulated impairment		(44)	(1)
Additions		55	68
Amortisation charges		(76)	(76)
Impairment charges		-	(43)
Business combinations	29	-	2
Carrying amount at end		241	262
Cost ²		729	946
Accumulated amortisation ²		(444)	(640)
Accumulated impairment		(44)	(44)

¹ In accordance with the requirements of IAS 38 – Intangible assets, the Group has disclosed a disaggregated carrying amount at the beginning of the year, to include the gross carrying amount and accumulated impairment. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

² In the current year, fully amortised assets were derecognised, with associated cost and accumulated amortisation written off.

Internally developed software

Included in computer software is a carrying amount of R48 million (2024: R54 million) representing internally developed software. The increase in internally developed software mainly relates to additions of R13 million (2024: R30 million), which is offset by R20 million (2024: R17 million) amortisation charges.

Material computer software

The Momentum Insure segment has computer software of R157 million (2024: R166 million) relating to Momentum Insure's line of business system, which will be fully amortised by 2031. For impairment testing purposes, a RDR of 13% (2024: 15%) and a growth rate of 6% (2024: 6%) was used to present value the future economic benefits of the software. No impairment was required.

The Momentum Metropolitan Health segment has computer software of R20 million (2024: R27 million) relating to the wellness and rewards platform, which will be fully amortised by 2028. No impairment was required.

Computer software of R18 million (2024: R22 million) is used as a reporting tool for capturing trades, treasury and risk management by various segments. This will be fully amortised by 2028. No impairment was required.

5 Owner-occupied properties and fixed assets

Refer to note 45.5 for the accounting policies relating to this note.

	Notes	2025 Rm	Restated 2024 Rm
5.1 Owned owner-occupied properties			
Owned owner-occupied properties		2 503	2 431
Owner-occupied properties – disclosed as per IAS16. 29A ¹		133	130
Owner-occupied properties – at fair value	5.1.1	2 636	2 561
Right-of-use assets		128	167
Total		2 764	2 728
Historical carrying amount – cost model		1 272	1 230
5.1.1 Owner-occupied properties – at fair value			
Fair value at beginning		2 561	2 885
Additions		8	6
Disposals		-	(32)
Revaluations charged to other comprehensive income		96	91
Revaluations charged to income statement (IAS16.29A)		4	-
Depreciation charges		(43)	(48)
Net impairment reversals to income statement		10	3
Transfer to investment properties		-	(345)
Foreign exchange rate differences		-	1
Fair value at end		2 636	2 561

¹ This change in presentation is the result of a change in accounting policy adopted by the Group. Please refer to note 1 for more information.

5 Owner-occupied properties and fixed assets continued

5.1 Owned owner-occupied properties continued

5.1.1 Owner-occupied properties – at fair value continued

A register of owner-occupied properties is available for inspection at the Company's registered office.

Owner-occupied properties are classified as level 3.

In the current year, the revaluation increase mainly relates to revaluation gains within the Shareholders segment of R44 million on the Centurion Head Office, R16 million on Parc du Cap 6, R8 million on Parc du Cap 7 and 8, R10 million on Cornubia building and R10 million on the Parkade. These are market-related movements in the fair value of the properties.

Critical accounting estimates and judgements

All properties are valued using a Discounted cash flow (DCF) method or the income capitalisation approach based on the aggregate contractual or market-related rent receivable less associated costs. The DCF takes projected cash flows and discounts them at a rate that is consistent with comparable market transactions. Increases in the carrying amount arising on revaluation of owner-occupied buildings are credited to a land and building revaluation reserve in other comprehensive income, except to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase shall be recognised in profit or loss. Decreases that offset previous increases in respect of the same asset are charged against the revaluation reserve, and all other decreases are charged to the income statement. All owner-occupied properties were externally valued at 30 June 2025. Valuations are performed semi-annually.

Assumptions		Valuation technique	Change in fair value			
			Base assumption ¹	Change in assumption	Balance before assumption change ²	Decrease in assumption Rm
2025						
Capitalisation rate						
Office buildings	DCF & income capitalisation	8.76% – 8.88%	100bps	2 418	228	(184)
Parkade	Income capitalisation	9.25%	100bps	91	9	(8)
Discount rate						
Office buildings	DCF	13.30% – 13.37%	100bps	2 418	96	(91)
2024						
Capitalisation rate						
Office buildings	DCF & income capitalisation	8.27% – 9.04%	100bps	2 466	342	(296)
Parkade	Income capitalisation	8.00% – 10.00%	100bps	82	9	(7)
Discount rate						
Office buildings	DCF	9.11% – 9.27%	100bps	2 466	70	(66)

¹ The base assumption has been calculated using a weighted average.

² The owner-occupied property sensitivity analysis now includes the balance before assumptions, which was not previously disclosed.

Capitalisation and discount rates are based on a number of factors, including but not limited to the following: the current risk-free rate, the risk associated with the income stream flowing from the property, the real estate cycle, current economic conditions at both the micro- and macroeconomic level and the yield that an investor would require in order to make the property an attractive investment. For valuation purposes, existing lease agreements and subsequent expected market-related rentals are used to determine the net income stream on which the fair value of each building is based. Furthermore, the internal valuers performed a sensitivity analysis by adjusting the capitalisation rate and discount rate up and down by 100 basis points.

The property market is still in a recovery phase post-Covid-19 and remains impacted by low economic growth. Further impacting the office sector is the hybrid work model now adopted by most employers and the current electricity crisis and although load shedding has reduced, uncertainty still remains. Therefore, a conservative take-up of the vacant space has been assumed, likewise a conservative view has been taken on achievable market rentals. Assumed market rental growth is in the range of 4.5% to 5%.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 Owner-occupied properties and fixed assets continued

5.1.1 Owner-occupied properties – at fair value continued

	Notes	2025 Rm	2024 Rm
5.2 Fixed assets			
Fixed assets at carrying value			
Leasehold improvements		55	66
Furniture and fittings		110	140
Office equipment		180	21
Computer equipment		180	236
Computer equipment Right-of-use assets		1	2
Motor vehicles		9	12
Solar plant		164	114
Total		699	591
Carrying amount at beginning ¹		591	478
Cost		2 193	1 864
Accumulated depreciation		(1 583)	(1 369)
Accumulated impairment		(19)	(17)
Business combinations	29	2	-
Additions		353	337
Disposals		(28)	(4)
Depreciation		(211)	(221)
Transfer to non-current assets held for sale	46	(11)	-
Foreign exchange rate differences		3	(2)
Other		-	3
Carrying amount at end		699	591
Cost		2 133	2 193
Accumulated depreciation		(1 415)	(1 583)
Accumulated impairment		(19)	(19)

¹ In accordance with the requirements of IAS 16 – Property, Plant and Equipment, the Group has disclosed a disaggregated carrying amount at the beginning, to include the gross carrying amount, accumulated depreciation and accumulated impairment. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

Fixed assets are measured at cost less accumulated depreciation and accumulated impairment. In respect of leasehold properties, assets are depreciated over the shorter of their respective lease periods and estimated useful lives. The remainder of fixed assets are depreciated using the straight-line method to allocate their costs, less their residual values, over their estimated useful lives, as follows:

Furniture and fittings	3 – 5 years
Office equipment	3 – 5 years
Computer equipment	3 years
Motor vehicles	5 years
Solar plant	10 years

The residual values and useful lives of the assets are reviewed at each reporting date and adjusted if appropriate.

6 Investment properties

Refer to note 45.6 for the accounting policies relating to this note.

	Notes	2025 Rm	2024 Rm
Owned investment properties	6.1	9 562	9 177
Right-of-use assets		11	11
Total		9 573	9 188
6.1 Owned investment properties			
<i>At 30 June, investment properties comprised the following property types:</i>			
Shopping malls		4 433	4 216
Office buildings		4 025	3 916
Industrial		771	791
Hotels		310	293
Vacant land		227	225
Other		175	118
Property at valuation		9 941	9 559
Accelerated rental income	9	(379)	(382)
Total		9 562	9 177
Investment properties under development			
Fair value at beginning		-	198
Transfer to completed properties ¹		-	(198)
Fair value at end		-	-
Completed properties			
Fair value at beginning		9 177	8 609
Capitalised subsequent expenditure		19	335
Additions		3	34
Disposals		-	(92)
Revaluations charged to income statement		325	102
Change in accelerated rental income		3	(3)
Transfer from owner-occupied properties		-	345
Transfer from investment properties under development ¹		-	198
Transfer from/(to) non-current assets held for sale	46	40	(338)
Foreign exchange rate differences		4	(9)
Other		(9)	(4)
Fair value at end		9 562	9 177

¹ The prior year investment properties under development related to MPOF Consolidated of R99 million and Momentum Rosslyn Development Pty (Ltd) of R98 million.

A register of investment properties is available for inspection at the Company's registered office.

Investment properties are classified as level 3.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 Investment properties continued

6.1 Owned investment properties continued

Critical accounting estimates and judgements

In both the current and prior year all properties were internally valued using a DCF method based on contractual or market-related rent receivable less associated costs. The internal valuers hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

The valuation input is focused on “headline” assumptions including capital and discount rates however the underlying cash flow is based on contractual arrangements where applicable and appropriate market norms. Each valuation is carried out in isolation, and tested in each individual case by looking at factors including current tenant retention, potential market rentals and potential of long-term vacancies as well as necessary changes in the capitalisation and discount rates. The valuers carried out extensive market research and also collaborated with their professional peers.

		Change in fair value			
Assumptions	Valuation technique	Base assumption ¹	Change in assumption	Decrease in assumption Rm	Increase in assumption Rm
2025					
Capitalisation rate				655	(498)
Shopping malls	DCF	8.09% – 10.01%	100bps	320	(250)
Office buildings	DCF	8.44% – 10.01%	100bps	274	(199)
Industrial	DCF	9.00%	100bps	35	(28)
Hotels	DCF	9.00%	100bps	26	(21)
Discount rate				451	(414)
Shopping malls	DCF	12.79% – 14.76%	100bps	211	(192)
Office buildings	DCF	13.53% – 15.10%	100bps	202	(187)
Industrial	DCF	13.55%	100bps	26	(24)
Hotels	DCF	13.00%	100bps	12	(11)
Vacancy rate				66	(65)
Shopping malls	DCF	1.67% – 4.48%	100bps	32	(31)
Office buildings	DCF	0.98% – 4.19%	100bps	29	(28)
Industrial	DCF	1.59% – 2.41%	100bps	3	(4)
Hotels	DCF	1.00%	100bps	2	(2)
Restated					
2024²					
Capitalisation rate				628	(491)
Shopping malls	DCF	7.93% – 9.92%	100bps	310	(244)
Office buildings	DCF	8.15% – 9.73%	100bps	260	(201)
Industrial	DCF	8.10%	100bps	33	(26)
Hotels	DCF	9.00%	100bps	25	(20)
Discount rate				438	(410)
Shopping malls	DCF	12.62% – 14.60%	100bps	206	(192)
Office buildings	DCF	12.82% – 14.34%	100bps	197	(184)
Industrial	DCF	12.26% – 12.63%	100bps	24	(23)
Hotels	DCF	13.00%	100bps	11	(11)
Vacancy rate				65	(66)
Shopping malls	DCF	1.81% – 4.61%	100bps	32	(32)
Office buildings	DCF	1.24% – 9.78%	100bps	28	(29)
Industrial	DCF	1.68% – 2.05%	100bps	3	(3)
Hotels	DCF	1.00%	100bps	2	(2)

¹ The base assumption has been calculated using a weighted average.

² In the prior year, the valuation technique for office buildings was described as a combination of DCF and income capitalisation methods. June 2024 has been restated to correctly reflect the use of the DCF method only.

Capitalisation and discount rates are based on a number of factors, including but not limited to the following: market transactions, the current risk-free rate, the risk associated with the income stream flowing from the property, the real estate cycle, current economic conditions at both the micro- and macroeconomic level and the yield that an investor would require in order to make the property an attractive investment. For valuation purposes, existing lease agreements and subsequent expected market-related rentals are used to determine the net income stream on which the fair value of each building is based.

Office sector - Higher vacancies (due to tenant fall-off as well as downsizing) has been experienced, resulting in a continued oversupply of office space. The decrease in demand has put pressure on rentals, and together with persistent vacancies, this has inevitably led to an associated drop in valuations. The exception has been the Cape Town market where demand is stronger and market rentals have risen as vacancies are beginning to reduce.

Retail sector - Rural retail had a strong year-on-year performance and is continuing to perform well. Urban retail experienced some lease fall-off but this was mostly attributable to tenants who were already experiencing difficulties prior to Covid-19. The ability to re-let has somewhat improved over last year. Capitalisation rates and discount rates have remained stable due to nodal performance and rentals achieved.

Industrial - The industrial sector is still a strong performer with distribution centres, large warehousing and multi-parks showing the strongest total return by property type across all sectors. This resulted in more robust market rentals and a low vacancy rate.

7 Investments in associates and joint arrangements

Refer to note 45.2.2 and 45.2.3 for the accounting policies relating to this note.

	Notes	2025 Rm	2024 Rm
Carrying amount at beginning		1 700	1 732
Additions ¹		428	261
Disposals		(11)	-
Business combination		-	147
Transfer to subsidiary		-	(109)
Share of equity-accounted profit/(loss)		70	(193)
Share of other comprehensive income	18.7	46	(33)
Dividends declared		(86)	(57)
Impairment charges		(29)	(11)
Gain on step-up of associate		-	30
Foreign exchange rate differences		(74)	(62)
Other		-	(5)
Carrying amount at end – non-current		2 044	1 700

¹ The current year relates to the following:

- MSI made capital injections to ABHI for R370 million in cash.
- MML made capital injections to South African Student Accommodation Impact Investments (Pty) Ltd (SASAIL) for R23 million in cash.
- Momentum Strategic Investments (UK) Ltd made capital injections to CI Associates Ltd for R23 million and to Spectrum Advice Network Ltd for R11 million.

The DVs of investment in associates and joint ventures exceed the carrying amounts.

Equity-accounted associates and joint ventures ¹	%*	Carrying amount Rm	Assets ² Rm	Liabilities ² Rm	Profit/ (loss) for the year ² Rm	Earnings ³ Rm
2025						
ABHI ⁴	44.08%	1 330	10 504	(7 438)	11	(48)
Methealth Namibia Administrators (Pty) Ltd (MHNA)	49%	147	117	(40)	55	27
SASAIL	11.86%	114	2 214	(1 247)	26	3
2Cana Solutions (Pty) Ltd (2Cana)	31%	81	130	(18)	42	13
Other ⁵		372	**	**	68	75
		2 044				70
2024						
ABHI ⁴	44.08%	1 029	8 475	(6 124)	(412)	(264)
MHNA	49%	172	107	(40)	59	29
SASAIL	11.86%	87	1 506	(794)	16	3
2Cana	30%	68	146	(17)	33	10
Other ⁵		344	**	**	82	29
		1 700				(193)

* Effective Group percentage held.

** This amount consists of various associates' financial information.

¹ All entities' principal place of business is in South Africa unless otherwise stated. All entities below are classified as associates unless otherwise stated.

² This represents the actual assets, liabilities, revenue and profit or loss of the associate or joint venture at the end of the financial year. Other comprehensive income of the associate or joint venture is immaterial in the current and prior year. ABHI has a financial year end of 31 March and as such the summarised financial information disclosed for ABHI represents the financial information at 31 March 2025.

³ Group's share of equity-accounted earnings recognised through profit/loss.

⁴ The Group's share of equity-accounted earnings takes into account adjustments to the associate's NAV to align the accounting policies of the investment with the rest of the Group, including the application of IFRS 17.

⁵ Other includes the associates and joint venture acquired in the prior year with a total carrying value of R202 million as a result of the acquisition of IMG Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7 Investments in associates and joint arrangements continued

- ABHI is a health insurance business and was formed by MSI and Aditya Birla Capital Ltd (incorporated in India). Voting rights are proportional to ordinary shareholding, with Aditya Birla Capital Ltd being able to outvote MSI, appoint the CEO of ABHI, who in turn appoints the executive team and therefore directing the relevant activities of the business. MSI does not have control over this entity. The carrying amount of the associate includes further capital injections advanced to the company in addition to the capital acquired. The principal place of business is in India.
- MHNA is an entity engaged in the administration of medical aid schemes and operates principally in Namibia.
- SASAI is a fund that engages in the development of student accommodation and the purchase and refurbishment of existing student accommodation. To date 4 properties have been developed providing 5 800 beds, in addition 3 properties are under development and will provide 3 052 beds. Developed properties are owned through Special Purpose Vehicles (Private Companies) that are subsidiaries of the fund. MML holds 11.86% in this fund and does not have control over this fund, as the relevant activities of the fund are not under the direction of MML. Despite the Group holding less than 20% of the ordinary shares, the Group exerts significant influence as a result of decision-making rights to which the Group remains entitled.
- 2Cana has been responsible for the development of the MHS IT platform which maintains its data on the Oracle system. MHS identified this outsourced function as a potential strategic risk and viewed the acquisition of 2Cana as a way to secure the protection of the intellectual property maintained in the system.

7.1

Detail of investment in ABHI

Summarised financial information:

	2025 Rm	2024 Rm
Revenue	7 040	5 842
Profit/(loss) after taxation	11	(412)
Assets		
Non-current assets	9 520	7 623
Current assets	984	850
Liabilities		
Non-current liabilities	(3 667)	(3 110)
Current liabilities	(3 771)	(3 016)
NAV	3 066	2 347
Adjustments to NAV ¹	(621)	(654)
Adjusted NAV	2 445	1 693
Effective holding	44.08%	44.08%
Calculated carrying amount	1 078	746
Capital contributions ²	129	153
Goodwill	123	130
Carrying amount of investment in associate³	1 330	1 029

¹ Includes adjustments to the associates NAV to align the accounting policies of the investment with the rest of the Group, including the application of IFRS 17.

² Capital contributions made to ABHI are recognised by the Group as and when contributions occur. As a result of the three-month lag applied to the results of ABHI, the NAV of ABHI does not reflect capital contributions made by the Group during the last three months of the financial year and as such is disclosed as a reconciling item.

³ ABHI received a demand order of INR 1.2 billion (c.ZAR 250 million) during the financial year ended 31 March 2025, with respect to eligibility of GST input tax credits on marketing expenses for the period July 2017 to December 2022. Penalties of 100% and interest at 24% have not been included in the order amount. Based on the legal opinion obtained, ABHI management is of the opinion that the demand order is not legally tenable and is in the process of filing an appeal. ABHI has deposited an amount of INR 204 million (c.ZAR 44 million) as a deposit, under protest. The tax item is subject to the specific and general indemnities afforded to the minority shareholder as part of their investment in ABHI. Should the impact of the GST item exceed INR 475 million (c.ZAR 100 million), the minority shareholder would be indemnified by ABHI from the losses exceeding INR 475 million pro-rata to its shareholding. In the event that aggregated losses, incurred by ABHI (greater than INR 100 million each) is in excess of INR 1 billion (c.ZAR 210 million), the minority shareholder will be indemnified by ABHI for their share of the entire loss. Aditya Birla Capital Ltd and the Group will indirectly bear the losses (plus indemnity paid on behalf of the minority shareholder) owing to and pro-rata to their shareholding in ABHI.

8 Financial assets

Refer to note 45.7, 45.8 and 45.9 for the accounting policies relating to this note.

The Group classifies its financial assets into the following categories:

- Financial assets at FVPL
- Financial assets at amortised cost

The classification is based on contractual cash flows characteristics and models through which financial instruments are managed (business model). Management determines the classification of its financial assets at initial recognition.

Critical judgements and estimates

Management applies judgement to the valuation of certain level 2 and level 3 financial assets, which include the Group's venture capital investments, where the market is inactive. Refer to note 43 for more information.

The assessment of significant increase in credit risk to calculate the expected credit loss for assets carried at amortised cost is performed by determining the risk of default over the expected lifetime of an instrument. Management applies judgement to the probability of default and loss given default. Refer to note 8.5 for more information.

In determining the requirements of IFRS 10 – Consolidated Financial Statements, the Group considers control over the fund manager to be a key aspect in determining whether a CIS is controlled by the Group or not. Where the funds are managed by Group-owned fund managers and the Group holds 20% or more in these funds, it is viewed to have control of the fund. Where the control criteria are not met, the criteria for joint control and significant influence are considered.

8 Financial assets continued

	Notes	2025 Rm	Restated 2024 ¹ Rm
The Group's financial assets are summarised below:			
Financial assets at FVPL	8.1	710 560	621 890
Financial assets at amortised cost	8.2	7 602	7 834
Cash and cash equivalents	8.3	36 954	33 898
Total financial assets		755 116	663 622
8.1 Financial assets at FVPL			
Unit-linked investments		290 375	247 730
Debt securities ²		243 654	211 161
Equity securities		145 021	125 290
Carry positions		268	15
Funds on deposit and other money market instruments ²		29 605	35 492
Derivative financial assets		1 637	2 202
Total		710 560	621 890
Open-ended		435 106	325 993
Current		65 268	119 101
Non-current		210 186	176 796
1 to 5 years		72 685	64 827
5 to 10 years		41 724	29 448
> 10 years		95 777	82 521
Total		710 560	621 890

¹ Refer to note 1 for more information on the restatements other than footnote 2.

² Prior year balances have been restated to correct the presentation of loan commitments, which were previously recognised based on total funds to be advanced rather than actual funds advanced, resulting in a reclassification of R853 million between funds on deposit and debt securities.

General

The open-ended maturity category includes investment assets such as listed and unlisted equities, unit-linked investments and other non-term instruments. For these instruments, management is unable to provide a reliable estimate of maturity, given factors such as the volatility of the respective markets and policyholder behaviour.

A schedule of equity securities is available for inspection at the Company's registered office.

Refer to note 38.2 for more information on the global transition to alternative benchmark rates.

	2025		2024	
Derivative financial instruments	Assets Rm	Liabilities Rm	Assets Rm	Liabilities Rm
Held for trading	1 637	1 534	2 202	2 752

As part of its asset and liability management, the Group purchases derivative financial instruments to reduce the exposure of policyholder and shareholder assets to market risks and to match the liabilities arising on insurance contracts.

Under no circumstances are derivative contracts entered into for speculative purposes.

The following table shows the fair value of derivative financial instruments recorded as assets or liabilities, together with their effective exposure. Effective exposure is the exposure of a derivative financial contract or instrument to the underlying asset by also taking delta (the ratio comparing the change in the price of the underlying asset to the corresponding change in the price of a derivative) into account, where applicable.

The mark-to-market value of a derivative does not give an indication of the effective exposure of portfolios to changes in market values of that derivative position. The effective exposure of a derivative position reflects the equivalent amount of the underlying security that would provide the same profit or loss as the derivative position, given an incremental change in the price of the underlying security. A derivative position is translated into the equivalent physical holding, or its market value, which provides a meaningful measure in respect of asset allocation. For example:

- The market value for swaps, such as interest rate swaps.
- The underlying market value represented by futures contracts.
- The delta adjusted effective exposure derived from an option position.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.1 Financial assets at FVPL continued

	2025			Restated 2024		
	Effective exposure Rm	Assets Rm	Liabilities Rm	Effective exposure Rm	Assets Rm	Liabilities Rm
Derivatives held for trading						
Equity derivatives		634	34		547	41
Options, OTC	4	5	3	-	1	3
Options, exchange traded	151	348	-	97	379	-
Futures, OTC	1 849	28	1	1 365	1	8
Futures, exchange traded	1 534	3	23	1 991	17	20
Swaps, OTC*	243	250	7	139	149	10
CFD, OTC	1 587	-	-	1 166	-	-
Interest rate derivatives		760	1 468		1 346	1 739
Futures, exchange traded	-	-	-	-	-	2
Swaps, OTC*	(720)	755	1 465	(435)	1 344	1 737
Forward rate agreement, OTC	3	5	3	1	2	-
Bonds		227	-		275	88
Options, exchange traded	239	-	-	29	-	-
Futures, OTC	7 312	214	-	6 448	272	88
Futures, exchange traded	9 120	13	-	6 506	3	-
Credit derivatives		-	1		-	9
Swaps, OTC*	(1)	-	1	(9)	-	9
Currency derivatives		16	31		34	875
Options, OTC	-	-	-	-	12	12
Futures, OTC ¹	1 001	16	10	1 416	22	15
Futures, exchange traded ¹	(341)	-	3	(1 047)	-	5
Swaps, OTC*	(17)	-	17	(843)	-	843
CFD, OTC	(1)	-	1	-	-	-
Options, exchange traded	(74)	-	-	(100)	-	-
Total derivative financial instruments		1 637	1 534		2 202	2 752

¹ The effective exposure on Currency derivatives – Futures, OTC was overstated by R55 billion and Currency derivatives – Futures, exchange traded was overstated by R203 million. The prior year has been restated accordingly.

* The effective exposure of the swaps represents the net fair value, which may differ from effective exposure.

At their inception, derivatives often involve only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have a significant impact on the profit or loss of the Group.

Over-the-counter (OTC) derivatives may expose the Group to the risks associated with the absence of an exchange market on which to close out an open position.

The Group's exposure under derivative contracts is closely monitored as part of the overall management of the Group's market risk.

Offsetting

The following financial instruments are subject to offsetting, enforceable master netting arrangements and similar agreements:

In accordance with IFRS 7.13E, the Group discloses information about recognised financial instruments that are subject to enforceable master netting arrangements and similar agreements. These arrangements do not meet the criteria for offsetting in the statement of financial position but still result in a significant reduction in credit risk due to the legally enforceable rights of set-off in case of default, insolvency or bankruptcy of the counterparties.

The Group enters into International Swaps and Derivatives Association (ISDA) agreements and similar arrangements with counterparties to manage counterparty credit risk on derivative positions. These agreements allow the Group to settle multiple transactions with a single net amount in the event of default or other termination events. As such, these rights of set-off do not generally result in an offset in the statement of financial position under IAS 32 but are disclosed below to provide information on the effect of these arrangements on the Group's exposure to credit risk.

8 Financial assets continued

8.1 Financial assets at FVPL continued

Offsetting continued

The following table presents the recognised derivative financial assets and liabilities that are subject to such arrangements, as well as the related amounts that are not offset in the statement of financial position but which the Group has the right to offset under such agreements:

	2025 Rm	2024 Rm
Derivative financial assets		
Recognised financial assets	1 637	2 202
Related amounts not set off in the statement of financial position		
Financial instruments	(759)	(1 093)
Cash collateral received	(546)	(1 170)
Net amount	332	(61)
Derivative financial liabilities		
Recognised financial assets	1 534	2 752
Related amounts not set off in the statement of financial position		
Financial instruments	(759)	(1 093)
Cash collateral issued	(666)	(469)
Net amount	109	1 190

8.2 Financial assets at amortised cost

	2025 Rm	Restated 2024 ¹ Rm
Unsettled trades	1 280	1 167
Accounts receivable	5 604	5 463
Less: provision for impairment	(199)	(178)
Debt securities	-	332
Less: provision for impairment	-	(70)
Funds on deposit and other money market instruments	-	227
Less: provision for impairment	-	(46)
Loans	917	939
Related party loans		
Loans due from associates	23	15
Preference shares	36	36
Staff loans	46	46
Other related party loans	193	192
Less: provision for impairment	(103)	(94)
Other loans		
Policy loans related to investment contracts	29	29
Due from agents, brokers and intermediaries	274	303
Less: provision for impairment	(99)	(92)
Other ²	518	504
Total financial assets at amortised cost	7 602	7 834
Current	6 606	7 197
Non-current	996	637
Total	7 602	7 834

¹ Refer to note 1 for more information on the restatements.

² Includes loans advanced of R25 million (2024: R32 million), R307 million (2024: R269 million) in respect of underlying assets in a credit fund classified as a CIS, and R62 million (2024: R68 million) relates to fully secured loans advanced to clients with investment holdings.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.2 Financial assets at amortised cost continued

Unsettled trades result from transactions that Portfolio Managers enter into on behalf of the various subsidiaries in the Group in accordance with discretionary portfolio management agreements. The Group's accounting policy is to recognise purchases and sales of financial assets on the trade date, i.e. the date on which the Group commits to purchase or sell the financial asset. All trade transactions that the Group enters into before the last day of the reporting period, i.e. 30 June, but where the settlement will only occur after the reporting period, are reported as unsettled trades. This is applied to both purchases and sales across all entities in the Group. As a result of the nature of these type of transactions, the unsettled trades balances can fluctuate significantly year-on-year.

Refer to note 38.2 for more information on the global transition to alternative benchmark rates.

Reconciliation of expected credit losses	Accounts receivable Rm	Debt securities Rm	Funds on deposit and other money market instruments Rm	Other related party loans Rm	Due from agents, brokers and intermediaries Rm	Total Rm
2025						
Balance at beginning	(178)	(70)	(46)	(94)	(92)	(480)
Additional provision	(16)	-	-	(12)	(6)	(34)
Reversed to the income statement	2	7	-	-	5	14
Transfer to non-current assets held for sale	-	63	15	-	-	78
Other ¹	(7)	-	31	3	(6)	21
Balance at end	(199)	-	-	(103)	(99)	(401)
Restated 2024²						
Balance at beginning	(171)	(106)	(53)	(87)	(71)	(488)
Additional provision	(36)	-	-	(4)	(12)	(52)
Reversed to the income statement	29	8	2	-	1	40
Other ¹	-	28	5	(3)	(10)	20
Balance at end	(178)	(70)	(46)	(94)	(92)	(480)

¹ Includes FCTR movements, foreign exchange gains/losses and amounts written off as bad debts.

² Refer to note 1 for more information on the restatements.

Refer to note 8.5 for the split of the credit risk and expected credit loss allowances into stages.

	2025 Rm	2024 Rm
8.3 Cash and cash equivalents		
Bank and other cash balances	17 717	18 714
Funds on deposit and other money market instruments - maturity < 90 days	19 237	15 184
	36 954	33 898

Expected credit loss on cash and cash equivalents is immaterial.

The Group had access to a R400 million committed preference share facility in the prior year. No drawdowns were effected in the current or prior year. The facility has been cancelled in the current year.

8 Financial assets continued

Financial assets summarised by measurement category in terms of IFRS 9 – Financial Instruments	FVPL				
	Mandatorily Rm	Designated ¹ Rm	Total fair value Rm	Amortised cost Rm	Total Rm
8.4 Financial assets measurement					
2025					
Unit-linked investments	290 375	-	290 375	-	290 375
Debt securities	50 520	193 134	243 654	-	243 654
Equity securities ²	145 021	-	145 021	-	145 021
Carry positions	-	268	268	-	268
Funds on deposit and other money market instruments	14 562	15 043	29 605	-	29 605
Derivative financial assets	1 637	-	1 637	-	1 637
Financial assets at amortised cost	-	-	-	7 602	7 602
Cash and cash equivalents	-	-	-	36 954	36 954
Total financial assets	502 115	208 445	710 560	44 556	755 116
Restated					
2024³					
Unit-linked investments	247 730	-	247 730	-	247 730
Debt securities ⁴	43 112	168 049	211 161	262	211 423
Equity securities ²	125 290	-	125 290	-	125 290
Carry positions	-	15	15	-	15
Funds on deposit and other money market instruments ⁴	20 235	15 257	35 492	181	35 673
Derivative financial assets	2 202	-	2 202	-	2 202
Financial assets at amortised cost	-	-	-	7 391	7 391
Cash and cash equivalents	-	-	-	33 898	33 898
Total financial assets	438 569	183 321	621 890	41 732	663 622

¹ Assets designated at fair value mainly consists of policyholder assets which back policyholder liabilities which are carried at FVPL. The amount of change, during the year and cumulatively, in the fair value of financial assets designated at FVPL that is attributable to changes in the credit risk of the financial asset is determined as the change triggered by factors other than changes in the benchmark rate. The impact of the changes in credit risk for the current and prior year are immaterial.

² Equity securities are classified as FVPL at inception.

³ Refer to note 1 for more information on the restatements other than footnote 4.

⁴ Prior year balances have been restated to correct the presentation of loan commitments, which were previously recognised based on total funds to be advanced rather than actual funds advanced, resulting in a reclassification of R853 million between funds on deposit and debt securities.

Business model assessment

The Group's financial asset classification is determined based on the contractual cash flows characteristics and models through which financial instruments are managed (business model). The Group has a number of subsidiaries which range from life companies, non-life companies and CISs which are consolidated. The level at which the business model assessment is done is determined by group and is on a portfolio level.

Life insurance companies

Financial assets mandatorily at FVPL

All shareholder assets are managed to maximise shareholder value creation on a long-term sustainable basis through the optimised taking or minimising of market risk borne by shareholders, across the Group. Shareholder value creation is measured on a basis that is risk-adjusted, i.e. returns achieved must fully compensate their associated risk profile, taking into account the earnings at risk, economic value-at-risk and solvency-at-risk perspectives. These assets are managed on a fair value basis and are classified mandatorily at FVPL.

Financial assets designated at FVPL

Debt securities and funds on deposit and other money market instruments that back policyholder liabilities are designated at FVPL to eliminate or reduce accounting mismatch.

- Certain policyholder fixed income assets follow an enhanced immunisation strategy which implies that while the inherent risk is well managed the cash flows would not be strictly matched. The strategy therefore involves buying and selling securities to keep the risks within risk limits and to meet contractual liability flows.
- Other policyholder fixed income assets are managed in accordance with an Investment Management Agreement (IMA) that does not allow fund managers to enter into activities which are deemed to be speculative or profit-taking in nature. These fixed income instruments are purchased with the intent of achieving stated investment return objectives through capital return and interest income. Portfolio managers sell these assets from time to time to honour contractual liabilities or to manage inherent market risk factors.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.4 Financial assets measurement continued

Business model assessment continued

Other companies

The rest of the Group's operating activities include non-life, health and asset management services. The business model assessments on the financial assets were done within the individual entities, using Group methodology.

Consolidated CISs

A number of CISs are consolidated into the Group. Refer to note 41 for a list of significant schemes. The majority of these funds are held with an objective of capital growth. For those funds not held for capital growth, a look-through basis is applied to determine the business model. The majority of the underlying assets are sold before maturity and the fund's performance and management fee is based on the fair value of the underlying assets and therefore have been classified mandatorily at FVPL.

Impairment

The impairment of financial assets is based on assumptions about risk of default and expected loss rates, which include the estimation of future cash flows and the significant increase in credit risk. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculations, based on the Group's history, existing market conditions, as well as forward-looking estimates at the end of each reporting period. Refer to note 8.2 and 8.5 for more detail.

8.5 Credit risk

Refer to note 39 for detail on the credit risk management.

Credit risk exposure arising from financial assets

The Group's maximum exposure to credit risk, without considering any collateral or credit enhancements, is through the following classes of assets, and is equal to their carrying amounts:

	Notes	2025 Rm	Restated 2024 ¹ Rm
Financial assets at FVPL			
Debt securities		243 654	211 161
Stock and loans to government and other public bodies		126 233	109 716
Other debt instruments ^{2,3}		117 421	101 445
Funds on deposit and other money market instruments ^{2,3}		29 605	35 492
Unit-linked investments (categorised as interest-bearing and money market)	42	29 514	26 740
CISs		27 005	24 711
Other unit-linked investments		2 509	2 029
Derivative financial assets – held for trading		1 637	2 202
Carry positions		269	15
Financial assets at amortised cost		7 602	7 834
Unsettled trades		1 280	1 167
Accounts receivable		5 405	5 285
Debt securities		-	262
Funds on deposit and other money market instruments		-	181
Loans		917	939
Cash and cash equivalents		36 954	33 898
Total financial assets bearing credit risk		349 235	317 342

¹ Refer to note 1 for more information on the restatements other than footnote 3.

² Amandla Renewable Energy Fund (Pty) Ltd holds collateral in respect of preference shares held by the associated special purpose vehicle, Amandla Ilanga (RF) (Pty) Ltd. The security has subsequently been ceded to the holder of the senior preference shares issued by the special purpose vehicle as part of initially securing the senior funding. The material terms of the security cession include that the bare dominium in respect of the asset remains with the cedent and the cessionary only receives the right to sell the security upon default as well as only to the extent that value is owed by the cedent in terms of the cession agreement. The fair value of the security ceded is R704 million (2024: R662 million).

³ Prior year balances have been restated to correct the presentation of loan commitments, which were previously recognised based on total funds to be advanced rather than actual funds advanced, resulting in a reclassification of R853 million between funds on deposit and debt securities.

In the prior year the Group issued an undrawn loan commitment of R904 million which is the maximum exposure to credit risk. This disclosure was omitted in the prior year and has been corrected to align with the standards' requirements. No undrawn loan commitments are issued in the current financial year.

8 Financial assets continued

8.5 Credit risk continued

Staging definitions

Stage	Unsettled trades and accounts receivable	Debt securities and funds on deposit and other money market instruments	Loans	Due from agents, brokers and intermediaries	Basis for recognition of expected credit loss provision
Stage 1	<ul style="list-style-type: none"> Low risk of default Strong capability to meet contractual payments 	<ul style="list-style-type: none"> Low risk of default Strong capability to meet contractual payments 	<ul style="list-style-type: none"> Loans are recoverable Low risk of default Strong capability to meet contractual payments Repayment of interest and capital payments in line with terms of agreements No restructuring of the loan has occurred 	<ul style="list-style-type: none"> Low risk of default Strong capability to meet contractual payments 	12 months expected losses
Stage 2	<ul style="list-style-type: none"> Significant increase in credit risk Repayments are more than 30 days and less than 90 days past due 	<ul style="list-style-type: none"> Financial assets move to stage 2 if the instruments' investment grade falls with two rating grades 	<ul style="list-style-type: none"> Loans are recoverable Repayment of interest and capital not in line with the terms of agreements, i.e. more than 30 days past due Loans have been restructured due to the inability to repay interest and capital. The requirement for a restructure of this nature indicates deterioration of credit quality, which results in the loan being classified as stage 2 Deterioration of credit quality 	<ul style="list-style-type: none"> Significant increase in credit risk Repayments are more than 30 days and less than 90 days past due 	Lifetime expected losses
Stage 3	<ul style="list-style-type: none"> Significant increase in credit risk Repayments are more than 90 days past due 	<ul style="list-style-type: none"> Financial assets move to stage 3 if the instruments' investment grade falls an additional two rating grades since classified as stage 2 	<ul style="list-style-type: none"> Loans are partially recoverable Loan is in default, i.e. repayment of interest and capital payments are not in line with the terms of the agreement and default relates to amounts 90 days past due Significant deterioration in credit quality 	<ul style="list-style-type: none"> Broker balances are more than 90 days past due or where legal action has been taken Out-of-service brokers and financial planners 	Lifetime expected losses
Written off	Long outstanding amounts due are evaluated on a case-by-case basis and would generally be written off when there is no alternative for the debtor to return to solvency and/or legal action taken was unsuccessful.				

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.5 Credit risk continued

Significant increase in credit risk	Criteria
Unsettled trades, accounts receivable, due from agents, broker and intermediaries and loans	To determine a significant change in credit risk both historical data and forward-looking information is taken into account. This includes existing or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations, a breach of contract, significant changes in the value of any collateral supporting the obligation and reductions in financial support from a parent entity.
Debt securities and funds on deposit and other money market instruments	Significant increase in credit risk means that the credit rating of the instrument has dropped by two ratings.
Financial asset	Impairment information
Unsettled trades and accounts receivable	Impairment of accounts receivable is based on the recoverability of balances grouped together based on shared credit risk characteristics, e.g. instrument type. Balances generally relate to amounts where the timing of settlement is within one month. Historic payments as well as forward-looking information is also taken into account.
Debt securities and funds on deposit and other money market instruments	The expected credit loss is calculated using information extracted from the reports published by the rating agencies annually.
Loans	For related party loans the solvency of the counterparty is taken into account as well as any collateral held. Policy loans are collateralised by the insurance policy and therefore the expected credit loss is negligible.
Due from agents, brokers and intermediaries	Impairment of amounts due from agents, brokers and intermediaries is mainly due to intermediaries moving to out-of-service status and unproductive agent accounts.

8 Financial assets continued**8.5 Credit risk continued**

Credit risk balances – expected credit loss	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
2025				
Financial assets at amortised cost				
Unsettled trades	1 280	-	-	1 280
Accounts receivable	5 198	210	196	5 604
Provision for impairment	(90)	(11)	(98)	(199)
Policy loans related to investment contracts	29	-	-	29
Due from agents, brokers and intermediaries	33	36	205	274
Provision for impairment	-	(1)	(98)	(99)
Related party loans and other	630	-	186	816
Provision for impairment	(1)	-	(102)	(103)
Total	7 079	234	289	7 602
Restated 2024¹				
Financial assets at amortised cost				
Unsettled trades	1 167	-	-	1 167
Accounts receivable	5 312	45	106	5 463
Provision for impairment	(107)	(6)	(65)	(178)
Debt securities	-	-	332	332
Provision for impairment	-	-	(70)	(70)
Funds on deposit and other money market instruments	97	20	110	227
Provision for impairment	(12)	(3)	(31)	(46)
Policy loans related to investment contracts	29	-	-	29
Due from agents, brokers and intermediaries	114	-	189	303
Provision for impairment	(8)	-	(84)	(92)
Related party loans and other	633	22	138	793
Provision for impairment	(1)	-	(93)	(94)
Total	7 224	78	532	7 834

¹ Refer to note 1 for more information on the restatements.

The Group's maximum exposure to credit risk balances for financial assets at amortised cost relate to unrated counterparties, except for:

- Funds on deposit and other money market instruments totalling nil (2024: R110 million), included in stage 3, and associated impairment of nil (2024: R31 million), issued by a B-rated counterparty.
- Funds on deposit and other money market instruments totalling nil (2024: R20 million), included in stage 2, and associated impairment of nil (2024: R3 million), issued by a CCC-rated counterparty.
- Funds on deposit and other money market instruments totalling nil (2024: R15 million), included in stage 1, issued by a B-rated counterparty.
- Funds on deposit and other money market instruments totalling nil (2024: R82 million), included in stage 1, and associated impairment of nil (2024: R12 million) issued by a CCC-rated counterparty.
- Debt securities totalling nil (2024: R332 million), included in stage 3, and associated impairment of nil (2024: R70 million), which relates to government stock issued by a country with a sovereign rating of CCC.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.5 Credit risk continued

Reconciliation of expected credit losses	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
2025				
Accounts receivable				
Opening balance	(107)	(6)	(65)	(178)
Movement recognised in the income statement	19	(3)	(30)	(14)
Other	(2)	(2)	(3)	(7)
Closing balance	(90)	(11)	(98)	(199)
Debt securities				
Opening balance	-	-	(70)	(70)
Movement recognised in the income statement	-	-	7	7
Transfer to non-current assets held for sale	-	-	63	63
Closing balance	-	-	-	-
Funds on deposit and other money market instruments				
Opening balance	(12)	(3)	(31)	(46)
Transfer to non-current assets held for sale	12	3	-	15
Other	-	-	31	31
Closing balance	-	-	-	-
Due from agents, brokers and intermediaries				
Opening balance	(8)	-	(84)	(92)
Movement recognised in the income statement	(8)	-	7	(1)
Other	16	(1)	(21)	(6)
Closing balance	-	(1)	(98)	(99)
Related party loans and other				
Opening balance	(1)	-	(93)	(94)
Movement recognised in the income statement	-	-	(12)	(12)
Other	-	-	3	3
Closing balance	(1)	-	(102)	(103)
Restated				
2024¹				
Accounts receivable				
Opening balance	(78)	(1)	(92)	(171)
Movement recognised in the income statement	(32)	-	25	(7)
Other	3	(5)	2	-
Closing balance	(107)	(6)	(65)	(178)
Debt securities				
Opening balance	-	-	(106)	(106)
Movement recognised in the income statement	-	-	8	8
Other	-	-	28	28
Closing balance	-	-	(70)	(70)
Funds on deposit and other money market instruments				
Opening balance	-	-	(53)	(53)
Movement recognised in the income statement	-	-	2	2
Transfer between stages	(14)	(3)	17	-
Other	2	-	3	5
Closing balance	(12)	(3)	(31)	(46)
Due from agents, brokers and intermediaries				
Opening balance	(23)	-	(48)	(71)
Movement recognised in the income statement	24	-	(35)	(11)
Other	(9)	-	(1)	(10)
Closing balance	(8)	-	(84)	(92)
Related party loans and other				
Opening balance	-	-	(87)	(87)
Movement recognised in the income statement	(4)	-	-	(4)
Other	3	-	(6)	(3)
Closing balance	(1)	-	(93)	(94)

¹ Refer to note 1 for more information on the restatements.

There were no significant changes to the gross carrying amounts of the financial assets during the current and prior year that resulted in changes in the expected credit loss allowances due to significant increases in credit risk.

8 Financial assets continued**8.5 Credit risk continued****Sensitivities**

Accounts receivable and due from agents, brokers and intermediaries

As most of the balances in stage 1 are short-term in nature and majority of the balance in stage 3 has been provided for, the impairment amount for stages 1 and 3 are not considered to be sensitive to changes in the forward-looking information. A deterioration of the forward-looking information for balances in stage 2 is also not expected to be material as the gross amounts are not material.

Debt securities and funds on deposit and other money market instruments

Considered to have low credit risk and therefore the expected credit loss is not considered to be sensitive.

Loans

Most of the loan balances outstanding are considered to have low credit risk as the borrower has a strong capacity to meet its obligations and has a low risk of default. The expected credit loss is therefore not considered to be sensitive to changes in forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.5 Credit risk continued

Credit quality of financial assets

The assets in the Group's maximum exposure table on page 74 are analysed in the table below, using national scale long-term credit ratings issued by rating agencies, or national scale ratings generated by an internal model where rating agency ratings are not available. The internal rating scale is based on internal definitions and influenced by definitions published by external rating agencies including Moody's, Standard & Poor's (S&P) and Global Credit Rating (GCR). Refer to Annexure A for the definitions used in this section.

	AAA Rm	AA Rm	A Rm	BBB Rm	BB Rm	B Rm	CCC Rm	CC Rm	C Rm	Unrated Rm	Total Rm
2025											
Financial assets at FVPL											
Debt securities											
Stock and loans to government and other public bodies	115 261	2 595	6 069	356	1 343	4	88	-	-	517	126 233
Other debt instruments	47 077	57 328	9 293	148	615	-	96	-	-	2 864	117 421
Derivative financial assets	248	1 015	24	-	-	-	-	-	-	350	1 637
Carry positions	-	269	-	-	-	-	-	-	-	-	269
Cash and cash equivalents and funds on deposit and money market instruments	28 388	28 602	4 722	1 417	234	1 393	1	194	-	1 608	66 559
Other unrated instruments											
Other financial assets at amortised cost ¹	-	-	-	-	-	-	-	-	-	7 602	7 602
Unit-linked investments	-	-	-	-	-	-	-	-	-	29 514	29 514
Total	190 974	89 809	20 108	1 921	2 192	1 397	185	194	-	42 455	349 235
Restated 2024²											
Financial assets at FVPL											
Debt securities											
Stock and loans to government and other public bodies ³	95 908	3 941	4 999	-	1 095	421	121	-	-	3 231	109 716
Other debt instruments ^{3,4}	33 715	55 251	7 411	2 686	182	25	97	-	2	2 076	101 445
Derivative financial assets	146	1 699	24	-	-	-	-	-	-	333	2 202
Carry positions	-	-	-	-	-	-	-	-	-	15	15
Debt securities and funds on deposit and other money market instruments at amortised cost	-	-	-	-	-	95	348	-	-	-	443
Cash and cash equivalents and funds on deposit and money market instruments ⁴	16 862	44 709	5 288	1 181	542	-	17	300	-	491	69 390
Other unrated instruments											
Other financial assets at amortised cost	-	-	-	-	-	-	-	-	-	7 391	7 391
Unit-linked investments	-	-	-	-	-	-	-	-	-	26 740	26 740
Total	146 631	105 600	17 722	3 867	1 819	541	583	300	2	40 277	317 342

¹ Unrated other financial assets at amortised cost include accounts receivable (R5 405 million), unsettled trades (R1 280 million) and loans (R917 million).

- Unsettled trades are exposed to insignificant credit risk due to the short term nature of the instruments – settled within 30 days and thus no expected credit loss is raised on the balance.
- Accounts receivable consists mainly of intermediary receivables (R2 140 million). This relates to premiums collected on behalf of the cell captive business from policyholders. Premiums can be monthly or an annual premium. Monthly premiums are normally settled within 30 days and annual premiums are settled within 30 days or sometimes settled quarterly over the year. The creditworthiness of the intermediary is assessed upon onboarding of the intermediary. An expected credit loss is recognised in respect of this balance in accordance with IFRS 9. The remaining balance of accounts receivable represents balances that are expected to be settled within 30 days and expected credit loss allowances are recognised.
- Loans consist of loans advanced by a consolidated credit fund and interest receivable on government bonds. In respect of loans advanced, monthly risk reports are prepared on a monthly basis to assess the recoverability of each loan and an expected credit loss is raised where required.

² Refer to note 1 for more information on the restatements other than footnote 3 and 4.

³ An intercompany asset was incorrectly eliminated against credit ratings AAA (R201 million), AA (R291 million), A (R50 million) and B (R39 million). This should have been eliminated against the unrated category. June 2024 has been restated accordingly.

⁴ Prior year balances have been restated to correct the presentation of loan commitments, which were previously recognised based on total funds to be advanced rather than actual funds advanced, resulting in a reclassification of R853 million between funds on deposit and debt securities.

8 Financial assets continued

8.5 Credit risk continued

Credit quality of financial assets continued

Further detail in respect of unrated financial assets measured at mortised cost:

- Unsettled trades totalling R1 280 million (2024: R1 167 million), included in stage 1 issued by a unrated counterparty. No related impairment due to the low risk of default of unsettled trades due to their short-term nature i.e. settled within a relatively short period of time.
- Accounts receivable totalling R5 198 million (2024: R5 312 million), included in stage 1 and associated impairment of R90 million (2024: R107 million) issued by an unrated counterparty due to the low risk of default.
- Accounts receivable totalling R210 million (2024: R45 million), included in stage 2 and associated impairment of R11 million (2024: R6 million) issued by an unrated counterparty due to an increase in credit risk as repayments are more than 30 days but less than 90 days past due.
- Accounts receivable totalling R196 million (2024: R106 million), included in stage 3 and associated impairment of R98 million (2024: R65 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Due from agents, brokers and intermediaries totalling R33 million (2024: R 114 million), included in stage 1 and related impairment of nil (2024: R8 million) issued by an unrated counterparty due to the low risk of default.
- Due from agents, brokers and intermediaries totalling R36 million (2024: nil), included in stage 2 and related impairment of R1 million (2024: nil) issued by an unrated counterparty due to an increase in credit risk as repayments are more than 30 days but less than 90 days past due.
- Due from agents, brokers and intermediaries totalling R205 million (2024: R189 million), included in stage 3 and related impairment of R98 million (2024: R84 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Related party loans and other totalling R630 million (2024: R633 million), included in stage 1 and related impairment of R1 million (2024: R1 million) issued by an unrated counterparty due to the low risk of default.
- Related party loans and other totalling R186 million (2024: R138 million), included in stage 3 and related impairment of R102 million (2024: R93 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.

8.6 Financial assets hierarchy

Refer to note 43 for the valuation techniques relating to this note.

The following table provides an analysis of the assets at fair value into the various levels:

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2025				
Securities at FVPL	523 764	179 611	7 185	710 560
Unit-linked investments				
CISs ¹				
Local unlisted or listed quoted	168 621	697	-	169 318
Local unlisted unquoted	-	5	-	5
Foreign unlisted or listed quoted	94 070	1 466	33	95 569
Foreign unlisted unquoted	-	626	1 091	1 717
Other unit-linked investments				
Local unlisted or listed quoted	8 079	13	-	8 092
Local unlisted unquoted	-	11 019	2 651	13 670
Foreign unlisted or listed quoted	808	10	-	818
Foreign unlisted unquoted	-	-	1 186	1 186
Debt securities				
Stock and loans to government and other public bodies				
Local listed	105 613	7 922	-	113 535
Foreign listed	3 069	5 654	-	8 723
Unlisted	-	2 802	1 174	3 976
Other debt instruments				
Local listed	-	47 521	36	47 557
Foreign listed	-	22 538	64	22 602
Unlisted	-	46 956	305	47 261
Equity securities				
Local listed	80 959	-	13	80 972
Foreign listed	62 519	1 043	166	63 728
Unlisted	-	17	304	321
Funds on deposit and other money market instruments	-	29 605	-	29 605
Carry positions	-	268	-	268
Derivative financial assets – held for trading	26	1 449	162	1 637
	523 764	179 611	7 185	710 560

¹ CISs are classified as level 1 when there is an active market of transactions between investors and CISs based on a published price.

There were no significant transfers in and out of level 1 and 2 respectively in the current and prior year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.6 Financial assets hierarchy continued

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Restated 2024¹				
Securities at FVPL	446 897	168 016	6 977	621 890
Unit-linked investments				
CISs ²				
Local unlisted or listed quoted	145 101	525	-	145 626
Local unlisted unquoted	-	117	-	117
Foreign unlisted or listed quoted	81 398	412	31	81 841
Foreign unlisted unquoted ³	-	453	1 145	1 598
Other unit-linked investments				
Local unlisted or listed quoted	4 587	13	-	4 600
Local unlisted unquoted ³	-	9 783	2 356	12 139
Foreign unlisted or listed quoted	542	-	-	542
Foreign unlisted unquoted	-	20	1 247	1 267
Debt securities				
Stock and loans to government and other public bodies				
Local listed ⁴	87 671	7 950	39	95 660
Foreign listed	3 531	5 198	-	8 729
Unlisted	-	3 128	1 345	4 473
Other debt instruments				
Local listed	11	43 335	37	43 383
Foreign listed	6	16 304	64	16 374
Unlisted ⁴	-	42 329	213	42 542
Equity securities				
Local listed	69 951	-	4	69 955
Foreign listed	54 009	917	74	55 000
Unlisted ³	-	52	283	335
Funds on deposit and other money market instruments	1	35 491	-	35 492
Carry positions	-	15	-	15
Derivative financial assets – held for trading	89	1 974	139	2 202
	446 897	168 016	6 977	621 890

¹ Refer to note 1 for more information on the restatements other than footnote 3 and 4.

² CISs are classified as level 1 when there is an active market of transactions between investors and CISs based on a published price.

³ R1 071 million level 2 CISs should have been classified as level 3 and R76 million level 3 Other unit-linked investments should have been classified as level 3 Equity securities. June 2024 has been restated accordingly.

⁴ R39 million Other debt instruments Unlisted were incorrectly classified as level 2 and should have been classified as level 3 Stock and loans to government and other public bodies Local listed. June 2024 has been restated accordingly.

8 Financial assets continued

8.6 Financial assets hierarchy continued

The following table provides a reconciliation of the fair value of the level 3 assets:

	At FVPL				Total Rm
	Unit-linked investments Rm	Debt securities Rm	Equity securities Rm	Derivative financial assets Rm	
2025					
Opening balance	4 779	1 698	361	139	6 977
Transfer from other asset classes	29	-	(29)	-	-
Total gains in net realised and unrealised fair value gains in the income statement					
Realised gains/(losses)	13	(12)	(19)	13	(5)
Unrealised gains	282	71	96	1	450
Foreign exchange rate differences	68	-	(1)	8	75
Accrued interest in investment income in the income statement	-	50	-	-	50
Purchases	603	611	12	-	1 226
Sales	(798)	(773)	(5)	-	(1 576)
Settlements	(15)	(66)	(3)	-	(84)
Transfers into level 3 from level 1 ¹	-	-	8	-	8
Transfers into level 3 from level 2 ²	-	-	92	1	93
Transfers out to level 2	-	-	(29)	-	(29)
Closing balance	4 961	1 579	483	162	7 185
Restated 2024					
Opening balance ^{3,4}	5 126	1 564	285	124	7 099
Total (losses)/gains in net realised and unrealised fair value gains in the income statement					
Realised gains/(losses)	80	(2)	3	-	81
Unrealised (losses)/gains ⁵	(465)	(575)	15	20	(1 005)
Foreign exchange rate differences	(61)	-	(2)	(5)	(68)
Accrued interest in investment income in the income statement	-	139	-	-	139
Business combinations	-	-	22	-	22
Purchases	344	883	9	-	1 236
Sales	(228)	(341)	(37)	-	(606)
Settlements	(17)	(97)	-	-	(114)
Transfers into level 3 from level 1 ¹	-	-	34	-	34
Transfers into level 3 from level 2 ²	-	127	35	-	162
Transfers out to level 2	-	-	(3)	-	(3)
Closing balance	4 779	1 698	361	139	6 977

¹ Transfers into level 3 from level 1 relates mainly to assets with stale prices in the current and prior year.

² Transfers into level 3 from level 2 relates mainly to assets with stale prices in the current and prior year.

³ R1 228 million was incorrectly classified as level 2 that should have been classified as level 3. R70 million was incorrectly classified as Unit-linked investments and should have been classified as Equity securities. June 2024 has been restated accordingly.

⁴ R62 million Other debt instruments Unlisted were incorrectly classified as level 2 and should have been classified as level 3 Stock and loans to government and other public bodies Local listed. June 2024 has been restated accordingly.

⁵ R7 million was incorrectly classified as unrealised gains in Unit-linked investments and should have been classified as unrealised gains in Equity securities. June 2024 has been restated accordingly.

The amount of total gains and losses for the year included in net realised and unrealised fair value gains in the income statement for assets held at the end of the year is R445 million gain (Restated 2024: R1 073 million loss) for the Group.

Transfers in and out of level 3 are deemed to have occurred at inception of the reporting period at fair value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.6 Financial assets hierarchy continued

Sensitivity of significant level 3 financial assets measured at fair value to changes in key assumptions:

	At FVPL	
	Unit-linked investments Rm	Debt securities Rm
2025		
Carrying amount	4 961	1 579
Assumption change	1% increase/(decrease) in discount rates/valuation multiple	1% increase/(decrease) in discount rates
Effect of increase in assumption	50	13
Effect of decrease in assumption	(50)	(10)
Restated 2024^{1,2}		
Carrying amount	4 779	1 698
Assumption change	1% increase/(decrease) in discount rates/valuation multiple	1% increase/(decrease) in discount rates
Effect of increase in assumption	48	13
Effect of decrease in assumption	(48)	(18)

¹ Refer to note 1 for more information on the restatements other than footnote 2.

² Unit-linked investments of R1 071 million were incorrectly classified as level 2 that should have been classified as level 3, as such the sensitivity has been restated accordingly.

The following table provides an analysis of the fair value of financial assets not carried at fair value in the statement of financial position:

	2025		Restated 2024 ¹	
	Carrying amount Rm	Fair value* Rm	Carrying amount Rm	Fair value* Rm
Financial assets at amortised cost	7 602	7 602	7 834	7 834
Unsettled trades	1 280	1 280	1 167	1 167
Accounts receivable	5 405	5 405	5 285	5 285
Debt securities	-	-	262	262
Funds on deposit and other money market instruments	-	-	181	181
Loans	917	917	939	939
Cash and cash equivalents	36 954	36 954	33 898	33 898
Total	44 556	44 556	41 732	41 732

¹ Refer to note 1 for more information on the restatements.

Calculation of fair value

* For unsettled trades, accounts receivable, debt securities, funds on deposit and other money market instruments, loans and cash and cash equivalents, the carrying amount approximates fair value due to their short-term nature.

9 Other receivables

	2025 Rm	Restated 2024 ¹ Rm
Accelerated rental income	379	382
Prepayments	559	507
Other ²	281	285
Total other receivables	1 219	1 174
Current	726	627
Non-current	493	547
Total other receivables	1 219	1 174

¹ Refer to note 1 for more information on the restatements.

² Other receivables comprise R281 million (Restated 2024: R285 million) relating to floats given to intermediary to pay claims.

10 Insurance contracts

Portfolios of insurance contract assets and liabilities

An analysis of the amounts presented on the consolidated statement of financial position for insurance contracts issued is included in the table below, along with the presentation of current and non-current portions of the net balances:

	2025			Restated 2024		
	Assets Rm	Liabilities Rm	Net liabilities Rm	Assets Rm	Liabilities Rm	Net liabilities Rm
Insurance contracts issued						
General measurement model ¹	(14 369)	85 361	70 992	(11 208)	71 380	60 172
Variable fee approach	(23)	73 892	73 869	(2)	69 610	69 608
Premium allocation approach ¹	(72)	28 228	28 156	(104)	26 691	26 587
Total	(14 464)	187 481	173 017	(11 314)	167 681	156 367
Segmental split						
Momentum Retail	(1 961)	29 836	27 875	(1 438)	28 199	26 761
Momentum Investments	-	47 764	47 764	-	38 645	38 645
Metropolitan Life	(3 290)	46 730	43 440	(3 126)	42 399	39 273
Momentum Corporate	-	30 843	30 843	-	29 460	29 460
Momentum Metropolitan Health	(30)	21	(9)	(63)	43	(20)
Guardrisk ¹	(8 732)	15 664	6 932	(6 429)	13 781	7 352
Momentum Insure	(42)	837	795	(30)	929	899
Momentum Metropolitan Africa	(409)	15 786	15 377	(228)	14 225	13 997
Total	(14 464)	187 481	173 017	(11 314)	167 681	156 367
Current ¹	(3 147)	40 789	37 642	(2 497)	37 004	34 507
Non-current ¹	(11 317)	146 692	135 375	(8 817)	130 677	121 860
Total	(14 464)	187 481	173 017	(11 314)	167 681	156 367

¹ Refer to note 1 for more information on the restatements.

Changes in presentation

In the current year, the Group refined the IFRS 17 reconciliations to improve their usefulness, relevance and clarity for users. Reconciliations under IFRS 17.100 are now only presented at the total Group and measurement model levels (GMM, VFA and PAA), following stakeholder feedback that more granular segment-level information for reconciliations required by IFRS 17.100 does not add additional relevance or usefulness. This aligns with IFRS 17 and IAS 1 principles, focusing on material, relevant information and avoiding unnecessary detail. Although the reconciliations provided per measurement model already meets the disclosure objectives and requirements of IFRS 17, reconciliations under IFRS 17.101 are still shown at the reporting segment level, as disaggregation remains useful to users and is considered to provide additional information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.1 Reconciliation of liability for remaining coverage (LRC) and the liability for incurred claims (LIC) components of insurance contract balances

The tables that follow disclose the roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability on incurred claims.

	LRC		LIC for contracts under the PAA			Assets for insurance acquisition cash flows under the PAA Rm	Total Rm
	Excluding loss component Rm	Loss component Rm	LIC for contracts not under the PAA Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm		
10.1.1 Total reconciliation 2025							
Opening insurance contract liabilities	138 419	6 065	7 226	15 399	572	-	167 681
Opening insurance contract assets	(15 253)	2 399	1 575	(7)	-	(28)	(11 314)
Net opening balance	123 166	8 464	8 801	15 392	572	(28)	156 367
Cash flows							
Premiums received	73 867	-	-	-	-	-	73 867
Claims and other directly attributable expenses paid	-	-	(29 441)	(24 883)	-	-	(54 324)
Insurance acquisition cash flows	(8 976)	-	-	(442)	-	(42)	(9 460)
Net cash flows	64 891	-	(29 441)	(25 325)	-	(42)	10 083
Changes in the income statement							
Insurance revenue	(61 024)	-	-	-	-	-	(61 024)
Contracts under the fair value approach	(5 381)	-	-	-	-	-	(5 381)
Other contracts	(55 643)	-	-	-	-	-	(55 643)
Insurance service expenses	5 848	(6)	19 560	19 939	(93)	-	45 248
Incurred claims and other directly attributable expenses	-	(1 164)	19 340	20 143	142	-	38 461
Changes that relate to past service - adjustments to the LIC	-	-	220	(647)	(235)	-	(662)
Losses on onerous contracts and reversal of those losses	-	1 158	-	-	-	-	1 158
Insurance acquisition cash flows amortisation	5 848	-	-	-	-	-	5 848
Insurance acquisition cash flows recognised when incurred	-	-	-	443	-	-	443
Investment components	(14 788)	-	10 411	4 373	4	-	-
Insurance service result	(69 964)	(6)	29 971	24 312	(89)	-	(15 776)
Finance expenses from insurance contracts issued	19 859	930	720	1 236	42	-	22 787
Other changes	1	-	-	(1)	3	-	3
Total changes in the income statement	(50 104)	924	30 691	25 547	(44)	-	7 014
Other movements	(339)	(69)	5	(68)	(4)	28	(447)
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(28)	-	-	-	-	28	-
Transfers to held for sale ¹	(416)	(81)	8	(88)	(4)	-	(581)
Foreign exchange rate differences	100	12	(3)	17	-	-	126
Other movements	5	-	-	3	-	-	8
Net closing balance	137 614	9 319	10 056	15 546	524	(42)	173 017
Closing insurance contract liabilities	156 333	6 992	8 121	15 511	524	-	187 481
Closing insurance contract assets	(18 719)	2 327	1 935	35	-	(42)	(14 464)
Net closing balance	137 614	9 319	10 056	15 546	524	(42)	173 017

¹ The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

10 Insurance contracts continued**10.1 Reconciliation of LRC and the LIC components of insurance contract balances continued****10.1.1 Total reconciliation continued**

	LRC		LIC for contracts under the PAA		Risk adjustment for non-financial risk Rm	Assets for insurance acquisition cash flows under the PAA Rm	Total Rm
	Excluding loss component Rm	Loss component Rm	LIC for contracts not under the PAA Rm	Present value of future cash flows Rm			
Restated 2024¹							
Opening insurance contract liabilities	122 520	5 491	6 643	17 187	771	-	152 612
Opening insurance contract assets	(13 199)	2 239	1 254	-	-	(27)	(9 733)
Net opening balance	109 321	7 730	7 897	17 187	771	(27)	142 879
Cash flows							
Premiums received	72 891	-	-	-	-	-	72 891
Claims and other directly attributable expenses paid ²	-	-	(26 818)	(25 693)	-	-	(52 511)
Insurance acquisition cash flows	(8 452)	-	-	(428)	-	(28)	(8 908)
Net cash flows	64 439	-	(26 818)	(26 121)	-	(28)	11 472
Changes in the income statement							
Insurance revenue	(58 484)	-	-	-	-	-	(58 484)
Contracts under the fair value approach	(5 009)	-	-	-	-	-	(5 009)
Other contracts ³	(53 475)	-	-	-	-	-	(53 475)
Insurance service expenses	5 474	(71)	17 812	19 730	(242)	-	42 703
Incurred claims and other directly attributable expenses ⁴	-	(1 128)	17 635	18 316	(65)	-	34 758
Changes that relate to past service - adjustments to the LIC	-	-	177	987	(177)	-	987
Losses on onerous contracts and reversal of those losses	-	1 057	-	-	-	-	1 057
Insurance acquisition cash flows amortisation	5 474	-	-	-	-	-	5 474
Insurance acquisition cash flows recognised when incurred	-	-	-	427	-	-	427
Investment components	(12 737)	-	9 333	3 402	2	-	-
Insurance service result	(65 747)	(71)	27 145	23 132	(240)	-	(15 781)
Finance expenses from insurance contracts issued	14 557	830	576	1 219	44	-	17 226
Other changes	(24)	-	-	-	-	-	(24)
Total changes in the income statement	(51 214)	759	27 721	24 351	(196)	-	1 421
Other movements	620	(25)	1	(25)	(3)	27	595
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(27)	-	-	-	-	27	-
Contracts transferred on disposal of subsidiary ⁵	(56)	-	-	-	-	-	(56)
Foreign exchange rate differences	(218)	(25)	1	(22)	(2)	-	(266)
Other movements ⁶	921	-	-	(3)	(1)	-	917
Net closing balance	123 166	8 464	8 801	15 392	572	(28)	156 367
Closing insurance contract liabilities	138 419	6 065	7 226	15 399	572	-	167 681
Closing insurance contract assets	(15 253)	2 399	1 575	(7)	-	(28)	(11 314)
Net closing balance	123 166	8 464	8 801	15 392	572	(28)	156 367

¹ Refer to note 1 for more information on the restatements. The effect of restatements on this note are considered immaterial, however, the more noteworthy restatements have been identified in footnotes 2, 3 and 4.

² The present value of future cash flows has changed from R26 143 million to R25 693 million. R346 million of this restatement is due to the restatement for management and investment fees. Refer to note 1 for more information on the restatements.

³ The LRC excluding loss component has changed from R53 983 million to R53 475 million. This restatements is mainly driven by the change in cell classifications from third-party cells to first-party cells. Refer to note 1 for more information on the restatements.

⁴ The present value of future cash flows has changed from R18 828 million to R18 316 million. R346 million of this restatement is due to the restatement for management and investment fees. Refer to note 1 for more information on the restatements.

⁵ The acquisition of Zestlife within the Guardrisk segment resulted in the elimination of existing contracts classified as intercompany following the consolidation of the entity.

