momentum
group

Momentum Metropolitan Life Ltd
Group Annual Financial Statements

Audited results for the year ended 30 June 2024

momentum METROPOLITAN GUARDRISK

MOMENTUM METROPOLITAN LIFE LTD

Group Annual Financial Statements 2024

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

DIRECTORS' RESPONSIBILITY AND APPROVAL

RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

To enable the directors 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 International Financial Reporting Standards (IFRS) Accounting Standards 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, the Long-term Insurance Act, 52 of 1998, the Short-term Insurance Act, 53 of 1998, and the Insurance Act, 18 of 2017, and comply with International Financial Reporting Standards and guidelines issued by the Actuarial Society of South Africa.

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 page 3.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements, presented on pages 13 to 270, were approved by the Board of directors on 25 September 2024 and are signed on its behalf by:

Paul Baloyi
Group Chairman

Centurion, 25 September 2024

Jeanette Marais (Cilliers)
Group Chief Executive Officer

Centurion, 25 September 2024

CEO AND FINANCIAL DIRECTOR CONFIRMATION OF FINANCIAL CONTROLS

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

a) the Annual Financial Statements set out on pages 13 to 270, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;

b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;

c) 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;

d) the internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

e) 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; and

f) we are not aware of any fraud involving directors.

Jeanette Marais (Cilliers)
Group Chief Executive Officer

Centurion, 25 September 2024

Risto Ketola
Group Finance Director

Centurion, 25 September 2024

CERTIFICATE BY THE GROUP COMPANY SECRETARY

In accordance with the provisions of section 88(2)(e) of the South African Companies Act, 71 of 2008 (the Companies Act), I certify that for the year ended 30 June 2024 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, 25 September 2024

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MOMENTUM METROPOLITAN LIFE LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Momentum Metropolitan Life Ltd and its subsidiaries ('the Group') and Company set out on pages 13 to 264, which comprise of the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss, the consolidated and separate statement of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and 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 the Group and Company as at 30 June 2024, 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 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 *Auditor's Responsibilities for the Audit of the consolidated and separate financial statements* section of our report. 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the consolidated and separate financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements as specified below.

Key Audit Matter	How the matter was addressed in the audit
1. VALUATION OF IFRS 17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES *This key audit matter applies to the audit of the group consolidated and company separate financial statements.*	
The valuation of insurance contract and reinsurance contract assets and liabilities is inherently complex due to: • Unobserved assumptions, in particular non-economic assumptions including persistency, expenses, mortality and morbidity and the related high degree of estimation uncertainty relating to expected cashflows that is driven by assumptions. • Actuarial methodologies applied in the calculation of the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC), including techniques for measuring the Risk Adjustment (RA) for non-financial risk. • Modelling and data requirements related to initial recognition and subsequent measurement of the Contract Service Margin (CSM) under the General Measurement Model (GMM) and the Variable Fee Approach (VFA). The risk that these unobserved assumptions are not being set appropriately and the high degree of estimation uncertainty relating to expected cashflows, or actuarial methodology not being appropriate could result in: • A misstatement of the RA and Best Estimate Liability (BEL) for liability components; or an overstatement for asset components; or • A misstatement of CSM (leading to revenue being overstated in the year and subsequent years); or • Incorrect classification between profitable and onerous contracts on initial recognition; or Incorrect timing of profit recognition.	In order to address the various aspects of significant risk our audit team, which includes internal actuarial specialists, challenge assumptions and methodologies applied through the following procedures: Assumptions: • Challenge and assess whether the methodology and assumptions applied are appropriate based on our knowledge of the Group, Company and segment, along with industry standards and regulatory requirements, as well as the requirements of IFRS 17. • Test the design and operating effectiveness of key controls over management's process for setting and updating key actuarial assumptions. • Review and challenge the results of management's experience analysis, including mortality, morbidity and persistency, to assess whether this analysis justified the adopted assumptions. • Assess the appropriateness of economic assumptions and their consistency with observable market variables, including discount rates (current and locked-in) and illiquidity premiums. • Assess the expense assumptions adopted by management with reference to the Group's underlying expense base and the relevant functional cost analysis, including the split of attributable and non-attributable expenses under IFRS 17. • Benchmark the demographic and economic assumptions against those of peers and internal experience. • Assess the appropriateness of stochastic modelling approaches and assumptions used in calculating the time value of guarantees (TVOG), where applicable.

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE SHAREHOLDERS OF MOMENTUM METROPOLITAN LIFE LTD

Key Audit Matter continued	**How the matter was addressed in the audit** continued

1. VALUATION OF IFRS 17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES

This key audit matter applies to the audit of the group consolidated and company separate financial statements.

Modelling:

- Obtain an understanding of management's process for developments to the core actuarial models and test the design and operating effectiveness of key controls over that process, and review the governance process around model changes.
- Assess the results of model reviews carried out as part of the independent rolling model validation programme.
- Challenge and evaluate the methodology, inputs and assumptions applied to model changes made during the year. Ensure that any model changes implemented over the year reflect correctly in the year-end balances and roll-forwards.
- Perform an independent assessment of the level of aggregation across material portfolios including an assessment of onerous groups.
- Stratify the components of reserves modelled outside the core actuarial system and focus our assessment on those that present a higher risk of material misstatement.

In addition to the above we performed the following procedures:

- Assessed the reasonability of the roll-forwards of different liability components (BEL, RA and CSM), based on our understanding of the business and other supporting information, including assessment of year-on-year movements and the impact of valuation basis changes.
- Reviewed the methodology and calibration of the RA, including the expected release and changes at year-end.

We independently recalculated the CSM, Loss Component (LC) and Loss Recovery Component (LoRC) for all groups of insurance and reinsurance, using EY's internal challenger model. For contracts measured under the Premium Allocation Approach (PAA), we either independently recalculated year-end balances and roll-forwards using EY's internal challenger model or assessed the appropriateness of management's valuation models.

Transition from IFRS 4 to IFRS 17

IFRS 17 has been adopted with effect from the 2024 financial year, requiring retrospective application and the related restatement of policy liability balances to reflect the requirements of the new accounting standard. In doing so, has made certain key judgments and assumptions to develop its accounting policies.

The transition approach and its application may affect the transition Contractual Service Margin (CSM) and thus have a significant impact on the equity at transition and the recognition of profit in the subsequent periods.

The key judgements applied on transition were:

- The determination of the transition approach (fully retrospective or fair value approach) based on the required impracticability assessments performed.
- Where the fair value transition approach was selected, the key assumptions used in determining the fair value for the respective cohorts of policies included:
  - Solvency cover ratio;
  - Adjustment for diversification of required capital; and
  - Hurdle rate (or required rate of return);
- Determining the appropriate measurement models for insurance and investment contracts with discretionary participation features.
- Level of aggregation used for measuring and reporting on groups of contracts.

To obtain sufficient audit evidence to address the risk over the transition from IFRS 4 to IFRS 17, we:

- Assess whether the Group's chosen accounting policies and methodologies were in compliance with IFRS 17 and that the nature and substance of the policies issued by the group supported the policy elections made on transition.
- Test the IFRS 17 transition models and methodologies for compliance with the requirements of IFRS 17.
- Evaluate the impracticability assessments made by management where the fully retrospective approach was not followed.
- Challenge the judgements applied by management in assessing whether contracts transferred significant insurance risk or whether they met the criteria to be classified as investment contracts with discretionary participation features.
- Assess and tested that the levels of aggregation used for measuring and reporting on groups of contracts was in compliance with IFRS17.
- Assess the appropriateness of management's data and assumptions applied in calculating the CSM on the transition date (being 30 June 2022) including the appropriateness of the coverage units used to amortize the CSM and the impact of assumption changes unlocking the CSM were assessed for reasonability.
- Assess the appropriateness of the assumptions used in determining the CSM of cohorts where the fair value approach was selected, and correct application of these assumptions in the fair value calculations.

Key Audit Matter continued	**How the matter was addressed in the audit** continued
2. VALUATION OF COMPLEX AND ILLIQUID ASSETS AND LIABILITIES *This key audit matter applies to the audit of the group consolidated and company separate financial statements.*	
The extent of judgement applied by management in valuing the Group's investments varies with the nature of securities held, the markets in which they are traded, and the valuation methodology applied. Observable inputs are not readily available for some of the Group and Company's invested assets and a mark-to-model valuation is applied as a result. The Level 3 assets amount to: owner-occupied properties of R1 444 million for group as disclosed in note 3; investment properties of R9 269 million for group and R5 303 million for company as disclosed in note 4; and financial assets of R4 364 million for group and R6 081 million for company as disclosed in note 6. We consider the valuation of the diverse portfolio of Level 3 assets and liabilities to be a key auditing matter given: i) that the assumptions determined by management are largely based on non-observable inputs, are highly judgemental and consider a diverse range of sector information ii) the extent of effort required in assessing the completeness and accuracy of data utilised in the valuation models due to the diverse and large portfolio.	Our audit included the following procedures with the assistance of our internal valuation specialists: • Obtained an understanding of management's process for determining the fair value of Level 3 assets and liabilities and evaluated the design effectiveness of key controls (including IT general controls) relevant to the valuation of these Level 3 assets and liabilities. • Assessed the appropriateness of the valuation methodologies applied by management with reference to relevant accounting standards and industry guidance. • Tested the completeness and accuracy of data inputs used in the valuation model by agreeing them on a sample basis to source (including the underlying contracts) or comparing them to available market benchmarks. • 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. • Involved our internal valuation specialist to perform independent valuations on a sample basis and we compare the output to the modelled valuations produced by management or third parties, as applicable. • Considered the completeness and accuracy of valuation adjustments applied by management to exposures of leveraged entities that may be adversely affected by the economic uncertainty in terms of their ability to service interest and capital. • With the assistance of our internal valuation specialists, we corroborated key inputs to models and validated significant assumptions on a sample basis with reference to relevant industry market valuation considerations, with a particular focus on discount rates and credit risk.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 271-page document titled "Momentum Metropolitan Life Ltd Group Annual Financial Statements- Audited results for the financial year ended 30 June 2024", which includes the Directors' Report, the Audit Committee Report and the Certificate by the Company Secretary as required by the Companies Act of South Africa, and the following:

- Directors' responsibility and approval
- CEO and Finance Director confirmation of financial controls
- Certificate by the Group Company Secretary
- Directors' report
- Report of the Audit Committee
- Statement of actuarial values of assets and liabilities
- Annexure A
- Shareholder diary and administration
- Momentum Metropolitan Integrated Report 2024
- Application of KING IV Summary Report 2024

The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do 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, 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 as issued by the International Accounting Standards Board 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.

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE SHAREHOLDERS OF MOMENTUM METROPOLITAN LIFE LTD

Auditor's 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 auditor's 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 and 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 and 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 auditor's 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 auditor's report. However, future events or conditions may cause the group and/or the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance 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 auditor's 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

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst and Young Inc has been the auditor of Momentum Metropolitan Life Ltd for 5 years.

Ernst & Young Inc.

Ernst & Young Inc.
Director: J.C. de Villiers
Registered Auditor

102 Rivonia Road
Sandton

27 September 2024

DIRECTORS' REPORT

The Board is pleased to present the audited financial statements of MML and its subsidiaries (collectively Momentum Metropolitan Life Group or the Group) for the year ended 30 June 2024. The Board is of the opinion that the Group is in compliance with the South African Companies Act, 71 of 2008 (the Companies Act) as well as the Company's Memorandum of Incorporation.

NATURE OF ACTIVITIES

MML is a South African based financial services company that offers a comprehensive range of products and administration services, including life insurance, employee benefits and health insurance products.

CORPORATE EVENTS

Listed debt

On 16 October 2023, Momentum Metropolitan Life Ltd (MML) listed two subordinated debt instruments to the combined value of R750 million on the JSE. The proceeds of the issuance were used to refinance the subordinated debt instrument, MMIG06, which became callable on 19 October 2023.

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 International Accounting Standards Board.
- Interpretations by the IFRS Interpretations Committee (IFRIC) issued and effective at the time of preparing these statements.
- JSE Debt Listings Requirements.
- 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. 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 20 of the AFS, including changes in estimates that are an integral part of the insurance business.

IFRS 17 Insurance Contracts

The Group applied IFRS 17 Insurance Contracts (IFRS 17) for the financial year ended 30 June 2024. As part of the transition to IFRS 17, the Group restated comparative information to the financial year ended 30 June 2024 and opening balances at 1 July 2022. For further information on IFRS 17, refer to note 45.1.2 and various accounting policies included in note 45 regarding insurance contracts issued and reinsurance contracts held.

The accounting policies of the Group have been applied consistently to all years presented except specific restatements being listed in notes 45.1.2 and 46 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 20 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

MML is a wholly owned subsidiary of Momentum Group Limited (MGL) and is included in MGL's application of the King Code. The Board has satisfied itself that MGL and its subsidiaries have 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 MGL Integrated Report and the King IV™ Application Summary available on MGL's website (https://www.momentumgroupltd.co.za/investor-relations/reports/integrated-reports) for details of the governance framework and assessment of its application throughout the year.

BOARD EVALUATION

The Board has executed its responsibilities under the evaluation policy.

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 2024 that were not in the ordinary course of business other than what is disclosed in note 31.

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.

Earnings attributable to equity holders for the year under review were R3 395 million (2023: R2 984 million). Earnings per share for the year were 1 787 cents per share (2023: 1 571 cents per share). Normalised headline earnings were R3 712 million (2023: earnings of R3 090 million) and normalised headline earnings per share 1 954 cents (2023: 1 626 cents earnings). Refer to note 1 for a reconciliation of earnings to normalised headline earnings.

Normalised headline earnings are reported by segment and disclosed in the segmental report. For the current year and prior year it is as follows:

Analysis of normalised headline earnings	2024 Rm	2023 Rm
Momentum Retail	**1 155**	1 195
Momentum Investments	**516**	392
Metropolitan Life	**595**	310
Momentum Corporate	**1 176**	1 138
Momentum Metropolitan Health	**56**	(23)
Other	**24**	4
Shareholders	**190**	74
Total	**3 712**	3 090

DIRECTORS' REPORT CONTINUED

SUBSIDIARIES AND ASSOCIATES

Details of significant subsidiary companies are contained in note 41. Details of associates are contained in note 42.

SHARE CAPITAL

Share issue and repurchase

There were no changes in the authorised or issued share capital of Momentum Metropolitan Life Ltd during the financial year.

Share options

The Group has not issued any options on MML shares. The Group awards units to employees as part of cash-settled share-based schemes. Refer to note 15.2 for more details.

The iSabelo Trust (the Trust) has been set up to hold and administer 3% of total issued MGL shares until such time as the shares are allocated to employees. At commencement of the programme, units in the Trust were allocated to all current South African employees. Units will also be allocated on a semi-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 allocated to employees at the end of the 10th anniversary of their initial allocation. Refer to note 17.7 for more details.

SHAREHOLDER DIVIDEND

Ordinary share dividend

The following dividends were declared during the current year:

	2024 cents per share	2023 cents per share
Interim – March	**756**	791
Final – September	**474**	817
	1 230	1 608

SHAREHOLDERS

Momentum Metropolitan Life Ltd Group is a wholly owned subsidiary of Momentum Group Ltd.

DIRECTORATE, SECRETARY AND AUDITOR

The Company had the following directors as at 30 June 2024:

PC Baloyi (Chair)	Independent non-executive
JC Marais (Cilliers) (Group Chief Executive)	Executive
RS Ketola (Group Finance Director)	Executive
DM Mbethe	Executive
HP Meyer*	Non-executive
L de Beer	Independent non-executive
SC Jurisich	Independent non-executive
NJ Dunkley	Independent non-executive
T Gobalsamy	Independent non-executive
PJ Makosholo#	Non-executive
D Park	Independent non-executive
P Cooper	Independent non-executive
P Matlakala	Independent non-executive
T Soondarjee	Independent non-executive
AF Leautier	Independent non-executive
S Rapeti	Independent non-executive

* Mr HP Meyer resigned as executive director during the current financial year and was reappointed as non-executive director.
\# Mr PJ Makosholo resigned from the Board during the current financial year.

The following represents a list of the new Board appointments and resignations or retirements during the year:

	Appointments	Resignations
HP Meyer	1 April 2024	30 September 2023
PJ Makosholo		30 June 2024
DM Mbethe	22 November 2023	
S Rapeti	1 June 2024	

CHANGES TO BOARD COMMITTEES

1. Dumo Mbethe was appointed as an executive director on the Board of MML, with effect from 22 November 2023, to balance the executive governance support to the boards, having been an existing member of the Momentum Group's Fair Practices Committee.
2. Hillie Meyer was appointed as a non-executive director on the Board of MML, as well as a member of the Momentum Group's Actuarial and Investments Committees, with effect from 1 April 2024. This was to enhance the skills set of the Board and the respective committees.
3. Frannie Leautier was appointed as a member of the Momentum Group's Nominations, Remuneration, as well as Social, Ethics and Transformation Committees with effect from 1 April 2024. This was to expand the skills set of the respective committees.
4. Sharoda Rapeti was appointed as an independent non-executive director on the Board of MML, a member of the Momentum Group's Risk, Capital and Compliance, as well as Social, Ethics and Transformation Committees, with effect from 1 June 2024. This was to expand the skills set of the Board and respective committees.
5. Paballo Makosholo resigned as a member of the Group's Social, Ethics and Transformation Committee with effect from 31 March 2024. He later resigned as a non-executive director on the Board of MML and a member of the Momentum Group's Investments as well as Risk, Capital and Compliance Committees with effect from 30 June 2024. He resigned to focus on other business commitments.
6. Mr Hilgard Pieter Meyer formally retired as an executive director from the Board of MML and as a member of the Momentum Group's Risk, Capital and Compliance as well as Social, Ethics and Transformation Committees, effective 30 September 2023.

Detailed information regarding the directors, including their brief CVs and Board committees and information regarding the Company Secretary is provided in the Integrated Report of Momentum Group Ltd which is available in print and online in PDF format at https://www.momentumgroupltd.co.za/investor-relations/reports/integrated-reports.

Ernst & Young Inc. will continue in office as auditor in accordance with section 90(6) of the Companies Act. In addition, PricewaterhouseCoopers Inc. have been appointed as joint auditors for the coming year, subject to ratification at the annual general meeting on 21 November 2024.

DIRECTORS' SHAREHOLDING

The aggregate direct and indirect holdings in MGL of the directors of the Company at 30 June 2024 are set out below:

	Direct Beneficial '000	Indirect Beneficial '000	Total 2024 '000	Total 2023 '000
Listed				
Executive directors	**307**	**–**	**307**	1 028
Non-executive directors	**829**	**1 466**	**2 295**	1 526
	1 136	**1 466**	**2 602**	2 554

No changes occurred between the reporting date and the date of approval of the financial statements.

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 MML directors for the period ended 30 June 2024 is set out below.

	Fees R'000	Expense allowance R'000	Salary R'000	Short-term incentive payments[1] R'000	Retirement fund R'000	Medical aid R'000	Long-term incentive payment R'000	Total 2024 R'000	Total 2023 R'000
Executive	**–**	**–**	**19 061**	**18 050**	**999**	**185**	**36 736**	**75 031**	46 164
Non-executive	**20 579**	**–**	**–**	**–**	**–**	**–**	**–**	**20 579**	20 070
Total	**20 579**	**–**	**19 061**	**18 050**	**999**	**185**	**36 736**	**95 610**	66 234

[1] Bonus payments relate to the 2023 financial year's bonus.

DEBT OFFICER

The Board has, with effect from 5 December 2022, appointed Ms Lebogang Moepye as the debt officer pursuant to paragraph 7.3(g) of the JSE Debt Listings Requirements. The Board has considered and is satisfied with the competence, qualifications and experience of the appointed debt officer.

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, Financial Sector Conduct Authority (FSCA) approval is required for any borrowings within a life insurance company in the Group.

EVENTS AFTER THE REPORTING PERIOD

Momentum Money

Following a thorough review of the Momentum Money proposition, the current savings landscape, and the Group's future strategy, Momentum Group has decided to discontinue with the Momentum Money product. Notification of the business closure has been communicated with the FSCA, PA and key third-party providers who will be critical in supporting a responsible wind down process.

Termination notices have been sent to key third-party providers, with some contracts that have terminated in August and September 2024. The business will maintain third-party services until the last client is offboarded, and client refunds are expected to be completed by December 2024. As a result, the business will continue to incur expenses in the next financial year related to contractual obligations, staff retrenchment costs, and potential penalties for early contract terminations. The human capital aspect has been carefully managed, with some staff being absorbed into other roles within the Group, while others are in various stages of the recruitment process. Retrenchment processes have been completed for a portion of staff, with ongoing support for remaining staff. A reasonable estimate of the financial impact will be concluded by December 2024 once all client payments have been finalised and all staff retrenchment costs quantified.

Although the product offering will no longer be available, the subsidiary will be utilised for conducting other business ventures and will not be deregistered.

No 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 (Momentum/the Group) herewith presents its report for the financial year ended 30 June 2024. 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, 71 of 2008, as amended, the JSE Debt 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 2025 objectives are included on pages 110 and 112 of the Group's 2024 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 103 to 105 and 110 of the 2024 Integrated Report and the Group's website at https://www.momentumgroupltd.co.za/about-us/leadership/board-of-directors.

The Committee had five scheduled meetings during the year. Two meetings were held to consider information for purposes of trading updates. A further meeting was held to discuss matters pertaining to the regulations published by the Prudential Authority in respect of joint audits, and the proposed way forward in the implementation thereof. Member attendance is reflected on page 110 of the 2024 Integrated Report, which is available on the Group's website.

Key members of management as well as the control functions, namely risk, compliance, actuarial and internal audit attend meetings of the Committee by invitation. Closed sessions for Committee members only, as well as with internal audit, external audit and management are held on a regular basis.

KEY 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:

- IFRS 17 implementation, with specific focus on opening balances and disclosures.
- External Audit transition to implement joint audits.
- Monitor enhancement of the technical finance skills and capacity within the business units.
- Focus on additional non-financial measurements and reporting such as environmental, social, and corporate governance.

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 Debt 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 2023 Proactive Monitoring Report and 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 expertise and experience to fulfil the role of Group Finance Director, that the finance function is adequately skilled and experienced and that the finance function has established appropriate financial reporting procedures, which are operating effectively.

Integrated Report

The Committee reviewed the Group's 2024 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 as the designated auditor and Cornea de Villiers as the engagement partner in accordance with paragraph 7.3(e)(iii) of the JSE Debt Listings Requirements. As 2024 was Cornea de Villiers' fifth year as engagement partner for the Group, the Committee followed a process with EY which resulted in it approving Christo du Toit as engagement partner for 2025. The Committee would like to express its sincere gratitude to Cornea, for her commitment and service to the Group, especially as her first year was in the midst of the Covid-19 pandemic.

For purposes of the 2025 audit, where the Group will implement the required joint audit arrangement for the first time, the Committee also considered the suitability of PwC as joint audit firm and Dilshad Khalfey, as joint engagement partner.

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

External audit fees are disclosed on page 178 within note 25 to the AFS. All the non-audit services (disclosed on page 178, note 25 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. During the prior year the Committee approved the renewal of KPMG's contract in this regard for a term of five years, ending 31 December 2027.

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 are 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.

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 both 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.

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.

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.

Details of the Group's combined assurance framework and the results of the assurance work in 2024 is provided on page 43 to 44 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."

REPORT OF THE AUDIT COMMITTEE CONTINUED

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 IFRS 17 insurance and reinsurance contract assets and liabilities

The valuation of IFRS 17 and reinsurance contract assets and liabilities is a critical focus area for the Committee. A specific subcomponent of the valuation of IFRS 17 insurance and reinsurance contract assets and liabilities considered the transition from IFRS 4 to IFRS 17.

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 IFRS 17 insurance and reinsurance contract assets and liabilities was adequately considered.

Valuation of complex and illiquid assets and liabilities

The Committee has considered the appropriateness and consistency of the methodology applied, as well as the assumptions and judgements made by management in order 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 key focus areas of the Committee for 2025

In 2025, the Committee will focus on the following, in addition to its ongoing responsibilities in terms of the Committee terms of reference:

- Oversee 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 over the maturity of processes and controls in respect of FICA.
- Monitor enhancements of technical finance skills and capacity within business units.

Linda de Beer

Chair: Audit Committee

25 September 2024

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	Group			Company			
	2024 Rm	Restated 2023[1] Rm	Restated 1 July 2022[1] Rm	2024 Rm	Restated 2023[1] Rm	Restated 1 July 2022[1] Rm	Notes
ASSETS							
Intangible assets	**2 697**	3 033	3 104	**2 509**	2 594	2 700	2
Owner-occupied properties	**1 533**	1 875	1 822	**70**	352	889	3.1
Fixed assets	**370**	283	251	**347**	254	224	3.2
Investment properties	**9 279**	8 794	8 928	**5 303**	2 098	6 662	4
Interest in subsidiaries	**–**	–	–	**117 189**	110 897	94 143	5
Investments in associates	**87**	74	69	**–**	–	–	
Investment in joint ventures	**6**	6	8	**2**	4	9	
Employee benefit assets	**429**	398	458	**429**	398	457	15.3
Financial assets at fair value through profit and loss (FVPL)	**559 803**	495 167	448 247	**413 981**	359 684	321 860	6.1
Financial assets at amortised cost	**5 969**	7 755	5 696	**4 712**	6 230	4 171	6.2
Insurance contract assets	**4 564**	4 214	4 396	**4 564**	4 214	3 579	9
Reinsurance contract assets	**5 401**	4 769	5 004	**5 401**	4 769	4 985	10
Deferred income tax	**178**	108	90	**–**	–	–	14
Other receivables	**567**	468	450	**334**	308	315	7
Assets relating to disposal groups held for sale	**103**	88	–	**103**	4 874	–	8
Current income tax assets	**4**	4	6	**–**	–	–	28.2
Cash and cash equivalents	**23 778**	22 772	17 814	**17 382**	13 443	10 730	6.3
Total assets	**614 768**	549 808	496 343	**572 326**	510 119	450 724	
EQUITY							
Equity attributable to owners of the parent	**18 129**	17 700	17 714	**19 516**	19 399	18 666	
Share capital	**1 041**	1 041	1 041	**1 041**	1 041	1 041	16
Other components of equity	**10 808**	10 776	10 548	**9 263**	10 029	9 603	17
Retained earnings	**6 280**	5 883	6 125	**9 212**	8 329	8 022	
Non-controlling interests	**81**	80	89	**–**	–	–	
Total equity	**18 210**	17 780	17 803	**19 516**	19 399	18 666	
LIABILITIES							
Insurance contract liabilities	**138 711**	124 353	116 899	**138 711**	124 353	116 892	9
Investment contracts designated at FVPL	**383 566**	340 943	294 212	**380 960**	338 451	290 996	11
Financial liabilities at FVPL	**59 353**	51 067	52 946	**21 414**	15 465	13 726	13.1
Financial liabilities at amortised cost	**1 247**	1 293	1 285	**89**	235	263	13.2
Reinsurance contract liabilities	**33**	36	953	**33**	36	90	10
Deferred income tax	**2 395**	2 472	2 840	**2 106**	2 263	2 553	14
Provisions	**348**	320	263	**230**	302	244	18
Employee benefit obligations	**1 467**	1 192	985	**1 308**	1 043	858	15
Other payables	**9 303**	9 496	8 098	**7 834**	7 779	6 386	13.3
Liabilities relating to disposal groups held for sale	**–**	48	–	**–**	–	–	
Current income tax liabilities	**135**	808	59	**125**	793	50	28.2
Total liabilities	**596 558**	532 028	478 540	**552 810**	490 720	432 058	
Total equity and liabilities	**614 768**	549 808	496 343	**572 326**	510 119	450 724	

[1] The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 30 JUNE 2024

	Group		Company		
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm	Notes
Insurance revenue	**26 067**	24 833	**26 067**	24 833	19
Insurance service expenses	**(21 373)**	(21 002)	**(21 373)**	(21 002)	20
Allocation of reinsurance premiums	**(3 357)**	(3 393)	**(3 357)**	(3 393)	21
Amounts recoverable from reinsurers for incurred claims	**3 185**	3 428	**3 185**	3 428	22
Insurance service result	**4 522**	3 866	**4 522**	3 866	
Investment income	**30 406**	26 990	**25 789**	22 112	23.1
Amortised cost	**1 811**	1 344	**1 191**	832	
Other investment income	**28 595**	25 646	**24 598**	21 280	
Net realised and unrealised fair value gains	**28 964**	39 634	**28 135**	37 540	23.2
Net impairment reversal/(loss) on financial assets	**1**	(13)	**3**	(13)	23.3
Finance expenses from insurance contracts issued	**(15 299)**	(9 935)	**(15 299)**	(9 935)	23.4
Finance income/(expenses) from reinsurance contracts held	**465**	(136)	**465**	(136)	23.5
Fair value adjustments on investment contract liabilities	**(35 274)**	(46 405)	**(35 048)**	(46 220)	11
Fair value adjustments on collective investment scheme (CIS) liabilities	**(3 997)**	(4 382)	**–**	–	
Net investment result	**5 266**	5 753	**4 045**	3 348	23
Fee income	**5 186**	5 141	**4 139**	4 142	24
Contract administration	**3 610**	3 584	**3 605**	3 576	
Trust and fiduciary services	**1 251**	1 117	**484**	483	
Other fee income	**325**	440	**50**	83	
Other operating expenses	**(7 817)**	(7 076)	**(5 648)**	(5 324)	25
Results of operations	**7 157**	7 684	**7 058**	6 032	
Share of profit/(loss) of associates	**3**	(1)	**–**	–	
Share of loss of joint ventures	**–**	(1)	**–**	–	
Other finance costs	**(1 643)**	(2 362)	**(1 391)**	(889)	26
Profit before tax	**5 517**	5 320	**5 667**	5 143	
Income tax expense	**(2 124)**	(2 348)	**(1 978)**	(2 166)	27
Earnings for year	**3 393**	2 972	**3 689**	2 977	
Attributable to:					
Owners of the parent	**3 395**	2 984	**3 689**	2 977	
Non-controlling interests	**(2)**	(12)	**–**	–	
	3 393	2 972	**3 689**	2 977	
Earnings per ordinary share (cents)	**1 786.8**	1 570.5	**1 941.6**	1 566.8	1

[1] The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Group		Company		
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm	Notes
Earnings for year	**3 393**	2 972	**3 689**	2 977	
Other comprehensive income, net of tax	**21**	179	**(586)**	935	
Items that may subsequently be reclassified to income	**(36)**	144	**–**	–	
Exchange differences on translating foreign operations	**(36)**	144	**–**	–	17
Items that will not be reclassified to income	**57**	35	**(586)**	935	
Land and building revaluation	**89**	30	**20**	25	17
Revaluation of subsidiaries	**–**	–	**(669)**	897	17
Remeasurements of post-employee benefit funds	**18**	9	**18**	9	17
Own credit loss on financial liabilities designated at FVPL	**(29)**	(6)	**(29)**	(6)	13.1
Income tax relating to items that will not be reclassified	**(21)**	2	**74**	10	17
Total comprehensive income for year	**3 414**	3 151	**3 103**	3 912	
Total comprehensive income attributable to:					
Owners of the parent	**3 416**	3 163	**3 103**	3 912	
Non-controlling interests	**(2)**	(12)	**–**	–	
	3 414	3 151	**3 103**	3 912	