⁶ Includes the recognition of insurance contracts due to amended features on existing contracts (R911 million).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.1 Reconciliation of LRC and the LIC components of insurance contract balances continued

	LRC		LIC for contracts not under the PAA Rm	Total Rm
	Excluding loss component Rm	Loss component Rm		
10.1.2 General measurement model				
2025				
Opening insurance contract liabilities	63 660	5 502	2 218	71 380
Opening insurance contract assets	(15 181)	2 398	1 575	(11 208)
Net opening balance	48 479	7 900	3 793	60 172
Cash flows				
Premiums received	28 270	-	-	28 270
Claims and other directly attributable expenses paid	-	-	(18 991)	(18 991)
Insurance acquisition cash flows	(4 795)	-	-	(4 795)
Net cash flows	23 475	-	(18 991)	4 484
Changes in the income statement				
Insurance revenue	(22 657)	-	-	(22 657)
Contracts under the fair value approach	(2 783)	-	-	(2 783)
Other contracts	(19 874)	-	-	(19 874)
Insurance service expenses	2 530	(332)	16 807	19 005
Incurred claims and other directly attributable expenses	-	(867)	16 253	15 386
Changes that relate to past service – adjustments to the LIC	-	-	554	554
Losses on onerous contracts and reversal of those losses	-	535	-	535
Insurance acquisition cash flows amortisation	2 530	-	-	2 530
Insurance acquisition cash flows recognised when incurred	-	-	-	-
Investment components	(2 474)	-	2 474	-
Insurance service result	(22 601)	(332)	19 281	(3 652)
Finance expenses from insurance contracts issued	8 868	930	265	10 063
Other changes	-	-	-	-
Total changes in the income statement	(13 733)	598	19 546	6 411
Other movements	(50)	(30)	5	(75)
Transfers to held for sale ¹	(64)	(28)	8	(84)
Foreign exchange rate differences	14	(2)	(3)	9
Other movements	-	-	-	-
Net closing balance	58 171	8 468	4 353	70 992
Closing insurance contract liabilities	76 799	6 144	2 418	85 361
Closing insurance contract assets	(18 628)	2 324	1 935	(14 369)
Net closing balance	58 171	8 468	4 353	70 992

¹ The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

10 Insurance contracts continued**10.1 Reconciliation of LRC and the LIC components of insurance contract balances continued****10.1.2 General measurement model continued**

	LRC		LIC for contracts not under the PAA	Total Rm
	Excluding loss component Rm	Loss component Rm	Rm	
Restated 2024¹				
Opening insurance contract liabilities	50 394	5 164	2 019	57 577
Opening insurance contract assets	(13 130)	2 239	1 262	(9 629)
Net opening balance	37 264	7 403	3 281	47 948
Cash flows				
Premiums received	29 096	-	-	29 096
Claims and other directly attributable expenses paid	-	-	(16 405)	(16 405)
Insurance acquisition cash flows	(4 965)	-	-	(4 965)
Net cash flows	24 131	-	(16 405)	7 726
Changes in the income statement				
Insurance revenue	(20 140)	-	-	(20 140)
Contracts under the fair value approach	(2 644)	-	-	(2 644)
Other contracts	(17 496)	-	-	(17 496)
Insurance service expenses	2 501	(324)	14 785	16 962
Incurred claims and other directly attributable expenses	-	(861)	14 454	13 593
Changes that relate to past service – adjustments to the LIC	-	-	331	331
Losses on onerous contracts and reversal of those losses	-	537	-	537
Insurance acquisition cash flows amortisation	2 501	-	-	2 501
Insurance acquisition cash flows recognised when incurred	-	-	-	-
Investment components	(1 923)	-	1 923	-
Insurance service result	(19 562)	(324)	16 708	(3 178)
Finance expenses from insurance contracts issued	6 685	830	209	7 724
Other changes	-	-	-	-
Total changes in the income statement	(12 877)	506	16 917	4 546
Other movements	(39)	(9)	-	(48)
Foreign exchange rate differences	(39)	(9)	-	(48)
Other movements	-	-	-	-
Net closing balance	48 479	7 900	3 793	60 172
Closing insurance contract liabilities	63 660	5 502	2 218	71 380
Closing insurance contract assets	(15 181)	2 398	1 575	(11 208)
Net closing balance	48 479	7 900	3 793	60 172

¹ Refer to note 1 for more information on the restatements. The impact of the restatements on this note is considered immaterial.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.1 Reconciliation of LRC and the LIC components of insurance contract balances continued

	LRC		LIC for contracts not under the PAA Rm	Total Rm
	Excluding loss component Rm	Loss component Rm		
10.1.3 Variable fee approach				
2025				
Opening insurance contract liabilities	64 107	495	5 008	69 610
Opening insurance contract assets	(3)	1	-	(2)
Net opening balance	64 104	496	5 008	69 608
Cash flows				
Premiums received	5 886	-	-	5 886
Claims and other directly attributable expenses paid	-	-	(10 450)	(10 450)
Insurance acquisition cash flows	(552)	-	-	(552)
Net cash flows	5 334	-	(10 450)	(5 116)
Changes in the income statement				
Insurance revenue	(4 199)	-	-	(4 199)
Contracts under the fair value approach	(2 598)	-	-	(2 598)
Other contracts	(1 601)	-	-	(1 601)
Insurance service expenses	176	338	2 753	3 267
Incurred claims and other directly attributable expenses	-	(126)	3 087	2 961
Changes that relate to past service – adjustments to the LIC	-	-	(334)	(334)
Losses on onerous contracts and reversal of those losses	-	464	-	464
Insurance acquisition cash flows amortisation	176	-	-	176
Insurance acquisition cash flows recognised when incurred	-	-	-	-
Investment components	(7 937)	-	7 937	-
Insurance service result	(11 960)	338	10 690	(932)
Finance expenses from insurance contracts issued	10 154	-	455	10 609
Other changes	-	-	-	-
Total changes in the income statement	(1 806)	338	11 145	9 677
Other movements	(268)	(32)	-	(300)
Transfers to held for sale ¹	(357)	(45)	-	(402)
Foreign exchange rate differences	89	13	-	102
Other movements	-	-	-	-
Net closing balance	67 364	802	5 703	73 869
Closing insurance contract liabilities	67 390	799	5 703	73 892
Closing insurance contract assets	(26)	3	-	(23)
Net closing balance	67 364	802	5 703	73 869

¹ The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

10 Insurance contracts continued**10.1 Reconciliation of LRC and the LIC components of insurance contract balances continued****10.1.3 Variable fee approach continued**

	LRC		LIC for contracts not under the PAA Rm	Total Rm
	Excluding loss component Rm	Loss component Rm		
2024				
Opening insurance contract liabilities	62 668	251	4 624	67 543
Opening insurance contract assets	(9)	-	(8)	(17)
Net opening balance	62 659	251	4 616	67 526
Cash flows				
Premiums received	5 413	-	-	5 413
Claims and other directly attributable expenses paid	-	-	(10 413)	(10 413)
Insurance acquisition cash flows	(561)	-	-	(561)
Net cash flows	4 852	-	(10 413)	(5 561)
Changes in the income statement				
Insurance revenue	(3 949)	-	-	(3 949)
Contracts under the fair value approach	(2 365)	-	-	(2 365)
Other contracts	(1 584)	-	-	(1 584)
Insurance service expenses	135	255	3 027	3 417
Incurred claims and other directly attributable expenses	-	(63)	3 181	3 118
Changes that relate to past service - adjustments to the LIC	-	-	(154)	(154)
Losses on onerous contracts and reversal of those losses	-	318	-	318
Insurance acquisition cash flows amortisation	135	-	-	135
Insurance acquisition cash flows recognised when incurred	-	-	-	-
Investment components	(7 410)	-	7 410	-
Insurance service result	(11 224)	255	10 437	(532)
Finance expenses from insurance contracts issued	7 069	-	367	7 436
Other changes	-	-	-	-
Total changes in the income statement	(4 155)	255	10 804	6 904
Other movements	748	(10)	1	739
Foreign exchange rate differences	(163)	(10)	1	(172)
Other movements ¹	911	-	-	911
Net closing balance	64 104	496	5 008	69 608
Closing insurance contract liabilities	64 107	495	5 008	69 610
Closing insurance contract assets	(3)	1	-	(2)
Net closing balance	64 104	496	5 008	69 608

¹ Recognition of insurance contracts due to amended features on existing contracts.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.1 Reconciliation of LRC and the LIC components of insurance contract balances continued

	LRC		LIC			Total Rm
	Excluding loss component Rm	Loss component Rm	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	Assets for insurance acquisition cash flows Rm	
10.1.4 Premium allocation approach 2025						
Opening insurance contract liabilities	10 652	68	15 399	572	-	26 691
Opening insurance contract assets	(69)	-	(7)	-	(28)	(104)
Net opening balance	10 583	68	15 392	572	(28)	26 587
Cash flows						
Premiums received	39 711	-	-	-	-	39 711
Claims and other directly attributable expenses paid	-	-	(24 883)	-	-	(24 883)
Insurance acquisition cash flows	(3 629)	-	(442)	-	(42)	(4 113)
Net cash flows	36 082	-	(25 325)	-	(42)	10 715
Changes in the income statement						
Insurance revenue	(34 168)	-	-	-	-	(34 168)
Contracts under the fair value approach	-	-	-	-	-	-
Other contracts	(34 168)	-	-	-	-	(34 168)
Insurance service expenses	3 142	(12)	19 939	(93)	-	22 976
Incurred claims and other directly attributable expenses	-	(171)	20 143	142	-	20 114
Changes that relate to past service - adjustments to the LIC	-	-	(647)	(235)	-	(882)
Losses on onerous contracts and reversal of those losses	-	159	-	-	-	159
Insurance acquisition cash flows amortisation	3 142	-	-	-	-	3 142
Insurance acquisition cash flows recognised when incurred	-	-	443	-	-	443
Investment components	(4 377)	-	4 373	4	-	-
Insurance service result	(35 403)	(12)	24 312	(89)	-	(11 192)
Finance expenses from insurance contracts issued	837	-	1 236	42	-	2 115
Other changes	1	-	(1)	3	-	3
Total changes in the income statement	(34 565)	(12)	25 547	(44)	-	(9 074)
Other movements	(21)	(7)	(68)	(4)	28	(72)
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(28)	-	-	-	28	-
Transfers to held for sale ¹	5	(8)	(88)	(4)	-	(95)
Contracts transferred on acquisition or disposal of subsidiary	-	-	-	-	-	-
Foreign exchange rate differences	(3)	1	17	-	-	15
Other movements	5	-	3	-	-	8
Net closing balance	12 079	49	15 546	524	(42)	28 156
Closing insurance contract liabilities	12 144	49	15 511	524	-	28 228
Closing insurance contract assets	(65)	-	35	-	(42)	(72)
Net closing balance	12 079	49	15 546	524	(42)	28 156

¹ The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

10 Insurance contracts continued**10.1 Reconciliation of LRC and the LIC components of insurance contract balances continued****10.1.4 Premium allocation approach continued**

	LRC		LIC			
	Excluding loss component Rm	Loss component Rm	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	Assets for insurance acquisition cash flows Rm	Total Rm
Restated 2024¹						
Opening insurance contract liabilities	9 458	76	17 187	771	-	27 492
Opening insurance contract assets	(60)	-	-	-	(27)	(87)
Net opening balance	9 398	76	17 187	771	(27)	27 405
Cash flows						
Premiums received	38 382	-	-	-	-	38 382
Claims and other directly attributable expenses paid ²	-	-	(25 693)	-	-	(25 693)
Insurance acquisition cash flows	(2 926)	-	(428)	-	(28)	(3 382)
Net cash flows	35 456	-	(26 121)	-	(28)	9 307
Changes in the income statement						
Insurance revenue	(34 395)	-	-	-	-	(34 395)
Contracts under the fair value approach	-	-	-	-	-	-
Other contracts	(34 395)	-	-	-	-	(34 395)
Insurance service expenses	2 838	(2)	19 730	(242)	-	22 324
Incurred claims and other directly attributable expenses ³	-	(204)	18 316	(65)	-	18 047
Changes that relate to past service - adjustments to the LIC	-	-	987	(177)	-	810
Losses on onerous contracts and reversal of those losses	-	202	-	-	-	202
Insurance acquisition cash flows amortisation	2 838	-	-	-	-	2 838
Insurance acquisition cash flows recognised when incurred	-	-	427	-	-	427
Investment components	(3 404)	-	3 402	2	-	-
Insurance service result	(34 961)	(2)	23 132	(240)	-	(12 071)
Finance expenses from insurance contracts issued	803	-	1 219	44	-	2 066
Other changes	(24)	-	-	-	-	(24)
Total changes in the income statement	(34 182)	(2)	24 351	(196)	-	(10 029)
Other movements	(89)	(6)	(25)	(3)	27	(96)
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(27)	-	-	-	27	-
Contracts transferred on disposal of subsidiary ⁴	(56)	-	-	-	-	(56)
Foreign exchange rate differences	(16)	(6)	(22)	(2)	-	(46)
Other movements	10	-	(3)	(1)	-	6
Net closing balance	10 583	68	15 392	572	(28)	26 587
Closing insurance contract liabilities	10 652	68	15 399	572	-	26 691
Closing insurance contract assets	(69)	-	(7)	-	(28)	(104)
Net closing balance	10 583	68	15 392	572	(28)	26 587

¹ Refer to note 1 for more information on the restatements. The effect of restatements on this note are considered immaterial, however, the more noteworthy restatements have been identified in footnotes 2 and 3.

² The present value of future cash flows has changed from R26 143 million to R25 693 million. R346 million of this restatement is due to the restatement for management and investment fees. Refer to note 1 for more information on the restatements.

³ The present value of future cash flows has changed from R18 828 million to R18 316 million. R346 million of this restatement is due to the restatement for management and investment fees. Refer to note 1 for more information on the restatements.

⁴ The acquisition of Zestlife within the Guardrisk segment resulted in the elimination of existing contracts classified as intercompany following the consolidation of the entity.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances

The tables that follow disclose the roll-forward of the net asset or liability for insurance contracts issued, showing estimates of the present value of future cash flows, risk adjustment for non-financial risk and contractual service margin (CSM). These tables do not apply to contracts measured under the PAA.

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
10.2.1 Total reconciliation 2025					
Opening insurance contract liabilities	126 369	2 204	3 923	8 494	140 990
Opening insurance contract assets	(25 841)	3 286	190	11 155	(11 210)
Net opening balance	100 528	5 490	4 113	19 649	129 780
Cash flows					
Premiums received	34 156	-	-	-	34 156
Claims and other directly attributable expenses paid	(29 441)	-	-	-	(29 441)
Insurance acquisition cash flows	(5 347)	-	-	-	(5 347)
Net cash flows	(632)	-	-	-	(632)
Changes in the income statement					
Changes that relate to current service	(1 654)	(972)	(650)	(2 527)	(5 803)
CSM recognised in profit or loss for the services provided	-	-	(650)	(2 527)	(3 177)
Change in risk adjustment for non-financial risk for risk expired	-	(977)	-	-	(977)
Experience adjustments	(1 654)	5	-	-	(1 649)
Changes that relate to future service	(3 314)	737	315	3 261	999
Changes in estimates that adjust the CSM	(869)	(206)	315	760	-
Change in estimates that result in (reversal of losses)/ losses on onerous contracts	(26)	39	-	-	13
Contracts initially recognised in the year	(2 419)	904	-	2 501	986
Changes that relate to past service	223	(3)	-	-	220
Adjustments to the LIC	223	(3)	-	-	220
Insurance service result	(4 745)	(238)	(335)	734	(4 584)
Finance expenses from insurance contracts issued	17 482	928	199	2 063	20 672
Other changes	-	-	-	-	-
Total changes in the income statement	12 737	690	(136)	2 797	16 088
Other movements	(352)	(13)	(2)	(8)	(375)
Transfers to held for sale ¹	(465)	(18)	-	(3)	(486)
Foreign exchange rate differences	113	5	(2)	(5)	111
Other movements	-	-	-	-	-
Net closing balance	112 281	6 167	3 975	22 438	144 861
Closing insurance contract liabilities	142 884	2 402	3 786	10 181	159 253
Closing insurance contract assets	(30 603)	3 765	189	12 257	(14 392)
Net closing balance	112 281	6 167	3 975	22 438	144 861

¹ The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

10 Insurance contracts continued**10.2 Reconciliation of the measurement components of insurance contract balances continued****10.2.1 Total reconciliation continued**

			CSM		
	Present value of future cash flows ¹ Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
Restated 2024²					
Opening insurance contract liabilities	111 855	2 049	4 301	6 915	125 120
Opening insurance contract assets	(22 118)	2 880	242	9 350	(9 646)
Net opening balance	89 737	4 929	4 543	16 265	115 474
Cash flows					
Premiums received	34 509	-	-	-	34 509
Claims and other directly attributable expenses paid	(26 818)	-	-	-	(26 818)
Insurance acquisition cash flows	(5 526)	-	-	-	(5 526)
Net cash flows	2 165	-	-	-	2 165
Changes in the income statement					
Changes that relate to current service	(1 000)	(945)	(650)	(2 147)	(4 742)
CSM recognised in profit or loss for the services provided	-	-	(650)	(2 147)	(2 797)
Change in risk adjustment for non-financial risk for risk expired	-	(949)	-	-	(949)
Experience adjustments	(1 000)	4	-	-	(996)
Changes that relate to future service	(4 021)	949	69	3 858	855
Changes in estimates that adjust the CSM	(2 456)	258	69	2 129	-
Change in estimates that result in (reversal of losses)/losses on onerous contracts ¹	(407)	29	-	-	(378)
Contracts initially recognised in the year	(1 158)	662	-	1 729	1 233
Changes that relate to past service	179	(2)	-	-	177
Adjustments to the LIC	179	(2)	-	-	177
Insurance service result	(4 842)	2	(581)	1 711	(3 710)
Finance expenses from insurance contracts issued	12 744	566	166	1 684	15 160
Other changes	-	-	-	-	-
Total changes in the income statement	7 902	568	(415)	3 395	11 450
Other movements	724	(7)	(15)	(11)	691
Foreign exchange rate differences	(187)	(7)	(15)	(11)	(220)
Other movements ³	911	-	-	-	911
Net closing balance	100 528	5 490	4 113	19 649	129 780
Closing insurance contract liabilities	126 369	2 204	3 923	8 494	140 990
Closing insurance contract assets	(25 841)	3 286	190	11 155	(11 210)
Net closing balance	100 528	5 490	4 113	19 649	129 780

¹ The present value of future cash flows column has been materially restated as a result of the fulfilment cash flow error described in note 1. The closing insurance contract assets has moved from R26 323 million to R25 841 million with the most noteworthy contributor being a R441 million movement in the change in estimates that result in (reversal of losses)/losses on onerous contracts line.

² Refer to note 1 for more information on the restatements. The effect of restatements on this note are considered immaterial, however, the more noteworthy restatement has been identified in footnote 1.

³ Recognition of insurance contracts due to amended features on existing contracts.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
10.2.2 General measurement model					
2025					
Opening insurance contract liabilities	60 183	1 582	1 658	7 957	71 380
Opening insurance contract assets	(25 839)	3 286	190	11 155	(11 208)
Net opening balance	34 344	4 868	1 848	19 112	60 172
Cash flows					
Premiums received	28 270	-	-	-	28 270
Claims and other directly attributable expenses paid	(18 991)	-	-	-	(18 991)
Insurance acquisition cash flows	(4 795)	-	-	-	(4 795)
Net cash flows	4 484	-	-	-	4 484
Changes in the income statement					
Changes that relate to current service	(1 111)	(863)	(303)	(2 464)	(4 741)
CSM recognised in profit or loss for the services provided	-	-	(303)	(2 464)	(2 767)
Change in risk adjustment for non-financial risk for risk expired	-	(868)	-	-	(868)
Experience adjustments	(1 111)	5	-	-	(1 106)
Changes that relate to future service	(3 243)	617	(82)	3 243	535
Changes in estimates that adjust the CSM	(486)	(280)	(82)	848	-
Change in estimates that result in (reversal of losses)/ losses on onerous contracts	(189)	21	-	-	(168)
Contracts initially recognised in the year	(2 568)	876	-	2 395	703
Changes that relate to past service	557	(3)	-	-	554
Adjustments to the LIC	557	(3)	-	-	554
Insurance service result	(3 797)	(249)	(385)	779	(3 652)
Finance expenses from insurance contracts issued	6 873	928	199	2 063	10 063
Other changes	-	-	-	-	-
Total changes in the income statement	3 076	679	(186)	2 842	6 411
Other movements	(60)	(7)	-	(8)	(75)
Transfers to held for sale ¹	(72)	(9)	-	(3)	(84)
Foreign exchange rate differences	12	2	-	(5)	9
Other movements	-	-	-	-	-
Net closing balance	41 844	5 540	1 662	21 946	70 992
Closing insurance contract liabilities	72 422	1 777	1 473	9 689	85 361
Closing insurance contract assets	(30 578)	3 763	189	12 257	(14 369)
Net closing balance	41 844	5 540	1 662	21 946	70 992

¹ The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

10 Insurance contracts continued**10.2 Reconciliation of the measurement components of insurance contract balances continued****10.2.2 General measurement model continued**

			CSM		
	Present value of future cash flows ¹ Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
Restated 2024 ²					
Opening insurance contract liabilities	47 938	1 445	1 686	6 508	57 577
Opening insurance contract assets	(22 101)	2 880	242	9 350	(9 629)
Net opening balance	25 837	4 325	1 928	15 858	47 948
Cash flows					
Premiums received	29 096	-	-	-	29 096
Claims and other directly attributable expenses paid	(16 405)	-	-	-	(16 405)
Insurance acquisition cash flows	(4 965)	-	-	-	(4 965)
Net cash flows	7 726	-	-	-	7 726
Changes in the income statement					
Changes that relate to current service	(792)	(838)	(326)	(2 090)	(4 046)
CSM recognised in profit or loss for the services provided	-	-	(326)	(2 090)	(2 416)
Change in risk adjustment for non-financial risk for risk expired	-	(842)	-	-	(842)
Experience adjustments	(792)	4	-	-	(788)
Changes that relate to future service	(4 034)	820	80	3 671	537
Changes in estimates that adjust the CSM	(2 406)	194	80	2 132	-
Change in estimates that result in (reversal of losses)/ losses on onerous contracts ¹	(482)	14	-	-	(468)
Contracts initially recognised in the year	(1 146)	612	-	1 539	1 005
Changes that relate to past service	333	(2)	-	-	331
Adjustments to the LIC	333	(2)	-	-	331
Insurance service result	(4 493)	(20)	(246)	1 581	(3 178)
Finance expenses from insurance contracts issued	5 308	566	166	1 684	7 724
Other changes	-	-	-	-	-
Total changes in the income statement	815	546	(80)	3 265	4 546
Other movements	(34)	(3)	-	(11)	(48)
Foreign exchange rate differences	(34)	(3)	-	(11)	(48)
Other movements	-	-	-	-	-
Net closing balance	34 344	4 868	1 848	19 112	60 172
Closing insurance contract liabilities	60 183	1 582	1 658	7 957	71 380
Closing insurance contract assets	(25 839)	3 286	190	11 155	(11 208)
Net closing balance	34 344	4 868	1 848	19 112	60 172

¹ The present value of future cash flows column has been materially restated as a result of the fulfilment cash flow error described in note 1. The closing insurance contract assets has moved from R26 321 million to R25 839 million with the most noteworthy contributor being a R441 million movement in the change in estimates that result in (reversal of losses)/losses on onerous contracts line.

² Refer to note 1 for more information on the restatements. The effect of restatements on this note are considered immaterial, however, the more noteworthy restatement has been identified in footnote 1.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
10.2.3 Variable fee approach					
2025					
Opening insurance contract liabilities	66 186	622	2 265	537	69 610
Opening insurance contract assets	(2)	-	-	-	(2)
Net opening balance	66 184	622	2 265	537	69 608
Cash flows					
Premiums received	5 886	-	-	-	5 886
Claims and other directly attributable expenses paid	(10 450)	-	-	-	(10 450)
Insurance acquisition cash flows	(552)	-	-	-	(552)
Net cash flows	(5 116)	-	-	-	(5 116)
Changes in the income statement					
Changes that relate to current service	(543)	(109)	(347)	(63)	(1 062)
CSM recognised in profit or loss for the services provided	-	-	(347)	(63)	(410)
Change in risk adjustment for non-financial risk for risk expired	-	(109)	-	-	(109)
Experience adjustments	(543)	-	-	-	(543)
Changes that relate to future service	(71)	120	397	18	464
Changes in estimates that adjust the CSM	(383)	74	397	(88)	-
Change in estimates that result in losses on onerous contracts	163	18	-	-	181
Contracts initially recognised in the year	149	28	-	106	283
Changes that relate to past service	(334)	-	-	-	(334)
Adjustments to the LIC	(334)	-	-	-	(334)
Insurance service result	(948)	11	50	(45)	(932)
Finance expenses from insurance contracts issued	10 609	-	-	-	10 609
Other changes	-	-	-	-	-
Total changes in the income statement	9 661	11	50	(45)	9 677
Other movements	(292)	(6)	(2)	-	(300)
Transfers to held for sale ¹	(393)	(9)	-	-	(402)
Foreign exchange rate differences	101	3	(2)	-	102
Other movements	-	-	-	-	-
Net closing balance	70 437	627	2 313	492	73 869
Closing insurance contract liabilities	70 462	625	2 313	492	73 892
Closing insurance contract assets	(25)	2	-	-	(23)
Net closing balance	70 437	627	2 313	492	73 869

¹ The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

10 Insurance contracts continued**10.2 Reconciliation of the measurement components of insurance contract balances continued****10.2.3 Variable fee approach continued**

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
2024					
Opening insurance contract liabilities	63 917	604	2 615	407	67 543
Opening insurance contract assets	(17)	-	-	-	(17)
Net opening balance	63 900	604	2 615	407	67 526
Cash flows					
Premiums received	5 413	-	-	-	5 413
Claims and other directly attributable expenses paid	(10 413)	-	-	-	(10 413)
Insurance acquisition cash flows	(561)	-	-	-	(561)
Net cash flows	(5 561)	-	-	-	(5 561)
Changes in the income statement					
Changes that relate to current service	(208)	(107)	(324)	(57)	(696)
CSM recognised in profit or loss for the services provided	-	-	(324)	(57)	(381)
Change in risk adjustment for non-financial risk for risk expired	-	(107)	-	-	(107)
Experience adjustments	(208)	-	-	-	(208)
Changes that relate to future service	13	129	(11)	187	318
Changes in estimates that adjust the CSM	(50)	64	(11)	(3)	-
Change in estimates that result in losses on onerous contracts	75	15	-	-	90
Contracts initially recognised in the year	(12)	50	-	190	228
Changes that relate to past service	(154)	-	-	-	(154)
Adjustments to the LIC	(154)	-	-	-	(154)
Insurance service result	(349)	22	(335)	130	(532)
Finance expenses from insurance contracts issued	7 436	-	-	-	7 436
Other changes	-	-	-	-	-
Total changes in the income statement	7 087	22	(335)	130	6 904
Other movements	758	(4)	(15)	-	739
Foreign exchange rate differences	(153)	(4)	(15)	-	(172)
Other movements ¹	911	-	-	-	911
Net closing balance	66 184	622	2 265	537	69 608
Closing insurance contract liabilities	66 186	622	2 265	537	69 610
Closing insurance contract assets	(2)	-	-	-	(2)
Net closing balance	66 184	622	2 265	537	69 608

¹ Recognition of insurance contracts due to amended features on existing contracts.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
10.2.4 Total reconciliation: Momentum Retail 2025					
Opening insurance contract liabilities	24 423	1 086	716	1 977	28 202
Opening insurance contract assets	(7 913)	1 448	3	5 025	(1 437)
Net opening balance	16 510	2 534	719	7 002	26 765
Cash flows					
Premiums received	10 281	-	-	-	10 281
Claims and other directly attributable expenses paid	(9 410)	-	-	-	(9 410)
Insurance acquisition cash flows	(1 519)	-	-	-	(1 519)
Net cash flows	(648)	-	-	-	(648)
Changes in the income statement					
Changes that relate to current service	(1 172)	(308)	(144)	(972)	(2 596)
CSM recognised in profit or loss for the services provided	-	-	(144)	(972)	(1 116)
Change in risk adjustment for non-financial risk for risk expired	-	(313)	-	-	(313)
Experience adjustments	(1 172)	5	-	-	(1 167)
Changes that relate to future service	(589)	(31)	48	266	(306)
Change in estimates that adjust the CSM	108	(140)	48	(16)	-
Change in estimates that result in (reversal of losses)/ losses on onerous contracts	(385)	(6)	-	-	(391)
Contracts initially recognised in the year	(312)	115	-	282	85
Changes that relate to past service	568	(5)	-	-	563
Adjustments to the LIC	568	(5)	-	-	563
Insurance service result	(1 193)	(344)	(96)	(706)	(2 339)
Finance expenses from insurance contracts issued	2 883	455	18	741	4 097
Other changes	-	-	-	-	-
Total changes in the income statement	1 690	111	(78)	35	1 758
Other movements					
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	17 552	2 645	641	7 037	27 875
Closing insurance contract liabilities	25 685	1 123	641	2 387	29 836
Closing insurance contract assets	(8 133)	1 522	-	4 650	(1 961)
Net closing balance	17 552	2 645	641	7 037	27 875

10 Insurance contracts continued**10.2 Reconciliation of the measurement components of insurance contract balances continued****10.2.4 Total reconciliation: Momentum Retail continued**

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
2024					
Opening insurance contract liabilities	24 093	1 028	1 057	1 701	27 879
Opening insurance contract assets	(7 382)	1 312	7	4 754	(1 309)
Net opening balance	16 711	2 340	1 064	6 455	26 570
Cash flows					
Premiums received	9 654	-	-	-	9 654
Claims and other directly attributable expenses paid	(9 376)	-	-	-	(9 376)
Insurance acquisition cash flows	(1 522)	-	-	-	(1 522)
Net cash flows	(1 244)	-	-	-	(1 244)
Changes in the income statement					
Changes that relate to current service	(467)	(293)	(151)	(911)	(1 822)
CSM recognised in profit or loss for the services provided	-	-	(151)	(911)	(1 062)
Change in risk adjustment for non-financial risk for risk expired	-	(297)	-	-	(297)
Experience adjustments	(467)	4	-	-	(463)
Changes that relate to future service	(883)	210	(219)	772	(120)
Change in estimates that adjust the CSM	(410)	79	(219)	549	(1)
Change in estimates that result in (reversal of losses)/ losses on onerous contracts	(250)	25	-	-	(225)
Contracts initially recognised in the year	(223)	106	-	223	106
Changes that relate to past service	248	(5)	-	-	243
Adjustments to the LIC	248	(5)	-	-	243
Insurance service result	(1 102)	(88)	(370)	(139)	(1 699)
Finance expenses from insurance contracts issued	2 145	282	25	686	3 138
Other changes	-	-	-	-	-
Total changes in the income statement	1 043	194	(345)	547	1 439
Other movements	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	16 510	2 534	719	7 002	26 765
Closing insurance contract liabilities	24 423	1 086	716	1 977	28 202
Closing insurance contract assets	(7 913)	1 448	3	5 025	(1 437)
Net closing balance	16 510	2 534	719	7 002	26 765

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
10.2.5 Total reconciliation: Momentum Investments 2025					
Opening insurance contract liabilities	34 653	273	729	2 989	38 644
Opening insurance contract assets	-	-	-	-	-
Net opening balance	34 653	273	729	2 989	38 644
Cash flows					
Premiums received	6 996	-	-	-	6 996
Claims and other directly attributable expenses paid	(4 652)	-	-	-	(4 652)
Insurance acquisition cash flows	(150)	-	-	-	(150)
Net cash flows	2 194	-	-	-	2 194
Changes in the income statement					
Changes that relate to current service	34	(28)	(120)	(427)	(541)
CSM recognised in profit or loss for the services provided	-	-	(120)	(427)	(547)
Change in risk adjustment for non-financial risk for risk expired	-	(28)	-	-	(28)
Experience adjustments	34	-	-	-	34
Changes that relate to future service	(669)	52	1	765	149
Change in estimates that adjust the CSM	(107)	18	1	88	-
Change in estimates that result in losses/(reversal of losses) on onerous contracts	2	(2)	-	-	-
Contracts initially recognised in the year	(564)	36	-	677	149
Changes that relate to past service	(1)	-	-	-	(1)
Adjustments to the LIC	(1)	-	-	-	(1)
Insurance service result	(636)	24	(119)	338	(393)
Finance expenses from insurance contracts issued	6 856	60	79	326	7 321
Other changes	-	-	-	-	-
Total changes in the income statement	6 220	84	(40)	664	6 928
Other movements	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	43 067	357	689	3 653	47 766
Closing insurance contract liabilities	43 067	357	689	3 653	47 766
Closing insurance contract assets	-	-	-	-	-
Net closing balance	43 067	357	689	3 653	47 766

10 Insurance contracts continued**10.2 Reconciliation of the measurement components of insurance contract balances continued****10.2.5 Total reconciliation: Momentum Investments continued**

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
2024					
Opening insurance contract liabilities	26 024	224	669	2 088	29 005
Opening insurance contract assets	-	-	-	-	-
Net opening balance	26 024	224	669	2 088	29 005
Cash flows					
Premiums received	9 282	-	-	-	9 282
Claims and other directly attributable expenses paid	(3 811)	-	-	-	(3 811)
Insurance acquisition cash flows	(187)	-	-	-	(187)
Net cash flows	5 284	-	-	-	5 284
Changes in the income statement					
Changes that relate to current service	13	(25)	(122)	(315)	(449)
CSM recognised in profit or loss for the services provided	-	-	(122)	(315)	(437)
Change in risk adjustment for non-financial risk for risk expired	-	(25)	-	-	(25)
Experience adjustments	13	-	-	-	13
Changes that relate to future service	(960)	38	125	972	175
Change in estimates that adjust the CSM	(147)	(5)	125	27	-
Change in estimates that result in reversal of losses on onerous contracts	(10)	(1)	-	-	(11)
Contracts initially recognised in the year	(803)	44	-	945	186
Changes that relate to past service	15	-	-	-	15
Adjustments to the LIC	15	-	-	-	15
Insurance service result	(932)	13	3	657	(259)
Finance expenses from insurance contracts issued	4 277	36	57	244	4 614
Other changes	-	-	-	-	-
Total changes in the income statement	3 345	49	60	901	4 355
Other movements	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	34 653	273	729	2 989	38 644
Closing insurance contract liabilities	34 653	273	729	2 989	38 644
Closing insurance contract assets	-	-	-	-	-
Net closing balance	34 653	273	729	2 989	38 644

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
10.2.6 Total reconciliation: Metropolitan Life 2025					
Opening insurance contract liabilities	38 649	401	1 381	1 968	42 399
Opening insurance contract assets	(4 149)	578	186	259	(3 126)
Net opening balance	34 500	979	1 567	2 227	39 273
Cash flows					
Premiums received	8 647	-	-	-	8 647
Claims and other directly attributable expenses paid	(7 911)	-	-	-	(7 911)
Insurance acquisition cash flows	(1 581)	-	-	-	(1 581)
Net cash flows	(845)	-	-	-	(845)
Changes in the income statement					
Changes that relate to current service	(244)	(260)	(259)	(414)	(1 177)
CSM recognised in profit or loss for the services provided	-	-	(259)	(414)	(673)
Change in risk adjustment for non-financial risk for the risk expired	-	(260)	-	-	(260)
Experience adjustments	(244)	-	-	-	(244)
Changes that relate to future service	(1 217)	233	289	826	131
Change in estimates that adjust the CSM	(982)	53	289	640	-
Change in estimates that result in (reversal of losses)/ losses on onerous contracts	(155)	28	-	-	(127)
Contracts initially recognised in the year	(80)	152	-	186	258
Changes that relate to past service	(352)	-	-	-	(352)
Adjustments to the LIC	(352)	-	-	-	(352)
Insurance service result	(1 813)	(27)	30	412	(1 398)
Finance expenses from insurance contracts issued	5 991	156	43	218	6 408
Other changes	-	-	-	-	-
Total changes in the income statement	4 178	129	73	630	5 010
Other movements	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	37 833	1 108	1 640	2 857	43 438
Closing insurance contract liabilities	42 360	419	1 456	2 493	46 728
Closing insurance contract assets	(4 527)	689	184	364	(3 290)
Net closing balance	37 833	1 108	1 640	2 857	43 438

10 Insurance contracts continued**10.2 Reconciliation of the measurement components of insurance contract balances continued****10.2.6 Total reconciliation: Metropolitan Life continued**

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
2024					
Opening insurance contract liabilities	35 315	402	1 578	1 764	39 059
Opening insurance contract assets	(3 890)	593	235	157	(2 905)
Net opening balance	31 425	995	1 813	1 921	36 154
Cash flows					
Premiums received	8 891	-	-	-	8 891
Claims and other directly attributable expenses paid	(7 612)	-	-	-	(7 612)
Insurance acquisition cash flows	(1 722)	-	-	-	(1 722)
Net cash flows	(443)	-	-	-	(443)
Changes in the income statement					
Changes that relate to current service	(141)	(257)	(244)	(332)	(974)
CSM recognised in profit or loss for the services provided	-	-	(244)	(332)	(576)
Change in risk adjustment for non-financial risk for the risk expired	-	(257)	-	-	(257)
Experience adjustments	(141)	-	-	-	(141)
Changes that relate to future service	(382)	130	(41)	448	155
Change in estimates that adjust the CSM	(210)	(10)	(41)	261	-
Change in estimates that result in reversal of losses on onerous contracts	(93)	(30)	-	-	(123)
Contracts initially recognised in the year	(79)	170	-	187	278
Changes that relate to past service	(128)	-	-	-	(128)
Adjustments to the LIC	(128)	-	-	-	(128)
Insurance service result	(651)	(127)	(285)	116	(947)
Finance expenses from insurance contracts issued	4 169	111	39	190	4 509
Other changes	-	-	-	-	-
Total changes in the income statement	3 518	(16)	(246)	306	3 562
Other movements					
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	34 500	979	1 567	2 227	39 273
Closing insurance contract liabilities	38 649	401	1 381	1 968	42 399
Closing insurance contract assets	(4 149)	578	186	259	(3 126)
Net closing balance	34 500	979	1 567	2 227	39 273

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
10.2.7 Total reconciliation: Momentum Corporate 2025					
Opening insurance contract liabilities	17 401	109	508	532	18 550
Opening insurance contract assets	-	-	-	-	-
Net opening balance	17 401	109	508	532	18 550
Cash flows					
Premiums received	936	-	-	-	936
Claims and other directly attributable expenses paid	(2 413)	-	-	-	(2 413)
Insurance acquisition cash flows	(59)	-	-	-	(59)
Net cash flows	(1 536)	-	-	-	(1 536)
Changes in the income statement					
Changes that relate to current service	37	(13)	(69)	(67)	(112)
CSM recognised in profit or loss for the services provided	-	-	(69)	(67)	(136)
Change in risk adjustment for non-financial risk for the risk expired	-	(13)	-	-	(13)
Experience adjustments	37	-	-	-	37
Changes that relate to future service	32	17	(2)	12	59
Change in estimates that adjust the CSM	(13)	11	(2)	4	-
Change in estimates that result in (reversal of losses)/ losses on onerous contracts	(24)	2	-	-	(22)
Contracts initially recognised in the year	69	4	-	8	81
Changes that relate to past service	1	-	-	-	1
Adjustments to the LIC	1	-	-	-	1
Insurance service result	70	4	(71)	(55)	(52)
Finance expenses from insurance contracts issued	2 636	9	54	22	2 721
Other changes	-	-	-	-	-
Total changes in the income statement	2 706	13	(17)	(33)	2 669
Other movements	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	18 571	122	491	499	19 683
Closing insurance contract liabilities	18 571	122	491	499	19 683
Closing insurance contract assets	-	-	-	-	-
Net closing balance	18 571	122	491	499	19 683

10 Insurance contracts continued**10.2 Reconciliation of the measurement components of insurance contract balances continued****10.2.7 Total reconciliation: Momentum Corporate continued**

	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2024					
Opening insurance contract liabilities	17 073	109	463	498	18 143
Opening insurance contract assets	-	-	-	-	-
Net opening balance	17 073	109	463	498	18 143
Cash flows					
Premiums received	837	-	-	-	837
Claims and other directly attributable expenses paid	(2 267)	-	-	-	(2 267)
Insurance acquisition cash flows	(56)	-	-	-	(56)
Net cash flows	(1 486)	-	-	-	(1 486)
Changes in the income statement					
Changes that relate to current service	(46)	(13)	(69)	(71)	(199)
CSM recognised in profit or loss for the services provided	-	-	(69)	(71)	(140)
Change in risk adjustment for non-financial risk for the risk expired	-	(13)	-	-	(13)
Experience adjustments	(46)	-	-	-	(46)
Changes that relate to future service	(82)	3	75	88	84
Change in estimates that adjust the CSM	(161)	1	75	85	-
Change in estimates that result in losses/(reversal of losses) on onerous contracts	6	(1)	-	-	5
Contracts initially recognised in the year	73	3	-	3	79
Changes that relate to past service	10	-	-	-	10
Adjustments to the LIC	10	-	-	-	10
Insurance service result	(118)	(10)	6	17	(105)
Finance expenses from insurance contracts issued	1 932	10	39	17	1 998
Other changes	-	-	-	-	-
Total changes in the income statement	1 814	-	45	34	1 893
Other movements	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	17 401	109	508	532	18 550
Closing insurance contract liabilities	17 401	109	508	532	18 550
Closing insurance contract assets	-	-	-	-	-
Net closing balance	17 401	109	508	532	18 550

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
10.2.8 Total reconciliation: Guardrisk 2025					
Opening insurance contract liabilities	289	57	-	226	572
Opening insurance contract assets	(13 336)	1 178	-	5 724	(6 434)
Net opening balance	(13 047)	1 235	-	5 950	(5 862)
Cash flows					
Premiums received	4 036	-	-	-	4 036
Claims and other directly attributable expenses paid	(2 534)	-	-	-	(2 534)
Insurance acquisition cash flows	(1 484)	-	-	-	(1 484)
Net cash flows	18	-	-	-	18
Changes in the income statement					
Changes that relate to current service	(212)	(317)	-	(468)	(997)
CSM recognised in profit or loss for the services provided	-	-	-	(468)	(468)
Change in risk adjustment for non-financial risk for the risk expired	-	(317)	-	-	(317)
Experience adjustments	(212)	-	-	-	(212)
Changes that relate to future service	(837)	450	-	1 057	670
Change in estimates that adjust the CSM	233	(126)	-	(107)	-
Change in estimates that result in losses on onerous contracts	463	23	-	-	486
Contracts initially recognised in the year	(1 533)	553	-	1 164	184
Changes that relate to past service	27	2	-	-	29
Adjustments to the LIC	27	2	-	-	29
Insurance service result	(1 022)	135	-	589	(298)
Finance (income)/expenses from insurance contracts issued	(2 487)	209	-	669	(1 609)
Other changes	-	-	-	-	-
Total changes in the income statement	(3 509)	344	-	1 258	(1 907)
Other movements	(3)	-	-	(5)	(8)
Foreign exchange rate differences	(3)	-	-	(5)	(8)
Other movements	-	-	-	-	-
Net closing balance	(16 541)	1 579	-	7 203	(7 759)
Closing insurance contract liabilities	626	111	-	236	973
Closing insurance contract assets	(17 167)	1 468	-	6 967	(8 732)
Net closing balance	(16 541)	1 579	-	7 203	(7 759)

10 Insurance contracts continued**10.2 Reconciliation of the measurement components of insurance contract balances continued****10.2.8 Total reconciliation: Guardrisk continued**

	Present value of future cash flows ¹ Rm	Risk adjustment for non- financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
Restated 2024²					
Opening insurance contract liabilities	314	48	-	224	586
Opening insurance contract assets	(10 449)	907	-	4 267	(5 275)
Net opening balance	(10 135)	955	-	4 491	(4 689)
Cash flows					
Premiums received	3 251	-	-	-	3 251
Claims and other directly attributable expenses paid	(1 693)	-	-	-	(1 693)
Insurance acquisition cash flows	(1 540)	-	-	-	(1 540)
Net cash flows	18	-	-	-	18
Changes in the income statement					
Changes that relate to current service	(227)	(318)	-	(391)	(936)
CSM recognised in profit or loss for the services provided	-	-	-	(391)	(391)
Change in risk adjustment for non-financial risk for risk expired	-	(318)	-	-	(318)
Experience adjustments	(227)	-	-	-	(227)
Changes that relate to future service	(1 606)	491	-	1 388	273
Change in estimates that adjust the CSM	(1 428)	177	-	1 251	-
Change in estimates that result in (reversal of losses)/losses on onerous contracts ¹	(140)	22	-	-	(118)
Contracts initially recognised in the year	(38)	292	-	137	391
Changes that relate to past service	26	3	-	-	29
Adjustments to the LIC	26	3	-	-	29
Insurance service result	(1 807)	176	-	997	(634)
Finance (income)/expenses from insurance contracts issued	(1 127)	106	-	469	(552)
Other changes	-	-	-	-	-
Total changes in the income statement	(2 934)	282	-	1 466	(1 186)
Other movements	4	(2)	-	(7)	(5)
Foreign exchange rate differences	4	(2)	-	(7)	(5)
Other movements	-	-	-	-	-
Net closing balance	(13 047)	1 235	-	5 950	(5 862)
Closing insurance contract liabilities	289	57	-	226	572
Closing insurance contract assets	(13 336)	1 178	-	5 724	(6 434)
Net closing balance	(13 047)	1 235	-	5 950	(5 862)

¹ The present value of future cash flows column has been materially restated as a result of the fulfilment cash flow error described in Note 1. The closing insurance contract assets has moved from R13 818 million to R13 336 million with the most noteworthy contributor being a R441 million movement in the change in estimates that result in (reversal of losses)/losses on onerous contracts line.

² Refer to note 1 for more information on the restatements. The effect of restatements on this note are considered immaterial, however, the more noteworthy restatement has been identified in footnote 1.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
10.2.9 Total reconciliation: Momentum Metropolitan Africa 2025					
Opening insurance contract liabilities	10 954	278	589	802	12 623
Opening insurance contract assets	(443)	82	1	147	(213)
Net opening balance	10 511	360	590	949	12 410
Cash flows					
Premiums received	3 260	-	-	-	3 260
Claims and other directly attributable expenses paid	(2 521)	-	-	-	(2 521)
Insurance acquisition cash flows	(554)	-	-	-	(554)
Net cash flows	185	-	-	-	185
Changes in the income statement					
Changes that relate to current service	(97)	(46)	(58)	(179)	(380)
CSM recognised in profit or loss for the services provided	-	-	(58)	(179)	(237)
Change in risk adjustment for non-financial risk for the risk expired	-	(46)	-	-	(46)
Experience adjustments	(97)	-	-	-	(97)
Changes that relate to future service	(34)	16	(21)	335	296
Change in estimates that adjust the CSM	(108)	(22)	(21)	151	-
Change in estimates that result in losses/(reversal of losses) on onerous contracts	73	(6)	-	-	67
Contracts initially recognised in the year	1	44	-	184	229
Changes that relate to past service	(20)	-	-	-	(20)
Adjustments to the LIC	(20)	-	-	-	(20)
Insurance service result	(151)	(30)	(79)	156	(104)
Finance expenses from insurance contracts issued	1 603	39	5	87	1 734
Other changes	-	-	-	-	-
Total changes in the income statement	1 452	9	(74)	243	1 630
Other movements	(349)	(13)	(2)	(3)	(367)
Transfers to held for sale ¹	(465)	(18)	-	(3)	(486)
Foreign exchange rate differences	116	5	(2)	-	119
Other movements	-	-	-	-	-
Net closing balance	11 799	356	514	1 189	13 858
Closing insurance contract liabilities	12 575	270	509	913	14 267
Closing insurance contract assets	(776)	86	5	276	(409)
Net closing balance	11 799	356	514	1 189	13 858

¹ The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

10 Insurance contracts continued**10.2 Reconciliation of the measurement components of insurance contract balances continued****10.2.9 Total reconciliation: Momentum Metropolitan Africa continued**

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
2024					
Opening insurance contract liabilities	9 036	238	534	640	10 448
Opening insurance contract assets	(397)	68	-	172	(157)
Net opening balance	8 639	306	534	812	10 291
Cash flows					
Premiums received	2 594	-	-	-	2 594
Claims and other directly attributable expenses paid	(2 059)	-	-	-	(2 059)
Insurance acquisition cash flows	(499)	-	-	-	(499)
Net cash flows	36	-	-	-	36
Changes in the income statement					
Changes that relate to current service	(132)	(39)	(64)	(127)	(362)
CSM recognised in profit or loss for the services provided	-	-	(64)	(127)	(191)
Change in risk adjustment for non-financial risk for risk expired	-	(39)	-	-	(39)
Experience adjustments	(132)	-	-	-	(132)
Changes that relate to future service	(108)	77	129	190	288
Change in estimates that adjust the CSM	(100)	16	129	(44)	1
Change in estimates that result in losses on onerous contracts	80	14	-	-	94
Contracts initially recognised in the year	(88)	47	-	234	193
Changes that relate to past service	8	-	-	-	8
Adjustments to the LIC	8	-	-	-	8
Insurance service result	(232)	38	65	63	(66)
Finance expenses from insurance contracts issued	1 348	21	6	78	1 453
Other changes	-	-	-	-	-
Total changes in the income statement	1 116	59	71	141	1 387
Other movements	720	(5)	(15)	(4)	696
Foreign exchange rate differences	(191)	(5)	(15)	(4)	(215)
Other movements ¹	911	-	-	-	911
Net closing balance	10 511	360	590	949	12 410
Closing insurance contract liabilities	10 954	278	589	802	12 623
Closing insurance contract assets	(443)	82	1	147	(213)
Net closing balance	10 511	360	590	949	12 410

¹ Recognition of insurance contracts due to amended features on existing contracts.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.3 Impact of contracts recognised in the year for insurance contracts issued

The components of new business for insurance contracts issued is disclosed in the tables below:

	2025			Restated 2024 ¹		
	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.1 Total reconciliation						
Estimates of the present value of future cash outflows	18 110	7 208	25 318	16 255	9 526	25 781
Insurance acquisition cash flows ²	4 893	2 598	7 491	2 469	3 724	6 193
Claims and other directly attributable expenses ²	13 217	4 610	17 827	13 786	5 802	19 588
Estimates of the present value of future cash inflows ²	(21 288)	(6 449)	(27 737)	(18 241)	(8 698)	(26 939)
Risk adjustment for non-financial risk	677	227	904	257	405	662
CSM	2 501	-	2 501	1 729	-	1 729
Losses recognised on initial recognition	-	986	986	-	1 233	1 233
10.3.2 General measurement model						
Estimates of the present value of future cash outflows	17 330	4 918	22 248	16 180	6 545	22 725
Insurance acquisition cash flows ³	4 842	2 134	6 976	2 460	3 220	5 680
Claims and other directly attributable expenses ³	12 488	2 784	15 272	13 720	3 325	17 045
Estimates of the present value of future cash inflows ³	(20 392)	(4 424)	(24 816)	(17 955)	(5 916)	(23 871)
Risk adjustment for non-financial risk	667	209	876	236	376	612
CSM	2 395	-	2 395	1 539	-	1 539
Losses recognised on initial recognition	-	703	703	-	1 005	1 005

¹ Refer to note 1 for more information on the restatements. The more noteworthy restatements have been identified in footnotes 2 and 3.

² These rows have been materially restated as a result of the fulfilment cash flow error described in Note 1. See changes below:

Insurance acquisition cash flows has changed from R819 million to R2 469 million for Non-onerous contracts issued and R2 691 million to R3 724 million for Onerous contracts issued.

Claims and other directly attributable expenses changed from R12 348 million to R13 786 million for Non-onerous contracts issued and R5 308 million to R5 802 million for Onerous contracts issued.

Estimates of the present value of future cash inflows changed from R14 947 million to R18 241 million for Non-onerous contracts issued and R7 037 million to R8 698 million for Onerous contracts issued.

³ These rows have been materially restated as a result of the fulfilment cash flow error described in Note 1. See changes below:

Insurance acquisition cash flows has changed from R810 million to R2 460 million for Non-onerous contracts issued and R2 187 million to R3 220 million for Onerous contracts issued.

Claims and other directly attributable expenses changed from R12 282 million to R13 720 million for Non-onerous contracts issued and R2 831 million to R3 325 million for Onerous contracts issued.

Estimates of the present value of future cash inflows changed from R14 661 million to R17 955 million for Non-onerous contracts issued and R4 255 million to R5 916 million for Onerous contracts issued.

	2025			2024		
	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.3 Variable fee approach						
Estimates of the present value of future cash outflows	780	2 290	3 070	75	2 981	3 056
Insurance acquisition cash flows	51	464	515	9	504	513
Claims and other directly attributable expenses	729	1 826	2 555	66	2 477	2 543
Estimates of the present value of future cash inflows	(896)	(2 025)	(2 921)	(286)	(2 782)	(3 068)
Risk adjustment for non-financial risk	10	18	28	21	29	50
CSM	106	-	106	190	-	190
Losses recognised on initial recognition	-	283	283	-	228	228

10 Insurance contracts continued**10.3 Impact of contracts recognised in the year for insurance contracts issued continued**

	2025			2024		
	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.4 Total reconciliation: Momentum Retail						
Estimates of the present value of future cash outflows	2 511	901	3 412	2 232	1 222	3 454
Insurance acquisition cash flows	604	228	832	538	316	854
Claims and other directly attributable expenses	1 907	673	2 580	1 694	906	2 600
Estimates of the present value of future cash inflows	(2 889)	(835)	(3 724)	(2 532)	(1 144)	(3 676)
Risk adjustment for non-financial risk	96	19	115	77	29	106
CSM	282	-	282	223	-	223
Losses recognised on initial recognition	-	85	85	-	107	107
10.3.5 Total reconciliation: Momentum Investments						
Estimates of the present value of future cash outflows	6 181	314	6 495	8 232	391	8 623
Insurance acquisition cash flows	134	10	144	169	13	182
Claims and other directly attributable expenses	6 047	304	6 351	8 063	378	8 441
Estimates of the present value of future cash inflows	(6 884)	(175)	(7 059)	(9 208)	(218)	(9 426)
Risk adjustment for non-financial risk	26	10	36	31	13	44
CSM	677	-	677	945	-	945
Losses recognised on initial recognition	-	149	149	-	186	186
10.3.6 Total reconciliation: Metropolitan Life						
Estimates of the present value of future cash outflows	1 581	3 760	5 341	2 085	4 250	6 335
Insurance acquisition cash flows	65	1 716	1 781	55	1 905	1 960
Claims and other directly attributable expenses	1 516	2 044	3 560	2 030	2 345	4 375
Estimates of the present value of future cash inflows	(1 778)	(3 643)	(5 421)	(2 282)	(4 132)	(6 414)
Risk adjustment for non-financial risk	11	141	152	10	160	170
CSM	186	-	186	187	-	187
Losses recognised on initial recognition	-	258	258	-	278	278

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.3 Impact of contracts recognised in the year for insurance contracts issued continued

	2025			2024		
	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.7 Total reconciliation: Momentum Corporate						
Estimates of the present value of future cash outflows	142	535	677	36	446	482
Insurance acquisition cash flows	2	50	52	3	46	49
Claims and other directly attributable expenses	140	485	625	33	400	433
Estimates of the present value of future cash inflows	(150)	(458)	(608)	(39)	(370)	(409)
Risk adjustment for non-financial risk	-	4	4	-	2	2
CSM	8	-	8	3	-	3
Losses recognised on initial recognition	-	81	81	-	78	78

	2025			Restated 2024 ¹		
	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.8 Total reconciliation: Guardrisk						
Estimates of the present value of future cash outflows	6 535	386	6 921	3 228	1 718	4 946
Insurance acquisition cash flows ²	3 978	182	4 160	1 650	1 033	2 683
Claims and other directly attributable expenses ²	2 557	204	2 761	1 578	685	2 263
Estimates of the present value of future cash inflows ²	(8 229)	(225)	(8 454)	(3 480)	(1 504)	(4 984)
Risk adjustment for non-financial risk	530	23	553	115	177	292
CSM	1 164	-	1 164	137	-	137
Losses recognised on initial recognition	-	184	184	-	391	391

¹ Refer to note 1 for more information on the restatements. The more noteworthy restatement has been identified in footnote 2.

² These rows have been materially restated as a result of the fulfilment cash flow error described in Note 1. See changes below:

Insurance acquisition cash flows has changed from Rnil to R1 650 million for Non-onerous contracts issued and Rnil to R1 033 million for Onerous contracts issued.

Claims and other directly attributable expenses changed from R140 million to R1 578 million for Non-onerous contracts issued and R191 million to R685 million for Onerous contracts issued.

Estimates of the present value of future cash inflows changed from R186 million to R3 480 million for Non-onerous contracts issued and R157 million to R1 540 million for Onerous contracts issued.

	2025			2024		
	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non- onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.9 Total reconciliation: Momentum Metropolitan Africa						
Estimates of the present value of future cash outflows	1 160	1 312	2 472	442	1 499	1 941
Insurance acquisition cash flows	110	412	522	54	411	465
Claims and other directly attributable expenses	1 050	900	1 950	388	1 088	1 476
Estimates of the present value of future cash inflows	(1 358)	(1 113)	(2 471)	(700)	(1 329)	(2 029)
Risk adjustment for non-financial risk	14	30	44	24	23	47
CSM	184	-	184	234	-	234
Losses recognised on initial recognition	-	229	229	-	193	193

10 Insurance contracts continued

10.4 CSM recognition analysis

An analysis of the expected recognition of the CSM for insurance contracts held in profit or loss in the future periods is provided in the following table:

	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm
2025										
General measurement model	2 174	1 906	1 653	1 434	1 247	4 156	2 026	977	870	16 443
Variable fee approach	391	355	304	265	230	738	321	130	71	2 805
Total	2 565	2 261	1 957	1 699	1 477	4 894	2 347	1 107	941	19 248
2024										
General measurement model	1 852	1 711	1 504	1 308	1 138	3 836	1 912	934	841	15 036
Variable fee approach	350	342	300	263	228	749	342	144	84	2 802
Total	2 202	2 053	1 804	1 571	1 366	4 585	2 254	1 078	925	17 838

The CSM carrying values at the reporting date were allocated to future reporting periods on the basis of discounted, expected coverage units to be released in the relevant period. For Guardrisk, total CSM balance at the reporting date and the allocation of the balance to future reporting periods include the CSM balances linked to insurance and reinsurance contracts that Guardrisk promoter cells are exposed to. The CSM analysis does not include Guardrisk third-party cell contracts. It is deemed appropriate to demonstrate net promoter exposure as the third-party cell business is in substance solely a fee earning business even though it is accounted for as insurance contracts with an in-substance reinsurance agreement in terms of IFRS Accounting Standards. The reinsurance on this business is agreed upon upfront before the underlying insurance contracts are entered into. This reinsurance is part and parcel of the cell arrangement and cannot be cancelled without also cancelling the underlying insurance contracts. Therefore, Momentum is only exposed to risk on the net amount as any movement on the insurance contracts would be mitigated by the reinsurance contracts held.

10.5 Derecognition of insurance acquisition cash flow assets

The expected timing of when assets for insurance acquisition cash flows will be derecognised and included in the measurement of the group of insurance contracts to which they are allocated is disclosed in the table below:

	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm
2025										
General measurement model	-	-	-	-	-	-	-	-	-	-
Variable fee approach	-	-	-	-	-	-	-	-	-	-
Premium allocation approach	(42)	-	-	-	-	-	-	-	-	(42)
Total	(42)	-	-	-	-	-	-	-	-	(42)
2024										
General measurement model	-	-	-	-	-	-	-	-	-	-
Variable fee approach	-	-	-	-	-	-	-	-	-	-
Premium allocation approach	(28)	-	-	-	-	-	-	-	-	(28)
Total	(28)	-	-	-	-	-	-	-	-	(28)

11 Reinsurance contracts

Portfolios of reinsurance contract assets and liabilities

An analysis of the amounts presented on the consolidated statement of financial position for reinsurance contracts held is included in the table below, along with the presentation of current and non-current portions of the net balances:

	2025			Restated 2024		
	Assets Rm	Liabilities Rm	Net liabilities Rm	Assets Rm	Liabilities Rm	Net liabilities Rm
General measurement model ¹	5 348	(6 550)	(1 202)	4 520	(4 385)	135
Premium allocation approach ¹	4 764	(9 928)	(5 164)	4 708	(9 529)	(4 821)
Total	10 112	(16 478)	(6 366)	9 228	(13 914)	(4 686)
Segmental split						
Momentum Retail	4 133	(15)	4 118	3 799	(9)	3 790
Metropolitan Life	62	(29)	33	51	(24)	27
Momentum Corporate	1 661	-	1 661	1 551	-	1 551
Guardrisk ¹	3 674	(16 349)	(12 675)	3 310	(13 830)	(10 520)
Momentum Insure	226	-	226	256	-	256
Momentum Metropolitan Africa	356	(85)	271	261	(51)	210
Total	10 112	(16 478)	(6 366)	9 228	(13 914)	(4 686)
Current ¹	(4 497)	7 328	2 831	(2 511)	3 786	1 275
Non-current ¹	14 609	(23 806)	(9 197)	11 739	(17 700)	(5 961)
Total	10 112	(16 478)	(6 366)	9 228	(13 914)	(4 686)

¹ Refer to note 1 for more information on the restatements.

Changes in presentation

In the current year, the Group refined the IFRS 17 reconciliations to improve their usefulness, relevance and clarity for users. Reconciliations under IFRS 17.100 are now only presented at the total Group and measurement model levels (GMM and PAA), following stakeholder feedback that more granular segment-level information for reconciliations required by IFRS 17.100 does not add additional relevance or usefulness. This aligns with IFRS 17 and IAS 1 principles, focusing on material, relevant information and avoiding unnecessary detail. Although the reconciliations provided per measurement model already meets the disclosure objectives and requirements of IFRS 17, reconciliations under IFRS 17.101 are still shown at the reportable segment level, as disaggregation remains useful to users and is considered to provide additional information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.1 Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances

The tables that follow disclose the roll-forward of the net asset or liability for reinsurance contracts held, showing assets for remaining coverage and the amounts recoverable on incurred claims.

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts not under the PAA Rm	Amounts recoverable on incurred claims for contracts under the PAA		Total Rm
	Excluding loss-recovery component Rm	Loss-recovery component Rm		Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	
11.1.1 Total reconciliation 2025						
Opening reinsurance contract assets	1 335	1 977	1 842	3 940	134	9 228
Opening reinsurance contract liabilities	(14 380)	299	167	-	-	(13 914)
Net opening balance	(13 045)	2 276	2 009	3 940	134	(4 686)
Cash flows						
Reinsurance premiums paid	9 109	-	-	-	-	9 109
Reinsurance recoveries received	-	-	(3 472)	(3 819)	-	(7 291)
Capital balances and related transactions with third-party cell owners – share capital and dividends ¹	4 725	-	-	-	-	4 725
Net cash flows	13 834	-	(3 472)	(3 819)	-	6 543
Changes in the income statement						
Allocation of reinsurance premiums	(17 497)	-	-	-	-	(17 497)
Contracts under the fair value approach	(308)	-	-	-	-	(308)
Other contracts	(17 189)	-	-	-	-	(17 189)
Amounts recoverable from reinsurers for incurred claims	-	89	3 555	7 212	-	10 856
Amounts recoverable for incurred claims and other expenses	-	(194)	3 277	7 341	67	10 491
Changes that relate to past service – adjustments to the AIC ¹	-	-	278	(129)	(67)	82
Changes in the loss-recovery component	-	283	-	-	-	283
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-
Investment components	(15)	-	-	15	-	-
Net (expenses)/income from reinsurance contracts held	(17 512)	89	3 555	7 227	-	(6 641)
Finance (expenses)/income from reinsurance contracts held	(1 264)	203	75	308	12	(666)
Investment returns due to third-party cell owner	(883)	-	-	-	-	(883)
Other changes	-	-	-	-	-	-
Total changes in the income statement	(19 659)	292	3 630	7 535	12	(8 190)
Other movements	3 503	(11)	-	(3 525)	-	(33)
Capital balances and related transactions with third-party cell owners – settlement ²	3 529	-	-	(3 529)	-	-
Transfers to held for sale ³	(2)	-	-	(2)	-	(4)
Foreign exchange rate differences	19	(11)	-	(2)	-	6
Other movements	(43)	-	-	8	-	(35)
Net closing balance	(15 367)	2 557	2 167	4 131	146	(6 366)
Closing reinsurance contract assets	1 572	2 287	1 981	4 126	146	10 112
Closing reinsurance contract liabilities	(16 939)	270	186	5	-	(16 478)
Net closing balance	(15 367)	2 557	2 167	4 131	146	(6 366)
Reinsurance contract assets consist of:						
Reinsurance asset relating to amounts due from cell owners						56
Other reinsurance contract assets						10 056
Reinsurance contract assets						10 112
Reinsurance contract liabilities consist of:						
Reinsurance liability relating to amounts due to cell owners						(7 918)
Other reinsurance contract liabilities						(8 560)
Reinsurance contract liabilities						(16 478)

¹ Assets for incurred claims (AIC).

² Refer to Note 45.10.17 In-substance reinsurance contracts held.

³ The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

11 Reinsurance contracts continued**11.1 Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances continued****11.1.1 Total reconciliation continued**

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts not under the PAA Rm	Amounts recoverable on incurred claims for contracts under the PAA		Total Rm
	Excluding loss-recovery component ¹ Rm	Loss-recovery component Rm		Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	
Restated 2024²						
Opening reinsurance contract assets	873	1 908	1 513	6 135	373	10 802
Opening reinsurance contract liabilities	(13 015)	30	102	-	-	(12 883)
Net opening balance	(12 142)	1 938	1 615	6 135	373	(2 081)
Cash flows						
Reinsurance premiums paid	9 744	-	-	-	-	9 744
Reinsurance recoveries received	-	-	(3 197)	(5 660)	-	(8 857)
Capital balances and related transactions with third-party cell owners – share capital and dividends ³	5 413	-	-	-	-	5 413
Net cash flows	15 157	-	(3 197)	(5 660)	-	6 300
Changes in the income statement						
Allocation of reinsurance premiums ⁴	(18 728)	-	-	-	-	(18 728)
Contracts under the fair value approach	(314)	-	-	-	-	(314)
Other contracts	(18 414)	-	-	-	-	(18 414)
Amounts recoverable from reinsurers for incurred claims ⁵	-	150	3 532	6 950	(260)	10 372
Amounts recoverable for incurred claims and other expenses	-	(174)	3 313	6 524	(121)	9 542
Changes that relate to past service – adjustments to the AIC	-	-	219	426	(139)	506
Changes in the loss-recovery component	-	324	-	-	-	324
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-
Investment components	-	-	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(18 728)	150	3 532	6 950	(260)	(8 356)
Finance (expenses)/income from reinsurance contracts held	(270)	190	59	273	14	266
Investment returns due to third-party cell owner	(812)	-	-	-	-	(812)
Other changes	-	-	-	-	-	-
Total changes in the income statement	(19 810)	340	3 591	7 223	(246)	(8 902)
Other movements	3 750	(2)	-	(3 758)	7	(3)
Capital balances and related transactions with third-party cell owners – settlement ³	3 724	-	-	(3 724)	-	-
Contracts transferred on acquisition of subsidiary (refer to note 29)	104	-	-	-	-	104
Foreign exchange rate differences	20	(2)	-	(3)	-	15
Other movements ⁶	(98)	-	-	(31)	7	(122)
Net closing balance	(13 045)	2 276	2 009	3 940	134	(4 686)
Closing reinsurance contract assets	1 335	1 977	1 842	3 940	134	9 228
Closing reinsurance contract liabilities	(14 380)	299	167	-	-	(13 914)
Net closing balance	(13 045)	2 276	2 009	3 940	134	(4 686)
Reinsurance contract assets consist of:						
Reinsurance asset relating to amounts due from cell owners						63
Other reinsurance contract assets						9 165
Reinsurance contract assets						9 228
Reinsurance contract liabilities consist of:						
Reinsurance liability relating to amounts due to cell owners ¹						(7 660)
Other reinsurance contract liabilities						(6 254)
Reinsurance contract liabilities						(13 914)

¹ The closing reinsurance contract liabilities has moved from R14 949 million to R14 380 million, this relates to the deferred tax restatement, refer to note 1 for more information.

² Refer to note 1 for more information on the restatements. The more noteworthy restatements have been identified in footnotes 1, 4 and 5.

³ Refer to Note 45.10.17 In-substance reinsurance contracts held.

⁴ The allocation of reinsurance premiums has changed from R18 365 million to R18 728 million. This is mainly due to the following immaterial restatements in note 1:

- Allocation of reinsurance premiums
- Reinsurance finance income and expenses
- Classification of cell captive arrangements
- Deferred tax adjustments
- Investment components

⁵ The amounts recoverable from reinsurers for incurred claims has changed from R9 789 million to R10 372 million. This is mainly due to the following restatements in note 1:

- Allocation of reinsurance premiums
- Fulfilment cash flows
- Investment components

⁶ The acquisition of Zestlife within the Guardrisk segment resulted in the elimination of existing contracts classified as intercompany following the consolidation of the entity.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.1 Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances continued

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts not under the PAA Rm	Total Rm
	Excluding loss-recovery component Rm	Loss-recovery component Rm		
11.1.2 General measurement model 2025				
Opening reinsurance contract assets	701	1 977	1 842	4 520
Opening reinsurance contract liabilities	(4 851)	299	167	(4 385)
Net opening balance	(4 150)	2 276	2 009	135
Cash flows				
Reinsurance premiums paid	2 752	-	-	2 752
Reinsurance recoveries received	-	-	(3 472)	(3 472)
Net cash flows	2 752	-	(3 472)	(720)
Changes in the income statement				
Allocation of reinsurance premiums	(3 916)	-	-	(3 916)
Contracts under the fair value approach	(308)	-	-	(308)
Other contracts	(3 608)	-	-	(3 608)
Amounts recoverable from reinsurers for incurred claims	-	89	3 555	3 644
Amounts recoverable for incurred claims and other expenses	-	(194)	3 277	3 083
Changes that relate to past service – adjustments to the AIC	-	-	278	278
Changes in the loss-recovery component	-	283	-	283
Effect of changes in non-performance risk of reinsurers	-	-	-	-
Investment components	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(3 916)	89	3 555	(272)
Finance (expenses)/income from reinsurance contracts held	(613)	203	75	(335)
Investment returns due to third-party cell owner	-	-	-	-
Other changes	-	-	-	-
Total changes in the income statement	(4 529)	292	3 630	(607)
Other movements	1	(11)	-	(10)
Transfers to held for sale ¹	-	-	-	-
Foreign exchange rate differences	1	(11)	-	(10)
Other movements	-	-	-	-
Net closing balance	(5 926)	2 557	2 167	(1 202)
Closing reinsurance contract assets	1 080	2 287	1 981	5 348
Closing reinsurance contract liabilities	(7 006)	270	186	(6 550)
Net closing balance	(5 926)	2 557	2 167	(1 202)

¹ The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

11 Reinsurance contracts continued**11.1 Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances continued****11.1.2 General measurement model continued**

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts not under the PAA	Total
	Excluding loss-recovery component Rm	Loss-recovery component Rm	Rm	Rm
Restated 2024¹				
Opening reinsurance contract assets	294	1 908	1 513	3 715
Opening reinsurance contract liabilities	(3 764)	30	102	(3 632)
Net opening balance	(3 470)	1 938	1 615	83
Cash flows				
Reinsurance premiums paid	2 917	-	-	2 917
Reinsurance recoveries received	-	-	(3 197)	(3 197)
Net cash flows	2 917	-	(3 197)	(280)
Changes in the income statement				
Allocation of reinsurance premiums	(3 255)	-	-	(3 255)
Contracts under the fair value approach	(314)	-	-	(314)
Other contracts	(2 941)	-	-	(2 941)
Amounts recoverable from reinsurers for incurred claims	-	150	3 532	3 682
Amounts recoverable for incurred claims and other expenses	-	(174)	3 313	3 139
Changes that relate to past service – adjustments to the AIC	-	-	219	219
Changes in the loss-recovery component	-	324	-	324
Effect of changes in non-performance risk of reinsurers	-	-	-	-
Investment components	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(3 255)	150	3 532	427
Finance (expenses)/income from reinsurance contracts held	(343)	190	59	(94)
Investment returns due to third-party cell owner	-	-	-	-
Other changes	-	-	-	-
Total changes in the income statement	(3 598)	340	3 591	333
Other movements	1	(2)	-	(1)
Foreign exchange rate differences	1	(2)	-	(1)
Other movements	-	-	-	-
Net closing balance	(4 150)	2 276	2 009	135
Closing reinsurance contract assets	701	1 977	1 842	4 520
Closing reinsurance contract liabilities	(4 851)	299	167	(4 385)
Net closing balance	(4 150)	2 276	2 009	135

¹ Refer to note 1 for more information on the restatements. The impact of the restatements on this note is considered immaterial.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.1 Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances continued

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts under the PAA		Total Rm
	Excluding loss-recovery component Rm	Loss-recovery component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	
11.1.3 Premium allocation approach 2025					
Opening reinsurance contract assets	634	-	3 940	134	4 708
Opening reinsurance contract liabilities	(9 529)	-	-	-	(9 529)
Net opening balance	(8 895)	-	3 940	134	(4 821)
Cash flows					
Reinsurance premiums paid	6 357	-	-	-	6 357
Reinsurance recoveries received	-	-	(3 819)	-	(3 819)
Capital balances and related transactions with third-party cell owners – share capital and dividends ¹	4 725	-	-	-	4 725
Net cash flows	11 082	-	(3 819)	-	7 263
Changes in the income statement					
Allocation of reinsurance premiums	(13 581)	-	-	-	(13 581)
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(13 581)	-	-	-	(13 581)
Amounts recoverable from reinsurers for incurred claims	-	-	7 212	-	7 212
Amounts recoverable for incurred claims and other expenses	-	-	7 341	67	7 408
Changes that relate to past service – adjustments to the AIC	-	-	(129)	(67)	(196)
Changes in the loss-recovery component	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Investment components	(15)	-	15	-	-
Net (expenses)/income from reinsurance contracts held	(13 596)	-	7 227	-	(6 369)
Finance (expenses)/income from reinsurance contracts held	(651)	-	308	12	(331)
Investment returns due to third-party cell owner	(883)	-	-	-	(883)
Other changes	-	-	-	-	-
Total changes in the income statement	(15 130)	-	7 535	12	(7 583)
Other movements	3 502	-	(3 525)	-	(23)
Capital balances and related transactions with third-party cell owners – settlement ¹	3 529	-	(3 529)	-	-
Transfers to held for sale ²	(2)	-	(2)	-	(4)
Foreign exchange rate differences	18	-	(2)	-	16
Other movements	(43)	-	8	-	(35)
Net closing balance	(9 441)	-	4 131	146	(5 164)
Closing reinsurance contract assets	492	-	4 126	146	4 764
Closing reinsurance contract liabilities	(9 933)	-	5	-	(9 928)
Net closing balance	(9 441)	-	4 131	146	(5 164)
Reinsurance contract assets consist of:					
Reinsurance asset relating to amounts due from cell owners					56
Other reinsurance contract assets					4 708
Reinsurance contract assets					4 764
Reinsurance contract liabilities consist of:					
Reinsurance liability relating to amounts due to cell owners					(7 918)
Other reinsurance contract liabilities					(2 010)
Reinsurance contract liabilities					(9 928)

¹ Refer to Note 45.10.17 In-substance reinsurance contracts held.

² The Group is in the process of exiting its operations in the Ghanaian market. Refer to note 46 for further information.

11 Reinsurance contracts continued**11.1 Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances continued****11.1.3 Premium allocation approach continued**

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts under the PAA		Total Rm
	Excluding loss-recovery component ¹ Rm	Loss-recovery component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	
Restated 2024²					
Opening reinsurance contract assets	579	-	6 135	373	7 087
Opening reinsurance contract liabilities	(9 251)	-	-	-	(9 251)
Net opening balance	(8 672)	-	6 135	373	(2 164)
Cash flows					
Reinsurance premiums paid	6 827	-	-	-	6 827
Reinsurance recoveries received	-	-	(5 660)	-	(5 660)
Capital balances and related transactions with third-party cell owners – share capital and dividends ³	5 413	-	-	-	5 413
Net cash flows	12 240	-	(5 660)	-	6 580
Changes in the income statement					
Allocation of reinsurance premiums ⁴	(15 473)	-	-	-	(15 473)
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(15 473)	-	-	-	(15 473)
Amounts recoverable from reinsurers for incurred claims ⁵	-	-	6 950	(260)	6 690
Amounts recoverable for incurred claims and other expenses	-	-	6 524	(121)	6 403
Changes that relate to past service – adjustments to the AIC	-	-	426	(139)	287
Changes in the loss-recovery component	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Investment components	-	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(15 473)	-	6 950	(260)	(8 783)
Finance (expenses)/income from reinsurance contracts held	73	-	273	14	360
Investment returns due to third-party cell owner	(812)	-	-	-	(812)
Other changes	-	-	-	-	-
Total changes in the income statement	(16 212)	-	7 223	(246)	(9 235)
Other movements	3 749	-	(3 758)	7	(2)
Capital balances and related transactions with third-party cell owners – settlement ³	3 724	-	(3 724)	-	-
Contracts transferred on acquisition of subsidiary (refer to note 29)	104	-	-	-	104
Foreign exchange rate differences	19	-	(3)	-	16
Other movements ⁶	(98)	-	(31)	7	(122)
Net closing balance	(8 895)	-	3 940	134	(4 821)
Closing reinsurance contract assets	634	-	3 940	134	4 708
Closing reinsurance contract liabilities	(9 529)	-	-	-	(9 529)
Net closing balance	(8 895)	-	3 940	134	(4 821)
Reinsurance contract assets consist of:					
Reinsurance asset relating to amounts due from cell owners					63
Other reinsurance contract assets					4 645
Reinsurance contract assets					4 708
Reinsurance contract liabilities consist of:					
Reinsurance liability relating to amounts due to cell owners ¹					(7 660)
Other reinsurance contract liabilities					(1 869)
Reinsurance contract liabilities					(9 529)

¹ The closing reinsurance contract liabilities has moved from R10 163 million to R9 529 million, this relates to the deferred tax restatement, refer to note 1 for more information.

² Refer to note 1 for more information on the restatements. The more noteworthy restatements have been identified in footnotes 1, 4 and 5.

³ Refer to Note 45.10.17 In-substance reinsurance contracts held.

⁴ The allocation of reinsurance premiums has changed from R15 214 million to R15 473 million. This is mainly due to the following immaterial restatements in note 1:

- Allocation of reinsurance premiums
- Reinsurance finance income and expenses
- Classification of cell captive arrangements
- Deferred tax adjustments
- Investment components

⁵ The amounts recoverable from reinsurers for incurred claims has changed from R6 290 million to R6 690 million. This is mainly due to the following restatements in note 1:

- Allocation of reinsurance premiums
- Fulfilment cash flows
- Investment components

⁶ The acquisition of Zestlife within the Guardrisk segment resulted in the elimination of existing contracts classified as intercompany following the consolidation of the entity.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances

The tables that follow disclose the roll-forward of the net asset or liability for reinsurance contracts issued, showing estimates of the present value of future cash flows, risk adjustment for non-financial risk and CSM. These tables only apply to contracts measured under the GMM.

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
11.2.1 Total reconciliation 2025					
Opening reinsurance contract assets	5 642	567	132	(1 823)	4 518
Opening reinsurance contract liabilities	(7 855)	586	462	2 420	(4 387)
Net opening balance	(2 213)	1 153	594	597	131
Cash flows					
Reinsurance premiums paid	2 752	-	-	-	2 752
Reinsurance recoveries received	(3 471)	-	-	-	(3 471)
Net cash flows	(719)	-	-	-	(719)
Changes in the income statement					
Changes that relate to current service	(634)	(198)	(46)	42	(836)
CSM recognised in profit or loss for the services received	-	-	(46)	42	(4)
Change in the risk adjustment for non-financial risk for risk expired	-	(200)	-	-	(200)
Experience adjustments	(634)	2	-	-	(632)
Changes that relate to future service	(555)	151	17	670	283
Changes in estimates that adjust the CSM	999	(196)	17	(820)	-
Changes in estimates that do not adjust the CSM	184	39	-	-	223
Contracts initially recognised in the year	(1 738)	308	-	1 430	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	81	81
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(21)	(21)
Changes that relate to past service	278	-	-	-	278
Adjustments to the AIC	278	-	-	-	278
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(911)	(47)	(29)	712	(275)
Finance (expenses)/income from reinsurance contracts held	(780)	202	66	178	(334)
Other changes	-	-	-	-	-
Total changes in the income statement	(1 691)	155	37	890	(609)
Other movements	(7)	(2)	-	(1)	(10)
Foreign exchange rate differences	(7)	(2)	-	(1)	(10)
Other movements	-	-	-	-	-
Net closing balance	(4 630)	1 306	631	1 486	(1 207)
Closing reinsurance contract assets	6 068	660	95	(1 476)	5 347
Closing reinsurance contract liabilities	(10 698)	646	536	2 962	(6 554)
Net closing balance	(4 630)	1 306	631	1 486	(1 207)

11 Reinsurance contracts continued**11.2 Reconciliation of the measurement components of reinsurance contract balances continued****11.2.1 Total reconciliation continued**

	CSM				
	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
Restated 2024¹					
Opening reinsurance contract assets	4 487	518	186	(1 477)	3 714
Opening reinsurance contract liabilities	(5 177)	440	42	1 063	(3 632)
Net opening balance	(690)	958	228	(414)	82
Cash flows					
Reinsurance premiums paid	2 917	-	-	-	2 917
Reinsurance recoveries received	(3 197)	-	-	-	(3 197)
Net cash flows	(280)	-	-	-	(280)
Changes in the income statement					
Changes that relate to current service	(9)	(148)	(62)	103	(116)
CSM recognised in profit or loss for the services received	-	-	(62)	103	41
Change in risk adjustment for non-financial risk for risk expired	-	(150)	-	-	(150)
Experience adjustments	(9)	2	-	-	(7)
Changes that relate to future service	(1 148)	212	368	892	324
Changes in estimates that adjust the CSM	(873)	82	368	423	-
Changes in estimates that do not adjust the CSM	184	(5)	-	-	179
Contracts initially recognised in the year	(459)	135	-	324	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	91	91
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	54	54
Changes that relate to past service	218	-	-	-	218
Adjustments to the AIC	218	-	-	-	218
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(939)	64	306	995	426
Finance (expenses)/income from reinsurance contracts held	(306)	133	60	19	(94)
Other changes	-	-	-	-	-
Total changes in the income statement	(1 245)	197	366	1 014	332
Other movements	2	(2)	-	(3)	(3)
Foreign exchange rate differences	2	(2)	-	(3)	(3)
Other movements	-	-	-	-	-
Net closing balance	(2 213)	1 153	594	597	131
Closing reinsurance contract assets	5 642	567	132	(1 823)	4 518
Closing reinsurance contract liabilities	(7 855)	586	462	2 420	(4 387)
Net closing balance	(2 213)	1 153	594	597	131

¹ Refer to note 1 for more information on the restatements. The impact of the restatements on this note is considered immaterial.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
11.2.2 Total reconciliation – Momentum Retail 2025					
Opening reinsurance contract assets	4 764	517	119	(1 601)	3 799
Opening reinsurance contract liabilities	(23)	5	9	-	(9)
Net opening balance	4 741	522	128	(1 601)	3 790
Cash flows					
Reinsurance premiums paid	2 960	-	-	-	2 960
Reinsurance recoveries received	(2 715)	-	-	-	(2 715)
Net cash flows	245	-	-	-	245
Changes in the income statement					
Changes that relate to current service	(541)	(48)	(22)	163	(448)
CSM recognised in profit or loss for the services received	-	-	(22)	163	141
Change in risk adjustment for non-financial risk for risk expired	-	(50)	-	-	(50)
Experience adjustments	(541)	2	-	-	(539)
Changes that relate to future service	(456)	(13)	(41)	381	(129)
Changes in estimates that adjust the CSM	(397)	(31)	(41)	469	-
Changes in estimates that do not adjust the CSM	(92)	2	-	-	(90)
Contracts initially recognised in the year	33	16	-	(49)	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	51	51
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(90)	(90)
Changes that relate to past service	260	(2)	-	-	258
Adjustments to the AIC	260	(2)	-	-	258
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(737)	(63)	(63)	544	(319)
Finance income/(expenses) from reinsurance contracts held	455	100	14	(167)	402
Other changes	-	-	-	-	-
Total changes in the income statement	(282)	37	(49)	377	83
Other movements					
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	4 704	559	79	(1 224)	4 118
Closing reinsurance contract assets	4 726	555	76	(1 224)	4 133
Closing reinsurance contract liabilities	(22)	4	3	-	(15)
Net closing balance	4 704	559	79	(1 224)	4 118

11 Reinsurance contracts continued**11.2 Reconciliation of the measurement components of reinsurance contract balances continued****11.2.2 Total reconciliation – Momentum Retail continued**

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
2024					
Opening reinsurance contract assets	3 999	479	182	(1 399)	3 261
Opening reinsurance contract liabilities	(11)	2	2	-	(7)
Net opening balance	3 988	481	184	(1 399)	3 254
Cash flows					
Reinsurance premiums paid	2 688	-	-	-	2 688
Reinsurance recoveries received	(2 642)	-	-	-	(2 642)
Net cash flows	46	-	-	-	46
Changes in the income statement					
Changes that relate to current service	(21)	(45)	(31)	205	108
CSM recognised in profit or loss for the services received	-	-	(31)	205	174
Change in risk adjustment for non-financial risk for risk expired	-	(47)	-	-	(47)
Experience adjustments	(21)	2	-	-	(19)
Changes that relate to future service	291	24	(41)	(262)	12
Changes in estimates that adjust the CSM	223	6	(41)	(188)	-
Changes in estimates that do not adjust the CSM	-	3	-	-	3
Contracts initially recognised in the year	68	15	-	(83)	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	63	63
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(54)	(54)
Changes that relate to past service	98	(3)	-	-	95
Adjustments to the AIC	98	(3)	-	-	95
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net income/(expenses) from reinsurance contracts held	368	(24)	(72)	(57)	215
Finance income/(expenses) from reinsurance contracts held	339	65	16	(145)	275
Other changes	-	-	-	-	-
Total changes in the income statement	707	41	(56)	(202)	490
Other movements	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	4 741	522	128	(1 601)	3 790
Closing reinsurance contract assets	4 764	517	119	(1 601)	3 799
Closing reinsurance contract liabilities	(23)	5	9	-	(9)
Net closing balance	4 741	522	128	(1 601)	3 790

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
11.2.3 Total reconciliation – Metropolitan Life 2025					
Opening reinsurance contract assets	84	(7)	9	(35)	51
Opening reinsurance contract liabilities	(13)	12	-	(23)	(24)
Net opening balance	71	5	9	(58)	27
Cash flows					
Reinsurance premiums paid	44	-	-	-	44
Reinsurance recoveries received	(37)	-	-	-	(37)
Net cash flows	7	-	-	-	7
Changes in the income statement					
Changes that relate to current service	(22)	1	-	11	(10)
CSM recognised in profit or loss for the services received	-	-	-	11	11
Change in risk adjustment for non-financial risk for risk expired	-	1	-	-	1
Experience adjustments	(22)	-	-	-	(22)
Changes that relate to future service	13	(1)	4	(14)	2
Changes in estimates that adjust the CSM	(1)	-	4	(3)	-
Changes in estimates that do not adjust the CSM	(3)	1	-	-	(2)
Contracts initially recognised in the year	17	(2)	-	(15)	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	5	5
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(1)	(1)
Changes that relate to past service	-	-	-	-	-
Adjustments to the AIC	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(9)	-	4	(3)	(8)
Finance income/(expenses) from reinsurance contracts held	12	1	-	(6)	7
Other changes	-	-	-	-	-
Total changes in the income statement	3	1	4	(9)	(1)
Other movements					
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	81	6	13	(67)	33
Closing reinsurance contract assets	99	(8)	13	(42)	62
Closing reinsurance contract liabilities	(18)	14	-	(25)	(29)
Net closing balance	81	6	13	(67)	33

11 Reinsurance contracts continued**11.2 Reconciliation of the measurement components of reinsurance contract balances continued****11.2.3 Total reconciliation – Metropolitan Life continued**

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
2024					
Opening reinsurance contract assets	80	(6)	4	(28)	50
Opening reinsurance contract liabilities	(17)	14	-	(24)	(27)
Net opening balance	63	8	4	(52)	23
Cash flows					
Reinsurance premiums paid	42	-	-	-	42
Reinsurance recoveries received	(53)	-	-	-	(53)
Net cash flows	(11)	-	-	-	(11)
Changes in the income statement					
Changes that relate to current service	(2)	2	-	5	5
CSM recognised in profit or loss for the services received	-	-	-	5	5
Change in risk adjustment for non-financial risk for risk expired	-	2	-	-	2
Experience adjustments	(2)	-	-	-	(2)
Changes that relate to future service	15	(5)	5	(5)	10
Changes in estimates that adjust the CSM	(6)	(2)	5	3	-
Changes in estimates that do not adjust the CSM	2	-	-	-	2
Contracts initially recognised in the year	19	(3)	-	(16)	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	11	11
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(3)	(3)
Changes that relate to past service	-	-	-	-	-
Adjustments to the AIC	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net income/(expenses) from reinsurance contracts held	13	(3)	5	-	15
Finance income/(expenses) from reinsurance contracts held	6	-	-	(6)	-
Other changes	-	-	-	-	-
Total changes in the income statement	19	(3)	5	(6)	15
Other movements	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	71	5	9	(58)	27
Closing reinsurance contract assets	84	(7)	9	(35)	51
Closing reinsurance contract liabilities	(13)	12	-	(23)	(24)
Net closing balance	71	5	9	(58)	27

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
11.2.4 Total reconciliation – Momentum Corporate 2025					
Opening reinsurance contract assets	6	-	-	-	6
Opening reinsurance contract liabilities	-	-	-	-	-
Net opening balance	6	-	-	-	6
Cash flows					
Reinsurance premiums paid	11	-	-	-	11
Reinsurance recoveries received	(3)	-	-	-	(3)
Net cash flows	8	-	-	-	8
Changes in the income statement					
Changes that relate to current service	(15)	-	-	-	(15)
CSM recognised in profit or loss for the services received	-	-	-	-	-
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-	-
Experience adjustments	(15)	-	-	-	(15)
Changes that relate to future service	-	-	-	-	-
Changes in estimates that adjust the CSM	-	-	-	-	-
Changes in estimates that do not adjust the CSM	-	-	-	-	-
Contracts initially recognised in the year	-	-	-	-	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	-	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	-	-
Changes that relate to past service	(1)	-	-	-	(1)
Adjustments to the AIC	(1)	-	-	-	(1)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net expenses from reinsurance contracts held	(16)	-	-	-	(16)
Finance income/(expenses) from reinsurance contracts held	-	-	-	-	-
Other changes	-	-	-	-	-
Total changes in the income statement	(16)	-	-	-	(16)
Other movements					
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	(2)	-	-	-	(2)
Closing reinsurance contract assets	-	-	-	-	-
Closing reinsurance contract liabilities	(2)	-	-	-	(2)
Net closing balance	(2)	-	-	-	(2)

11 Reinsurance contracts continued**11.2 Reconciliation of the measurement components of reinsurance contract balances continued****11.2.4 Total reconciliation – Momentum Corporate continued**

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
2024					
Opening reinsurance contract assets	-	-	-	-	-
Opening reinsurance contract liabilities	(2)	-	-	-	(2)
Net opening balance	(2)	-	-	-	(2)
Cash flows					
Reinsurance premiums paid	17	-	-	-	17
Reinsurance recoveries received	(3)	-	-	-	(3)
Net cash flows	14	-	-	-	14
Changes in the income statement					
Changes that relate to current service	(9)	-	-	-	(9)
CSM recognised in profit or loss for the services received	-	-	-	-	-
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-	-
Experience adjustments	(9)	-	-	-	(9)
Changes that relate to future service	-	-	-	-	-
Changes in estimates that adjust the CSM	-	-	-	-	-
Changes in estimates that do not adjust the CSM	-	-	-	-	-
Contracts initially recognised in the year	-	-	-	-	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	-	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	-	-
Changes that relate to past service	3	-	-	-	3
Adjustments to the AIC	3	-	-	-	3
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net expenses from reinsurance contracts held	(6)	-	-	-	(6)
Finance income/(expenses) from reinsurance contracts held	-	-	-	-	-
Other changes	-	-	-	-	-
Total changes in the income statement	(6)	-	-	-	(6)
Other movements	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	6	-	-	-	6
Closing reinsurance contract assets	6	-	-	-	6
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	6	-	-	-	6

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
11.2.5 Total reconciliation – Guardrisk 2025					
Opening reinsurance contract assets	644	18	3	(134)	531
Opening reinsurance contract liabilities	(7 821)	569	453	2 458	(4 341)
Net opening balance	(7 177)	587	456	2 324	(3 810)
Cash flows					
Reinsurance premiums paid ¹	(429)	-	-	-	(429)
Reinsurance recoveries received	(600)	-	-	-	(600)
Net cash flows	(1 029)	-	-	-	(1 029)
Changes in the income statement					
Changes that relate to current service	(96)	(146)	(24)	(137)	(403)
CSM recognised in profit or loss for the services received	-	-	(24)	(137)	(161)
Change in risk adjustment for non-financial risk for risk expired	-	(146)	-	-	(146)
Experience adjustments	(96)	-	-	-	(96)
Changes that relate to future service	(74)	163	57	253	399
Changes in estimates that adjust the CSM	1 428	(164)	57	(1 321)	-
Changes in estimates that do not adjust the CSM	288	35	-	-	323
Contracts initially recognised in the year	(1 790)	292	-	1 498	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	-	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	76	76
Changes that relate to past service	13	2	-	-	15
Adjustments to the AIC	13	2	-	-	15
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(157)	19	33	116	11
Finance (expenses)/income from reinsurance contracts held	(1 254)	95	52	359	(748)
Other changes	-	-	-	-	-
Total changes in the income statement	(1 411)	114	85	475	(737)
Other movements	(7)	(2)	-	(1)	(10)
Foreign exchange rate differences	(7)	(2)	-	(1)	(10)
Other movements	-	-	-	-	-
Net closing balance	(9 624)	699	541	2 798	(5 586)
Closing reinsurance contract assets	1 034	71	8	(202)	911
Closing reinsurance contract liabilities	(10 658)	628	533	3 000	(6 497)
Net closing balance	(9 624)	699	541	2 798	(5 586)

¹ The inflow position for reinsurance premiums is due to Financial Reinsurance transactions.

11 Reinsurance contracts continued**11.2 Reconciliation of the measurement components of reinsurance contract balances continued****11.2.5 Total reconciliation – Guardrisk continued**

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
Restated 2024¹					
Opening reinsurance contract assets	284	16	(2)	(23)	275
Opening reinsurance contract liabilities	(5 156)	418	40	1 128	(3 570)
Net opening balance	(4 872)	434	38	1 105	(3 295)
Cash flows					
Reinsurance premiums paid	18	-	-	-	18
Reinsurance recoveries received	(395)	-	-	-	(395)
Net cash flows	(377)	-	-	-	(377)
Changes in the income statement					
Changes that relate to current service	81	(101)	(30)	(119)	(169)
CSM recognised in profit or loss for the services received	-	-	(30)	(119)	(149)
Change in risk adjustment for non-financial risk for risk expired	-	(101)	-	-	(101)
Experience adjustments	81	-	-	-	81
Changes that relate to future service	(1 465)	190	404	1 162	291
Changes in estimates that adjust the CSM	(1 094)	77	404	613	-
Changes in estimates that do not adjust the CSM	180	(8)	-	-	172
Contracts initially recognised in the year	(551)	121	-	430	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	-	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	119	119
Changes that relate to past service	118	3	-	-	121
Adjustments to the AIC	118	3	-	-	121
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(1 266)	92	374	1 043	243
Finance (expenses)/income from reinsurance contracts held	(665)	63	44	179	(379)
Other changes	-	-	-	-	-
Total changes in the income statement	(1 931)	155	418	1 222	(136)
Other movements	3	(2)	-	(3)	(2)
Foreign exchange rate differences	3	(2)	-	(3)	(2)
Other movements	-	-	-	-	-
Net closing balance	(7 177)	587	456	2 324	(3 810)
Closing reinsurance contract assets	644	18	3	(134)	531
Closing reinsurance contract liabilities	(7 821)	569	453	2 458	(4 341)
Net closing balance	(7 177)	587	456	2 324	(3 810)

¹ Refer to note 1 for more information on the restatements. The effect of restatements on this note are considered immaterial.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
11.2.6 Total reconciliation – Momentum Metropolitan Africa					
2025					
Opening reinsurance contract assets	144	39	1	(53)	131
Opening reinsurance contract liabilities	2	-	-	(15)	(13)
Net opening balance	146	39	1	(68)	118
Cash flows					
Reinsurance premiums paid	166	-	-	-	166
Reinsurance recoveries received	(116)	-	-	-	(116)
Net cash flows	50	-	-	-	50
Changes in the income statement					
Changes that relate to current service	40	(5)	-	5	40
CSM recognised in profit or loss for the services received	-	-	-	5	5
Change in risk adjustment for non-financial risk for risk expired	-	(5)	-	-	(5)
Experience adjustments	40	-	-	-	40
Changes that relate to future service	(38)	2	(3)	50	11
Changes in estimates that adjust the CSM	(31)	(1)	(3)	35	-
Changes in estimates that do not adjust the CSM	(9)	1	-	-	(8)
Contracts initially recognised in the year	2	2	-	(4)	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	25	25
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(6)	(6)
Changes that relate to past service	6	-	-	-	6
Adjustments to the AIC	6	-	-	-	6
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net income/(expenses) from reinsurance contracts held	8	(3)	(3)	55	57
Finance income/(expenses) from reinsurance contracts held	7	6	-	(8)	5
Other changes	-	-	-	-	-
Total changes in the income statement	15	3	(3)	47	62
Other movements	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-	-
Other movements	-	-	-	-	-
Net closing balance	211	42	(2)	(21)	230
Closing reinsurance contract assets	209	42	(2)	(8)	241
Closing reinsurance contract liabilities	2	-	-	(13)	(11)
Net closing balance	211	42	(2)	(21)	230

11 Reinsurance contracts continued**11.2 Reconciliation of the measurement components of reinsurance contract balances continued****11.2.6 Total reconciliation – Momentum Metropolitan Africa continued**

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
2024					
Opening reinsurance contract assets	124	29	2	(27)	128
Opening reinsurance contract liabilities	9	6	-	(41)	(26)
Net opening balance	133	35	2	(68)	102
Cash flows					
Reinsurance premiums paid	152	-	-	-	152
Reinsurance recoveries received	(104)	-	-	-	(104)
Net cash flows	48	-	-	-	48
Changes in the income statement					
Changes that relate to current service	(58)	(4)	(1)	12	(51)
CSM recognised in profit or loss for the services received	-	-	(1)	12	11
Change in risk adjustment for non-financial risk for risk expired	-	(4)	-	-	(4)
Experience adjustments	(58)	-	-	-	(58)
Changes that relate to future service	11	3	-	(3)	11
Changes in estimates that adjust the CSM	4	1	-	(5)	-
Changes in estimates that do not adjust the CSM	2	-	-	-	2
Contracts initially recognised in the year	5	2	-	(7)	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	17	17
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(8)	(8)
Changes that relates to past service	(1)	-	-	-	(1)
Adjustments to the AIC	(1)	-	-	-	(1)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(48)	(1)	(1)	9	(41)
Finance income/(expenses) from reinsurance contracts held	14	5	-	(9)	10
Other changes	-	-	-	-	-
Total changes in the income statement	(34)	4	(1)	-	(31)
Other movements	(1)	-	-	-	(1)
Foreign exchange rate differences	(1)	-	-	-	(1)
Other movements	-	-	-	-	-
Net closing balance	146	39	1	(68)	118
Closing reinsurance contract assets	144	39	1	(53)	131
Closing reinsurance contract liabilities	2	-	-	(15)	(13)
Net closing balance	146	39	1	(68)	118

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.3 Impact of contracts recognised in the year for reinsurance contracts held

The components of new business for reinsurance contracts held is disclosed in the tables below. These tables only apply to contracts measured under the GMM.

	2025			2024		
	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm
11.3.1 Total reconciliation						
Estimates of the present value of future cash inflows	3 192	472	3 664	1 571	562	2 133
Estimates of the present value of future cash outflows	(4 998)	(404)	(5 402)	(2 010)	(582)	(2 592)
Risk adjustment for non-financial risk	288	20	308	128	7	135
CSM	1 518	(88)	1 430	311	13	324
Income recognised on initial recognition	-	-	-	-	-	-
11.3.2 Total reconciliation: Momentum Retail						
Estimates of the present value of future cash inflows	879	303	1 182	770	403	1 173
Estimates of the present value of future cash outflows	(870)	(279)	(1 149)	(739)	(366)	(1 105)
Risk adjustment for non-financial risk	13	3	16	10	5	15
CSM	(22)	(27)	(49)	(41)	(42)	(83)
Income recognised on initial recognition	-	-	-	-	-	-
11.3.3 Total reconciliation: Metropolitan Life						
Estimates of the present value of future cash inflows	36	-	36	37	-	37
Estimates of the present value of future cash outflows	(19)	-	(19)	(18)	-	(18)
Risk adjustment for non-financial risk	(2)	-	(2)	(3)	-	(3)
CSM	(15)	-	(15)	(16)	-	(16)
Income recognised on initial recognition	-	-	-	-	-	-
11.3.4 Total reconciliation: Guardrisk						
Estimates of the present value of future cash inflows	2 192	145	2 337	691	144	835
Estimates of the present value of future cash outflows	(4 026)	(101)	(4 127)	(1 185)	(201)	(1 386)
Risk adjustment for non-financial risk	275	17	292	119	2	121
CSM	1 559	(61)	1 498	375	55	430
Income recognised on initial recognition	-	-	-	-	-	-

11 Reinsurance contracts continued**11.3 Impact of contracts recognised in the year for reinsurance contracts held continued**

	2025			2024		
	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm
11.3.5 Total reconciliation: Momentum Metropolitan Africa						
Estimates of the present value of future cash inflows	85	24	109	73	15	88
Estimates of the present value of future cash outflows	(83)	(24)	(107)	(68)	(15)	(83)
Risk adjustment for non-financial risk	2	-	2	2	-	2
CSM	(4)	-	(4)	(7)	-	(7)
Income recognised on initial recognition	-	-	-	-	-	-

The loss-recovery component, recognised on initial recognition of a group of reinsurance contracts for onerous underlying insurance contracts, is disclosed in note 11.2.

The allocation of reinsurance contracts held between contracts originated in a net gain and contracts originated not in a net gain is determined by whether the underlying group of insurance contracts is expected to be profitable (net gain) or onerous (not in a net gain) at initial recognition of the reinsurance contracts held.

11.4 CSM recognition analysis

An analysis of the expected recognition of the CSM for reinsurance contracts held in profit or loss in the future periods is provided in the following table:

	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm
2025										
General measurement model	(225)	(191)	(147)	(129)	(112)	(342)	(182)	(88)	(85)	(1 501)
Total	(225)	(191)	(147)	(129)	(112)	(342)	(182)	(88)	(85)	(1 501)
Restated 2024¹										
General measurement model	(232)	(198)	(170)	(144)	(127)	(443)	(235)	(124)	(125)	(1 798)
Total	(232)	(198)	(170)	(144)	(127)	(443)	(235)	(124)	(125)	(1 798)

¹ Refer to note 1 for more information on the restatements. The effect of restatements on this note are considered immaterial.

The CSM carrying values at the reporting date were allocated to future reporting periods on the basis of discounted, expected coverage units to be released in the relevant period. For Guardrisk, total CSM balance at the reporting date and the allocation of the balance to future reporting periods include the CSM balances linked to insurance and reinsurance contracts that Guardrisk promoter cells are exposed to. The CSM analysis does not include Guardrisk third-party cell contracts. It is deemed appropriate to demonstrate net promoter exposure as the third-party cell business is in substance solely a fee earning business even though it is accounted for as insurance contracts with an in-substance reinsurance agreement in terms of IFRS Accounting Standards. The reinsurance on this business is agreed upon upfront before the underlying insurance contracts are entered into. This reinsurance is part and parcel of the cell arrangement and cannot be cancelled without also cancelling the underlying insurance contracts. Therefore, Momentum is only exposed to risk on the net amount as any movement on the insurance contracts would be mitigated by the reinsurance contracts held.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Investment contracts

Refer to note 45.10 for the accounting policies relating to this note.

	Notes	2025 Rm	Restated 2024 ¹ Rm
Investment contract liabilities designated at FVPL	12.1	465 710	404 857
Liabilities to first-party cell captive owners	12.2	16 055	14 224
Total		481 765	419 081
12.1 Investment contract liabilities designated at FVPL			
Balance at beginning		404 857	360 293
Contract holder movements		60 927	45 566
Deposits received		58 195	64 160
Contract benefit payments ¹		(53 649)	(51 835)
Fees on investment contracts		(4 151)	(3 586)
Fair value adjustment to policyholder liabilities under investment contracts		60 676	37 089
Other ¹		(144)	(262)
Foreign exchange rate differences		(74)	(91)
Other ²		-	(911)
Balance at end		465 710	404 857
12.2 Liabilities to first-party cell captive owners			
Balance at beginning		14 224	13 089
Contract holder movements		1 724	1 311
Deposits received		1 201	1 747
Contract benefit payments ³		(860)	(2 598)
Fees on investment contracts		(157)	(133)
Fair value adjustment to policyholder liabilities under investment contracts		1 238	797
Cell captive income		(565)	(243)
Changes in share capital, dividends ⁴		(93)	(273)
Other items relating to cell captives ⁵		960	2 014
Foreign exchange rate differences		107	(176)
Balance at end		16 055	14 224
Current		473 503	410 525
Non-current		8 262	8 556
Total		481 765	419 081

¹ Refer to note 1 for more information on the restatements.

² Derecognition of investment contracts due to amended features on existing contracts. Refer to note 10.2.

³ Contract benefit payments were high in the prior year due to increased claims, which included performance bonuses.

⁴ Includes net proceeds in share issues of R80 million (2024: R43 million) and dividend distributions of R173 million (2024: R316 million).

⁵ The year-on-year movement in other items refer to the movement in amounts due to/from cell owners, reinsurers and net assets. In some instances, the risks in first-party cell captive arrangements are reinsured. Since a first-party cell captive arrangement is accounted for as a financial instrument at fair value through profit or loss, the economic impact of the reinsurance is included in the measurement of the financial instrument and the fair value movement in the financial instrument.

The instruments in note 12 would have been classified as Financial liabilities at amortised cost under IFRS 9 had they not been designated at FVPL.

For the IFRS 7 – Financial Instruments: Disclosures relating to investment contracts, refer to note 14.4.

Refer to note 13 for the assumptions and estimates used.

13 Contract holder liabilities – judgements, assumptions and estimates

To measure a group of insurance contracts issued or reinsurance contracts held, the Group applies judgement and makes use of assumptions and estimates. Fulfilment cash flows consist of the present value of future cash flows the Group expects, as a result of fulfilling obligations under insurance contracts and receiving insurance coverage under reinsurance contracts and a risk adjustment for non-financial risk.

The present value of future cash flows represents the Group's best estimate of future, net cash flows from insurance and reinsurance contracts. The present value of future cash flows is a function of policy data and financial and non-financial assumptions.

Policy data is obtained from policyholder administration and finance systems. Non-financial assumptions reflect the Group's best estimate of the likelihood of insured events and related cash flows taking place. Non-financial assumptions are determined with reference to extensive and credible past experience and future expected experience. Where necessary, historical data is adjusted to reflect current conditions or supplemented with data from other sources.

Uncertainties in the present value of future cash flows linked to non-financial risks are allowed for (to some extent) in the measurement of the risk adjustment. Financial assumptions are market consistent, as these are sourced from reliable, market observable data and prices. Expense assumptions are based on budget information and inflation assumptions and are allocated to insurance contracts as appropriate.

Where appropriate there is consistency between the nature of assumptions and the assumption setting process for insurance contracts issued and reinsurance contracts held.

In addition to the estimates and assumptions, the Group makes judgements in the application of IFRS 17. Judgements and assumptions made, and the processes to derive the assumptions in the estimation of fulfilment cash flows are described below.

Key assumptions:

Mortality, morbidity and persistency assumptions

Mortality, morbidity and persistency assumptions are primarily based on internal investigations into past experience. Where internal data is not sufficiently credible, external sources are used, such as industry, national or reinsurer data. Experience variances are monitored on an ongoing basis and are the primary indicator of the need for an experience investigation. Experience investigations are carried out at most, annually or less frequently where experience is in line with the current basis, or variances are not material. The periods of investigation typically range from two to five years and are set according to the nature of the assumption being measured (e.g. short term or long term) and the need for credible analysis. Appropriate allowance is made for the impact of Acquired immunodeficiency syndrome (AIDS) on mortality and morbidity rates and in the case of annuity business, explicit allowance is made for mortality improvements. For further information on the quantitative impact of assumptions, refer to sensitivity disclosures regarding insurance risks in note 38.5 of the financial statements.

Attributable expenses

Estimated future cash flows include an estimate of future expenses that are directly attributable to a portfolio of contracts. Identification of attributable expenses is an area of management judgement that considers the nature and function of expenses. The significant majority of future expenses of the insurance business is considered to be attributable to the fulfilment of insurance contracts.

Expenses are allocated into three major categories, namely insurance acquisition, administration and maintenance, and development and project expenses, and furthermore split by segment, product and type, using a variety of methods. These methods include direct allocations according to function and/or operational structure, functional cost analyses as well as predefined cost allocation models.

Estimates of future administration and maintenance expenses (including overheads) start at a level consistent with the forecast expenses for the current financial year, adjusted for any known changes. Allowance is made for escalation at the assumed expense inflation rates over the term of the projection. Assumptions regarding expected inflation rates are discussed under investment return and inflation rate assumptions.

Asset management expenses are expressed as an annual percentage of assets under management.

Investment return and inflation rate assumptions

Yields of appropriate duration from appropriate market-related yield curves as at the valuation date, are used to calculate the present value of fulfilment cash flows. The yield curves used are based on fixed or CPI-linked risk-free securities. The risk-free yield curve is based on traded government bonds depending on availability of reliable market information. The Group makes use of market implied inflation rates when determining fulfilment cash flows. In estimating fulfilment cash flows the Group differentiates between consumer price index (CPI) inflation, salary inflation and medical cost inflation rates.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 Contract holder liabilities – judgements, assumptions and estimates continued

Investment return and inflation rate assumptions continued

The tables below sets out the yield curves used by the Group.

Risk-free spot rates – nominal:

%		1 year	5 year	10 year	20 year
South Africa	2025/06/30	7.2	9.0	10.9	13.0
	2024/06/30	8.3	10.2	12.3	13.7
Namibia	2025/06/30	7.4	9.6	11.9	12.9
	2024/06/30	8.5	10.5	11.5	14.5
Botswana	2025/06/30	4.6	8.8	9.2	12.8
	2024/06/30	4.2	6.7	7.8	8.8
Lesotho	2025/06/30	7.2	9.0	10.9	13.0
	2024/06/30	8.3	10.2	12.3	13.7
Ghana	2025/06/30	28.0	28.0	28.0	28.0
	2024/06/30	29.0	29.0	29.0	29.0

Risk-free spot rates – real:

%		1 year	5 year	10 year	20 year
South Africa	2025/06/30	3.6	4.7	5.0	5.4
	2024/06/30	3.8	4.6	5.1	5.5
Namibia	2025/06/30	3.5	3.5	3.5	3.5
	2024/06/30	3.5	3.5	3.5	3.5
Botswana	2025/06/30	2.5	2.5	2.5	2.5
	2024/06/30	2.0	2.0	2.0	2.0
Lesotho	2025/06/30	3.6	4.7	5.0	5.4
	2024/06/30	3.8	4.6	5.1	5.5
Ghana	2025/06/30	3.2	3.2	3.2	3.2
	2024/06/30	3.2	3.2	3.2	3.2

The Group uses judgement in determining the CPI inflation rate assumptions used to project future renewal expenses over the planning horizon (three years). The assumptions are based on management's assessment of likely inflationary pressures given current business planning activities. As at 30 June 2025, the assumed CPI inflation rate over the three-year planning horizon was 5.0% pa (2024: 5.5%).

For durations greater than three years the Group makes use of reliable market data to derive CPI inflation rate assumptions. The CPI inflation rates are derived from market inputs as the difference between nominal and real yields across the term structure of these curves. When reliable market data is not available, the Group makes use of internal and external data to estimate CPI inflation rates. Additions to the assumed CPI inflation rates are allowed for some products to reflect the impact of closed books that are in run-off. Additions to assumed CPI inflation rates, in order to derive assumed salary and medical cost inflation rates, are derived from internal and external data.

The Group applies judgement in assessing whether estimated inflation rates expose the Group to financial risks, non-financial risks or both. Changes in CPI inflation rate estimates are considered to be financial risks and the impacts are accounted for in insurance finance income or expenses (general measurement model) and the CSM (variable fee approach). Changes in the gaps between estimated salary or medical cost inflation and the derived CPI inflation rates are considered to be non-financial risks and the impacts are accounted for in the contractual service margin. Inflation assumptions that are non-financial in nature are taken into account when measuring the risk adjustment for non-financial risks.

13 Contract holder liabilities – judgements, assumptions and estimates continued

Illiquidity premium

In some instances, the Group adds an illiquidity premium to the risk-free rate, to reflect differences in the liquidity of the risk-free interest rate and the group of insurance contracts. Management applies judgement in identifying portfolios of insurance contracts where the insurance contracts are considered to be illiquid. In making this judgement management considers the nature of the insurance product, the settlement terms and conditions, the expected variability in fulfilment cash flows over the coverage period and the potential costs to transfer or settle the insurance contracts.

Management considers an insurance contract to be liquid, if the Group can transfer or settle the obligations under the insurance contract at little or no cost or if the fulfilment cash flows can vary significantly in amount or timing. Insurance contracts are considered to be illiquid if the Group is bound to the contract until the insurance event takes place or the policy matures. Insurance contracts are also considered to be illiquid if the amount and timing of fulfilment cash flows can be estimated reliably and are subject to insignificant change or the potential costs to transfer or settle the insurance contracts are prohibitive.

Management applies judgement in determining the illiquidity premiums to be included in the discount rate for illiquid contracts. Management estimates the liquidity spread, net of corresponding costs, that the Group is likely to earn on investments (in appropriate matching portfolios) backing the illiquid contracts. The liquidity spread is added to the discount rate as an illiquidity premium.

For the Momentum Metropolitan Africa segment, management concluded that the debt markets in the jurisdictions are not active enough to provide reliable observable information regarding liquidity spreads that the Group can expect to earn on the investments backing the insurance contracts. As such the liquidity premiums for illiquid groups of insurance contracts issued in the jurisdictions have been set as nil.

The Group has identified non-profit annuity contracts (including CPI-linked annuity products) as illiquid contracts, where an illiquidity premium should be included in the discount rate. No allowance has been made for illiquidity premium assumptions in countries without a sufficiently deep and liquid capital market, or on annuity policies issued by Guardrisk.

Illiquidity premium	2025	2024
Non-profit annuity business – retail	0.35%	0.35%
Non-profit annuity business – corporate	0.50%	0.50%

Future bonuses

Discretionary Participation contract holders' reasonable expectations are allowed for by incorporating assumed bonus rates into fulfilment cash flows that are supported by the market value of the underlying assets and assumed future investment returns and are in accordance with product design, bonus philosophy and contract holders' reasonable expectations.

Extrapolation of yield curve

The Group constructs its own government bond yield curve for pricing, risk management and financial reporting purposes. The Group's long-term insurance liabilities extend beyond the longest observable bond. For valuing these liabilities, a yield curve extrapolation methodology is required. The Group follows an Ultimate Spot Rate extrapolation methodology that is based on the Group's view on the long-term expected real yields, inflation rates and bond term premia. The ultimate spot rate is 10.0% (2024: 10.0%).

Investment guarantees

Fulfilment cash flows arising from investment guarantees are calculated using market-consistent stochastic models that are calibrated using market data as at the reporting date. Expected investment guarantee benefits are calculated per discretionary fund and allocated to underlying groups of insurance contracts. Disclosures regarding the market-consistent stochastic models that were used to calculate the liabilities are set out below.

The following table discloses specific points on the zero coupon yield curve used in the projection of the assets as at 30 June:

Year	1	2	3	4	5	10	15	20	25	30	35	40
2025	7.7	8.0	8.3	8.6	8.9	10.8	12.3	13.0	13.1	12.8	12.3	11.7
2024	8.1	8.6	9.2	9.7	10.2	12.2	13.4	13.8	13.8	13.6	13.2	12.7

The nominal yields shown in the table above are derived from the Moody's Economic Scenario Generator, which differ slightly from the nominal risk-free yield curve derived internally by the Group for liability valuations.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 Contract holder liabilities – judgements, assumptions and estimates continued

Investment guarantees continued

The following instruments have been valued by the model:

Instrument	2025		2024	
	Price (% of nominal)	Volatility	Price (% of nominal)	Volatility
A 1-year put on the FTSE/JSE Top 40 index, with a strike price equal to a 0.8 (2024: 0.8) of spot	0.8%	21.0%	0.9%	21.7%
A 1-year at-the-money (spot) put on the Financial Times Stock Exchange (FTSE)/JSE Top 40 index	4.8%	18.0%	4.9%	18.3%
A 1-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 1.0480 (2024: 1.0477)	6.8%	17.5%	6.8%	17.6%
A 5-year at-the-money (spot) put on the FTSE/JSE Top 40 index	4.0%	18.2%	3.4%	19.0%
A 5-year put on the FTSE/JSE Top 40 index, with a strike price equal to $(1.04)^5$ (2024: $(1.04)^5$) of spot	8.5%	17.0%	7.4%	18.3%
A 5-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 1.3624 (2024: 1.4412)	13.0%	16.5%	13.9%	17.7%
A 20-year at-the-money (spot) put on the FTSE/JSE Top 40 index	0.2%	22.7%	0.2%	23.8%
A 20-year put on the FTSE/JSE Top 40 index, with a strike price equal to $(1.04)^{20}$ (2024: $(1.04)^{20}$) of spot	1.9%	22.6%	1.5%	23.8%
A 20-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 7.0631 (2024: 8.4612)	24.2%	22.9%	26.1%	24.1%
A 5-year put, with a strike price equal to $(1.04)^5$ (2024: $(1.04)^5$) of spot, on an underlying index constructed as 60% FTSE/JSE Top 40 and 40% ALBI, with rebalancing of the underlying index back to these weights taking place annually	3.2%	10.8%	2.4%	11.6%
A 20-year put on an interest rate with a strike price equal to the present 5-year forward rate at maturity of the put, which pays out if the 5-year interest rate at the time of maturity (in 20 years) is lower than this strike price	0.2%	n/a	0.2%	n/a

Tax

The Group recovers some tax expenses, from policyholders through a policyholder tax charge. Initially, the relevant tax outflows and policyholder tax charges are included in fulfilment cash flows on an expected cash flow basis. Recognition of investment returns results in tax obligations for the Group. Per IFRS Accounting Standards, the Group presents the relevant tax expense in income tax expenses and the liability for incurred claims when investment returns are recognised. At the same point in time, the Group recognises the policyholder tax charge (equal to the income tax expense) as insurance revenue through a reduction in the liability for remaining coverage. Insurance service results include the income tax expenses recovered from the policyholder, but not the income tax expense incurred. In the Group's segmental disclosure, the income tax incurred is presented in insurance service expenses and not in income tax expense. Consequently the insurance service result in the segmental disclosure reflect the economic impact of incurring an income tax expense and recovering the income tax expense from policyholders.

Risk adjustment

The Group includes a risk adjustment for non-financial risk in the measurement of liabilities for remaining coverage and liabilities for incurred claims. The risk adjustment represents the compensation that the Group expects to receive to neutralise the economic effect of non-financial risk accepted.

The Group makes use of the value-at-risk (VAR) approach to calculate the risk adjustment for both the liability for remaining coverage and the liability for incurred claims, calibrated over a one-year time horizon. The Group targets a risk adjustment confidence level of 85% for life insurance entities and of 75% for non-life insurance entities. The Group reassesses targets when risk adjustments breach upper or lower thresholds of 5% around the abovementioned targets.

The stresses used to determine the risk adjustment are derived from the stresses underlying the regulatory solvency capital requirement (SCR) (based on a 1-in-200-year loss event i.e. at a 99.5% confidence level over a one-year period), adjusted to target a confidence level of 85% for life insurance entities and 75% for non-life insurance entities.

The calibrated non-financial risk margins are applied to expected future cash flows to calculate the risk adjustment. The inclusion of the non-financial risk margins in the expected future cash flows results in a total risk adjustment that is equal to the target VAR amount of the Group.

For insurance contracts with coverage periods of 12 months or less, the risk adjustment will be calculated with the bootstrapping method or an approach that will yield a reasonably appropriate result. The bootstrapping method generates a distribution of potential claim liabilities. Bootstrapping is a statistical procedure that reuses a single dataset to create many simulated samples. The application of the bootstrapping method will consider the confidence level set for the Group and a Log Normal distribution. Only non-financial risks are included in the risk adjustment. Risk types included in the risk adjustment are lapse risk, mortality risk, morbidity risk, longevity risk, termination risk, alteration risk and expense risk.

13 Contract holder liabilities – judgements, assumptions and estimates continued

Risk adjustment continued

The risk adjustment for reinsurance contracts held is based on the non-financial risk transferred to the reinsurer. This amount is calculated as the difference between the risk adjustment on gross estimated claims cash flows (before expected reinsurance recoveries) and the risk adjustment on net estimated claims cash flows (after expected reinsurance recoveries).

Changes in the risk adjustment caused by changes in estimates regarding future services are accounted for in the CSM or the loss component. Changes in the risk adjustment caused by changes in estimates regarding past or current services are allocated between insurance/reinsurance finance income and expenses and insurance service expenses/allocation of reinsurance premiums.

Cash-back benefit

The cash-back benefit feature is an optional benefit that can be selected by the policyholder at an additional premium. The payment of the cash-back benefit is partially dependent on whether the policyholder submitted a claim for an insured event or whether the policy lapsed. The Group applied judgement in concluding that the cash-back benefit is a policyholder benefit and not a return of premiums.

Premium variances

Allocating premium variances between future, current or past insurance contract services is a matter of management judgement. The Group performed this assessment per portfolio of insurance contracts issued. In making this judgement, management considered the measurement model, coverage period, reasons for the premium variances, timing of premium variances relative to the coverage period, maturity of the insurance contracts and the pricing of insurance contracts. In general, premium variances on insurance contracts with long coverage periods relate to future insurance contract services, while premium variances on insurance contracts with a coverage period of 12 months or less relate to current or past insurance contract services.

Premium variances that relate to underwriting experience, for example, adjustments to level of insurance coverage, lapses or claims are viewed to relate to future services. Recognising premium variances in insurance contract revenue as services are rendered is analogous to the recognition of insurance revenue as insurance contract services are rendered. Specifically, to insurance contracts measured under the variable fee approach, premium variances on premiums that are invested in underlying items relate to past or current services, while premium variances on premiums that collect fees and charges on insurance contracts with long coverage periods relate primarily to future insurance contract services.

The Group performs an assessment of whether pre-funding of insurance obligations exist for specific portfolios of insurance contracts to assist in determining whether premium variances are applicable to current service or future service. This assessment is performed on an annual basis.

For some third-party cell captive arrangements, cash flows relating to premiums, claims and expenses are received or paid on an aggregated basis (a bordereaux-basis). In such instances, premium variances cannot be identified separately from cash flows received or paid and are treated as current or past insurance contract services.

Intercompany fees

Various entities within the Group assist in the fulfilling of the insurance contracts or investment contracts with discretionary participation features. These companies provide a range of services including investment management services, administration services, collection services, rental or information technology support. The costs underlying these services are charged to the issuer of the abovementioned contracts through an intercompany fee.

The measurement of the fulfilment cash flows in the consolidated financial statements of the Group includes the intercompany fees charged by the service provider as a proxy for the underlying fulfilment cash flows linked to the rendering of the service. The Group applied judgement in concluding that the intercompany fees materially approximate the fulfilment cash flows from the perspective of the service provider. Management has put in place measures to ensure that the judgement remains appropriate, and management reviews the judgement on a regular basis.

Investment contracts with discretionary participation features

The terms and conditions of investment contracts or investment fund rules are assessed in determining if discretionary participation features are present.

Investors earn investment returns on contributions made. If the timing or amount of investment returns payable to investors, is at the discretion of the Group, the investment contracts or investment fund rules contain discretionary participation features. The Group applies judgement in assessing whether discretionary participation features have a significant impact on timing and amount of investment returns payable to investors, in which case the contracts are accounted for under IFRS17.

The bonus formulae may limit the practical ability of the Group to apply discretion over the timing and amount of investment returns payable to investors. Similarly, the underlying asset mandate might limit the volatility of returns observed and therefore also limit the extent of discretion applied over the timing and amount of investment returns payable. In these cases the discretionary participation feature would be assessed as not being significant and these contracts would be accounted for under IFRS9.

Insurance contracts with direct participation features

The Group applies judgement to determine whether the entity expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying items and whether the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items. The Group applies a 0% and a 20% investment return scenario to the underlying items and observes whether the amount of policy benefits change significantly between the scenarios. An increase of at least 50% in the amount of policy benefits indicates that direct participation features are present in the insurance contract. Such insurance contracts are accounted for in terms of the variable fee approach.

Third-party cell captive arrangements

The Group applied judgement to conclude that the economic substance of the insurance policies issued and the shareholders agreement between the cell owner and cell insurer is the transfer of significant insurance risk from the policyholder to the cell insurer and from the cell insurer to the third-party cell owner. The Group accounts for insurance policies issued as insurance contracts issued and the third-party cell shareholder agreements, as an in-substance reinsurance agreement held by the Group as policyholder.

Non-distinct investment components

The nature of the transaction that results in the payment of a non-distinct investment component to a policyholder can impact the amount of the benefit payable to the policyholder. As a result, the non-distinct investment components are measured at the value of the underlying item less any surrender penalties (if applicable).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 Contract holder liabilities – judgements, assumptions and estimates continued

Coverage units

The Group makes use of various coverage units in accounting for insurance contracts and reinsurance contracts. The following table includes examples of the nature of some of the coverage units applied by the Group.

Insurance contracts		Reinsurance contracts
Type of insurance contract	Type of coverage unit	
Annuities	Annuity payments	Annuity payments, sum at risk
Long-term savings products	Fund value, sum assured	Sum assured
Protection products	Fund value, sum assured	Sum assured
Traditional products	Fund value, sum assured	Sum assured, sum at risk

Basis and other changes

Assumptions and methodologies used in the estimation of fulfilment cash flows are reviewed at the reporting date and the impacts of any resulting changes on the estimates of future cash flows and the risk adjustment are reflected in profit or loss or included in the CSM according to the nature of the underlying contracts and the change made.

14 Financial liabilities

Refer to note 45.11 and 45.21 for the accounting policies relating to this note.

The Group classifies its financial liabilities into the following categories:

- Financial liabilities at FVPL
- Financial liabilities at amortised cost

The classification depends on the purpose for which the financial liabilities were acquired. Management determines the classification of its financial liabilities at initial recognition.

The Group's financial liabilities are summarised below:

	Notes	2025 Rm	Restated 2024 Rm
Financial liabilities at FVPL	14.1	60 360	53 546
Financial liabilities at amortised cost	14.2	3 521	3 678
Other payables (excluding deferred revenue liability (DRL)) ¹	14.3	12 610	12 067
Total		76 491	69 291
14.1 Financial liabilities at FVPL			
CIS liabilities ²		34 507	30 122
Subordinated call notes ³		4 382	4 324
Carry positions ²		18 954	15 714
Derivative financial liabilities ^{2,3}	8.1	1 534	2 752
Preference shares issued by subsidiaries ³		426	377
Other borrowings		557	257
Total		60 360	53 546
Current		52 102	45 070
Non-current		8 258	8 476
Total		60 360	53 546

¹ Refer to note 1 for more information on the restatement.

² The contractual amount required to be paid on maturity or redemption equates to the fair value of the instrument.

³ Refer to note 38.2 for more information on the global transition to alternative benchmark rates.

- The change in the fair value of financial liabilities designated at fair value through profit and loss due to own credit risk amounted to a gain of R18 million (2024: a loss of R29 million); cumulatively the movement in fair value amounts to R65 million (2024: R83 million). This was calculated by measuring the daily changes in the instrument's credit spreads against the equivalent risk-free assets and then accumulating the impact of the changes in the market value for the period. The contractual amount to pay at maturity on the subordinated call notes is R4 270 million for both current and prior year.
- CIS liabilities – certain CISs have been classified as investments in subsidiaries; refer to note 41. Consequently, scheme interests not held by the Group are classified as third-party liabilities as they represent demand deposit liabilities measured at fair value. (*fair value interest rate risk and cash flow interest rate risk*)
- Subordinated call notes (unsecured) – A fair value loss of R70 million (2024: R19 million fair value loss) was recognised in profit or loss. During the current year, R18 million fair value gain (2024: R29 million fair value loss) was recognised on the subordinated call notes which has been accounted for in other comprehensive income. The fair value loss was offset by other market factors. Refer to note 35 for more detail. (*fair value interest rate risk*)

14 Financial liabilities continued

14.1 Financial liabilities at FVPL continued

- Carry positions (secured) – this relates to a carry position reported by the Group that represents a sale and repurchase of assets in specific group annuity portfolios. These carry positions are secured by government stock with a value of R23 690 million (2024: R15 915 million). Offsetting has not been applied. *(fair value interest rate risk)*
The legal ownership of the securities in respect of the above transactions is transferred to the counterparty. However, the Group retains a contractual obligation to repurchase the securities at a future date. These transactions are subject to margin requirements, which are governed by the Global Master Repurchase Agreement (GMRA). Margining is triggered when the exposure exceeds a predefined threshold.
- The preference shares issued by subsidiaries primarily relate to senior variable rate cumulative redeemable preference shares (“senior preference shares”) issued to external parties by Amandla Ilanga which is a subsidiary of Amandla Renewable Energy Fund (Pty) Ltd, an asset holding entity. These preference shares are measured at fair value in order to eliminate an accounting mismatch. The contractual capital amount required to be paid as at 30 June 2025 amounts to R302 million (2024: R302 million). There is no recourse to the Group in case of default on these preference shares. *(cash flow interest rate risk)* The senior preference shares were used by Amandla Ilanga to fund an investment in a project company. The company that was funded breached its financial covenants during the current and prior year, which have not yet been remedied. As a consequence, Amandla Ilanga breached its financial covenants in respect of the senior preference shares, which have not yet been remedied. The preference shares have a carrying value of R406 million (2024: R358 million). The holder of the senior preference shares has the ability to agree a timeframe with Amandla Ilanga within which Amandla Ilanga is required to remedy the breaches. Additional rights for the holder may then arise should Amandla Ilanga not remedy the breaches within the agreed timeframe. The holder has not taken any formal action with respect to the breaches.
- Amandla Renewable Energy Fund (Pty) Ltd holds collateral in respect of preference shares held by the associated special purpose vehicle, Amandla Ilanga (RF) (Pty) Ltd. The security has subsequently been ceded to the holder of the senior preference shares issued by the special purpose vehicle as part of initially securing the senior funding. The material terms of the security cession include that the bare dominium in respect of the asset remains with the cedent and the cessionary only receives the right to sell the security upon default as well as only to the extent that value is owed by the cedent in terms of the cession agreement. The fair value of the security ceded is R704 million (2024: R662 million).
- Other borrowings also include outstanding contingent consideration of R242 million (2024: R240 million) of which R225 million relates to the acquisition of subsidiaries and R17 million relates to the acquisition of a joint venture (no interest rate risk). In addition, R272 million of other borrowings relates to bonds. *(fair value interest rate risk)*
- In the current and prior year, these instruments, excluding “Other borrowings” and “Derivative financial liabilities”, would have been disclosed as at amortised cost under IFRS 9 had they not been designated at FVPL.

	2025 Rm	Restated 2024 Rm
14.2 Financial liabilities at amortised cost		
Term loans ¹	1 586	1 645
Cumulative redeemable preference shares ^{1,2}	1 630	1 636
Lease liabilities	158	204
Other ³	147	193
Total	3 521	3 678
Current ⁴	1 319	1 822
Non-current	2 202	1 856
Total	3 521	3 678

¹ Refer to note 38.2 for more information on the global transition to alternative benchmark rates.

² Cumulative redeemable preference shares are those issued by a subsidiary in the Group, MSI. More detail is disclosed in note 14.2.2.

³ Includes R145 million (2024: R190 million) related to the class A preference shares issued by Momentum iSabelo (RF) (Pty) Ltd that funded the purchase of Momentum Group Ltd shares for the Employee Share Ownership Plan.

⁴ During the prior year, current and non-current financial liabilities at amortised cost of R761 million were incorrectly split. June 2024 has been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 Financial liabilities continued

14.2 Financial liabilities at amortised cost continued

14.2.1 Term loans

Term loans include property development loans that were subsequently converted to term loans. Details of which are as follows:

- A R368 million (2024: R414 million) loan from Standard Bank Ltd relates to developed property held by a subsidiary, 129 Rivonia Road (Pty) Ltd. Interest on the loan is levied at three-month Johannesburg Interbank Average Rate (JIBAR) plus 1.85%. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(cash flow interest rate risk)*
- A R223 million (2024: R199 million) loan from FirstRand Bank Ltd in order to develop property held by a subsidiary, 102 Rivonia Road (Pty) Ltd. Interest on the loan is levied at 11.17%. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(no interest rate risk)*
- A R126 million (2024: R137 million) loan from Standard Bank Ltd relates to developed property held by a subsidiary, Momentum Umhlanga (Pty) Ltd. Interest on the loan is levied at three-month JIBAR plus 1.75%. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(cash flow interest rate risk)*
- A R192 million (2024: R195 million) loan from ABSA Bank Ltd in order to develop property held by a subsidiary, Chuma Mall (Pty) Ltd. Interest on the loan is levied at three-month JIBAR plus 3%. The loan is secured by the underlying property and there is no recourse to the Company in case of default. *(cash flow interest rate risk)*
- A R119 million (2024: R130 million) loan from Rand Merchant Bank to fund the acquisition of Seneca Investment Managers Ltd by MGIM (100% held subsidiary of MGL). Interest on the loan is levied at a fixed rate 6.31%. The loan is secured by MGIM and there is no recourse to the Group in case of default. *(no interest rate risk)*
- A R62 million (2024: R71 million) loan from Nedbank Ltd relates to a developed property held by a subsidiary, Taung Mall (Pty) Ltd. Interest on the loan is levied at a variable rate equal to 0.75% below prime rate. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(cash flow interest rate risk)*
- A R149 million (2024: R152 million) loan from Absa Bank in order to develop property held by a subsidiary, Momentum Rosslyn (Pty) Ltd. Interest on the loan is levied at the prime rate minus a margin of 1.10% per annum. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(cash flow interest rate risk)*
- The remaining term loans of R347 million (2024: R436 million) relate to property entities within the Group and bear interest at fixed rates. There is no recourse to the Group in the event of default for these loans. *(no interest rate risk)*

14.2.2 Cumulative redeemable preference shares

Momentum Strategic Investments (Pty) Ltd had the following cumulative redeemable preference shares issued at R1 million per share.

	2025	2024
Rand Merchant Bank (Class A)	300	300
Rand Merchant Bank (Class B)	-	1 000
Sanlam Alternative Investments Fund (Class C)	300	300
Investec Bank Limited (Class E)	1 000	-
Total	1 600	1 600

Details regarding the preference shares are as follows:

- 300 Class A cumulative redeemable preference shares held by Rand Merchant Bank. The Class A cumulative redeemable preference shares have a scheduled redemption date of 28 June 2026. The declaration of preference dividends is calculated at 73% of JIBAR plus 168 basis points.
- 1 000 Class B cumulative redeemable preference shares held by Rand Merchant Bank. The Class B cumulative redeemable preference shares were redeemed on 29 January 2025. The declaration of preference dividends is calculated at 72% of three-month JIBAR plus 200 basis points.
- 300 Class C cumulative redeemable preference shares at R1 million per share held by Sanlam Alternative Investments Fund. The Class C cumulative redeemable preference shares have a scheduled redemption date of 29 April 2026. The declaration of preference dividends is calculated at 73% of three-month JIBAR plus 165 basis points.
- On 29 January 2025 MSI issued a 1 000 Class E cumulative redeemable preference shares to Investec Bank Limited. The Class E cumulative redeemable preference shares have a scheduled redemption date of 28 January 2030. The declaration of preference dividends is calculated at 73% of three-month JIBAR plus 165 basis points.

Dividends on all the cumulative redeemable preference shares in issue are payable on 31 March and 30 September of each year. The issuers have an option to voluntarily redeem the preference shares. All cumulative redeemable preferences shares in issue are exposed to cash flow interest rate risk.

14 Financial liabilities continued

	2025 Rm	Restated 2024 Rm
14.3 Other payables		
Payables arising from investment contracts ²	4 042	3 514
Financial instruments	8 568	8 553
Unsettled trades	1 954	1 063
Commission creditors	844	862
Health saver liability	303	313
Collateral	554	1 175
Other payables ^{1,2,3}	4 913	5 140
Total included in financial liabilities	12 610	12 067
Deferred revenue liability	362	318
Total other payables	12 972	12 385
Current	12 460	11 829
Non-current	512	556
Total other payables	12 972	12 385

¹ Refer to note 1 for more information on the restatements apart from the restatement disclosed in footnote 2.

² Payables arising from investment contracts of R846 million were incorrectly classified as Other payables in the prior year. The prior year has been restated accordingly.

³ Other payables include accruals, sundry liabilities and creditors, unallocated deposits and VAT payables.

	2025 Rm	2024 Rm
Reconciliation of deferred revenue liability		
Balance at beginning	318	396
Deferred income relating to new business	129	137
Amount recognised in income statement	(85)	(109)
Derecognition of investment contracts ¹	-	(106)
Balance at end	362	318
Current	141	123
Non-current	221	195
1 to 5 years	163	144
5 to 10 years	53	47
> 10 years	5	4
Balance at end	362	318

¹ Derecognition of investment contracts due to amended features on existing contracts that resulted in the recognition of insurance contracts.

Refer to note 45.10 for the accounting policies relating to deferred revenue liability.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 Financial liabilities continued

Financial liabilities summarised by measurement category in terms of IFRS 9	FVPL					Total Rm
	Mandatorily Rm	Designated Rm	Total fair value Rm	Amortised cost Rm	Not in scope of IFRS 9 Rm	
14.4 Financial liabilities measurement 2025						
Investment contracts designated at FVPL	-	481 765	481 765	-	-	481 765
CIS liabilities	-	34 507	34 507	-	-	34 507
Subordinated call notes	-	4 382	4 382	-	-	4 382
Carry positions	-	18 954	18 954	-	-	18 954
Preference shares	-	426	426	-	-	426
Derivative financial liabilities	1 534	-	1 534	-	-	1 534
Other borrowings	557	-	557	-	-	557
Financial liabilities at amortised cost	-	-	-	3 361	160	3 521
Other payables (excluding deferred revenue liability)	-	4 042	4 042	8 568	-	12 610
Total financial liabilities	2 091	544 076	546 167	11 929	160	558 256
Restated 2024						
Investment contracts designated at FVPL ¹	-	419 081	419 081	-	-	419 081
CIS liabilities	-	30 122	30 122	-	-	30 122
Subordinated call notes	-	4 324	4 324	-	-	4 324
Carry positions	-	15 714	15 714	-	-	15 714
Preference shares	-	377	377	-	-	377
Derivative financial liabilities	2 752	-	2 752	-	-	2 752
Other borrowings	257	-	257	-	-	257
Financial liabilities at amortised cost	-	-	-	3 474	204	3 678
Other payables (excluding deferred revenue liability) ^{2,3}	-	3 514	3 514	8 553	-	12 067
Total financial liabilities	3 009	473 132	476 141	12 027	204	488 372

¹ Refer to note 1 for more information on the restatements apart from the restatements disclosed in footnotes 2 and 3.

² It was determined that Payables arising from investment contracts should be disclosed as designated at fair value through profit and loss and not at amortised cost. The prior year has been restated accordingly. The values remain unchanged and have not been restated.

³ Payables arising from investment contracts of R846 million were incorrectly classified as Other payables. The prior year has been restated accordingly.

14 Financial liabilities continued

14.5 Financial liabilities hierarchy

Refer to note 43 for the valuation techniques relating to this note.

The following liabilities are carried at fair value and have been split into a fair value hierarchy:

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2025				
Investment contracts designated at FVPL	-	481 761	4	481 765
Financial liabilities at FVPL	34 832	24 836	692	60 360
CIS liabilities	34 493	-	14	34 507
Subordinated call notes	-	4 382	-	4 382
Carry positions	-	18 953	-	18 953
Preference shares	-	-	426	426
Derivative financial liabilities – held for trading	27	1 501	6	1 534
Other borrowings	312	-	246	558
Payables arising from investment contracts	-	4 042	-	4 042
Total	34 832	510 639	696	546 167
Restated 2024				
Investment contracts designated at FVPL ¹	-	419 070	11	419 081
Financial liabilities at FVPL	30 138	22 766	642	53 546
CIS liabilities	30 106	-	15	30 121
Subordinated call notes	-	4 325	-	4 325
Carry positions	-	15 715	-	15 715
Preference shares	-	-	377	377
Derivative financial liabilities – held for trading	24	2 726	-	2 750
Other borrowings	8	-	250	258
Payables arising from investment contracts ^{2,3}	-	3 514	-	3 514
Total	30 138	445 350	653	476 141

¹ Refer to note 1 for more information on the restatements apart from the restatements disclosed in footnotes 2 and 3.

² It was determined that Payables arising from investment contracts should be disclosed as designated at fair value through profit and loss and not at amortised cost. The prior year has been restated accordingly. The values remain unchanged and have not been restated.

³ Payables arising from investment contracts of R846 million were incorrectly classified as Other payables in the prior year. The prior year has been restated accordingly.

There were no significant transfers between level 1 and level 2 liabilities for both the current and prior year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 Financial liabilities continued

14.5 Financial liabilities hierarchy continued

A reconciliation of the level 3 liabilities has been provided below:

Notes	At FVPL					Total Rm
	Investment contracts designated at FVPL Rm	CIS liabilities Rm	Preference shares Rm	Other borrowings Rm	Derivative financial liabilities – held for trading Rm	
2025						
Opening balance	11	15	377	250	-	653
Realised losses	1	-	-	-	-	1
Unrealised (gains)/losses	(2)	(1)	49	63	-	109
Settlements	-	-	-	(67)	-	(67)
Contract holder movements						
Benefits paid	(6)	-	-	-	-	(6)
Transfers into level 3 ¹	-	-	-	-	6	6
Closing balance	4	14	426	246	6	696
2024						
Opening balance	11	12	310	18	-	351
Business combinations	-	-	-	223	-	223
Unrealised losses	-	3	67	7	-	77
Issues	-	-	-	3	-	3
Acquisition of joint venture	-	-	-	17	-	17
Settlements	-	-	-	(18)	-	(18)
Closing balance	11	15	377	250	-	653

¹ Transfer into level 3 in the current year relates to share options.

Transfers in and out of level 3 are deemed to have occurred at inception of the reporting period at fair value.

Sensitivities

Preference shares

A 1% increase/decrease in the interest rate of the level 3 preference shares would result in an increase/decrease of R3 million (2024: R3 million) and R2 million (2024: R2 million) in the fair value.

Other borrowings

The contingent consideration recognised in respect of the acquisition of Investment Managers Group (Pty) Ltd (IMG) will increase/decrease by R2 million (2024: R4 million) and R2 million (2024: R5 million) when the fair values of the underlying assets are increased/decreased by 10% respectively.

A 1% increase/decrease in the risk discount rate will result in a decrease/increase in the contingent consideration, recognised in respect of the acquisition of IMG, of R3 million (2024: nil) and R3 million (2024: nil) respectively.

The contingent consideration recognised in respect of the acquisition of Zestlife Investments (Pty) Ltd (Zest Life), will result in a decrease of the liability when the probability of the following criteria is increased by 10%:

	Year 1 Rm	Year 2 Rm	Year 3 Rm	Year 4 Rm
2025				
Probability of losing the key distribution relationship	(10)	(9)	(9)	-
Probability of not outperforming the key metric	(21)	(21)	(15)	(8)
2024				
Probability of losing the key distribution relationship	(10)	(9)	(9)	-
Probability of not outperforming the key metric	(26)	(21)	(15)	(8)

14 Financial liabilities continued**14.5 Financial liabilities hierarchy continued**

Refer to note 43 for the valuation techniques relating to this note.

The following table provides an analysis of the fair value of financial liabilities not carried at fair value in the statement of financial position:

	2025		Restated 2024	
	Carrying amount Rm	Fair value Rm	Carrying amount Rm	Fair value Rm
Financial liabilities at amortised cost	3 363	3 363	3 474	3 474
Cumulative redeemable preference shares	1 630	1 630	1 636	1 636
Term loans	1 586	1 586	1 645	1 645
Other	147	147	193	193
Other payables (excluding deferred revenue liability and Payables arising from investment contracts) ^{1,2}	8 568	8 358	8 553	9 231
	11 931	11 721	12 027	12 705

¹ Refer to note 1 for more information on the restatements apart from the restatement disclosed in footnote 2.

² It was determined that Payables arising from investment contracts should be disclosed as designated at fair value through profit and loss and not at amortised cost. June 2024 has been restated accordingly. The values remain unchanged and have not been restated.

Calculation of fair value

- The estimated fair value of the cumulative redeemable preference shares is determined by referencing similar preference shares that could be obtained with the same maturity profile and an interest rate linked to a 72% three-month JIBAR. The carrying amount approximates fair value as the terms of the current arrangement are market-related. (level 2)
- For other liabilities at amortised cost and other payables, the carrying amount approximates fair value due to their short-term nature. (level 2)
- The carrying value of term loans approximates fair value, as the majority bear variable interest rates that reflect current market conditions.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15 Deferred income tax

Refer to note 45.12 for the accounting policies relating to this note.

	2025 Rm	Restated 2024 Rm
Deferred tax asset	526	606
Deferred tax liability ¹	(3 118)	(3 252)
Total	(2 592)	(2 646)
15.1 Deferred tax is made up as follows:		
Accruals and provisions	237	139
Accelerated wear and tear	(152)	(143)
Revaluations	(1 821)	(1 386)
Properties	(266)	(251)
Financial instruments	(1 318)	(938)
Other	(237)	(197)
Prepayments	(19)	12
Deferred tax on intangible assets as a result of past business combinations	(290)	(297)
Deferred revenue liability	5	4
Difference between published and statutory policyholder liabilities	4	3
Tax losses	832	2 573
Phase-in ²	(693)	(865)
DAC	(12)	(12)
Other ^{1,3}	(683)	(2 674)
Total	(2 592)	(2 646)
Current	(75)	(61)
Non-current	(2 517)	(2 585)
Total	(2 592)	(2 646)

¹ Refer to note 1 for more information on the restatements.

² The deferred tax raised is due to the legislated transitional changes to the insurance liabilities pursuant to the changes to the Income Tax Act to facilitate the industry's implementation of IFRS 17 – Insurance Contracts. The deferred tax raised will gradually be released over multiple reporting periods corresponding with the change in current tax over the prescribed phase-in period.

³ Other increased significantly in the prior year due to the transitional measures relating to the adoption of IFRS 17 that led to the creation of a deferred tax liability offset by a deferred tax asset. The adjustment to the taxation basis incorporated a phasing-in provision and is based on the tax laws as currently enacted and takes into consideration the differences that existed between IFRS 4 – Insurance Contracts and IFRS 17.

The phasing-in amount is calculated with reference to the difference between the total insurance liabilities determined under IFRS 4 to only a portion of the insurance liabilities determined under IFRS 17.

A legislative anomaly arose leading to an overstatement of the phasing-in deduction resulting in an inflated loss upon transition in the June 2024 tax calculation. The deferred tax liability relates to the phasing-in amount that will be reversed over the next three years. The Draft Tax Laws Amendment Bill is expected to correct (on a backdated basis) the legislative anomaly relating to the deferred tax asset that arose due to the tax loss component of the transition calculation. The draft tax laws did subsequently become effective by December 2024 and the tax return was submitted on the revised legislation which in turn reduced the related tax asset and the phasing-in deferred tax liability.

15 Deferred income tax continued

	2025 Rm	Restated 2024 Rm
15.2 Movement in deferred tax		
Balance at beginning	(2 646)	(2 214)
Charge to the income statement	101	(360)
Accruals and provisions	98	33
Accelerated wear and tear	(9)	(10)
Revaluations	(435)	(249)
Properties	(15)	7
Financial instruments	(380)	(212)
Other	(40)	(44)
Deferred tax movement on intangible assets as a result of past business combinations	54	59
Deferred revenue liability	1	(3)
Difference between published and statutory policyholder liabilities	1	(1)
Tax losses	(1 741)	1 760
Phase in ¹	172	302
DAC	-	4
Prepayments	(31)	(29)
Other ^{2,3}	1 991	(2 226)
Charge to other comprehensive income	(4)	(21)
Other	(47)	(51)
Foreign exchange rate differences	4	-
Balance at end	(2 592)	(2 646)
Unused tax losses for which no deferred tax asset has been recognised	4 346	3 969
Potential tax benefit	1 173	1 072

¹ The phase-in relates to the systematic release of the deferred tax raised due to the transitional changes to the insurance liability as a result of the implementation of IFRS 17.

² Refer to note 1 for more information on the restatements.

³ The significant increase in Other in the prior year is due to the transitional measures relating to the adoption of IFRS 17 that led to the creation of a deferred tax liability offset by a deferred tax asset. Further detail of which is provided in note 15.1.

Creation of deferred tax assets and recognition of deferred tax liabilities

Deferred tax assets are raised for tax losses where the recoverability thereof was probable at year end. The deferred tax asset is generally raised to the extent it will be utilised within 3-5 years. Further detail of which is provided in note 15.1. Remaining balances are not recognised.

Included in the deferred tax asset of R832 million (2024: R2 573 million) raised due to tax losses, is a deferred tax asset of R9 million (2024: R221 million), the utilisation of which depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the subsidiary has suffered a loss in either the current or preceding year. Based on approved budgets prepared by management of these subsidiaries, the Group considers it probable that the deferred tax asset will be used against future taxable profits. The deferred tax assets on losses are calculated after considering the assessed loss utilisation limitation of 80%. The limitation effectively defers the utilisation of the assessed loss to future periods.

The deferred tax asset recognised by the Group relates mainly to historic trading losses brought forward in Guardrisk Life Ltd's Individual Policyholder Fund (IPF), Guardrisk Insurance Company Ltd and Momentum Insurance (Pty) Ltd. Management considers it probable that the tax asset will be used against future taxable profits within a five-year projection period.

No deferred tax liability is recognised on temporary differences of R2 321 million (2024: R1 862 million) relating to the unremitted earnings of international subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. Deferred tax not raised in respect of associates and joint ventures is not considered to be material.

Critical accounting estimates and judgements

The Group is subject to direct taxation in a number of jurisdictions. There may be transactions and calculations where the ultimate taxation determination has an element of uncertainty during the ordinary course of business. The Group recognises liabilities based on objective estimates of the amount of taxation that may be due. Where the final taxation determination is different from the amounts that were initially recorded, such difference will impact earnings in the period in which such determination is made. Deferred tax assets are raised based on forecasts that are annually updated.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16 Employee benefit obligations and assets

Refer to note 45.17 for the accounting policies relating to this note.

	Notes	2025 Rm	2024 Rm
16.1 Employee benefit obligations			
Post-retirement medical benefits	16.1.1	62	68
Cash-settled arrangements	16.1.2	1 280	795
Other employee benefit obligations ¹		1 671	1 248
Total employee benefit obligations		3 013	2 111
Current		2 390	1 668
Non-current		623	443
Total employee benefit obligations		3 013	2 111
¹ Other employee benefit obligations relate to a leave pay liability of R417 million (2024: R418 million) and staff and management bonuses of R1 254 million (2024: R830 million).			
Employee benefit expenses are included in the income statement. Refer to note 25.			
16.1.1 Post-retirement medical benefits			
Balance at beginning – unfunded		68	87
Current service costs		1	1
Interest expense		8	10
Actuarial losses – other comprehensive income		(6)	(19)
Settlements		-	(2)
Benefits paid and transferred		(9)	(9)
Balance at end – unfunded		62	68
Current		8	7
Non-current		54	61
Balance at end – unfunded		62	68

Valuation methodology

Liabilities for qualifying employees and current retirees are taken as the actuarial present value of all future medical contribution subsidies, using the long-term valuation assumptions. The current medical scheme contribution rates are projected into the future using the long-term healthcare inflation rate, while the value of the portion subsidised by the employer after retirement is discounted back to the valuation date using the valuation rate of interest. The projected unit credit method is used to calculate the liabilities.

16 Employee benefit obligations and assets continued**16.1 Employee benefit obligations continued**

	2025 Rm	2024 Rm
16.1.2 Cash-settled arrangements		
Retention and remuneration schemes		
Balance at beginning	795	428
Additional provisions ¹	1 088	649
Benefits paid	(606)	(281)
Foreign exchange rate differences	3	(1)
Balance at end	1 280	795
Current	711	413
Non-current	569	382
Balance at end	1 280	795

¹ The significant increase in the current year is attributable to increases in the share price in the current year and overall higher performance vesting probabilities.

Momentum Group Ltd share schemes

Subsequent to the merger, the Group started share schemes linked to Momentum Group Ltd shares.

Momentum Group Ltd Long-term Incentive Plan (LTIP)

The purpose of the LTIP is to incentivise and retain key senior staff members. The LTIP comprises three separate long-term incentives, the first being a grant of retention units, the second being an award of performance units, and the third being a grant of deferred bonus units.

Performance units

The performance units have certain performance criteria linked to the units measured over a three-year period. The Group will have to meet the performance criteria before the performance units become payable. The units will therefore begin vesting after year three in three equal tranches, and the Group's performance will be averaged over the same period to determine whether the criteria have been met.

Deferred bonus units

The deferred bonus units represent the deferred portion of short-term incentives above a threshold. These units vest subject to the employee remaining in the employ of the Group on the vesting date, and not being subject to disciplinary action during the period between the award date and the vesting date.

When the performance units and deferred bonus units have vested on the vesting date, they represent the right to receive a cash sum on the settlement date equal to the fair market price of a Momentum Group Ltd share (average of 20 trading days before the settlement date).

Momentum Sales Phantom Shares (MSPS)

In November 2013, Momentum Sales began issuing phantom shares to sales staff. Allocations made vest in three equal tranches on the third, fourth and fifth anniversary, after the grant date. When the shares vest, the Group will make a cash payment to the employee to the value of the share price on vesting date. No shares are issued by the Group and therefore the scheme is cash-settled.

Momentum Group Limited Share Appreciation Rights Scheme (SAR)

The SAR commenced in October 2018, and is a performance-based cash-settled option scheme in terms of which certain executives are allocated Share Appreciation Rights (SARs) in the Company's shares. The SARs simulate "at-the-money" call options on the Company's shares, meaning that the growth in the share price between the allocation date and the vesting date will accrue to the participant at the vesting date. The measurement of performance takes place after a period of four years, and vesting then takes place in equal thirds after four, five and six years, at the ruling Momentum Group Ltd share price based on the 20 day volume-weighted average price (VWAP) up to payment date. Resignation before the vesting date results in the forfeiture of any unsettled units.

The volatility used in the valuation of the SAR was based on market rates and determined to be 30%. The risk-free rate used within the valuations was 4.99%.

The SAR performance units vested in October 2022. On vesting, the performance units were converted into retention units with settlement dates of October 2022, October 2023, and October 2024.