[1] The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

Group	Share capital Rm	Share premium Rm	Other reserves Rm	Retained earnings Rm	Total attributable to owners of the parent Rm	Preference shares Rm	Non-controlling interests Rm	Total equity Rm	Notes
Balance at 1 July 2022	9	1 032	5 136	7 224	13 401	–	89	13 490	
IFRS 17 opening adjustment[1]	–	–	–	1 902	1 902	–	–	1 902	
Change in accounting policy[2]	–	–	5 412	(3 001)	2 411	–	–	2 411	
Restated opening balance	9	1 032	10 548	6 125	17 714	–	89	17 803	
Total comprehensive income/(loss)	–	–	185	2 978	3 163	–	(12)	3 151	
Profit/(loss) for the period	–	–	–	2 984	2 984	–	(12)	2 972	
Other comprehensive income/(loss)	–	–	185	(6)	179	–	–	179	
Dividend declared	–	–	–	(3 200)	(3 200)	–	–	(3 200)	
Transfer to other reserves from retained earnings	–	–	20	(20)	–	–	–	–	
Other	–	–	–	–	–	–	3	3	
Equity-settled share-based payment arrangements	–	–	23	–	23	–	–	23	
Restated balance at 1 July 2023	**9**	**1 032**	**10 776**	**5 883**	**17 700**	**–**	**80**	**17 780**	
Total comprehensive income/(loss)	**–**	**–**	**50**	**3 366**	**3 416**	**–**	**(2)**	**3 414**	
Profit/(loss) for the period	**–**	**–**	**–**	**3 395**	**3 395**	**–**	**(2)**	**3 393**	
Other comprehensive income/(loss)	**–**	**–**	**50**	**(29)**	**21**	**–**	**–**	**21**	
Dividend declared	**–**	**–**	**–**	**(2 975)**	**(2 975)**	**–**	**–**	**(2 975)**	
Share issue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Transfer to retained earnings from other reserves	**–**	**–**	**(34)**	**34**	**–**	**–**	**–**	**–**	17
Other	**–**	**–**	**–**	**–**	**–**	**–**	**3**	**3**	
Capital contribution to group companies[3]	**–**	**–**	**–**	**(28)**	**(28)**	**–**	**–**	**(28)**	
Equity-settled share-based payment arrangements	**–**	**–**	**16**	**–**	**16**	**–**	**–**	**16**	
Balance at 30 June 2024	**9**	**1 032**	**10 808**	**6 280**	**18 129**	**–**	**81**	**18 210**	

[1] The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.
[2] Refer to note 46 for more information on the restatement.
[3] The capital contribution to group companies is the result of the difference in fair value and transaction price of an interest free loan advanced to Momentum Health Solutions, a fellow subsidiary of MGL, which is repayable in 2027.

Company	Share capital Rm	Share premium Rm	Other reserves Rm	Retained earnings Rm	Total attributable to owners of the parent Rm	Preference shares Rm	Total equity Rm
Balance at 1 July 2022	9	1 032	4 191	9 121	14 353	–	14 353
IFRS 17 opening adjustment[1]	–	–	–	1 902	1 902	–	1 902
Change in accounting policy[2]	–	–	5 412	(3 001)	2 411	–	2 411
Restated opening balance	9	1 032	9 603	8 022	18 666	–	18 666
Total comprehensive income	–	–	941	2 971	3 912	–	3 912
Profit for the period	–	–	–	2 977	2 977	–	2 977
Other comprehensive income/(loss)	–	–	941	(6)	935	–	935
Dividend declared	–	–	–	(3 200)	(3 200)	–	(3 200)
Transfer to retained earnings from other reserves	–	–	(536)	536	–	–	–
Equity-settled share-based payment arrangements	–	–	21	–	21	–	21
Restated balance at 1 July 2023	**9**	**1 032**	**10 029**	**8 329**	**19 399**	**–**	**19 399**
Total comprehensive income	**–**	**–**	**(557)**	**3 660**	**3 103**	**–**	**3 103**
Profit for the period	**–**	**–**	**–**	**3 689**	**3 689**	**–**	**3 689**
Other comprehensive loss	**–**	**–**	**(557)**	**(29)**	**(586)**	**–**	**(586)**
Dividend declared	**–**	**–**	**–**	**(2 975)**	**(2 975)**	**–**	**(2 975)**
Transfer to retained earnings from other reserves	**–**	**–**	**(226)**	**226**	**–**	**–**	**–**
Capital contribution to group companies[3]	**–**	**–**	**–**	**(28)**	**(28)**	**–**	**(28)**
Equity-settled share-based payment arrangements	**–**	**–**	**17**	**–**	**17**	**–**	**17**
Balance at 30 June 2024	**9**	**1 032**	**9 263**	**9 212**	**19 516**	**–**	**19 516**

1 The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.
2 Refer to note 46 for more information on the restatement.
3 The capital contribution to group companies is the result of the difference in fair value and transaction price of an interest free loan advanced to Momentum Health Solutions, a fellow subsidiary of MGL, which is repayable in 2027.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Group		Company		
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm	Notes
Cash flow from operating activities					
Cash utilised in operations	**(20 802)**	(7 150)	**(14 375)**	(8 631)	28.1
Interest received	**17 999**	15 687	**15 195**	12 205	
Dividends received	**5 270**	4 257	**4 158**	3 978	
Income tax paid	**(2 962)**	(1 902)	**(2 729)**	(1 703)	28.2
Interest paid	**(1 807)**	(2 505)	**(1 505)**	(953)	28.3
Net cash (outflow)/inflow from operating activities	**(2 302)**	8 387	**744**	4 896	
Cash flow from investing activities					
Additional investment in subsidiaries	**–**	–	**(152)**	(267)	
Net cash inflow from acquisition of subsidiaries	**–**	105	**–**	–	29
Share capital returned on deregistration of subsidiary	**–**	–	**10**	25	5
Net cash outflow from disposal of cell captive business to Guardrisk	**–**	(127)	**–**	–	
Net cash inflow from unbundling of Multiply (refer to note 8)	**36**	–	**–**	–	8
Investments in associates and joint ventures	**(10)**	(5)	**–**	–	
Purchase of owner-occupied properties	**(1)**	(27)	**–**	(6)	3.1.1
Disposal of owner-occupied properties	**35**	–	**34**	–	
Purchase of property and equipment	**(193)**	(168)	**(187)**	(148)	
Purchase of intangible assets	**–**	(30)	**–**	(30)	2
Net cash outflow from investing activities	**(133)**	(252)	**(295)**	(426)	
Cash flow from financing activities					
Subordinated call notes issued	**750**	–	**750**	–	28.4.1
Subordinated call notes repaid	**(750)**	(980)	**(750)**	(980)	28.4.1
Proceeds from carry positions[#]	**201 527**	167 609	**179 214**	140 027	28.4.2
Repayment of carry positions[#]	**(194 917)**	(166 249)	**(172 678)**	(137 733)	28.4.2
Proceeds from other borrowings measured at fair value	**6**	45	**–**	–	28.4.4
Repayment of other borrowings measured at fair value	**(37)**	(795)	**–**	–	28.4.4
Repayment of other borrowings measured at amortised cost	**(143)**	(98)	**–**	–	28.4.5
Proceeds from other borrowings measured at amortised cost	**155**	168	**–**	–	28.4.5
Payment of principal portion of lease liability	**(73)**	(80)	**(60)**	(90)	28.4.5
Dividend paid to equity holders	**(2 975)**	(3 200)	**(2 975)**	(3 200)	
Net cash inflow/(outflow) from financing activities	**3 543**	(3 580)	**3 501**	(1 976)	
Net cash flow	**1 108**	4 555	**3 950**	2 494	
Cash resources and funds on deposit at beginning	**22 772**	17 814	**13 443**	10 730	
Movement due to foreign exchange (losses)/gains	**(102)**	403	**(11)**	219	
Cash resources and funds on deposit at end	**23 778**	22 772	**17 382**	13 443	
Made up as follows:					
Bank and other cash balances	**10 866**	8 431	**9 309**	6 294	6.3
Funds on deposit and other money market instruments	**12 912**	14 341	**8 073**	7 149	
	23 778	22 772	**17 382**	13 443	

[1] The prior year has been restated for the application of IFRS 17 and also restated due to changes in accounting policies. Refer to note 45.1 and 46 for more information.
[#] These line items were previously disclosed on a net basis and have subsequently been disaggregated to enhance comparability and usefulness.

BASIS OF PREPARATION

BASIS OF PREPARATION OF THE STATEMENTS

The financial statements, as set out below, have been prepared in accordance with IFRS Accounting Standards, 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 Debt Listings Requirements of the JSE and the South African Companies Act, 71 of 2008, as amended. 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 fair value through profit and loss.
- Momentum Metropolitan Life Ltd company: Interest in subsidiaries.
- Investment contract liabilities designated at fair value through profit and loss and financial liabilities at fair value through profit and loss.
- Liabilities for cash-settled share-based payment arrangements.

Other measurement basis

- Insurance contracts issued and reinsurance contracts held. Refer to the accounting policies in note 45 for the 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, unless otherwise stated.

The preparation of financial statements in accordance with IFRS Accounting Standards 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 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. in compliance with the requirements of the Companies Act.

Published standards, amendments and interpretations effective for the financial period ended 30 June 2024

Effective annual periods beginning on or after	Description
1 January 2023	IFRS 17 – *Insurance contracts*
1 January 2023	IAS 8 (Amendments) – *Definition of accounting estimates*
1 January 2023	IAS 1 and IFRS Practice Statement 2 (Amendments) – *Disclosure of accounting policies*
1 January 2023	IAS 12 (Amendments) – *Deferred tax related to assets and liabilities arising from a single transaction*
Note 1	IAS12 (Amendments) – *International Tax Reform – Pillar Two model rules*

Note 1: The amendments were effective immediately upon issuance during May 2023. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation was effective are required for annual reporting periods beginning on or after 1 January 2023 but were not required for any interim period ending on or before 31 December 2023. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. In South Africa the Minister of Finance announced the implementation of the global top-up tax legislation in the budget speech on 21 February 2024. Draft legislation has been released which notes that, if enacted in its present form, the legislation will be effective for the Group’s financial year beginning 1 July 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group’s potential exposure to Pillar Two income taxes. Certain countries within the Group’s footprint have enacted legislation in this regard.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, most of the jurisdictions in which the Group operates, the transitional safe harbour and de minimis relief applies. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions which the relief does not apply. It must be noted that there still remains uncertainty with respect to certain aspects of the South African draft legislation and the implementation thereof, these matters have been raised with the correct counterparties and will be coordinated accordingly.

The implementation of IFRS 17 has had an impact on the Group’s earnings and net asset value (NAV). This impact is detailed in note 45.1. The remaining amendments had no material impact on the Group’s earnings or NAV.

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 the nature of expense method. 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 intangibles assets – note 2.
- Valuation assumptions for both owner-occupied and investment properties – notes 3 and 4.
- Valuation of financial assets – note 6.
- Assessment of control over collective investment schemes – note 6.
- Assumptions and estimates of contract holder liabilities (also applicable to reinsurance contracts) – note 12.
- Valuation assumptions for cash-settled arrangements – note 15.
- Provision for deferred tax – note 14.
- Assessment of IFRS 15's principles around the timing of revenue recognition – note 45.
- Valuation assumptions for financial instruments – note 43.

SEGMENTAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

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 the Momentum Wealth platform business, local and offshore asset management operations, retail annuities and guaranteed investments.
- **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.
- **Shareholders:** The Shareholders segment reflects investment income on capital held to support South African operations and some costs not allocated to operating segments (e.g. certain holding company expenses).

The Group has aligned the reporting segments with the updated internal operating structure. This enables the Group to report more meaningfully on the way the business is managed by the Group's leaders. The new segmental reporting had no impact on the current or prior year's reported earnings, diluted earnings or headline earnings per share, or on the net asset value or net cash flow.

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 1.

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 the Reconciling items table.

SEGMENTAL REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

Group

12 mths to 30.06.2024	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm
Insurance revenue	19	8 353	2 745	6 202	7 884
Insurance service expenses		(6 655)	(2 485)	(5 254)	(6 212)
Contract holder tax[2]		(172)	–	(240)	(1)
Allocation of reinsurance premiums		(2 471)	–	(30)	(856)
Amounts recoverable from reinsurers for incurred claims		2 686	–	45	454
Insurance service result		1 741	260	723	1 269
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets		6 999	24 301	4 743	14 333
Finance expenses from insurance contracts issued		(3 137)	(4 614)	(4 509)	(3 037)
Finance income from reinsurance contracts held		275	–	–	190
Fair value adjustments on investment contract liabilities		(4 430)	(19 381)	(97)	(11 308)
Fair value adjustments on CIS liabilities		–	–	–	–
Net investment result		(293)	306	137	178
Fee income		1 036	3 936	8	1 209
Fee income	24	1 036	3 230	8	1 209
Intergroup fee income		–	706	–	–
Other operating expenses		(1 227)	(4 180)	(296)	(1 307)
Results of operations		1 257	322	572	1 349
Shareholder investment return[3]		258	101	152	240
Share of equity accounted profit/(loss) on associates and joint ventures		–	–	–	–
Profit on dilution/sale of associates and joint ventures		–	–	–	–
Other finance costs		–	–	–	–
Profit before tax		1 515	423	724	1 589
Income tax expense		(360)	(116)	(129)	(413)
Earnings for the period		1 155	307	595	1 176
Non-controlling interest		–	–	–	–
Earnings for year attributable to parent		1 155	307	595	1 176

1 Refer to Reconciling Items for more information on reconciling items.
2 Contract holder tax is reallocated from the Income tax expense line. This represents contract holder taxes that are directly chargeable to insurance contracts and paid on behalf of contract holders to the revenue authority. The corresponding tax charges that are deducted from contract holder fund values are included within the Insurance revenue line.
3 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 and other finance costs in the consolidated income statement.

R4 487 million of the fee income relates to South African operations and R699 million of the fee income relates to non-South African operations, with R663 million of non-South African fee income derived from Great Britain operations. Insurance revenue relates to South African operations.

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 R13 453 million, and the total of such non-current assets located in other countries is R526 million.

	Momentum Metropolitan Health Rm	Shareholders Rm	Segmental total Rm	Reconciling items[1] Rm	Total Rm
	883	–	26 067	–	26 067
	(767)	–	(21 373)	–	(21 373)
	–	–	(413)	413	–
	–	–	(3 357)	–	(3 357)
	–	–	3 185	–	3 185
	116	–	4 109	413	4 522
	36	131	50 543	8 828	59 371
	(2)	–	(15 299)	–	(15 299)
	–	–	465	–	465
	(58)	–	(35 274)	–	(35 274)
	–	–	–	(3 997)	(3 997)
	(24)	131	435	4 831	5 266
	5	165	6 359	(1 173)	5 186
	2	157	5 642	(456)	5 186
	3	8	717	(717)	–
	(5)	(515)	(7 530)	(287)	(7 817)
	92	(219)	3 373	3 784	7 157
	–	290	1 041	(1 041)	–
	–	3	3	–	3
	–	–	–	–	–
	–	–	–	(1 643)	(1 643)
	92	74	4 417	1 100	5 517
	(36)	6	(1 048)	(1 076)	(2 124)
	56	80	3 369	24	3 393
	–	2	2	–	2
	56	82	3 371	24	3 395

SEGMENTAL REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

Group continued

12 mths to 30.06.2024	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm
Earnings for the period		1 155	307	595	1 176
Non-controlling interest		–	–	–	–
Earnings – equity holders of the Group		1 155	307	595	1 176
Adjustments for iSabelo		–	1	–	–
Amortisation of intangible assets relating to business combinations		–	2	–	–
Impairment of intangible assets relating to business combinations		–	206	–	–
Net impairment of group subsidiary loans and investments		–	–	–	–
Net impairment/(reversal of impairment) of owner-occupied property below cost		–	–	–	–
Profit on disposal of equipment		–	–	–	–
Profit on disposal of owner-occupied property		–	–	–	–
Normalised headline earnings		1 155	516	595	1 176
Normalised headline earnings	1	1 155	516	595	1 176
Operating profit/(loss)[2]		1 315	600	656	1 360
Tax on operating profit/(loss)		(360)	(167)	(179)	(369)
Investment return		257	101	152	239
Tax on investment return		(57)	(18)	(34)	(54)

[1] Refer to Reconciling Items for more information on reconciling items.

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

Momentum Metropolitan Health Rm	Shareholders Rm	Segmental total Rm	Reconciling items[1] Rm	Total Rm
56	80	3 369	24	3 393
–	2	2	–	2
56	82	3 371	24	3 395
–	15	16	–	16
–	75	77	–	77
–	–	206	–	206
–	23	23	–	23
–	–	–	–	–
–	(1)	(1)	–	(1)
–	(4)	(4)	–	(4)
56	190	3 688	24	3 712
56	190	3 688	24	3 712
92	(99)	3 924	32	3 956
(36)	(12)	(1 123)	(8)	(1 131)
–	290	1 039	–	1 039
–	11	(152)	–	(152)

SEGMENTAL REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

Group continued

Restated **12 mths to 30.06.2023[2]**	Notes	**Momentum Retail Rm**	**Momentum Investments Rm**	**Metropolitan Life Rm**	**Momentum Corporate Rm**
Insurance revenue	19	7 784	2 298	6 022	8 019
Insurance service expenses		(6 664)	(2 149)	(5 318)	(6 322)
Contract holder tax[3]		(202)	–	(320)	(1)
Allocation of reinsurance premiums		(2 270)	–	25	(1 148)
Amounts recoverable from reinsurers for incurred claims		2 809	–	43	576
Insurance service result		1 457	149	452	1 124
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets		9 925	28 741	3 862	14 452
Finance expenses from insurance contracts issued		(2 743)	(1 679)	(3 703)	(1 809)
Finance (expenses)/income from reinsurance contracts held		(197)	–	(1)	62
Fair value adjustments on investment contract liabilities		(6 830)	(26 823)	(85)	(12 549)
Fair value adjustments on CIS liabilities		–	–	–	–
Net insurance and investment result		155	239	73	156
Fee income		991	3 516	10	1 517
Fee income	24	991	2 872	10	1 517
Intergroup fee income		–	644	–	–
Other operating expenses		(1 160)	(3 568)	(253)	(1 398)
Results of operations		1 443	336	282	1 399
Shareholder investment return[4]		175	156	100	141
Share of equity accounted profit/(loss) on associates and joint ventures		–	–	–	–
Profit on dilution/sale of associates and joint ventures		–	–	–	–
Other finance costs		–	–	–	–
Profit before tax		1 618	492	382	1 540
Income tax expense		(425)	(111)	(72)	(402)
Earnings for the period		1 193	381	310	1 138
Non-controlling Interest		–	–	–	–
Earnings for year attributable to parent		1 193	381	310	1 138

1 Refer to Reconciling Items for more information on reconciling items.
2 The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.
3 Contract holder tax is reallocated from the Income tax expense line. This represents contract holder taxes that are directly chargeable to insurance contracts and paid on behalf of contract holders to the revenue authority. The corresponding tax charges that are deducted from contract holder fund values are included within the Insurance revenue line.
4 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 and other finance costs in the consolidated income statement.

R4 571 million of the fee income relates to South African operations and R570 million of the fee income relates to non-South African operations, with R566 million of non-South African fee income derived from Great Britain operations. Insurance revenue relates to South African operations.

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 340 million, and the total of such non-current assets located in other countries is R537 million.

Momentum Metropolitan Health Rm	Shareholders Rm	Segmental total Rm	Reconciling items[1] Rm	Total Rm
710	–	24 833	–	24 833
(549)	–	(21 002)	–	(21 002)
–	–	(523)	523	–
–	–	(3 393)	–	(3 393)
–	–	3 428	–	3 428
161	–	3 343	523	3 866
20	121	57 121	9 490	66 611
(1)	–	(9 935)	–	(9 935)
–	–	(136)	–	(136)
(116)	–	(46 403)	(2)	(46 405)
–	–	–	(4 382)	(4 382)
(97)	121	647	5 106	5 753
70	166	6 270	(1 129)	5 141
70	156	5 616	(475)	5 141
–	10	654	(654)	–
(119)	(420)	(6 918)	(158)	(7 076)
15	(133)	3 342	4 342	7 684
9	234	815	(815)	–
–	(2)	(2)	–	(2)
–	–	–	–	–
–	–	–	(2 362)	(2 362)
24	99	4 155	1 165	5 320
(47)	(130)	(1 187)	(1 161)	(2 348)
(23)	(31)	2 968	4	2 972
–	12	12	–	12
(23)	(19)	2 980	4	2 984

SEGMENTAL REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

Group continued

Restated 12 mths to 30.06.2023[2]	Notes	**Momentum Retail Rm**	**Momentum Investments Rm**	**Metropolitan Life Rm**	**Momentum Corporate Rm**
Earnings for the period		1 193	381	310	1 138
Non-controlling interests		–	–	–	–
Earnings – equity holders of the Group		1 193	381	310	1 138
Adjustments for iSabelo		2	1	–	–
Amortisation of intangible assets relating to business combinations		–	10	–	–
Impairment of intangible assets relating to business combinations		–	–	–	–
Net impairment of group subsidiary loans and investments		–	–	–	–
Net reversal of impairment of owner-occupied property below cost		–	–	–	–
Loss on disposal of equipment		–	–	–	–
(Profit)/Loss on disposal of owner-occupied property		–	–	–	–
Normalised headline earnings		1 195	392	310	1 138
Normalised headline earnings	1	1 195	392	310	1 138
Operating profit[3]		1 450	372	323	1 409
Tax on operating profit		(390)	(105)	(90)	(380)
Investment return		175	156	100	141
Tax on investment return		(40)	(31)	(23)	(32)

1 Refer to Reconciling Items for more information on reconciling items.
2 The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.
3 Operating profit/(loss) is normalised headline earnings gross of tax less investment return.

Momentum Metropolitan Health Rm	Shareholders Rm	Segmental total Rm	Reconciling items[1] Rm	Total Rm
(23)	(31)	2 968	4	2 972
–	12	12	–	12
(23)	(19)	2 980	4	2 984
–	20	23	–	23
–	72	82	–	82
–	–	–	–	–
–	10	10	–	10
–	(10)	(10)	–	(10)
–	1	1	–	1
–	–	–	–	–
(23)	74	3 086	4	3 090
(23)	74	3 086	4	3 090
15	41	3 610	6	3 616
(47)	(181)	(1 193)	(3)	(1 196)
9	234	815	1	816
–	(20)	(146)	–	(146)

SEGMENTAL REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

Group continued

12 mths to 30.06.2024	Contract holder tax Rm	Shareholder investment income Rm	Property subsidiaries not allocated to a reporting segment Rm	CIS subsidiaries not allocated to a reporting segment Rm	Intercompany fees and expenses Rm	Allocation of finance expense Rm	Allocation of fair value gains[1] Rm	Cell captive business Rm	Total Reconciling items Rm
Contract holder tax	413	–	–	–	–	–	–	–	413
Insurance service result	413	–	–	–	–	–	–	–	413
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets	469	1 469	902	4 870	–	1 086	32	–	8 828
Fair value adjustments on investment contract	–	–	–	–	–	–	–	–	–
Fair value adjustments on CIS liabilities	–	–	(133)	(3 864)	–	–	–	–	(3 997)
Net investment result	469	1 469	769	1 006	–	1 086	32	–	4 831
Fee income	–	–	–	(456)	(717)	–	–	–	(1 173)
Fee income	–	–	–	(456)	–	–	–	–	(456)
Intergroup fee income	–	–	–	–	(717)	–	–	–	(717)
Other operating expenses	–	16	(637)	(391)	717	8	–	–	(287)
Results of operations	882	1 485	132	159	–	1 094	32	–	3 784
Shareholder investment return	–	(1 041)	–	–	–	–	–	–	(1 041)
Other finance costs	–	(419)	(134)	4	–	(1 094)	–	–	(1 643)
Profit before tax	882	25	(2)	163	–	–	32	–	1 100
Income tax expense	(882)	(25)	2	(163)	–	–	(8)	–	(1 076)
Earnings for the period	–	–	–	–	–	–	24	–	24

1 Fair value gains on assets backing the cash-settled share-based schemes are allocated to the following segments of Momentum Group Limited: Momentum Metropolitan Africa, Guardrisk, Momentum Insure, and India.

Group continued

Restated 12 mths to 30.06.2023[3]	**Contract holder tax Rm**	**Shareholder investment income Rm**	**Property subsidiaries not allocated to a reporting segment Rm**	**CIS subsidiaries not allocated to a reporting segment Rm**	**Intercompany fees and expenses Rm**	**Allocation of finance expense Rm**	**Allocation of fair value gains**[1] **Rm**	**Cell captive business**[2] **Rm**	**Total Reconciling items Rm**
Contract holder tax	523	–	–	–	–	–	–	–	523
Insurance service result	523	–	–	–	–	–	–	–	523
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets	496	1 262	1 853	5 258	–	605	16	–	9 490
Fair value adjustments on investment contract liabilities	–	–	–	–	–	–	–	(2)	(2)
Fair value adjustments on CIS liabilities	–	–	(32)	(4 350)	–	–	–	–	(4 382)
Net investment result	496	1 262	1 821	908	–	605	16	(2)	5 106
Fee income	–	–	–	(475)	(654)	–	–	–	(1 129)
Fee income	–	–	–	(475)	–	–	–	–	(475)
Intergroup fee income	–	–	–	–	(654)	–	–	–	(654)
Other operating expenses	–	(46)	(471)	(297)	654	9	–	(7)	(158)
Results of operations	1 019	1 216	1 350	136	–	614	16	(9)	4 342
Shareholder investment return	–	(816)	–	–	–	–	–	1	(815)
Other finance costs	–	(383)	(1 374)	9	–	(614)	–	–	(2 362)
Profit before tax	1 019	17	(24)	145	–	–	16	(8)	1 165
Income tax expense	(1 019)	(17)	24	(145)	–	–	(4)	–	(1 161)
Earnings for the period	–	–	–	–	–	–	12	(8)	4

1 Fair value gains on assets backing the cash-settled share-based schemes are allocated to the following segments of Momentum Group Limited: Momentum Metropolitan Africa, Guardrisk, Momentum Insure, and India.

2 The Momentum Ability business was transferred during the F2023 year to the Guardrisk group.

3 The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.

SEGMENTAL REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

Company

12 mths to 30.06.2024	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm
Insurance revenue	19	8 353	2 745	6 202	7 884
Insurance service expenses		(6 655)	(2 485)	(5 254)	(6 212)
Contract holder tax[2]		(172)	–	(240)	(1)
Allocation of reinsurance premiums		(2 471)	–	(30)	(856)
Amounts recoverable from reinsurers for incurred claims		2 686	–	45	454
Insurance service result		1 741	260	723	1 269
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets		7 006	24 046	4 747	14 340
Finance expenses from insurance contracts issued		(3 137)	(4 614)	(4 509)	(3 037)
Finance income from reinsurance contracts held		275	–	–	190
Fair value adjustments on investment contract liabilities		(4 431)	(19 154)	(97)	(11 308)
Fair value adjustments on CIS liabilities		–	–	–	–
Net investment result		(287)	278	141	185
Fee income		1 022	1 885	8	1 210
Fee Income	24	1 022	1 885	8	1 210
Other operating expenses		(1 219)	(2 027)	(299)	(1 313)
Results of operations		1 257	396	573	1 351
Shareholder investment return[3]		251	19	148	234
Share of equity accounted profit/(loss) on associates and joint ventures		–	–	–	–
Profit on dilution/sale of associates and joint ventures		–	–	–	–
Other finance costs		–	–	–	–
Profit before tax		1 508	415	721	1 585
Income tax expense		(360)	(66)	(129)	(413)
Earnings for the period		1 148	349	592	1 172

1 Refer to Reconciling Items for more information on reconciling items.
2 Contract holder tax is reallocated from the Income tax expense line. This represents contract holder taxes that are directly chargeable to insurance contracts and paid on behalf of contract holders to the revenue authority. The corresponding tax charges that are deducted from contract holder fund values are included within the Insurance revenue line.
3 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 and other finance costs in the consolidated income statement.

All revenue relates to South African operations.

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 R130 925 million with no such non-current assets located in other countries.

Momentum Metropolitan Health Rm	Shareholders Rm	Segmental total Rm	Reconciling items[1] Rm	Total Rm
883	–	26 067	–	26 067
(767)	–	(21 373)	–	(21 373)
–	–	(413)	413	–
–	–	(3 357)	–	(3 357)
–	–	3 185	–	3 185
116	–	4 109	413	4 522
36	400	50 575	3 352	53 927
(2)	–	(15 299)	–	(15 299)
–	–	465	–	465
(58)	–	(35 048)	–	(35 048)
–	–	–	–	–
(24)	400	693	3 352	4 045
5	9	4 139	–	4 139
5	9	4 139	–	4 139
(5)	(378)	(5 241)	(407)	(5 648)
92	31	3 700	3 358	7 058
–	377	1 029	(1 029)	–
–	–	–	–	–
–	–	–	–	–
–	–	–	(1 391)	(1 391)
92	408	4 729	938	5 667
(36)	(61)	(1 065)	(913)	(1 978)
56	347	3 664	25	3 689

SEGMENTAL REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

Company

12 mths to 30.06.2024	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm
Earnings – equity holders of the Group		**1 148**	**349**	**592**	**1 172**
Adjustments for iSabelo		–	–	–	–
Amortisation of intangible assets as a result of business combinations – after tax		–	–	–	–
Net impairment of group subsidiary loans and investments		–	–	–	–
Net reversal of impairment of owner-occupied property below cost		–	–	–	–
(Profit)/Loss on disposal of equipment		–	–	–	–
Loss on disposal of owner-occupied property		–	–	–	–
Dividends received from subsidiaries		–	–	–	–
Normalised headline earnings		**1 148**	**349**	**592**	**1 172**
Normalised headline earnings	1	**1 148**	**349**	**592**	**1 172**
Operating profit/(loss)[2]		**1 314**	**454**	**657**	**1 359**
Tax on operating profit/(loss)		**(360)**	**(120)**	**(179)**	**(368)**
Investment return		**251**	**19**	**148**	**234**
Tax on investment return		**(57)**	**(4)**	**(34)**	**(53)**

1 Refer to Reconciling Items for more information on reconciling items.

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

Momentum Metropolitan Health Rm	Shareholders Rm	Segmental total Rm	Reconciling items[1] Rm	Total Rm
56	347	3 664	25	3 689
–	17	17	–	17
–	74	74	–	74
–	23	23	–	23
–	(1)	(1)	–	(1)
–	–	–	–	–
–	12	12	–	12
–	(207)	(207)	–	(207)
56	265	3 582	25	3 607
56	265	3 582	25	3 607
92	(60)	3 816	31	3 847
(36)	5	(1 058)	(6)	(1 064)
–	377	1 029	–	1 029
–	(57)	(205)	–	(205)

SEGMENTAL REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

Company continued

Restated 12 mths to 30.06.2023[2]	Notes	**Momentum Retail Rm**	**Momentum Investments Rm**	**Metropolitan Life Rm**	**Momentum Corporate Rm**
Insurance revenue	19	7 784	2 298	6 022	8 019
Insurance service expenses		(6 664)	(2 149)	(5 318)	(6 322)
Contract holder tax[3]		(202)	–	(320)	(1)
Allocation of reinsurance premiums		(2 270)	–	25	(1 148)
Amounts recoverable from reinsurers for incurred claims		2 809	–	43	576
Insurance service result		1 457	149	452	1 124
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets		9 922	28 539	3 862	14 452
Finance expenses from insurance contracts issued		(2 743)	(1 679)	(3 703)	(1 809)
Finance (expenses)/income from reinsurance contracts held		(197)	–	(1)	62
Fair value adjustments on investment contract liabilities		(6 830)	(26 639)	(85)	(12 550)
Fair value adjustments on CIS liabilities		–	–	–	–
Net investment result		152	221	73	155
Fee income		912	1 657	10	1 517
Fee income	24	912	1 657	10	1 517
Other operating expenses		(1 083)	(1 799)	(250)	(1 395)
Results of operations		1 438	228	285	1 401
Shareholder investment return[4]		175	56	100	141
Share of equity accounted profit/(loss) on associates and joint ventures		–	–	–	–
Profit on dilution/sale of associates and joint ventures		–	–	–	–
Other finance costs		–	–	–	–
Profit before tax		1 613	284	385	1 542
Income tax expense		(424)	(56)	(72)	(404)
Earnings for the period		1 189	228	313	1 138

1 Refer to Reconciling Items for more information on reconciling items.
2 The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.
3 Contract holder tax is reallocated from the Income tax expense line. This represents contract holder taxes that are directly chargeable to insurance contracts and paid on behalf of contract holders to the revenue authority. The corresponding tax charges that are deducted from contract holder fund values are included within the Insurance revenue line.
4 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 and other finance costs in the consolidated income statement.