Retention units

The retention units have no imposed performance criteria and therefore vest on award date, subject to the employee maintaining satisfactory performance during the period between the award date and the settlement date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16 Employee benefit obligations and assets continued

16.1 Employee benefit obligations continued

16.1.2 Cash-settled arrangements continued

	LTIP		MSPS	SAR
	Performance units '000	Deferred bonus units '000	'000	Retention units '000
Units in force at 1 July 2023	40 320	21 769	2 352	946
Units granted during year	14 704	14 858	544	31
Units exercised/released during year	(4 922)	(9 386)	(536)	(473)
Units cancelled/lapsed during year	(5 526)	(919)	(43)	(9)
Units in force at 1 July 2024	44 576	26 322	2 317	495
Units granted during year	11 093	10 088	440	-
Units exercised/released during year	(8 994)	(12 547)	(512)	(495)
Units cancelled/lapsed during year	(450)	(868)	(110)	-
Units in force at 30 June 2025	46 225	22 995	2 135	-

Market value of range at date of exercise/release	2025 Cents	2024 Cents
LTIP		
Performance units	2 216 – 3 043	1 840 – 2 088
Deferred bonus units	2 216 – 3 428	1 706 – 2 190
MSPS	2 866 – 3 037	1 712 – 2 023
SAR		
Retention units	2 708 – 2 831	1 988 – 1 988

Units outstanding (by expiry date) for the LTIP, MSPS, and SAR at 30 June 2025 are as follows:

	LTIP		MSPS	SAR
	Performance units '000	Deferred bonus units '000	'000	Retention units '000
2025				
Financial year 2025/2026	11 009	12 691	558	-
Financial year 2026/2027	12 540	7 314	566	-
Financial year 2027/2028	12 248	2 990	550	-
Financial year 2028/2029	7 351	-	315	-
Financial year 2029/2030	3 077	-	146	-
Total outstanding shares	46 225	22 995	2 135	-
2024				
Financial year 2024/2025	8 438	11 853	526	495
Financial year 2025/2026	10 924	10 003	596	-
Financial year 2026/2027	12 265	4 466	597	-
Financial year 2027/2028	8 837	-	421	-
Financial year 2028/2029	4 112	-	177	-
Total outstanding shares	44 576	26 322	2 317	495

Refer to note 44 for the valuation assumptions relating to these schemes.

16 Employee benefit obligations and assets continued

	2025 Rm	2024 Rm
16.2 Employee benefit assets		
Sage Group Pension Fund (SGPF)	467	429
Other	3	2
Total	470	431

Sage Group Pension Fund

This is a defined benefit fund that provided pension benefits to members who previously belonged to the Sage Life Ltd Staff Pension and Life Assurance scheme. The plan assets exceeded the defined benefit obligations of nil.

In terms of a decision taken by the Board of Trustees of the Fund, all sources of surplus accruing after the surplus apportionment date of the Fund are to be allocated to the Employer Surplus Account. In view of this, the asset ceiling has been set equal to the funded status (plan assets).

As the balance only represents plan assets, the movement for the year is primarily due to returns on the assets of R39 million (2024: R37 million).

The fund is in the process of liquidation and the surplus is for the benefit of the employer as the fund has no employee liabilities (2024: nil). The FSCA approved the preliminary liquidation account in January 2023 and liquidation payments will commence once the FSCA provides the necessary approval for payments to proceed after the public inspection period is completed and any objections are resolved.

17 Share capital and share premium

Refer to note 45.19 for the accounting policies relating to this note.

In December 2010, Metropolitan Holdings Ltd, now Momentum Group Ltd, became the legal parent company of Momentum Group Ltd, now MML, by acquiring all the shares in MML from FirstRand Ltd. As this was accounted for as a reverse acquisition under IFRS 3 – Business Combinations (revised), the share capital and share premium of the Group in the consolidated financial statements were based on the value of those of MML at the time of the merger. The equity structure in terms of the number of authorised and issued shares in the consolidated financial statements reflects the equity structure of Momentum Group Ltd.

Authorised share capital of Momentum Group Ltd

- 2 billion ordinary shares of 0.0001 cents each.
- 129 million (76 million A1, 13 million A2 and 40 million A3) variable rate cumulative redeemable convertible preference shares of 0.0001 cents each.

Issued share capital

The issued share capital of the Group reflects the issued share capital of Momentum Group Ltd.

	2025 Rm	2024 Rm
Balance at beginning	13 457	13 192
Conversion of preference shares net of share issue costs	-	265
Balance at end	13 457	13 457
Share capital	9	9
Share premium	13 448	13 448
Total	13 457	13 457

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17 Share capital and share premium continued

Number of ordinary shares in issue (prior to weighting)	2025 Million	2024 Million
Ordinary shares in issue		
Balance at beginning	1 405	1 425
Share repurchased and cancelled	(44)	(48)
Converted preference shares	-	28
Balance at end	1 361	1 405
Total ordinary shares in issue	1 361	1 405
Treasury shares held on behalf of employees	(45)	(45)
Basic number of shares in issue	1 316	1 360
Adjustment to employee share scheme shares	27	17
Diluted number of shares in issue	1 343	1 377
Adjustment to employee share scheme shares	(27)	(17)
Treasury shares held on behalf of employees	45	45
Diluted number of shares in issue for normalised headline earnings purposes	1 361	1 405
Reconciliation of basic number of shares in issue		
Balance at beginning	1 360	1 380
Share repurchased and cancelled	(44)	(48)
Converted preference shares	-	28
Balance at end	1 316	1 360

Share buyback programme

The Group bought back a total of 44 million shares during the current year at an average purchase price of R31.43 per share, for a cost of R1 403 million (including transaction costs). In the prior year, the Group bought back 48 million shares at an average purchase price of R20.97, for a cost of R1 billion (including transaction costs). 42 million shares were cancelled prior to 30 June 2025.

18 Other components of equity

	Notes	2025 Rm	Restated 2024 Rm
Land and building revaluation reserve ¹	18.1	421	332
FCTR	18.2	282	140
Non-distributable reserve	18.3	88	80
Employee benefit revaluation reserve	18.4	86	82
Fair value adjustment for preference shares issued by Momentum Group Ltd	18.5	-	-
Equity-settled share-based payment arrangements	18.6	150	124
Share of associates and joint ventures other comprehensive income	18.7	13	(33)
Total		1 040	725
18.1 Land and building revaluation reserve			
Refer to note 45.5 for the accounting policies relating to this note.			
Balance at beginning ¹		332	300
Earnings directly attributable to other components of equity		91	70
Revaluation		96	91
Deferred tax on revaluation		(5)	(21)
Transfer to retained earnings ¹		(2)	(38)
Balance at end		421	332

¹ Refer to note 1 for more information on the restatements.

	2025 Rm	2024 Rm
18.2 FCTR		
Refer to note 45.3 for the accounting policies relating to this note.		
Balance at beginning	140	382
Foreign exchange rate differences	82	(237)
Transfer to retained earnings	60	(5)
Balance at end	282	140
Foreign exchange rate differences on translation of investments in foreign associates is included.		
18.3 Non-distributable reserve		
Balance at beginning	80	78
Transfer from retained earnings	8	2
Balance at end	88	80
18.4 Employee benefit revaluation reserve		
Refer to note 45.17 for the accounting policies relating to this note.		
Balance at beginning	82	64
Earnings directly attributable to other components of equity	5	18
Remeasurement of post-employment benefit obligations	4	18
Deferred tax on remeasurement	1	-
Transfer to retained earnings	(1)	-
Balance at end	86	82

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 Other components of equity continued

	2025 Rm	2024 Rm
18.5 Fair value adjustment for preference shares issued by Momentum Group Ltd		
Equity component of preference shares		
Balance at beginning	-	940
Transfer to retained earnings	-	(940)
Balance at end	-	-
This represented the write-up of the carrying amount of the preference shares issued by Momentum Group Ltd to KTH to fair value, as part of the fair value exercise performed on Metropolitan as a result of the merger with Momentum in December 2010. The preference shares were converted into ordinary shares during the prior year and the reserve was transferred to retained earnings.		
18.6 Equity-settled share-based payment arrangements		
B-BBEE share-based payment reserve		
Balance at beginning	124	174
Transfer to retained earnings	-	(89)
Share schemes – value of services provided	26	39
Balance at end	150	124

A3 Preference shares

The Company issued A3 preference shares to OTSI 108 (a KTH subsidiary) in 2011. The redemption date was extended by 9 months to 30 June 2024 in the prior year. As a result of this, an IFRS 2 B-BBEE expense of R12 million was recognised. The preference shares were converted into ordinary shares during the prior year and the reserve was transferred to retained earnings.

iSabelo Trust

To achieve our long-term strategic business objectives and to strengthen our B-BBEE ownership, Momentum Group has made available an Employee Share Ownership Plan to its employees. iSabelo is structured to benefit all permanent employed South African based employees to promote inclusivity.

Units were granted to all permanent Momentum Group employees based in South Africa who were employed by the Group as at 28 February 2021. The units were granted to these eligible employees during April 2021.

These units are allocated on a deferred delivery basis over a seven-year period. All units need to be held for an initial period of ten years (lock in period) before they can be redeemed for Momentum Group Limited shares. At the end of the lock in period, the iSabelo Trust will exchange the units for Momentum Group Limited shares.

Employees will retain the proportional vesting of units for the portion of the seven years they were employed by Momentum Group, however if they leave within the first year of the scheme they will forfeit their entire allocation. Units will be granted annually to new permanent South African based employees of the Group who have joined between the period of 1 March 2021 to 30 April 2025, under the same terms as above. No further units will be allocated to any new employees after April 2025. Units were granted to new employees on 24 April 2025.

The fair value used in determining the allocation is based on the unit price on grant date, adjusted for various variables. Refer to note 44 for more details regarding the valuation assumptions. The total unit allocation costs relating to the current period for the iSabelo Trust amounting to R25 million (2024: R28 million) (refer to note 25) has been included in the income statement. As at 30 June 2025, the total value of the units was R353 million (2024: R294 million). There were no modifications to the scheme in the current year.

Refer to note 44 for valuation assumptions relating to this scheme.

18 Other components of equity continued**18.6 Equity-settled share-based payment arrangements continued****iSabelo Trust continued**

The following units were awarded and the redemption thereof deferred to a predetermined future date:

	Grant date ^{1, 2, 3, 4, 5, 6}	Redemption date	Weighted average remaining contractual life	Grant date fair value	Number of units '000
Units awarded F2021	22-Apr-21	12-Apr-31	5.8 years	64	359 479
Units awarded F2022	29-Apr-22	28-Apr-32	6.8 years	48	72 410
Units awarded F2023	24-Apr-23	24-Apr-33	7.8 years	36	76 458
Units awarded F2024 ^{7,8}	24-Apr-24	24-Apr-34	8.8 years	84	62 880
Units awarded F2024 ⁷	08-Jun-24	24-Apr-34	8.8 years	122	8 089
Units awarded F2025	24-Apr-25	24-Apr-35	9.8 years	148	52 148

¹ Units were allocated to employees on 12 April 2021. The IFRS 2 grant date for employees is 22 April 2021 as at this date there was a shared understanding of the terms and conditions of the arrangement.

² Units were allocated to employees on 28 April 2022. The IFRS 2 grant date for employees is 29 April 2022 as at this date there was a shared understanding of the terms and conditions of the arrangement.

³ Units were allocated to employees on 24 April 2023. The IFRS 2 grant date for employees is 24 April 2023 as at this date there was a shared understanding of the terms and conditions of the arrangement.

⁴ Units were allocated to employees on 24 April 2024. The IFRS 2 grant date for employees is 24 April 2024 as at this date there was a shared understanding of the terms and conditions of the arrangement.

⁵ Units were allocated to employees on 8 June 2024. The IFRS 2 grant date for employees is 8 June 2024 as at this date there was a shared understanding of the terms and conditions of the arrangement.

⁶ Units were allocated to employees on 24 April 2025. The IFRS 2 grant date for employees is 24 April 2025 as at this date there was a shared understanding of the terms and conditions of the arrangement.

⁷ The grant date fair value has been restated due to a calculation error.

⁸ The number of units were restated as there was a duplication of 43 000 units included in the total.

	Average price Cents	Number of units '000
Movements on units awarded:		
As at 1 July 2020	-	-
Units awarded	64	359 479
Awarded units lapsed due to resignation	64	(14 529)
As at 1 July 2021		344 950
Units awarded	48	72 410
Awarded units lapsed due to resignation	63	(69 505)
As at 1 July 2022		347 855
Units awarded	36	76 458
Awarded units lapsed due to resignation	59	(68 656)
Awarded units cancelled due to non-acceptance	45	(34 898)
As at 1 July 2023		320 759
Units awarded due to reinstatement	59	347
Units awarded 24 April 2024 ^{1,2}	84	62 880
Units awarded 8 June 2024 ¹	122	8 089
Awarded units lapsed due to resignation	57	(44 309)
Awarded units cancelled due to non-acceptance ¹	84	(15 201)
As at 1 July 2024		332 565
Units awarded due to reinstatement	48	264
Units awarded	148	52 148
Awarded units lapsed due to resignation	62	(42 924)
Awarded units cancelled due to non-acceptance	148	(5 676)
As at 30 June 2025		336 377
¹ The grant date fair value has been restated due to a calculation error.		
² The number of units were restated as there was a duplication of 43 000 units included in the total.		

18.7 Share of associates and joint ventures other comprehensive income

	2025 Rm	2024 Rm
Balance at beginning	(33)	-
Other comprehensive income from associates and joint ventures	46	(33)
Balance at end	13	(33)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19 Insurance revenue

Refer to note 45.10 for the accounting policies relating to this note.

	2025 Rm	Restated 2024 ¹ Rm
Contracts not measured under the PAA		
Amounts relating to the changes in the LRC	24 150	21 453
Expected incurred claims and other expenses after loss component allocation	18 290	16 652
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	944	916
CSM recognised in profit or loss for the services provided	3 177	2 797
Other ²	1 739	1 088
Insurance acquisition cash flows recovery	2 706	2 636
Insurance revenue from contracts not measured under the PAA	26 856	24 089
Insurance revenue from contracts measured under the PAA	34 168	34 395
Total	61 024	58 484

¹ Refer to note 1 for more information on the restatements. The impact of the restatements on this note is considered immaterial.

² Other includes variances on premiums and insurance acquisition cash flows.

20 Insurance service expenses

Refer to note 45.10 for the accounting policies relating to this note.

	2025 Rm	Restated 2024 ¹ Rm
Incurred claims and other directly attributable expenses ²	38 461	34 758
Changes that relate to past service – adjustments to the LIC	(662)	987
Losses on onerous contracts and reversal of those losses	1 158	1 057
Insurance acquisition cash flows amortisation	5 848	5 474
Insurance acquisition cash flows recognised when incurred	443	427
Total	45 248	42 703

¹ Refer to note 1 for more information on the restatements. The effect of restatements on this note are considered immaterial, however, the more noteworthy restatement has been identified in footnote 2.

² Incurred claims and other directly attributable expenses has changed from R35 318 million to R34 758 million. This restatement is due to the restatement for management and investment fees. Refer to note 1 for more information on the restatements.

21 Allocation of reinsurance premiums

Refer to note 45.10 for the accounting policies relating to this note.

	2025 Rm	Restated 2024 ¹ Rm
Contracts not measured under the PAA		
Amounts relating to the changes in the assets for remaining coverage	3 916	3 256
Expected recovery of incurred claims and other expenses after loss-recovery component allocation	3 697	3 073
Change in the risk adjustment for non-financial risk for the risk expired after loss-recovery component allocation	197	148
CSM recognised in profit or loss for the services received	4	(41)
Other	18	76
Allocation of reinsurance premiums from contracts not measured under the PAA	3 916	3 256
Allocation of reinsurance premiums from contracts measured under the PAA	13 581	15 472
Total	17 497	18 728

¹ Refer to note 1 for more information on the restatements. The impact of the restatements on this note is considered immaterial.

22 Amounts recoverable from reinsurers for incurred claims

Refer to note 45.10 for the accounting policies relating to this note.

	2025 Rm	Restated 2024 ¹ Rm
Amounts recoverable for incurred claims and other expenses	10 491	9 542
Changes that relate to past service – adjustments to the AIC	82	506
Changes in the loss-recovery component	283	324
Effect of changes in non-performance risk of reinsurers	-	-
Total	10 856	10 372

¹ Refer to note 1 for more information on the restatements. The impact of the restatements on this note is considered immaterial.

23 Net investment result

	Notes	2025			Restated 2024		
		Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
Investment income	23.1	13 866	24 010	37 876	11 966	23 313	35 279
Net realised and unrealised fair value gains	23.2	11 866	50 134	62 000	6 123	23 995	30 118
Net impairment loss on financial assets ¹	23.3	-	(19)	(19)	-	(1)	(1)
Finance expenses from insurance contracts issued ¹	23.4	(22 787)	-	(22 787)	(17 226)	-	(17 226)
Finance (expense)/income from reinsurance contracts held ¹	23.5	(666)	-	(666)	266	-	266
Investment returns due to third-party cell owner ¹		(883)	-	(883)	(812)	-	(812)
Fair value adjustments on investment contract liabilities ¹		-	(61 914)	(61 914)	-	(37 885)	(37 885)
Fair value adjustments on CIS liabilities		-	(5 003)	(5 003)	-	(3 210)	(3 210)
Total		1 396	7 208	8 604	317	6 212	6 529

¹ Refer to note 1 for more information on the restatements.

23.1 Investment income

Refer to note 45.22.2 for the accounting policies relating to this note.

	2025			2024		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
Interest income	12 759	16 674	29 433	10 815	16 319	27 134
At FVPL	12 156	14 681	26 837	10 189	14 207	24 396
At amortised cost using the effective interest rate method						
Cash and cash equivalents	549	1 854	2 403	585	1 937	2 522
Financial assets at amortised cost	6	113	119	1	141	142
Funds on deposit and other money market instruments	-	26	26	2	25	27
Debt securities	48	-	48	38	9	47
Dividend income at FVPL	882	6 010	6 892	922	5 749	6 671
Listed	550	2 815	3 365	596	2 591	3 187
Unlisted	332	3 195	3 527	326	3 158	3 484
Rental income	221	1 295	1 516	227	1 179	1 406
Investment properties	221	1 285	1 506	227	1 169	1 396
Owner-occupied properties	-	10	10	-	10	10
Other income	4	31	35	2	66	68
Total	13 866	24 010	37 876	11 966	23 313	35 279

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 Net investment result continued

	2025			Restated 2024		
	Insurance related Rm	Non- insurance related Rm	Total Rm	Insurance related Rm	Non- insurance related Rm	Total Rm
23.2 Net realised and unrealised fair value gains						
Refer to note 45.6, 45.7 and 45.11 for the accounting policies relating to this note.						
Financial assets	11 781	50 072	61 853	6 069	23 909	29 978
Designated at FVPL ¹	5 157	1 816	6 973	2 448	1 303	3 751
Mandatorily at FVPL ¹	5 714	46 605	52 319	3 011	22 542	25 553
Net derivative financial instruments – gains	910	1 706	2 616	610	129	739
Net realised and unrealised foreign exchange differences on financial instruments not at FVPL	-	(55)	(55)	-	(65)	(65)
Investment property	84	244	328	50	49	99
Valuation gains	84	241	325	50	52	102
Change in accelerated rental income	-	3	3	-	(3)	(3)
Financial liabilities	-	(175)	(175)	-	31	31
At amortised cost	-	-	-	-	10	10
Mandatorily at FVPL ²	-	(63)	(63)	-	11	11
Designated at FVPL	-	(112)	(112)	-	10	10
Other investments	1	(7)	(6)	4	6	10
Total	11 866	50 134	62 000	6 123	23 995	30 118

¹ In the prior year an amount of R25 925 million was incorrectly reported as designated at FVTPL, but should have been reported as mandatorily. 30 June 2024 has been restated accordingly.

² In accordance with the requirements of IFRS 7 – Financial Instruments: Disclosures, fair value through profit or loss movements for items mandatorily measured at FVPL should be disclosed separately. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard's requirements.

The increase in the current year, and decrease in the prior year in net realised and unrealised fair value gains for the year mainly relates to local and global equity performance.

	2025			Restated 2024		
	Insurance related Rm	Non- insurance related Rm	Total Rm	Insurance related Rm	Non- insurance related Rm	Total Rm
23.3 Net impairment loss on financial assets						
Refer to note 45.7 for the accounting policies relating to this note.						
Financial assets at amortised cost						
Accounts receivable ¹	-	(14)	(14)	-	(7)	(7)
Debt securities	-	7	7	-	8	8
Funds on deposit and other money market instruments	-	-	-	-	2	2
Related party loans	-	(12)	(12)	-	(4)	(4)
Total	-	(19)	(19)	-	(1)	(1)

¹ Refer to note 1 for more information on the restatements.

23 Net investment result continued

	2025			Restated 2024 ¹		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.4 Finance expenses from insurance contracts issued						
Refer to note 45.10 for the accounting policies relating to this note.						
Changes in fair value of underlying items	(10 518)	-	(10 518)	(7 322)	-	(7 322)
Interest accreted using locked-in rates	(3 049)	-	(3 049)	(2 605)	-	(2 605)
Interest accreted using current rates	(4 438)	-	(4 438)	(4 295)	-	(4 295)
Effect of changes in interest rates and other financial assumptions	(5 120)	-	(5 120)	(2 561)	-	(2 561)
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	173	-	173	(579)	-	(579)
Effects of risk mitigation option ²	167	-	167	136	-	136
Foreign exchange rate differences	(2)	-	(2)	-	-	-
Total	(22 787)	-	(22 787)	(17 226)	-	(17 226)
23.5 Finance (expense)/income from reinsurance contracts held						
Refer to note 45.10 for the accounting policies relating to this note.						
Interest accreted	111	-	111	(21)	-	(21)
Effect of changes in interest rates and other financial assumptions	(547)	-	(547)	217	-	217
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	(230)	-	(230)	70	-	70
Total	(666)	-	(666)	266	-	266

¹ Refer to note 1 for more information on the restatements.² Line item not restated.**24 Fee income**

Refer to note 45.22.1 for the accounting policies relating to this note.

	2025 Rm	Restated 2024 Rm
Contract administration	4 397	3 918
Derecognition of investment contracts	-	106
Investment contract administration ¹	4 308	3 719
Release of deferred front-end fees	89	93
Health administration	2 736	2 616
Trust and fiduciary services	1 679	1 517
Asset management	831	797
Retirement fund administration	606	515
Asset administration	242	205
Cell captive commission ¹	141	231
Other fee income	938	903
Momentum Multiply fee income	131	107
Administration fees received	138	50
Commissions ²	231	140
Other ^{2,3}	438	606
Total	9 891	9 185

¹ Refer to note 1 for more information on the restatements.² These line items were previously disclosed on a net basis and have subsequently been disaggregated to enhance comparability and usefulness.³ In the prior year included in Other were once-off amounts related to: an amount of R212 million relating to the sale of cell captive business; rebates and forex rebate share of R49 million and IT support service income of R23 million.**Revenue disaggregation**

Revenue from contracts with customers is disaggregated by type of revenue and also split per the Group's reporting segments. This most accurately depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

25 Expenses

	Notes	2025 Rm	Restated 2024 Rm
Insurance benefits and claims ¹	25.1	44 782	42 294
Depreciation, amortisation and impairment expenses	25.2	615	892
Employee benefit expenses	25.3	10 056	8 823
Sales remuneration	25.4	8 727	8 813
Other expenses ¹	25.5	12 251	10 908
Total		76 431	71 730
Represented by			
Insurance and other directly attributable expenses		62 864	59 133
Other operating expenses		13 567	12 597
Total		76 431	71 730

¹ Refer to note 1 for more information on the restatements.

The amounts disclosed in note 25 are the total expenses incurred by the Group in rendering financial services to policyholders and managing the operations of the Group. The portion of the total expenses that are attributable to rendering of insurance contract services is disclosed in note 20 and presented in insurance service expenses on the face of the income statement.

		2025 Rm	Restated 2024 Rm
25.1 Insurance benefits and claims			
Refer to note 45.10 for the accounting policies relating to this note.			
Life insurance contracts		33 238	30 463
Death and disability claims		15 992	15 856
Maturity claims		5 343	4 557
Annuities		8 186	7 189
Surrenders		2 839	2 434
Terminations, disinvestments and withdrawal benefits		878	427
Non-life insurance benefits incurred ¹		10 816	10 771
Health and capitation benefits incurred		728	1 060
Total		44 782	42 294

¹ Refer to note 1 for more information on the restatements.

	Notes	2025 Rm	2024 Rm
25.2 Depreciation, amortisation and impairment expenses			
Refer to note 45.4 and 45.5 for the accounting policies relating to this note.			
Depreciation		353	371
Owner-occupied properties	5.1	43	48
Equipment	5.2	211	221
Right-of-use assets		99	102
Amortisation	4	272	275
Customer relationships		71	91
Brands and intellectual property		68	65
Broker network		57	43
Computer software		76	76
Impairment losses of intangible assets	4	-	249
Goodwill		-	174
Broker network		-	32
Computer software		-	43
Reversals of impairments of owner-occupied properties	5.1	(10)	(3)
Total		615	892

25 Expenses continued

	Notes	2025 Rm	2024 Rm
25.3 Employee benefit expenses			
Refer to note 45.17 for the accounting policies relating to this note.			
Salaries		7 924	7 199
Defined contribution retirement fund		477	460
Contributions to medical aid funds		267	258
Share-based payment expenses – Cash-settled arrangements	16.1.2	1 088	649
Training costs		146	146
Retirement fund assets		(39)	(30)
Share-based payment expenses – Equity-settled arrangements	18.6	25	26
Post-retirement medical benefits		10	11
Other		158	104
Total		10 056	8 823

For detail of directors' and prescribed officers' remuneration, refer to note 44.

	Notes	2025 Rm	2024 Rm
25.4 Sales remuneration			
Refer to note 45.10 for the accounting policies relating to this note.			
Incurred commission and sales remuneration expenses for the acquisition of insurance contracts (refer to note 20 for insurance service expenses)		7 211	7 290
Incurred commission and sales remuneration expenses for the acquisition of investment contracts		1 312	1 075
Amortisation of DAC on investment contracts	4.6	203	343
Derecognition of investment contracts ¹		-	94
Impairment losses of amounts due from agents, brokers and intermediaries	8.2	1	11
Total		8 727	8 813

¹ Derecognition of investment contracts due to amended features on existing contracts that resulted in the recognition of insurance contracts.

	2025 Rm	Restated 2024 Rm
25.5 Other expenses		
Asset management fees ¹	5 843	4 706
Consulting fees ¹	1 209	1 071
Information technology expenses	1 164	1 225
Direct property operating expenses on investment property	704	732
Office costs	461	448
Marketing costs	710	594
Other indirect taxes	505	476
Momentum Multiply benefit payments	90	71
Travel expenses	249	291
Auditors' remuneration	208	256
Audit fees	203	249
Fees for other services	5	7
Bank charges	136	123
Bad debts written off	31	45
Lease charges ²	42	31
Policy services	170	175
Other expenses ¹	729	664
Total	12 251	10 908

¹ Refer to note 1 for more information on the restatements.

² Included in Lease charges is R31 million (2024: R20 million) relating to short-term leases and R11 million (2024: R11 million) relating to variable lease payments.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

25 Expenses continued

25.5 Other expenses continued

Auditors' remuneration

Outlined below are the agreed 2025 audit fees and actual 2024 audit fees as reported to the Audit Committee. These numbers may differ from the actual expenses as included above due to immaterial timing differences.

	2025 Rm	2024 Rm
Audit Fees: statutory audit	185	169
Ernst & Young Inc. (EY)	86	162
PricewaterhouseCoopers Inc.(PwC)	86	1
Other auditors	13	6
IRS 17 transition and comparative audit fees	-	70
EY	-	70
PwC	-	-
Other auditors	-	-
Total audit fees	185	239
Agreed upon procedures and other services performed by professional services firms required as statutory auditors	3	3
EY	1	3
PWC	2	-
Other auditors	-	-
Non-audit services performed by professional services firms	1	1
EY	1	1
PWC	-	-
Other auditors	-	-
Total non-audit services	4	4
	2025	2024
Total non-audit services as a % of audit fees		
EY	2%	2%
PWC	2%	0%
Other auditors	1%	0%

26 Other finance costs

Refer to note 45.23.1 for the accounting policies relating to this note.

	2025 Rm	2024 Rm
Interest expense on financial liabilities		
Subordinated debt	395	419
Cost of carry positions	1 345	1 066
Redeemable preference shares	132	187
Cost of trading positions	43	8
Other finance costs ¹	202	226
Total	2 117	1 906
Financial Liabilities		
Designated at FVPL	1 791	1 493
Amortised cost	326	413
Total	2 117	1 906

¹ Included in Other finance costs is interest on term loans R137 million (2024: R149 million).

27 Income tax expense

Refer to note 45.13 for the accounting policies relating to this note.

	2025 Rm	Restated 2024 Rm
Income tax expenses/(credits)		
Current taxation	5 982	4 166
Shareholder tax		
South African normal tax – current year	2 558	1 752
South African normal tax – prior year	115	4
Foreign countries – normal tax	107	112
Foreign withholding tax	190	210
Contract holder tax		
Tax on contract holder funds – current year	762	621
Tax on contract holder funds – prior year	(16)	7
Tax attributable to cell captive owners ¹	2 266	1 460
Deferred tax	(101)	360
Shareholder tax		
South African normal tax – current year	(17)	(254)
Foreign countries – normal tax	(6)	–
Foreign withholding tax	(2)	1
Contract holder tax		
Tax on contract holder funds – current year	174	90
Tax attributable to cell captive owners ¹	(250)	523
Total	5 881	4 526

¹ Refer to note 1 for more information on the restatements.

Tax expense attributable to cell captive owners

Uncertainties regarding income tax phasing-in provisions for short-term insurance contracts on transition to IFRS 17, resulted in the recognition of deferred tax assets for unused assessed losses and deferred tax liabilities for future expected income tax payments at 30 June 2024 for some entities in the Group. The deferred tax assets and deferred tax liabilities related to differences in the carrying values of short-term insurance contracts measured under IFRS 4 and IFRS 17 at 1 July 2023. The used assessed losses resulted in the Group recognising current income tax assets for provisional income tax payments made during the financial period ended 30 June 2024. During the financial period ended 30 June 2025, the uncertainties regarding phasing-in provisions were clarified in amended legislation. This resulted in the Group releasing the deferred tax assets for the unused assessed losses and the remaining deferred tax liabilities for future income tax payments and recognising a deferred tax asset for future expected reductions in income tax payable, due to the implementation of IFRS 17. The current income tax asset was used to settle the income tax liabilities from the revised legislation.

	2025 %	Restated 2024 ¹ %
Tax rate reconciliation		
Tax calculated at standard rate of South African tax on earnings	27.0	27.0
Capital gains tax	2.0	(0.6)
Prior year adjustments	–	0.1
Foreign taxes differential due to different statutory rates	(1.4)	(0.9)
Non-taxable income ²	(7.0)	(3.1)
Non-deductible expenses ³	4.2	3.5
Tax losses for which no deferred tax asset was recognised	1.2	2.7
Other	1.6	(0.5)
Deferred tax asset raised on prior year losses	–	(1.2)
Shareholder effective tax rate	27.6	27.0
Cell captive tax – to be recovered from cell owners	7.4	9.3
Taxation on contract holder funds	13.9	17.6
Effective rate	48.9	53.9

¹ Refer to note 1 for more information on the restatements.

² Non-taxable income mainly comprises dividend income which is not taxable.

³ Non-deductible expenses comprises Shareholders expenses which are not directly attributable to an income generating unit (including depreciation and impairments) and are thus not deductible for tax purposes.

Global Minimum Tax:

South Africa has officially enacted the Global Minimum Tax Act (Act No. 46 of 2024) and the Global Minimum Tax Administration Act (Act No. 47 of 2024), aligning with the Organisation for Economic Co-operation and Development's (OECD) Pillar Two framework under the Inclusive Framework on Base Erosion and Profit Shifting (BEPS). These laws were gazetted in December 2024 and are effective for tax years beginning on or after 1 January 2024.

The legislation introduces a minimum effective tax rate of 15%, applicable to multinational enterprise (MNE) groups and large domestic groups with consolidated annual revenues exceeding EUR 750 million in at least two of the four preceding fiscal years. The rules apply on a jurisdiction-by-jurisdiction basis, and include the Income Inclusion Rule (IIR) and the Qualified Domestic Minimum Top-Up Tax (DMTT) to ensure compliance across both inbound and outbound structures.

The Group has assessed its potential exposure to Pillar Two income taxes, taking into account transitional safe harbour provisions and the OECD's administrative guidance issued in 2023. The assessment is based on the Group's latest financial statements, country-by-country reporting, and tax filings.

As of the reporting date, the effective tax rates exceed the 15% threshold or the safe harbour exclusions apply in most jurisdictions where the Group operates, and therefore, no material impact is expected from the implementation of the Pillar Two rules. However, the Group acknowledges the significant administrative and compliance obligations introduced by the legislation, including the requirement to file the GloBE Information Return and maintain enhanced documentation and reporting systems. The countries for which a detailed Income Inclusion Rules Calculation has been performed include India, Guernsey, Gibraltar and Mauritius.

The exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar 2 income taxes, as provided in the amendments to IAS 12 issued in May 2023, has been applied by the Group.

The Group will continue to monitor developments and ensure full compliance with the new regulatory framework as part of its commitment to responsible tax governance.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

28 Cash flow notes

	2025 Rm	Restated 2024 Rm
28.1 Cash utilised in operations		
Profit before tax ¹	11 996	8 463
Adjusted for		
Items separately disclosed		
Dividend income	(6 892)	(6 671)
Interest income ²	(29 512)	(27 217)
Finance costs ³	2 236	2 017
Adjustments to reconcile profit before tax to net cash flows		
Share of losses of associates and joint ventures	(70)	193
Gain on step-up of associate	-	(30)
Depreciation and amortisation expenses	625	646
Impairment charges	20	244
Profit on sale of associates and joint ventures	(9)	-
Gains and losses on foreign exchange differences and fair value gains and losses relating to investing and financing activities	373	256
Equity-settled share-based payments	26	39
Cash flow from operating assets and liabilities		
Movements in financial assets and liabilities ¹	(82 055)	(62 384)
Properties under development	3	(95)
Other receivables ¹	(42)	53
Employee benefit assets and obligations	852	348
Investment contract liabilities ¹	62 651	45 961
Intangible assets related to investment contracts	(204)	80
Investment properties	(341)	(365)
Insurance contract assets and liabilities ¹	17 357	13 224
Reinsurance assets and liabilities ¹	1 682	2 709
Other operating liabilities ¹	699	(419)
Cash utilised in operations	(20 605)	(22 948)
¹ The restatements in note 1 resulted in reallocations between lines in the cash utilised in operations note. The overall impact on the cash utilised in operations is nil and the total figure remains unchanged from the prior year.		
² Interest income includes R78 million (2024: R82 million) related to interest earned on policy loans.		
³ Finance costs includes R118 million (2024: R111 million) related to interest accrued on late claims.		
28.2 Income tax paid		
Receivable/(Payable) at beginning ¹	239	(1 082)
Current income tax asset	568	82
Current income tax liability ¹	(329)	(1 164)
Charged to income statement ¹	(5 982)	(4 166)
Transfer to disposal groups held for sale	(10)	-
Business combinations	(6)	-
Payable/(receivable) at end	484	(239)
Current income tax asset	168	568
Current income tax liability	(652)	(329)
Total	(5 275)	(5 487)
¹ The restatements in note 1 resulted in reallocations between lines in the cash utilised in operations note. The overall impact on the cash utilised in operations is nil and the total figure remains unchanged from the prior year.		
	2025 Rm	2024 Rm
28.3 Interest paid		
Redeemable preference shares at amortised cost	(241)	(179)
Unsecured subordinated call notes	(389)	(443)
Cost of trading positions	(51)	(8)
Cost of carry positions	(1 348)	(1 048)
Other	(424)	(397)
Total	(2 453)	(2 075)

28 Cash flow notes continued

	Notes	2025 Rm	2024 Rm
28.4 Liabilities arising from financing activities			
Subordinated call notes	28.4.1	4 382	4 323
Carry positions	28.4.2	18 954	15 714
Preference shares	28.4.3	426	377
Other borrowings	28.4.4	557	257
Financial liabilities at amortised cost	28.4.5	3 521	3 678
Total		27 840	24 349
28.4.1 Subordinated call notes			
Due at beginning		4 323	4 299
Subordinated call notes issued		750	750
Accrued interest		395	419
Interest paid		(389)	(443)
Subordinated call notes repaid		(750)	(750)
Fair value movement		71	19
Own credit (gains)/losses included in other comprehensive income		(18)	29
Due at end		4 382	4 323
28.4.2 Carry positions			
Due at beginning		15 714	9 080
Proceeds from carry positions		266 798	201 528
Repayment of carry positions		(263 548)	(194 917)
Accrued interest		1 345	1 066
Interest paid		(1 348)	(1 048)
Fair value movement		(7)	5
Due at end		18 954	15 714
28.4.3 Preference shares at FVPL			
Due at beginning		377	310
Fair value movement		49	67
Due at end		426	377
28.4.4 Financial liabilities at FVPL: Other borrowings			
Due at beginning		257	65
Proceeds from other borrowings		309	117
Repayment of other borrowings		(5)	(45)
Contingent consideration paid		(67)	(7)
Business combinations – acquisitions of joint venture	7	-	18
Business combinations – acquisitions of subsidiary	29	-	223
Fair value movement		63	(115)
Foreign exchange rate differences		-	1
Due at end		557	257
28.4.5 Financial liabilities at amortised cost			
Due at beginning		3 678	3 969
Repayment of borrowings measured at amortised cost		(212)	(375)
Repayment of capital portion of leases		(102)	(101)
Repayment of capital portion of term loans		(77)	(171)
Repayment of other borrowings		(33)	(103)
Proceeds from borrowings measured at amortised cost		85	295
Proceeds from cumulative redeemable preference shares measured at amortised cost		1 000	-
Repayment of cumulative redeemable preference shares measured at amortised cost		(1 000)	-
New leases entered into		64	96
Accrued interest on leases		14	11
Interest paid on leases		(11)	(8)
Preference shares interest repaid		(241)	(179)
Preference shares interest accrued		132	187
Accrued interest on other borrowings		225	152
Interest paid on other borrowings		(209)	(220)
Modification of preference shares		(1)	11
Modifications of leases		(3)	12
Business combinations relating to leases		(11)	-
Conversion of preference shares		-	(264)
Foreign exchange rate differences on leases		4	(3)
Foreign exchange rate differences on other borrowings		7	(6)
Due at end		3 521	3 678

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

29 Business combinations

June 2025

FinGlobal Migration (Pty) Ltd

On 30 April 2025, the Group, through its wholly owned subsidiary, MSI, acquired 100% of the shares in FinGlobal for a purchase consideration of R215 million. The purchase consideration consisted of an initial cash payment of R215 million. The acquisition extends Momentum's advice offering to clients with emigration services which can be bolted on to any of the Momentum distribution channels as an additional service offering.

June 2024

Investment Managers Group (Pty) Ltd

During March 2024, the Group, through its wholly owned subsidiary, MSI, acquired the Investment Managers Group of companies. The transaction resulted in the acquisition of three subsidiaries namely Investment Managers Group (Pty) Ltd (100% holding), IMG Affiliates 2 (Pty) Ltd (100% holding) and IMG Affiliates 2B (Pty) Ltd (70% holding). The purchase consideration consisted of R87 million in cash and R24 million in contingent consideration. The contingent consideration relates to pass-through payments on certain assets that will be made to the former owners of the entities at their respective previously held stakes. The non-controlling interest is measured at their proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Zest Life Investments (Pty) Ltd (Zest Life)

On 30 April 2024, the Group, through its wholly owned subsidiary, Guardrisk Group (Pty) Ltd, acquired 100% of the shares in Zestlife (Pty) Ltd for a purchase consideration of R421 million. The purchase consideration consisted of an initial cash payment of R222 million and R199 million contingent consideration. The contingent consideration is made up of deferred payments relating to outperformance of certain key targets, and the continuing relationship of a key distribution network. If these targets are not met either a portion or all of the deferred payment will be forfeited.

The acquisitions provide an opportunity for growth, which is the Group's current focus

The purchase price consideration, the net assets acquired and any relevant goodwill relating to the above transactions are as follows:

	2025 Rm	2024 Rm
Fair value of net assets		
Intangible assets	142	209
Tangible assets	6	13
Investment in associates	-	147
Financial instrument assets	48	69
Cash and cash equivalents ¹	59	46
Reinsurance contract assets	-	104
Deferred income tax liabilities	(47)	(54)
Financial instrument liabilities	(12)	(32)
Other liabilities	(12)	(24)
Net identifiable assets acquired	184	478
Non-controlling interests recognised	-	(44)
Goodwill recognised	31	207
Purchase consideration in total	215	641
Fair value of previously held investment in associate derecognised	-	(109)
Contingent liability payments	-	(223)
Purchase consideration in cash¹	215	309
Revenue since acquisition	16	30
Earnings since acquisition	3	17

¹ The subsidiary was purchased for R215 million (2024: R309 million). Cash and cash equivalents were recognised as part of the net assets acquired of R59 million (2024: R46 million), resulting in a net cash outflow of R156 million (2024: R263 million) as a result of the acquisitions.

The above acquisition of FinGlobal resulted in goodwill of R31 million being recognised attributable to certain anticipated operating synergies. The goodwill is not deductible for tax purposes. If the acquisition was made on 1 July 2024, revenue would have increased by R95 million and an additional profit after tax of R30 million would have been recognised.

For a sensitivity analysis on the contingent liability recognised in the prior year please refer to note 14.5. For the valuation technique on the contingent consideration liability refer to note 43.

30 Related party transactions

30.1 Major shareholders and Group companies

KTH is considered to be a related party by virtue of its role as the Group's B-BBEE partner.

Apart from the shareholder's role as a related party discussed above, no other Momentum Group Ltd shareholders have significant influence and thus no other shareholder is a related party.

Significant subsidiaries of the Group are listed in note 41. Details of the associates and joint ventures of the Group are contained in note 7 and note 42.

Various CISs in which the Group invests are defined as subsidiaries as the Group controls them in terms of IFRS 10; these are listed in note 41. CISs over which the Group has significant influence but not control are classified as investments in associates carried at fair value included as part of Financial assets at FVPL; details are included in note 42.

Other related parties include directors, key management personnel and their families. Key management personnel for the Group are defined as the executive and non-executive directors. It is not considered necessary to disclose details of key management family members and the separate entities that they influence or control. To the extent that specific transactions have occurred between the Group and these related parties (as defined in IAS 24 – Related party disclosures) the details are included in the aggregate disclosure contained below under key management, where full details of all relationships and terms of the transactions are provided.

30.2 Transactions with directors and key management personnel and their families

Remuneration is paid to executive directors and key management personnel of the Group, as well as to non-executive directors (in the form of fees). Remuneration paid to directors is disclosed in note 44.

The aggregate compensation paid by the Group or on behalf of the Group to key management for services rendered to the Group is:

	2025 Rm	2024 Rm
Salaries and other short-term employee benefits	114	74
Post-employment benefits	1	1
Share-based payment expense	148	93
Directors' fees	24	21
Total	287	189

The Group's executive directors are members of the staff pension schemes.

The executive directors participate in the Group's long-term retention schemes, the details of which are in note 16.1.2.

Aggregate details of insurance and investment transactions between Momentum Group Ltd (including any subsidiary) and key management personnel and their families are as follows:

	2025		2024	
	Insurance Rm	Investment Rm	Insurance Rm	Investment Rm
Fund value	-	225	-	111
Aggregate life and disability cover	53	n/a	36	n/a
Deposits/premiums for the year	1	21	1	5
Withdrawals/claims for the year	-	(24)	-	-

In aggregate, the Group earned fees and charges totalling R1.9 million (2024: R2.3 million) on the insurance and investment products set out above.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

30 Related party transactions continued

30.3 B-BBEE partner

The Group's B-BBEE partner, KTH, has a direct holding of 6.3% (2024: 8.1%) interest in the Group. The Group has entered into the following transactions with KTH:

- Momentum Group Ltd issued preference shares to KTH in 2011. Dividends of R37 million were paid to KTH on the preference shares in the prior year. The preference shares were converted to Momentum Group Ltd ordinary shares in the prior year.
- In 2019, Momentum Group Ltd subscribed for a cumulative, redeemable preference share in OTSI 108 (a KTH subsidiary). The dividends on the OTSI 108 preference share aligned the A3 preference share dividend to the ordinary dividends. As a result, a payment of R20 million was made to KTH during the prior year. The preference share was redeemed in the prior year.

30.4 Contract administration

Certain companies in the Group carry out third-party contract and other administration activities for other related companies in the Group. These transactions are entered into at market-related rates. These fees are eliminated on consolidation.

30.5 Transactions with associates

Transactions with associates relate to loans advanced and preference share investments (refer to note 8.2). Loans to associates are not material and therefore the disclosures in accordance with IAS 24.18 on the amount of the outstanding balance and associated ECL have not been provided for each associate.

30.6 Post-employment benefit plans

Refer to note 16 for details of the Group's employee benefit plans.

31 Capital and lease commitments and receivables

	2025 Rm	Restated 2024 Rm
Capital commitments		
Authorised but not contracted	479	529
Authorised and contracted	58	35
Total	537	564
The above commitments, which are in respect of computer software, building refurbishments, and new business opportunities, will be financed from internal sources. The Group has also made capital commitments of R132 million for 2026 for India, R203 million for Momentum Investments and R116 million for Shareholders.		
Loan commitments		
Undrawn loan commitments ¹	-	904
Total	-	904

¹ As at 30 June 2025, the Group had no unknown loan commitments. In the previous financial year, undrawn loan commitments amount to R904 million. This disclosure was omitted in the prior year and has been corrected to align with the standards' requirements.

	2025 Rm	Restated 2024 Rm
Lease commitments		
The minimum future lease payments relating to short-term leases, low-value asset leases and variable lease payments payable under non-cancellable leases on property and equipment:		
Less than 1 year	7	6
Between 1 and 5 years ¹	4	9
More than 5 years ¹	3	8
Total	14	23

¹ This is a change in presentation in the current year. During the current year, management identified that longer than 1 year lease commitments payable had not been included in the lease commitments payable table in prior years. This omission represented a disclosure error, and the comparative information has therefore been restated to include these lease commitments in order to align with the requirements of the standard. The restatement has no impact on the Group's statement of financial position, statement of comprehensive income, statement of changes in equity, or statement of cash flows.

The minimum future lease payments receivable under non-cancellable operating leases on investment properties:

	2025 Rm	2024 Rm
Less than 1 year	445	530
Between 1 to 2 years	361	455
Between 2 to 3 years	269	405
Between 3 to 4 years	217	341
Between 4 to 5 years	204	321
Between 5 to 6 years ¹	459	54
Between 6 to 7 years ¹	14	338
Between 7 to 8 years ¹	13	240
Between 8 to 9 years ¹	13	127
Between 9 to 10 years ¹	-	113
More than 10 years ¹	103	565
Total	2 098	3 489

¹ This is a change in presentation in the current year. Lease commitments receivable with terms longer than five years have been disaggregated to provide additional detail.

32 Provisions and contingent liabilities

The Group is party to legal proceedings in the normal course of business and appropriate provisions are made when losses are expected to materialise.

Provisions	Reinter-mediation Rm	Other Rm	Total Rm
2025			
Balance at beginning	139	265	404
Additional provision	16	45	61
Amounts utilised	(4)	(149)	(153)
Unused amounts reversed	(67)	28	(39)
Other ¹	17	(16)	1
Foreign exchange rate differences	-	2	2
Balance at end	101	175	276
2024			
Balance at beginning	199	186	385
Additional provision	16	124	140
Amounts utilised	(10)	(54)	(64)
Unused amounts reversed	(36)	(19)	(55)
Other	(30)	30	-
Foreign exchange rate differences	-	(2)	(2)
Balance at end	139	265	404

¹ In the current year, Other includes increases arising due to the passage of time and the effect of changes in the discount rate.

There is an obligation to reintermediate clients that are not linked to a financial adviser. A provision was made to provide for the expenses that will be incurred to reintermediate these clients with in-force policies to a financial adviser. It is expected that the provision will be utilised over the next five years, but there is uncertainty about the number of advisers and clients that will participate in this reintermediation programme, as well as the timing, which impacts the amount of the provision and timing of the utilisation. The provision will be reassessed annually and adjusted as required based on the actual experience associated with the number of financial advisers and clients that will participate in this reintermediation programme.

33 Events after the reporting period

The operating model review of the Momentum Metropolitan Africa segment has been completed. From 1 July 2025, the short-term insurance business will be reported in Guardrisk and the health insurance business reported in Momentum Metropolitan Health. As a result, the Momentum Metropolitan Africa segment will comprise only the life and asset management businesses. However, the Namibia health business will continue to be reported as part of Momentum Metropolitan Africa.

The Sage Group Pension Fund is in the process of liquidation and the surplus is for the benefit of the employer as the fund has no employee liabilities. The FSCA approved the preliminary liquidation account in January 2023 and liquidation payments will commence once the FSCA provides the necessary approval for payments to proceed after the public inspection period is completed and any objections are resolved. During August 2025 FSCA approval was received and the surplus was paid into the Group's bank account. An amount of R472 million was received, and a gain of R5 million is expected to be recognised in the 2026 financial year.

The sale of 100% of Metropolitan Life Insurance Ghana Ltd, Metropolitan Pensions Trust Ghana Ltd and the Group's 85% share of Metropolitan Health Insurance Ghana Ltd to emPLE Group was concluded on 9 September 2025.

The Board declared a final ordinary dividend of 90 cents per share on 15 September 2025.

The Group bought back a total of 17.5 million shares for a cost of R602 million including transaction costs during the period 1 July 2025 to 12 September 2025. 16.8 million shares of these have been cancelled with the remainder to be cancelled in September 2025.

Guardrisk Life Ltd has received regulatory approval for a Section 50 transfer of insurance business related to a specific cell that has obtained its own insurance license. In terms of this approval, the associated insurance liabilities and corresponding matching assets will be transferred during September 2025. This will have no impact on the net asset value of the entity and an immaterial impact on earnings in 2026.

The Board has approved a further R1 billion for the buyback programme of the Group's ordinary shares, subject to Prudential Authority approval.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

34 Financial and insurance risk management

The Group recognises that sound risk and capital management is an integral part of generating sustainable shareholder value while protecting client interests, and therefore seeks to strike the appropriate balance between different stakeholder needs. Risk and capital management forms part of the decision-making process that enables the Group in its entirety to ensure that risk-taking is a consciously chosen strategic decision.

The Group is exposed to financial risk and insurance risk through the insurance and investment products issued to policyholders and financial instruments and reinsurance contracts held. Uncertainty or risk is the essence of an insurance contract. Insurance contracts contain uncertainties regarding the probability of an insured event occurring, the timing of the insured event or the cash flows arising from the insured event.

The Board-approved Risk Appetite Framework articulates the level and type of risk that the Group is prepared to seek, accept or tolerate in pursuit of its strategic objectives. The risk taxonomy describes the structure of the risk categories used in the Group Risk Management Framework and provides generic definitions of these risk categories. This ensures consistency in the approaches to risk management applied across the group. The risk strategy seeks to guide the way in which the Group assumes risk through the qualitative expression of its appetite for exposure to the different types and sources of risk and is supported by quantitative tolerances and limits which are set to ensure that underlying risk exposures remain within appetite.

The risk taxonomy and risk strategy differentiate between quantitative financial and insurance risk, and qualitative risks that include operational, strategic, compliance, conduct and business risk. While some of these risk exposures are interdependent, the Group enjoys significant risk diversification between these different risk types as a result of the diversity of its business operations.

The Board is responsible for the total process of risk management, as well as forming an opinion on the effectiveness of the respective processes employed in the Group's risk management, balance sheet management and compliance functions. The Risk, Capital and Compliance Committee has an independent role and makes recommendations to the Momentum Group Board for its consideration and final approval in respect of risk management and oversight. It also ensures that the Group has implemented and maintains an effective risk management system comprising the totality of strategies, policies and procedures for identifying, measuring, monitoring, managing and reporting of all material risks that will enhance the Group's ability to achieve its strategic objectives.

34.1 Insurance risks

Life insurance risk: Life insurance risk is the risk of loss or adverse change in the value of life insurance contracts resulting from changes in the timing, frequency, or severity of current or expected future risk claims or policyholder persistency. This can be through the realisation of an operating experience loss or the change in insurance liabilities. Life insurance risk relates to risk exposures across mortality, morbidity (including disability), retrenchment, longevity, and policy terminations and alterations. Exposure to life insurance risk could result in changes in fulfilment cash flows attributable to life insurance contracts and changes to profit or loss for the Group.

Non-life insurance risk: Non-life insurance risk is the risk of unexpected underwriting losses due to higher claims than expected or by less than expected efficiency of the mitigation strategies put in place. Non-life insurance risk includes premium, reserve, lapse and catastrophe risk exposures. Exposure to non-life insurance risk could result in changes in fulfilment cash flows attributable to non-life insurance contracts and changes to profit or loss for the Group.

Health insurance risk: Health insurance risk is the risk of loss, or adverse change in the value of insurance liabilities, due to health insurance experience being worse than expected or future expected experience being worse than previously assumed. Exposure to health insurance risk could result in changes in fulfilment cash flows attributable to health insurance contracts and changes to profit or loss for the Group. The Group has exposure to health insurance risk through health insurance contracts issued in South Africa, Ghana, Lesotho, Botswana, Mozambique, and India.

34.2 Financial risks

Market risk: Market risk is the risk of financial loss due to adverse movements in the market value of assets supporting liabilities relative to the value of those liabilities, or due to a decrease in the net asset value, as a consequence of changes in market conditions or as a result of the performance of investments held. This includes exposure to equities, property, credit and basis spreads, price inflation, interest rates and currencies. The carrying values of some insurance and reinsurance contracts are sensitive to changes in equity prices, property prices and interest rates. Market risk can result in changes in profit or loss for the Group.

Liquidity risk: Liquidity risk is the risk that the Group, though solvent, has inadequate liquid financial resources to meet its financial and insurance obligations as and when they fall due, or can only secure these resources at excessive cost. The Group differentiates between funding liquidity risk (the risk of losses arising from difficulty in raising funding to meet obligations when they become due or from excessive funding costs), market liquidity risk (the risk of losses arising when engaging in financial instrument transactions due to inadequate market depth and/or breadth or a market disruption), and surrender liquidity risk (liquidity risk arising from large unexpected client withdrawals of investments).

Credit risk: Credit risk is the risk of losses arising from the potential that a counterparty will fail to meet its obligations in accordance with agreed terms. It could arise from the decrease in the value of an asset subsequent to the downgrading of a counterparty. The Group is exposed to credit risk through premium debtors, loans granted to policyholders, amounts due from reinsurers, trade and other receivables, derivative instruments, cash and cash equivalents and debt instruments held.

34 Financial and insurance risk management continued

34.3 Business risks

The issue of insurance contracts exposes the Group, to among others, the following business risks:

Expense risk: Expense risk is the risk of loss or adverse change in value arising from the variation in the level, trend or volatility of expenses incurred. This may be due to inefficiencies, higher than expected expense inflation, lower than expected volumes of new business or higher than expected terminations resulting in a smaller in-force book size. Budget controls are in place to mitigate this risk. The Group performs expense investigations annually and sets pricing and valuation assumptions to be in line with actual experience, with allowance for expense inflation and known future developments. The expense inflation assumption furthermore allows for the expected gradual shrinking of the number of policies arising from the run-off of certain books that are closed to new business.

Business volume risk: There is a risk that the Group may not sell sufficient volumes of new business to meet the expenses associated with distribution and administration. A significant portion of the new business acquisition costs is variable and relates directly to sales volumes. The fixed cost component can be scaled down if there is an indication of a permanent decline in business volumes, but this will happen over a period of time. A further mitigating factor is that the distribution channels used to generate new insurance and investment business are used to distribute a range of product lines within the Group, such as health insurance and non-life insurance.

34.4 First and third-party cell captive arrangements

Through Guardrisk the Group issues life and non-life insurance policies to policyholders. The insurance policies are issued in first- or third-party cell captive arrangements.

The economic substance of a first-party cell captive arrangement is that the cell owner (as policyholder) retains the insurance risk and financial risks accepted by the Group through the insurance policy issued.

First-party cell arrangements expose the Group to market risk and credit risk through the financial instruments held and liquidity risk from payments due to the cell owner (as policyholder). However, these risks are transferred to the cell owner (as policyholder). On a net basis the Group is exposed to the insurance and financial risks in the cell structure through fee income.

The economic substance of a third-party cell captive arrangement is that the insurance risk accepted by the Group, from policyholders, is transferred to the cell owner. Third-party cell captive arrangements are accounted for as in-substance reinsurance agreements held by the Group. Insurance policies issued in third-party cell captive arrangements expose the Group to insurance risk, market risk, liquidity risk and credit risk.

For further information on the accounting treatment of transactions within first- and third-party cell arrangements, refer to the accounting policies.

34.5 Claims development

Given the insurance risks underwritten by the Group as well as the prompt settlement of incurred claims, there is limited exposure to uncertain claims development patterns potentially spanning multiple years.

- Lump sum benefit payments in respect of life and health insurance are generally settled shortly after the insured event has occurred. Insurance claims that are settled through regular benefit payments can span multiple years and is dependent on the nature of the claim. This relates mainly to income protection and waiver of premium products. However, once the insured event has occurred, the future benefit payments for these products are estimated with a high degree of certainty.
- Non-life insurance claims are mostly settled within a year after the insured event has occurred, while more complex insurance risks might be settled over a longer period. The Group utilises reinsurance to mitigate its exposure to the uncertainty around claims development in this regard. This can take the form of external reinsurance arrangements or in-substance reinsurance in the case of cell captive business.

Total insurance claims paid (cash flow) for the financial year ended 30 June 2025 was R26 925 million (2024: R28 614 million). Permanent health insurance claims paid (cash flows) for the same period was R1 511 million or 5.6% of total insurance claims paid (2024: R1 441 million or 5.0% of total claims paid). The percentage is deemed to be a realistic representation of the proportion of all claims that are not settled within a year. As a result a claims development table is not disclosed.

34.6 Risk management

The Group accounts for insurance contracts issued and reinsurance contracts held per the measurement models set out in the accounting policies (note 45) and as disclosed in notes 10 and 11. Notes 35 to 40 provide information on the processes in place to manage and mitigate the financial and insurance risks to which the Group is exposed.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

34 Financial and insurance risk management continued

34.6 Risk management continued

	Insurance risk					Financial risk				Measurement models			
	Expense risk	Morbidity and mortality risk	Persistence risk	Premium risk	Reserve risk	Catastrophe risk	Credit risk	Liquidity risk	Interest rate risk	Market price risk	General measurement model	Variable fee approach	Premium allocation approach
Insurance and reinsurance contracts													
Life insurance contracts													
Individual insurance contracts													
Market-related	x	x	x				x	x	x	x		x	
Discretionary Participation	x	x	x				x	x	x	x	x	x	
With-profit annuities	x	x					x	x	x	x		x	
Non-profit annuities	x	x					x	x	x	x	x		
Other non-profit business	x	x	x			x	x	x	x	x	x		x
Group insurance contracts													
Market-related	x	x	x				x	x	x	x	n/a	n/a	n/a
Discretionary Participation	x	x	x				x	x	x	x	n/a	n/a	n/a
With-profit annuities	x	x					x	x	x	x		x	
Non-profit annuities	x	x					x	x	x	x	x		
Other non-profit business	x	x	x			x	x	x	x	x			x
Non-life insurance contracts	x		x	x	x	x	x	x	x				
Health insurance	x	x	x	x	x	x	x	x	x				x
Third-party cell captive arrangements													
Life insurance	x	x	x				x	x	x	x	x		x
Non-life insurance	x		x	x	x	x	x	x	x				x
Reinsurance contracts held	x	x				x	x	x	x		x	n/a	x
In-substance reinsurance contracts held	x	x					x	x					x

The table above has been included in 2025 to indicate how insurance contracts and reinsurance contracts held are largely allocated to the IFRS 17 measurement models.

The **insurance contracts** reflected in the tables above are included as follows in the segmental breakdowns provided in note 3.3 and in the tables below. Market-related and With-Profit Annuity business are included under Long-Term Savings. Discretionary Participation business is included under Long-term Savings (if smoothed bonus) and Traditional (if conventional with-profit). Non-profit annuities are included under Annuities and Structured Products. Other non-profit business consists mostly of Protection business.

The **life insurance contracts** reflected in the tables above are included as follows in the segmental breakdowns provided in note 3.3 and in the tables below. Market-related and With-Profit Annuity business are included under Long-Term Savings. Discretionary Participation business is included under Long-term Savings (if smoothed bonus) and Traditional (if conventional with-profit). Non-profit annuities are included under Annuities and Structured Products. Other non-profit business consists mostly of Protection business.

34 Financial and insurance risk management continued**34.6 Risk management** continued

Carrying values of insurance products issued	MML Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Metropolitan Africa Rm	Momentum Metropolitan Health Rm	Total Rm
2025						
Covered						
Protection	19 397	-	-	1 591	-	20 988
Long-term savings	38 527	-	-	8 436	-	46 963
Annuities and structured products	69 527	-	-	3 896	-	73 423
Traditional	22 511	-	-	288	-	22 799
Other	(40)	-	-	1	-	(39)
Total	149 922	-	-	14 212	-	164 134
Non-covered						
Investment and savings	-	-	-	-	-	-
Life insurance	-	-	-	-	-	-
Health	-	-	-	192	(9)	183
Momentum Multiply	-	-	-	-	-	-
Cell captives	-	6 932	-	59	-	6 991
Non-life insurance	-	-	795	914	-	1 709
Total	-	6 932	795	1 165	(9)	8 883
Insurance Contracts	149 922	6 932	795	15 377	(9)	173 017
Restated 2024						
Covered						
Protection	17 976	-	-	1 459	-	19 435
Long-term savings	36 191	-	-	7 361	-	43 552
Annuities and structured products	57 922	-	-	3 498	-	61 420
Traditional ¹	21 994	-	-	282	-	22 276
Other	56	-	-	1	-	57
Total	134 139	-	-	12 601	-	146 740
Non-covered						
Investment and savings	-	-	-	203	-	203
Life insurance	-	-	-	66	-	66
Health ¹	-	-	-	164	(20)	144
Momentum Multiply	-	-	-	-	-	-
Cell captives ¹	-	7 352	-	-	-	7 352
Non-life insurance	-	-	899	963	-	1 862
Total	-	7 352	899	1 396	(20)	9 627
Insurance Contracts	134 139	7 352	899	13 997	(20)	156 367

¹ Refer to note 1 for more information on the restatements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

35 Capital management

35.1 Capital management objectives

The Board has the ultimate responsibility for the efficient management of capital within the Group. The balance sheet management function is responsible for the day-to-day activities relating to capital management and for making timely, prudent recommendations to the relevant governance committees.

The key objectives of the Group's capital management programme are to maintain compliance with minimum regulatory SCR as defined in the Insurance Act 18 of 2017 and its associated Prudential Standards, as well as the target SCR cover ratios as approved as part of the Group's Risk Appetite Framework. The focus on maintaining an optimal solvency position will always be balanced with the aim of not retaining excessive surplus capital on the statement of financial position. In order to do this, the Group continues to focus on optimising capital consumption, the Group capital structure, capital deployment and capital distribution. When these activities are combined, capital management drives value creation within the Group. The capital management programme is underpinned by appropriate links to the Group's Risk Appetite Framework and governance processes while focusing on the effective implementation and execution of the principles.

35.2 Capital Management Framework

The Group's Capital Management Framework rests on the following key principles:

Capital requirements and definition of capital

The risks inherent in the Group's business activities drive the need to hold sufficient capital reserves to protect the business against the adverse impacts of unexpected risk events. This is the primary aim of holding capital on the statement of financial position. In addition, holding capital on the statement of financial position enables the Group to support its business strategy.

Within the Group, capital is measured and monitored on both the IFRS Accounting Standards and regulatory basis. On the IFRS Accounting Standards basis, capital is defined as the total equity plus subordinated debt. On the regulatory basis, capital is defined as the total eligible own funds calculated in line with the technical specifications of the Prudential Standards, together with any applicable Prudential Authority approvals obtained.

The table below shows the Group's total capital as of 30 June 2025 and the comparative amount as of 30 June 2024.

Capital type	2025 Rm	2024 Rm
IFRS NAV	32 954	30 057
Subordinated debt	4 382	4 324
Total	37 336	34 381

Own funds and solvency capital requirements

The regulatory capital coverage is determined as the ratio of own funds to the SCR. The calculation of the own funds and SCR are in accordance with the technical specifications of the Prudential Standards applicable to all of the Group's local insurance entities.

Capital coverage

The Group specifies capital coverage ratios and ranges for the Group and its regulated insurance entities, which are defined under its Risk Appetite Framework. The regulatory capital coverage is determined as the ratio of Own Funds to the SCR.

Capital allocation

As a general principle, subsidiaries are capitalised to ensure medium-term regulatory solvency while additional capital is held centrally to support the long-term regulatory solvency of the entities. MML houses Momentum Group's shareholder assets, therefore, MML is capitalised in excess of what its own covered business requires.

Investment of assets backing shareholder capital

The assets held in the shareholder capital portfolios, housed within MML, are financial assets that are in excess of the assets required to meet policyholder obligations and are directly attributable to the Group's shareholders. These assets back the Group's minimum required capital, approved capital buffers, the subordinated debt programme, as well as discretionary and surplus capital. The assets backing shareholder capital portfolios are invested in line with approved risk appetite and mandates.

Capital planning process

The Group's capital planning process facilitates value creation by aligning corporate strategy, capital allocation and performance measurement. This process is conducted on a forward-looking basis through regular solvency and liquidity projections that take into account capital sourcing requirements, strategic capital deployment and subsidiary capital requirements.

35 Capital management continued

35.2 Capital Management Framework continued

Dividends

The Momentum Group Board approved an amended dividend policy which targets an ordinary dividend payout of 50% of Normalised Headline Earnings, with a target payout of 40% to 60% of Normalised Headline Earnings. Momentum Group will aim to maintain a sustainable ordinary dividend payout. In addition to the ordinary dividend, the Group will consider share buybacks or special dividends to distribute surplus capital. The previous dividend policy targeted an ordinary dividend payout of 40% of Normalised Headline Earnings, with a target range of 33% to 50% of Normalised Headline Earnings.

Alignment of capital with subsidiaries

The Group provides the over-arching guiding principles regarding capital management for all subsidiaries as it is the main provider of capital to these subsidiaries.

35.3 Overview of capital management developments

35.3.1 Changes in capital structure

Subordinated debt raising and settlement

On 12 November 2024, MML listed two subordinated debt instruments, the MML08 floating rate bond and the MML09 fixed rate bond, with a combined value of R750 million on the JSE Ltd. The proceeds of the issuance replaced the funds used to redeem the MMIG07 subordinated debt instrument, which was redeemed on 18 September 2024, the first call date.

On 12 August 2025, MML redeemed the MMIG04 subordinated debt instrument, with a nominal amount of R270 million, on the first call date.

35.3.2 Subordinated debt profile

The table below shows a summary of the MML subordinated debt profile, which relates to unsecured callable notes currently in issue:

Instrument code	Amount issued (Rm)	Coupon rate	Tenor	Date issued	Interest rate
2025					
MMIG04	270	11.30%	10 years	Aug-15	Fixed
MML01	290	JIB03+175 bps	7 years	Dec-19	Floating
MML02	460	9.29%	7 years	Dec-19	Fixed
MML03	300	JIB03+194 bps	7.1 years	Feb-21	Floating
MML04	450	7.89%	7.1 years	Feb-21	Fixed
MML05	865	JIB03+160 bps	5 years	May-22	Floating
MML06	135	10.01%	7 years	May-22	Fixed
MML06 tap	410	10.01%	5.6 years	Oct-23	Fixed
MML07	340	JIB03+134 bps	5.6 years	Oct-23	Floating
MML08	250	JIB03+129 bps	5.5 years	Nov-24	Floating
MML09	500	9.52%	5.5 years	Nov-24	Fixed
Total	4 270				
Restated 2024					
MMIG04	270	11.30%	10 years	Aug-15	Fixed
MMIG07	750	JIB03+175 bps	5.5 years	Mar-19	Floating
MML01	290	JIB03+175 bps	7 years	Dec-19	Floating
MML02	460	9.29%	7 years	Dec-19	Fixed
MML03	300	JIB03+194 bps	7.1 years	Feb-21	Floating
MML04	450	7.89%	7.1 years	Feb-21	Fixed
MML05	865	JIB03+160 bps	5 years	May-22	Floating
MML06	135	10.01%	7 years	May-22	Fixed
MML06 tap ¹	410	10.01%	5.6 years	Oct-23	Fixed
MML07	340	JIB03+134 bps	5.6 years	Oct-23	Floating
Total	4 270				

¹ The tenor of MML06 tap has been revised to match the maturity date of MML06 given that they relate to the same instrument despite the different issue dates.

The Group believes that the current capital mix is adequate and will continue to pursue strategies to optimise the capital mix within the Prudential Standards.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

35 Capital management continued

35.3 Overview of capital management developments continued

35.3.2 Subordinated debt profile continued

The table below shows the maturity profile of MML's subordinated debt:

Bond code	Bond Issue Amount (Rm)	Date Issued	Outstanding Tenor	Year of maturity
2025				
MMIG04	270	Aug-15	0.1 years	2025
MML01	290	Dec-19	1.4 years	2026
MML02	460	Dec-19	1.4 years	2026
MML03	300	Feb-21	2.7 years	2028
MML04	450	Feb-21	2.7 years	2028
MML05	865	May-22	1.9 years	2027
MML06	135	May-22	3.9 years	2029
MML06 tap	410	Oct-23	3.9 years	2029
MML07	340	Oct-23	3.9 years	2029
MML08	250	Nov-24	4.9 years	2030
MML09	500	Nov-24	4.9 years	2030
Total	4 270			
2024				
MMIG04	270	Aug-15	1.1 years	2025
MMIG07	750	Mar-19	0.2 years	2024
MML01	290	Dec-19	2.4 years	2026
MML02	460	Dec-19	2.4 years	2026
MML03	300	Feb-21	3.7 years	2028
MML04	450	Feb-21	3.7 years	2028
MML05	865	May-22	2.9 years	2027
MML06	135	May-22	4.9 years	2029
MML06 tap	410	Oct-23	4.9 years	2029
MML07	340	Oct-23	4.9 years	2029
Total	4 270			

35.4 Capital coverage

MML has adopted a target range for regulatory solvency cover of 1.6 to 2.0 times the SCR. This makes allowance for the capital required to support the covered business against a range of severe but plausible scenarios, as well as the wider strategic investments of the Group. The regulatory solvency cover of MML (after foreseeable dividends) was above the upper threshold of the target range at 30 June 2025 (and narrowly below the upper threshold at 30 June 2024).

The PA has designated Momentum Group as an insurance group. The Group has received approval to calculate its Group solvency position using the Accounting Consolidation method (for MML, Momentum Insure Company Ltd and the Asset Holding Intermediaries held by these entities) as well as certain additional methodology approvals that have a minor impact on Group solvency.

The Group targets an SCR cover range of 1.35 to 1.65 times SCR. The Group's solvency position is determined by aggregating the adjusted own funds and SCR under the regulatory framework of all the underlying entities, after elimination of intragroup arrangements. The prescribed Deduction and Aggregation method is applied in aggregating the adjusted solo own funds and solo SCR of the controlling company and its participations. For entities for which approval has been received for inclusion in the Accounting Consolidation group, the eligible own funds and SCR are calculated using a consolidated balance sheet approach as required by the Framework for Financial Soundness of Insurance Groups. The SCR cover of the Group was within the target range at 30 June 2025 (and at 30 June 2024).

35 Capital management continued

35.5 Credit ratings

MML and the Guardrisk Group entities are the main rated entities within the Group. Therefore, this section provides an update on these entities.

In November 2024, Moody's published their updated credit opinion for MML and Guardrisk. In those credit opinion reports, Moody's affirmed the MML credit ratings and upgraded Guardrisk credit ratings while maintaining a stable outlook on the ratings. The table below shows the relevant Momentum Group entity credit ratings as at 30 June 2025.

			National scale		Global scale		Outlook
Entity	Type		2025	2024	2025	2024	
MML							
MML	Insurance Financial Strength (IFS)		Aaa.za (AAA)	Aaa.za (AAA)	Ba1 (BB+)	Ba1 (BB+)	Stable
MML	Issuer rating		Aa1.za (AA+)	Aa1.za (AA+)	Ba2 (BB)	Ba2 (BB)	Stable
Subordinated debt	n/a		Aa3.za (AA-)	Aa3.za (AA-)	Ba3 (BB-)	Ba3 (BB-)	Stable
Guardrisk							
Guardrisk Insurance Company Ltd	IFS		Aaa.za (AAA)	Aaa.za (AAA)	Ba1 (BB+)	Ba2 (BB)	Stable
Guardrisk Life Insurance Company Ltd	IFS		Aaa.za (AAA)	Aaa.za (AAA)	Ba1 (BB+)	Ba2 (BB)	Stable
Guardrisk International Ltd PCC	IFS		N/a	N/a	Ba1 (BB+)	Ba2 (BB)	Stable

On Guardrisk, in the November 2024 report, Moody's commented that "The Ba1 global scale, and Aaa.za national scale, Insurance Financial Strength (IFS) ratings assigned to entities in the Guardrisk group reflect both its cell captive structures, which shield its own balance sheet from a number of stresses including those related to the South African sovereign and operating environment and its association with Momentum Group Limited, which we expect to provide financial assistance if required."

36 Insurance and investment business

36.1 Classes of insurance and investment contract business

Individual and group contracts with market exposure: Market-related business

Market-related or unit-linked contracts are those invested in investment portfolios where there is a direct relationship between the returns earned on the underlying portfolio and the returns credited to the contract. The market-related policyholder contracts may be investment contracts or insurance contracts.

The amount and timing of cash flows from these contracts are impacted, among others, by investment returns, timing of insured events and policyholder behaviour, exposing the Group to insurance risk.

Since there is a direct relationship between the returns credited to the policyholder contract and the returns earned on the underlying items, the policyholder is exposed to market risk, credit risk and liquidity risk associated with the underlying items.

In instances where fee income is based on investment returns or the fair value of underlying items or where recoupment of expenses is impacted by investment conditions, the Group is exposed to financial risks associated with the underlying items to the extent of the unrealised fee income. Fee income linked to investment performance is assessed under IFRS 17 to determine whether it forms part of the insurance contract boundary or is accounted for separately under IFRS 15.

The Group is exposed to reputational risk if actual investment performance is not in line with policyholder expectations.

Individual and group contracts with market exposure: Discretionary participation business

Discretionary participation business includes smoothed bonus business, conventional with-profit business and group with-profit annuities. The discretionary participation business contracts may be insurance contracts or investment contracts.

The investment return earned on the underlying portfolios, after tax and charges, is credited to contracts in the form of bonuses. The use of bonuses is a mechanism to smooth returns to policyholders in order to reduce the risk of volatile investment performance. Any returns not yet distributed are retained in a bonus stabilisation account (BSA) for future distribution to policyholders. The BSA can be negative. The amount and timing of benefit payments on discretionary participation business are impacted, among others, by investment returns, declared bonuses, timing of insured events and policyholder behaviour.

Bonuses can be vested or non-vested and are declared considering a number of factors, including actual investment returns, previous bonus rates declared, product design, affordability, management discretion and contract holders' reasonable expectations. In principle, all returns on the underlying portfolio are credited to the underlying contracts over time.

A portion of discretionary participation fund values or benefits is usually deemed vested and thereby constitutes a form of investment guarantee in certain circumstances. This includes amounts invested and vested bonuses for smoothed bonus business, sums assured for conventional with-profit business and current annuity levels for with-profit annuity business.

The Group carries the same risks for these contracts as it does for market-related business. In addition, the Group is exposed to financial risks, specifically market risk, to the extent that investment returns do not support the vested guarantees or policyholder expectations.