All revenue relates to South African operations.

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 R125 839 million with no such non-current assets located in other countries.

Momentum Metropolitan Health Rm	Shareholders Rm	Segmental total Rm	Reconciling items[1] Rm	Total Rm
710	–	24 833	–	24 833
(549)	–	(21 002)	–	(21 002)
–	–	(523)	523	–
–	–	(3 393)	–	(3 393)
–	–	3 428	–	3 428
161	–	3 343	523	3 866
25	296	57 096	2 543	59 639
(1)	–	(9 935)	–	(9 935)
–	–	(136)	–	(136)
(116)	–	(46 220)	–	(46 220)
–	–	–	–	–
(92)	296	805	2 543	3 348
5	41	4 142	–	4 142
5	41	4 142	–	4 142
(5)	(332)	(4 864)	(460)	(5 324)
69	5	3 426	2 606	6 032
–	201	673	(673)	–
–	–	–	–	–
–	–	–	–	–
–	–	–	(889)	(889)
69	206	4 099	1 044	5 143
(47)	(126)	(1 129)	(1 037)	(2 166)
22	80	2 970	7	2 977

SEGMENTAL REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

Company continued

Restated 12 mths to 30.06.2023[2]	Notes	**Momentum Retail Rm**	**Momentum Investments Rm**	**Metropolitan Life Rm**	**Momentum Corporate Rm**
Earnings – equity holders of the Group		1 189	228	313	1 138
Adjustments for iSabelo		–	–	–	–
Amortisation of intangible assets as a result of business combinations – after tax		–	–	–	–
Net impairment of group subsidiary loans and investments		–	–	–	–
Net reversal of impairment of owner-occupied property below cost		–	–	–	–
Loss on disposal of equipment		–	–	–	–
(Profit)/Loss on disposal of owner-occupied property		–	–	–	–
Dividends received from subsidiaries		–	–	–	–
Normalised headline earnings		1 189	228	313	1 138
Normalised headline earnings	1	1 189	228	313	1 138
Operating profit[3]		1 441	252	324	1 407
Tax on operating profit		(390)	(66)	(90)	(380)
Investment return		175	56	100	141
Tax on investment return		(37)	(14)	(21)	(30)

1 Refer to Reconciling Items for more information on reconciling items.
2 The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.
3 Operating profit/(loss) is normalised headline earnings gross of tax less investment return.

Momentum Metropolitan Health Rm	Shareholders Rm	Segmental total Rm	Reconciling items[1] Rm	Total Rm
22	80	2 970	7	2 977
–	21	21	–	21
–	71	71	–	71
–	11	11	–	11
–	(3)	(3)	–	(3)
–	1	1	–	1
–	–	–	–	–
–	(135)	(135)	–	(135)
22	46	2 936	7	2 943
22	46	2 936	7	2 943
69	55	3 548	8	3 556
(47)	(181)	(1 154)	(1)	(1 155)
–	201	673	–	673
–	(29)	(131)	–	(131)

SEGMENTAL REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

Company continued

12 mths to 30.06.2024	Contract holder tax Rm	Shareholder investment income Rm	Property subsidiaries not allocated to a reporting segment Rm	CIS subsidiaries not allocated to a reporting segment Rm	Allocation of finance expense Rm	Allocation of fair value gains[1] Rm	Total Reconciling items Rm
Contract holder tax	413	–	–	–	–	–	413
Insurance service result	413	–	–	–	–	–	413
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets	469	1 490	398	–	964	31	3 352
Net investment result	469	1 490	398	–	964	31	3 352
Other operating expenses	–	(17)	(398)	–	8	–	(407)
Results of operations	882	1 473	–	–	972	31	3 358
Shareholder investment return	–	(1 029)	–	–	–	–	(1 029)
Other finance costs	–	(419)	–	–	(972)	–	(1 391)
Profit before tax	882	25	–	–	–	31	938
Income tax expense	(882)	(25)	–	–	–	(6)	(913)
Earnings for the period	–	–	–	–	–	25	25

[1] Fair value gains on assets backing the cash-settled share-based schemes are allocated to the following segments of Momentum Group Limited: Momentum Metropolitan Africa, Guardrisk, Momentum Insure, and India.

Company continued

Restated 12 mths to 30.06.2023[2]	Contract holder tax Rm	Shareholder investment income Rm	Property subsidiaries not allocated to a reporting segment Rm	CIS subsidiaries not allocated to a reporting segment Rm	Allocation of finance expense Rm	Allocation of fair value gains[1] Rm	Total Reconciling items Rm
Contract holder tax	**523**	**–**	**–**	**–**	**–**	**–**	**523**
Insurance service result	523	–	–	–	–	–	523
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets	496	1 119	426	–	494	8	2 543
Net investment result	496	1 119	426	–	494	8	2 543
Other operating expenses	–	(46)	(426)	–	12	–	(460)
Results of operations	1 019	1 073	–	–	506	8	2 606
Shareholder investment return	–	(673)	–	–	–	–	(673)
Other finance costs	–	(383)	–	–	(506)	–	(889)
Profit before tax	1 019	17	–	–	–	8	1 044
Income tax expense	(1 019)	(17)	–	–	–	(1)	(1 037)
Earnings for the period	–	–	–	–	–	7	7

1 Fair value gains on assets backing the cash-settled share-based schemes are allocated to the following segments of Momentum Group Limited: Momentum Metropolitan Africa, Guardrisk, Momentum Insure, and India.

2 The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1 RECONCILIATION OF EARNINGS

	Group		Company	
Group earnings per ordinary share attributable to owners of the parent	**2024**	**Restated 2023[1]**	**2024**	**Restated 2023[1]**
Earnings (cents per share)	**1 787**	1 571	**1 942**	1 567
Normalised headline earnings (cents per share)	**1 954**	1 626	**1 898**	1 549

Reconciliation of normalised headline earnings attributable to owners of the parent	**2024 Rm**	**Restated 2023[1] Rm**	**2024 Rm**	**Restated 2023[1] Rm**
Earnings – equity holders of the Group	**3 395**	2 984	**3 689**	2 977
(Profit)/Loss on disposal of equipment	**(1)**	1	**–**	1
(Profit)/Loss on disposal of owner-occupied property	**(4)**	–	**(3)**	–
Tax on disposal of owner-occupied property[3]	**–**	–	**15**	–
Net impairment reversal of owner-occupied property below cost	**–**	(10)	**(1)**	(3)
Impairment of intercompany loans	**23**	10	**23**	11
Subsidiary dividends income	**–**	–	**(207)**	(135)
Impairment of intangible assets relating to business combinations	**206**	–	**–**	–
Amortisation of intangible assets relating to business combinations	**112**	111	**98**	98
Tax on amortisation of intangible assets relating to business combinations	**(35)**	(29)	**(24)**	(27)
iSabelo equity-settled share scheme expenses	**16**	23	**17**	21
Normalised headline earnings[2]	**3 712**	3 090	**3 607**	2 943
Weighted average number of ordinary shares in issue (million)	**190**	190	**190**	190

[1] The prior years have been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and 46 for more information.

[2] Normalised headline earnings adjust the standard definition of headline earnings for the amortisation of intangible assets from business combinations, the impact of the iSabelo employee share scheme, as well as dividends income from subsidiaries and intercompany loan impairments, which are eliminated on consolidation of the holding company group. Management uses this as a segmental performance measure and is of the opinion that it represents underlying performance that is under control of the respective segments.

[3] The tax relates to deferred tax released due to an owner-occupied property that was sold by the Company to 129 Rivonia (Pty) Ltd, a subsidiary of the Group. The capital loss from the transaction is not recognised because the transaction is with a subsidiary. Because the acquiring subsidiary is part of the Group, the tax impact of the sale is not applicable on a group level.

2 INTANGIBLE ASSETS

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

		Group		Company	
		2024 Rm	**Restated 2023 Rm**	**2024 Rm**	**Restated 2023 Rm**
2.1	**Goodwill**	**145**	333	**108**	108
2.2	**Customer relationships**	**315**	370	**232**	276
2.3	**Broker Network**	**–**	34	**–**	–
2.4	**Deferred acquisition costs (DAC) on investment business**	**1 861**	1 856	**1 796**	1 773
2.5	**Computer software**	**27**	37	**27**	37
2.6	**Brands**	**348**	402	**345**	399
	Right-of-use assets	**1**	1	**1**	1
		2 697	3 033	**2 509**	2 594

2 INTANGIBLE ASSETS CONTINUED

	Group		Company	
	2024 Rm	Restated 2023 Rm	2024 Rm	Restated 2023 Rm
2.1 Goodwill				
Cost	**346**	359	**108**	108
Accumulated impairment	**(201)**	(26)	**–**	–
Carrying amount	**145**	333	**108**	108
Carrying amount at beginning	**333**	242	**108**	108
Impairment charges[1]	**(175)**	–	**–**	–
Business combinations (refer to note 29)	**–**	4	**–**	–
Goodwill transferred from common control transaction (refer to note 29)	**–**	37	**–**	–
Exchange differences	**(13)**	50	**–**	–
Carrying amount at end	**145**	333	**108**	108
Cash-generating units (CGUs)				
Ex-Metropolitan group – Metropolitan Life (Metropolitan/Momentum merger)	**108**	108	**108**	108
Momentum Investments Hold Co[#]	**37**	37	**–**	–
Momentum Global Investment Management – Momentum Investments[#]	**–**	188	**–**	–
	145	333	**108**	108

[1] The current period relates to goodwill 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. 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. The remaining goodwill balance after the impairment is Rnil.

[#] In the prior year Momentum Investments Hold Co and Momentum Global Investment Management were incorrectly combined as one CGU. June 2023 has been restated accordingly.

The prior year has been restated due to a change in accounting policy, refer to note 46 for more information.

The Company made a voluntary change in its accounting policy on the measurement of acquisition of subsidiaries and businesses under common control. Previously, these transactions were measured at the carrying amounts recognised by the acquiree, which may have resulted in a different carrying value on Momentum Group level and on the MML Company level. With the new accounting policy, the acquired business will reflect the carrying amounts recognised at a Momentum Group level. This change will provide more reliable and relevant information in the MML Company financial statements. Refer to note 46 for more information.

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 directors' valuations. The value-in-use calculations use risk-adjusted cash flow projections, which include projected new business based on financial forecasts informed by past experience and 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. 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, we determine a terminal value based on an assumption of inflationary growth following the five years.

The other assumption which 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.

		Group		Company	
		2024	2023	2024	2023
Assumptions					
Momentum Global Investment Management	RDR	**13%**	13%	**–**	–
	Long-term growth rate	**3%**	4%	**–**	–
Ex-Metropolitan group	RDR	**14.8%**	15%	**14.8%**	15%
	Long-term growth rate	**7%**	7%	**7%**	7%

Momentum Global Investment Management has a lower RDR, commensurate with lower UK interest rates, compared to SA.

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.

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 R67 million (2023: R133 million) higher than the carrying amount and has 10% (2023: 17%) headroom available before the Group would need to consider impairing any of the associated goodwill.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

2 INTANGIBLE ASSETS CONTINUED

2.2 Customer relationships

		Group 2024 Rm	Group Restated 2023 Rm	Company 2024 Rm	Company Restated 2023 Rm
Cost		**798**	797	**673**	673
Accumulated amortisation		**(483)**	(427)	**(441)**	(397)
Accumulated impairment		**–**	–	**–**	–
Carrying amount		**315**	370	**232**	276
Carrying amount at beginning		**370**	410	**276**	320
Amortisation charges		**(56)**	(55)	**(44)**	(44)
Business combinations (refer to note 29)		**–**	14	**–**	–
Exchange differences		**1**	1	**–**	–
Carrying amount at end		**315**	370	**232**	276
The carrying amount is made up as follows:	**To be fully amortised by year:**				
Momentum Global Investment Management – Momentum Investments	2031	**76**	87	**–**	–
Ex-Metropolitan group – Metropolitan Life (Metropolitan/Momentum merger)	2030	**232**	276	**232**	276
Other		**7**	7	**–**	–
		315	370	**232**	276

The prior year has been restated due to a change in accounting policy, refer to note 46 for more information.

Customer relationships represent the fair value of customer relationships in place immediately before a business combination took place. The recoverable value is determined based on value-in-use calculations with reference to value of in-force business.

2.3 Broker Network

		Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Cost		**39**	39	**–**	–
Accumulated amortisation		**(7)**	(5)	**–**	–
Accumulated impairment		**(32)**	–	**–**	–
Carrying amount		**–**	34	**–**	–
Carrying amount at beginning		**34**	36	**–**	–
Amortisation charges		**(2)**	(2)	**–**	–
Impairment charges		**(32)**	–	**–**	–
Carrying amount at end		**–**	34	**–**	–
The carrying amount is made up as follows:	**To be fully amortised by year:**				
Momentum Global Investment Management – Momentum Investments	2041	**–**	34	**–**	–

Please refer to note 2.1 for more details regarding the impairment.

2 INTANGIBLE ASSETS CONTINUED

	Group 2024 Rm	Group Restated 2023 Rm	Company 2024 Rm	Company Restated 2023 Rm
2.4 Deferred acquisition costs (DAC) on investment business				
Carrying amount at beginning	**1 856**	1 902	**1 773**	1 800
Additions	**326**	332	**316**	306
Amortisation charges	**(320)**	(379)	**(293)**	(333)
Exchange differences	**(1)**	4	**–**	–
Transfer to non-current assets held for sale (refer to note 8)	**–**	(3)	**–**	–
Carrying amount at end	**1 861**	1 856	**1 796**	1 773

Critical accounting estimates and judgements

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. DAC is reviewed for impairment losses through the liability adequacy test and written down for impairment if necessary.

	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
2.5 Computer software				
Cost	**181**	181	**179**	179
Accumulated amortisation	**(154)**	(144)	**(152)**	(142)
Accumulated impairment	**–**	–	**–**	–
Carrying amount	**27**	37	**27**	37
Carrying amount at beginning	**37**	59	**37**	18
Additions	**–**	30	**–**	30
Amortisation charges	**(10)**	(18)	**(10)**	(11)
Transfer to non-current assets held for sale (refer to note 8)	**–**	(34)	**–**	–
Carrying amount at end	**27**	37	**27**	37

Computer software of R22 million (2023: R27 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.

	To be fully amortised by year:	Group 2024 Rm	Group Restated 2023 Rm	Company 2024 Rm	Company Restated 2023 Rm
2.6 Brands					
Cost		**1 081**	1 081	**1 078**	1 078
Accumulated impairment		**(733)**	(679)	**(733)**	(679)
Carrying amount		**348**	402	**345**	399
Carrying amount at beginning		**402**	453	**399**	453
Amortisation charges		**(54)**	(54)	**(54)**	(54)
Business combinations		**–**	3	**–**	–
Carrying amount at end		**348**	402	**345**	399
The carrying amount is made up as follows:					
Metropolitan brand – Metropolitan Life (Metropolitan/Momentum merger)	2031	**345**	399	**345**	399
Other		**3**	3	**–**	–
		348	402	**345**	399

The prior year has been restated due to a change in accounting policy, refer to note 46 for more information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

3 OWNER-OCCUPIED PROPERTIES AND FIXED ASSETS

Refer to note 45.5 and 45.15 for the accounting policies relating to this note.

		Group		Company	
		2024 Rm	2023 Rm	2024 Rm	2023 Rm
3.1	**Owned owner-occupied properties and right-of-use assets**	**1 533**	1 875	**70**	352
3.1.1	**Owned owner-occupied properties**	**1 444**	1 783	**–**	188
3.1.2	**Right-of-use assets**	**89**	92	**70**	164
3.2	**Fixed assets and right-of-use assets**	**370**	283	**347**	254
3.2.1	**Fixed assets**	**358**	275	**335**	244
	Right-of-use assets	**12**	8	**12**	10
		1 903	2 158	**417**	606

3.1 Owned owner-occupied properties

	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Historical carrying amount – cost model	**320**	565	**–**	133
Owner-occupied properties – at fair value	**1 444**	1 783	**–**	188
Fair value at beginning	**1 783**	1 726	**188**	706
Additions	**1**	27	**–**	6
Disposals	**(32)**	–	**(32)**	–
Revaluations through other comprehensive income	**89**	30	**20**	25
Depreciation charges	**(34)**	(36)	**(3)**	(18)
Net impairment reversal through profit or loss	**-**	10	**1**	3
Transfer (to)/ from investment properties	**(363)**	26	**(171)**	–
Other	**–**	–	**(3)**	–
Transfer to assets relating to disposal groups held for sale	**–**	–	**–**	(534)
Fair value at end	**1 444**	1 783	**–**	188

No borrowing costs were capitalised in the current year.

The R534 million transferred to disposal groups held for sale in the prior year is as a result of the following properties that were sold to 129 Rivonia a fellow subsidiary of MGL in the current year: Parc Du Cap 6, Parc Du Cap 7 & 8 and Parkade at Parc Du Cap.

The sale of the properties to 129 Rivonia was non-cash.

The impairment reversal in the current year and prior year relate to an increase in the property valuation, due to an improvement in market rentals rates of certain buildings in the Shareholders segment where the valuation is above depreciated cost.

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

Owner-occupied properties are classified as level 3.

3 OWNER-OCCUPIED PROPERTIES AND FIXED ASSETS CONTINUED

3.1 Owned owner-occupied properties continued

Critical accounting estimates and judgements

All properties are valued using a 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. The owner-occupied properties were valued by external valuers at the end of the current, in the prior year the owner-occupied properties were valued by internal valuers. Valuations are performed semi-annually.

Group		Change in fair value			
Assumptions	Valuation technique	Base assumption	Change in assumption	Decrease in assumption Rm	Increase in assumption Rm
2024					
Capitalisation rate					
Office buildings	**DCF & Income capitalisation**	**7.00% – 10.25%**	**100bps**	**164**	**(131)**
Parkade	**Income capitalisation**	**9.25%**	**100bps**	**9**	**(7)**
Discount rate					
Office buildings[1]	**DCF & income capitalisation**	**12.50% – 14.75%**	**100bps**	**6**	**(5)**
2023					
Capitalisation rate					
Office buildings	DCF & income capitalisation	7.30% – 10.00%	100bps	169	(136)
Parkade	Income capitalisation	9.25%	100bps	9	(7)
Discount rate					
Office buildings	DCF & income capitalisation	13.00% – 14.00%	100bps	30	(29)

[1] The shareholder properties are externally valued during the current year and an income capitalisation approach is the valuation technique selected by the external valuer. In prior year, the shareholder properties were internally valued and the internal valuer selected both the DCF method and income capitalisation as the valuation techniques.

Company		Change in fair value			
Assumptions	Valuation technique	Base assumption	Change in assumption	Decrease in assumption Rm	Increase in assumption Rm
2024					
Capitalisation rate					
Office buildings	**DCF & income capitalisation**	–	**100bps**	–	–
Discount rate					
Office buildings	**DCF & income capitalisation**	–	**100bps**	–	–
2023					
Capitalisation rate					
Office buildings	DCF & income capitalisation	9.50% – 10.00%	100bps	19	(15)
Discount rate					
Office buildings	DCF & income capitalisation	13.50% – 14.00%	100bps	6	(6)

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 100bps.

The property market is still in a recovery phase post-Covid-19 and is also impacted by the current electricity crisis. Therefore, a conservative take-up of the vacant space has been assumed, likewise a conservative view has been taken on probable market rentals. Market rental growth has not been adjusted in the current year. In the prior year, it was adjusted downward from an industry average of 5% to 4% – 4.5%.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

3 OWNER-OCCUPIED PROPERTIES AND FIXED ASSETS CONTINUED

3.1 Owned owner-occupied properties continued

	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
3.1.2 Right-of-use assets				
Carrying amount at beginning	**92**	96	**164**	183
Additions	**67**	59	**56**	58
Depreciation charges	**(69)**	(65)	**(60)**	(75)
Modifications	**–**	(2)	**(90)**	(2)
Exchange differences	**(1)**	4	**–**	–
Carrying amount at end	**89**	92	**70**	164

3.2 Fixed assets

	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Carrying amount at beginning	**275**	238	**244**	211
Additions	**193**	168	**188**	148
Disposals	**(3)**	(24)	**(1)**	(24)
Business combinations	**–**	1	**–**	–
Depreciation charges	**(107)**	(108)	**(96)**	(91)
Exchange differences	**–**	–	**–**	–
Carrying amount at end	**358**	275	**335**	244

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
Computer equipment	3 years
Motor vehicles	5 years

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

4 INVESTMENT PROPERTIES

Refer to note 45.6 and 45.15 for the accounting policies relating to this note.

	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
4.1 Owned investment properties	**9 269**	8 685	**5 303**	2 098
4.2 Right-of-use assets	**10**	11	**–**	–
Investment Properties Under Development	**–**	98	**–**	–
	9 279	8 794	**5 303**	2 098
At 30 June, investment properties comprised the following property types:				
Shopping malls	**3 866**	3 641	**2 269**	861
Office buildings	**4 798**	4 713	**2 736**	1 403
Industrial	**510**	373	**208**	4
Hotels	**293**	260	**293**	–
Vacant land	**50**	50	**19**	–
Other	**89**	68	**1**	–
Property at valuation	**9 606**	9 105	**5 526**	2 268
Accelerated rental income (refer to note 7)	**(327)**	(311)	**(223)**	(170)
	9 279	8 794	**5 303**	2 098

4.1 Owned investment properties

	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Completed properties				
Fair value at beginning	**8 685**	8 917	**2 098**	6 662
Capitalised subsequent expenditure	**180**	44	**66**	42
Additions	**23**	2	**–**	1
Disposals	**–**	(34)	**–**	(411)
Revaluations	**40**	(242)	**51**	(177)
Change in accelerated rental income	**(17)**	24	**(52)**	48
Transfer (to)/from non-current assets held for sale (refer to note 8)[1]	**(103)**	–	**2 969**	(4 067)
Transfer from/(to) owner-occupied properties	**363**	(26)	**171**	–
Transfer from investment properties under development	**98**	–	**–**	–
Fair value at end	**9 269**	8 685	**5 303**	2 098

[1] In F2023, properties were expected to be transferred to a fund that is controlled by the group, therefore on Group level these were not classified as held for sale. Due to changes in circumstances in the current year, most of these properties were transferred back to investment properties in the current year.

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

Investment properties are classified as level 3.

4 INVESTMENT PROPERTIES CONTINUED

4.1 Owned investment properties continued

Critical accounting estimates and judgements

In both the current and prior year all properties were internally valued using an income capitalisation approach or 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 increased 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.

Group		Change in fair value			
Assumptions	Valuation technique	Base assumption	Change in assumption	Decrease in assumption Rm	Increase in assumption Rm
2024					
Capitalisation rate				**611**	**(487)**
Shopping malls	**DCF & income capitalisation**	**7.00% – 11.00%**	**100bps**	**289**	**(227)**
Office buildings	**DCF & income capitalisation**	**7.00% – 11.00%**	**100bps**	**264**	**(214)**
Industrial	**DCF & income capitalisation**	**9.00% – 10.00%**	**100bps**	**33**	**(26)**
Hotels	**DCF & income capitalisation**	**9.00%**	**100bps**	**25**	**(20)**
Discount rate				**444**	**(415)**
Shopping malls	**DCF & income capitalisation**	**12.00% – 16.00%**	**100bps**	**183**	**(170)**
Office buildings	**DCF & income capitalisation**	**12.00% – 15.00%**	**100bps**	**226**	**(211)**
Industrial	**DCF & income capitalisation**	**13.00% – 15.00%**	**100bps**	**24**	**(23)**
Hotels	**DCF & income capitalisation**	**13.00%**	**100bps**	**11**	**(11)**
Vacancy rate				**70**	**(73)**
Shopping malls	**DCF & income capitalisation**	**1.00% – 5.00%**	**100bps**	**29**	**(29)**
Office buildings	**DCF & income capitalisation**	**1.00% – 15.00%**	**100bps**	**36**	**(39)**
Industrial	**DCF & income capitalisation**	**1.00% – 3.00%**	**100bps**	**3**	**(3)**
Hotels	**DCF & income capitalisation**	**1.00%**	**100bps**	**2**	**(2)**
2023					
Capitalisation rate				681	(540)
Shopping malls	DCF & income capitalisation	7.25% – 11.30%	100bps	282	(222)
Office buildings	DCF & income capitalisation	7.30% – 10.00%	100bps	361	(288)
Industrial	DCF & income capitalisation	9.50% – 10.50%	100bps	21	(17)
Hotels	DCF & income capitalisation	8.50%	100bps	17	(13)
Discount rate				425	(398)
Shopping malls	DCF & income capitalisation	12.25% – 15.80%	100bps	180	(168)
Office buildings	DCF & income capitalisation	12.00% – 14.80%	100bps	218	(204)
Industrial	DCF & income capitalisation	13.50% – 15.00%	100bps	10	(10)
Hotels	DCF & income capitalisation	13.00%	100bps	17	(16)
Vacancy rate				71	(71)
Shopping malls	DCF & income capitalisation	1.00% – 4.00%	100bps	28	(29)
Office buildings	DCF & income capitalisation	1.00% – 5.00%	100bps	40	(39)
Industrial	DCF & income capitalisation	1.00% – 6.00%	100bps	2	(2)
Hotels	DCF & income capitalisation	1.00%	100bps	1	(1)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

4 INVESTMENT PROPERTIES CONTINUED

4.1 Owned investment properties continued

Company		Change in fair value			
Assumptions	Valuation technique	Base assumption	Change in assumption	Decrease in assumption Rm	Increase in assumption Rm
2024					
Capitalisation rate				**361**	**(284)**
Shopping malls	**DCF & income capitalisation**	**7.00% – 10.00%**	**100bps**	**169**	**(130)**
Office buildings	**DCF & income capitalisation**	**8.00% – 11.00%**	**100bps**	**192**	**(154)**
Discount rate				**252**	**(234)**
Shopping malls	**DCF & income capitalisation**	**12.00% – 15.00%**	**100bps**	**128**	**(118)**
Office buildings	**DCF & income capitalisation**	**12.75% – 15.00%**	**100bps**	**124**	**(116)**
Vacancy rate				**37**	**(37)**
Shopping malls	**DCF & income capitalisation**	**1.00% – 5.00%**	**100bps**	**15**	**(15)**
Office buildings	**DCF & income capitalisation**	**1.00% – 15.00%**	**100bps**	**22**	**(22)**
2023					
Capitalisation rate				143	(111)
Shopping malls	DCF & income capitalisation	7.25% – 9.50%	100bps	62	(47)
Office buildings	DCF & income capitalisation	8.25% – 10.00%	100bps	81	(64)
Discount rate				133	(122)
Shopping malls	DCF & income capitalisation	12.25% – 14.00%	100bps	52	(48)
Office buildings	DCF & income capitalisation	13.00% – 13.50%	100bps	81	(74)
Vacancy rate				13	(13)
Shopping malls	DCF & income capitalisation	1.50% – 2.00%	100bps	5	(5)
Office buildings	DCF & income capitalisation	2.00%	100bps	8	(8)

4 INVESTMENT PROPERTIES CONTINUED

4.1 Owned investment properties continued

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 led to downwards asking (and achieved) rentals, as well as stubborn vacancies which has inevitably led to an associated drop in valuations.

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.

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
4.2 Right-of-use assets				
Carrying amount at beginning	11	11	–	–
Revaluation	(1)	–	–	–
Carrying amount at end	10	11	–	–

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

5 INTEREST IN SUBSIDIARIES

Company	Effective % holding 2024 %	2023 %
Subsidiaries (directly held):		
Collective investment schemes		
At fair value through profit and loss		
Collective investment schemes (Note 41)	**Various**	Various
Total collective investment schemes		
Unlisted		
At fair value through profit and loss		
102 Rivonia Road (Pty) Ltd	**80**	80
SMH Land Development (Pty) Ltd	**100**	100
Other unlisted investments in subsidiaries	**Various**	Various
At fair value through other comprehensive income[1, 2]		
Momentum Global Investment Management Ltd[3]	**100**	100
Momentum Money (previously Momentum Multiply)	**100**	100
Momentum Wealth International Ltd	**100**	100
Momentum Wealth (Pty) Ltd	**100**	100
129 Rivonia Road (Pty) Ltd[4]	**100**	100
Momentum Life Botswana Ltd	**100**	100
Momentum Ability Ltd[5]	**100**	100
Momentum Umhlanga (Pty) Ltd	**100**	100
Momentum Investment Management (Pty) Ltd	**100**	100
Other unlisted investments in subsidiaries	**Various**	Various
Total unlisted subsidiaries		
Transfer to Non-Current Assets Held for Sale[6]		
At fair value through profit and loss		
102 Rivonia Road (Pty) Ltd		
Other unlisted investments in subsidiaries		
Total interest in subsidiaries		

1 The investments in these subsidiaries were irrevocably designated at fair value through other comprehensive income as the Company considers these investments to be strategic in nature.

2 During the period, the Company received the following dividends from subsidiaries at fair value through other comprehensive income: R58 million (2023: R53 million) from Momentum Wealth International Ltd, R2 million (2023: R3 million) from Momentum Investment Consulting, R27 million (2023: Rnil) from Momentum Ability Ltd, R120 million (2023: R45 million) from Momentum Investments Management (Pty) Ltd, Rnil (2023: R20 million) from Momentum Asset Management (Pty) Ltd, Rnil (2023: R5 million) from Momentum Alternative Investments (Pty) Ltd and Rnil (2023: R9 million) from Momentum Alternative Insurance Ltd.

3 The decrease in the investment carrying amount is due to the reduction in the recoverable amount and impairment of intangible assets which resulted from a deterioration of similar magnitude in the near- to medium-term earnings outlook.