In instances where fee income is based on investment returns or the fair value of underlying items, the Group is exposed to market risk and credit risk associated with the underlying items, to the extent of the unrealised fee income. The contracts described above are measured under IFRS 17 using either the general measurement model (GMM) or the variable fee approach (VFA), depending on the nature of the contract and the presence of direct participation features.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

36 Insurance and investment business continued

36.1 Classes of insurance and investment contract business continued

Non-profit annuity business

A non-profit annuity policy pays an income to the annuitant in return for a lump sum consideration paid on origination of the annuity policy. Payments normally cease on death of the insured life or lives, but different options, such as guaranteed payment periods and maximum payment terms, are offered to policyholders.

Benefit payments on non-profit annuities are generally fixed in nominal or inflation-adjusted terms and guaranteed at inception. The amount and timing of benefit payments are impacted primarily by longevity of policyholders and increases in benefit payments.

Non-profit annuity insurance contracts expose the Group to longevity risk and interest rate risk, expense risk and liquidity risk. In instances where annuity payments or increases in payments are guaranteed, the Group is exposed to further liquidity risk. The investments held to fund annuity liabilities expose the Group to market risk, credit risk and liquidity risk.

Other non-profit business

These include long-term regular premium insurance contracts of varying durations. These policies mainly represent whole life and term assurance contracts that provide lump sum benefits on death and disability. Benefits and premiums are guaranteed in nominal or inflation-linked terms, subject to reviewability clauses. The amount and timing of benefits payments are impacted, among others, by persistency, mortality and morbidity. Non-profit insurance business exposes the Group to persistency risk, mortality risk, morbidity risk, expense risk and liquidity risk. The Group is exposed to market risk, credit risk and liquidity risk through the investments that it holds to back the non-profit insurance liabilities.

Investment guarantees

The terms and conditions of some insurance and investment contracts contain the following types of investment guarantees:

- A minimum guaranteed maturity value is attached to the majority of the discretionary participation business and some market-related business. Some products also provide minimum benefits on early duration deaths and on early terminations.
- Discretionary participation business has a minimum death or maturity value equal to the vested benefits.
- Some older blocks of retirement annuity business have guaranteed annuity options on maturity. The options give contract holders the right to purchase conventional annuity contracts at guaranteed rates specified at the inception dates of the retirement annuity contracts. The liabilities in respect of these types of guarantees are much less significant than the liabilities in respect of minimum guaranteed maturity values and minimum vested benefits.
- In instances where regulatory requirements indicate that pension income cannot reduce in nominal terms, inflation-linked annuities contain a minimum annual increase rate.
- The Group has books of universal life business that offer minimum maturity values, based on a specified rate of investment return. These guaranteed rates range from 0% to 4.5% p.a. for the bulk of business. This applies to smoothed bonus portfolios as well as certain market-linked portfolios (the latter mostly closed to new business).
- On some smoothed bonus portfolios, there is also a guarantee to policyholders that the average annual bonus rate, measured over the lifetime of the contract, will not be less than a contractual minimum (around 4.5% p.a.).
- The Group also carries conventional business that offers minimum guarantees on maturity, surrender and death, with different forms of guarantees that apply in each event.

The amount and timing of investment guarantee payments are impacted by future investment returns relative to guarantees provided. Investment guarantees expose the Group to market risk, credit risk, and liquidity risk. The investment guarantees described are considered in the calculation of fulfilment cash flows and the contractual service margin (CSM) under IFRS 17. The Group assesses whether guarantees create embedded derivatives or require separate measurement under IFRS 17.

36.2 Life insurance risks

Life insurance risk is the risk of loss or adverse change in the value of life insurance contracts resulting from changes in the timing, frequency, or severity of current or expected future risk claims or policyholder persistency. This can be through the realisation of an operating experience loss or a change in insurance liabilities.

In determining the value of insurance contracts, assumptions need to be made regarding future rates of mortality and morbidity, termination rates, retrenchment rates, expenses and investment performance. Insured events are random and the actual number and amount of claims and benefits will vary from year to year. The uncertainty of these rates may result in actual experience being different from that assumed and hence actual cash flows being different from those projected. In adverse circumstances, actual claims and benefits may exceed the liabilities held. Statistically, the larger the portfolio of similar insurance contracts, the smaller the relative variability around the expected outcome will be. Similarly, diversification of the portfolio with respect to risk factors reduces life insurance risk.

Life insurance risk management

The HAFs have a duty under the Insurance Act, 18 of 2017 and its associated prudential guidelines to evaluate and provide advice to the Board of directors and management on the financial soundness of the insurer. This includes the accuracy of the calculations and the appropriateness of the assumptions underlying the valuation of the insurer's technical provisions and calculation of the insurer's capital requirements, calculated in accordance with the requirements of the Insurance Act, 18 of 2017 and its associated Prudential Standards. The HAFs report on these matters to the Board, Actuarial Committee and the Prudential Authority. The Actuarial Committee supports the HAFs in their responsibility for the oversight of insurance risk. The Actuarial Committee has been appointed by the Board to ensure that the technical actuarial aspects specific to insurance companies are debated and, where necessary, independently reviewed.

36 Insurance and investment business continued

36.2 Life insurance risks continued

The main insurance risks, as well as the Group's approach to the management of these risks, are set out below:

36.2.1 Demographic risks (mortality, morbidity, persistency, longevity)

The risk of loss or adverse change in the value of life insurance contracts arising from changes in the level, trend, or volatility of demographic rates in respect of insurance obligations where a change in demographic rates lead to an increase in the value of insurance liabilities or claims. Underwriting processes are in place to manage exposure to these risks. The most significant measures are:

- The HAFs are required to evaluate and provide advice to the Board on the actuarial soundness of the terms and conditions of insurance contracts (Insurance Act, 18 of 2017, GOI 3).
- Regular experience investigations are conducted and used to set premium rates and valuation assumptions.
- Reinsurance arrangements are negotiated in order to limit the risk from any individual contract or aggregation of contracts. These include company-wide catastrophe reinsurance.

The nature of risks varies depending on the class of business. The material classes of business most affected by these risks are discussed below.

Individual insurance business

These are contracts providing benefits on death, disability, accident, medical events and survival that are sold directly to individuals. These contracts may also bear significant financial risk.

Factors affecting demographic risks for individual insurance business include the following:

- The most significant factors that could substantially change the frequency of claims are epidemics or widespread changes in lifestyle (smoking, exercise, eating), resulting in more or earlier claims.
- Economic conditions can potentially affect retrenchment claims as well as morbidity claims where benefits are determined in terms of the ability to perform an occupation.
- Medical advances can potentially affect the size and severity of medical claims (including critical illness claims).
- Anti-selection, such as where a client who has a pre-existing condition or disease purchases a product where a benefit will be paid on death or in the event of contracting such a disease.
- The effect of selective terminations, which means policyholders are less likely to terminate voluntarily if the cover is more likely to be needed in the foreseeable future.
- Concentration risk, which is the risk of a large number of claims from a single event or in a particular geographical area.

Demographic risks are managed as follows:

- Risk premiums on most with-cover smoothed bonus and market-related contracts may be adjusted within the terms and conditions of the contracts. The ability of the Group to adjust these charges so that on average they reflect actual mortality experience reduces mortality risk. There is residual mortality risk resulting from delays in identifying worsening experience and adjusting charges as well as marketing pressures and client expectation management.
- To reduce cross-subsidisation of risks and the possibility of anti-selection, premium rates differentiate on the basis of some or all of age, gender, occupation, smoker status, education, income level, geographic region and the results of underwriting investigations. Experience investigations have shown that these are reliable indicators of the risk exposure.
- Guarantee periods shorter than the policy term on risk business enable the Group to review premium rates on in-force contracts during the life of those contracts.
- Applications for risk cover above certain limits are reviewed by experienced underwriters and evaluated against established standards.
- Compulsory testing for the human immunodeficiency virus (HIV) is carried out in all cases where the applications for risk cover exceed limits specified for a product. Where HIV tests are not required, this is fully reflected in the pricing and experience is closely monitored.
- Underwriting is done to identify non-traditional risks and take appropriate action, such as applying additional premium loadings or altering benefit terms.
- Reinsurance agreements are used to limit the risk on any single policy and aggregation of policies. A primary objective of reinsurance is to align the risk profile with the Group's risk strategy and risk appetite. Each business unit determines its own reinsurance programme in line with its scale and the types of business written. There is no reinsurance in place for funeral products.
- Concentration risk is reduced by diversification of business over a large number of uncorrelated risks and several classes of insurance, as well as by company-wide catastrophe reinsurance.

Group insurance business

Factors affecting risks from group insurance business include the following:

- Contracts are similar to individual insurance contracts but there is greater risk of correlation between claims on group schemes because the assured lives live in the same geographical location or work in the same industry; hence a higher degree of concentration risk exists.
- The products are mostly simple designs with a one-year renewable term. In most cases the products are compulsory for all employees although members can have a degree of choice when selecting risk benefits.
- Underwriting on group business is generally much less stringent than for individual business as there is typically less scope for anti-selection. The main reason for this is that participation in the Group's insurance programmes is normally compulsory, and as a rule members have limited choice in the level of benefits. Where choice in benefits and levels is offered, this is accompanied by an increase in the level of underwriting to limit anti-selection.
- Smaller schemes are priced using standard mortality and morbidity tables. The price for an individual scheme can be adjusted for certain risk factors, such as age, salary or gender structure, region or industry.
- For large schemes (typically 400 or more members), a scheme's past experience is an important input in setting rates for the scheme. The larger the scheme, the more weight is given to the scheme's past experience.
- AIDS risk is no longer material, given the impact of anti-retrovirals and the reduction in AIDS cases.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

36 Insurance and investment business continued

36.2 Life insurance risks continued

36.2.1 Demographic risks (mortality, morbidity, persistency, longevity) continued

Group insurance business continued

Risks from group insurance business are managed as follows:

- Anti-selection risk is managed by an “actively at work” clause, which requires members to be actively at work and attending to their normal duties for cover to take effect. In addition, pre-existing conditions may be excluded.
- A standard proportional reinsurance treaty is in place covering group business. Facultative reinsurance arrangements are in place for large schemes if adverse experience on the scheme could have a significant impact on profit and loss.
- Catastrophe reinsurance cover is used for group business, as there is considerably more concentrations of risks compared to individual business.

Non-profit annuity business

Non-profit annuity contracts provide a specified regular income, normally for the life of the annuitant. The principle risk in this case is longevity risk – the risk that the annuitants may live longer than assumed in the pricing of the contract.

Factors affecting longevity risk includes the following:

- Increased longevity due to medical advances and improvement in socio-economic conditions.
- Selection bias – individuals purchasing annuities are in better health and therefore live longer than assumed in the pricing basis.

Longevity risk is managed as follows:

- Mortality on non-profit annuities is monitored and future mortality improvements are allowed for in the pricing.
- Annuity products are sometimes sold in combination with whole life cover, which provides a natural hedge against longevity and mortality risk.
- Premium rates differentiate on the basis of age and sex.

Permanent health insurance business

The Group also pays Permanent Health Insurance (PHI) income to disabled employees, the bulk of which are from employee benefit insured schemes. The income payments continue to the earlier of death, recovery or retirement of the disabled employee.

Factors affecting risks from permanent health insurance business includes the following:

- Lower than expected recovery or mortality rates result in claims being paid for longer periods.

Risks from permanent health insurance business are managed as follows:

- Claims are reviewed at inception to determine the eligibility of the claim. Ongoing claims in payment are reviewed regularly to ensure that claimants continue to qualify for benefits.
- Rehabilitation is managed and encouraged.

Termination and alteration risk

Termination and alteration risk is the risk of loss or adverse change in the value of life insurance contracts due to adverse lapse, surrender, paid-up or alteration (including premium indexation take-up) experience, or to a change in the expected exercise rates of such policyholder options.

Expenses such as commission and acquisition costs are largely incurred at the outset of the contract. These upfront costs are expected to be recouped over the term of the contract from fees and charges in respect of the contract. Therefore, if the contract or premiums are terminated before the contractual date, expenses might not have been fully recovered, resulting in losses being incurred.

Terminations can have the effect of increasing insurance risk, e.g. contract holders whose health has deteriorated are less likely on average to terminate a contract providing medical, disability or death benefits.

For certain risk policies, the risk at later durations is that terminations are less than assumed when pricing and valuing policies because upfront costs have largely been recouped and a termination at that stage releases a liability.

Factors affecting termination and alteration risks include the following:

- Economic conditions – economic hardship can cause an increase in terminations due to a reduced ability to afford premiums or a need for funds.

Termination and alteration risks are managed as follows:

- Persistency rates are measured on an ongoing basis by a variety of factors and based on this information, management actions are implemented as and when required.
- Customer retention programmes are in place to actively retain customers at risk of departure due to a lapse or surrender.
- Premium rates are determined using realistic assumptions with regard to termination rates (rates of lapse, surrender and paid-up) and premium indexation take-up rates based on the Group's actual experience.
- Benefit incentives are built in to the product design in order to encourage the take-up of premium indexation options.
- Where withdrawal benefits are payable on termination, these can be adjusted to recover certain expenses. However, market and regulatory restrictions limit the extent to which this can be done.
- Commission paid on many products can be recouped on early termination.

36 Insurance and investment business continued

36.2 Life insurance risks continued

36.2.1 Demographic risks (mortality, morbidity, persistency, longevity) continued

Retrenchment risk

Retrenchment risk is the risk of loss, or of adverse changes in the value of life insurance contracts due to retrenchment rates being higher than expected or future expected retrenchment rates being higher than previously assumed.

The Group has limited exposure to retrenchment risk and may consider future opportunities which provide adequate risk-adjusted return and can be appropriately mitigated. The risk is seen as an enabler to get more exposure to other risks to which the Group has a risk-seeking attitude. When writing retrenchment risk, the Group carefully considers the design of benefits, benefit term, premium guarantees as well as the expected diversification across employers and industries.

36.2.2 Guardrisk

Life insurance cover is also provided to corporate clients (through first-party cells) and to the public (through third-party cells). The Group earns fee income from administering first and third-party cell captive arrangements for cell owners.

Through the issue of insurance contracts, the Group is exposed to uncertainty regarding the timing, frequency and severity of future insurance claims and other fulfilment cash flows. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The principal risk that the cell owner and ultimately the Group faces under its insurance contracts is that the actual fulfilment cash flows exceed the amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amounts of claims and benefits will vary from year to year from the estimate amounts determined using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. As each of the cell shareholders operate independently from the other, the Group's total insurance risk profile is well diversified.

The Group has developed its marketing strategy to ensure that there is diversity in the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

An Audit and Risk Committee (a subcommittee of the Guardrisk Board) considers both underwriting and counterparty exposures in order to minimise risks of non-performance on portfolios as well as to clarify risk obligations with clients. The committee deals with specialised risks related to life and non-life insurance business being conducted by the Group through Guardrisk. The committee oversees the appropriateness and viability of major product development initiatives to confirm compliance with regulatory, legal, tax and accounting standards.

The Group carefully evaluates all retentions of risks in terms of statistical and underwriting disciplines, as well as specific and limited board mandates for each insurance programme. In this way security of cell insurance structures is maintained.

The cell owner shareholders agreements protect the Group from losses arising from business conducted in cells due to the rights and obligations of both parties as set out in the various cell owner shareholders agreements. For insurance risks, the agreements are accounted for as in-substance reinsurance contracts held.

Individual cells not meeting capital requirements pose a solvency risk and are monitored monthly. If necessary, capital is requested from such cell owners. The Group's exposure to risk on this business is limited to the credit risk of the cell owner.

For contracts where death is the insured risk, the main source of uncertainty is that epidemics such as AIDS, pandemics, and wide-ranging lifestyle changes, such as eating, smoking and exercise habits, could result in future mortality being significantly worse than in the past for the age groups in which the Group has significant exposure to mortality risk. However, continuing improvements in medical care and social conditions could result in improvements in longevity in excess of those allowed for in the estimates used to determine the liability for contracts where the Group is exposed to longevity risk. As a result of reinsurance programmes in place, the Group's liabilities are not materially affected by variations in mortality.

In addition, for contracts without fixed terms, it is assumed that the Group will be able to increase mortality risk charges in future years in line with emerging mortality experience. At present, these risks do not vary significantly in relation to the location of the risk insured by the Group.

Undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. For contracts with fixed and guaranteed benefits and fixed future premiums, the risk is either reinsured to the cell or reinsurers.

The Group has the right to alter the premium rates based on its mortality experience and hence minimise its exposure to mortality risk. The Group manages these risks through its underwriting strategy and reinsurance arrangements. The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits.

Products in cells have a limit on the sum assured. Increasing levels of cover trigger an increasing number of underwriting requirements. Bespoke reinsurance agreements are used, with retention levels varying between products.

The Group participates with several of the cell shareholders in the underwriting risks of their business. The Group carefully evaluates all retention of risks in terms of statistical and underwriting disciplines, as well as specific and limited board mandates for each insurance programme.

The Group reinsures the excess over the retentions under a variety of quota share and surplus reinsurance arrangements. In certain contracts, stop loss reinsurance arrangements protect the retained line against attrition losses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

36 Insurance and investment business continued

36.2 Life insurance risks continued

36.2.2 Guardrisk continued

The insurance contracts issued expose the Group to insurance risks associated with the insured events, liquidity risk and credit risk. Investments held to fund the payment of insurance benefits within each cell captive arrangement expose the Group to market risk, liquidity risk and credit risk.

First-party and third-party cell captive arrangements transfer the risks to the cell owners. On a net basis the Group is exposed to the insurance risks and financial risks contained within each cell captive arrangement through the fee income and to the extent that the Group retained any of these risks through risk sharing arrangements.

36.3 Non-life insurance risks

The Group has similar governance structures in place for non-life insurance as those that are in place for life insurance. This includes a HAF with similar roles and responsibilities as set out in note 36.2.

36.3.1 Momentum Insure

The Group sells non-life insurance products that provide insurance cover over personal possessions and property of individual or corporate policyholders. Insurance products are sold with either a monthly or an annual premium payable by the covered party or entity.

Insurance risks to which the Group is exposed to relate to property, personal accident, liability, motor, transportation and other perils that may result from an insurance contract. The Group is exposed to uncertainty regarding the timing, frequency and severity of future claims.

The theory of probability forms the basis of the risk management model. Through the continuous sale of insurance products and subsequent growth in the pool of insured risks, the Group can diversify its portfolio of risks and therefore reduce the impact of variability of insurance claims affecting the portfolio. Aggregated data on perils reduces uncertainty with regards to timing and severity of insured events. This enables the Group to manage the risks while subject to less uncertainty.

The Group has developed an Enterprise Risk Management (ERM) Framework in respect of the non-life insurance business to provide reasonable assurance that the Group's risks are being prudently and soundly managed. The framework is designed according to acceptable principles from Corporate Governance and Risk Management standards. The ERM Framework outlines the key risks facing the business and how these risks are managed, monitored and reported.

Products are priced and risks accepted using statistical regression techniques which identify risk factors through correlations identified in past loss experiences. Risks are priced and accepted on an individual basis and as such there is a minimal cross subsidy between risks.

Individual risks are automatically accepted up to predetermined thresholds which vary by product and risk type. Risks with exposure that exceed certain thresholds are automatically referred and underwritten individually by the underwriting department. These thresholds are set at a substantially lower level than the reinsurance retention limits.

Furthermore, risks are rated individually based on information captured by staff for each risk. Conditions and exclusions are also automatically set at an individual risk level.

No risks which exceed the upper limits of the reinsurance cover purchased can be accepted without the necessary facultative reinsurance cover being arranged.

No-claims bonuses, (which rewards clients for not claiming), and Safety bonuses, (which rewards clients for adhering to, monitoring and reporting safety criteria) form part of the Group's underwriting strategy. Multi-claimants are monitored and managed by tightening conditions of cover or ultimately cancelling cover.

The Group manages exposure to insurance risk through a reinsurance programme. Reinsurance contracts provide coverage against material losses linked to a single insured risk, or a group of insured risks in the case of a catastrophe event. Reinsurance contracts held expose the Group to credit risk. The Group enters into reinsurance agreements with reinsurers which have adequate credit ratings.

Risk concentrations are monitored quarterly. The Group aims to diversify its insurance risk exposure from non-life insurance contracts across South Africa. However, a concentration of non-life insurance risks is evident in the Gauteng province of South Africa. To manage the concentration of insurance risk, the Group has entered into a catastrophe excess of loss reinsurance treaty, that would limit the loss of the Group following the occurrence of a catastrophe. Large international reinsurers with global exposures are preferred; the financial standing of such reinsurers would be less impacted by a catastrophe event in South Africa.

The investments held by the Group to fund fulfilment cash flows on non-life insurance contracts expose the Group to market risk and credit risk.

36 Insurance and investment business continued

36.3 Non-life insurance risks continued

36.3.2 Guardrisk

Insurance cover is provided to corporate clients (through first-party cells and contingency policies) and to the public (through third-party cells). The Group earns fee income from administering first and third-party cell captive arrangements for cell owners. Fee income from cell captive arrangements is evaluated to determine whether it relates to insurance services under IFRS 17 or administrative services under IFRS 15.

Insurance contracts are issued for monthly, annual and multi-year periods. The Group provides coverage for the following classes of risk: motor, property, agriculture, engineering, marine, aviation, transport, rail, legal expense, liability, consumer credit, trade credit, guarantee, accident and health, travel, miscellaneous as well as reinsurance on all the classes above. Insurance premiums are regularly monitored and where necessary, adjustments are made to premiums to consider competition, the underwriting cycle, reinsurance and capital requirements.

Through the issue of insurance contracts, the Group is exposed to uncertainty regarding the timing, frequency and severity of future insurance claims and other fulfilment cash flows. The principal risk that the cell owner and ultimately the Group faces under its insurance contracts is that the actual claims payments exceed the amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random and the actual number and amounts of claims will vary from year to year.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome is likely to be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio.

As each of the cell owners operate independently from the other, the Group's total insurance risk profile is well diversified. The underwriting strategy is directed at a portfolio of underwritten risks that are well diversified in terms of risk, industry and geography.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs.

The Group also issues contingency policies. This business is usually written for a one-year period with the policies covering multiple risks. Reinsurance is generally structured above the layer provided by the contingency policy. The corporate insured in a contingency policy is entitled to a share in the underwriting result if there is favourable claims experience. There is an aggregate excess of loss treaty in place for all contingency policies.

An Audit and Risk Committee (a subcommittee of the Guardrisk Board) considers both underwriting and counterparty exposures in order to minimise risks of non-performance on portfolios as well as to clarify risk obligations with clients. The committee deals with specialised risks related to non-life insurance business being conducted by Guardrisk. The committee oversees the appropriateness and viability of major product development initiatives to confirm compliance with regulatory, legal, tax and accounting standards.

The cell owner shareholders' agreements protect the Group from losses arising from business conducted in cells due to the rights and obligations of both parties set out in the various cell owner shareholders' agreements. For insurance risks, the agreements are accounted for as in-substance reinsurance contracts held.

Individual cells not meeting capital requirements pose a solvency risk and are monitored on a monthly basis. If necessary, capital is requested from such cell owners. The Group's exposure to risk on this business is limited to the credit risk of the cell owner. Reinsurance agreements are concluded to minimise the solvency risk.

The Group shares in the emerging underwriting experience of selected cell arrangements. Before entering new risk sharing agreements with cell owners, a thorough internal assessment process is followed. The Group also underwrites specific niche corporate and commercial business for its own account.

The Group obtains reinsurance cover for insurance risk accepted in the cell captive arrangements or through risk sharing arrangements. Reinsurance is acquired on a proportional and non-proportional basis. The key objective when placing reinsurance is to optimise capital requirements and protection of the retained lines of both Guardrisk and the cell owners.

Risks relating to the cell captive business are adequately spread across the major classes of insurance risk and is spread geographically.

The Group is exposed to a concentration of insurance risk in some geographical regions in South Africa. To manage this concentration of insurance risk, the Group has entered into a catastrophe excess of loss reinsurance treaty that would limit the loss of the Group to predetermined levels following the occurrence of a localised catastrophe in a specific area.

Catastrophe modelling is performed to determine the impact of different types of catastrophe events (including natural disasters) in different geographical areas, at different levels of severity and at different times of the day. Catastrophe cover is placed with reinsurers with a reputable credit rating and cognisance is taken of the geographical spread of the other risks underwritten by the reinsurers to reduce correlation of the Group's exposure with the balance of their exposure.

These reinsurance models are run at least annually to take account of changes in the portfolio and to take the latest potential loss information into account.

Guardrisk Board subcommittees oversee the risk universe from general operations and investments respectively.

For each cell or policy accepted by the Group, a business take-on process is followed that utilises multi-disciplinary teams to determine major exposures to insurance risk. This take-on process varies in extent and detail depending on the significance of the new cell facility. Where the business take-on process identifies significant down-side risk, measures are put in place to manage the residual retained risks to remain within risk appetite. Guardrisk manages insurance risk for its own account through a structured multi-layered risk management framework. Focusing on specialist lines and commercial lines, the risk selection follows a prudent approach combining statistical methods with skilled underwriting knowledge guided by board-approved mandates. Underwriting strategies are designed around a well-diversified portfolio across risk types, industries, and geographies, with limits and controls around risk selection. Retained risk is balanced through bespoke reinsurance arrangements placed with reinsurers vetted against reinsurance placement criteria.

The insurance contracts issued expose the Group to insurance risks associated with the insured events, liquidity risk and credit risk. Investments held to fund the payment of insurance benefits within each cell captive arrangement exposes the Group to market risk, liquidity risk and credit risk. First-party and third-party cell captive arrangements transfer the risks to the cell owners. The Group is exposed to the insurance risks and financial risks contained within each cell captive arrangement through the fee income and to the extent that the Group retained any of these risks through risk sharing arrangements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

36 Insurance and investment business continued

36.4 Health insurance risks

The Group sells health insurance policies to policyholders in South Africa, Botswana, Lesotho, Ghana, Mozambique and India. These policies expose the Group to morbidity risk, anti-selection risk, expense risks, credit risk and liquidity risk. The Group accounts for the investment in ABHI in terms of the equity method. As such, the underlying exposures to and information about insurance contracts issued and reinsurance contracts held by ABHI are not included in this note or the insurance and financial risk disclosures.

The principal risk that the Group faces under its insurance contracts is that the actual claims payments exceed the amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random and the actual number and amounts of claims will vary from year to year.

To mitigate against this principal risk, products are priced using statistical regression techniques which identify risk factors through correlations identified in past loss experiences. Where appropriate deterministic methods are used based on past claims experience with allowance for medical inflation and utilisation changes. Premiums on all contracts are annually renewable allowing the insurer to update pricing based on current experience. Monitoring of claims experiences forms an integral part of risk mitigation.

To mitigate against the costs of claims being higher than expected in the pricing basis, reimbursements to healthcare service providers are at agreed tariff rates, which are annually negotiated. The maturity of these agreements varies by territory, based on the provider landscape. Claims are monitored and managed when trends of abuse start to emerge.

The Group has developed an underwriting framework to enforce appropriate risk selection criteria and to mitigate against anti-selection risk by including appropriate waiting periods, exclusions and premium loadings.

Detailed expense analyses and retrospective reviews are performed annually to ensure that the pricing basis makes allowance for all expenses. Expenses are managed relative to approved budgets.

Premium payment terms vary across territories but are mostly payable monthly in advance. Premium debtors are closely monitored for appropriate intervention when required.

The Group mitigates liquidity risk by ensuring that sufficient cash and liquid investments are available to settle obligations when due. Liquidity risk is managed by preparing cash flow forecasts and using these to determine whether sufficient cash and liquid investments are available. The investments held to back health insurance liabilities expose the Group to market risk and credit risk.

36.5 Concentration risks

The Group is well diversified geographically, by product type and by business segment. This largely mitigates concentration risk in respect of insurance risks. Where necessary, residual areas of concern are managed using reinsurance or catastrophe insurance as noted in the above insurance risk commentary. See the segmental disclosures in note 3 for a depiction of the diversified nature of the Group.

The table below has been included in 2025 to show the concentration of individual life insurance contract benefits (gross and net of reinsurance) by sums insured at risk:

Sum insured per benefit	2025			2024		
	Number of benefits	Amount (gross) Rm	Amount (net) Rm	Number of benefits	Amount (gross) Rm	Amount (net) Rm
0 – 20 000	3 002 080	24 187	24 001	3 169 010	24 702	24 504
20 001 – 50 000	851 024	28 689	28 271	803 518	27 170	26 750
50 001 – 100 000	257 207	18 513	17 612	234 327	16 732	15 823
100 001 – 200 000	72 946	9 902	7 954	70 365	9 677	7 704
200 001 – 500 000	146 957	44 526	34 356	152 497	45 831	35 304
500 001 – 1 000 000	216 189	129 030	93 025	223 321	131 760	94 688
> 1 000 000	544 581	1 410 145	766 078	541 218	1 331 811	719 753
Subtotal	5 090 984	1 664 992	971 297	5 194 256	1 587 683	924 526
Cell captive business	11 449 523	887 979	481 836	9 107 980	771 128	301 072
Total	16 540 507	2 552 971	1 453 133	14 302 236	2 358 811	1 225 598

36 Insurance and investment business continued

36.5 Concentration risks continued

The table below has been included in 2025 to show the concentration of group schemes by scheme size (as determined by the number of lives covered):

Lives covered by scheme	2025	2024
0 – 1 000	8 237	8 071
1 001 – 5 000	353	352
> 5 001	188	199
Subtotal	8 778	8 622
Cell captive business	89	100
Total	8 867	8 722

The following table has been included in 2025 to show the distribution of number of annuitants by total amount:

Annuity amount per annum	2025		2024	
	Number of annuitants	Total amount per annum Rm	Number of annuitants	Total amount per annum Rm
0 – 10 000	47 262	242	49 460	249
10 001 – 50 000	43 045	1 190	42 720	1 160
50 001 – 100 000	17 166	1 244	16 171	1 163
100 001 – 200 000	12 823	1 810	11 690	1 645
> 200 001	11 038	4 398	9 646	3 851
Subtotal	131 334	8 884	129 687	8 068
Cell captive business	1 292	79	1 292	77
Total	132 626	8 963	130 979	8 145

37 Liquidity risk

Liquidity risk is the risk that the Group, though solvent, has inadequate liquid financial resources to meet its financial and insurance obligations as and when they fall due, or can only secure these resources at excessive cost. The Group differentiates between funding liquidity risk (the risk of losses arising from difficulty in raising funding), market liquidity risk (the risk of losses arising from transactions due to inadequate market depth and/or market breadth or from market disruption), and surrender liquidity risk (the risk of losses arising from large, unexpected client withdrawals of investments).

Liquidity risk governance

Liquidity risk for the Group is managed in terms of the Group liquidity risk management policy, which is a policy of the Group ERM function.

The Momentum Group Capital and Investment Committee (CIC) is responsible for the Group's liquidity and funding risk management, while the Board Risk, Capital and Compliance Committee provide oversight for funding and liquidity risk assumed on behalf of shareholders. This includes the funding and liquidity risk on guaranteed and non-profit policyholder liabilities and shareholder portfolios.

Liquidity risk management

The principal risk relating to liquidity comprises the unfunded derivative exposure in the shareholder-backed portfolios. This risk gives rise to margin calls and is sensitive to market disruption that causes roll-over risk of unfunded positions.

Liquidity risk also emanates from the Group's exposure to policyholder behaviour, e.g. unanticipated benefit withdrawals or risk-related claims. The insurance and investment contract liabilities comprise the bulk of the liabilities of the Group. Management of the liquidity risk is described below.

37.1 Unfunded derivative exposure in the yield enhancement portfolios

The liquidity risk exposure is managed by ensuring that the Group can cover all outflows in the event of a hypothetical liquidity stress event lasting a month. This is supported by setting aside a contingent liquidity buffer backed by assets that can be realised in cash over a period of a month and a contingent liquidity plan.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

37 Liquidity risk continued

37.2 Undrawn loan commitments

Undrawn loan commitments represent contractual obligations that may require future cash outflows if counterparties elect to draw on these facilities. As at 30 June 2025, the Group had no undrawn loan commitments. In the previous financial year, undrawn loan commitments amounted to R904 million. The commitments outstanding at 30 June 2024 were subject to specific contractual drawdown dates, rather than being payable on demand. This disclosure was omitted in the prior year and has been corrected to align with the standards' requirements.

These commitments are included in the contractual maturity analysis in note 37.5.3, presented on an undiscounted basis according to the earliest contractual maturity dates.

37.3 Policyholder liabilities

Non-profit annuity policyholder benefits

These contracts provide guaranteed annuity benefits and all liquidity risks arising from these contracts are borne by the shareholders. The expected liability outflow is matched as closely as possible with assets of an appropriate nature and term in order to match the duration and convexity of the portfolio and thus mitigate the interest rate risk exposure.

The asset portfolio is a diversified portfolio of liquid cash and fixed-interest instruments (government bonds, corporate bonds, interest rate swaps and promissory notes) that closely matches the liquidity profile of the liability cash flow.

Conventional with-profit and smoothed bonus policyholder benefits

When a claim is incurred, investments are disposed of to the extent that cash flows into the fund are insufficient to cover the settlement of the claim. Investments are easy to realise as they consist of mainly listed equity securities of large entities, government stock or funds on deposit.

The investment policy and mandates take the expected cash flows into account. By limiting the cash flow mismatch, the risk of premature realisation of investments or reinvestment of excess cash is mitigated. In addition, investment guidelines and limits are used to limit exposure to illiquid investments.

Maturity dates are generally known in advance and contractual claims can be projected. Cash flow projections are performed to aid in portfolio and cash flow management. Where the product design allows early termination value, the settlement value is not normally guaranteed, but is determined at the Group's discretion (subject to legislation). This limits the loss on early termination.

When a policyholder fund is shrinking (i.e. outflows exceed inflows), care is taken to ensure that the investment strategy and unit pricing structure of the fund are appropriate to meet liquidity requirements. In practice, such a fund is often merged with funds with positive cash flows to avoid unnecessary constraints on investment choices.

Linked and market-related policyholder benefits

Except for liquidity risk related to investment guarantees and risk benefit claims, the contracts do not expose the Group to significant liquidity risk, as the risk is borne by the policyholders. The investment policy and mandates take the expected liability cash flow into account. By limiting the cash flow mismatch, the risk of early realisation of assets or reinvestment of excess cash is mitigated. In addition, investment guidelines and limits are used to limit exposure to illiquid assets.

Other policyholder benefits

The liquidity risk arising from embedded investment guarantees is managed by backing these liabilities with sufficiently liquid financial instruments.

Policyholder contracts that provide mostly lump sum risk benefits do not normally give rise to significant liquidity risk when compared to policies that provide mostly savings benefits. Policyholder funds supporting risk benefits normally have substantial cash inflows from which claims can be paid. Accrued liabilities are matched by liquid assets to meet cash outflows in excess of expected inflows.

Terms and conditions of some large corporate policy contracts incorporate liquidity requirements. Examples of such contractual provisions include the payment of benefits in specie, or a provision for sufficient lag times between the termination notification and the payment of benefits.

Non-life insurance benefits

The Group mitigates liquidity risk on non-life insurance benefits by maintaining prudent levels of liquid investments.

Health insurance benefits

The Group mitigates liquidity risk by ensuring that sufficient cash and liquid investments are available to settle obligations when due. Liquidity risk is managed by preparing cash flow forecasts and using these to determine whether sufficient cash and liquid investments are available.

Guardrisk

Each cell captive arrangement is exposed to liquidity risk from claims arising from life and non-life insurance contracts. Terms and conditions of cell captive arrangements indicate that the cell owner is responsible for ensuring that the cell remains solvent. As such cell owners can be called on to make further capital contributions to the cell captive arrangement. Liquidity risk for investment contract liabilities is matched by investing in assets as specified in the policy agreement and therefore matching the payment profile of the relevant policy. The Group is exposed to liquidity risk in each cell captive arrangement to the extent that the Group entered into a risk sharing arrangement with the cell owner with regards to risks accepted by the cell captive arrangement.

37 Liquidity risk continued

37.4 Shareholder funds

The significant shareholder liabilities of the Group are the carry positions, the subordinated call notes issued by MML and the cumulative redeemable preference shares issued by MSI.

The Group holds sufficient cash and liquid marketable financial instruments in its shareholders' funds to meet its commitments as and when they fall due. The investments backing the shareholder funds are invested in a diversified portfolio of liquid cash, floating rate instruments and interests in subsidiaries and/or related entities. The investment mandate and guidelines that govern the investment of shareholder funds, restrict investment choices to high-quality assets.

The projected liquidity requirements of the shareholder portfolio are identified, measured and reported on a regular basis to the CIC. The reports take the expected shareholder cash flows (e.g. committed mergers and acquisition activity and liquidity needs of related entities) into account in order to identify material funding liquidity gaps early. The identification of potential liquidity gaps contributes towards mitigating the funding liquidity risk and market liquidity risks of the shareholder portfolios.

37.5 Liquidity risk tables

37.5.1 Insurance and reinsurance business

The liquidity risk tables for insurance contracts and reinsurance contracts are based on the present value of expected net future fulfilment cash flows which includes the risk adjustment for non-financial risks (where applicable). The calibrated non-financial risk margins are applied to expected future cash flows to calculate the risk adjustment. The inclusion of the non-financial risk margins in the expected future cash flows results in a total risk adjustment that is equal to the target VAR amount of the Group. The present value of the expected net future cash flows and the risk adjustment are allocated to time periods based on the expected timing of the cash flows. Due to the use of a margin approach, the run-down of the risk adjustment approximates the run-down of the present value of expected net future cash flows. The liquidity risk table provides separate disclosures on insurance contract assets, insurance contract liabilities, reinsurance contract assets and reinsurance contract liabilities.

Fulfilment cash flow recognition for insurance contract liabilities

An analysis of the expected recognition of the fulfilment cash flows remaining at the end of the reporting period is provided in the following table. The analysis indicates the expected amount and timing of fulfilment cash flows. For Guardrisk the expected recognition of fulfilment cash flows remaining at the end of the reporting period only considers the net promotor exposure, since claims and expenses are recovered from third-party cell owners via the in-substance reinsurance arrangements.

Fulfilment cash flows (discounted)	Payable on demand Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
General measurement model	118	7 599	6 685	6 103	5 657	5 233	19 712	10 807	5 476	6 509	73 899	85 361
Variable fee approach	5 071	7 354	8 525	5 868	5 440	5 205	17 105	8 593	4 308	3 618	71 087	73 892
Premium allocation approach	-	15 834	1 349	801	621	522	1 646	863	570	1 657	23 863	28 228
Total	5 189	30 787	16 559	12 772	11 718	10 960	38 463	20 263	10 354	11 784	168 849	187 481
Restated 2024^{1,2}												
General measurement model	28	6 521	5 793	5 242	4 794	4 386	16 127	8 693	4 427	5 835	61 846	71 380
Variable fee approach	3 240	7 737	7 989	5 720	5 235	4 922	16 024	8 197	4 230	3 514	66 808	69 610
Premium allocation approach	-	14 699	1 388	765	581	482	1 455	818	614	1 794	22 596	26 691
Total	3 268	28 957	15 170	11 727	10 610	9 790	33 606	17 708	9 271	11 143	151 250	167 681

¹ Refer to note 1 for more information on the restatements apart from the restatement disclosed in footnote 2.

² For June 2024, the carrying amount was incorrectly set to equal to the total column of liquidity analysis.

Fulfilment cash flow recognition for insurance contract assets

An analysis of the expected recognition of the fulfilment cash flows remaining at the end of the reporting period is provided in the following table. The analysis indicates the expected amount and timing of fulfilment cash flows. For Guardrisk the expected recognition of fulfilment cash flows remaining at the end of the reporting period only considers the net promotor exposure, since claims and expenses are recovered from third-party cell owners via the in-substance reinsurance arrangements.

Fulfilment cash flows (discounted)	Payable on demand Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
General measurement model	245	(1 774)	(1 944)	(1 854)	(1 483)	(1 169)	(2 823)	(864)	(144)	692	(11 118)	(14 369)
Variable fee approach	-	(21)	(17)	(7)	(4)	(2)	3	13	10	2	(23)	(23)
Premium allocation approach	-	(30)	-	-	-	-	-	-	-	-	(30)	(72)
Total	245	(1 825)	(1 961)	(1 861)	(1 487)	(1 171)	(2 820)	(851)	(134)	694	(11 171)	(14 464)
Restated 2024^{1,2}												
General measurement model	-	(1 582)	(1 479)	(1 662)	(1 310)	(1 026)	(2 729)	(872)	(242)	506	(10 396)	(11 208)
Variable fee approach	-	-	(2)	-	-	-	-	-	-	-	(2)	(2)
Premium allocation approach	-	(43)	-	-	-	-	-	-	-	-	(43)	(104)
Total	-	(1 625)	(1 481)	(1 662)	(1 310)	(1 026)	(2 729)	(872)	(242)	506	(10 441)	(11 314)

¹ Refer to note 1 for more information on the restatements apart from the restatement disclosed in footnote 2.

² For June 2024, the carrying amount was incorrectly set to equal to the total column of liquidity analysis.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

37 Liquidity risk continued

37.5 Liquidity risk tables continued

37.5.1 Insurance and reinsurance business continued

Fulfilment cash flow recognition for reinsurance contract assets

An analysis of the expected recognition of the fulfilment cash flows remaining at the end of the reporting period is provided in the following table. The analysis indicates the expected amount and timing of fulfilment cash flows. For Guardrisk the expected recognition of fulfilment cash flows remaining at the end of the reporting period only considers the net promotor exposure, since claims and expenses are recovered from third-party cell owners via the in-substance reinsurance arrangements.

Fulfilment cash flows (discounted)	Payable on demand Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
General measurement model	1 544	1 080	328	206	167	159	712	558	415	1 035	6 204	5 348
Premium allocation approach	-	2 157	320	163	99	80	235	115	76	215	3 460	4 764
Total	1 544	3 237	648	369	266	239	947	673	491	1 250	9 664	10 112
Restated 2024^{1,2}												
General measurement model	1 244	1 234	330	237	222	207	744	521	359	926	6 024	4 520
Premium allocation approach	-	2 236	325	186	93	63	186	100	76	209	3 474	4 708
Total	1 244	3 470	655	423	315	270	930	621	435	1 135	9 498	9 228

¹ Refer to note 1 for more information on the restatements apart from the restatement disclosed in footnote 2.

² For June 2024, the carrying amount was incorrectly set to equal to the total column of liquidity analysis.

Fulfilment cash flow recognition for reinsurance contract liabilities

An analysis of the expected recognition of the fulfilment cash flows remaining at the end of the reporting period is provided in the following table. The analysis indicates the expected amount and timing of fulfilment cash flows. For Guardrisk the expected recognition of fulfilment cash flows remaining at the end of the reporting period only considers the net promotor exposure, since claims and expenses are recovered from third-party cell owners via the in-substance reinsurance arrangements.

Fulfilment cash flows (discounted)	Payable on demand Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
General measurement model	10	(2)	(5)	(5)	(5)	(5)	(19)	(11)	(6)	(10)	(58)	(6 550)
Premium allocation approach	-	(673)	-	-	-	-	-	-	-	-	(673)	(9 928)
Total	10	(675)	(5)	(5)	(5)	(5)	(19)	(11)	(6)	(10)	(731)	(16 478)
Restated 2024^{1,2}												
General measurement model	14	-	(7)	(4)	(4)	(4)	(17)	(10)	(6)	(9)	(47)	(4 385)
Premium allocation approach	-	(749)	-	-	-	-	-	-	-	-	(749)	(9 529)
Total	14	(749)	(7)	(4)	(4)	(4)	(17)	(10)	(6)	(9)	(796)	(13 914)

¹ Refer to note 1 for more information on the restatements apart from the restatement disclosed in footnote 2.

² For June 2024, the carrying amount was incorrectly set to equal to the total column of liquidity analysis.

37 Liquidity risk continued**37.5 Liquidity risk tables continued****37.5.2 Investment contract liabilities**

An analysis of the expected cash flows remaining at the end of the reporting period is provided in the following table. For Guardrisk the expected cash flows remaining at the end of the reporting period only considers the net promotor exposure, due to the first-party cell captive arrangements.

Expected cash flows (undiscounted)	Payable on demand Rm	Total Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Carrying amount Rm
2025												
Investment contract liabilities	447 973	1 433	2 400	2 687	1 631	1 074	115	95	78	182	457 668	457 668
Restated 2024^{1,2}												
Investment contract liabilities	386 235	3 743	1 292	2 279	2 440	1 465	717	77	83	203	398 534	398 534

¹ Refer to note 1 for more information on the restatements apart from the restatement disclosed in footnote 2.

² Payables arising from investment contracts of R846 million were incorrectly classified as Other payables in the prior year. The prior year has been restated accordingly.

37.5.3 Financial liabilities at fair value through profit or loss

An analysis of the expected cash flows remaining at the end of the reporting period is provided in the following table:

Contractual cash flows (undiscounted) ¹	Carrying value Rm	Total Rm	Open-ended Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm
2025												
Collective investment schemes – outside interest	34 507	34 507	34 507	-	-	-	-	-	-	-	-	-
Subordinated call notes	4 382	5 396	-	643	1 935	958	1 039	821	-	-	-	-
Carry positions	18 954	18 981	-	18 981	-	-	-	-	-	-	-	-
Derivative financial liabilities ²	1 534	-	-	-	-	-	-	-	-	-	-	-
Preference shares	426	635	-	48	52	10	-	-	307	218	-	-
Other borrowings	557	577	-	84	88	397	-	3	1	4	-	-
Total	60 360	60 096	34 507	19 756	2 075	1 365	1 039	824	308	222	-	-
Restated 2024												
Collective investment schemes – outside interest	30 122	30 122	30 122	-	-	-	-	-	-	-	-	-
Subordinated call notes	4 324	5 447	-	1 106	585	1 885	896	975	-	-	-	-
Carry positions	15 714	15 714	-	15 714	-	-	-	-	-	-	-	-
Derivative financial liabilities ²	2 752	-	-	-	-	-	-	-	-	-	-	-
Preference shares	377	563	-	4	57	-	5	22	285	190	-	-
Other borrowings	257	453	6	137	7	303	-	-	-	-	-	-
Total	53 546	52 299	30 128	16 961	649	2 188	901	997	285	190	-	-
Undrawn loan commitments ³	-	904	-	904	-	-	-	-	-	-	-	-

¹ The contractual cash flow table has been enhanced to include additional years, providing a more granular view of undiscounted cash flows. The change has been applied retrospectively to the prior year to ensure consistency and comparability.

² Cash flows for derivative financial instruments have been disclosed on a net basis below. Refer to note 37.5.6.

³ The comparative liquidity risk disclosure for 30 June 2024 has been restated to include undrawn loan commitments of R904 million that were not included in the prior year's financial statements. This has had no impact on the Group's statement of financial position.

Collective investment scheme liabilities arise on consolidation and represent demand liabilities of scheme interests not held by the Group.

The cash flows relating to the subordinated call notes have been allocated to the earliest period in which they are callable by MML. They will be funded from cash resources at that time. The shareholder funds include sufficient cash resources to fund the coupon payments under these call notes.

Carry positions have a one-month rolling period and the funding thereof forms part of the general portfolio management.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

37 Liquidity risk continued

37.5 Liquidity risk tables continued

37.5.4 Financial liabilities carried at amortised cost

An analysis of the contractual cash flows remaining at the end of the reporting period is provided in the following table:

Contractual cash flows (undiscounted) ¹	Carrying value Rm	Total Rm	Open-ended Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm
2025												
Financial liabilities at amortised cost	3 521	3 704	-	1 654	477	123	148	1 128	167	4	-	3
Cumulative redeemable preference shares	1 630	1 742	-	742	-	-	-	1 000	-	-	-	-
Lease liabilities	158	183	-	66	56	25	10	8	11	4	-	3
Other	147	147	-	3	-	-	-	-	144	-	-	-
Term loans	1 586	1 632	-	843	421	98	138	120	12	-	-	-
Other payables	12 610	12 615	4	12 387	18	9	6	125	66	-	-	-
Total	16 131	16 319	4	14 041	495	132	154	1 253	233	4	-	3
Restated 2024^{2,3}												
Financial liabilities at amortised cost	3 678	4 074	-	1 847	1 169	500	158	107	252	5	5	31
Cumulative redeemable preference shares	1 636	1 727	-	1 127	600	-	-	-	-	-	-	-
Lease liabilities	204	256	-	66	58	57	21	4	9	5	5	31
Other	193	256	-	69	-	-	-	-	187	-	-	-
Term loans	1 645	1 835	-	585	511	443	137	103	56	-	-	-
Other payables	12 067	12 244	4	11 742	299	5	3	157	27	-	-	7
Total	15 745	16 318	4	13 589	1 468	505	161	264	279	5	5	38

¹ The contractual cash flow table has been enhanced to include additional years, providing a more granular view of undiscounted cash flows. The change has been applied retrospectively to the prior year to ensure consistency and comparability.

² Refer to note 1 for more information on the restatements apart from the restatement disclosed in footnote 3.

³ Payables arising from investment contracts of R846 million were incorrectly classified as Other payables in the prior year. June 2024 has been restated accordingly.

37.5.5 Liquidity profile of assets

The following table illustrates that the Group's assets are fairly liquid in order to meet the liquidity needs of obligations if the Group should be required to settle earlier than expected:

Total asset liquidity	2025		Restated 2024 ¹	
	%	Rm	%	Rm
High ^{2,3}	74	590 492	74	516 856
Medium ^{2,4}	24	189 647	24	168 159
Low/illiquid ⁵	2	15 344	2	14 474
Other assets not included above				
- intangible assets		4 844		4 683
- employee benefit assets		470		431
- accelerated rental income		381		383
- prepayments		559		508
- deferred income tax		526		606
- non-current assets held for sale		950		338
Total assets		803 213		706 438

¹ Refer to note 1 for more information on the restatements apart from the restatement disclosed in footnote 2.

² Prior year balances have been restated to correct the presentation of loan commitments, which were previously recognised based on total funds to be advanced rather than actual funds advanced, resulting in a reclassification of R853 million between funds on deposit and debt securities.

³ Highly liquid assets are those that are considered to be realisable within one month (e.g. level 1 financial assets at fair value, including funds on deposit and other money market instruments > 90 days, cash and cash equivalents), the current values of which might not be realised if a substantial short-term liquidation were to occur due to demand-supply principles.

⁴ Medium liquid assets are those that are considered to be realisable within six months (e.g. level 2 and level 3 financial assets at fair value, except for funds on deposit and other money market instruments > 90 days, loans at amortised cost, insurance contracts, reinsurance contracts).

⁵ Low/illiquid assets are those that are considered to be realisable in excess of six months (e.g. intangible assets, investment and owner-occupied properties, property and equipment, equity-accounted associates).

37 Liquidity risk continued**37.5 Liquidity risk tables continued****37.5.6 Maturity profile of derivative financial instruments**

The following table indicates the expiry of derivative financial assets and liabilities, based on net undiscounted cash flow projections. When the amount payable is not fixed, the amount disclosed is determined by reference to conditions existing at the reporting date.

Some of the Group's derivatives are subject to collateral requirements. Cash flows for those derivatives could occur earlier than the contractual maturity date.

	Carrying value Rm	Total Rm	0 - 1 year Rm	1 - 5 years Rm	>5 years Rm
2025					
Derivatives held for trading					
Equity derivatives	600	639	289	-	350
Interest rate derivatives	(708)	(864)	(88)	(721)	(55)
Bond derivatives	227	232	231	1	-
Credit derivatives	(1)	10	3	7	-
Currency derivatives	(15)	31	(5)	36	-
Total net undiscounted cash flow projections	103	48	430	(677)	295
Restated 2024					
Derivatives held for trading					
Equity derivatives ¹	506	510	138	42	330
Interest rate derivatives ²	(393)	(304)	57	(697)	336
Bond derivatives	187	227	225	2	-
Credit derivatives	(9)	4	1	3	-
Currency derivatives	(841)	(891)	(130)	(720)	(41)
Total net undiscounted cash flow projections	(550)	(454)	291	(1 370)	625

¹ The prior year maturity profile for equity derivatives was incorrectly completed for 0 - 1 year, 1 - 5 years and >5 years by R147 million, R42 million and R330 million respectively. June 2024 has been restated accordingly.

² The prior year maturity profile for interest rate derivatives was incorrectly completed for 0 - 1 year by R141 million. June 2024 has been restated accordingly.

Derivative financial instruments	2025 Rm	2024 Rm
Assets	1 637	2 202
Liabilities	(1 534)	(2 752)
Net assets/(liabilities)	103	(550)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk

Market risk is the risk of financial loss due to adverse movements in the market value of assets supporting liabilities relative to the value of those liabilities, or due to a decrease in the net asset value, as a consequence of changes in market conditions or as a result of the performance of investments held. This includes exposure to equities, property, credit and basis spreads, price inflation, interest rates and currencies. Financial instruments, insurance contracts and reinsurance contracts held by the Group are subject to the components of market risk as follows:

	Carrying amount		Market price risk	Interest rate risk	Currency risk
	2025 Rm	Restated 2024 ¹ Rm			
Assets					
Carried at FVPL					
Unit-linked investments	290 375	247 730	✓✓	✓	✓
Debt securities	243 654	211 161	✓	✓✓	✓
Equity securities	145 021	125 290	✓✓		✓
Carry positions	268	15	✓	✓✓	
Funds on deposit and other money market instruments	29 605	35 492	✓	✓✓	✓
Derivative financial assets	1 637	2 202	✓✓	✓✓	✓
Carried at amortised cost					
Unsettled trades	1 280	1 167			✓
Accounts receivable	5 405	5 285		✓	✓
Debt securities	-	262		✓✓	✓✓
Funds on deposit and other money market instruments	-	181		✓✓	✓✓
Loans	917	939		✓✓	✓
Cash and cash equivalents	36 954	33 898		✓✓	✓
Other non-financial assets					
Insurance contract assets	14 464	11 314	✓✓	✓✓	
Reinsurance contract assets	10 112	9 228		✓✓	
Other receivables	1 219	1 174			
Other ²	22 302	21 100			
Total assets	803 213	706 438			
Liabilities					
Carried at FVPL					
Investment contracts designated at FVPL	481 765	419 081	✓✓	✓✓	✓
Payables arising from investment contracts ³	4 042	3 514			✓
Collective investment scheme liabilities	34 507	30 122	✓✓	✓	✓
Subordinated call notes	4 382	4 324	✓	✓✓	
Carry positions	18 954	15 714	✓	✓✓	
Derivative financial liabilities	1 534	2 752	✓✓	✓✓	✓
Preference shares	426	377	✓	✓✓	
Other borrowings	557	257	✓	✓	✓
Carried at amortised cost					
Term loans	1 586	1 645		✓✓	
Cumulative redeemable preference shares	1 630	1 636		✓✓	
Lease liabilities	158	204		✓✓	✓
Other	147	193		✓	
Other payables (excluding deferred revenue liabilities)					
Unsettled trades	1 954	1 063			✓
Commission creditors	844	862			✓
Health saver liability	303	313		✓	
Other	5 467	6 315			✓
Other non-financial liabilities					
Deferred revenue	362	318			
Insurance contract liabilities	187 481	167 681	✓✓	✓✓	
Reinsurance contract liabilities	16 478	13 914		✓✓	
Other	7 682	6 096			
Total liabilities	770 259	676 381			

✓✓ High exposure

✓ Medium/low exposure

¹ Refer to note 1 for more information on the restatements.

² Includes investment properties and owner-occupied properties that are exposed to property risk disclosed in note 38.4.

³ Upon further investigation, it was determined that Payables arising from investment contracts should be disclosed as designated at fair value through profit and loss and not at amortised cost. June 2024 has been restated accordingly. The values remain unchanged and have not been restated.

38 Market risk continued

Market risk governance

Shareholder market risk is managed according to the Momentum Group Shareholder Market Risk Policy while the Client Investment Policy governs the management of policyholder market risk.

The CIC is responsible for the Group's market risk management relative to risk appetite needs. Segmental product management committees are responsible for residual market risk exposures deriving from product design features and product management processes.

The Board Risk, Capital and Compliance Committee provides oversight over all market risks assumed on behalf of shareholders. The Momentum Group Product Management Committee provides oversight over the management of policyholder market risk.

Policyholder market risk is managed through various management-level governance committees established for this purpose. These committees monitor the performance of investment portfolios against client outcome requirements. This includes consideration of the appropriateness of the matching of assets and liabilities of the various policyholder portfolios where policyholder benefits are impacted by investment returns.

For policyholder liabilities, the financial instruments backing each major line of business are segregated to ensure that they are used exclusively to provide benefits for the relevant contract holders. The valuation of these financial instruments is subject to various market risks, particularly interest rate and price risk. Each portfolio consists of an asset mix deemed appropriate for the specific product.

Management of market risks from insurance and investment contracts

The Group attempts to mitigate market risks associated with guaranteed policyholder obligations by making use of liability-driven investment mandates and hedging strategies. Non-hedgeable market risks are mitigated through risk limits, product design and adequate costing of products. The Group uses derivative instruments for risk management and portfolio efficiency purposes. The use of derivative instruments for speculative purposes is not tolerated.

Market and reputational risks are managed through the rigorous investment research process applied by the Group's investment managers. Market risks from market-related/unit-linked insurance and investment contracts are transferred to the policyholder, subject to the terms and conditions of the policy.

Individual and group contracts with DPF

In the event of adverse investment performance, the BSA may be negative. In such an event, the following actions can be taken:

- Lower bonuses can be declared.
- For those contracts where a portion of bonuses declared is non-vested, the Group has the right to remove previously declared non-vested bonuses in the event of a fall in the market value of assets.
- A market value adjuster may be applied in the event of voluntary withdrawal in cases where the withdrawal benefit exceeds the market value. For some group contracts, an alternative option is to pay out the termination value over an extended term (usually 10 years). These measures are primarily to protect the remaining policyholders.
- Short-term derivative hedging or other partial derisking strategies can be used to protect the funding level against further deterioration due to poor investment performance.
- Funds may be transferred from the shareholder portfolio into the BSA on a temporary or permanent basis. The Group is exposed to investment risk to the extent that such transfers are required.

The Group has issued the Principles and Practices of Financial Management (PPFMs) that are applied in the management of discretionary participation business. The PPFMs detail the investment strategies and bonus philosophies for the discretionary participation portfolios. In addition, management reports to the Fair Practice Committee (a subcommittee of the Momentum Group Board) on an annual basis regarding compliance with the PPFMs.

Investment Guarantee risk management

The risk of being unable to meet investment guarantees in respect of minimum maturity values and other guaranteed benefits is managed by including expected guarantee payments in the measurement of contracts and by holding additional statutory capital. Stochastic modelling is used to quantify the reserves and capital required to finance possible shortfalls in respect of minimum maturity values and other guaranteed benefits. The stochastic model is calibrated to market data. The shareholders' exposure to fluctuations in expected benefit payments is mitigated by the use of hedging strategies, subject to available instruments and the overall risk profile of the business.

Due to the long-term nature of guarantees and lack of investments with appropriate duration it is not possible to completely match risk exposures from investment guarantees with appropriate investments. Remaining risks are borne by the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk continued

Management of market risks from insurance and investment contracts continued

Non-profit annuity business

To hedge against the interest rate risk, the Group invests in an actively managed portfolio of government and corporate bonds, promissory notes from banks, swaps and other interest rate derivatives which provide a high degree of matching to the interest risk profile of the liabilities. The mismatch risk is managed on a dedicated risk management system that includes daily monitoring of approved limits. Index-linked annuities, which provide increases in line with inflation, are generally matched with index-linked bonds or bank-issued matching structures. Where cash flow matching is not possible, or not desirable from an overall risk profile perspective, interest rate risk is minimised by ensuring the values of assets and liabilities respond similarly to minor changes in interest rates.

Structured products

The interest rate exposure on these policies is hedged through holding appropriate interest sensitive instruments. In cases where structured assets back this business, the assets will have a credit rating that corresponds to senior bank debt, equivalent to a long-term national scale rating of A+.

Other non-profit business

The market risks on these insurance contracts are mitigated through an actively managed combination of interest rate securities and interest rate derivatives, as well as contractual rights to review regular premium rates charged to clients. The investments held to fund benefit payments or manage risks will expose the Group to market risk and limited credit risk.

Shareholder cash flows in respect of individual contracts with investment components

The Group is subject to market risk as any changes in policyholder fund prices or long-term interest rates will result in a change in the value placed on shareholder cash flows. This risk is mitigated through diversification against other market risks as well as through the deployment of hedging strategies to the extent risk exposures outside the tolerances provided by risk appetite.

Exposure to market price risk – variable fee approach

Insurance contracts measured in terms of the variable fee approach expose the Group to market price risk from the underlying items. The carrying value of the insurance contracts assets and liabilities measured in terms of the variable fee approach indicates the gross exposure to market price from the underlying items. The Group carries underlying items on the statement of financial position and therefore the net exposure to market price risk is the Group's share in the fair value of the underlying items.

Risk mitigation option – variable fee approach

Changes in the amount of the Group's share of the fair value of the underlying items are accounted for in the contractual service margin. The contractual service margin is recognised in insurance revenue as the Group renders insurance contract services. The Group's share of the fair value of the underlying items expose the Group to financial risks. The Group makes use of derivative financial instruments to manage the exposures to financial risks. For specific portfolios of insurance contracts, the Group makes use of the risk mitigation option to account for a portion of the impact of time value of money and financial risks on the Group's share of the fair value of underlying items in insurance finance income and expenses and not in the contractual service margin. The use of the risk mitigation option aims to reduce accounting mismatches between the fair value gains or losses on derivative instruments accounted for in profit or loss before tax and the Group's share of the changes in fair value in underlying items accounted for in the contractual service margin. Refer to note 23.4 for the effect of the application of the risk mitigation option during the reporting period.

38.1 Equity risk

Equity risk is the risk of financial loss as a result of adverse movements in the market value or implied volatility of equities, and/or the income from equities. Equities (listed and unlisted) are reflected at market values, which are susceptible to fluctuations. The risks from these fluctuations can be separated into systemic risk (affecting all equity instruments) and specific risk (affecting individual securities). In general, specific risk can be reduced through diversification, while systemic risk cannot.

Equity risk management

In general, liabilities for guaranteed benefits are not backed by equity instruments. Equity risk associated with fee income charged on policyholder assets is generally tolerated, as a desirable exposure that is consequential to the Group's business. The investment mandates for shareholder funds backing capital requirements place emphasis on capital preservation and liquidity. However, these mandates may also expose shareholders to equity risk taken in accordance with the Group's Risk Appetite Framework.

The Group manages its listed equity risk by employing the following procedures:

- Mandating specialist equity fund managers to invest in listed equities where there is an active market and where there is access to a broad spectrum of financial information relating to the companies invested in.
- Diversifying across many securities to reduce specific risk.
- Considering the risk-reward profile of holding equities and assuming appropriate risk in order to obtain higher expected returns on assets.

38 Market risk continued

38.1 Equity risk continued

Equity risk management continued

Unlisted equity investment risks are managed as follows:

- Mandating asset managers and specialist alternative investment boutiques to invest in diversified pools of private equity partnerships and other unlisted equity investments.
- Achieving diversification across sector, stage, vintage and geography.
- All investments are subject to prudential limits stipulated by the Momentum Group Private Equity Investments Committee, represented by specialist investment professionals and independent Momentum Group representatives.
- Mitigating the risk of potential subjective valuation due to the nature of unlisted investments by utilising the guideline developed by the South African Venture Capital and Private Equity Association (SAVCA) to provide a framework for valuation and disclosure in this regard. This framework is consistent with best practice exercised and recommended by the European Venture Capital and Private Equity Association.

Hedging strategies using derivatives and other structures are implemented to reduce equity risk on shareholder exposures in accordance with risk appetite requirements. Management investigates, implements and assesses risk mitigation efforts with consideration given to the market conditions at any given time.

38.2 Interest rate risk

Interest rate risk is the risk of financial loss arising from adverse movements in nominal and real interest rates.

Interest rate risk management

Exposure of insurance contracts issued and reinsurance contracts held to interest rates

The present values of fulfilment cash flows and therefore the carrying values of insurance and reinsurance contract assets and liabilities are sensitive to changes in the discount rates used. The Group makes use of a risk-free yield curve to identify risk-free interest rates to be used in determining the discount rates. Changes in the risk-free yield curves or movements along the curve affect the discount rates used.

The carrying values of insurance contracts assets and liabilities and reinsurance contract assets and liabilities measured under the general measurement model and the variable fee approach indicate exposure to interest rate risk.

Depending on the terms of the insurance contract and accounting policies, some insurance contracts measured under the premium allocation approach expose the Group to interest rate risk.

	2025 Rm	Restated 2024 ¹ Rm
Premium allocation approach – Exposure to interest rates		
Insurance contract liabilities	11 798	11 697
Insurance contract assets	-	(9)
Net insurance contract liabilities	11 798	11 688
Reinsurance contract liabilities	(8)	-
Reinsurance contract assets	2 189	2 038
Net reinsurance contract assets	2 181	2 038

¹ In the prior year, the exposure to interest rate risk of insurance contracts measured under the premium allocation approach in the table above was incorrectly not presented. June 2024 has been restated accordingly.

Depending on the measurement model used, the impact of changes in discount rates affect current profit or loss before tax through insurance or reinsurance finance income or expense, insurance service results or future profit or loss before tax through releases from the contractual service margin. For further information on how changes in discount rates are accounted for, refer to the relevant accounting policies. The Group is exposed to interest rate risk in the various countries where it operates. For further information on the risk-free yield curves used in determining the relevant discount rates, refer to note 13.

Interest rate risk on guaranteed liabilities are highly matched, e.g. via government bonds or banks structures, to the extent available matching assets exists. The Group is averse to duration mismatch risks, although limited mismatches to individual government bond maturities may be tolerated where appropriately rewarded and in accordance with explicit risk management limits. Where aspects of long-term product features give rise to exposures that cannot be cost effectively hedged in the South African market, such features would be mitigated through appropriate risk limits, pricing and management actions such as premium reviews and bonus decisions.

Hedging strategies using derivatives and other structures may be implemented to mitigate interest rate risk on shareholder exposures in accordance with risk appetite requirements.

Management investigates, implements and assesses risk mitigation efforts with consideration given to the market conditions at any given time. Risk mitigation efforts are independently monitored with the objective of preventing significant mismatch losses due to a shift in the yield curve or a change in the shape of the yield curve.

Exposure of financial instruments to interest rates

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate financial assets and financial liabilities, and on the fair value of other investments. Fair values of fixed maturity investments included in the Group's investment portfolios are subject to changes in prevailing market interest rates. The table overleaf provides a split of interest-bearing assets that are exposed to cash flow interest rate risk and those that are exposed to fair value interest rate risk. Debt securities with no interest rate risk exposure are securities where the valuation is driven by factors other than interest rates, such as capital structured notes where the valuation is derived from the underlying investments. Financial assets at amortised cost with short-term cash flows are considered not to have any interest rate risk since the effect of interest rate risk on these balances is not considered significant. The Group has included unit-linked investments under the interest rate risk disclosure. Although the Group does not manage unit-linked investments with a focus on interest rate sensitivity, as the investment risk is borne by policyholders, these investments are nonetheless subject to changes in market interest rates that may affect their fair value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk continued

38.2 Interest rate risk continued

Interest rate risk management continued

Instrument class	Carrying amount Rm	Cash flow interest rate risk Rm	Fair value interest rate risk Rm	No interest rate risk Rm	Weighted average rate %
2025					
At FVPL					
Unit-linked investments (categorised as interest bearing and money market – refer to note 42) ¹	29 514	-	29 514	-	n/a
Debt securities	243 654	89 340	138 616	15 698	6.5
Funds on deposit and other money market instruments	29 605	10 674	18 907	24	5.5
Derivative financial assets	1 637	-	1 637	-	n/a
Derivative financial liabilities	(1 534)	-	(1 534)	-	n/a
Carry positions	268	-	268	-	n/a
At amortised cost					
Debt securities	-	-	-	-	
Funds on deposit and other money market instruments	-	-	-	-	
Loans and receivables at amortised cost	7 602	1 317	-	6 285	6.7
Cash and cash equivalents	36 954	32 412	-	4 542	3.8
Total	347 700	133 743	187 408	26 549	
Restated 2024					
At FVPL					
Unit-linked investments (categorised as interest bearing and money market – refer to note 42) ¹	26 740	-	26 740	-	n/a
Debt securities ²	211 161	74 112	127 538	9 511	4.2
Funds on deposit and other money market instruments ²	35 492	13 335	21 886	271	7.2
Derivative financial assets	2 202	-	2 202	-	n/a
Derivative financial liabilities	(2 752)	-	(2 752)	-	n/a
Carry positions	15	-	15	-	n/a
At amortised cost					
Debt securities	262	-	-	262	8.2
Funds on deposit and other money market instruments	181	101	-	80	3.2
Loans and receivables at amortised cost ²	7 391	1 661	-	5 730	6.6
Cash and cash equivalents	33 898	30 581	-	3 317	5.5
Total	314 590	119 790	175 629	19 171	

¹ To enhance the transparency and completeness of the financial statements, the Group has included unit-linked investments under the interest rate risk disclosure. Although the Group does not manage unit-linked investments with a focus on interest rate sensitivity, as the investment risk is borne by policyholders, these investments are nonetheless subject to changes in market interest rates that may affect their fair value.

² Refer to note 1 for more information on the restatements.

Liability exposure to interest rates is reflected in note 14.

Future Change in the Reference Interest Rate: Transition from JIBAR to ZARONIA

The South African Reserve Bank (the SARB), through the Market Practitioners Group (the MPG), has identified the South African Rand Overnight Index Average (ZARONIA) as the preferred alternative risk-free rate (RFR) to replace the Johannesburg Interbank Average Rate (JIBAR) as part of global benchmark reform initiatives aimed at enhancing the robustness and reliability of financial benchmarks.

In line with SARB guidance, from 1 July 2024, financial institutions and market participants are required to cease issuing new financial instruments referencing JIBAR. The transition of legacy exposures is expected to continue through approximately mid-2026, which may coincide with the formal cessation or loss of representativeness of JIBAR. However, the SARB has not yet announced a definitive cessation date.

As at the reporting date, the Group's exposures to JIBAR are concentrated in:

- Derivative assets and liabilities, primarily futures and swaps.
- Financial assets and liabilities, which include floating-rate and credit-linked debt instruments, bonds, cash and short-term deposits.

38 Market risk continued

38.2 Interest rate risk continued

Future Change in the Reference Interest Rate: Transition from JIBAR to ZARONIA continued

The Group has established a dedicated, cross-functional programme to manage the transition from JIBAR to ZARONIA. This programme includes:

- Engaging with counterparties and industry bodies to confirm fallback language and market conventions.
- Assessing legal, taxation and contractual implications across affected instruments.
- Updating valuation methodologies and system architecture to accommodate ZARONIA-based pricing and risk management.
- Evaluating potential impacts on financial reporting, including disclosures and measurement under IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures.

Following the amendments introduced by Interest Rate Benchmark Reform – Phase 2, the Group will apply the practical expedients available for modifications that arise directly as a result of the benchmark reform and that are on economically equivalent terms. For financial instruments measured at amortised cost or at fair value through profit or loss, contractual changes solely due to replacing JIBAR with ZARONIA (including any necessary spread adjustments) will be treated as a modification without derecognition, and no immediate gain or loss is expected to arise on transition, provided the conditions under IFRS 9 are met. For investment contracts without significant insurance risk that reference JIBAR, modifications will be assessed under the same principles.

Due to the absence of a definitive cessation date for JIBAR and the ongoing assessment of affected exposures, the Group is unable to reliably quantify the full extent of the nominal amounts of financial instruments that may remain outstanding at the cessation date and thus be subject to modification. Accordingly, quantitative disclosure of remaining JIBAR-linked exposures is presented as at 30 June 2025.

Quantitative Exposure to JIBAR-Linked Financial Instruments

	Notional/ Principal Exposure Rm
2025	
Total assets recognised on the statement of financial position subject to JIBAR reform yet to transition	
Derivative financial assets ¹	32 273
Other financial assets ²	102 273
Total liabilities recognised on the statement of financial position subject to JIBAR reform yet to transition	
Derivative financial liabilities ¹	23 734
Other financial liabilities ²	2 045
Total exposure³	160 325

¹ Derivative assets and liabilities include interest rate swaps, cross-currency swaps, and futures directly referencing JIBAR, including futures, bond options and CFDs indirectly referencing JIBAR.

² Financial assets and liabilities include floating rate and credit-linked debt instruments, bonds, cash and short-term deposits.

³ Exposures represent notional or principal amounts referencing JIBAR as at the reporting date.

38.3 Currency risk

Currency risk is the risk that the Rand value and/or future cash flows of financial assets and liabilities will fluctuate due to changes in foreign exchange rates. Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign operations in Momentum Metropolitan Africa and India contain insurance and reinsurance contract assets and liabilities. Translation of the financial position, results and cash flows of foreign operations from foreign currencies into ZAR for presentation purposes does not create currency risk for the Group.

The translation of the financial position, results and cash flows of these foreign operations into ZAR for consolidation purposes does not, in itself, give rise to currency risk exposure for the Group. Only foreign currency-denominated assets and liabilities held directly by the Group (rather than through the consolidation) create currency risk.

The majority of the Group's currency exposure results from the offshore assets held by policyholder portfolios. These investments were made for the purpose of obtaining a favourable international exposure to foreign currency and to investment value fluctuations in terms of investment mandates, subject to limitations imposed by the South African Reserve Bank (SARB).

To the extent that these offshore assets are held in respect of contracts where the contract holder benefits mirror the returns on the underlying assets, the Group's net currency risk exposure is limited.

To the extent that offshore assets are held in respect of contracts where the contract holder benefits are a function of the returns on the underlying assets, currency risk is minimised.

Details of currency risk contained in investments in local collective investment schemes that are not subsidiaries have not been included in the table overleaf as the look-through principle was not applied.

Assets and liabilities denominated in Namibian Dollar and Lesotho Maloti currencies that are pegged to the South African Rand on a 1:1 basis do not represent significant currency risk for the Group. The geographical area of Africa also includes Botswana, Ghana and Mozambique. Other African operations (including Botswana, Ghana and Mozambique) give rise to exposures where assets and liabilities are denominated in local currencies not pegged to the Rand. These exposures are included in the Group's sensitivity analysis overleaf.

The Group's exposure to foreign currency risk comprises both shareholder assets directly held and the Group's exposure to future asset-based fee income earned on policyholder portfolios invested in foreign assets.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk continued

38.3 Currency risk continued

The following exposures, denominated in foreign currencies, where the currency risk (including translation risk) resides with the Group, are included in the Group's statement of financial position at 30 June:

	Africa Rm	UK £ Rm	US \$ Rm	Euro € Rm	Asian Pacific Rm	Other Rm	Total Rm
2025							
<i>Closing exchange rate</i>	24.3490	17.7699	20.8591				
Financial assets							
Investment securities							
At FVPL							
Unit-linked investments	17	9 374	53 145	2 434	349	182	65 501
Equity securities	417	3 318	40 196	7 041	6 600	5 427	62 999
Debt securities	1 430	840	5 371	2 424	1 312	3	11 380
Funds on deposit and other money market instruments	457	-	1 569	-	-	24	2 050
Derivative financial assets	-	347	53	-	2	-	402
At amortised cost							
Loans and accounts receivable	31	80	543	28	3	54	739
Cash and cash equivalents	471	494	4 485	653	56	126	6 285
Total	2 823	14 453	105 362	12 580	8 322	5 816	149 356
Financial Liabilities¹							
Financial liabilities at FVPL							
CIS liabilities	-	816	9 659	-	245	-	10 720
Derivative financial liabilities	-	469	15	13	8	-	505
Financial liabilities at amortised cost							
Lease liabilities	10	21	2	-	-	-	33
Term loans	-	119	-	-	-	5	124
Total	10	1 425	9 676	13	253	5	11 382
2024							
<i>Closing exchange rate</i>		23.0746	18.2543	19.5568			
Financial assets							
Investment securities							
At FVPL							
Unit-linked investments	19	8 271	45 639	2 126	213	31	56 299
Equity securities	371	2 512	35 353	5 083	6 067	4 957	54 343
Debt securities	1 574	391	6 317	1 936	1 129	326	11 673
Funds on deposit and other money market instruments	429	5	1 829	3	-	1	2 267
Derivative financial assets	-	329	68	1	13	1	412
At amortised cost							
Debt securities	262	-	-	-	-	-	262
Funds on deposit and other money market instruments	87	-	-	-	-	-	87
Loans and accounts receivable	21	72	267	19	-	62	441
Cash and cash equivalents	278	469	4 797	807	78	109	6 538
Total	3 041	12 049	94 270	9 975	7 500	5 487	132 322
Financial Liabilities¹							
Financial liabilities at FVPL							
CIS liabilities	-	970	8 025	-	238	-	9 233
Derivative financial liabilities	-	1	872	-	13	-	886
Financial liabilities at amortised cost							
Lease liabilities	9	20	-	-	-	17	46
Term loans	-	130	152	-	-	4	286
Total	9	1 121	9 049	-	251	21	10 451

¹ This is a change in presentation in the current year. During the current year, management identified that liability exposures to currency risk had not been included in the currency risk exposure table in prior years. This omission represented a disclosure error under IAS 8, and the comparative information has therefore been restated to include these liability exposures in order to align with the requirements of IFRS 7. The restatement has no impact on the Group's statement of financial position, statement of comprehensive income, statement of changes in equity, or statement of cash flows.

38 Market risk continued**38.3 Currency risk continued**

A significant portion of the foreign currency assets represents policyholder assets. The related policyholder liabilities are not included in the table; however, the economic currency risk to shareholders is limited as these exposures are largely pass-through in nature.

The following exposures, denominated in foreign currencies and held for the benefit of shareholders, where the currency risk (including translation risk) resides with the Group, are included in the Group's statement of financial position at 30 June:

	Africa Rm	UK £ Rm	US \$ Rm	Euro € Rm	Total Rm
2025¹					
Total	1 185	1 500	526	1 043	4 254
2024¹					
Total	621	602	516	1 071	2 810

¹ This is a change in presentation in the current year. The shareholder exposures to currency risk had not been included in the currency risk exposure table in prior years. This omission represented a disclosure error under IAS 8, and the comparative information has therefore been restated to include the shareholder exposures in order to align with the requirements of IFRS 7. The restatement has no impact on the Group's statement of financial position, statement of comprehensive income, statement of changes in equity, or statement of cash flows.

African exchange rates representing material balances above are:

Closing exchange rate	Botswana	Ghana
2025	1.3363	1.7169
2024	1.3453	1.1937

Currency risk management

The Group attempts to mitigate currency risk from obligations for guaranteed benefits by holding assets in the same currency as the liabilities. Currency risk from embedded guarantees is hedged, depending on the availability of hedging instruments. Mandates on shareholder funds backing capital requirements provide limited tolerances to foreign currency exposure.

The Group holds exposures denominated in foreign currencies for the benefit of shareholders. A sensitivity analysis has been prepared to illustrate the impact on profit or loss before tax of a 10% weakening or strengthening of the Rand against major foreign currencies, based on shareholder exposures at the reporting date. A change of this magnitude would result in a corresponding foreign exchange gain or loss for the Group. The analysis excludes foreign exchange translation differences arising on consolidation of foreign operations, which are recognised in other comprehensive income. The disclosure was omitted in previous years, and the comparatives have been restated to align with the requirements of IFRS Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk continued

38.3 Currency risk continued

This table reflects the sensitivities applied to the exposures for foreign exposures held directly for the benefit of shareholders.

	Africa Rm	UK £ Rm	US \$ Rm	Euro € Rm	Total Rm
	10% movement				
2025¹					
Total	119	150	53	104	426
	10% movement				
2024¹					
Total	62	60	52	107	281

¹ The tables illustrate the sensitivity of the Group's profit or loss before tax (shareholders) to changes in foreign currency exchange rates relating to financial assets and financial liabilities. This disclosure was omitted in prior years, and the comparative information has been restated to align with the requirements of IFRS 7. The correction has no impact on the Group's statement of financial position, statement of comprehensive income, statement of changes in equity, or statement of cash flows.

38.4 Property risk

Property risk is the risk that the value of investment properties, owner-occupied properties and properties under development, as well as participatory interest in property collective investment schemes, will fluctuate as a result of changes in rental income and interest rates.

Property investments are made on behalf of policyholders, shareholders and other investment clients and are reflected at market value. Diversification in property type, geographical location and tenant exposure are all used to reduce the risk exposure.

The Group's exposure to property holdings at 30 June is as follows:

	2025 Rm	Restated 2024 Rm
Investment properties	9 573	9 188
Owner-occupied properties	2 764	2 728
Properties under development	264	267
CIS (refer to note 42) ^{1,2}	6 619	5 119
Other unit-linked investments (refer to note 42) ²	828	1 184
Total	20 048	18 486
Percentage of total assets	2.5%	2.6%

¹ The value of the units held in the CISs are directly linked to the net asset value of these funds, which are in turn directly linked to the value of the underlying assets, e.g. a 1% movement in property values will likely translate to a 1% movement in the value of the CIS.

² Prior year amounts for CIS and Other unit-linked investments have been restated to align with the presentation and disclosure in the Structured Entities note (Note 42).

Refer to note 6 for the concentration risk regarding types of properties relating to investment properties. Owner-occupied properties mainly comprise office buildings.

The Group is exposed to tenant default and unlet space within the investment property portfolio. There were no material long outstanding debtors relating to tenants at 30 June 2025. The carrying amount of unlet and vacant investment property as at 30 June 2025 was R1 072 million (2024: R1 177 million).

38 Market risk continued

38.5 Insurance and market risk sensitivity analysis

The Group's profit or loss and equity are exposed to:

- Insurance risk through insurance contracts issued and reinsurance contracts held.
- Market risk through investments held to back insurance contracts issued, reinsurance contracts held and investment contracts issued.

The insurance and market risk sensitivity analysis in the tables below indicates the net impact (when applicable) of changes in market risk variables on the measurement of insurance and investment contract assets and liabilities and the investments supporting the insurance and investment contracts.

Insurance and market risk sensitivity analysis for insurance contracts – increases/(decreases)	Gross of reinsurance		Net of reinsurance	
	Impact on profit or loss Rm	Change in CSM Rm	Impact on profit or loss Rm	Change in CSM Rm
38.5.1 Life insurance and investment contracts				
2025				
Insurance risks				
10% decrease in future expenses	578	1 091	520	1 168
10% decrease in lapse, paid-up and surrender rates	(139)	474	(36)	505
5% decrease in mortality and morbidity for assurance business	1 431	2 869	1 168	2 975
5% decrease in mortality and morbidity for annuity business	(177)	(581)	(172)	(572)
1% reduction in expense inflation rate	340	740	293	804
10% reduction in premium indexation take-up rate	(109)	(1 088)	(61)	(1 248)
Market risks				
1% reduction in gross investment return and inflation rate ¹	(422)	(46)	(77)	(91)
10% fall in market value of equities and properties	(202)	(367)	(202)	(367)
2024				
Insurance risks				
10% decrease in future expenses	508	996	452	1 073
10% decrease in lapse, paid-up and surrender rates	(118)	408	(70)	512
5% decrease in mortality and morbidity for assurance business	1 234	2 934	933	3 042
5% decrease in mortality and morbidity for annuity business	(109)	(528)	(95)	(529)
1% reduction in expense inflation rate	281	679	235	741
10% reduction in premium indexation take-up rate	(36)	(1 186)	4	(1 362)
Market risks				
1% reduction in gross investment return and inflation rate	(277)	(37)	34	(58)
10% fall in market value of equities and properties	(162)	(389)	(162)	(389)

¹ The sensitivity tests a 1% reduction in the nominal risk-free yield curve across all durations (i.e. observable market yields and ultimate spot rate). For a 1% reduction in observable nominal yields and the ultimate spot rate remaining unchanged, the Group's earnings are expected to decrease by R78 million (gross of reinsurance) and increase by R200 million (net of reinsurance). This is a more accurate reflection of the Group's earnings exposure to parallel movements in nominal market yields.

Investment contracts

Market risk sensitivity analysis for investment contracts – increases/(decreases)	Impact on profit or loss	
	2025 Rm	2024 Rm
1% reduction in gross investment return and inflation rate	(16)	(9)
10% fall in market value of equities and properties	(53)	(27)

Insurance contracts with direct participation features

For contracts with direct participation features, funds are invested in line with the relevant investment mandates governed by the Momentum Group Investment Committee as well as the PPFM for contracts with discretionary participation features. The fair value of the underlying funds is shown below, together with sensitivities that illustrate the key underlying market risk exposures.

Insurance contracts with direct participation features	Carrying value Rm	% change in carrying value	
		10% reduction in equity and property prices	1% reduction in interest rates
2025			
Fair value of underlying funds	71 065	(7%)	1.5%
2024			
Fair value of underlying funds	65 648	(6.6%)	1.4%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk continued

38.5 Insurance and market risk sensitivity analysis continued

Insurance risk and market risk sensitivities for insurance contracts - increases/(decreases)	Impact on profit or loss 2025		Impact on profit or loss 2024	
	Gross of reinsurance Rm	Net of reinsurance Rm	Gross of reinsurance Rm	Net of reinsurance Rm
38.5.2 Non-life insurance				
Insurance risks				
1% increase in future expenses	(1)	(1)	(1)	(1)
1% increase in claims settlement amount	(20)	(13)	(19)	(18)
5% increase in percentile of the risk adjustment for non-financial risk	(23)	(16)	(23)	(16)
Market risks				
1% reduction in gross investment return and inflation rate	(15)	(8)	(12)	(7)

Insurance risk and market risk sensitivities for insurance contracts - increases/(decreases)	Impact on profit or loss 2025		Impact on profit or loss 2024	
	Gross of reinsurance Rm	Net of reinsurance Rm	Gross of reinsurance Rm	Net of reinsurance Rm
38.5.3 Health insurance				
Insurance risks				
1% increase in future expenses	(1)	(1)	(1)	(1)
1% increase in claims settlement amount	(4)	(4)	(4)	(4)
5% increase in percentile of the risk adjustment for non-financial risk	(11)	(11)	(14)	(14)
Market risks				
10% fall in market value of equities and properties	(1)	(1)	(1)	(1)

38.5.4 Methods and assumptions used to determine the insurance and market risk sensitivity analyses

Methods and assumptions used in determining impact of changes in insurance and market risk variables:

Life insurance and market risk sensitivities

- The life insurance and market risk sensitivities are aligned with the embedded value sensitivities for the Group's covered business. The sensitivity analyses are performed as individual point-in-time stresses at the reporting date.
- The carrying values of investments backing insurance contracts and investment contracts are adjusted to include changes in the market risk variables. The changes in the carrying value of investments backing insurance and investment contracts affect the expected cash flows of some of these contracts.
- The carrying values of groups of insurance contracts issued are remeasured based on changes in fulfilment cash flows and the CSM as a result of changes in insurance and market risk variables. The change in the contractual service margin includes remeasurement of the balance due to changes in fulfilment cash flows that affects future services and releases from the contractual service margin for insurance service revenue recognised for the period.
- The carrying values of investment contract liabilities issued are remeasured based on changes in expected contractual cash flows as a result of changes in market risk variables.
- The impact on profit or loss includes changes in the carrying values of the investments, investment contract liabilities, changes in the amount of the contractual service margin recognised in profit or loss and changes in insurance finance income and expenses.
- The impact of the individual sensitivities on tax were considered for the relevant tax-paying entities.
- The Group does not account for changes in insurance contracts, reinsurance contracts or financial instruments in other comprehensive income. As such the impact on profit or loss represents the impact on Group equity.
- The impact of changes in nominal interest rates is considered in the 1% reduction in gross investment return and inflation rate.

Non-life and health insurance risk sensitivities

- Fulfilment cash flows per group of insurance and reinsurance contracts at the reporting date are adjusted with the change in the relevant risk variable.
- For each of the risk variables, the changes in the carrying values of insurance contracts and reinsurance contracts that impact the profit or loss after tax are aggregated to determine the amount of the sensitivity.
- The net of reinsurance impact of insurance risk variables on profit or loss after tax includes the sensitivity amounts linked to in-substance reinsurance contracts held by Guardrisk.
- The impact of the individual sensitivities on tax were considered for the relevant tax-paying entities.
- The impact of changes in nominal interest rates is considered in the 1% reduction in gross investment return and inflation rate.

Reinsurance contracts held

- The net of reinsurance impact of insurance and market risk variables on profit or loss and CSM balances of the Group, includes the sensitivity amounts linked to in-substance reinsurance contracts held by Guardrisk.
- The impact of the individual sensitivities on tax were considered for the relevant tax-paying entities.

38.5.5 Shareholder net assets

Management has assessed the potential impact of reasonable possible changes in market risk variables, specifically, interest rates and other price risks, on shareholder net assets. The outcome of this assessment indicates that such changes would not have a material effect on profit or loss or equity. Accordingly, the disclosure of a separate quantitative sensitivity analysis has been assessed as immaterial.

39 Credit risk

The Group is exposed to credit risk through investments in debt securities, cash and cash equivalents, funds on deposit, policyholder loans, money market instruments, derivative financial instruments, reinsurance contracts held, insurance premium debtors and other loans and receivables. Policyholder loans and premium debtors are included in the carrying values of insurance contract assets or liabilities.

When debt instruments are held to back market-related or discretionary participation contract liabilities, the policyholder is exposed to the credit risk.

Credit risk governance

The governance of credit risk is comprehensively set out in the CIC Terms of Reference (TOR). The primary responsibility of the CIC is to oversee, and ensure efficient management of risk exposures, which includes shareholders' exposure to credit risk. The product management committees are responsible for setting the credit risk sections of mandates for market-related or discretionary participation policyholder portfolios and for monitoring their performance. The CIC reports to the Group Executive Committee on the effectiveness of credit risk management and provides an overview of the Group's shareholder credit portfolio. The CIC and its subcommittees are responsible for the approval of relevant credit policies and the ongoing review of the Group credit exposure.

Regarding shareholder credit risk management, the committee ensures that:

- The Group credit management framework, methodology and capabilities are adequate.
- The Group credit risk appetite and limits in the shareholder portfolio are clearly understood, communicated and monitored.
- The disciplines and tools that are used to measure, monitor, and manage credit risk exposure and limits are adequate and robust.

Independent oversight is also provided by the Board Risk, Capital and Compliance Committee.

Management of credit risk – Shareholders

Management recognises and accepts that losses may occur through the inability of corporate debt issuers to service their debt obligations. To limit this risk, Balance Sheet Management (BSM) has formulated guidelines regarding investment in corporate debt instruments, including a framework of limits based on the Group's credit risk appetite.

The approval framework consists of two committees, namely an Executive Credit Committee and the BSM Credit Committee. The Executive Credit Committee approves credit risk exposures in excess of the mandate and limits of the BSM Credit Committee.

The following are considered in the approval process:

- The underlying nature of the instrument and credit strength of the counterparty.
- The credit rating of the issuer, either internally generated or externally provided by Moody's, S&P or GCR.
- Current exposure and portfolio diversification effects.

To achieve the above, an internal credit risk function performs ongoing risk management of the credit portfolio which includes:

- The use of stochastic portfolio credit risk modelling in order to gauge the level of portfolio credit risk, consider levels of capital and identify sources of concentration risk and the implications thereof.
- Preparing credit applications and performing annual reviews.

Regular risk management reporting to the CIC includes credit risk exposure reporting, which contains relevant data on the counterparty, credit limits and ratings (internal and external). In addition, the report includes Guardrisk credit exposure and reinsurance credit exposure. Counterparty exposures in excess of set credit limits are monitored and corrective action is taken where required. Credit mitigation instruments are used where appropriate. These include collateral, netting agreements and guarantees or credit derivatives.

Concentration risk

Concentration risk for debt instruments is managed at the credit portfolio level. Concentration risk management in the credit portfolio is based on individual name limits and exposures (which are reported to and approved by the CIC) and the monitoring of industry concentrations.

Unit-linked investments

The Group is exposed to credit risk generated by debt instruments in which collective investment schemes invest and other unit-linked investments in which the Group invests. The Group's exposure to these funds is classified at fund level (refer to note 42 for unit-linked categories) and not at the underlying asset level. This includes the investments in associated collective investment schemes. Although the funds are not rated, fund managers are required to invest in credit assets within the defined parameters stipulated in the fund's mandate. These rules limit the extent to which fund managers can invest in unlisted and/or unrated credit assets and generally restrict funds to the acquisition of investment grade assets. Further credit risk reduction measures are obligatory for South African collective investment schemes as required by control clauses within the Collective Investment Scheme Control Act, 45 of 2002.

Derivative contracts

The Group enters into derivative contracts with local and international banks approved by the credit committees on terms set out by the industry standard International Swaps and Derivatives Agreements (ISDA). In terms of these ISDA agreements, derivative assets and liabilities can be set off with the same counterparty, resulting in only the net exposure being included in the overall Group counterparty exposure analysis. The ISDA agreements allow for margining of derivative exposures as stipulated in the Credit Support Annexure to the main ISDA Master Agreement as agreed between the parties. For exchange-traded options, credit risk is largely mitigated through the formal trading mechanism of the derivative exchange.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

39 Credit risk continued

Scrip lending

The Group is authorised to conduct lending activities as a lender in respect of local listed equity securities and listed government stock to appropriately accredited institutions. In general, the lender retains the full economic risks and rewards of securities lent. Scrip lending agreements are governed by the Global Master Securities Lending Agreement (GMSLA).

The main risk in scrip lending activities is the risk of default by the borrower of securities, i.e. the borrower fails to return the borrowed securities. Borrower default risk is mitigated by requiring borrowers to post adequate levels of high-quality collateral and/or provide indemnity guarantees.

Where collateral is received, the Group monitors collateral levels daily and the status of collateral coverage is reported to the executive BSM on a quarterly basis. This collateral serves as security for the scrip lending arrangements in the event of default by the borrowers. Where the borrower default risk is mitigated by means other than collateral, the Group monitors the counterparty credit exposure to be within approved limits and the Group ensures that credit risk capital is held against counterparty credit exposure.

Commission debtors

Commission debtors arise when upfront commission paid on recurring premium policies is clawed back on a sliding scale within the first two years of origination.

Reinsurance

Under the terms of a reinsurance contract, the Group is compensated by the reinsurer for losses on an underlying set of insurance contracts issued by the Group. Consequently, the Group is exposed to the credit risk of the reinsurer through assets for remaining coverage and assets for incurred claims.

The Group prefers contracting with reinsurers that are licensed in South Africa or licensed in an equivalent jurisdiction recognised by the South African regulator. The credit rating of the reinsurance company is assessed when placing the business and when there is a change in the status of the reinsurer.

Regular monthly reconciliations are performed regarding recoveries from reinsurers, and the payment of premiums to reinsurers.

The Group considers the credit quality of any reinsurer prior to entering into an agreement. Due diligence is performed on reinsurance partners and all partners are approved by a designated committee.

Financial assets credit risk exposure

For the Group's maximum exposure to credit risk refer to note 8.5.

Unsettled trades, accounts receivable, due from agents, brokers and intermediaries and loans

The Group is exposed to credit risk arising from unsettled trades, accounts receivable, due from agents, brokers and intermediaries and loans. The Group manages the credit risk by providing for expected credit losses based on the changes in credit risk. To determine a significant change in credit risk both historical data and forward-looking information is taken into account. This includes existing or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations, a breach of contract, significant changes in the value of any collateral supporting the obligation and reductions in financial support from a parent entity.

Financial liabilities designated at FVPL

The current fair value movements, on financial liabilities that would have otherwise been classified as at amortised cost under IFRS 9, but which have been designated at FVPL, includes a R18 million gain (2024: R29 million loss) attributable to change in own credit risk.

In November 2024, Moody's published their updated credit opinion for MML and Guardrisk. In those credit opinion reports, Moody's affirmed the MML credit ratings and upgraded Guardrisk credit ratings while maintaining a stable outlook on the ratings. MML's IFS ratings were Ba1 on a global scale and Aaa.za on a national scale.

Security and credit enhancements

The following collateral is held in order to mitigate the credit risk:

Linked notes

The Group has put options with Rand Merchant Bank (RMB) against the linked notes listed and issued by RMB for the guaranteed capital amounts invested for when the market value of the underlying instruments supporting the notes decreases below the guaranteed amounts. The carrying amount of these investments included in other debt securities at FVPL was R373 million at 30 June 2025 (2024: R338 million).

Transfer of financial assets

The Group is involved in the transfer of financial assets through scrip lending and sale and repurchase of assets agreements. Refer below for detail on scrip lending arrangements as well as related security and credit enhancements. Also refer to the accounting policies for more details on the nature of the arrangements.

The Group's assets include assets such as scrip lending and sell and buyback transactions. Where the financial instruments are sold to a counterparty for cash, with a commitment to repurchase at a later date, the financial instrument is not derecognised and shown on the Statement of financial position.

The Group sells the contractual rights to cash flows, it does not have the right to use the transferred asset during the term. There is collateral of R1 333 million (2024: R3 501 million) on the scrip lent. The carrying amount of scrip on loan in the current year was R1 159 million (2024: R3 044 million) and consisted of local listed equity securities. Fair value of the asset transferred, and the associated liability are tabled below:

	2025 Rm	2024 Rm
Carry position liability	18 954	15 714
Underlying assets	23 690	15 915

39 Credit risk continued

Financial assets at amortised cost

The receivables arising from investment contracts are limited to and secured by the underlying value of the unpaid policy benefits in terms of the policy contract.

Policy loans

Policyholder loans are included in the carrying values of insurance contract assets or insurance contract liabilities. Policy loans are secured by policies issued by the Group. In terms of the regulations applicable to the Group, the value of policy loans may not exceed the value of the policy and as a result the policy loans are fully collateralised by assets which the Group owns.

Premium debtors

Premium debtors are included in the carrying values of insurance contract assets or insurance contract liabilities. Amounts receivable in terms of life insurance contracts are limited to and secured by the underlying value of the unpaid policy benefits in terms of the policy contract. Non-performance risk of premium debtors is classified as terminations risk as set out in note 36.

Loan commitments

As at 30 June 2025, the Group had no undrawn loan commitments. In the previous financial year, undrawn loan commitments amounted to R904 million. This disclosure was omitted in the prior year and has been corrected to align with the standards' requirements. The Group discloses undrawn loan commitments as part of its maximum exposure to credit risk.

Guardrisk

First and third-party cell captive arrangements may hold financial instruments and cash and cash equivalents that expose the Group to credit risk. The terms and conditions of the cell captive arrangements transfer exposure to credit risk to the first- and third-party cell owners. To the extent that amounts are due from cell owners, the Group is exposed to credit risk. Balances due from third-party cell owners are included in the carrying values of reinsurance contract assets or liabilities.

This risk is managed by a detailed assessment of potential cell shareholders' creditworthiness based on the ability to meet the responsibility and obligations in terms of the shareholders' agreement. The financial condition of the reinsurers and intermediaries in relation to their credit standing is evaluated on an ongoing basis. The Group limits the level of credit risk it accepts by placing limits on its exposures to a single counterparty. The exposure limits of each reinsurer vary depending on their credit rating.

Credit risk exposure arising from insurance contracts issued and reinsurance contracts held

There is no exposure to credit risk relating to insurance contracts issued, since policyholder non-performance risk for insurance contracts is classified as terminations risk as set out in note 36. This includes receivables and pre-coverage assets for insurance acquisition cash flows arising from insurance contracts. Furthermore, these amounts arising from insurance contracts are not within the scope of IFRS 9 and therefore also not subject to calculations of expected credit losses (ECL).

The following table represents the Group's maximum exposure to credit risk arising from reinsurance contracts held:

	2025 Rm	Restated 2024 ¹ Rm
Reinsurance contract assets	10 112	9 228
Assets for remaining coverage	3 859	3 312
Amounts recoverable on incurred claims	6 253	5 916
Total credit risk exposure arising from reinsurance contracts	10 112	9 228

¹ Refer to note 1 for more information on the restatements.

The table below discloses information about the credit quality of reinsurance contracts held that are assets per reinsurance counterparty, by using their respective international scale credit ratings issued by rating agencies, or national scale ratings generated by an internal model where rating agency ratings are not available:

Reinsurer	2025	2024
Swiss Re Africa Ltd	AA-	AA-
General Reinsurance Africa Ltd	AA+	AA+
Hannover Re South Africa	AA-	AA-
RGA Americas Reinsurance Company Ltd, South Africa Branch	AA-	AA-
Munich Re Africa Branch	AA	AA-
SCOR Re Africa Branch	A+	AA-
Hollard Life Assurance Company Ltd ¹	BB	BB
Lloyd's Underwriter Syndicate No.4020, ARK(lead) plus 10 other reinsurers ¹	AA-	AA-

¹ These line items were previously incorrectly disclosed as Other, this has been corrected in the current year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

40 Financial risk inherent in consolidated collective investment schemes and other investment products

The Group consolidates a number of collective investment schemes and other investment products. Refer to note 42 for information on the schemes consolidated.

As a result of exercising control over these schemes and other investment products, the Group's Risk Management Framework is applicable to the risk management of these portfolios.

Because of the specific nature of this type of business, the risk management principles may be applied differently to managing the risks relevant to them. This section describes how the financial risk management of the schemes differs from the overall financial risk management.

The management company has a dedicated independent risk unit that continuously monitors the overall risk of the portfolios against stated mandate limits and the portfolio risk appetites over time. To avoid conflicts of interest, the unit is separate from the investment team and reports directly to the chief risk officer of the management company.

When considering any new investment for a portfolio, the risks and expected returns are critical elements in the investment decision. Before an instrument is included in a portfolio, risks are carefully considered at instrument and portfolio level. The portfolio's mandate is also assessed.

A portfolio's market risk appetite is measured as a function of current market conditions and its investment objective and mandate in conjunction with its relevant benchmark.

Credit and liquidity risk are mitigated through diversification of issuers in line with credit policy. All amounts disclosed include amounts attributable to the consolidated collective investment portfolios.

The collective investment schemes and other investment products not consolidated are included in note 42 as Collective investment schemes and Investments in associates. These are designated at FVPL.

41 Significant subsidiary companies

Companies	Country of incorporation, where not South Africa	Interest held		Cost ¹		Loans to subsidiaries ²	
		2025 %	2024 %	2025 Rm	2024 Rm	2025 Rm	2024 Rm
41.1 Interest in significant subsidiary companies							
41.1.1 Significant companies							
Momentum Metropolitan Life Ltd		100	100	17 751	17 741		
Subsidiary companies							
Momentum Investments Management (Pty) Ltd		100	100				
Subsidiary company							
Momentum Asset Management (Pty) Ltd		100	100				
Momentum Multi-Manager (Pty) Ltd (previously Momentum Outcome-Based Solutions (Pty) Ltd)		100	100				
Momentum Global Investment Management Ltd	UK	100	100				
Momentum Wealth (Pty) Ltd		100	100				
Momentum Wealth International Ltd	Guernsey	100	100				
Subsidiary company							
Momentum International Insurance PCC Ltd	Guernsey	100	100				
102 Rivonia Road (Pty) Ltd		80	80				
Momentum Multiply (Pty) Ltd		100	100				
Metropolitan International Holdings (Pty) Ltd		100	100	2 749	2 463	-	-
Subsidiary companies							
Momentum Metropolitan Namibia Ltd	Namibia	99.2	99.2				
Metropolitan Life Insurance Ghana Ltd	Ghana	100	100				
Metropolitan International Support (Pty) Ltd		100	100				
Momentum Mozambique LDA	Mozambique	66.7	66.7				
Momentum Finance (Pty) Ltd (previously Momentum Metropolitan Finance Company (Pty) Ltd)		100	100	600	600	3	3
Metropolitan Life of Botswana Ltd	Botswana	100	100	-	73		
Metropolitan Lesotho Ltd	Lesotho	100	100	120	120		
MET Collective Investments (RF) (Pty) Ltd		-	100	-	34		
Eris Property Group (Pty) Ltd		77	77	407	407		
Metropolitan Capital (Pty) Ltd		100	*				
Momentum Group-Wide Services (Pty) Ltd (previously Momentum Metropolitan Infrastructure and Operations (Pty) Ltd)		100	100	352	352		
Momentum Trust Ltd		100	100	171	76		
Momentum Strategic Investments (Pty) Ltd (previously Momentum Metropolitan Strategic Investments (Pty) Ltd)		100	100	7 287	7 252		
Subsidiary companies							
Momentum Health (Pty) Ltd (previously Momentum Health Solutions (Pty) Ltd)		73	73				
Metropolitan Health Corporate (Pty) Ltd		70.5	70.5				
Momentum Consult (Pty) Ltd		100	100				
Momentum Insure Company Ltd		100	100				
MMI Short Term Insurance Administration (Pty) Ltd		100	100				
Momentum Securities (Pty) Ltd		100	100				
Investment Managers Group (Pty) Ltd		100	100				
IMG Affiliates 2 (Pty) Ltd		100	100				
IMG Affiliates 2B (Pty) Ltd		67	70				
FinGlobal Migration (Pty) Ltd		100	-				
Guardrisk Group (Pty) Ltd		100	100				
Subsidiary companies							
Guardrisk Life Ltd		100	100				
Guardrisk Insurance Company Ltd		100	100				
Guardrisk International Ltd PCC		100	100				
Zest Life Investments (Pty) Ltd		100	100				
Momentum Strategic Investments (UK) Ltd (previously Momentum Metropolitan Holdings (UK) Ltd)	UK	100	100				
Subsidiary companies							
Euroguard Insurance Company PCC Ltd	Gibraltar	100	100				
Anthemis Exponential Ventures LLP	UK	100	100				
Equity-settled shared-based payments Investment ³				151	126		
Less: impairments (refer to note 41.1.2)				(615)	(618)		
Total interest in subsidiary companies				28 973	28 626	3	3

¹ The Company made capital injections of R190 million (2024: R105 million) into Metropolitan International Holdings (Pty) Ltd and R95 million into Momentum Trust (Pty) Ltd. In the prior year, the Company made a capital injection of R582 million into Momentum Strategic Investments (Pty) Ltd. The capital injections in the current year were fully funded through cash.

² These loans have been provided as a long-term source of additional capital for the subsidiary.

³ The investment in subsidiary is as a result of the iSabelo share-based transaction, for which the Company has the responsibility to settle the liability raised in the respective subsidiaries with its own shares. Refer to Note 18.6 for the Share-based payment disclosures.

* This was not considered to be significant subsidiary in the prior year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

41 Significant subsidiary companies continued

41.1 Interest in significant subsidiary companies continued

	2025 Rm	2024 Rm
41.1.2 Subsidiary cumulative impairments		
Metropolitan International Holdings (Pty) Ltd	25	25
Momentum Finance (Pty) Ltd	392	393
MET Collective Investments (RF) (Pty) Ltd	-	34
Momentum Group-Wide Services (Pty) Ltd	80	90
Momentum Trust Ltd	118	76
Total	615	618
	2025 Rm	2024 Rm
41.1.3 Other loans to/(from) significant subsidiaries		
Momentum Strategic Investments (Pty) Ltd	1	2
Metropolitan Capital (Pty) Ltd	300	284
	301	286
Less: impairments	(153)	(69)
Loans to subsidiary companies	148	217
Momentum Metropolitan Life Ltd	(458)	(398)
Loans from subsidiary companies	(458)	(398)

41 Significant subsidiary companies continued

41.2 Interest in significant CIS subsidiaries

41.2.1 Significant CIS subsidiaries

At 30 June, the following CISs were significant subsidiaries of the Group:

	Interest held		Carrying amount	
	2025 %	2024 %	2025 Rm	2024 Rm
Curate Global Sustainable Equity Fund (previously Momentum GF Global Sustainable Equity Fund)	92.8	90.8	19 243	15 039
Momentum GF Global Equity Fund	87.1	90.3	17 915	21 817
Momentum Money Market Fund	59.7	66.0	9 283	9 348
Momentum Thematic Growth Equity Fund	100.0	100.0	8 307	6 174
Momentum Bond Fund	96.8	97.0	7 682	6 395
Momentum Income Plus Fund	67.4	64.6	7 194	6 647
Momentum Focus 6 Fund of Funds	90.2	89.7	5 730	5 253
Momentum Trending Equity Fund	99.7	99.2	5 420	1 978
Momentum Enhanced Yield Fund	63.2	65.1	4 443	4 931
Curate Global Emerging Markets Equity Fund (previously Momentum GF Global Emerging Markets Equity Fund)	93.8	93.3	4 349	4 576
Momentum Ultra Long-Term Value Fund	90.5	90.6	4 151	3 425
Momentum Value Equity Fund	99.6	98.3	3 971	1 004
Momentum Opportunistic Equity Fund	100.0	100.0	3 794	3 442
Momentum SA Flexible Fixed Interest Fund	81.2	81.2	3 580	2 906
Momentum Macro Value Fund	100.0	100.0	2 992	2 823
Momentum Global Systematic Equity Fund	100.0	100.0	2 970	1 905
Momentum Global Growth Fund IC Ltd	91.4	93.3	2 922	3 160
Momentum High Growth Fund	100.0	100.0	2 914	2 623
Momentum GF Global Fixed Income Fund	100.0	100.0	2 854	3 279
Momentum Focus 7 Fund of Funds	86.4	85.1	2 789	2 370
Momentum Core Equity Fund	80.6	75.0	2 613	2 335
Momentum Diversified Income Fund	69.5	69.8	2 082	1 907
Momentum Focus 5 Fund of Funds	78.9	77.1	2 000	1 783
Momentum Capped SWIX Index Fund	84.4	87.8	1 875	1 922
Momentum Global Managed Fund IC Ltd	87.4	88.7	1 803	1 776
Momentum RCIS QI Property Hedge Fund	99.9	100.0	1 619	1 550
Momentum Emerging Manager Growth Fund	100.0	100.0	1 558	1 319
Curate Global Growth Equity Fund	77.1	*	1 334	*
Momentum Equity Fund	33.2	33.6	1 329	1 223
Momentum Property Equity Fund	94.9	95.1	1 284	1 111
Momentum GF Global Sustainable Equity Feeder Fund	67.3	**	1 249	**
Momentum RCIS Multi-Managed ZAR Equity Hedge QI Hedge Fund	99.5	99.6	1 179	1 105
Momentum RCIS Multi-Managed ZAR Capi Alpha QI Hedge Fund	100.0	100.0	1 162	998
Momentum Macro Growth Fund	100.0	100.0	1 055	948
Momentum SA Real Growth Property Fund	100.0	**	1 038	**
Curate Global Value Equity Fund	62.6	*	1 037	*
Momentum RCIS Rubix QI Hedge Fund	100.0	100.0	1 030	885
Momentum Flexible Income Fund	78.3	77.4	992	677
Curate Global Quality Equity Fund	62.4	*	955	*
Momentum Real Growth Property Fund	84.4	87.1	922	821
Momentum Real Return Fund	100.0	100.0	854	772
Momentum Managed Bond Fund	100.0	100.0	814	726
Momentum RCIS ZAR Diversified QI Fund of Hedge Funds	80.4	80.5	685	626
Momentum Active Bond Fund	75.8	76.0	622	562
Momentum Focus 3 Fund of Funds	77.9	**	536	**
Momentum International Equity Feeder Fund	***	44.7	***	585
Total			154 130	132 726

* This is a new investment for the current year.

** The fund is only a significant subsidiary in the current year.

*** The fund was only a significant subsidiary in the prior year.

All the above collective investment schemes are incorporated in South Africa, except for the funds listed in note 41.2.2.

41.2.2 Domicile

Fund name	Domicile
Curate Global Sustainable Equity Fund (previously Momentum GF Global Sustainable Equity Fund)	Luxembourg
Momentum GF Global Equity Fund	Luxembourg
Curate Global Emerging Markets Equity Fund (previously Momentum GF Global Emerging Markets Equity Fund)	Luxembourg
Momentum Global Systematic Equity Fund	Luxembourg
Momentum Global Growth Fund IC Ltd	Guernsey
Momentum GF Global Fixed Income Fund	Luxembourg
Momentum Global Managed Fund IC Ltd	Guernsey
Curate Global Growth Equity Fund	Luxembourg
Curate Global Value Equity Fund	Luxembourg
Curate Global Quality Equity Fund	Luxembourg

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

42 Unconsolidated structured entities

A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding who controls it. The Group considers certain CISs and other unit-linked investments to be structured entities. This note provides information on significant unconsolidated structured entities in which the Group holds an interest.

In determining the requirements of IFRS 10, the Group considers control over the fund manager to be a key aspect in determining whether a CIS is controlled by the Group or not. Where the funds are managed by Group-owned fund managers and the Group holds 20% or more in these funds, it is viewed to have control of the fund. Where the control criteria are not met, the criteria for joint control and significant influence are considered.

42.1 CISs and other unit-linked investments

Unit-linked investments comprise local and foreign CISs as well as other unit-linked investments. CISs are categorised into property, equity, money market, mixed assets and interest-bearing instruments based on the Association for Savings and Investment South Africa (ASISA) classification of the South Africa regulated CIS portfolios.

The category of unit-linked investments with no ASISA classification has been assessed based on the mandate and objective of the fund, with reference to the ASISA classification guidelines. Where the Group is the contract holder of investment contracts at another institution, but does not have title to the underlying investment assets, it has been allocated to the class of underlying asset composition/exposure that exceeds 80%. If no single asset composition exceeds 80%, it has been allocated to the mixed asset class.

Unlisted and unquoted unit-linked instruments are mainly exposed to equity, comprising investments in hedge funds and private equity funds, or interest-bearing instruments, comprising mezzanine funding and structured guaranteed income products. It includes investments where the exposure is subject to the underlying investments, comprising investments in pooled funds as well as investments backing policies where the Group is the policyholder of an investment contract issued by other insurance companies.

	2025 Rm	Restated 2024 Rm
CISs		
Local and foreign	266 609	229 182
Equity	86 431	71 283
Interest-bearing	22 732	20 022
Property	6 619	5 119
Mixed	146 216	127 638
Money market	4 273	4 689
Commodity	338	431
Other unit-linked investments		
Local and foreign	23 766	18 548
Equity ¹	5 275	4 921
Interest-bearing ¹	2 197	1 597
Property	828	1 184
Mixed	14 777	10 217
Money market	312	432
Commodity	377	197
At FVPL: unit-linked investments	290 375	247 730

¹ Refer to note 1 for more information on the restatements.

42 Unconsolidated structured entities continued

42.2 Investments in associates at FVPL

The Group holds a significant investment in the following associates at FVPL:

	Carrying amount Rm	% interest held	Nature of relationship	Principal place of business
2025				
Momentum Africa Real Estate Fund	379	32.3%	Standard investment	London
2024				
Momentum Africa Real Estate Fund	392	32.0%	Standard investment	London

Summarised financial information relating to the associate above:

	Momentum Africa Real Estate Fund Rm
2025	
Current assets	13
Non-current assets	1 178
Current liabilities	17
Non-current liabilities	1 174
Revenue	57
Profit	12
Restated 2024¹	
Current assets	-
Non-current assets	1 244
Current liabilities	19
Non-current liabilities	1 224
Revenue	58
Loss	(290)

¹ Loan and interest receivables from subsidiaries were wrongly classified as Current assets and should have been classified as Non-current assets. The prior year has been restated accordingly.

42.3 Other unconsolidated structured entities

The table below provides information on significant other unconsolidated structured entities in which the Group holds an interest:

Name of entity	Investment type	Nature and purpose of business	How is the entity financed?	Carrying amount ¹		Income received ²	
				2025 Rm	2024 Rm	2025 Rm	2024 Rm
Grayston Drive Autos (RF) Ltd	Floating rate note/vanilla bonds	Special purpose vehicle set up by Investec Bank Ltd to finance their automobiles book	Funding received from the South African capital market	489	*	23	*
The Thekwini Fund 17 (RF) Ltd	Floating rate note/vanilla bonds	Special purpose vehicle set up by South African Home Loans (Pty) Ltd to finance mortgage loans	Funding received from the South African capital market	477	637	53	41
The Thekwini Fund 18 (RF) Ltd	Floating rate note/vanilla bonds	Special purpose vehicle set up by South African Home Loans (Pty) Ltd to finance mortgage loans	Funding received from the South African capital market	724	705	71	71
The Thekwini Fund 19 (RF) Ltd	Floating rate note/vanilla bonds	Special purpose vehicle set up by South African Home Loans (Pty) Ltd to finance mortgage loans	Funding received from the South African capital market	814	460	64	10
The Thekwini Warehousing Conduit (RF) Ltd	Fixed rate notes	Asset Backed Commercial Paper set up by South African Home Loans (Pty) Ltd to fund pools of home loans pursuant to a securitisation scheme	The issuance of fixed and/or floating rate, asset-based commercial paper	568	769	5	10
Harcourt Street 1 (RF) Ltd	Floating rate notes	The issuer of the funds borrowed or raised from such debt instruments to acquire assets of any kind, but are typically associated with property investment and management	Funding received from the South African capital market	537	416	7	11
				3 609	2 987	223	143

* This listed securitisation was not considered to be significant in the prior year.

¹ Included in securities at FVPL in the statement of financial position. The carrying amount represents the Group's maximum exposure.

² Consists of interest income and fair value gains/(losses).

The Group has not sponsored any significant unconsolidated structured entities in which it holds an interest.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

43 Valuation techniques

The Group's in-house valuation experts perform the valuations of financial assets required for financial reporting purposes. Discussions of valuation processes and results are held at least biannually, in line with the Group's biannual reporting dates.

The valuation of the Group's assets and liabilities has been classified using a fair value hierarchy that reflects the significance of the inputs used in the valuation. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities. *(level 1)*
- Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). *(level 2)*
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs). *(level 3)*

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

Instruments classified as level 1 have been valued using published price quotations in an active market and include the following classes of financial assets and liabilities:

- Local and foreign listed equity securities.
- Stock and loans to government and other public bodies, excluding stock and loans to other public bodies listed on the JSE interest rate market.
- Local and foreign listed and unlisted quoted CISs (this also refers to the related CIS liabilities).
- Derivative financial instruments, excluding OTC derivatives.

Critical accounting estimates and judgements

For venture capital fund investments that are classified as unit-linked investments, the Group applies the International Private Equity and Venture Capital (IPEV) valuation guidelines, which have been prepared with the goal that the derived fair value measurements are compliant with IFRS Accounting Standards. The IPEV guidelines allow for adjustments post the valuation date for uncertainty related to time elapsing between the measurement dates of the fund manager and the investor, changes in market dynamics or other economic conditions, and facts or circumstances that may impact the valuation of start-up businesses. Management applies judgement if an adjustment is needed for any of these reasons.

43 Valuation techniques continued

43.1 Fair value classification on level 2 instruments

The following are the methods and assumptions for determining the fair value when a valuation technique is used in respect of instruments classified as level 2. Refer to note 8.6 for details of the instruments split into the different levels.

Instrument	Valuation basis	Main assumptions
Equities and similar securities		
- Foreign listed and unlisted	DCF, earnings multiple, published prices	Cost of capital, earnings multiple, consumer price index, budgets, cash flow forecasts
Stock and loans to other public bodies		
- Listed, local	Published yield of benchmark bond	Nominal bond curve, swap curve, credit spread, real bond curve, inflation curve
	Published price quotation	Nominal bond curve, swap curve, credit spread, real bond curve, inflation curve
- Listed, foreign	Published price quotation	Nominal bond curve, credit spread, currency rates
- Unlisted	DCF	Nominal bond curve, swap curve, real bond curve, consumer price index, credit spread
Other debt securities		
- Listed, local	Published prices, DCF	Nominal bond curve, real bond curve, swap curve, consumer price index, credit spread, JIBAR rate, yield curve, issue spread, money market curve
- Listed, foreign	Published prices, DCF	Nominal bond curve, credit spread and currency rates
- Unlisted	DCF	Nominal bond curve, swap curve, real bond curve, consumer price index, credit spread, currency rates, issue spread, money market curve, graded non-convertible debenture quotes
	DCF, Black-Scholes model	Yield curves, discount rates, volatilities
Funds on deposit and other money market instruments		
- Listed	DCF	Money market curve
	Published prices	Money market curve, credit spread
	Published yield of benchmark bond	Money market curve, credit spread
- Unlisted	DCF	Money market curve, nominal bond curve, swap curve, credit spread, inflation curve
Unit-linked investments	Adjusted NAV or NAV	Underlying asset and liability values
Derivative assets and liabilities	Black-Scholes model (European options), binomial tree (American/Bermudan options), DCF	Nominal bond curve, swap curve, real bond curve, consumer price index, credit spread, volatility, forward equity, currency rates
Subordinated call notes (Liability)	Published yield quotations	Nominal bond curve, real bond curve
Carry position assets and liabilities	DCF	Nominal bond curve, repo rates
Investment contracts designated at FVPL	Asset and liability matching method	Asset value
Other payables		
- Payables arising from investment contracts	Fair value of underlying assets	Fair value of underlying assets

There were no significant changes in the valuation methods applied since the prior year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

43 Valuation techniques continued

43.2 Fair value classification on level 3 instruments

Information about fair value measurements using significant unobservable inputs (level 3)

Financial assets	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Securities at FVPL				
<i>Equity securities</i>				
Foreign listed	Published prices	Adjustments for low liquidity or inactivity	Liquidity discount: 0% to 30% (2024: 0% to 30%)	The higher the liquidity discount rate, the lower the fair value
Unlisted	NAV	Underlying property valuations impacted by capitalisation rates, vacancy rates and potential capitalisation of project costs	Could vary significantly based on the value of the underlying properties ¹	The higher the capitalisation rate the lower the value of the property and the fair value. The higher the vacancy rate the lower the value of the property and the fair value ²
<i>Debt securities</i>				
<i>Stock and loans to government and other public bodies</i>				
Unlisted	DCF	Discount rate	8.00% to 11.5% (2024: 5.04% to 13.07%)	The higher the discount rate, the lower the fair value of the assets
<i>Other debt instruments</i>				
Unlisted	DCF, Black-Scholes model	Discount rate, volatilities, yield curve	Multiple unobservable inputs ¹	Could vary significantly based on multiple inputs. The higher the discount rate, the lower the fair value of the assets. A normal yield curve will result in a lower fair value and a downward-sloping curve will result in higher fair values
	DCF	Discount rate	9.00% to 10.22% (2024: 10.22% to 10.95%); 8.5% to 15.06% (2024: 9.58% to 15.85%)	The higher the discount rate, the lower the fair value of the assets
	Last quoted price multiplied by number of units held	Price per unit	78c (2024: 78c)	The higher the price per unit, the higher the fair value

¹ Quantitative information is not readily available as quantitative unobservable inputs are not developed by the Group.

43 Valuation techniques continued

43.2 Fair value classification on level 3 instruments continued

Information about fair value measurements using significant unobservable inputs (level 3) continued

Financial assets continued	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
<i>Unit-linked investments</i>				
<i>CISs</i>				
Foreign unlisted unquoted	Market approach – Earnings multiple method & DCF	Valuation multiple, Enterprise Value, Surplus Assets, Excess Liabilities, Financial Instrument Ranking, Discount Rates	Could vary significantly due to range of holdings	The higher the Valuation Multiple, Enterprise Value, Surplus excess and financial instrument ranking the greater the fair value. The higher the excess liabilities the lower the fair value. The higher the discount rate, the lower the fair value of the assets
<i>Other unit-linked investments</i>				
Local unlisted unquoted	Market approach – Earnings multiple method & DCF	Valuation multiple, Enterprise Value, Surplus Assets, Excess Liabilities, Financial instrument Ranking, Discount rates	Could vary significantly due to range of holdings	The higher the Valuation Multiple, Enterprise Value, Surplus excess and financial instrument ranking the greater the fair value. The higher the excess liabilities the lower the fair value. The higher the discount rate, the lower the fair value of the assets
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics	Could vary significantly due to range of holdings ¹	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Foreign unlisted unquoted	Market approach – Earnings multiple method & DCF	Valuation multiple, Enterprise Value, Surplus Assets, Excess Liabilities, Financial instrument Ranking, Discount rates	Could vary significantly due to range of holdings	The higher the Valuation Multiple, Enterprise Value, Surplus excess and financial instrument ranking the greater the fair value. The higher the excess liabilities the lower the fair value. The higher the discount rate, the lower the fair value of the assets
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics	Could vary significantly due to range of holdings ¹	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
<i>Derivative financial assets</i>	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics	Could vary significantly due to range of holdings ¹	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Financial liabilities				
<i>Other borrowings</i>	DCF	Risk discount rate	1% (30.06.2024: n/a)	The higher the discount rate, the lower the fair value of the liability
	DCF	Probability of losing the key distribution relationship Probability of not outperforming the key metric	0% to 100% (2024: 0% to 100%)	The higher the probability the lower the fair value of the liability
<i>Preference shares</i>	DCF	Discount rate	11.55% to 14.43% (2024: 12.73% to 15.85%)	The higher the discount rate, the lower the fair value of the liability

¹ Quantitative information is not readily available as quantitative unobservable inputs are not developed by the Group.

There were no significant changes in the valuation methods applied since the prior year. Editorial changes have been made to fair value classification on level 3 instruments

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

43 Valuation techniques continued

43.3 Fair value classification on financial instruments not measured at fair value disclosed as level 2 instruments

Instrument	Valuation basis	Main assumptions
Financial assets at amortised cost		
- Unsettled trades	Transaction price of the underlying trade	No key assumptions applied over the transaction price of the underlying trade given the typical short period between trade date and settlement date
- Accounts receivable	DCF ¹	Discount rate applied if the effect of the time value of money is considered material
- Funds on deposit and other money market instruments	DCF ¹	Discount rate applied if the effect of the time value of money is considered material
- Loans	DCF ¹	Discount rate applied if the effect of the time value of money is considered material
- Cash and cash equivalents	DCF ¹	Discount rate applied if the effect of the time value of money is considered material
Financial liabilities at amortised cost		
- Cumulative redeemable preference shares	DCF	Discount rate applied if the effect of the time value of money is considered material
- Term loans	DCF	Discount rate applied if the effect of the time value of money is considered material
Other payables		
- Other	DCF	Discount rate applied if the effect of the time value of money is considered material

¹ Valuation basis will typically reference the face value, with appropriate consideration of credit risk and discounted for the effect of the time value of money if considered material.

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration

44.1 Cash-settled arrangements

44.1.1 Valuation assumptions relating to outstanding LTIP units at 30 June

Performance units granted during the year

	Award date	Vesting date	Units granted (thousands) ¹	
			2025	2024
24th tranche ^{2,3}	01-Oct-20	01-Oct-23	132	335
25th tranche ^{2,3}	01-Apr-21	01-Apr-24	2	6
26th tranche ^{2,3}	01-Oct-21	01-Oct-24	330	628
27th tranche ^{2,3}	01-Apr-22	01-Apr-25	-	-
28th tranche ^{2,3}	01-Oct-22	01-Oct-25	697	864
29th tranche ^{2,3}	01-Apr-23	01-Apr-26	6	7
30th tranche ^{2,3}	01-Oct-23	01-Oct-26	625	12 335
31st tranche ^{2,3}	01-Oct-24	01-Oct-27	9 229	-

	Valuation assumptions include in 2025:			
	Outstanding tranche period in years	Take-up rate on units outstanding	Current vesting probability excluding attrition	Share price at year end
24th tranche	0.00	0%	100%	R34.29
25th tranche	0.00	0%	100%	R34.29
26th tranche	0.00	0%	100%	R34.29
27th tranche	0.00	0%	100%	R34.29
28th tranche	0.25	99%	100%	R34.29
29th tranche	0.75	96%	100%	R34.29
30th tranche	1.25	94%	68%	R34.29
31st tranche	2.25	87%	71%	R34.29

	Valuation assumptions include in 2024:			
	Outstanding tranche period in years	Take-up rate on units outstanding	Current vesting probability excluding attrition	Share price at year end
24th tranche	0.00	0%	100%	R22.90
25th tranche	0.00	0%	100%	R22.90
26th tranche	0.25	98%	100%	R22.90
27th tranche	0.00	0%	0%	R22.90
28th tranche	1.25	93%	75%	R22.90
29th tranche	1.75	90%	75%	R22.90
30th tranche	2.25	87%	59%	R22.90
31st tranche	n/a	n/a	n/a	n/a

¹ This relates to units granted during the year that are still outstanding at year end.

² This relates to dividend offers made during the year.

³ In terms of the Momentum Group Ltd LTIP rules, the date at which the achievement of performance conditions is measured, is prior to the ultimate vesting date. After year 3 of the scheme, the measurement of performance and the vesting percentage in respect of all units is confirmed. Vesting and settlement then takes place one third on this date, one third a year thereafter, and one third two years thereafter.

Refer to pages 147 to 149 of the Integrated Report for more information regarding the Directors' LTIP remuneration.

Vesting rate assumptions regarding performance units in the table above

As stated on pages 221 to 222, the performance units in the LTIP are subject to performance criteria.

The share-based payment provision is calculated by estimating the vesting probability, based on forecasted performance against their respective targets. The Total Shareholder return (TSR) peer comparison is weighted 20% towards the overall Long-term Incentive Performance Targets, with the remaining 80% allocation being decided on by other relevant performance measurement criteria (NHE; VNB; ROE; strategic enablers and ESG positive impact).

The TSR peer comparison is over a 3-year performance measurement period. If the TSR of the Group exceeded that of the peer group as at the end of the performance measurement period then the TSR percentage of the LTIP award would be eligible for vesting approval to the Group employees.

In order to estimate the TSR vesting probability, a Share price Projection Monte Carlo simulation model is used. This involves 100 000 simulations of the point-in-time price at the performance end date for all companies and computing the corresponding TSR value for each. The projection model as at the end of June 2025 assumed interest rates implied by the nominal government curve, Momentum Group Ltd dividend yield of 4.37% (2024: 5.59%), Momentum Group Ltd volatility of 25.78% (2024: 25.91%) (historically estimated), a Momentum Group Ltd spot price of R34.29 (2024: R22.90) per share, and a term to the performance end date as per the LTIP tranche being valued.

The closing liability value at reporting date is calculated as follows: number of shares in-force at reporting date; multiplied by the closing share price at reporting date; multiplied by the vesting probability at reporting date; multiplied by the allowance for expected attrition up to maturity at reporting date; multiplied by time apportionment at reporting date⁴.

⁴ This is calculated as a percentage and calculated as: (reporting date less offer date) divided by (vesting date less offer date).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.1 Cash-settled arrangements continued

44.1.1 Valuation assumptions relating to outstanding LTIP units at 30 June continued

Vesting rate assumptions regarding performance units in the table above continued

There are currently three LTIP schemes in flight which were awarded in October 2022, October 2023 and the latest TIP tranche was issued in October 2024.

The LTIP tranche issued in October 2022's performance criteria is 100% weighted to the group's total shareholder return outperforming an equally weighted basket of listed peers (Discovery, Old Mutual and Sanlam). As at 30 June 2025, the LTIP liability for October 2022 was calculated assuming 100% of units issued in October 2022 (vesting in 2025 with settlement dates in 2025, 2026, 2027) will vest.

The October 2023 LTIP tranche was issued with performance criteria NHE, VNB, ROE and TSR. NHE and VNB targets set for each of the financial years 2024 to 2026. Each year's target contributes 33.33% to the total three-year allocated weightings of 30%. The ROE target will be measured for the end of the three-year measurement period (as at June 2026) with a total weighting of 20%. The TSR target was set and measured against the peer group (Discovery, Old Mutual and Sanlam) as an average over the three-year performance measurement period with a total weighting of 20%. As at June 2025, the 2023 LTIP liability was calculated using a 67.5% vesting probability assumption.

The October 2024 LTIP tranche was issued with performance criteria NHE, VNB, ROE, TSR, three Strategic Enablers and two ESG criterion. NHE and VNB targets set for each of the financial years 2025 to 2027 whereby each year's target contributes 8.3%, 8.3%, 8.4% respectively – the total allocated weightings are 25%. The ROE target will be measured for the end of the three-year measurement period (as at June 2027) with a total weighting of 15%. The TSR target was set and measured against the peer group (Discovery, Old Mutual and Sanlam) as an average over the three-year performance measurement period with a total weighting of 15%. Each of the three Strategic Enablers contribute 5% weight and are to be measured at the end of the performance period with a total weighting of 15%. The two ESG criteria are measured at the end of the performance period and are weighted 2.5% each and 5% in total. As at June 2025, the 2024 LTIP liability was calculated using a 71% vesting probability assumption.

Deferred bonus units granted during the year

	Award date	Vesting date	Units granted (thousands) ¹	
			2025	2024
12th tranche	01-Oct-20	01-Oct-23	n/a	-
15th tranche	01-Apr-21	01-Apr-24	n/a	-
18th tranche	01-May-21	01-May-24	n/a	-
23rd tranche	01-Oct-21	01-Oct-23	n/a	-
24th tranche	01-Oct-21	01-Oct-24	n/a	112
26th tranche	01-Apr-22	01-Apr-24	n/a	-
27th tranche	01-Apr-22	01-Apr-25	n/a	1
28th tranche	01-Oct-22	01-Oct-24	n/a	335
29th tranche	01-Oct-22	01-Oct-25	261	336
30th tranche	01-Apr-23	01-Apr-24	n/a	-
31st tranche	01-Apr-23	01-Apr-25	n/a	5
32nd tranche	01-Apr-23	01-Apr-26	3	5
33rd tranche	01-Oct-23	01-Oct-24	n/a	4 466
34th tranche	01-Oct-23	01-Oct-25	211	4 466
35th tranche	01-Oct-23	01-Oct-26	211	4 466
36th tranche	01-Oct-24	01-Oct-25	2 978	n/a
37th tranche	01-Oct-24	01-Oct-26	2 978	n/a
38th tranche	01-Oct-24	01-Oct-27	2 978	n/a
39th tranche	01-Apr-25	01-Apr-26	12	n/a
40th tranche	01-Apr-25	01-Apr-27	12	n/a
41st tranche	01-Apr-25	01-Apr-28	12	n/a

¹ This relates to units granted during the year that are still outstanding at year end.

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.1 Cash-settled arrangements continued

44.1.1 Valuation assumptions relating to outstanding LTIP units at 30 June continued

	Valuation assumptions include in 2025:			
	Outstanding tranche period in years	Take-up rate on units outstanding	Current vesting probability excluding attrition	Share price at year end
12th tranche	n/a	n/a	n/a	n/a
15th tranche	n/a	n/a	n/a	n/a
18th tranche	n/a	n/a	n/a	n/a
23rd tranche	n/a	n/a	n/a	n/a
24th tranche	n/a	n/a	n/a	n/a
26th tranche	n/a	n/a	n/a	n/a
27th tranche	n/a	n/a	n/a	n/a
28th tranche	n/a	n/a	n/a	n/a
29th tranche	0.25	99%	100%	R 34.29
30th tranche	n/a	n/a	n/a	n/a
31st tranche	n/a	n/a	n/a	n/a
32nd tranche	0.75	96%	100%	R 34.29
33rd tranche	n/a	n/a	n/a	n/a
34th tranche	0.25	99%	100%	R 34.29
35th tranche	1.25	93%	100%	R 34.29
36th tranche	0.25	99%	100%	R 34.29
37th tranche	1.25	93%	100%	R 34.29
38th tranche	2.25	87%	100%	R 34.29
39th tranche	0.75	96%	100%	R 34.29
40th tranche	1.75	90%	100%	R 34.29
41st tranche	2.75	84%	100%	R 34.29

	Valuation assumptions include in 2024:			
	Outstanding tranche period in years	Take-up rate on units outstanding	Current vesting probability excluding attrition	Share price at year end
12th tranche	0.00	0%	0%	R 22.90
15th tranche	0.00	0%	0%	R 22.90
18th tranche	0.00	0%	0%	R 22.90
23rd tranche	0.00	0%	0%	R 22.90
24th tranche	0.25	93%	100%	R 22.90
26th tranche	0.00	0%	0%	R 22.90
27th tranche	0.75	95%	100%	R 22.90
28th tranche	0.25	98%	100%	R 22.90
29th tranche	1.25	93%	100%	R 22.90
30th tranche	0.00	0%	0%	R 22.90
31st tranche	0.75	95%	100%	R 22.90
32nd tranche	1.75	90%	100%	R 22.90
33rd tranche	0.25	98%	100%	R 22.90
34th tranche	1.25	93%	100%	R 22.90
35th tranche	2.25	87%	100%	R 22.90
36th tranche	n/a	n/a	n/a	n/a
37th tranche	n/a	n/a	n/a	n/a
38th tranche	n/a	n/a	n/a	n/a
39th tranche	n/a	n/a	n/a	n/a
40th tranche	n/a	n/a	n/a	n/a
41st tranche	n/a	n/a	n/a	n/a

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.1 Cash-settled arrangements continued

44.1.2 Valuation assumptions relating to outstanding MSPS units at 30 June:

	Award date	Vesting date	Units granted (thousands) ¹	Valuation assumptions include:		
				Outstanding tranche period in years	Take-up rate on units outstanding	Current vesting probability excluding attrition
2025						
40th tranche	01-Nov-24	01-Nov-27	145 928	2.40	100%	95%
41st tranche	01-Nov-24	01-Nov-28	145 928	3.40	100%	95%
42nd tranche	01-Nov-24	01-Nov-29	145 925	4.40	100%	95%
2024						
40th tranche	01-Nov-23	01-Nov-26	177 247	2.40	100%	95%
41st tranche	01-Nov-23	01-Nov-27	177 247	3.40	100%	95%
42nd tranche	01-Nov-23	01-Nov-28	177 259	4.40	100%	95%

¹ This relates to units granted during the year that are still outstanding at year end.

44.1.3 Valuation assumptions relating to outstanding Momentum Group Ltd SAR units as at 30 June:

2025

There are no Momentum Group Ltd SAR units outstanding as at 30 June 2025.

2024

There are no Momentum Group Ltd SAR units outstanding as at 30 June 2024.

Payments of tranches vested during the current or prior year

LTIP: Performance units	<p>The 22nd (vested October 2022), 24th (vested October 2023) and 26th (vested October 2024) tranches were settled in October 2024 at R28.31 per share totalling R232 million.</p> <p>The 23rd (vested April 2023) and 25th (vested April 2024) tranches were settled in April 2025 at R30.24 and R30.43 per share totalling R1.6 million.</p> <p>The 21st, 22nd (vested October 2022) and 24th (vested October 2023) tranches were settled in October 2023 at R19.88 per share totalling R95 million.</p> <p>The 23rd (vested April 2023) and 25th (vested April 2024) tranches were settled in April 2024 at R20.70 and R20.64 per share totalling R1.3 million.</p> <p>The 21st and 22nd (vested October 2022) tranches were settled in October 2022 at R17.06 per share totalling R36 million.</p> <p>The 23rd (vested April 2022) tranche was settled in April 2023 at R17.79 and R17.63 per share totalling R0.3 million.</p> <p>Ad hoc payments totalling R21.4 million (2024: R1.7 million).</p>
LTIP: Deferred bonus units	<p>The 24th, 28th and 33rd (vested October 2024), tranches were settled in October 2024 at R28.31 per share totalling R326 million.</p> <p>The 27th and 31st (vested April 2025) tranches were settled in April 2025 at R30.24 per share totalling R6.6 million.</p> <p>The 12th and 23rd (vested October 2023), tranches were settled in October 2023 at R19.88 per share totalling R175.4 million.</p> <p>The 15th and 26th (vested April 2024) tranches were settled in April 2024 at R20.70 per share totalling R2 million.</p> <p>The 18th tranche (vested May 2024) was settled in May 2024 at R20.50 per share totalling R0.6 million.</p> <p>The 6th and 11th (vested October 2022), tranches were settled in October 2022 at R17.06 per share totalling R99.4 million.</p> <p>The 9th and 14th (vested April 2023) tranches were settled in April 2023 at R17.79 and R17.63 per share totalling R1.4 million.</p> <p>The 17th (vested May 2023) tranche was settled in May 2023 at R18.10 per share totalling R0.5 million.</p> <p>Ad hoc payments totalling R23.5 million (2024: R8.6 million).</p>
SAR Retention	<p>The tranche with settlement date October 2024 was settled in October 2024 at R28.31 per share totalling R13.6 million.</p> <p>The tranche with settlement date October 2023 was settled in October 2023 at R19.88 per share totalling R9.4 million.</p> <p>The tranche with settlement date October 2022 was settled in October 2022 at R17.06 per share totalling R8 million.</p> <p>Ad hoc payments totalling R0.4 million (2024: Rnil).</p>

Share-based payment expense

The share-based payment expense relating to cash-settled schemes is R1 088 million (2024: R649 million) for the Group and is disclosed under employee benefit expenses in note 25.

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.2 Equity-settled arrangements

44.2.1 Valuation assumptions relating to outstanding iSabelo units at 30 June 2025

The valuation model

The value of the share scheme is calculated using an option-based model.

At the vesting date, the value of the units held, net of the debt attributable to those units, will be used to buy Momentum Group Ltd shares for the holders of the vested units. Consequently, an individual unit holder in the scheme can be seen as holding a call option on Momentum Group Ltd shares where the exercise price is the applicable value of the scheme debt per unit at the settlement date (i.e. the value of the preference shares).

All scheme debt will be settled at the end of year 10 of the scheme. Before this, the debt profile allows for the ranking of the different debt instruments by first servicing obligations to the most senior instruments, in this case the A preference shares, and then to the subordinated B preference shares.

The IFRS 2 charge for any specific issuance is then determined as the grant date fair valuation of the option adjusted for the expected proportion of units that will reach vesting (i.e. attrition). The recognition profile of the expenses follows a graded vesting pattern in line with IFRS 2 guidance.

In order to incorporate the impact of employees leaving over the scheme duration, an employee attrition rate of 14% (2024: 14%) was used.

Key inputs

For the valuation the following key parameters were used:

Key model parameters

2025 Market-based parameters	1st tranche	2nd tranche	3rd tranche	4th tranche	5th tranche	Comment
Share price	18.89	16.49	18.37	20.15	32.43	Share price as at issue date
Volatility	40.00%	40.00%	26.30%	23.79%	24.47%	Based on market rates
Risk-free rate	10.87%	10.61%	11.40%	12.64%	10.93%	10-year point on GOVI Zero NACS
Contractual parameters						
Dividend yield	4%	4%	4%	4%	4%	Constant dividend yield assumed over the projection period
Funding charges	72% of prime 120% of prime	72% of prime 120% of prime	72% of prime 120% of prime	72% of prime 120% of prime	72% of prime 120% of prime	A preference shares B preference shares
Employee attrition	14.00%	14.00%	14.00%	14.00%	14.00%	Based on historic experience
2024 Market-based parameters	1st tranche	2nd tranche	3rd tranche	4th tranche	Comment	
Share price	18.89	16.49	18.37	20.15	Share price as at issue date	
Volatility	40.00%	40.00%	26.30%	23.61%	Based on market rates	
Risk-free rate	10.87%	10.61%	11.40%	12.95%	10-year point on GOVI Zero NACS	
Contractual parameters						
Dividend yield	4%	4%	4%	4%	Constant dividend yield assumed over the projection period	
Funding charges	72% of prime 120% of prime	72% of prime 120% of prime	72% of prime 120% of prime	72% of prime 120% of prime	A preference shares B preference shares	
Employee attrition	14.00%	14.00%	14.00%	14.00%	Based on historic experience	

The volatility used in the valuation was based on the market implied volatility at the time of the valuation.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.3 Directors' remuneration

The Group's executive directors are contracted as full-time, permanent employees. The notice period for executive directors is three months' written notice. Bonus payments and the vesting of long-term incentives that are in place at the time of an individual's termination of service are subject to the rules of the relevant incentive scheme, subject to the discretion of the Remuneration Committee based on recommendations by the Group CEO.

Non-executive directors receive a fixed annual fee that is inclusive of all Board and committee attendance, as well as all other services performed on behalf of the Group. The Group pays for all travelling and accommodation expenses in respect of Board meetings.

	HP Meyer ¹		JC Marais (Cilliers)		RS Ketola		D Mbethe ²		Total	
R'000	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Guaranteed remuneration		2 105	8 422	7 875	6 041	5 700	4 940	4 565	19 403	20 245
Salary and allowances		2 105	7 956	7 399	5 685	5 361	4 540	4 196	18 181	19 061
Retirement fund contribution		-	388	405	278	268	353	326	1 019	999
Medical aid contribution		-	78	71	78	71	47	43	203	185
Short-term incentive payments		6 650	4 900	4 150	3 850	3 650	3 750	3 600	12 500	18 050
Long-term incentive payments		13 669	21 988	10 189	18 070	8 051	11 741	4 827	51 799	36 736
Executive directors		22 424	35 310	22 214	27 961	17 401	20 431	12 992	83 702	75 031
Value of shares granted		10 614	25 118	23 598	16 951	15 324	13 984	12 381	56 053	61 917
Value of total units outstanding at year end		72 318	91 216	57 731	71 354	46 962	52 779	32 694	215 349	209 705

The table above sets out the remuneration of the executive directors in terms of the requirements of section 30(4)(4)(6) of the Companies Act, 2008 and includes all remuneration paid to executive directors during the year.

	Total fees	
	2025 R'000	2024 Rm
PC Baloyi	2 967	2 806
P Cooper	1 832	1 560
L de Beer	2 078	1 986
NJ Dunkley	2 690	3 120
T Gobalsamy	1 258	1 209
SC Jurisich	2 298	2 192
AF Leautier	1 644	1 206
P Makosholo ³	-	1 214
P Matlakala	2 113	2 018
HP Meyer ⁴	1 120	277
DJ Park	1 832	1 752
S Rapeti ⁵	1 120	92
JJ Sieberhagen ⁶	1 874	-
T Soondarjee	1 539	1 146
Non-executive directors	24 365	20 578

¹ Retired as an executive director September 2023. The remuneration disclosed for the prior financial year represents amounts received and/or earned for services rendered as an executive director. Post his retirement he was not awarded any remuneration for his services as an executive director. All payments due post his retirement relate to cash settlement of vested deferred bonus and LTIP units earned during his tenure as executive director but with vesting and cash settlement due post retirement per the original award vesting and settlement terms and conditions approved by the Group Remuneration Committee. For 2025 Hillie Meyer received LTIP and deferred bonus units payment amounting to R31.6 million.

² Appointed November 2023.

³ Resigned June 2024.

⁴ Appointed as non-executive director April 2024.

⁵ Appointed June 2024.

⁶ Appointed March 2025.

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.4 Directors' shareholding in Momentum Group Ltd

Listed shares	Direct Beneficial '000	Indirect Beneficial '000	Total 2025 '000	Total 2024 '000
Executive directors				
JC Marais (Cilliers)	217	-	217	189
RS Ketola	85	-	85	65
D Mbethe	64	-	64	53
Non-executive directors				
P Cooper	500	952	1 452	1 452
NJ Dunkley	73	-	73	73
SC Jurisich ¹	1	-	1	1
HP Meyer	255	514	769	769
JJ Sieberhagen	4	-	4	-
Total	1 199	1 466	2 665	2 602

¹ 988 shares held in Momentum Group Limited in the current and prior year.

Shareholding of directors who stepped down/retired in the current year

There were no retirements or resignations in the current year.

45 Material Group accounting policies

45.1 New IFRS Accounting Standards and amendments

Standards, amendments to and interpretations of published standards that are not yet effective and have not been early adopted by the Group

- IAS 21 (Amendments) – Lack of exchangeability (effective from annual periods beginning on or after 1 January 2025).
- IFRS 9 and IFRS 7 (Amendments) – Classification and measurement of financial instruments (effective from annual periods beginning on or after 1 January 2026).
- Volume 11 – Annual improvements to IFRS Accounting Standards (effective from annual periods beginning on or after 1 January 2026).
- IFRS 9 and IFRS 7 (Amendments) – Contracts referencing nature-dependent electricity (effective from annual periods beginning on or after 1 January 2026).
- IFRS 18 – Presentation and Disclosure in Financial Statements (effective from annual periods beginning on or after 1 January 2027).
- IFRS 18 establishes a structured framework for presenting financial statements, with an aim to enhance transparency and comparability. The standard introduces specific subtotals in the income statement, such as operating profit, and mandates disclosures for management-defined performance measures (MPMs). It also requires greater disaggregation of financial information to provide clearer insights. The adoption of IFRS 18 will result in changes to the presentation of the Group's income statement and related notes, with comparative periods requiring restatement. However, the Group's earnings for the period will remain unchanged. The Group is currently assessing the full impact of IFRS 18.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective from annual periods beginning on or after 1 January 2027).

Management is currently assessing the impact of these amendments.

45.2 Consolidation

45.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. All material subsidiaries have financial years ending on 30 June and are consolidated to that date. Subsidiaries with financial year-ends other than 30 June are consolidated using audited or reviewed results (where necessary) for the relevant period ended 30 June. The accounting policies for subsidiaries are consistent, in all material respects, with the policies adopted by the Group. Separate disclosure is made of non-controlling interests.

Initial measurement

The acquisition method of accounting is used to account for the acquisition of subsidiaries/business combinations by the Group. The cost of a business combination is the fair value of the assets given at the date of acquisition, equity issued and liabilities assumed or incurred (including contingent liabilities). This includes assets or liabilities recognised from contingent consideration arrangements. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit and loss. Costs directly attributable to the business combination are expensed as incurred. Consideration transferred in excess of the fair value of the Group's share of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Conversely, to the extent that the Group's share of identifiable assets, liabilities and contingent liabilities exceeds the consideration transferred, the difference is recognised in the income statement as a bargain purchase. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interest shareholders even if this results in the non-controlling interest shareholders having a deficit balance.

Disposals

If the Group loses control of a subsidiary company, the gain or loss on disposal is calculated as the difference between the fair value of the consideration received, and the carrying amount of the subsidiary's net assets and any non-controlling interest. Any gains or losses in other comprehensive income that are allowed to be recycled to the income statement are reclassified and those amounts not reclassified to the income statement are directly transferred to retained earnings. Goodwill is included in the calculation of gains and losses on the disposal of an entity.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.2 Consolidation continued

45.2.1 Subsidiaries continued

Transactions with non-controlling interest shareholders

Transactions with non-controlling interest shareholders are treated as transactions with equity participants of the Group and any resulting in gains and losses for the Group are recorded in equity.

Measurement – Momentum Group Ltd separate financial statements

Investment in subsidiary companies are stated at cost less any impairment losses.

45.2.2 Associates

Associates are all entities over which the Group has significant influence but not control. The accounting policies for associates are consistent, in all material respects, with the policies adopted by the Group.

Measurement

Investments in associate companies are initially recognised at cost, including goodwill, and the carrying amount is increased or decreased with the Group's proportionate share of post-acquisition profits or losses, using the equity method of accounting. The equity method is discontinued from the date that the Group ceases to have significant influence over the associate. When significant influence is lost, any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in the income statement.