4 The increase in amounts owing by subsidiaries is mainly due to funding of R534 million provided by MML to 129 Rivonia for the transfer of PDC 6, 7 & 8 and the Parkade building. The loan will be capitalised once the tittle deeds have been transferred.

5 During the period, the Company received R10 million return of capital and R27 million final liquidation dividend from Momentum Ability (Pty) Ltd as the company's deregistration is in progress.

6 In the prior year, the Company was in the process of transferring its interest in certain subsidiaries into a property qualified investment hedge fund, which is also a subsidiary of MML. For 102 Rivonia Road (Pty) Ltd 50% of the shareholding was classified as held for sale. In the current year, these entities are no longer listed as held for sale. R25 million was received in the prior year from the deregistration of Momentum Alternative Insurance.

The prior year has been restated for the correction of 129 Rivonia loan amount which was omitted in the prior year. The restatement does not impact balance sheet/ income statement as it was only omitted on this note.

	Investment by holding company							
	Company carrying amount		Amounts owing by/(to) subsidiaries		Carrying amount (including loan account)			
	2024 Rm	2023 Rm	2024 Rm	Restated 2023# Rm	2024 Rm	Restated 2023# Rm	Nature of business	Country of incorporation
	113 623	107 085	–	–	113 623	107 085		
	113 623	107 085	–	–	113 623	107 085	Unit trusts	South Africa
	113 623	107 085	–	–	113 623	107 085		
	539	517	88	80	627	597		
	205	219	–	–	205	219	Property Investment	South Africa
	129	126	(15)	(15)	114	111	Property Investment	South Africa
	205	172	103	95	308	267	Various	Various
	3 027	3 568	1 631	1 337	4 658	4 905		
	570	1 066	1	1	571	1 067	Investment Management	United Kingdom
	203	136	4	123	207	259	Client Engagement Services	South Africa
	656	652	19	16	675	668	Investment services	Guernsey
	227	275	137	212	364	487	Investment Management	South Africa
	165	127	1 370	825	1 535	952	Property Investment	South Africa
	23	24	16	14	39	38	Credit & group life insurance	Botswana
	–	36	–	–	–	36	Life Insurance	South Africa
	63	77	119	115	182	192	Property Investment	South Africa
	1 066	1 130	(38)	28	1 028	1 158	Investment Management	South Africa
	54	45	3	3	57	48	Various	Various
	3 566	4 085	1 719	1 417	5 285	5 502		
	–	(110)	–	–	–	(110)	Property Investment	South Africa
	–	(163)	–	(62)	–	(225)	Various	Various
	117 189	110 897	1 719	1 355	118 908	112 252		

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

5 INTEREST IN SUBSIDIARIES CONTINUED

Subsidiary and other related party provision for expected credit losses

		Expected credit loss provision		Impairment expense (reversal)	
	Relationship	2024 Rm	2023 Rm	2024 Rm	2023 Rm
My Thrive (Pty) Ltd	Intergroup	17	–	17	–
Momentum Umhlanga (Pty) Ltd (previously knowns as Momentum Metropolitan Umhlanga (Pty) Ltd)	Subsidiary	1	1	–	1
Southern Life Property Development (Pty) Ltd	Subsidiary	3	3	–	1
Momentum Consult (Pty) Ltd	Intergroup	–	–	–	(2)
Momentum Finance Company (Pty) Ltd (previously known as Momentum Metropolitan Finance Company (Pty) Ltd)	Intergroup	3	3	–	(1)
Momentum Group Ltd (Previously known as Momentum Metropolitan Holdings Ltd)	Intergroup	2	3	(1)	(3)
Momentum Strategic Investments (Pty) Ltd (previously Momentum Metropolitan Strategic Investments (Pty) Ltd)	Intergroup	–	5	(5)	5
Momentum Trust Ltd	Intergroup	30	18	12	10
Other related parties[1]	Related party	1	1	–	–
		57	34	23	11
Total subsidiaries		4	4	–	2
Total intergroup and related parties		53	30	23	9

[1] Expected credit losses and provision for impairment raised on loans of R706 million (2023: R565 million) to other related parties.

6 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 fair value through profit and loss.
- 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 done 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 6.5 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 collective investment scheme 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. Refer to note 41 and note 42 for information on the collective investment schemes classified as subsidiaries or associates.

6 FINANCIAL ASSETS CONTINUED

		Group 2024 Rm	Group Restated 2023[1] Rm	Company 2024 Rm	Company Restated 2023[1] Rm
	The Group's financial assets are summarised below:				
6.1	Financial assets at fair value through profit and loss	559 803	495 167	413 981	359 684
6.2	Financial assets at amortised cost	5 969	7 755	4 712	6 230
6.3	Cash and cash equivalents	23 778	22 772	17 382	13 443
	Interest in subsidiaries (refer to note 5)	–	–	117 189	110 897
	Total financial assets	**589 550**	525 694	**553 264**	490 254

[1] The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

6.1 Financial assets at fair value through profit and loss

	Group 2024 Rm	Group Restated 2023[1] Rm	Company 2024 Rm	Company Restated 2023[1] Rm
Unit-linked investments	233 342	205 298	218 157	192 252
Debt securities[#]	174 766	149 169	139 940	113 122
Equity securities	123 561	113 139	42 187	40 041
Funds on deposit and other money market instruments[#]	26 248	25 516	11 864	12 321
Derivative financial assets[1, #]	1 871	1 989	1 820	1 948
Carry positions	15	56	13	–
	559 803	495 167	413 981	359 864
Open-ended	356 681	315 078	264 583	235 358
Current	52 395	54 654	26 547	30 177
Non-current	150 727	125 435	122 851	94 149
1 to 5 years	47 194	42 948	35 680	29 585
5 to 10 years	26 001	18 903	19 256	12 516
> 10 years	77 532	63 584	67 915	52 048
	559 803	495 167	413 981	359 684

[1] The prior year has been restated, refer to note 46 for more information.
[#] Refer to note 38.2 for more information on the global transition to alternative benchmark rates.

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.

Derivative financial instruments

	2024 Assets Rm	2024 Liabilities Rm	Restated 2023[1] Assets Rm	Restated 2023[1] Liabilities Rm
Group				
Held for trading	1 871	2 746	1 989	3 339
Company				
Held for trading	1 820	2 708	1 948	3 338

[1] The prior year has been restated, refer to note 46 for more information.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.1 Financial assets at fair value through profit and loss continued

Derivative financial instruments continued

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; and
- the delta adjusted effective exposure derived from an option position.

Group	2024			Restated 2023[1]		
	Effective exposure Rm	Assets Rm	Liabilities Rm	Effective exposure Rm	Assets Rm	Liabilities Rm
Derivatives held for trading						
Equity derivatives		217	38		67	32
Options, exchange traded	99	50	–	598	47	–
Futures, OTC	1 365	1	8	395	–	–
Futures, exchange traded[#]	1 838	17	20	1 451	9	1
Swaps, OTC	139	149	10	(21)	11	31
CFD	1 166	–	–	504	–	–
Interest rate derivatives		1 345	1 738		1 826	2 080
Options, OTC	–	–	–	1	3	2
Futures, exchange traded	–	–	2	–	–	–
Swaps, OTC	(435)	1 343	1 736	(262)	1 817	2 065
Forward rate agreement, OTC	1	2	–	(7)	6	13
CFD	–	–	–	–	–	–
Bonds		275	87		44	131
Options, exchange traded	29	–	–	149	–	–
Futures, OTC	6 448	272	87	(3 809)	39	130
Futures, exchange traded[#]	6 506	3	–	6 465	5	1
Credit derivatives		–	9		–	17
Swaps, OTC	(9)	–	9	(17)	–	17
Currency derivatives		34	874		52	1 079
Options, OTC	–	12	12	281	45	82
Options, exchange traded	(100)	–	–	(233)	–	–
Futures, OTC	56 897	22	14	695	7	–
Futures, exchange traded	(1 250)	–	5	(786)	–	26
Swaps, OTC	(843)	–	843	(971)	–	971
Total derivative financial instruments		**1 871**	**2 746**		1 989	3 339

[1] The prior year has been restated, refer to note 46 for more information.

[#] Upon further investigation it was concluded that equity derivatives (futures, exchange traded) effective exposure was understated by R91 million. June 2023 has been restated accordingly.
It was also concluded that commodity derivatives (futures, exchange traded) incorrectly had an effective exposure of R548 334 million, which should have been bonds (futures, exchange traded) of R439 million. June 2023 has been restated accordingly.

6 FINANCIAL ASSETS CONTINUED

6.1 Financial assets at fair value through profit and loss continued

Derivative financial instruments continued

Company	2024 Effective exposure Rm	2024 Assets Rm	2024 Liabilities Rm	2023 Effective exposure Rm	2023 Assets Rm	2023 Liabilities Rm
Derivatives held for trading						
Equity derivatives		199	18		57	31
Options, exchange traded	17	49	–	591	46	–
Futures, OTC	1 365	1	8	395	–	–
Futures, exchange traded	1 181	–	–	872	–	–
Swaps, OTC	139	149	10	(21)	11	31
Interest rate derivatives		1 317	1 737		1 805	2 110
Options, OTC	–	–	–	1	3	2
Swaps, OTC	(437)	1 315	1 737	(313)	1 796	2 095
Forward rate agreement, OTC	1	2	–	(7)	6	13
Bonds		273	87		39	130
Options, exchange traded	9	–	–	141	–	–
Futures, OTC	6 448	273	87	(3 809)	39	130
Futures, exchange traded	6 499	–	–	6 010	–	–
Credit derivatives		–	9		–	17
Swaps, OTC	(9)	–	9	(17)	–	17
Currency derivatives		31	857		47	1 050
Options, OTC	–	12	12	226	44	79
Options, exchange traded	(38)	–	–	(109)	–	–
Futures, OTC	617	19	2	186	3	–
Futures, exchange traded	(115)	–	–	–	–	–
Swaps, OTC	(843)	–	843	(971)	–	971
Futures, exchange traded	–	–	–	95	–	–
Total derivative financial instruments		1 820	2 708		1 948	3 338

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 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.1 Financial assets at fair value through profit and loss continued

Derivative financial instruments continued

Offsetting

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

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
Derivative financial assets				
Gross and net amounts of recognised financial assets	**1 871**	1 989	**1 820**	1 948
Related amounts not set off in the statement of financial position				
Financial instruments	**(1 093)**	(1 433)	**(1 075)**	(1 423)
Cash collateral received	**(1 170)**	(384)	**(1 170)**	(384)
Net amount	**(392)**	172	**(425)**	141
Derivative financial liabilities				
Gross and net amounts of recognised financial liabilities	**2 746**	3 339	**2 708**	3 338
Related amounts not set off in the statement of financial position				
Financial instruments	**(1 093)**	(1 429)	**(1 075)**	(1 423)
Cash collateral issued	**(469)**	(676)	**(469)**	(676)
Net amount	**1 184**	1 234	**1 164**	1 239

6.2 Financial assets at amortised cost

	Group 2024 Rm	Group Restated 2023[1] Rm	Company 2024 Rm	Company Restated 2023[1] Rm
Unsettled trades[2]	**1 148**	2 304	**720**	1 525
Accounts receivable	**1 950**	2 236	**1 313**	1 528
Less: provision for impairment	**(68)**	(95)	**(64)**	(92)
Funds on deposit and other money market instruments[#]	**110**	113	**55**	58
Less: provision for impairment[3]	**(31)**	(31)	**(16)**	(16)
Loans	**2 860**	3 228	**2 704**	3 227
Related party loans				
Loans due from subsidiaries and fellow MGL subsidiaries	**2 318**	2 642	**2 486**	2 997
Less provision for impairment	**(53)**	(30)	**(57)**	(34)
Staff loans	**2**	3	**3**	4
Other related party loans[4]	**124**	126	**123**	123
Other loans				
Policy loans related to investment contracts	**–**	3	**–**	3
Due from agents, brokers and intermediaries	**306**	275	**306**	275
Less: provision for impairment	**(157)**	(141)	**(157)**	(141)
Other[5]	**320**	350	**–**	–
Total included in financial assets	**5 969**	7 755	**4 712**	6 230
Current	**5 724**	7 569	**4 659**	6 218
Non-current	**245**	186	**53**	12
	5 969	7 755	**4 712**	6 230

1 The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

2 Unsettled trades result from transactions that Portfolio Managers enter into on behalf of the various subsidiaries in the Group in accordance with the 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.

3 This provision relates to a specific counterparty (same as in F2023) and is reviewed on a monthly basis and is based on information available in the market. The total balance for funds on deposit and other money market instruments and the associated provision for impairment relates to the same counterparty.

4 Included in other related party loans is a R123 million (2023: R123 million) loan to Abland, that manages the operations of a policyholder trust for MML.

5 Includes R269 million (R272 million) in respect of underlying assets in a credit fund classified as CIS.

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

6 FINANCIAL ASSETS CONTINUED

6.2 Financial assets at amortised cost continued

Group

Reconciliation of expected credit losses	Funds on deposit and other money market instruments Rm	Accounts receivable Rm	Related party loans Rm	Due from agents, brokers and intermediaries Rm	Total Rm
2024					
Balance at beginning	**(31)**	**(95)**	**(30)**	**(141)**	**(297)**
Additional provision	**–**	**(3)**	**(30)**	**(16)**	**(49)**
Reversed to the income statement	**–**	**27**	**7**	**–**	**34**
Other	**–**	**3**	**–**	**–**	**3**
Balance at end	**(31)**	**(68)**	**(53)**	**(157)**	**(309)**
2023					
Balance at beginning	(32)	(87)	(21)	(152)	(292)
Additional provision	–	(7)	(17)	–	(24)
Reversed to the income statement	1	4	6	11	22
Other	–	(5)	2	–	(3)
Balance at end	(31)	(95)	(30)	(141)	(297)

Company

Reconciliation of expected credit losses	Funds on deposit and other money market instruments Rm	Accounts receivable Rm	Loans due from subsidiaries and fellow MGL subsidiaries Rm	Due from agents, brokers and intermediaries Rm	Total Rm
2024					
Balance at beginning	**(16)**	**(92)**	**(34)**	**(141)**	**(283)**
Additional provision	**–**	**(2)**	**(30)**	**(16)**	**(48)**
Reversed to the income statement	**–**	**28**	**7**	**–**	**35**
Other	**–**	**2**	**–**	**–**	**2**
Balance at end	**(16)**	**(64)**	**(57)**	**(157)**	**(294)**
2023					
Balance at beginning	(16)	(84)	(23)	(152)	(275)
Additional provision	–	(7)	(17)	–	(24)
Reversed to the income statement	–	5	6	11	22
Other	–	(6)	–	–	(6)
Balance at end	(16)	(92)	(34)	(141)	(283)

Terms and conditions of material loans

Loans to Group companies are interest free, repayable on demand, and are unsecured.

Refer to note 6.5 for the split of the credit risk and expected credit loss allowances into stages.