Investments in CISs where the Group has significant influence are recognised at FVPL and are not equity accounted where they back contract holder liabilities, based on the scope exemption in IAS 28 – Investments in associates and joint ventures for investment-linked insurance funds. Initial measurement is at fair value on trade date, with subsequent measurement at fair value based on quoted repurchase prices at the close of business on the last trading day on or before the reporting date. Fair value adjustments on CISs are recognised in the income statement. The related income from these schemes is recognised as interest or dividends received, as appropriate.

Impairment

Under the equity method, the carrying amount is tested for impairment at reporting dates.

Measurement – Momentum Group Ltd separate financial statements

Associated companies are carried at cost less impairment.

45.2.3 Joint arrangements

The Group applies IFRS 11 – Joint Arrangements to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures. Depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method.

Measurement

Interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

45.3 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rand (the presentation currency), which is the functional currency of the parent. The financial statements have been rounded to the nearest R million.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities, measured at FVPL, are recognised as part of their fair value gain or loss.

Subsidiary undertakings

Foreign entities are entities of the Group that have a functional currency different from the presentation currency. Assets and liabilities of these entities are translated into the presentation currency at the rates of exchange ruling at the reporting date. Income and expenditure are translated into the presentation currency at the average rate of exchange for the year.

On consolidation, foreign exchange rate differences arising from the translation of the net investment in foreign entities are recognised in the foreign currency translation reserve in other comprehensive income. On disposal, such foreign exchange rate differences are recognised in the income statement as part of net realised and unrealised fair value gains.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

45 Material Group accounting policies continued

45.4 Intangible assets

45.4.1 Goodwill

Recognition and measurement

Goodwill is recognised at the acquisition date. Subsequent to initial measurement, goodwill is carried at cost less accumulated impairment losses.

Goodwill on acquisition of subsidiaries is included in intangible assets whereas goodwill on acquisition of associates is included in investment in associates.

Impairment

At the acquisition date, goodwill acquired in a business combination is allocated to CGUs that are expected to benefit from the synergy of the combination in which the goodwill arose. CGUs to which goodwill has been allocated are assessed annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to a CGU and then to reduce the carrying amount of other assets on a pro rata basis. Impairment losses on goodwill are not reversed.

45.4.2 Deferred acquisition costs (DAC)

On long-term investment business

Incremental costs that are directly attributable to securing rights to receive fees for asset management services sold with investment contracts are recognised as an asset if the entity expects to recover them. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The asset represents the contractual right to benefit from receiving fees for providing investment management services, and is amortised over the policy term, as a constant percentage of expected gross profit margins (including investment income) arising from the contract or on a straight-line basis. The pattern of expected profit margins is based on historical and expected future experience and is updated at the end of each accounting period.

Impairment

An impairment test is conducted annually at reporting date on the DAC balance to ensure that the amount will be recovered from future revenue generated by the applicable remaining investment management contracts.

45.4.3 Other intangible assets

Other intangible assets include customer relationships, brand and intellectual property, broker network and computer software.

Subsequent measurement

Other intangible assets are carried at cost less accumulated amortisation and impairment. The assets are amortised over their expected useful lives using the straight-line method. The customer relationships are amortised over 3 to 19 years, brands over 10 to 20 years, intellectual property over 5 to 20 years, the broker networks over 5 to 20 years and computer software over 10 years. If an intangible asset has an indefinite useful life, no amortisation is recorded on that intangible asset.

45.5 Owner-occupied properties

Owner-occupied properties are held for use in the supply of services or for administrative purposes. Where the Group occupies a significant portion of the property, it is classified as an owner-occupied property.

Measurement

Owner-occupied properties are stated at revalued amounts, being fair value reflective of market conditions at the reporting date.

Fair value is determined using either DCF techniques which present value the net rental income, discounted for the different types of properties at the market rates applicable at the reporting date, or the income capitalisation approach based on the aggregate contractual or market-related rent receivable less associated costs. Where considered necessary, significant properties are valued externally by an independent valuer, at least once in a three-year cycle, to confirm the fair value of the portfolio.

Increases in the carrying amount arising on revaluation of buildings are credited to a land and building revaluation reserve in other comprehensive income, except for where IAS16.29A has been applied. Increases/decreases in the carrying amount for these properties are treated in the same manner as investment properties and are credited/debited through profit and loss. This has been applied to properties where the Group issues insurance contracts with direct participation features and hold the underlying properties.

Decreases that offset previous increases in respect of the same asset are charged against the revaluation reserve, and all other decreases are charged to the income statement.

Depreciation

Owner-occupied property buildings are depreciated on a straight-line basis, over 50 years, to allocate their revalued amounts less their residual values over their estimated useful lives. Property and equipment related to the buildings are depreciated over five to 20 years. Land is not depreciated. The residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

Accumulated depreciation relating to these properties is eliminated against the gross carrying amount of the properties and the net amount is restated to the revalued amount. Subsequent depreciation charges are adjusted based on the revalued amount for each property.

Disposals

When owner-occupied properties are sold or when the properties are no longer classified as owner-occupied, the amounts included in the land and buildings revaluation reserve are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.6 Investment properties

Investment properties are held to earn rentals or for capital appreciation or both and are not significantly occupied by the companies of the Group. Investment properties include property under development for future use as investment property.

Measurement

Investment properties comprise freehold land and buildings and are carried at fair value, reflective of market conditions at the reporting date, less the related cumulative accelerated rental income receivable. Fair value is determined as being the present value of net rental income, discounted for the different types of properties at the market rates applicable at the reporting date. All properties are internally valued on a biannual basis and where considered necessary, significant properties are valued externally by an independent valuer, at least once in a three-year cycle, to confirm the fair value of the portfolio. The accelerated rental income receivable represents the cumulative difference between rental income on a straight-line basis and the accrual basis.

Investment properties that are being redeveloped for continuing use as investment property, or for which the market has become less active, continue to be measured at fair value.

Undeveloped land is valued at fair value based on recent market activity in the area.

Transfers to and from investment properties

If an investment property becomes owner-occupied, it is reclassified under owner-occupied properties, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes, and vice versa.

45.7 Financial assets

Classification

The Group classifies its financial assets in the following main categories:

- Financial assets at FVPL, including derivative financial assets
- Financial assets at amortised cost

The classification of financial instruments is based on contractual cash flows characteristics and models through which financial instruments are managed (business model).

The Group reclassifies debt investments when its business model for managing those assets changes.

• Debt instruments

Debt instruments are measured at amortised cost when the debt is held for collection of contractual cash flows, where those cash flows represent solely payments of the principal amount outstanding and interest on the principal amount. The Group designates debt securities and funds on deposit and other money market instruments at FVPL upon initial recognition when it eliminates or significantly reduces a measurement or recognition inconsistency, referred to as an accounting mismatch, that would otherwise arise as a result of movements in related liabilities being recorded in profit or loss.

• Equity instruments

The Group subsequently measures all equity investments at fair value. The Group's management has elected to present fair value gains and losses on equity instruments in profit and loss.

Recognition and measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the financial assets. These are recognised as unsettled trades until the settlement date occurs.

Financial assets at FVPL is subsequently carried at fair value. Financial assets at amortised cost is recognised initially at fair value and subsequently carried at amortised cost, using the effective interest rate method less provision for impairment.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For financial assets at amortised cost, the Group determines at each reporting date whether there has been a significant increase in credit risk since initial recognition of the financial asset by assessing the likelihood or risk of default occurring since initial recognition based on all reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition. Where there is no significant increase in credit risk since initial recognition or for assets that have low credit risk at reporting date, a 12 month expected credit loss is recognised. Where a significant increase in credit risk since initial recognition occurred a lifetime expected credit loss is calculated.

The Group views financial assets at amortised cost to be low credit risk when there is a low risk of default and the borrower has the strong capacity to meet its contractual cash flow obligations in the near term.

Management considers whether there is reasonable expectation that a balance can be recovered from a counterparty and if not, balances are written off.

45 Material Group accounting policies continued

45.7 Financial assets continued

Impairment – Momentum Group Ltd separate financial statements

Intercompany loan impairment is calculated at each reporting date using probability of default and the loss given default rates. Probability of default rates considers historical defaults as well as forward-looking estimates based on macroeconomic factors obtained from rating agencies. Loans without repayment terms consider any senior external or internal loans which need to be repaid before the intercompany loan to determine a probability of default, since it reduces the liquid assets available to repay that intercompany loan. Management applies its own judgement, on an individual loan basis, to adjust the prescribed Loss Given Default (LGD) to include forward-looking information. Management considers whether there is reasonable expectation that a balance can be recovered from a counterparty and if not, balances are written off.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. The Group also derecognises a financial asset when the Group retains the contractual rights of the assets but assumes a corresponding liability to transfer these contractual rights to another party and consequently transfers substantially all the risks and benefits associated with the asset. Any gain or loss arising on derecognition of assets at amortised cost is recognised directly in the income statement and presented in net realised and unrealised fair value gains together with foreign exchange gains and losses.

Interest and dividend income

Financial assets at FVPL

Interest and dividend income arising on financial assets are disclosed separately under investment income in the income statement.

Offsetting

Financial assets and liabilities were set off and the net balance reported in the statement of financial position where there was a legally enforceable right to set off, where it is the intention to settle on a net basis or to realise the asset and settle the liability simultaneously, where the maturity date for the financial asset and liability was the same, and where the financial asset and liability were denominated in the same currency.

Scrip lending

The equities or bonds on loan by the Group, and not the collateral security, are reflected in the statement of financial position of the Group at year end. Scrip lending fees received are included under fee income. The Group continues to recognise the related income on the equities and bonds on loan. Collateral held is not recognised in the financial statements unless the risks and rewards relating to the asset have passed to the Group.

45.8 Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including DCF and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative, subject to the offsetting principles as described under the financial assets accounting policies above.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (that is, the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (that is, without modification or repackaging), or is based on a valuation technique whose variables include only observable market data.

When unobservable market data has an impact on the valuation of derivatives, the entire initial change in fair value indicated by the valuation model is not recognised immediately in the income statement but over the life of the transaction on an appropriate basis, or when the input becomes observable, or when the derivative matures or is closed out.

The subsequent fair value of exchange-traded derivatives is based on a closing market price while the value of OTC derivatives is determined by using valuation techniques that incorporate all factors that market participants would consider in setting the price. Changes in the fair value of derivative instruments are recognised immediately in the income statement within net realised and unrealised fair value gains and losses.

Embedded derivative liabilities are separated and fair-valued through income when they are not closely related to their host contracts and meet the definition of a derivative, or where the host contract is not carried at fair value.

45.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost, which approximates fair value. Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less and are subject to an insignificant risk of change in value. Bank balances held to meet short-term cash commitments are included in funds on deposit and other money market instruments with a maturity of three months or less. Operating bank balances are included in bank and other cash balances.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts

45.10.1 Scope of the standard

The contracts issued by the Group transfer insurance risk, financial risk or both. Contracts are separated into investment and insurance contracts for the purposes of valuation and accounting purposes. Insurance contracts transfer significant insurance risk to the Group. Insurance risk is significant if an insured event could cause the Group to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance. Investment contracts transfer financial risk to the Group.

Where allowed in terms of the standard, the Group accounts for financial guarantee contracts as insurance contracts. In other instances, the Group accounts for financial guarantee contracts as financial instruments.

Investment contracts with discretionary participation features are accounted for as insurance contracts. An investment contract exposes the Group to financial risk and not to significant insurance risk. The terms and conditions of an investment contract contains discretionary participation features if discretionary benefits are expected to be a significant portion of the total expected benefits to the policyholder.

Some investment contracts issued by the Group provides the policyholder with a choice regarding the investment fund(s) that the policyholder funds will be invested into. Investment fund rules and relevant PPFMs could result in an investment fund providing significant, discretionary benefits to policyholders. Investment contracts with existing or potential exposure to such funds are assessed to determine whether the investment contracts contain discretionary participation features.

The accounting policies dealing with the accounting treatment of investment contracts with discretionary participation features are discussed under the section dealing with the variable fee approach.

An insurance contract can provide various types of insurance cover to a policyholder. The lowest level of accounting for an insurance contract, is the insurance contract itself. The Group applies judgement to assess whether accounting for various insurance components as a single insurance contract, reflects the economic substance of the insurance contract. The Group considers facts and circumstances in deciding whether the insurance components should be accounted for as one insurance contract or as several separate insurance contracts. Accounting for a single insurance contract as several, separate insurance contracts is not an accounting policy choice. As such the accounting treatment can be determined on a case-by-case basis.

Insurance components included in non-life insurance contracts issued in Namibia are treated as separate insurance contracts.

Policyholders who are members of the LifeReturns loyalty scheme can earn incentive benefits depending on their LifeReturns Rewards status and other factors. LifeReturns discounts on premiums are accounted for as reductions in the fulfilment cash flows or estimated amount of insurance revenue of a group of insurance contracts.

45.10.2 Presentation

The closing balance of a portfolio of insurance contracts includes, among others, the carrying values of liabilities for incurred claims of groups of insurance contracts in the portfolio. Fulfilment cash flows (including risk adjustments) for incurred claims and payables or receivables incurred as part of the claims handling and settlement processes, are included in the measurement of the liability for incurred claims. After the recognition of the incurred amounts, the Group transfers fulfilment cash flows with third parties that are subject to negligible non-financial risk to financial liabilities at amortised cost or other payables. As a result, the closing balance of the liability for incurred claims consists of fulfilment cash flows for incurred claims and other payables or receivables that continue to expose the Group to non-financial risk.

Insurance finance income and expenses earned/incurred in the measurement of a group of insurance contracts or investment contracts with discretionary participation features are presented, in total, in insurance finance income and expenses on the income statement.

45.10.3 Initial recognition of insurance contracts issued and reinsurance contracts

The Group recognises a group of insurance contracts from the earliest of the beginning of the coverage period of the group of contracts, the date when the first payment from a policyholder in the group becomes due or for a group of onerous contracts, when the group of contracts becomes onerous.

Insurance contracts that meet the recognition criteria on an individual basis are included in the group of insurance contracts recognised. The Group considers whether insurance contracts form an onerous group of insurance contracts prior to the commencement of the coverage period or the premium due date. The existence of such a group of insurance contracts will result in recognition of an onerous group of insurance contracts.

The Group recognises a group of reinsurance contracts held from the earlier of the beginning of the coverage period of the group of reinsurance contracts held and the recognition date of an onerous group of underlying insurance contracts, if the related reinsurance contract held was entered into at or before the recognition date of the onerous group of underlying insurance contracts.

The Group defers the recognition of a group of reinsurance contracts held that provide proportionate coverage, until the recognition of the underlying insurance contracts, if this date is later than the beginning of the coverage period of the group of reinsurance contracts held.

45.10.4 Modification of insurance contracts issued and reinsurance contracts held

The terms of an insurance contract can be modified, for example by agreement between the parties to the contract or by a change in regulation. If the modification of the insurance contract meets specific criteria, the Group derecognises the original insurance contract and recognises a new contract in terms of the relevant IFRS Accounting Standard. If the specific criteria are not met, the modification is accounted for as changes in estimates of fulfilment cash flows. The exercise of an implicit or implied right included in the terms of a contract, by either the Group or the policyholder is not a modification.

The terms of a reinsurance contract can be modified, for example by agreement between the parties to the contract or by a change in regulation. If the modification of the reinsurance contract meets specific criteria, the Group derecognises the original reinsurance contract and recognises a new contract in terms of the relevant IFRS Accounting Standard. If the specific criteria are not met, the modification is accounted for as changes in estimates of fulfilment cash flows. The exercise of a right included in the terms of a contract is not a modification.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.5 Derecognition of insurance contracts issued and reinsurance contracts held

The Group derecognises an insurance contract when, and only when it is extinguished, i.e. when the obligations specified in the insurance contract expires or are discharged or cancelled or if a modification of the insurance contracts results in a derecognition of an insurance contract.

On the derecognition of an insurance contract the Group adjusts the fulfilment cash flows of the group of insurance contracts to no longer include the present value of future cash flows and risk adjustment related to the insurance contract. Adjustments to the fulfilment cash flows results in opposite adjustments to the contractual service margin to the extent possible. In addition, the number of coverage units for expected remaining insurance contract services is adjusted to reflect the coverage units derecognised from the group.

When an insurance contract is transferred to a third-party, any premium paid on the transfer of the insurance contract is accounted for in the contractual service margin, to the extent possible.

The contractual service margin or loss component of the group of insurance contracts that contains the new insurance contract incorporates the notional premium that the Group would have charged if a similar insurance contract was issued and other fulfilment cash flows on the modification date. The fulfilment cash flows of new insurance contract are measured as if the notional premium was received on the modification date.

When an insurance contract measured in terms of the premium allocation approach is derecognised, the expected insurance service revenue for the period is reduced and any loss component or incurred claims for the group of insurance contracts is adjusted, to no longer include the insurance contract.

The Group derecognises a reinsurance contract when, and only when it is extinguished, i.e. when the rights and obligations specified in the reinsurance contract expires or are discharged or cancelled or if a modification of the reinsurance contracts results in a derecognition of an insurance contract.

On the derecognition of a reinsurance contract the Group adjusts the fulfilment cash flows of the group of reinsurance contracts to no longer include the present value of future cash flows and risk adjustment related to the reinsurance contract.

Adjustments to the fulfilment cash flows result in opposite adjustments to the contractual service margin. In addition, the number of coverage units for expected remaining reinsurance contract services is adjusted to reflect the coverage units derecognised from the group.

The contractual service margin of the group of reinsurance contracts that contains the new reinsurance contract incorporates the notional premium that the Group would have paid if a similar reinsurance contract was entered into and other fulfilment cash flows on the modification date. The fulfilment cash flows of new reinsurance contracts are measured as if the notional premium was paid on the modification date.

When a reinsurance contract measured in terms of the premium allocation approach is derecognised, the allocation of reinsurance service premiums for the period is reduced and any loss-recovery component or incurred claims for the group of reinsurance contracts is adjusted, to no longer include the reinsurance contract.

45.10.6 Portfolios and groups of insurance contracts issued and reinsurance contracts held

A portfolio of insurance contracts comprises contracts subject to similar risks, that are managed together. The identification of portfolios of insurance contracts involves judgement. In identifying portfolios of insurance contracts, the Group considers the perils and insured events that are covered by the insurance contracts. In addition, the Group considers management information and decision-making processes to identify the insurance contracts are managed together.

The Group has identified a group of insurance contracts issued and reinsurance contracts held as the contracts that are issued/held during the financial year of the Group. Contracts issued/held between and including the 1st of July and 30th of June the following year, are included in the same group of insurance contracts. In limited instances, a group of insurance contracts will consist of insurance contracts issued during a shorter period than an annual period, for example insurance contracts issued within a month.

At initial recognition the insurance contracts in a portfolio of insurance products are allocated into mandated groups of insurance contracts based on expected profitability. Insurance contracts that are onerous are allocated into a group that contains the onerous contracts. The remaining insurance contracts are allocated into a group that contains insurance contracts that are expected to be profitable, but might become onerous in the future. The allocation is performed on a set of insurance contracts or per individual insurance contract. The process makes use of fulfilment cash flows, qualitative factors and sensitivity analyses to allocate the insurance contracts into groups of insurance contracts. Once an insurance contract has been allocated to a particular group of insurance contracts, the contract remains in the particular group for the remainder of the coverage period of the contract.

A reinsurance treaty sets out the legal relationship between the insurer and the reinsurer. The Group accounts for reinsurance treaties by recognising a series of reinsurance contracts held. The Group measures reinsurance contracts with reference to the fulfilment cash flows of the underlying of insurance contracts that receive reinsurance coverage and the relevant terms and conditions as specified in the reinsurance treaties. These reinsurance contracts held, are allocated into groups of reinsurance contracts originated in a net gain and groups of reinsurance contracts originated not in a net gain. The allocation is determined by whether the underlying group of insurance contracts is expected to be profitable (net gain) or onerous (not in a net gain) at initial recognition of the reinsurance contracts held.

In other instances, reinsurance contracts held are allocated into portfolios of reinsurance contracts held and then into groups of reinsurance contracts held that are expected to result in a gain or groups of reinsurance contracts held that are not expected to result in a net gain.

The Group prepares interim and annual financial statements. At the interim reporting date, the contractual service margin or loss component of a group of insurance contracts is adjusted for the impact of changes in accounting estimates. Such estimates include changes in fulfilment cash flows that relate to future service and estimates of remaining future service. When preparing the next set of annual financial statements, changes in accounting estimates made to the contractual service margin or loss component at the previous interim reporting date, is reversed and the contractual service margin or loss component at the annual reporting date, is based on the annual financial period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.7 Measurement of fulfilment cash flows

The measurement of a group of insurance contracts and reinsurance contracts considers the fulfilment cash flows within the boundary of the group of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. Cash flows within the boundary of an insurance contract are those that relate directly to the fulfilment of the contract, including cash flows for which the entity has discretion over the amount or timing of the cash flows.

Fulfilment cash flows are the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.

References to “expenses” in the accounting policy include cash flow items and incurred expenses, such as depreciation, amortisation and some employee benefits.

Insurance acquisition expenses

In selling, underwriting and issuing insurance contracts the Group incurs expenses that are included in fulfilment cash flows. Examples of such expenses include commission expenses, marketing expenses, distribution channel expenses, policy issue costs, policyholder risk assessment costs, and policyholder communication costs. The expenses include both successful and unsuccessful efforts to market and sell insurance contracts.

Commission expenses relate to the sale of insurance contracts to policyholders and are included in fulfilment cash flows as insurance acquisition cash flows. Commission expenses include commission earned by brokers and intermediaries on the initial sale of insurance contracts, qualifying adjustments to insurance contracts and renewal of insurance contracts.

Expenses incurred to market the Group's products are included in fulfilment cash flows, while expenses incurred to market the Group's brands or to stimulate demand for financial services products are not included in fulfilment cash flows. Examples of marketing expenses that are included in fulfilment cash flows include the costs of placing advertisements in printed or online media, sponsorships and costs associated with direct marketing teams.

The Group makes use of distribution channels to distribute products to policyholders. The expenses incurred to maintain or expand these distribution channels and networks are included in fulfilment cash flows. Examples of such expenses are commission expenses, employee benefit expenses, provision of marketing material, broker and intermediary training expenses and costs incurred to provide administrative support to brokers and intermediaries. The expenses linked to the creation of new distribution channels are not directly attributable to fulfilling the insurance contract. Expenses relating to the development of insurance products are not included in fulfilment cash flows.

In underwriting policyholder risk, the Group incurs expenses that are included in fulfilment cash flows. These expenses include employee benefits, software expenses, costs associated with financial, medical and lifestyle underwriting processes and the costs of communicating with policyholders, brokers and intermediaries.

Administration and maintenance

The Group incurs expenses to perform administration and maintenance activities on insurance contracts. These expenses relate directly to the fulfilment of the insurance contract and are included in fulfilment cash flows. Administration and maintenance activities include premium billing, processing insurance contract changes, policyholder communication and meeting compliance requirements. Expenses associated with the administration and maintenance of insurance contracts are employee benefits, software expenses, communication costs, and line of business system expenses. Commission expenses that reimburse brokers and intermediaries to assist with ongoing administration, maintenance and servicing of the insurance contract are included in fulfilment cash flows.

Claims

The Group incurs expenses in recording, investigating, processing and resolving claims under insurance contracts. These expenses are directly attributable to the fulfilment of the insurance contract with the policyholder and are included in fulfilment cash flows. The expenses include legal fees, internal costs of investigating claims, costs incurred to process claim payments, employee benefits, communication expenses and software expenses.

Investment management

Investment management expenses are included in fulfilment cash flows to the extent that the investment management activities enhance or increase policyholder benefits, are part of unavoidable product or risk management activities or are part of the insurance contract services agreed with the policyholder. Other investment management expenses are not included in fulfilment cash flows. Investment management expenses include fees to service providers, employee benefits, research costs and software costs. Investment returns earned on investments backing liabilities are not included in fulfilment cash flows.

Compulsory reporting and risk management

The issue of insurance contracts obliges the Group to perform risk management activities and compulsory reporting to stakeholders and regulators, and to comply with legislation and regulations. The expenses associated with these activities are included in fulfilment cash flows. Examples of these expenses are employee benefit expenses, software expenses, subscription expenses and depreciation and amortisation expenses.

Executive remuneration

The Group analyses executive remuneration expenses with the aim of identifying expenses that are attributable to the fulfilment of insurance contracts. Executive remuneration that relates to strategic leadership activities or operational management of the Group is not included in fulfilment cash flows.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.7 Measurement of fulfilment cash flows continued

Overhead expenses

The Group incurs fixed and variable overhead costs and expenses. To the extent that these expenses support the activities and functions mentioned above, the expenses are included in fulfilment cash flows. Examples of these expenses include office and equipment rental, employee benefit expenses, software subscriptions, depreciation and amortisation expenses and utility expenses.

Amounts receivable from intermediaries and brokers

In general, the Group collects premiums directly from policyholders. Such premium cash flows are included in fulfilment cash flows and the measurement of insurance contract assets and liabilities, until the premiums are paid into the Group's bank accounts. Guardrisk accounts for premiums receivable from intermediaries and brokers as financial instruments. The premium cash flows are included in fulfilment cash flows until the premiums are paid into the intermediaries' or brokers' bank accounts.

Management judgement

Management applies judgement in identifying expenses that are directly attributable to the fulfilment of the insurance contract and are included in fulfilment cash flows. The Group makes use of established allocation principles and methodologies to allocate these expenses to portfolios and groups of insurance contracts.

Reinsurance contracts held

Fulfilment cash flows for reinsurance contracts held include expected reinsurance premiums ceded, expected recoveries from reinsurers and a risk adjustment for non-financial risk.

Treatment of cash flows relating to tax in fulfilment cash flows

The Group recovers some tax expenses from policyholders through a policyholder tax charge. Initially, the relevant tax cash outflows and policyholder tax charge are included in fulfilment cash flows on an expected cash flows basis. Recognition of investment returns results in tax obligations for the Group. Taxes which are directly recovered from policyholder benefits are included as fulfilment cash flows, but are presented as part of income tax expenses on the face of the income statement. At the same point in time, the Group recognises the policyholder tax charge (equal to the income tax expense) as insurance revenue through a reduction in the liability for remaining coverage.

Discount rates

The Group applies the 'bottom-up' approach in determining the discount rate to be used in the measurement of fulfilment cash flows at initial and subsequent measurement of a group of insurance contracts and reinsurance contracts held.

This approach entails the calculation of a discount rate by identifying and then adjusting a risk-free interest rate to reflect the characteristics of the fulfilment cash flows and the insurance and reinsurance contracts. The Group makes use of a risk-free yield curve to identify risk-free interest rates to be used in determining the discount rates.

The risk-free yield curve is based on traded government bonds depending on availability of reliable market information. In instances or jurisdictions where reliable market information is not available, the Group uses stable risk-free rates as appropriate.

In adjusting the risk-free interest rate, the Group targets consistency between the currency of the fulfilment cash flows and the currency of the risk-free interest rate and how inflation is incorporated in setting the fulfilment cash flows and the discount rate. The Group aims to ensure that financial risks are not double counted in determining the fulfilment cash flows and the discount rate. In some instances, the Group adds an illiquidity premium to the risk-free rate, to reflect differences in the liquidity of the risk-free interest rate and the group of insurance or reinsurance contracts.

For insurance and reinsurance contracts measured under the general measurement model, the discount rate determined at initial recognition is used, for the remainder of the coverage period, to accrete interest to or adjust the contractual service margin for changes in estimates of cash flows relating to future services.

For insurance contracts measured under the variable fee approach, the current discount rate at the reporting date is used to adjust the contractual service margin for changes in estimates of cash flows relating to future services.

When a group of insurance contracts is recognised, the discount rate determined at initial recognition, is used to measure the fulfilment cash flows of insurance contracts added to the group, during the financial period.

45.10.8 Contractual service margin

The CSM is recognised at initial recognition of the group of insurance contracts at an amount that is opposite, but equal to the expected net fulfilment cash inflows. At initial recognition, the CSM of a group of reinsurance contracts held can be either positive or negative. The CSM is calculated as the amount that is opposite, but equal to the net fulfilment cash flows.

General measurement model

Interest is accreted over the reporting period to the CSM carrying amount at the locked-in discount rate, determined at initial recognition of the group of insurance or reinsurance contracts. The interest income/expense is included in reinsurance/insurance finance income and expenses on the face of the income statement.

Changes in fulfilment cash flows that relate to future services are accounted for in the CSM. Changes in fulfilment cash flows relating to financial risks or changes in financial risks are accounted for in insurance/reinsurance finance income and expenses. The present value of the adjustment to the CSM is calculated with the locked-in discount rate determined at initial recognition of the group of insurance or reinsurance contracts. The present value of the fulfilment cash flows at the reporting date is calculated with the current discount rate. The difference between the adjustment to the CSM and the adjustment to fulfilment cash flows is accounted for in insurance/reinsurance finance income and expenses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.8 Contractual service margin continued

Variable fee approach

Changes in the fulfilment cash flows caused by changes in the Group's share of the fair value of the underlying items are accounted for in the CSM. Changes in fulfilment cash flows caused by changes in the time value of money or financial risk not related to the underlying items are accounted for in the CSM. These adjustments to the CSM are not discounted. Changes in other fulfilment cash flows that relate to future services are accounted for in the CSM at amounts discounted at current discount rates. The Group makes use of the risk mitigation option to account for a portion of the impact of time value of money and financial risks on the Group's share of the fair value of underlying items in insurance finance income and expenses and not in the contractual service margin.

Insurance revenue

Insurance revenue consists of expected consideration for expenses incurred to provide insurance contract services to policyholders, releases of the risk adjustment associated with services rendered, recovery of insurance acquisition cash flows, income tax expenses recovered from policyholders and release of profit from the CSM. The release of profit from the CSM is based on insurance contract services rendered during the financial period based on the release of coverage units.

Coverage units represent the Group's readiness to render insurance contract services. The measurement of coverage units considers the quantum of the insurance benefits as well as the expected coverage period of the insurance contract.

The expected coverage period reflects persistency and timing of benefits to reflect the insurer standing ready to provide coverage. Where investment services are provided, coverage units are defined to include any additional benefit from investment services provided. The Group makes use of various coverage units in recognising insurance revenue.

The Group discounts coverage units in determining the expected coverage units at the reporting date. The discount rate used is the locked-in interest rate determined at the initial recognition of the group of insurance contracts.

45.10.9 Loss component and loss-recovery component

The allocation of insurance contracts into an onerous group of insurance contracts results in the recognition of a loss in insurance service expenses and the identification of a loss component within the fulfilment cash flows of the group of insurance contracts. The loss component indicates the extent to which losses must be reversed or amortised before a contractual service margin can be recognised for the group of insurance contracts.

The Group identifies a loss-recovery component within the fulfilment cash flows if a group of insurance contracts covered by a reinsurance contract held is expected to be onerous at initial recognition or becomes onerous subsequent to initial recognition. The loss-recovery component represents the expected recovery of expected insurance claims from the reinsurer.

Insurance contracts

Changes in fulfilment cash flows that relates to past and current services include the incurring of expected insurance service expenses, the release of the risk adjustment for services provided and the incurring of insurance finance income and expenses. These changes should be allocated on a systematic basis (not on an arbitrary basis) between the loss component and the liability for remaining coverage (without the loss component).

The Group makes use of a Systematic Allocation Ratio in allocating changes in fulfilment cash flows relating to past and current services (incurring of expected insurance service expenses, the release of the risk adjustment for services provided and the incurring of insurance finance income and expenses), between the loss component and the liability for remaining coverage (without the loss component).

Profitable changes in fulfilment cash flows that relates to future services, are allocated to the loss component of the liability for remaining coverage and insurance service expenses, until the loss component is reduced to a zero balance. The profitable changes in fulfilment cash flows relating to future services should reduce the insurance service expenses. An existing loss component can be increased due to further deterioration of expected fulfilment cash flows, or a loss component can be created if the deterioration of expected fulfilment exceeds existing contractual service margins.

Once the loss component balance has been reduced to zero, a contractual service margin can be created for the group of insurance contracts when further profitable changes in fulfilment cash flows regarding future services take place. The creation of the contractual service margin will take place in the liability for remaining coverage balance (on the statement of financial position) as a transfer between the present value of fulfilment cash flows and the newly created contractual service margin.

The Group allocates changes in fulfilment cash flows relating to past and current insurance contract services to the loss component and the liability for remaining coverage without the loss component, before adjusting the loss component for changes in the fulfilment cash flows relating to future services.

To avoid accounting for insurance acquisition cash flows twice in the insurance service revenue and insurance service expenses, the Group does not include expected insurance acquisition cash flows in the calculation of the Systematic Allocation Ratio percentage and does not include incurred insurance acquisition cash flows in the changes in fulfilment cash flows relating to past and current services, to be allocated between the loss component and the liability for remaining coverage without the loss component.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.9 Loss component and loss-recovery component continued

Reinsurance contracts held

The loss-recovery component and changes to the loss-recovery component are accounted for by changes to the carrying value of the reinsurance contract contractual service margin and gains or losses recognised in recovery of claims from the reinsurer. The recognition of a gain indicates the expected recovery of insurance claims in the loss component of an underlying group of insurance contracts, from the reinsurer.

Incurred insurance claims reduce the loss component with a commensurate reduction in the loss-recovery component. Changes in fulfilment cash flows of the loss component regarding insurance claims, result in changes in fulfilment cash flows of the loss-recovery component and the reinsurance contractual service margin. Decreases in other fulfilment cash flows of the loss component (relative to the initial recognition) result in decreases in the fulfilment cash flows of the loss-recovery component and changes to the reinsurance contractual service margin. These subsequent changes to the loss-recovery component are accounted for in the same manner as the initial recognition of the loss-recovery component. Increases in fulfilment cash flows of the loss component that are not covered by the reinsurance contract do not impact the loss-recovery component fulfilment cash flows.

At the reporting date the amount of the loss-recovery component cannot exceed the amount of the loss component of the onerous group of insurance contracts, expected to be recovered from the reinsurer. Any excess results in a reversal of previously recognised gains in the recovery from reinsurers with a corresponding adjustment to the reinsurance contractual service margin.

45.10.10 Premium allocation approach

Application of the premium allocation approach

The following paragraphs contain the Group's accounting policies regarding the measurement of insurance and reinsurance contracts accounted for in terms of the premium allocation approach.

The premium allocation approach is a simplified version of the general measurement model. It is the accounting policy of the Group to apply the premium allocation approach for the measurement of groups of insurance contracts issued and groups of reinsurance contracts held, that qualify to be measured in terms of this measurement model.

The premium allocation approach can be applied if the coverage period of the insurance contracts or reinsurance contracts included in the group, is 12 months or less. In instances where the coverage period is in excess of 12 months, the Group applies a further eligibility assessment to determine whether the premium allocation approach may be applied.

Determining whether the assessment has been passed, involves management judgement. As a guideline, the carrying values under the premium allocation approach should materially approximate the carrying values under the general measurement model, for the best-estimate scenario as well as selected sensitivity scenarios for key assumptions, for the assessment to be passed. The best-estimate scenario must meet the requirements of fulfilment cash flows. Sensitivity scenarios should cover key assumptions, be considered "plausible" and represent reasonable and supportable estimates of the future. If the sensitivity eligibility assessment for one of the key assumptions is failed, management considers the impact of the particular result on the overall assessment and the reasons why the assessment failed, before concluding whether the total eligibility assessment has been passed or not.

In some instances, credit life insurance products are measured in terms of the general measurement model and not the premium allocation approach (although the application of the premium allocation approach is allowed).

Measurement

The carrying value of the liability for remaining coverage includes premiums received in cash and the amortisation of capitalised insurance acquisition cash flows (where applicable). These amounts are reduced by insurance revenue recognised for the reporting period and capitalised insurance acquisition cash flows (where applicable). The carrying value of the liability for incurred claims is determined in the same manner as for insurance contracts measured in terms of the general measurement model and the variable fee approach.

The carrying value of the liability for remaining coverage should be adjusted for the impact of the time value of money and financial risks inherent to the expected, future cash flows. The carrying value of the liability for remaining coverage is based on the present value of estimated, future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in insurance finance income or expenses.

If the Group expects, at initial recognition of a group of insurance contracts, that the time duration between the due date of the respective premiums and the relevant periods of service, is 12 months or less, the preference of the Group, is to not adjust the carrying value of the liability for remaining coverage for the time value of money and financial risks. There are instances where the fulfilment cash flows are adjusted for the impact of time of money and financial risks.

For credit life insurance contracts where the coverage period is in excess of 12 months the Group adjusts the cash flows used to measure the liability for the remaining coverage for the impact of the time value of money and financial risks. Guardrisk Life and Guardrisk Insure do not adjust cash flows included in the measurement of the liability for remaining coverage for the impact of the time value of money and financial risks.

The carrying value of the liability for incurred claims should be adjusted for the impact of the time value of money and financial risks inherent to the expected, future cash flows. The carrying value of the liability for incurred claims is based on the present value of estimated, future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in insurance finance income or expenses.

In instances where the settlement period between the incurring of a claim and settlement, is 12 months or less, the preference of the Group is not to adjust the carrying value of the liability for incurred claims with the time value of money or the impact of financial risks. In such an instance, the calculation of the loss component does not consider the impact of the time value of money and the effect of financial risks. In Momentum Metropolitan Life Ltd there are instances where the fulfilment cash flows are adjusted for the time value of money and effect of financial risks.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.10 Premium allocation approach continued

Measurement continued

Momentum Insure does not adjust cash flows included in the measurement of the liability for incurred claims, for the impact of the time value of money and financial risks. An exception to this accounting policy is the measurement of fulfilment cash flows relating to cash-back benefits. The cash-back benefit fulfilment cash flows included in the liability for incurred claims are measured at present value at each reporting date.

Guardrisk Insure adjusts fulfilment cash flows in the measurement of the liability for incurred claims for the impact of the time value of money and financial risks.

Guardrisk Life adjusts fulfilment cash flows in the measurement of the liability for incurred claims for the impact of the time value of money and financial risks where the impact of these adjustments is material.

Reinsurance contracts held

The carrying value of the asset for remaining coverage includes premiums paid in cash and reinsurance acquisition cash flows capitalised. These amounts are reduced by the allocation of reinsurance premiums and amortisation of capitalised reinsurance acquisition cash flows. The carrying value of the asset for incurred claims is determined in the same manner as for reinsurance contracts measured in terms of the general measurement model.

The carrying value of the asset for remaining coverage should be adjusted for the impact of the time value of money and financial risks inherent to the expected, future cash flows. The carrying value of the asset for remaining coverage is based on the present value of estimated, future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in reinsurance finance income or expenses.

If the Group expects, at initial recognition of a group of reinsurance contracts, that the time duration between the due date of the respective reinsurance premiums and the relevant periods of service, is 12 months or less, the preference of the Group, is not to adjust the carrying value of the asset for remaining coverage for the time value of money and financial risks.

The carrying value of the asset for incurred claims should be adjusted for the impact of the time value of money and financial risks inherent to the expected, future cash flows. The carrying value of the asset for incurred claims is based on the present value of estimated, future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in insurance finance income or expenses.

In instances where the settlement period between the incurring of a claim and settlement, is 12 months or less, the Group does not adjust the carrying value of the asset for incurred claims with the time value of money or the impact of financial risks. In Momentum Metropolitan Life Ltd there are instances where the fulfilment cash flows are adjusted for the time value of money and effect of financial risks.

Guardrisk Insure adjusts fulfilment cash flows in the measurement of the asset for incurred claims for the impact of the time value of money and financial risks.

Guardrisk Life adjusts fulfilment cash flows in the measurement of the asset for incurred claims for the impact of the time value of money and financial risks where the impact of these adjustments is material.

Insurance acquisition cash flows

If the coverage period of the group of insurance contracts is 12 months or less, insurance acquisition cash flows are expensed in insurance service expenses, when the cash flow takes place. If the coverage period of the group of insurance contracts is more than 12 months, the insurance acquisition cash flows are capitalised in the Liability for Remaining Coverage on the statement of financial position when incurred and amortised into insurance service expenses over the coverage period.

In general, the Group recognises insurance acquisition cash flows in insurance service expenses when incurred. The health business in Africa expense insurance acquisition cash flows as incurred.

For credit life insurance contracts where the coverage period is in excess of 12 months, the Group capitalises insurance acquisition cash flows in the liability for remaining coverage when incurred and amortises the capitalised expense into insurance service expenses over the coverage period.

Momentum Insure, Guardrisk Life and Guardrisk Insure capitalises insurance acquisition cash flows in the liability for remaining coverage when incurred and amortise the capitalised balances over the coverage period of the group of insurance contracts.

Loss component

The Group assumes that a group of insurance contracts measured in terms of the premium allocation approach is not onerous on initial recognition, unless facts and circumstances indicate otherwise. When evidence exists that a group of insurance contracts is possibly onerous, the group compares the carrying value of the group of contracts as calculated under the premium allocation approach with the carrying value of the same group of contracts under the general measurement model.

The excess of the carrying value under the general measurement model, over the carrying value under the premium allocation approach is a loss component. The loss component is recognised as a ring-fenced increase to the carrying value of the liability for remaining coverage and an insurance service expense.

In the instances where the time value of money and the impact of financial risks are not included in the measurement of the liability for incurred claims, the calculation of the carrying value of the group of contracts under the general measurement model (for the purposes of the calculation of the loss component) does not include the impact of the time value of money and financial risks.

After initial recognition, the loss component is amortised into the insurance service expenses in the same pattern as the recognition of estimated premiums in insurance service revenue. At every reporting date, the loss component is remeasured to reflect current assumptions and estimates. Any measurement adjustment is recognised in insurance service expenses.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.10 Premium allocation approach continued

Loss-recovery component

The loss-recovery component is a separate asset within the asset for remaining coverage. The loss-recovery component and changes to the loss-recovery component are accounted for by changes to the carrying value of the asset for remaining coverage and gains or losses recognised in recovery of claims from the reinsurer.

Incurred insurance claims reduce the loss component with a commensurate reduction in the loss-recovery component. Changes in fulfilment cash flows of the loss component for insurance claims, result in changes in the loss-recovery component. Increases in fulfilment cash flows of the loss component that are not covered by the reinsurance contract do not impact the loss-recovery component.

At the reporting date the amount of the loss-recovery component cannot exceed the amount of the loss component, of the onerous group of insurance contracts, expected to be recovered from the reinsurer. Any excess results in a reversal of previously recognised gains in the recovery from reinsurers with a corresponding adjustment to the loss-recovery component.

45.10.11 Insurance acquisition cash flows

General measurement model and variable fee approach

Insurance acquisition expenses are measured as the net amount of expenses incurred less the recovery or reversal of commission expenses. The Group identifies insurance acquisition expenses per portfolio of insurance contracts.

Insurance acquisition expenses are allocated to groups of insurance contracts that contain the initial insurance contracts as well as groups of insurance contracts that might contain renewal of the initial insurance contracts. At every reporting date the Group assesses the allocation of insurance acquisition expenses to groups of insurance contracts that might contain renewals of the initial insurance contracts. This ensures that the allocation between groups that contain the initial contracts and groups that might contain the renewal insurance contracts remain appropriate.

Insurance acquisition expenses incurred or paid before the recognition of the group of insurance contracts (including insurance acquisition expenses allocated to groups of insurance contracts that might contain renewals of initial insurance contracts) are recognised as insurance acquisition cost assets. Once the group(s) of insurance contracts have been recognised, the insurance acquisition cost assets are derecognised and included in the measurement of the group(s) of insurance contracts.

The Group incurs insurance acquisition expenses to obtain, underwrite and issue insurance contracts to policyholders. Insurance acquisition expenses, among other items, are recovered through premiums received from policyholders. The Group recognises insurance service revenue and equal amounts of insurance service expenses to indicate the recovery of insurance acquisition cash flows. This is done by allocating the portion of the premiums that recover insurance acquisition expenses, to financial periods on a straight-line basis based on the passage of time.

45.10.12 Insurance revenue

Insurance revenue is the consideration that the Group expects to be entitled to, for rendering insurance contracts services during the financial period.

For insurance contracts measured under the general measurement model and the variable fee approach, insurance revenue consists of consideration for expected expenses incurred in the period to provide insurance contract services to policyholders, releases of the risk adjustment for non-financial risks associated with services rendered, recovery of insurance acquisition cash flows, income tax expenses recovered from policyholders and release of profit from the CSM.

For insurance contracts measured under the premium allocation approach, the Group recognises insurance revenue either over the coverage period of the group of insurance contracts or based on the expected pattern of insurance service expenses. The expected recognition pattern of insurance service expenses is used if the passage of the coverage period is not a true indication of services rendered to date.

For credit life insurance products, the Group recognises insurance revenue based on the passage of time. The Group recognises insurance revenue for health insurance contracts issued in the MMA segment over the expected recognition pattern of insurance service expenses. Guardrisk Insure, Guardrisk Life and Momentum Insure uses the passage of time to recognise insurance revenue on groups of insurance contracts measured under the premium allocation approach.

45.10.13 Insurance service expenses

Incurred claims and other expenses are recognised as liabilities for incurred claims. Liabilities for incurred claims are measured at the present value of expected cash flows and a risk adjustment for non-financial risk.

Incurred claims and other expenses are expensed when incurred and presented under insurance service expenses on the income statement. Insurance service expenses include, among others, allocated insurance acquisition cash flows, policy administration and maintenance expenses, claims expenses (including adjustments for past service), investment management expenses and overhead expenses attributable to the provision of insurance services. The recognition of losses and adjustments to previously recognised losses from onerous groups of insurance contracts are included in insurance service expenses on the income statement. Taxes which are directly recovered from policyholder benefits are included as fulfilment cash flows, but are presented as part of income tax expenses on the face of income statement. The remainder of incurred expenses are presented on the income statement.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.14 Insurance and reinsurance finance income and expense

Insurance finance income and expenses and reinsurance finance income and expenses are presented separately on the face of the income statement. The Group does not present a portion of insurance finance income and expenses in other comprehensive income.

For insurance contracts and reinsurance contracts, the Group makes use of forward interest rates obtained from risk-free yield curves, to determine the insurance finance income and expense for the unwind of the time value of money discount. In instances or jurisdictions where reliable market information is not available, the Group makes use of a stable risk-free interest rates as appropriate.

General measurement model

The unwind of the time value of money adjustment on fulfilment cash flows and the impact of changes in the discount rate and financial risks are included in insurance finance income and expenses. The accretion of interest to the contractual service margin (at interest rates determined at initial recognition of the group of contracts) is included in insurance finance income and expenses.

Variable fee approach

Changes in the amount due to the policyholder and the Group's share in the fair value of the underlying items, due to changes in the fair value of the underlying items are accounted for insurance finance income and expenses.

Premium allocation approach

In instances where the Group discounts fulfilment cash flows for insurance contracts issued and reinsurance contracts held for the impact of time value of money and financial risks, the unwind of the discount effect is included in insurance finance income and expenses.

45.10.15 Allocation of reinsurance premiums ceded

For groups of reinsurance contracts held measured under the general measurement model, the reinsurance premiums are expensed in the allocation of reinsurance premiums on the face of the income statement based on reinsurance recoveries expected in the reporting period, releases of the risk adjustment for non-financial risk and amortisation of the contractual service margin.

For groups of reinsurance contracts held measured under the premium allocation approach, the reinsurance premiums are expensed over the coverage period of the group of reinsurance contracts. The expected pattern of reinsurance recoveries is used if the passage of coverage period is not a true indication of the services received to date.

For credit life insurance products, the Group expenses reinsurance premiums based on the passage of time. Guardrisk Insure, Guardrisk Life and Momentum Insure uses the passage of time to allocate reinsurance premiums over the coverage period for groups of reinsurance contracts held measured in terms of the premium allocation approach.

45.10.16 Reinsurance commissions and recovery of claims incurred from reinsurers

Recoveries from reinsurers are recognised as assets for incurred claims, when the recovery of the claim has been incurred. Assets for incurred claims are measured at the present value of expected cash flows, taking into account the terms and conditions of the reinsurance treaty. The measurement of the asset for incurred claims includes a risk adjustment for non-financial risk ceded to the reinsurer. Recoveries from reinsurers are disclosed separately on the face of the income statement.

Reinsurance commission that is contingent on claims on the underlying contracts is accounted for as part of the claims that are expected to be reimbursed under the reinsurance contract held. Reinsurance commission that is not contingent on claims of the underlying contracts and is settled on a net basis with premiums ceded, is accounted for as a reduction in the premiums to be paid to the reinsurer.

The Group considers terms and conditions of reinsurance contracts regarding all forms of cash flows between the reinsurer and whether the Group renders a service to the reinsurer to identify an investment component. If in every scenario an amount is required to be repaid to the cedant an investment component is viewed to be present. Non-distinct investment components are measured at the amounts expected to be repaid by reinsurers.

45.10.17 In-substance reinsurance contracts held

The terms and conditions of the in-substance reinsurance contracts indicated that the contract boundary of these in-substance contracts include expected cash flows within a one-year period. The cell management fee may be renewed on an annual basis. The substantive right of the Group to receive reinsurance contract services is therefore limited to a 12-month period. The contract boundary includes cash flows linked to substantive rights and obligations until the next fee renewal date. The terms and conditions allow either the Group or the third-party cell owner to end the agreement with 12-months' notice. As a result, the Group accounts for the in-substance reinsurance contracts held in terms of the premium allocation approach.

Amounts due/received from the cell owner for the issue of ordinary or preference shares, are accounted for as amounts due to the third-party cell owner in the asset for remaining coverage. Repurchase of issued shares reduces amounts due to the third-party cell owner. The subscription amounts do not affect profit or loss before tax, except for the accretion of reinsurance finance income and expenses. Investment returns on underlying investments accrues to the cell owner and is accounted for as investment returns to third-party cell owners on the face of the income statement in net insurance and investment results. The investment returns to third-party cell owners is part of finance income and expenses on reinsurance contracts held.

Profits or losses accumulate in the reinsurance asset or liability for remaining coverage through the notional, gross transactions. The cash flows regarding dividends or capital (a net position) settle the rights and obligations created by the in-substance reinsurance contract.

Insurance premiums due or received on underlying insurance contracts are expensed as reinsurance premiums ceded, over the coverage period. In the instances where third-party reinsurance arrangements are in place or where the cell owner retains insurance risk, reinsurance premiums ceded are reduced appropriately. The financial effect of the in-substance reinsurance contract held is that claims and benefits incurred on underlying insurance contracts are recovered from the reinsurer.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.17 In-substance reinsurance contracts held continued

The recognition of insurance service expenses for incurred claims and other expenses should result in the recognition of an asset for incurred claims and recoveries from the reinsurer. If a portion of the insurance risk is retained by the Group or placed with a third-party reinsurer the amount of the asset for incurred claims and recoveries from the reinsurer is reduced appropriately.

Amounts earned by the Group that are contingent on claims are accounted for as part of recoveries from the reinsurer. Amounts earned by the Group that are not contingent on claims are accounted for as a reduction in reinsurance premiums ceded and expensed in the income statement. Examples of such amounts are fees and recoveries of expenses and income tax charges incurred.

The settlement mechanism results in a transfer of the asset for incurred claims to the asset or liability for remaining coverage at each reporting date. Fulfilment cash flows include the impact of possible non-performance by the third-party cell owner.

The in-substance reinsurance contracts held are disclosed as reinsurance contracts held on the income statement, the statement of financial position and the notes to the financial statements. The share subscription amounts and accumulated profits or losses are presented as capital balances and transactions with third-party cell owners.

45.10.18 Miscellaneous items

Cash-back benefits

Cash-back benefits are additional policyholder benefits included in insurance contracts. The cash-back payment is made to qualifying policyholders at the end of the cash-back benefit cycle. The Group accounts for the expected cash-back benefit payment by recognising a liability for incurred claims and a corresponding insurance service expense over the cash-back benefit cycle. The liability for incurred claims and insurance service expense is recognised when the underlying insurance contract is recognised or when the cash-back benefit feature is added to an existing insurance contract.

The liability for incurred claims for cash-back benefits includes the present value of expected fulfilment cash flows and a risk adjustment for non-financial risk included in the expected cash flows. The expected fulfilment cash flows are a probability-weighted average of possible cash flow scenarios.

At every reporting date and the settlement date, the Group adjusts the liability for incurred claims and insurance service expenses with the present value of changes in the expected cash-back benefit payment and the risk adjustment. The unwind of the discount to expected cash-back benefit cash flows is recognised in the insurance service finance income and expenses. The settlement of the actual cash-back benefit payment reduces the liability for incurred claims. The liability for incurred claims is derecognised when the cash-back benefit obligation is settled in full or if the policyholder forfeits the expected cash-back benefit payment.

The Group applied judgement in concluding that the inclusion of the cash-back benefit in an insurance contract does not affect the contract boundary of the insurance contract as the coverage period of the insurance contract is not affected by the cash-back benefit feature. The Group applied judgement in concluding that the cash-back benefit is a policyholder benefit and not a return of premiums, as the cash-back benefit feature is an optional benefit that can be selected by the policyholder at an additional premium and payment of the cash-back benefit payment is partially dependent on whether the policyholder submitted a claim for an insured event.

The measurement of the liability for incurred claims and the insurance service expenses includes assumptions regarding policy lapse rates and frequency of claims.

Variances between estimated and actual premium cash flows

In the accounting policy reference to "premium variance" includes variances on premiums and related cash flows, such as commission expenses. Per group of insurance contracts, the premium variances relate in total to either future services or past services.

Premium variances on insurance contracts with a coverage period of 12 months or less relate to current or past insurance contract services and are accounted for in insurance service revenue when the variances take place.

Premium variances on insurance contracts with long coverage periods relate primarily to future insurance contract services and are included in the contractual service margin or allocated to the loss component of the group of insurance contracts.

The Group performs an assessment of whether pre-funding of insurance obligations exist for specific portfolios of insurance contracts to assist in determining whether premium variances are applicable to current service or future service. This assessment is performed on an annual basis.

For insurance contracts measured under the variable fee approach, where premiums received are invested in underlying assets backing the insurance contract, the premium variances relate to current or past insurance contract services provided and are accounted for in the obligation to pay the policyholder an amount equal to the fair value of the underlying items. Premium variances on premiums that collect fees and charges from policyholders are accounted for in the contractual service margin or the loss component of the group of insurance contracts. Changes in the Group's variable fee caused by the premium variance, should be accounted for in the CSM and released to insurance service revenue over the coverage period.

Profitable premium variances regarding future insurance contract services increase the contractual service margin or reduce the loss component of the liability for remaining coverage, by reversing onerous losses previously recognised in insurance service expenses. Loss-making premium variances regarding future insurance services reduce the contractual service margin or increase the loss component of the liability for remaining coverage by increasing onerous losses previously recognised in insurance service expenses.

For insurance contracts measured under the premium allocation approach, insurance service revenue is based on the expected amount of premium receipts over the coverage period. At every reporting date the estimate is adjusted for premium variances to ensure that total insurance service revenue equates to the premiums received.

Premium variances on insurance contracts managed on a bordereaux-basis are accounted for as part of insurance service expenses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.18 Miscellaneous items continued

Accounting for insurance contracts, investment contracts with discretionary participation features or reinsurance contracts held acquired through a business combination or a transfer of a portfolio of contracts

The acquired contracts are allocated into portfolios and groups of insurance contracts as if the contracts were issued by the Group on the acquisition date. The allocation of contracts into groups of contracts makes use of facts and circumstances on the acquisition date, regardless of when the contracts were issued or entered originally. The premium allocation approach and variable fee approach eligibility assessments are performed considering the facts and circumstances on the acquisition date.

General measurement model and variable fee approach

On the acquisition date the Group determines the remaining fulfilment cash flows of the acquired group of contracts. The consideration received/receivable or paid/payable for the specific group of contracts are added to the remaining fulfilment cash flows to calculate the contractual service margin or loss component on the acquisition date. The inclusion of the consideration received or paid ensures that the contractual service margin or loss component reflects the total, estimated economic impact of the acquisition of the group of contracts.

If the group of insurance contracts, investment contracts with discretionary participation features or reinsurance contracts held were acquired in a business combination, the fair value of the respective group of contracts is used as the consideration paid or received.

An onerous loss recognised on the acquisition of an onerous group of contracts is accounted for as an increase in goodwill or decrease in the gain on bargain purchase on a business combination. The loss component is a ring-fenced part of the existing liability for remaining coverage. A contractual service margin recognised on the acquisition of the group of contracts will be recognised into insurance service revenue over the coverage period.

If the acquisition of a group of contracts is not a business combination, a loss component recognised at the acquisition date is accounted for in insurance service expenses. The loss component is a ring-fenced part of the liability for remaining coverage and is not recognised as an additional liability.

Premium allocation approach

The consideration received or paid for the group of contracts is accounted for as the balance of the liability for remaining coverage on the acquisition date. The consideration received is recognised in insurance service revenue in the same manner as expected premium inflows. The consideration paid is recognised as insurance acquisition cash flows and accounted for according to the accounting policy for insurance acquisition cash flows.

If the group of contracts is onerous at the acquisition date (as a result of the consideration paid or otherwise), the onerous loss is recognised in insurance service expenses and a loss component is recognised in the liability for remaining coverage. If the acquisition of the group of contracts was a business combination, the onerous loss is accounted for in goodwill or gain on a bargain purchase.

Reinsurance contracts held

If a group of acquired insurance contracts or investment contracts with discretionary participation features are onerous at the acquisition date, the loss-recovery component in the acquired asset of remaining coverage is calculated as the amount of the loss component times the expected recovery percentage. If the group of contracts were acquired in a business combination the amount of the loss-recovery component is accounted for in goodwill or a gain on bargain purchase. If the group of contracts were not acquired in a business combination, the amount of the loss-recovery component is accounted for in profit or loss.

Insurance acquisition cash flows

In the instance where the acquiree incurred insurance acquisition cash flows prior to the acquisition date and the cash flows are directly attributable to the portfolio of insurance contracts acquired, the Group recognises an insurance acquisition cash flow asset at fair value for the right to obtain future insurance contracts that are renewals of contracts acquired at the acquisition date and for the right to obtain future, newly issued insurance contracts. Last mentioned right is restricted to the extent that the Group is not required to incur further insurance acquisition cash flows to obtain the mentioned future insurance contracts.

Intercompany fees

Various entities within the Group assist in the fulfilling of the obligations under insurance contracts or investment contracts with discretionary participation features. These companies provide a range of services including investment management services, administration service, collection services, rental or information technology support. The costs underlying these services are charged to the issuer of the mentioned contracts through an intercompany fee.

The measurement of fulfilment cash flows in the separate financial statements of the issuer of the contracts includes the intercompany fee charged by the service provider. The measurement of the fulfilment cash flows in the consolidated financial statements of the Group, that includes both the issuer of the contracts and the service provider also includes the intercompany fee charged by the service provider. The treatment involves management judgement in concluding that the intercompany fees materially approximate the fulfilment cash flows from the perspective of the service provider.

Own equity instruments

The Group holds own equity instruments to back insurance contracts, measured under the variable fee approach, and investment contracts. Where the investment returns on the own equity instruments impact policyholder benefits, the Group accounts for own equity instruments as financial assets at fair value through profit or loss, dividend income on these instruments in investment income and fair value gains or losses on these instruments in net realised and unrealised fair value gains.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.18 Miscellaneous items continued

Value added tax

Insurance revenue and claims included in insurance service expenses do not include VAT. Other insurance service expenses include input VAT amounts not recoverable from revenue authorities.

Through non-life insurance businesses, the Group collects output VAT in premiums and reinsurance recoveries on behalf of revenue authorities and recovers input VAT in claim payments, expenses and amounts due to reinsurers, from revenue authorities.

VAT to be collected by Momentum Insure and Guardrisk Insure as part of premiums and reinsurance recoveries and to be paid as part of claims and reinsurance premiums are included in the measurement of insurance contract assets and liabilities and reinsurance contract assets and liabilities. This ensures that the amounts due are reflected at VAT inclusive amounts as appropriate.

Contingency policies

Contingency policies issued by Guardrisk Insure are accounted for as insurance contracts. Policyholders' share in the profits of the contingency policies are accounted for as non-distinct investment components. When insurance claims covered by reinsurance contracts are incurred, an insurance service expense equal to the amount recoverable from the reinsurer is recognised, with the balance of the incurred insurance claim being recovered from the non-distinct investment component. In other instances, incurred claims are recovered from the non-distinct investment component.

Fair value approach – transition to IFRS 17

The Group measured groups of insurance contracts and reinsurance contracts in terms of the fair value approach on 1 July 2022. The fair value measurement incorporated information regarding the item being measured at the measurement date. The fair value approach resulted in the calculation of the CSM or loss component as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows for the group of contracts at 1 July 2022. Excess of the fair value over the fulfilment cash flows was accounted for as a CSM, while excess of fulfilment cash flows over the fair value was accounted for as a loss component. Differences between the fair value and fulfilment cash flows of a group of reinsurance contracts held on 1 July 2022, was accounted for a CSM. The loss-recovery component was calculated by multiplying the loss component of the underlying group of insurance contracts with the percentage of claims the Group expects to recover from the reinsurer.

Deferred revenue liability

A deferred revenue liability is recognised in respect of fees paid at inception of the contract by the policyholder that are directly attributable to a contract. The deferred revenue liability is then released to revenue as the investment management services are provided over the expected duration of the contract, as a constant percentage of expected gross profit margins (including investment income) arising from the contract. The pattern of expected profit margins is based on historical and expected future experience and is updated at the end of each accounting period. The resulting change to the carrying amount of the deferred revenue liability is recognised in revenue and falls within the scope of IFRS 15.

Deferred acquisition costs (DAC)

Refer to the intangible assets section of the accounting policies.

Amounts received and claims incurred

Premiums received under investment contracts are recorded as deposits to investment contract liabilities and claims incurred are recorded as deductions from investment contract liabilities.

45.11 Financial liabilities

Recognition and measurement

The Group classifies its financial liabilities into the following categories:

- Financial liabilities at FVPL
- Financial liabilities at amortised cost

The classification depends on the purpose for which the financial liabilities were acquired. Management determines the classification of its financial liabilities at initial recognition.

- **Financial liabilities at FVPL**

This category has two subcategories: financial liabilities held for trading and those designated at FVPL at inception.

A financial liability is classified as held for trading at inception if it is acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading. Derivatives held for trading are classified as mandatorily at FVPL.

Financial liabilities are designated as at FVPL at inception if they are:

- eliminating or significantly reducing an accounting mismatch that would otherwise arise from measuring assets and liabilities or recognising the gains and losses on them on different bases; or
- managed, with their performance being evaluated on a fair value basis; or
- a financial instrument that includes a significant embedded derivative that clearly requires bifurcation.

A financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.11 Financial liabilities continued

Recognition and measurement continued

Financial liabilities at FVPL continued

The fair value of financial liabilities quoted in active markets is based on current market prices. Alternatively, where an active market does not exist, fair value is derived from cash flow models or other appropriate valuation models allowing for the Group's own credit risk. These include the use of arm's length transactions, DCF analysis, option pricing models and other valuation techniques commonly used by market participants, making maximum use of market input and relying as little as possible on entity-specific input.

Financial liabilities are derecognised when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Financial liabilities, such as callable notes which are listed on the JSE interest rate market and CIS liabilities (representing the units in CISs where the Group consolidates the CISs and is required to disclose the value of the units not held by the Group as liabilities) are managed, with their performance being evaluated on a fair value basis and designated at FVPL. Carry positions (refer below) are designated at FVPL as it reduces an accounting mismatch. These financial liabilities are recognised initially at fair value, with transaction costs being expensed in the income statement, and are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the value of financial liabilities at FVPL are included in the income statement in the period in which they arise. Changes in the fair value of the financial liability that relates to changes in own credit risk is recognised in other comprehensive income if it does not create an accounting mismatch. Interest on the callable notes and carry positions are disclosed separately as finance costs using the *effective interest rate method*.

Carry positions

Carry positions consist of sale and repurchase of assets agreements. These agreements contain the following instruments:

- Repurchase agreements: financial liabilities consisting of financial instruments sold with an agreement to repurchase these instruments at a fixed price at a later date. These financial liabilities are classified as financial liabilities at FVPL.
- Reverse repurchase agreements: financial assets consisting of financial instruments purchased with an agreement to sell these instruments at a fixed price at a later date. These financial assets are classified as financial instruments at FVPL.

Where financial instruments are sold subject to a commitment to repurchase them, the financial instrument is not derecognised and remains in the statement of financial position and is valued according to the Group's accounting policy relevant to that category of financial instrument. The proceeds received are recorded as a liability (*carry positions*) carried at fair value as it reduces an accounting mismatch.

Conversely, where the Group purchases financial instruments subject to a commitment to resell these at a future date and the risk of ownership does not pass to the Group, the consideration paid is included under financial assets carried at fair value where they are managed on a fair value basis.

The difference between the sale and repurchase price is treated as finance cost and is accrued over the life of the agreement using the *effective interest rate method*.

Financial liabilities at amortised cost

Financial liabilities that are neither held for trading nor at fair value are measured at amortised cost. Financial liabilities at amortised cost are recognised initially at fair value plus transaction cost that are directly attributable to the acquisition of the financial liability. These financial liabilities are then subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the liability using the *effective interest rate method*.

Convertible redeemable preference shares and convertible bonds

Compound financial instruments issued by the Group comprise convertible preference shares that can be converted to ordinary share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. At initial recognition, the fair value of the liability component of the convertible redeemable preference shares is determined by discounting the net present value of future cash flows, net of transaction costs, at market rate at inception for a similar instrument without the conversion option. This amount is recorded as a liability on the amortised cost basis, using the effective interest rate method, until extinguished on conversion of the preference shares. The remainder of the proceeds is allocated to the conversion option, which is recognised and included in shareholder equity. The value of the equity component is not changed in subsequent periods. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. The dividends on these preference shares are recognised in the income statement in finance costs.

Other payables

Other payables are initially carried at fair value and subsequently at amortised cost using the *effective interest rate method*.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement. Changes in own credit risk allocated to other comprehensive income is not recognised in the income statement when derecognised, but rather transferred within equity.

45 Material Group accounting policies continued

45.12 Deferred income tax

Measurement

Deferred income tax is provided for in full, at current tax rates and in terms of laws substantively enacted at the reporting date in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, using the liability method. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax assets, including tax on capital gains, are recognised for tax losses and unused tax credits and are carried forward only to the extent that realisation of the related future tax benefit is probable. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In respect of temporary differences arising from the fair value adjustments on investment properties, deferred taxation is provided at the capital gains effective rate, as it is assumed that the carrying amount will be recovered through sale.

Offsetting

Deferred tax assets and liabilities are set off when the income tax relates to the same fiscal authority and where there is a legal right of offset at settlement in the same taxable entity.

45.13 Current taxation

Measurement

Current tax is provided for at the amount expected to be paid, using the tax rates and in respect of laws that have been substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Individual policyholder tax and corporate policyholder tax is included in tax on contract holder funds in the income statement.

Offsetting

Current tax assets and liabilities are set off when a legally enforceable right exists and it is the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Dividend withholding tax (DWT)

DWT is levied on the shareholders (or beneficial owners) receiving the dividend, unless they are exempt in terms of the amended tax law. DWT is levied at 20% of the dividend received. The DWT is categorised as a withholding tax, as the tax is withheld and paid to tax authorities by the company paying the dividend or by a regulated intermediary and not by the beneficial owner of the dividend. Where a non-exempt Group company is a beneficial owner of the dividend, the DWT is recorded as an expense in the income statement when the dividend income is earned.

45.14 Indirect taxation

Indirect taxes include various other taxes paid to central and local governments, including value added tax (amount that cannot be claimed) and regional service levies. Indirect taxes are disclosed as part of operating expenses in the income statement.

45.15 Provisions

Provisions are recognised when, as a result of past events, the Group has a present legal or constructive obligation of uncertain timing or amount, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. The pre-tax discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

45.16 Contingent liabilities

Contingent liabilities are reflected when the Group has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or it is possible but not probable that an outflow of resources will be required to settle a present obligation, or the amount of the obligation cannot be measured with sufficient reliability.

45.17 Employee benefits

Pension and provident fund obligations

The Group provides defined benefit pension schemes as well as defined contribution pension and provident schemes. The schemes are funded through payments to trustee-administered funds, determined by periodic actuarial calculations.

Post-retirement medical aid obligations

The Group provides a subsidy in respect of medical aid contributions on behalf of qualifying employees and retired personnel. An employee benefit obligation is recognised for these expected future medical aid contributions. This obligation is calculated using the projected unit credit method, actuarial methodologies for the discounted value of contributions and a best estimate of the expected long-term rate of investment return, as well as taking into account estimated contribution increases. The entitlement to these benefits is based on the employees remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment. The actuarial gains and losses are recognised as they arise. The increase or decrease in the employee benefit obligation for these costs is charged to other comprehensive income.

Short-term benefits

Short-term benefits consist of salaries, accumulated leave payments, bonuses and other benefits such as medical aid contributions. These obligations are measured on an undiscounted basis and are expensed as the service is provided. A liability is recognised for the amount to be paid under bonus plans or accumulated leave if the Group has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.17 Employee benefits continued

Share-based compensation

The Group operates equity-settled and cash-settled share-based compensation plans.

Equity-settled compensation plans

The fair value of the employee services received in exchange for the grant of the holding company shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted at grant date, excluding the impact of any non-market-related vesting conditions. Market and non-vesting conditions are reflected in the fair value at grant date. Non-market-related vesting conditions, such as the resignation of employees and retrenchment of staff, are included in assumptions regarding the number of shares expected to vest, which are revised at every reporting date. The impact of the revision of original estimates, if any, is recognised in the income statement, and a corresponding adjustment is made to equity. The vesting of units are accelerated by the entity in the event that the employee dies, is retrenched or retires. Any remaining element of the fair value of the award is expensed immediately through profit or loss. Where an employee resigns any unvested units are forfeited by the employee.

The fair value of equity instruments granted is determined by using standard option pricing models. The valuation technique is consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporates all factors and assumptions that knowledgeable, willing market participants would consider in setting the price of the equity instrument.

Cash-settled compensation plans

The Group recognises the value of the services received (expense), and the liability to pay for those services, as the employees render service. The liability is measured, initially, and at each reporting date until settled, at the fair value appropriate to the scheme, taking into account the terms and conditions on which the rights were granted, and the extent to which the employees have rendered services to date, excluding the impact of any non-market-related vesting conditions. Non-market-related vesting conditions are included in the assumptions regarding the number of units expected to vest. These assumptions are revised at every reporting date. The impact of the revision of original estimates, if any, is recognised in the income statement, and a corresponding adjustment is made to the liability.

45.18 Assets and liabilities relating to disposal groups held for sale

Assets, liabilities or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This classification is only met if the sale is highly probable and the assets, liabilities or disposal groups are available for immediate sale.

In light of the Group's primary business being the provision of insurance and investment products, non-current assets held as investments for the benefit of policyholders are not classified as held for sale as the ongoing investment management implies regular purchases and sales in the ordinary course of business.

Immediately before classification as held for sale, the measurement (carrying amount) of assets and liabilities in relation to a disposal group is recognised based upon the appropriate IFRS Accounting Standards. On initial recognition as held for sale, the assets and liabilities are recognised at the lower of the carrying amount and fair value less costs to sell.

Any impairment losses on initial classification to held for sale are recognised in the income statement.

The assets, liabilities or disposal groups held for sale will be reclassified immediately when there is a change in intention to sell. Subsequent measurement of the asset, liability or disposal group at that date will be the lower of:

- its carrying amount before the asset, liability or disposal group was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset, liability or disposal group not been classified as held for sale; and
- its recoverable amount at the date of the subsequent decision not to sell.

45 Material Group accounting policies continued

45.19 Share capital

Share capital is classified as equity where the Group has no obligation to deliver cash or other assets to shareholders. Ordinary shares with discretionary dividends are classified as equity. Preference shares issued by the Group are classified as equity when there is no obligation to transfer cash or other assets to the preference shareholders. The dividends on these preference shares are recognised in the statement of changes in equity. For compound instruments, e.g. convertible redeemable preference shares, the component representing the value of the conversion option at the time of issue is included in equity.

Issue costs

Incremental external costs directly attributable to the issue of new shares are recognised in equity as a deduction, net of tax, from the proceeds. All other share issue costs are expensed.

Treasury shares

Treasury shares are equity share capital of the holding company held by subsidiaries, consolidated CIs and share trusts, irrespective of whether they are held in shareholder or contract holder portfolios. The consideration paid, including any directly attributable costs, is eliminated from shareholder equity on consolidation until the shares are cancelled or reissued. If reissued, the difference between the carrying amount and the consideration received for the shares, net of attributable incremental transaction costs and the related income tax effects, is included in share premium.

45.20 Dividends declared

Dividends declared to shareholders of the Company are recognised on declaration date.

45.21 Puttable non-controlling interests

Puttable non-controlling interests represent put options granted to non-controlling interests of subsidiaries, entitling the non-controlling interests to dispose of their interest in the subsidiaries to the Group at contracted dates.

Recognition and measurement

A financial liability at FVPL is recognised, being the present value of the estimated purchase price value discounted from the expected option exercise date to the reporting date. In raising this liability, the non-controlling interest is derecognised and the excess of the liability is debited to retained earnings.

The estimated purchase price is reconsidered at each reporting date and any change in the value of the liability is recorded in net realised and unrealised fair value gains in the income statement. Interest in respect of this liability is calculated using the *effective interest rate method* and recorded within finance costs.

45.22 Income recognition

Income comprises the fair value of services, net of value added tax, after eliminating income from within the Group. Income is recognised as follows:

45.22.1 Fee income

Contract administration

Fees charged for investment management services provided in conjunction with an investment contract are recognised as income as the services are provided over the expected duration of the contract, as a constant percentage of expected gross profit margins; or as a constant percentage of assets under management; or as a fixed fee. Initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and released on a straight-line basis over the lives of the contracts.

Trust and fiduciary fees received

Fees received from asset management, retirement fund administration and other related administration services offered by the Group are recognised in the accounting period in which the services are rendered. Services are rendered over the expected duration of the contract, except for performance fees which are recognised at a point in time when the performance obligations are met. Where initial fees are received, these are deferred and recognised over the average period of the contract. This period is reassessed annually.

Health administration fee income

Fees received from the administration of health schemes are recognised in the accounting period in which the services are rendered. Services are rendered over the expected duration of the contract.

Cell captive commission

Cell captive fee income includes management fees, which relates to the managing of the cell. Management fees are negotiated with each cell shareholder and are generally calculated as a percentage of premiums received and/or as a percentage of assets. Income is brought to account on the effective commencement or renewal dates of the policies and is recognised over the duration of the contract. A portion of the income is deferred to cover the expected servicing costs, together with a reasonable profit thereon and is recognised as a liability. The deferred income is brought to account over the servicing period on a consistent basis reflecting the pattern of servicing activities.

Other fee income

Administration fees received and multiply fee income are recognised as the service is rendered. Services are rendered over the expected duration of the contract.

Other fees received include scrip lending fees (which are based on rates determined per contract) and policy administration fees that are also recognised as the service is rendered. Scrip lending fees are recognised over the duration of the contract. Policy administration services are rendered either at a point in time or over the duration of the contract depending on when the performance obligations are met.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.22 Income recognition continued

45.22.2 Investment income

Interest income

Interest income is recognised in the income statement, using the *effective interest rate method* and taking into account the expected timing and amount of cash flows. Interest income includes the amortisation of any discounts or premiums or other difference between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on the *effective interest rate method*.

Dividend income

Dividends received are recognised when the right to receive payment is established. Where it is declared out of retained earnings, dividend income includes scrip dividends received, irrespective of whether shares or cash is elected. Dividend income is not recognised when shares of the investee are received and the shareholders receive a pro rata number of shares, there is no change in economic interest of any investor and there is no economic benefit associated with the transaction.

Rental income

Rental income from operating leases is recognised on the straight-line method over the term of the rental agreement.

45.23 Expense recognition

Other expenses include auditors' remuneration, consulting fees, direct property expenses, information technology expenses, marketing costs, indirect taxes and other expenses not separately disclosed, and are expensed as incurred.

45.23.1 Finance costs

Finance costs incurred on qualifying property assets are capitalised until such time as the assets are substantially ready for their intended use. Qualifying assets are those that necessarily take a substantial period of time to get ready for their intended use. Capitalisation is ceased when substantially all activities necessary to prepare the asset for intended use or sale are complete. All other finance costs are recognised in the income statement, using the *effective interest rate method*, and taking into account the expected timing and amount of cash flows.

Finance costs include the amortisation of any discounts or premiums or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on the *effective interest rate method*.

45.24 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Group Executive Committee that makes strategic decisions. Refer to segmental report for more details.

46 Non-current assets held for sale

Assets and liabilities held for sale

At 30 June 2025	Notes	2025 Rm	2024 Rm
ASSETS			
Owner-occupied properties		13	-
Fixed assets		11	-
Investment properties		58	338
Financial assets at fair value through profit and loss		87	-
Financial assets at amortised cost		684	-
Insurance contract assets	10.1.1	11	-
Reinsurance contract assets	11.1.1	4	-
Current income tax assets		10	-
Cash and cash equivalents		72	-
Total assets		950	338
LIABILITIES			
Insurance contract liabilities	10.1.1	592	-
Financial instruments at amortised cost		11	-
Employee benefit obligations		6	-
Other payables		14	-
Total liabilities		623	-

The Group has classified its Ghana operations as held for sale under IFRS 5.

The fair value less costs to sell is greater than the net asset value of the underlying entities, therefore no impairment loss has been recognised on the classification of the operations as held for sale.

In addition, the Group has entered into a sales agreement for the sale of one property (Momentum Investments segment). The asset has therefore been classified as held for sale. The property type is other. The property is classified as level 3. Refer to note 5 for information on the valuation techniques and significant inputs relating to these types of properties. An increase in either the capitalisation rate, or discount rate or vacancy rate would result in the fair value of the property decreasing. A decrease in the capitalisation rate, or discount rate or vacancy rate would result in the fair value of the property increasing.

In the prior year, the Group entered into a sales agreement for the sale of three properties (Momentum Investments segment). The property types were industrial and other. All three properties were classified as level 3.

The Group's interest in the assets mentioned above has been classified as held for sale in the statement of financial position as at 30 June 2025. This judgement was made based on the facts and circumstances, which existed at that date when a formal assessment was made of whether the assets should be classified as held for sale. The Group is satisfied that it meets all the criteria required in order to classify these assets as held for sale. The sale of the asset held for sale in the current year is expected to occur within the next 12 months.

MOMENTUM GROUP LTD

Audited Annual Financial Statements

for the year ended 30 June 2025

CONTENTS

251	Statement of financial position
251	Income statement
252	Statement of comprehensive income
252	Statement of changes in equity
253	Statement of cash flows
254	Notes to the financial statements

STATEMENT OF FINANCIAL POSITION

at 30 June 2025

	Notes	2025 Rm	2024 Rm
Assets			
Interest in subsidiary companies	2	28 976	28 629
Financial instruments		886	865
Financial assets at fair value through profit or loss	3	703	613
Financial assets at amortised cost	4	183	252
Non-financial assets		-	4
Cash and cash equivalents	5	514	206
Total assets		30 376	29 704
Equity attributable to owners of the Company			
Share capital and share premium	6	17 865	17 865
Other components of equity	7	151	126
Retained earnings		11 803	11 263
Total equity		29 819	29 254
Liabilities			
Financial instruments		68	23
Financial liabilities at amortised cost	8.1	-	-
Financial guarantee contracts	8.2	68	23
Other payables	9	485	426
Current income tax liability	10.1	4	1
Total liabilities		557	450
Total equity and liabilities		30 376	29 704

INCOME STATEMENT

For the year ended 30 June 2025

	Notes	2025 Rm	2024 Rm
Investment income	11	4 189	3 663
Interest income – amortised cost		31	51
Dividend income – included in revenue ¹		4 072	3 534
Interest income – other ¹		86	78
Other income	13	1	19
Net realised and unrealised fair value gains	12	14	40
Net income		4 204	3 722
Impairment charge on loan assets and financial guarantees		84	59
Net impairment charge on investment in subsidiaries		30	8
Other expenses	14	59	82
Expenses		173	149
Results of operations		4 031	3 573
Finance costs	15	-	(37)
Profit before tax		4 031	3 536
Income tax	10.2	(12)	(30)
Earnings for the year attributable to owners of the Company		4 019	3 506

¹ In the prior year, "interest income – other" and "dividend income – included in revenue" was aggregated as "investment income – other". In the current year, this was disaggregated to provide more useful information to a user and is deemed immaterial.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2025

	2025 Rm	2024 Rm
Earnings for the year	4 019	3 506
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to owners of the Company	4 019	3 506

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Notes	Share capital Rm	Retained earnings Rm	Other components of equity Rm	Total attributable to owners of the Company Rm
Balance at 1 July 2023		17 601	10 448	226	28 275
Total comprehensive income		-	3 506	-	3 506
IFRS 2 extension charge	7.1	-	-	12	12
Shares repurchased	6	-	(1 000)	-	(1 000)
Dividends declared ¹		-	(1 833)	-	(1 833)
Conversion of preference shares	6	264	-	-	264
Transfer to retained earnings	7.1	-	142	(142)	-
Equity-settled share-based payments	7.2	-	-	30	30
Balance at 1 July 2024		17 865	11 263	126	29 254
Total comprehensive income		-	4 019	-	4 019
IFRS 2 extension charge		-	-	-	-
Shares repurchased	6	-	(1 403)	-	(1 403)
Dividends declared ²		-	(2 076)	-	(2 076)
Conversion of preference shares		-	-	-	-
Transfer to retained earnings		-	-	-	-
Equity-settled share-based payments	7.2	-	-	25	25
Balance at 30 June 2025		17 865	11 803	151	29 819

¹ Included in the dividends declared was the final ordinary dividend of 70 cents per share which was declared on September 2023 by the Board and an interim ordinary dividend of 60 cents per share which was declared in March 2024 by the Board, resulting in a total ordinary dividend of 130 cents per share.

² Included in the dividends declared is the final ordinary dividend of 65 cents per share which was declared on 25 September 2024 by the Board and an interim ordinary dividends of 85 cents per share which was declared in March 2025 by the Board, resulting in a total ordinary dividend of 150 cents per share.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Notes	2025 Rm	2024 Rm
Cash flow from operating activities			
Cash generated by/(utilised in) operations	16.1	11	(20)
Dividends received		4 049	3 512
Interest received		31	57
Income tax paid	16.2	-	-
Interest paid	16.3	-	(47)
Net cash inflow from operating activities		4 091	3 502
Cash flow from investing activities			
Additions in investments in subsidiary companies		(285)	(687)
Loans advanced by the entity to related parties		(16)	(18)
Loans repaid by related party measured at amortised cost		-	258
Net cash outflow from investing activities		(301)	(447)
Cash flow from financing activities			
Shares repurchased and cancelled		(1 403)	(1 000)
Loans advanced from related parties to the entity	16.4.1	900	180
Loans repaid by the entity to related parties	16.4.2	(900)	(430)
Dividends paid		(2 079)	(1 830)
Net cash outflow from financing activities		(3 482)	(3 080)
Net cash flow		308	(25)
Cash and cash equivalents at beginning		206	231
Cash and cash equivalents at end	5	514	206
Non-cash investing activities:			
Investment in subsidiary companies		118	-
Disposal of subsidiary companies		(95)	-

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation and accounting policies

The basis of preparation and accounting policies of the Company are the same as that of the Group, as set out in the Group financial statements. These financial statements should be read in conjunction with the Group financial statements.

2 Interest in subsidiary companies

	2025 Rm	2024 Rm
Cost less impairment ¹⁻⁵	28 973	28 626
Loans to subsidiary companies (note 40) ³	3	3
	28 976	28 629
Opening balance	28 629	27 919
Cost of interest in subsidiaries acquired ¹	447	688
Equity-settled share-based payments Investment ²	25	30
Disposals of interest in subsidiaries ⁴	(95)	-
Impairment expense of investment in subsidiaries ⁵	(30)	(8)
Closing balance	28 976	28 629

General

Details of interests in subsidiary companies are disclosed in note 41 of the Group financial statements.

1 Additions to the cost of subsidiaries and other movements

The Company made capital injections of R190 million (2024: R105 million) into Metropolitan International Holdings (Pty) Ltd (MIH), R95 million into Momentum Trust Ltd. In the prior year, the Company made a capital injection of R582 million into Momentum Strategic Investments (Pty) Ltd (MSI). The capital injections into MIH and Momentum Trust in the current year were fully funded through cash.

The Company, MIH and Molope (Pty) Ltd are in the process of restructuring the Momentum Group Africa business operations in Botswana by using Molope as the new holding company in Botswana. To effect the restructure:

- Momentum Metropolitan Life Ltd distributed Momentum Life Botswana (Pty) Ltd (MLB) shares as a dividend in specie to Momentum Group Ltd valued at R22 million.
- Momentum Group Ltd sold and transferred the MLB shares for R22 million and Metropolitan Life of Botswana Ltd shares for R73 million to MIH in exchange for the allotment and issue to it of the MIH shares.

The Company entered into a financial guarantee contract valued at R36 million with Investec Bank Ltd (Investec) on behalf of MSI, for the new preference share funding MSI received during the year. The financial guarantee contracts are disclosed in note 8.2.

The Company provides the noteholders of the MML listed subordinated debt with a guarantee, whereby if MML defaults on any of the performance obligations of MML in respect of the issued debt, the Company will step in and take over the obligations towards the noteholders to the extent that the Company remains solvent after such payments. The financial guarantee contract is valued at R26 million at reporting date with R10 million capitalised to the investment in subsidiary at initial recognition. The financial guarantee contracts are disclosed in note 8.2.

2 Equity-settled share-based payment

Momentum Group has made available an Employee Share Ownership Plan to its employees through the iSabelo Trust. iSabelo is structured to benefit all permanent employed South African based employees to promote inclusivity.

These units are allocated on a deferred delivery basis over a seven-year period. All units need to be held for an initial period of 10 years (lock in period) before they can be redeemed for Momentum Group Ltd shares. At the end of the lock in period, the iSabelo Trust will exchange the units for Momentum Group Ltd shares.

The investment in subsidiaries is as a result of the iSabelo share-based transaction, for which the Company has the responsibility to settle the amount raised in the respective subsidiaries with its own shares.

3 Loans to subsidiary companies

The loans to subsidiary companies are not of a commercial nature and are therefore interest-free, with no fixed repayment terms. These loans are intended to provide the subsidiaries with a long-term source of additional capital and are disclosed as part of the investment in subsidiary. The Company can recall these loans when cash is required. The additional loans to subsidiaries that are of an operational nature are disclosed as loans to subsidiaries at amortised cost. Loans to subsidiaries are measured at amortised cost. Refer to note 4 for disclosure of loans to subsidiaries.

4 Disposals

The Company disposed of its entire holding in Momentum Life Botswana (Pty) Ltd for R22 million and sold its entire holding in Metropolitan Life of Botswana Ltd for R73 million to MIH due to the Momentum Africa restructure. There was no profit or loss on disposal of Metropolitan Life of the Botswana shares.

2 Interest in subsidiary companies continued

⁵ Impairment

Investments in subsidiaries are measured at cost less accumulated impairment and are assessed for impairment when there is an indication of impairment. Investments in subsidiaries are considered impaired where the recoverable amount is below its carrying amount. The recoverable amount of a subsidiary is the higher of its value in use and its fair value less cost to sell.

The valuations used cash flow projections which are based on financial budgets approved by management and the Board covering a five-year period. In 2025, the expected cash flows were discounted at a risk discount rate of 16.75% (2024: 18.0%).

In the current year, Momentum Trust Ltd was impaired by R42 million, Momentum Group-Wide Services (Pty) Ltd (previously Momentum Metropolitan Infrastructure & Operations (Pty) Ltd) had an impairment reversal of R10 million and Momentum Finance Company had an impairment reversal of R1 million. The lower net asset value in Momentum Trust was as a result of decrease in earnings in the current year.

In the prior year, Momentum Finance Company (Pty) Ltd was impaired by R9 million, Metropolitan Capital (Pty) Ltd was impaired by R1 million and Momentum Group-Wide Services (Pty) Ltd had an impairment reversal of R2 million. The lower net asset value in MFC was as a result of decrease in earnings in the prior year. These investments were impaired to their fair value based on their underlying net assets i.e. net asset value.

Refer to note 41 of the Group financial statements for the recoverable amounts of the investments.

3 Financial assets at fair value through profit or loss

	2025 Rm	2024 Rm
Equity securities	22	20
Preference shares ¹	679	593
Derivative financial assets	2	-
	703	613
Current	-	-
Non-current	703	613
	703	613

¹ In 2021, the Company subscribed to 402 313 redeemable preference shares for R1 000 per share in Momentum Isabelo (RF) (Pty) Ltd (previously Momentum Metropolitan Isabelo (RF) (Pty) Ltd) (iSabelo) as part of a capital contribution into the Employee Share Option Programme (ESOP) Trust. The preference shares accrue interest at 120% of prime, compounded semi-annually and mature on 10 December 2027. The preference shares are unsecured however full settlement of the receivable is dependent on the value of the shares held in the trust at the time of settlement.

Refer to note 18.6 of the Group financial statements for details on the ESOP transaction.

A schedule of equity securities is available for inspection at the Company's registered office.

4 Financial assets at amortised cost

	2025 Rm	2024 Rm
Loans to related parties	183	252
Loans to subsidiary companies (note 41)	301	286
Less: provision for impairment on loans to subsidiary companies	(153)	(69)
Loans to associates	1	1
Preference shares	34	34
Total financial assets at amortised cost	183	252
Current	182	251
Non-current	1	1
	183	252

Terms and conditions of material loans

- Loans to subsidiary companies are interest-free, unsecured and have no repayment terms, therefore the carrying value approximates fair value. The loans are repayable on demand.
- Preference shares:
 - Momentum Group Ltd holds class B preference shares in Eris Property Fund (Pty) Ltd (EPF). These preference shares are subject to dividends (at risk-free rate of 6.907% plus 5%) compounded semi-annually, disclosed as part of interest income. There was no interest income received in both current and prior year as the EPF shareholders were prepared to forego the rolling up of interest because of the extension of the redemption date. The current redemption date of the preference shares is 15 May 2026 (after extending it by 12 months in the current year). In the prior year, the preference shares were also extended for a 12 months to be redeemed on May 2025. The carrying value approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Financial assets at amortised cost continued

Impairment

The impairment of financial assets is based on assumptions about risk of default and expected loss rates, which include the estimation of future cash flows and the significant increase in credit risk. The Company uses judgement in making these assumptions and selecting inputs to the impairment calculations, based on the Company's history, existing market conditions, as well as forward-looking estimates at the end of each reporting period.

In the current year, the impairment for provision on loans to subsidiaries was increased by R84 million (2024: R58 million), the increase in provision relates to Metropolitan Capital (Pty) Ltd. The increase in impairment provision is due to decrease in earnings and a subsequent decrease in net asset value.

Impairment of loans to subsidiaries are impaired if the borrowing company does not have sufficient accessible highly liquid assets available at reporting date. The expected credit loss is calculated by considering the means of the loan recovery, the quality of the subsidiary's underlying investments, as well as profitability expectations.

To determine a significant increase in credit risk, the following factors are considered: changes in the net asset value of the borrower, changes in management and organisational structure during the year, stability of industry and resilience to volatility and regulatory changes, the type of funding provided to the entity and the repayment behaviour of the borrower.

Loans with repayment terms considers the net asset value, frequency in management changes, subordination of the loan and sufficiency of liquid assets of the borrower as well as the remaining repayment term to determine a probability of default.

Loans without repayment terms considers whether the borrower has sufficient accessible highly liquid assets available to determine a probability of default.

The probabilities of default are extracted from a report issued by Moody's. Loss given default rates applied are extracted from SAM Loss Given Default (LGD) tables prescribed for insurers and adjusted accordingly by management to incorporate forward-looking information.

	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
4.1 Credit risk balances - expected credit loss				
2025				
Assets				
Loans to related parties	36	-	147	183
Loans to subsidiary companies (note 41)	1	-	300	301
Less: provision for impairment on loans to subsidiary companies	-	-	(153)	(153)
Preference shares	34	-	-	34
Loans to associates	1	-	-	1
Total financial assets at amortised cost	36	-	147	183
2024				
Assets				
Loans to related parties	37	-	215	252
Loans to subsidiary companies (note 41)	2	-	284	286
Less: provision for impairment on loans to subsidiary companies	-	-	(69)	(69)
Preference shares	34	-	-	34
Loans to associates	1	-	-	1
Total financial assets at amortised cost	37	-	215	252

4 Financial assets at amortised cost continued**4.2 Credit risk balances – reconciliation of expected credit losses**

	Related party loans ¹ Rm	Total Rm
2025		
Balance at the beginning	(69)	(69)
Increase	(84)	(84)
Balance at the end	(153)	(153)
2024		
Balance at the beginning	(11)	(11)
Increase	(58)	(58)
Balance at the end	(69)	(69)

¹ Expected credit losses on loans to related parties include loans disclosed in note 2 and note 4.1.

	Lifetime expected credit losses Stage 3 Rm	Total Rm
2025		
Related party loans		
Opening balance	(69)	(69)
Movement recognised in the income statement	(84)	(84)
Closing balance	(153)	(153)
2024		
Related party loans		
Opening balance	(11)	(11)
Movement recognised in the income statement	(58)	(58)
Closing balance	(69)	(69)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Financial assets at amortised cost continued

4.2 Credit risk balances – reconciliation of expected credit losses continued

Staging definitions		
Stage	Loans	Basis for recognition of expected credit loss provision
Stage 1 (Performing)	<p>No significant decrease in NAV since initial recognition of loan</p> <p>No management and organisational structure changes in the year</p> <p>Loans are recoverable and at an entity level is specifically evidenced by:</p> <ul style="list-style-type: none"> • Repayment of interest and capital (where applicable) in terms of agreements done on dates and amounts as agreed in legal agreement • No restructuring of the loan has occurred • No significant deterioration in credit quality <p>Strong/Adequate capability to meet commitments in terms of the loan agreement</p>	12 months expected losses
Stage 2 (Under-performing)	<p>Significant decrease in NAV since initial recognition of loan</p> <p>No objective evidence of impairment.</p> <p>Some management and organisational structure changes but not a majority</p> <p>Loans are recoverable and at an entity level is specifically evidenced by:</p> <ul style="list-style-type: none"> • Positive net asset value for company • Repayment of interest and capital not in line with the terms of agreements i.e. more than 30 days past due • Loan have been restructured due to the inability to repay interest and capital. The requirement for a restructure of this nature indicates deterioration of credit quality, which results in the loan being classified as stage 2 • Deterioration of credit quality <p>More vulnerable to changes in condition that may result in reduction of capacity to meet commitment.</p>	Lifetime expected losses
Stage 3 (Non-performing)	<p>Significant decrease in NAV since initial recognition of loan</p> <p>Objective evidence of impairment</p> <p>Various management and organisational structure changes</p> <p>Loans are partially recoverable and at an entity level is specifically evidenced by:</p> <ul style="list-style-type: none"> • Significant deterioration in credit quality and impaired credit quality • Negative net asset value for company • Loan is in default, i.e. repayment of interest and capital is not in compliance with the terms of the agreement and default does not occur later than 90 days past due <p>Restructured debt</p>	Lifetime expected losses
Written off	Long outstanding amounts due are evaluated on a case-by-case basis and would generally be written off when there is no alternative for the debtor to return to solvency and/or legal action taken was unsuccessful.	

4 Financial assets at amortised cost continued

4.2 Credit risk balances – reconciliation of expected credit losses continued

Significant increase in credit risk	Criteria
Accounts receivable and loans	To determine a significant change in credit risk both historical data and forward looking information is taken into account. This includes existing or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations, a breach of contract, significant changes in the value of any collateral supporting the obligation and reductions in financial support from a parent entity.
Financial asset	Impairment information
Accounts receivable	Impairment of accounts receivable is based on the recoverability of balances grouped together based on shared credit risk characteristics, e.g. instrument type. Balances generally relate to amounts where the timing of settlement is within one month. Historic payments as well as forward looking information is also taken into account.
Loans	For related party loans, the solvency of the counterparty is taken into account as well as any collateral held.
Sensitivities	
Loans	Most of the loan balances outstanding are considered to have low credit risk as the borrower has a strong capacity to meet its obligations and has a low risk of default. The expected credit loss is therefore not considered to be sensitive to changes in forward looking information.

4.3 Credit risk balances – credit quality

The assets in the table below are presented in gross carrying amounts prior to impairment provision.

	BBB Rm	Unrated Rm	Total Rm
2025			
Financial assets at fair value through profit and loss			
Preference shares ¹	-	679	679
Derivative financial assets	-	2	2
Bank and other cash balances	347	-	347
Funds on deposits	167	-	167
Financial assets at amortised cost			
Loans to subsidiary companies (note 41) ²	-	301	301
Preference shares	-	34	34
Loans to associates	-	1	1
	514	1 017	1 531
	AAA Rm	Unrated Rm	Total Rm
Financial assets at fair value through profit and loss			
Preference shares	-	593	593
Cash and cash equivalents	206	-	206
Financial assets at amortised cost			
Loans to subsidiary companies (note 41)	-	286	286
Preference shares	-	34	34
Loans to associates	-	1	1
	206	914	1 120

¹ The preference shares are non-current with no past dues or defaults. The preference shares are considered to have a low credit risk as the counterparty has a strong capacity to meet its obligation and a low risk of default. Refer to note 3 for further details on the preference shares.

² The loans to subsidiary companies are current with no past dues or defaults. The loans to subsidiary companies are considered to have a low credit risk except for the loan to Metropolitan Capital (Pty) Ltd which is considered to have a medium risk due to the loan having a provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 Cash and cash equivalents

	2025 Rm	2024 Rm
Bank and other cash balances	347	40
Funds on deposits ¹	167	166
	514	206

¹ In the prior year, funds on deposits was aggregated in bank and other cash balances. The comparative has been restated to provide more useful information to a user and is deemed immaterial.

Expected credit loss on cash and cash equivalents is immaterial.

The carrying value approximates fair value due to its short-term nature.

6 Share capital and share premium

Authorised share capital of Momentum Group Ltd

2 billion ordinary shares of 0.0001 cents each.

129 million (76 million A1, 13 million A2 and 40 million A3) variable rate cumulative redeemable convertible preference shares of 0.0001 cents each.

Issued and paid share capital of Momentum Group Ltd

1.36 billion (2024: 1.4 billion) ordinary shares of 0.0001 cents each.

Number of shares in issue (million)	2025	2024
Opening balance	1 405	1 425
Share buyback	(44)	(48)
Conversion of A3 preference shares to ordinary shares	-	28
Closing balance	1 361	1 405

Share capital and share premium	2025 Rm	2024 Rm
Opening balance	17 865	17 601
Conversion of A3 preference shares to ordinary shares	-	264
Closing balance	17 865	17 865

Share buyback programme

The Group bought back a total of 44 million shares during the current year at an average purchase price of R31.43 per share, for a cost of R1 403 million (including transaction costs). In the prior year, the Group bought back 48 million shares at an average purchase price of R20.97, for a cost of R1 billion (including transaction costs). 42 million shares were cancelled prior to 30 June 2025.

Conversion of the A3 preference shares to ordinary shares

In the prior year, the Company converted the 28 million A3 variable rate cumulative redeemable preference shares into ordinary shares at a cost of R264 million.

7 Other components of equity

	2025 Rm	2024 Rm
7.1 Preference shares (Equity settled share scheme)	-	-
7.2 Equity-settled share-based payment arrangements	151	126
	151	126
7.1 Preference shares (Equity settled share scheme)		
Balance at the beginning	-	130
IFRS 2 extension charge	-	12
Transfer to retained earnings of KTH IFRS 2 charges ¹	-	(142)
Balance at the end	-	-
7.2 Equity-settled share-based payment arrangements		
Balance at the beginning	126	96
Share schemes - value of services provided	25	30
Balance at the end	151	126

¹ Included are the following:

- The Company issued A3 preference shares to OTSI 108 (a KTH subsidiary) in 2011. The redemption date was June 2024. The preference shares were converted into ordinary shares during the prior year and the reserve of R87 million was transferred to retained earnings.
- The Company had an old Metropolitan share scheme with expired share options, the reserve of R54 million was transferred to retained earnings.

Further details of the equity-settled share-based payment arrangements are disclosed in note 18.6 of the Group financial statements.

8 Financial liabilities

	2025 Rm	2024 Rm
8.1 Financial liabilities at amortised cost		
Cumulative redeemable convertible preference shares – Current	-	-
Due at the beginning	-	262
Accrued interest	-	37
Interest paid	-	(46)
Modification	-	11
Conversion of the preference shares into ordinary share capital	-	(264)
Due at the end	-	-

The Company had 28 060 898 A3 cumulative convertible redeemable preference shares in issue (to KTH, the Group's strategic B-BBEE partner) at the beginning of the prior year. The preference shares were issued in 2011. Dividends were payable at 132 cents per share p.a. semi-annually in arrears on 31 March and 30 September each year. The ordinary shares were originally issued at a price of R10.18 per share.

In 2019, Momentum Group Ltd subscribed for a cumulative, redeemable preference share in OTSI 108 (a KTH subsidiary) for a nominal value of R100. This was linked to the A3 preference shares acquired in 2011. The dividends on the OTSI 108 preference share aligned the A3 preference share dividend to the ordinary dividends. This was accounted for as a financial asset at FVPL.

The A3 preference shares were redeemable on 30 June 2024 (after extending it by 9 months in the prior year) at a redemption value of R9.18 per share unless converted into Momentum Group Ltd ordinary shares on a one-for-one basis prior to that date. The extension in prior year did not constitute a significant modification, the extinguishment of the liability or result in the recognition of a new liability and had therefore been accounted for as a change in the expected future cash flows. The change in the expected cash flows resulted in a R11 million loss recognised in profit or loss in the prior year. In addition, the change in the expected cash flows before and after the extension resulted in an IFRS 2 – Share-based Payment B-BBEE expense of R12 million being recognised in the prior year. In the prior year, the A3 preference shares were converted to Momentum Group Ltd ordinary shares. The cumulative, redeemable preference share in OTSI 108 was also redeemed.

The equity component of the A3 preference shares was included in note 7.1.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial liabilities continued

	2025 Rm	2024 Rm
8.2 Financial guarantee contracts		
Due at the beginning	23	42
New guarantees entered into	46	-
Amortisation	(1)	(19)
Due at the end	68	23
Current	33	23
Non-current	35	-
	68	23

Financial guarantees have been issued to RMB, Sanlam Alternative Income Fund (SAIF) and Investec on behalf of MSI. The agreements guarantee repayment of preference shares issued to them in the event that MSI is unable to meet its commitment.

The R300 million Class A preference shares issued by RMB have a maturity date of 29 June 2026; and the R300 million Class C preference shares issued by SAIF have a maturity date of 29 April 2026. The financial guarantee on Class A preference shares is R3 million (2024: R3 million) and R4 million (2024: R3 million) on the Class C Preference shares.

The financial guarantee on the R1 000 million Class B preference shares issued by RMB had a maturity date of 29 January 2025 and were redeemed on maturity date. The guarantee was fully amortised during the year, the unamortised amount was R17 million in the prior year.

During the current year, a new financial guarantee contract was issued to Investec for the R1000 million Class E preference shares issued which have a maturity date of 29 January 2030. The unamortised financial guarantee amount is R35 million at end of the year.

Financial guarantees have been provided by the Company to the noteholders of the MML listed subordinated debt, which guarantees that if MML defaults on any of the performance obligations of MML in respect of the issued debt, the Company would step in and take over the obligations towards the noteholders to the extent that the Company remains solvent after such payments.

MML subordinated debt profile

The table below shows a summary of the MML's subordinated debt profile, which relates to unsecured callable notes currently in issue:

Instrument code	Amount issued (Rm)	Tenor	Maturity date	Coupon rate	Interest rate type
2025					
MMIG04	270	10 years	Aug-25	11.3%	Fixed
MML01	290	7 years	Dec-26	JIB03+175 bps	Floating
MML02	460	7 years	Dec-26	9.29%	Fixed
MML03	300	7.1 years	Feb-28	JIB03+194 bps	Floating
MML04	450	7.1 years	Feb-28	7.89%	Fixed
MML05	865	5 years	May-27	JIB03+160 bps	Floating
MML06	135	7 years	May-29	10.01%	Fixed
MML06 tap	410	5.6 years	Oct-29	10.01%	Fixed
MML07	340	5.6 years	Apr-29	JIB03+134 bps	Floating
MML08	250	5.5 years	Apr-30	JIB03+129 bps	Floating
MML09	500	5.5 years	Apr-30	9.52%	Fixed
Total	4270				

The value of the financial guarantees on the MML subordinated debt is R26 million.

On initial recognition, the financial guarantees are measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. On initial recognition of the guarantee, the investment in subsidiary is debited with the fair value of the guarantee.

Subsequently at the end of each reporting period, the guarantees will be measured at the higher of the amount of the expected credit loss and the amount initially recognised less the cumulative amortisation, where appropriate.

9 Other payables

	2025 Rm	2024 Rm
Other payables	27	28
Loans from subsidiary companies (note 41)	458	398
	485	426
Current	485	426

For Other payables, the carrying value approximates fair value due to its short-term nature. The Other payables amount represents unclaimed dividends.

Loans from subsidiary companies are interest-free, unsecured and payable on demand. The carrying value therefore approximates fair value.

10 Income tax

10.1 Current income tax liability

	2025 Rm	2024 Rm
<i>Movement in liability</i>		
Balance at the beginning	1	1
Current normal tax charged to income statement	10	8
Global minimum tax charged to the income statement	1	-
Settled during year	(8)	(8)
Balance at the end	4	1

Current tax is paid on behalf of the Company by its subsidiary through an intercompany loan account facility.

No deferred tax is recognised as the Company receives passive income. Tax adjustments are permanent in nature and are not directly related to the generation of taxable income.

Global minimum tax

South Africa enacted legislation aligned with the OECD's Pillar Two framework, effective for tax years beginning on or after 1 January 2024. The laws introduce a 15% minimum effective tax rate for multinational and large domestic groups with annual consolidated revenues exceeding EUR 750 million.

MGL, as the Ultimate Parent Entity, has assessed its exposure to Pillar Two taxes, considering transitional safe harbour provisions and OECD guidance. Based on current financial data and country-by-country reporting, most jurisdictions where the Group operates either exceed the 15% threshold or qualify for safe harbour relief. As a result, no material financial impact is expected.

MGL has applied the IAS 12 exception issued in May 2023, and has not recognised or disclosed deferred tax assets or liabilities related to Pillar Two income taxes.

10.2 Income tax expense

	2025 Rm	2024 Rm
Current taxation		
Current year		
South African normal tax	10	8
Global minimum tax	1	-
Foreign countries - withholding tax ¹	1	22
	12	30
Deferred tax	-	-
	12	30

¹ Foreign dividends with withholding taxes in the current year were due to dividends received from Metropolitan Lesotho Ltd. Refer to note 17.3 for transactions with related parties.

	2025 %	2024 %
Tax rate reconciliation		
Tax calculated at standard rate of South African tax on earnings	27	27
Non-taxable income ¹	(28)	(28)
Non-deductible expense ²	1	1
Effective rate	-	-

¹ The Company only receives exempt dividends which are non-taxable and passive income in the form of interest which is taxable.

² Non-deductible expenses comprise operating expenses incurred in the ordinary course of business which include directors' fees, audit fees and interest paid on preference shares. The Company receives mainly non-taxable income and as such, expenses that it incurs are non-deductible.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Investment income

	2025 Rm	2024 Rm
Dividend income – subsidiary companies ¹	4 072	3 534
Interest income – amortised cost using effective interest method	31	51
Financial assets at amortised cost	-	24
Cash and cash equivalents	31	27
Interest income		
Financial assets at fair value through profit or loss ²	86	78
	4 189	3 663

¹ Dividend income from foreign subsidiaries is disclosed gross of foreign dividends withholding taxes of R1 million (2024: R22 million). Included in dividend income in the current year was a dividend in specie of R22 million received from Momentum Metropolitan Life Limited in the form of a shares transferred.

² Interest income on preference shares held in the iSabelo SPV. Refer to note 3.

12 Net realised and unrealised fair value gains

	2025 Rm	2024 Rm
Financial assets at fair value through profit or loss ¹	1	40
Derivative financial instrument: held for trading	13	-
	14	40

¹ There is no gain or loss on iSabelo preference shares in the current year. In the prior year, there was R40 million fair value gain on the iSabelo Preference shares. Refer to note 3.

13 Other income

	2025 Rm	2024 Rm
Amortisation on financial guarantee contracts	1	19
	1	19

14 Other expenses

	2025 Rm	2024 Rm
Share-based payment expense ¹	-	11
Directors' remuneration ²	19	17
Auditors' remuneration	25	18
Other indirect taxes	10	5
Other expenses ³	5	31
	59	82

¹ IFRS 2 expense due to the extension of the A3 KTH preference shares, the A3 KTH preference shares were converted in the prior year. Refer to note 8.1.

² Further details of the director's remuneration are disclosed in note 44.3 of the Group financial statements.

³ Included were the following:

- A modification loss of R11 million recognised on A3 preference shares due to an extension of the redemption date.
- In 2019, Momentum Group Ltd subscribed for a cumulative, redeemable preference share in OTSI 108 (a KTH subsidiary). The dividends on the OTSI 108 preference share aligned the A3 preference share dividend to the ordinary dividends, but due to the method of determining the dividends, there were no dividends on the OTSI 108 preference shares. As a result, a payment of R20 million was made to KTH in the prior year, this payment was made to align with the intentions of the arrangement. Refer to note 8.1 for details.

15 Finance costs

	2025 Rm	2024 Rm
Interest expense on liabilities at amortised cost		
Redeemable preference shares	-	37
	-	37

16 Cash flow from operating activities

	2025 Rm	2024 Rm
16.1 Cash utilised in operations		
Profit before tax	4 031	3 536
Adjusted for		
Items presented separately on the face of the statement of cash flow		
Dividends income	(4 072)	(3 534)
Interest income	(117)	(129)
Finance costs	-	37
Non-cash-flow items		
Impairment charges	114	67
Share-based payments	-	11
Net realised and unrealised fair value losses	(3)	(40)
Changes in operating liabilities		
Financial liabilities at amortised cost	-	11
Other operating liabilities	58	21
	11	(20)
16.2 Income tax paid		
Due at the beginning	1	1
Current normal tax charged to income statement	9	7
Paid by subsidiary on behalf of the Company	(6)	(7)
Due at the end	4	1
16.3 Interest paid		
Redeemable preference shares		
Paid 30 September	-	(19)
Paid 31 March	-	(19)
Paid 27 June	-	(9)
	-	(47)
16.4 Loans with related parties arising from financing activities		
Due at the beginning	398	598
16.4.1 Loan advanced from related parties	900	180
16.4.2 Loan repayment to related parties	(900)	(430)
Expenses paid by the subsidiary on behalf of the Company	57	48
Corporate allocations	3	2
Due at the end	458	398

The counterparty for the loans with related parties is Momentum Metropolitan Life Ltd.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17 Related party transactions

17.1 Holding company

Shares in Momentum Group Ltd, the ultimate holding company in the Group, are widely held by public and non-public shareholders; refer to the shareholder profile on page 282 of the Group financial statements. Significant subsidiary companies are listed in note 41 of the Group financial statements. Other related parties include directors, key personnel and close members of their families. Refer to note 30 in the Group financial statements for more details.

17.2 Transactions with directors

Remuneration is paid in the form of fees to non-executive directors and remuneration to executive directors and key personnel of the Company. The remuneration, shares held and transactions of the Group executive committee members are disclosed in note 44 of the Group financial statements.

17.3 Transactions with related parties

Loans are advanced between Momentum Group Ltd and its subsidiaries and associates as funding. The loans to and from subsidiary companies are included in note 2, 4 and 9 and are detailed in note 41 of the Group financial statements. The loans to associates are included in note 4.

Loans to or from subsidiary companies are interest-free, unsecured and have no repayment terms, therefore the carrying value approximates fair value. The loans are repayable on demand.

Details of other transactions with related parties included in the financial statements are listed below.

	2025 Rm	2024 Rm
Dividends from subsidiaries – Momentum Metropolitan Life Ltd	3 872	2 975
Dividends from subsidiaries – Metropolitan Lesotho Ltd	10	210
Dividends from subsidiaries – Momentum Finance Company (Pty) Ltd ¹	-	1
Dividends from subsidiaries – Momentum Strategic Investments (Pty) Ltd	190	-
Dividends from subsidiaries – Metropolitan International Holdings (Pty) Ltd	-	347
Dividends from subsidiaries – MPOF General Partner (Pty) Ltd	-	2
Finance income – Momentum Isabelo (RF) Proprietary Limited	85	78
Finance income – Kagiso Tiso Holdings Ltd	-	24
Finance costs – Kagiso Tiso Holdings Ltd	-	37
Other expenses – Kagiso Tiso Holdings Ltd ²	-	20
Income tax paid by Momentum Metropolitan Life Ltd	6	7
Dividends paid to Momentum Isabelo Trust	67	58

¹ Dividend income of R359 491 (2024: R949 733) received from Momentum Finance Company (Pty) Ltd.

² Other expenses of R20 million relates to unilateral payment made to KTH in the prior year, refer to note 14 for details.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions only if such terms can be substantiated.

Refer to note 2 for interest in subsidiary companies.

Refer to note 7.2 for share-based payments.

Refer to note 8.2 for financial guarantees on behalf of subsidiary companies.

Refer to note 44 of the Group financial statements for further details on related party transactions with directors and key management personnel.

	Expected credit loss		Impairment expense/(reversal)	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
17.4 Expected credit loss on loans due from related parties				
Metropolitan Capital (Pty) Ltd	153	69	84	58
	153	69	84	58

18 Contingent liabilities

Contingent liabilities are reflected when the Company has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or it is possible but not probable that an outflow of resources will be required to settle a present obligation, or the amount of the obligation cannot be measured with sufficient reliability. No contingent liabilities arose in both the current and prior years.

19 Capital commitments

The Company has given a guarantee in favour of RMB, Sanlam Alternative Income Fund and Investec that MSI will repay its obligations due to them. The details of this guarantee have been disclosed in note 8.2. The Company has given a guarantee in favour of MML noteholders of the MML subordinated call notes that MML will repay its obligations due to them. The details of this guarantee have been disclosed in note 8.2.

20 Risk management policies

Details of financial instruments and risk management strategies are disclosed in note 8 and 34 of the Group financial statements. The more significant financial risks to which the Company is exposed are credit risk and interest rate risk.

The Company's capital is managed with that of the Group. The capital management of the Group is discussed in note 35 of the Group financial statements.

20.1 Classes of financial assets and liabilities

The following table reconciles the assets and liabilities in the statement of financial position to the classes and portfolios of assets managed in terms of mandates.

	2025 Rm	2024 Rm
Assets		
Carried at fair value through profit or loss	681	593
Preference shares	679	593
Derivative financial assets – held for trading	2	-
Carried at amortised cost	183	252
Loans to subsidiary companies ¹	148	217
Loans to associates ¹	1	1
Preference shares ¹	34	34
Cash and cash equivalents	514	206
Total assets	1 378	1 051
Liabilities		
Other payables	485	426
Loans from subsidiary companies	458	398
Other payables	27	28
Financial guarantee contracts	68	23
Total liabilities	553	449

¹ In the prior year, "Loans to subsidiary companies", "loans to associates" and "preference shares" was aggregated in "loans". In the current year, this was disaggregated to provide more useful information to a user and is deemed immaterial.

The definitions of classes of financial assets and liabilities are disclosed in note 45 of the Group financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20 Risk management policies continued

20.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's approach to credit risk management is consistent with that of the Group, as detailed in note 39 of the Group financial statements.

The Company's maximum exposure to credit risk is through the following classes of assets:

	2025 Rm	Restated 2024 Rm
Financial assets at fair value through profit or loss		
Derivative financial assets – held for trading	2	-
Preference shares	679	593
Financial assets at amortised cost		
Loans to subsidiary companies ¹	148	217
Loans to associates ¹	1	1
Preference shares ¹	34	34
Cash and cash equivalents	514	206
Total assets bearing credit risk	1 378	1 051
Liabilities		
Financial instruments		
Financial guarantee contracts	6 012	5 960
Total liabilities bearing credit risk	6 012	5 960

¹ In the prior year, "Loans to subsidiary companies", "loans to associates" and "preference shares" was aggregated in "loans". In the current year, this was disaggregated to provide more useful information to a user and is deemed immaterial.

Security and credit enhancements

- For cash and cash equivalents, the credit risk is managed through the Group's credit risk exposure policy described in the Group financial statements.

Using S&P ratings (or the equivalent thereof when S&P ratings are not available), cash and cash equivalents have a BBB (2024: AAA) credit rating. Financial assets at amortised cost consist of loans to subsidiary companies, loans to associates and preference shares; all these balances relate to unrated counterparties. Financial assets at fair values through profit or loss relates to unrated counter parties.

The maximum credit exposure relating to the financial guarantees on MSI preference shares is R1 630 million (2024: R1 636 million). The maximum credit exposure relating to the financial guarantees on MML's subordinated call notes is R4 382 million (2024: R4 324 million).

In the prior year, the maximum exposure to credit risk relating to the financial guarantee contracts was omitted but has been corrected in the table above.

20.3 Financial assets hierarchy

The following table provides an analysis of the assets at fair value into the various levels:

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2025				
Equity securities	-	-	22	22
Preference shares	-	679	-	679
Derivative financial assets – held for trading	-	2	-	2
	-	681	22	703
2024				
Equity securities		-	20	20
Preference shares		593	-	593
	-	593	20	613

The following table provides a reconciliation of the fair value of the level 3 assets:

	Equity securities Rm	Total Rm
2025		
Opening balance	20	20
Transfer from other asset classes	-	-
Total unrealised gains in the income statement	2	2
Closing balance	22	22
2024		
Opening balance	18	18
Total unrealised gains/(losses) in the income statement	2	2
Closing balance	20	20

20 Risk management policies continued

20.4 Valuation techniques

The valuation of the Company's assets has been classified using a fair value hierarchy that reflects the significance of the inputs used in the valuation. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities. *(level 1)*
- Input other than quoted prices included within level 1 that are observable for the asset, either directly (i.e. prices) or indirectly (i.e. derived from prices). *(level 2)*
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs). *(level 3)*

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The following are the methods and assumptions for determining the fair value when a valuation technique is used in respect of instruments classified as level 2.

Instrument	Valuation basis	Main assumptions
Preference shares	Option pricing based approach	Share price, Momentum Group Ltd ordinary dividend, Nominal prime rate, cash flow forecasts

Information about fair value measurements using significant unobservable inputs *(level 3)*

Financial asset	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Equity Securities – unlisted	NAV	Underlying property valuations impacted by capitalisation rates, vacancy rates and potential capitalisation of project costs	Could vary significantly based on the value of the underlying properties ¹	The higher the capitalisation rate the lower the value of the property and the fair value. The higher the vacancy rate the lower the value of the property and the fair value
	Adjusted NAV or NAV	Price per unit	Could vary significantly based on the assets and liabilities held by the investee ¹	The higher the NAV, the greater the fair value ¹

¹ Quantitative information is not readily available as quantitative unobservable inputs are not developed by the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20 Risk management policies continued

20.5 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset, arising from the possibility that the Company could be required to pay its liabilities earlier than expected.

Liabilities at amortised cost

The A3 preference shares were converted into ordinary shares as expected in June 2024 and there was no cash outflow on conversion. The Company has no further obligation to pay preference share dividends.

Other payables

Other payables include loans from subsidiary companies that are payable on demand.

Financial guarantee contracts

The liquidity risk exposure is monitored and reported to CIC and to MSI Board of directors on an ongoing basis to ensure that MSI will be able to meet its commitments on the RMB, SAIF and Investec preference shares. This is supported by an investment mandate and guidelines that govern the investment of shareholder funds, which restrict investment choices to high-quality assets.

The Shareholder funds liquidity risk management are disclosed in note 37.4 of the Group financial statements.

The following table indicates the maturity analysis of the liabilities:

	Carrying value Rm	Undiscounted cash flows		
		Total Rm	0 – 1 year Rm	1 – 5 years Rm
2025				
Other payables	485	485	485	-
Financial guarantee contracts ¹	68	7 120	1 367	5 753
Total liabilities	553	7 605	1 852	5 753
2024				
Other payables	426	426	426	-
Financial guarantee contracts ²	23	7 174	2 233	4 941
Total liabilities	449	7 600	2 659	4 941

¹ The carrying value of the financial guarantee contracts is R68 million (2024: R23 million). The liquidity exposure relating to the financial guarantee on MSI preference shares is R1 630 million (2024: R1 636 million), which is the fair value of the preference shares held by MSI as at 30 June 2025. The liquidity exposure relating to the financial guarantee on MML's subordinated call notes is R4 382 million (2024: R4 324 million), which is the fair value of the subordinated call notes as at 30 June 2025. In the prior year, the liquidity risk exposure relating to the financial guarantees on MML's subordinated call notes was omitted but it has been added in current year. Refer to note 8.2 for details.

² In the prior year, the liquidity risk exposure relating to the financial guarantees on MML's subordinated call notes was omitted but has been corrected in the table above.

20 Risk management policies continued

20.6 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate as a result of changes in market prices.

The key component of market risk applicable to the Company is interest rate risk.

20.6.1 Interest rate risk

Interest rate risk is the risk that the value and/or future cash flows of financial instruments held will fluctuate as a result of changes in interest rates.

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate financial assets and financial liabilities, and on the fair value of other investments. Fair values of fixed maturity investments included in the Company's investment portfolios are subject to changes in prevailing market interest rates. Additionally, relative values of alternative investments and the liquidity of the instruments invested in could affect the fair value of interest rate market-related investments. The ongoing assessment by an investment research team of market expectations within the South African interest rate environment drives the process of asset allocation in this category.

The Company is exposed to floating interest rates that result in cash flow interest rate risk. Cash and cash equivalents have a weighted average interest rate of 6% (2024: 13%). The preference shares measured at fair value through profit or loss have a weighted average interest rate of 13% (2024: 13%).

The maximum exposure to interest rate risk is R1 193 million (2024: R799 million), which is the carrying amount of the cash and cash equivalents and preference shares. In the prior year, the preference share exposure was incorrectly excluded and has been corrected in the current year with 2024 restated.

20.6.2 Sensitivity to market risks

The Company's earnings and net asset value are exposed to market risks. The Company has identified that changes in interest rates do not have significant effect on earnings and equity.

The Company is exposed to floating interest rate changes only. Cash requirements fluctuate during the course of the year and are therefore of a short-term nature. Interest rate changes with respect to cash and cash equivalents will therefore not have a significant impact on earnings.

The Company has foreign currency exposure in so far as it relates to foreign dividends declared by its subsidiaries. The Company has no other foreign currency exposure.

21 Financial assets measurement

The assets in the table below are presented in gross carrying amounts prior to impairment provision.

Financial assets summarised by measurement category in terms of IFRS 9	Fair value through profit or loss Mandatorily Rm	Amortised cost ¹ Rm	Total Rm
2025			
Equity securities	22	-	22
Loans to associates	-	1	1
Preference shares	679	34	713
Derivate financial assets	2	-	2
Intercompany loans to subsidiaries ²	-	304	304
Cash and cash equivalents	-	514	514
Total financial assets	703	853	1 556
2024			
Equity securities	20	-	20
Loans to associates	-	1	1
Preference shares	593	34	627
Empowerment partners	-	-	-
Intercompany loans to subsidiaries ²	-	289	289
Provision for impairment on loans to subsidiary companies	-	(69)	(69)
Cash and cash equivalents	-	206	206
Total financial assets	613	461	1 074

¹ The carrying amount of financial assets and liabilities carried at amortised cost approximates fair values.

² Loans to subsidiaries included in note 2 and 4 are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

22 Financial liability measurement

Financial liabilities summarised by measurement category in terms of IFRS 9	Fair value through profit or loss Mandatorily Rm	Amortised cost ¹ Rm	Other measurement basis Rm	Total Rm
2025				
Financial guarantee contracts	68	-	-	68
Intercompany loans from subsidiaries	-	458	-	458
Other payables	-	27	-	27
Total financial liabilities	68	485	-	553
2024				
Financial guarantee contracts	-	-	23	23
Intercompany loans from subsidiaries	-	398	-	398
Other payables	-	28	-	28
Total financial liabilities	-	426	23	449

¹ The carrying amount of financial assets and liabilities carried at amortised cost approximates fair values.

23 Events after the reporting period

The Board declared a final ordinary dividend of 90 cents per share on 15 September 2025.

The Group bought back a total of 17.5 million shares for a cost of R602 million including transaction costs during the period 1 July 2025 to 12 September 2025. 16.8 million shares of these have been cancelled with the remainder to be cancelled in September 2025.

The Board has approved a further R1 billion for the buyback programme of the Group's ordinary shares, subject to Prudential Authority approval.

No other material events occurred between the reporting date and the date of approval of these results.

ANNEXURE A

Abbreviations and definitions

Abbreviations

2Cana	2Cana Solutions (Pty) Ltd
A2X	A2X Markets
ABHI	Aditya Birla Health Insurance Company Ltd
AFS	Annual Financial Statements
AIC	Assets for incurred claims
AIDS	Acquired immunodeficiency syndrome
ALBI	All Bond Index
Amandla Ilanga	Amandla Ilanga (RF) (Pty) Ltd
ANW	Adjusted net worth
APE	Annual premium equivalent
APN	Advisory practice note
ARC	Assets for remaining coverage
ASISA	Association for Savings and Investment South Africa
ASSA	Actuarial Society of South Africa
B-BBEE	Broad-based black economic empowerment
BEPS	Base erosion and profit shifting
BSA	Bonus stabilisation accounts
BSM	Balance Sheet Management
CAE	Chief Audit Executive
CAIM	Crown Agents Investment Management Ltd
CFA	Chartered Financial Analyst
CFD	Contract for Differences
CGU	Cash-generating unit
CIC	Capital and Investment Committee
CIS	Collective investment scheme
CoC	Cost of capital
Companies Act	South African Companies Act, 71 of 2008, as amended
CPI	Consumer Price Index
CSA	Credit Support Annex
CSM	Contractual service margin
DAC	Deferred acquisition costs
DCF	Discounted cash flow
DMTT	Domestic Minimum Top-Up Tax
DPF	Discretionary participation features
DRL	Deferred revenue liability
DV	Directors' valuation
DWT	Dividend withholding tax
ECL	Expected credit loss
EPF	Eris Property Fund (Pty) Ltd
ERM	Enterprise Risk Management

ESOP	Employee Share Option Programme
ESG	Economic Scenario Generator
EV	Embedded value
FCTR	Foreign Currency Translation Reserve
FinGlobal	FinGlobal Migration (Pty) Ltd
FSCA	Financial Sector Conduct Authority
FSV	Financial Soundness Valuation
FTSE	Financial Times Stock Exchange
FVA	Fair value approach
FVOCI	Fair value through other comprehensive income
FundsAtWork	Pension savings and umbrella fund
FVPL	Fair value through profit and loss
GCR	Global Credit Ratings
GMM	General measurement model
GMSLA	Global Master Securities Lending Agreement
Guardrisk Group	Guardrisk Group (Pty) Ltd
HAFs	Heads of the Actuarial Function
HIV	Human immunodeficiency virus
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBNR	Incurred but not yet reported
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
IFS	Insurer Financial Strength
IIR	Income Inclusion Rule
IMA	Investment management agreement
IMG	Investment Managers Group (Pty) Ltd
IPEV	International Private Equity and Venture Capital
IPF	Individual Policyholder Fund
iSabelo	Momentum Metropolitan iSabelo RF (Pty) Ltd
ISDA	International Swaps and Derivatives Agreements
ISRE	International Standard on Review Engagements
JIBAR	Johannesburg Interbank Average Rate
JSE	Johannesburg Stock Exchange
King IV™	King Report on Corporate Governance for South Africa, 2016
KTH	Kagiso Tiso Holdings (Pty) Ltd
LIC	Liability for incurred claims
LGD	Loss given default
LoRC	Loss-recovery component
LRC	Liability for remaining coverage

ANNEXURE A CONTINUED

Abbreviations and definitions

Abbreviations continued

LTIP	Long-term incentive plan
MGIM	Momentum Global Investment Management Ltd
MIH	Metropolitan International Holdings (Pty) Ltd
MHNA	Methealth Namibia Administrators (Pty) Ltd
MHS	Momentum Health Solutions (Pty) Ltd
MFC	Momentum Finance Company (Pty) Ltd
the Company	Momentum Group Ltd
MML	Momentum Metropolitan Life Ltd
MSI	Momentum Strategic Investments (Pty) Ltd
Momentum Group/the Group	Momentum Group and its subsidiaries
MPG	Market Practitioners Group
MSPS	Momentum Sales Phantom Shares
MNE	Multinational enterprise
NAV	Net asset value
NSX	Namibian Stock Exchange
OECD	Organisation for Economic Co-operation and Development's
OTC	Over-the-counter
OTSI	Off the Shelf Investments 108 (Pty) Ltd
PA	Prudential Authority
PAA	Premium allocation approach
PHI	Permanent health insurance
PPFM	Principles and practices of financial management
PVNB	Present value of new business premiums
PVP	Present value of future premiums
RDR	Risk discount rate
RFR	Risk-free rate
RMB	Rand Merchant Bank

RMIA	RMI Investment Managers Affiliates 2 (Pty) Ltd
ROE	Return on equity
ROEV	Return on embedded value
RSA	Republic of South Africa
S&P	Standard & Poor's
SGPF	Sage Group Pension Fund
SAICA	South African Institute of Chartered Accountants
SAM	Solvency Assessment and Management
SAR	Share Appreciation Right
SARB	South African Reserve Bank
SASAI	South African Student Accommodation Impact Investments (Pty) Ltd
SAVCA	South African Venture Capital and Private Equity Association
SCR	Solvency capital requirement
Seneca	Seneca Investment Managers Ltd
SENS	Stock Exchange News Service
TOR	Terms of reference
TSR	Total shareholder returns
UK	United Kingdom
VAR	Value-at-risk
VC	Venture capital
VFA	Variable fee approach
VIF	Present value of in-force covered business
VNB	Value of new business
VWAP	Volume-weighted average price
ZARONIA	South African Rand Overnight Index Average
Zestlife	Zestlife Investments (Pty) Ltd

Definitions

Adjusted net worth (ANW)

The ANW is the excess of assets over liabilities on the IFRS Accounting Standards basis. Certain deductions for disregarded assets and impairments have been added back.

Advisory practice notes (APNs)

ASSA issues APNs applicable to various areas of financial reporting and practice that require actuarial input. The APNs are available on the ASSA website (www.actuarialsociety.org.za).

Annual premium equivalent (APE)

The APE is a common life industry measure of new business sales. It is calculated as annualised new recurring premiums plus 10% of single premiums.

Bonus stabilisation accounts (BSAs)

BSAs are the difference between the fund accounts of smoothed bonus business, or the discounted value of projected future benefit payments for with-profit annuity business, and the market values of the underlying assets. BSA is an actuarial term that constitutes either an asset or liability in accounting terms. The BSAs are included in insurance contract liabilities.

Carry positions

Carry positions consist of sale and repurchase of assets agreements containing the following instruments:

- Repurchase agreements: financial liabilities consisting of financial instruments sold with an agreement to repurchase these instruments at a fixed price at a later date.
- Reverse repurchase agreements: financial assets consisting of financial instruments purchased with an agreement to sell these instruments at a fixed price at a later date.

Cash-generating units (CGUs)

A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of the cash flows from other assets or groups of assets.

Cell captive

A cell captive is a contractual arrangement entered into between the insurer (referred to as the “cell provider” or “promoter”) and the cell shareholder whereby the risks and rewards associated with certain insurance activities accruing to the cell shareholder, in relation to the insurer, are specified. Cell captives allow clients to purchase cell owner ordinary shares (or a “cell”) in the registered insurance company which undertakes the professional insurance and financial management of the cell including underwriting, reinsurance, claims management, actuarial and statistical analyses, investment and accounting services. The terms and conditions of the cell are governed by the cell owner shareholders agreement.

Cell captive arrangements include:

- “First-party” cell arrangements where the risks that are being insured relate to the cell shareholder’s own operations or operations within the cell shareholder’s group of companies; and
- “Third-party” cell arrangements where the cell shareholder provides the opportunity to its own client base to purchase branded insurance products. For third-party arrangements the cell shareholders agreement meets the definition of a reinsurance contract and is accounted for as such.
- Contingency policy: An insurance contract to provide entry-level insurance cover for first-party risks. These policies provide for payment of a profit share to the insured based on claims experience and related expenses at the end of the policy period.
- “Promoter cell” includes assets and liabilities of the Group shareholders. Assets, liabilities, and equity of the first and third-party cell arrangements are excluded.

Cost of required capital

The cost of required capital represents frictional costs expected to be incurred on the assets supporting required capital and the value of in-force over the lifetime of the in-force business (and new business at point of sale for the purpose of value of new business reporting).

Covered business

Covered business is defined as life insurance business written by the life insurance subsidiaries (excluding Guardrisk); including individual smoothed bonus, linked and market-related business, reversionary bonus business, group smoothed bonus business, annuity business and other non-participating businesses.

Current

Current refers to expected recovery and settlement within 12 months.

Directors’ Valuation (DV)

DV represents Management’s assessment of fair value for strategic subsidiaries and associates. For ongoing operations, the DV is determined by way of a discounted cash flow calculation, which references a risk-adjusted five-year earnings projection approved by Management. For recent acquisitions and imminent disposals, the DV references the agreed transaction price. This represents the value-in-use as defined in IAS 36.

ANNEXURE A CONTINUED

Abbreviations and definitions

Definitions continued

Discretionary participation feature (DPF)

A DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

- that are likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the issuer; and
- that are contractually based on:
 - the returns on a specified pool of contracts or a specified type of contract;
 - the realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
 - the profit or loss of the entity or fund that issues the contract.

Effective exposure

The exposure of a derivative financial contract or instrument to the underlying asset by also taking delta (the ratio comparing the change in the price of the underlying asset to the corresponding change in the price of a derivative) into account where applicable.

Effective interest rate

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of a financial instrument, or when appropriate a shorter period, to the net carrying amount of the financial instrument.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period.

Embedded value (EV)

An EV represents the discounted value of expected after-tax future profits from the current business. The EV is defined as:

- the ANW of covered and non-covered business;
- plus the VIF less the cost of required capital; and
- plus the write-up to directors' value of non-covered business.

EV earnings

EV earnings is defined as the change in EV (after non-controlling interests) for the year, after adjustment for any capital movements such as dividends paid, capital injections and cost of treasury shares acquired or disposed of for the year.

Fund account

The fund account is the retrospective accumulation of premiums, net of charges and benefit payments at the declared bonus rates or at the allocated rate of investment return.

Goodwill

An asset that represents the excess of the cost of a business combination over the interest acquired in the net fair value of the identifiable assets, liabilities and contingent liabilities at the acquisition date.

Investment variances

Investment variances reflect the impact on after-tax profits of the variance between actual investment returns earned over the reporting period and the returns assumed as per the discount rates applied to expected future cash flows, or the returns expected for products where future cash flows are not discounted.

New business profit margin

New business profit margin is defined as the VNB expressed as a percentage of the PVNBP. New business profit margin is also expressed as a percentage of APE.

Non-covered business

Non-covered business includes the directors' valuations of the investment management entities, South African health operations, non-life insurance operations, the Guardrisk entities, as well as other non-insurance entities. The Group EV is also adjusted to allow for future holding company and international support expenses.

Definitions continued

Non-current

Non-current refers to expected recovery and settlement after 12 months.

Normalised headline earnings

Normalised headline earnings adjust the JSE definition of headline earnings for the impact of finance costs related to preference shares that can be converted into ordinary shares of the Group when it is anti-dilutive, the impact of treasury shares held by the iSabelo Trust, the amortisation of intangible assets arising from business combinations, B-BBEE costs and the impairment of loans to subsidiaries that were subsequently disinvested. Additionally, the iSabelo special purpose vehicle, which houses preference shares issued as part of the employee share ownership scheme's funding arrangement is deemed to be external from the Group and the discount at which the iSabelo Trust acquired the Momentum Group Ltd's treasury shares is amortised over a period of 10 years and recognised as a reduction to normalised headline earnings.

Objective evidence of impairment

Objective evidence of impairment is related to the specific circumstances of each individual asset and can be the combined effect of several events. Objective evidence includes, but is not limited to:

- Significant financial difficulty of the issuer or debtor.
- A breach of contract, such as a default or delinquency in payment.
- It becomes probable that the issuer or debtor will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market for that financial asset because of financial difficulties.
- Observable data that there is a measurable decrease in the estimated future cash flows from the asset since the initial recognition of the asset.

Open-ended instruments

The open-ended category includes financial instruments with no fixed maturity date as management is unable to provide a reliable estimate given the volatility of equity markets and policyholder behaviour.

Prescribed officers

Prescribed officers as referred to in the Companies Act, 71 of 2008, are defined as follows – despite not being a director of a particular company, a person is a prescribed officer of the company if that person:

- exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or
- regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company.

The Group does not consider any employee that is not a director to be a prescribed officer as the functions of general executive control over significant portions of the business are performed by the executive directors.

Present value of future premiums (PVP)

The PVP is the present value of future premiums in respect of new business discounted using the relevant discount rate. The future premiums are net of reinsurance and are based on best-estimate assumptions such as future premium growth, mortality and withdrawal experience.

Present value of in-force covered business (VIF)

The gross VIF comprises the best-estimate shareholder cash flows expected to emerge in future from assets backing policyholder liabilities (which include the IFRS 17 risk adjustment and contractual service margin as well as cash flows relating to insurance contracts that are not within the scope of IFRS 17) less an explicit allowance for non-hedgeable risks (represented by the IFRS 17 risk adjustment or a commensurate adjustment where it is not defined). The net VIF is the gross VIF less the cost of required capital. No account is taken of dividend withholding tax.

Related party transactions – key management personnel

Key management personnel are those persons, including close members of their families, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Reporting basis

Reporting basis is the basis on which the financial statements are prepared.

ANNEXURE A CONTINUED

Abbreviations and definitions

Definitions continued

Required capital

Required capital includes any assets attributed to covered business over and above the amount required to back covered business liabilities whose distribution to shareholders is restricted.

Return on EV

Return on EV is the EV earnings over the period expressed as a percentage of the EV at the beginning of the period, adjusted for capital movements during the year.

Risk discount rate (RDR)

The RDR is the rate at which future expected profits are discounted when calculating the value of in-force business or the VNB for annually renewable insurance contracts and covered investment contracts. The RDR is determined as the risk-free return plus a risk premium. The risk premium allows for the expected non-financial risk in future shareholder cash flows. For long-term insurance contracts measured under IFRS 17, non-financial risk is allowed for explicitly through the IFRS 17 risk adjustment as opposed to using a risk discount rate.

Significant influence

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without control over those decisions.

Unit-linked investments

Unit-linked investments consist of investments in collective investment schemes, private equity fund investments and other investments where the value is determined based on the value of the underlying investments.

Unrated

The Group invests in unrated assets where investment mandates allow for this. These investments are, however, subject to internal credit assessments.

Useful life

Useful life is the period over which an asset is expected to be available for use by the Group.

Value of new business (VNB)

The VNB for long-term insurance business measured under IFRS 17 is measured as the aggregate of new business earnings as reflected in the IFRS Accounting Standards Income Statement (net of tax), the IFRS 17 contractual service margin (net of tax) and the present value of future cash flows not measured and reported under IFRS 17, but that are attributable to the underlying insurance contracts (net of tax), less the new business cost of capital.

Credit risk definitions

AAA

National scale ratings denote the highest rating that can be assigned. This rating is assigned to the best credit risk relative to all other issuers.

AA

National ratings denote a very strong credit risk relative to all other issuers.

A

National ratings denote a strong credit risk relative to all other issuers.

BBB

National ratings denote an adequate credit risk relative to all other issuers.

BB

National ratings denote a fairly weak credit risk relative to all other issuers.

B

National ratings denote a significantly weak credit risk relative to all other issuers.

CCC

National ratings denote an extremely weak credit risk relative to other issuers.

C

National ratings denote an extremely weak credit risk relative to other issuers with a strong probability of default.

ANNEXURE B

Additional information

	2025 Rm	Restated 2024 Rm
Analysis of assets managed and/or administered¹		
Managed and/or administered by Investments		
Financial assets	719 081	634 348
Momentum Manager of Managers	303 879	197 428
Equilibrium Investment Management	18 575	16 190
Momentum Collective Investments	120 044	99 633
Momentum Asset Management	88 564	147 289
Momentum Global Investments	138 509	131 163
Momentum Alternative Investments	12 422	10 841
Momentum Securities	37 088	31 804
Properties – Eris Property Group	17 819	20 061
On-balance sheet ²	11 306	11 235
Off-balance sheet ²	6 513	8 826
Momentum Wealth linked product assets under administration	298 510	258 790
On-balance sheet ³	199 430	171 576
Off-balance sheet	99 080	87 214
Managed internally or by other managers within the Group (on-balance sheet)	139 997	120 509
Managed by external managers (on-balance sheet)	18 636	15 920
Properties managed internally or by other managers within the Group or externally ²	1 156	771
Guardrisk – cell captives (on-balance sheet)	45 618	44 179
Total assets managed and/or administered	1 240 817	1 094 578
Managed and/or administered by Investments		
On-balance sheet	393 679	345 588
Off-balance sheet	325 402	288 760
	719 081	634 348
Admin and brokerage assets	147 991	101 221
Other assets	571 090	533 127
	719 081	634 348

¹ Assets managed and/or administered, other than CIS assets, are included where an entity earns a fee on the assets. The total CIS assets are included in Momentum Collective Investments only as this is where the funds are housed. Non-financial assets (except properties) have been excluded.

² R620 million in properties were incorrectly classified as off-balance sheet instead of on-balance sheet. 30 June 2024 has been restated accordingly.

³ R1.6 billion in on-balance sheet assets were incorrectly calculated in Momentum Wealth linked assets. The prior year has been restated accordingly.

ANNEXURE B CONTINUED

Additional information

	Gross single inflows Rm	Gross recurring inflows Rm	Gross inflow Rm	Gross outflow Rm	Net inflow/ (outflow) Rm
Net funds received from clients¹					
2025					
Momentum Retail	825	10 739	11 564	(11 273)	291
Momentum Investments	40 410	1 257	41 667	(30 968)	10 699
Metropolitan Life	1 833	6 953	8 786	(7 279)	1 507
Momentum Corporate	6 108	16 180	22 288	(22 814)	(526)
Momentum Metropolitan Health	-	1 701	1 701	(439)	1 262
Guardrisk	1 336	11 228	12 564	(10 826)	1 738
Momentum Insure	-	3 226	3 226	(2 460)	766
Momentum Metropolitan Africa	955	4 402	5 357	(3 797)	1 560
Life insurance business fund flows	51 467	55 686	107 153	(89 856)	17 297
Off-balance sheet fund flows					
Managed and/or administered by Investments			100 291	(104 103)	(3 812)
Properties – Eris Property Group			200	(2 566)	(2 366)
Momentum Wealth linked product assets under administration			19 095	(19 403)	(308)
Total net funds received from clients			226 739	(215 928)	10 811
Restated 2024					
Momentum Retail	735	10 294	11 029	(10 884)	145
Momentum Investments	45 019	1 001	46 020	(34 124)	11 896
Metropolitan Life	2 321	5 556	7 877	(6 835)	1 042
Momentum Corporate	9 298	15 285	24 583	(19 002)	5 581
Momentum Metropolitan Health	-	1 440	1 440	(416)	1 024
Guardrisk ²	2 672	10 014	12 686	(9 096)	3 590
Momentum Insure	-	3 199	3 199	(2 950)	249
Momentum Metropolitan Africa	950	3 773	4 723	(3 958)	765
Life insurance business fund flows	60 995	50 562	111 557	(87 265)	24 292
Off-balance sheet fund flows					
Managed and/or administered by Investments			90 619	(126 691)	(36 072)
Properties – Eris Property Group ³			1 650	-	1 650
Momentum Wealth linked product assets under administration			14 008	(16 398)	(2 390)
Total net funds received from clients			217 834	(230 354)	(12 520)

¹ Assets managed and/or administered, other than CIS assets, are included where an entity earns a fee on the assets. The total CIS assets are included in Momentum Collective Investments only as this is where the funds are housed. Non-financial assets (except properties) have been excluded.

² R151 million in Gross single inflows, R1.2 billion in Gross recurring inflows and R432 million in Gross outflows were incorrectly calculated in Guardrisk. The prior year has been restated accordingly.

³ R159 million Gross inflow in Properties – Eris Property Group were incorrectly calculated. The prior year has been restated accordingly.

Analysis of assets backing shareholder excess	2025		2024	
	Rm	%	Rm	%
Equity securities	1 323	4.1	1 122	3.8
Preference shares	677	2.1	827	2.8
CISs	1 120	3.4	838	2.8
Debt securities	11 400	35.0	9 302	31.3
Properties	5 769	17.7	5 444	18.3
Owner-occupied properties	2 662	8.2	2 561	8.6
Investment properties	3 107	9.5	2 883	9.7
Cash and cash equivalents and funds on deposit	16 646	51.1	15 140	50.9
Intangible assets	521	1.6	1 394	4.7
Other net assets	505	1.6	1 010	3.4
	37 961	116.6	35 077	118.0
Subordinated redeemable debt	(4 382)	(13.4)	(4 324)	(14.5)
Treasury shares held on behalf of employees	(1 029)	(3.2)	(1 029)	(3.5)
Shareholder excess per reporting basis	32 550	100.0	29 724	100.0

Number of employees	2025	Restated 2024 ¹
Indoor staff	9 880	10 055
SA	8 662	8 882
International	1 218	1 173
Field staff	3 957	5 766
Momentum Retail and Investments	710	950
Metropolitan Life	2 045	3 536
Africa	1 187	1 268
Momentum Insure	15	12
Total	13 837	15 821

¹ Momentum Insure number of employees was incorrectly presented as part of Africa (previously International). The prior year has been restated accordingly.

SHAREHOLDER PROFILE

Shareholder	Number of share-holders	% of issued share capital	Shares held (million)
Non-public			
Directors	8	0.2	3
Kagiso Tiso Holdings (Pty) Ltd	1	6.3	86
Government Employees Pension Fund	1	15.2	207
Public			
Private investors	24 839	5.4	74
Pension funds	535	5.1	69
CISs and mutual funds	1 689	58.9	801
Banks and insurance companies	68	8.9	121
Total	27 141	100.0	1 361

An estimated 419 million shares (2024: 362 million shares) representing 30.8% (2024: 25.7%) of total shares are held by foreign investors.

Size of shareholding	Number of share-holders	% of total share-holders	Shares held (million)	% of issued share capital
1 – 5 000	24 328	89.6	14	1.0
5 001 – 10 000	906	3.4	7	0.6
10 001 – 50 000	985	3.6	22	1.6
50 001 – 100 000	233	0.9	16	1.2
100 001 – 1 000 000	523	1.9	168	12.3
1 000 001 and more	166	0.6	1 134	83.3
Total	27 141	100.0	1 361	100.0

Beneficial owners	Shares held (million)	% of issued share capital
Government Employees Pension Fund	207	15.2
Kagiso Tiso Holdings (Pty) Ltd	86	6.3
Total	293	21.5

Pursuant to the provisions of section 56(7)(b) of the South African Companies Act, 71 of 2008, as amended, beneficial shareholdings exceeding 5% in aggregate, as at 30 June 2025, are disclosed.

Following the conversion of the A3 preference shares into ordinary shares during the current year, the Group has no unlisted securities in issue as at the reporting date.

STOCK EXCHANGE PERFORMANCE

	2025	2024
12 months		
Value of listed shares traded (Rm)	28 483	18 458
Volume of listed shares traded (million)	961	889
Shares traded (% of average listed shares in issue)	73	65
Trade prices		
Highest (cents per share)	3 624	2 454
Lowest (cents per share)	2 231	1 760
Last sale of year (cents per share)	3 429	2 290
Percentage (%) change during year	50	27
Percentage (%) change – life insurance sector (J857)	23	16
Percentage (%) change – top 40 index (J200)	18	3
30 June		
Price/normalised headline earnings (segmental) ratio	7.6	7.4
Dividend yield % (dividend on listed shares)	5.1	5.5
Dividend yield % – top 40 index (J200)	2.8	3.5
Total shares issued (million)		
Ordinary shares listed on JSE	1 361	1 405
Treasury shares held on behalf of employees	(45)	(45)
Basic number of shares in issue	1 316	1 360
Adjustment to employee share scheme ¹	27	17
Diluted number of shares in issue	1 343	1 377
Adjustment to employee share scheme shares ¹	(27)	(17)
Treasury shares held on behalf of employees	45	45
Diluted number of shares in issue for normalised headline earnings purposes²	1 361	1 405
Market capitalisation at end (Rbn) ³	47	32

¹ The diluted number of shares in issue includes the dilutive potential ordinary shares from the iSabelo employee scheme. The diluted number of shares in issue for normalised headline earnings does not include this adjustment as these shares are deemed to be issued.

² The diluted number of shares in issue takes into account all issued shares and includes the treasury shares held on behalf of contract holders as well as the treasury shares held on behalf of employees.

³ The market capitalisation is calculated on the fully diluted number of shares in issue.

SHAREHOLDER DIARY

Financial year end	30 June 2025	
Reporting	Interim results	20 March 2025
	Operating update for the 9 months to March 2025	2 June 2025
	Announcement of year-end results	17 September 2025
	Integrated annual report published	17 September 2025
	Operating update for the 3 months to September 2025	19 November 2025
	Annual general meeting	20 November 2025

ADMINISTRATION

Momentum Group Ltd

Group Company Secretary and registered office

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Investor relations

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Company registration

2000/031756/06

Internet address

<https://www.momentumgrouppltd.co.za>

Auditors

Ernst & Young Inc.
PricewaterhouseCoopers Inc.

Share codes

JSE – MTM
A2X – MTM
NSX – MMT

Sponsor – South Africa

Tamela Holdings (Pty) Ltd

Transfer secretaries – South Africa

JSE Investor Services (Pty) Ltd
One Exchange Square
2 Gwen Lane
Sandown
2196
PO Box 4844, Johannesburg 2000

Sponsor – Namibia

Simonis Storm Securities (Pty) Ltd

Transfer secretaries – Namibia

Transfer Secretaries (Pty) Ltd
4 Robert Mugabe Avenue
Windhoek, Namibia
PO Box 2401, Windhoek, Namibia

Debt sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Ltd

www.momentumgrouppltd.co.za

momentum

 **METROPOLITAN**

GUARDRISK 