6.3 Cash and cash equivalents

	Group 2024 Rm	Group Restated 2023[1] Rm	Company 2024 Rm	Company Restated 2023[1] Rm
Bank and other cash balances	**10 866**	8 431	**9 309**	6 294
Funds on deposit and other money market instruments – maturity < 90 days	**12 912**	14 341	**8 073**	7 149
	23 778	22 772	**17 382**	13 443

[1] The prior year has been restated. Refer to note 46 for more information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.4 Financial assets measurement

Group Financial assets summarised by measurement category in terms of IFRS 9	Fair value through profit and loss Mandatorily Rm	Designated[1] Rm	Total fair value Rm	Amortised cost Rm	Not in scope of IFRS 9 Rm	Total Rm
2024						
Unit-linked investments	**233 342**	**–**	**233 342**	**–**	**–**	**233 342**
Debt securities	**40 320**	**134 446**	**174 766**	**–**	**–**	**174 766**
Equity securities[2]	**123 561**	**–**	**123 561**	**–**	**–**	**123 561**
Funds on deposit and other money market instruments	**18 352**	**7 896**	**26 248**	**79**	**–**	**26 327**
Derivative financial assets	**1 871**	**–**	**1 871**	**–**	**–**	**1 871**
Carry positions	**–**	**15**	**15**	**–**	**–**	**15**
Financial assets at amortised cost	**–**	**–**	**–**	**5 890**	**–**	**5 890**
Cash and cash equivalents	**–**	**–**	**–**	**23 778**	**–**	**23 778**
Total financial assets	**417 446**	**142 357**	**559 803**	**29 747**	**–**	**589 550**
Restated 2023[3]						
Unit-linked investments	205 298	–	205 298	–	–	205 298
Debt securities	37 778	111 391	149 169	–	–	149 169
Equity securities[2]	113 139	–	113 139	–	–	113 139
Funds on deposit and other money market instruments	14 270	11 246	25 516	82	–	25 598
Derivative financial assets[3]	1 989	–	1 989	–	–	1 989
Carry positions	–	56	56	–	–	56
Financial assets at amortised cost[3]	–	–	–	7 673	–	7 673
Cash and cash equivalents	–	–	–	22 772	–	22 772
Total financial assets	372 474	122 693	495 167	30 527	–	525 694

1 Financial assets designated at fair value through profit or loss mainly consist of policyholder assets that back policyholder liabilities measured at fair value through profit or loss. The amount of change, during the period and cumulatively, in the fair value of financial assets designated at fair value through profit and loss 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 was immaterial.

2 Equity securities are classified as fair value through profit and loss at inception.

3 The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

6 FINANCIAL ASSETS CONTINUED

6.4 Financial assets measurement continued

Company	Fair value through profit and loss			At fair value through other comprehensive income	Amortised cost	Not in scope of IFRS 9	Total
Financial assets summarised by measurement category in terms of IFRS 9	Mandatorily Rm	Designated[1] Rm	Total fair value Rm	Rm	Rm	Rm	Rm
2024							
Equity securities[2]	**42 187**	**–**	**42 187**	**–**	**–**	**–**	**42 187**
Debt securities	**9 464**	**130 476**	**139 940**	**–**	**–**	**–**	**139 940**
Funds on deposit and other money market instruments	**3 968**	**7 896**	**11 864**	**–**	**39**	**–**	**11 903**
Unit-linked investments	**218 157**	**–**	**218 157**	**–**	**–**	**–**	**218 157**
Derivative financial assets	**1 820**	**–**	**1 820**	**–**	**–**	**–**	**1 820**
Carry positions	**–**	**13**	**13**	**–**	**–**	**–**	**13**
Financial assets at amortised cost	**–**	**–**	**–**	**–**	**4 673**	**–**	**4 673**
Cash and cash equivalents	**–**	**–**	**–**	**–**	**17 382**	**–**	**17 382**
Investments in subsidiaries at fair value	**114 162**	**–**	**114 162**	**3 027**	**–**	**–**	**117 189**
Total financial assets	**389 758**	**138 385**	**528 143**	**3 027**	**22 094**	**–**	**553 264**
Restated 2023[3]							
Equity securities[2]	40 041	–	40 041	–	–	–	40 041
Debt securities	7 090	106 032	113 122	–	–	–	113 122
Funds on deposit and other money market instruments	1 366	10 955	12 321	–	42	–	12 363
Unit-linked investments	192 252	–	192 252	–	–	–	192 252
Derivative financial assets	1 948	–	1 948	–	–	–	1 948
Carry positions	–	–	–	–	–	–	–
Financial assets at amortised cost[3]	–	–	–	–	6 188	–	6 188
Cash and cash equivalents	–	–	–	–	13 443	–	13 443
Investments in subsidiaries at fair value	107 329	–	107 329	3 568	–	–	110 897
Total financial assets	350 026	116 987	467 013	3 568	19 673	–	490 254

1 Financial assets designated at fair value through profit or loss mainly consist of policyholder assets that back policyholder liabilities measured at fair value through profit or loss. The amount of change, during the period and cumulatively, in the fair value of financial assets designated at fair value through profit and loss 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 was immaterial.

2 Equity securities are classified as fair value through profit and loss at inception.

3 The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.4 Financial assets measurement continued

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 collective investment schemes 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 fair value through profit and loss

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 fair value through profit and loss.

Financial assets designated at fair value through profit and loss

Debt securities and funds on deposit and other money market instruments that back policyholder liabilities are designated at fair value through profit and loss 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.

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 collective investment schemes

A number of collective investments schemes are consolidated into the Group. Refer to note 41 for a list of significant schemes. Majority of these funds are held with an objective of capital growth. For those funds not held for capital growth, a look-through basis was applied to determine the business model. 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 fair value through profit and loss.

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.

6 FINANCIAL ASSETS CONTINUED

6.5 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:

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
Financial assets at fair value through profit and loss				
Debt securities	**174 766**	149 169	**139 940**	113 122
Stock and loans to government and other public bodies	**100 220**	83 533	**83 269**	62 561
Other debt instruments[2]	**74 546**	65 636	**56 671**	50 561
Funds on deposit and other money market instruments	**26 248**	25 516	**11 864**	12 321
Unit-linked investments (categorised as interest-bearing and money market – refer to note 42)[#]	**22 448**	12 218	**18 289**	11 284
Collective investment schemes	**20 232**	10 085	**16 099**	8 889
Other unit-linked investments	**2 216**	2 133	**2 190**	2 395
Derivative financial assets – Held for trading	**1 871**	1 989	**1 820**	1 948
Carry positions	**15**	56	**13**	–
Financial assets at amortised cost	**5 969**	7 755	**4 712**	6 230
Unsettled trades	**1 148**	2 304	**720**	1 525
Accounts receivable	**1 882**	2 141	**1 249**	1 436
Funds on deposit and other money market instruments	**79**	82	**39**	42
Loans	**2 860**	3 228	**2 704**	3 227
Cash and cash equivalents	**23 778**	22 772	**17 382**	13 443
Total financial assets bearing credit risk	**255 095**	219 475	**194 020**	158 348

1 The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

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 R662 million (2023: R606 million).

Upon further investigation it was note that the prior year Company numbers relating to unit-linked investments do note reconcile to note 42, these have been reconciled in the current year. June 2023 has been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.5 Credit risk continued

Group Credit risk balances – expected credit loss	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
2024				
Financial assets at amortised cost				
Unsettled trades	**1 148**	**–**	**–**	**1 148**
Accounts receivable	**1 812**	**35**	**103**	**1 950**
Provision for impairment[$]	**(4)**	**(3)**	**(61)**	**(68)**
Funds on deposit and other money market instruments	**–**	**–**	**110**	**110**
Provision for impairment	**–**	**–**	**(31)**	**(31)**
Due from agents, brokers and intermediaries	**143**	**–**	**163**	**306**
Provision for impairment	**–**	**–**	**(157)**	**(157)**
Related party loans				
Loans due from subsidiaries and fellow MGL subsidiaries	**2 202**	**38**	**78**	**2 318**
Provision for impairment[#]	**(3)**	**–**	**(50)**	**(53)**
Other related party loans	**124**	**–**	**–**	**124**
Staff loans	**2**	**–**	**–**	**2**
Other	**319**	**–**	**1**	**320**
	5 743	**70**	**156**	**5 969**

[$] Two large accounts receivable balances with relatively low ECL provisions were settled during the year which resulted in the total ECL ratio in stage 3 increasing compared to prior year.
[#] The relative increase in expected credit loss in stage 3 is due to increased risk of default in a specific fellow subsidiary in the MGL Group.

All balances relate to unrated counterparties, except for the funds on deposit balance, which relates to promissory notes issued by a B-rated counterparty.

Group Credit risk balances – expected credit loss	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
Restated 2023[1]				
Financial assets at amortised cost				
Unsettled trades	2 304	–	–	2 304
Accounts receivable	1 945	98	193	2 236
Provision for impairment	(4)	–	(91)	(95)
Funds on deposit and other money market instruments	–	–	113	113
Provision for impairment	–	–	(31)	(31)
Policy loans related to investment contracts	3	–	–	3
Due from agents, brokers and intermediaries	154	–	121	275
Provision for impairment	(24)	–	(117)	(141)
Related party loans				
Loans due from subsidiaries and fellow MGL subsidiaries	2 573	30	39	2 642
Provision for impairment	(8)	–	(22)	(30)
Other related party loans	126	–	–	126
Staff loans	3	–	–	3
Other	349	1	–	350
	7 421	129	205	7 755

[1] The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

6 FINANCIAL ASSETS CONTINUED

6.5 Credit risk continued

Company Credit risk balances – expected credit loss	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
2024				
Financial assets at amortised cost				
Accounts receivable	1 183	33	97	1 313
Provision for impairment[$]	(4)	(3)	(57)	(64)
Unsettled trades	720	–	–	720
Funds on deposit and other money market instruments	–	–	55	55
Provision for impairment	–	–	(16)	(16)
Loans				
Related party loans				
Loans due from subsidiaries and fellow MGL subsidiaries	2 370	38	78	2 486
Provision for impairment	(7)	–	(50)	(57)
Staff loans	3	–	–	3
Other related party loans	123	–	–	123
Other loans				
Due from agents, brokers and intermediaries	143	–	163	306
Provision for impairment	–	–	(157)	(157)
	4 531	68	113	4 712

[$] Two large accounts receivable balances with relatively low ECL provisions were settled during the year which resulted in the total ECL ratio in stage 3 increasing compared to prior year.

All balances relate to unrated counterparties, except for the funds on deposit balance, which relates to promissory notes issued by a B-rated counterparty.

Company Credit risk balances – expected credit loss	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
Restated 2023[1]				
Financial assets at amortised cost				
Accounts receivable	1 289	51	188	1 528
Provision for impairment	(1)	–	(91)	(92)
Unsettled trades	1 525	–	–	1 525
Funds on deposit and other money market instruments	–	–	58	58
Provision for impairment	–	–	(16)	(16)
Loans				
Related party loans				
Loans due from subsidiaries and fellow MGL subsidiaries	2 928	30	39	2 997
Provision for impairment	(12)	–	(22)	(34)
Staff loans	4	–	–	4
Other related party loans	123	–	–	123
Other loans				
Due from agents, brokers and intermediaries	154	–	121	275
Provision for impairment	(24)	–	(117)	(141)
Policy loans related to investment contracts	3	–	–	3
	5 989	81	160	6 230

[1] The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.5 Credit risk continued

Group

Reconciliation of expected credit losses	12 month expected credit losses (Stage 1) Rm	Lifetime expected credit losses (Stage 2) Rm	Lifetime expected credit losses (Stage 3) Rm	Total Rm
2024				
Accounts receivable				
Opening balance	**(4)**	**–**	**(91)**	**(95)**
Movement recognised in the income statement	**(3)**	**(3)**	**30**	**24**
Other	**3**	**–**	**–**	**3**
Closing balance	**(4)**	**(3)**	**(61)**	**(68)**
Funds on deposit and other money market instruments				
Opening balance	**–**	**–**	**(31)**	**(31)**
Movement recognised in the income statement	**–**	**–**	**–**	**–**
Closing balance	**–**	**–**	**(31)**	**(31)**
Related party loans				
Opening balance	**(8)**	**–**	**(22)**	**(30)**
Movement recognised in the income statement	**5**	**–**	**(28)**	**(23)**
Closing balance	**(3)**	**–**	**(50)**	**(53)**
Due from agents, brokers and intermediaries				
Opening balance	**(24)**	**–**	**(117)**	**(141)**
Movement recognised in the income statement	**24**	**–**	**(40)**	**(16)**
Closing balance	**–**	**–**	**(157)**	**(157)**
2023				
Accounts receivable				
Opening balance	(4)	(2)	(81)	(87)
Movement recognised in the income statement	5	2	(10)	(3)
Other	(5)	–	–	(5)
Closing balance	(4)	–	(91)	(95)
Funds on deposit and other money market instruments				
Opening balance	–	–	(32)	(32)
Movement recognised in the income statement	–	–	1	1
Closing balance	–	–	(31)	(31)
Related party loans				
Opening balance	(7)	(5)	(9)	(21)
Movement recognised in the income statement	(3)	5	(13)	(11)
Other	2	–	–	2
Closing balance	(8)	–	(22)	(30)
Due from agents, brokers and intermediaries				
Opening balance	(53)	–	(99)	(152)
Movement recognised in the income statement	29	–	(18)	11
Closing balance	(24)	–	(117)	(141)

6 FINANCIAL ASSETS CONTINUED

6.5 Credit risk continued

Company

Reconciliation of expected credit losses	12 month expected credit losses (Stage 1) Rm	Lifetime expected credit losses (Stage 2) Rm	Lifetime expected credit losses (Stage 3) Rm	Total Rm
2024				
Accounts receivable				
Opening balance	(1)	–	(91)	(92)
Movement recognised in the income statement	(5)	(3)	34	26
Other	2	–	–	2
Closing balance	(4)	(3)	(57)	(64)
Funds on deposit and other money market instruments				
Opening balance	–	–	(16)	(16)
Movement recognised in the income statement	–	–	–	–
Closing balance	–	–	(16)	(16)
Loans due from subsidiaries and fellow MGL subsidiaries				
Opening balance	(12)	–	(22)	(34)
Movement recognised in the income statement	5	–	(28)	(23)
Closing balance	(7)	–	(50)	(57)
Due from agents, brokers and intermediaries				
Opening balance	(24)	–	(117)	(141)
Movement recognised in the income statement	24	–	(40)	(16)
Closing balance	–	–	(157)	(157)
2023				
Accounts receivable				
Opening balance	(1)	(2)	(81)	(84)
Movement recognised in the income statement	6	2	(10)	(2)
Other	(6)	–	–	(6)
Closing balance	(1)	–	(91)	(92)
Funds on deposit and other money market instruments				
Opening balance	–	–	(16)	(16)
Movement recognised in the income statement	–	–	–	–
Closing balance	–	–	(16)	(16)
Loans due from subsidiaries and fellow MGL subsidiaries				
Opening balance	(9)	(1)	(13)	(23)
Movement recognised in the income statement	(3)	1	(9)	(11)
Closing balance	(12)	–	(22)	(34)
Due from agents, brokers and intermediaries				
Opening balance	(53)	–	(99)	(152)
Movement recognised in the income statement	29	–	(18)	11
Closing balance	(24)	–	(117)	(141)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.5 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	• Low risk of default • Strong capability to meet contractual payments	• Low risk of default • Strong capability to meet contractual payments	• 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	• Low risk of default • Strong ability to meet contractual payments	12 months expected losses
Stage 2	• Significant increase in credit risk • Repayments are more than 30 days and less than 90 days past due	• Financial assets move to stage two if the instruments investment grade falls with two rating grades	• Loans are recoverable • Repayment of interest and capital significantly in line with the terms of agreements, i.e. not more than 30 days past due • Restructuring of loans due to interest and capital repayment ability, i.e. credit quality has deteriorated based on the need for restructure, but adequate repayment plans in place • Deterioration of credit quality	• Significant increase in credit risk • Repayments are more than 30 days and less than 90 days past due	Lifetime expected losses
Stage 3	• Significant increase in credit risk • Repayments are more than 90 days past due	• Financial assets move to stage three if the instruments investment grade falls an additional two rating grades since classified as stage two	• Loans are partially recoverable • Loan is in default, i.e. repayment of interest and capital payments not in line with terms of agreement and default does not occur later than 90 days past due • Significant deterioration in credit quality	• 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.				

6 FINANCIAL ASSETS CONTINUED

6.5 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 instrument	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 instrument	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.
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.

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. Subsidiary loans are sensitive to the subsidiary's solvency and forward-looking liquidity position.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.5 Credit risk continued

Credit quality of financial assets

The assets in the Group's maximum exposure table on the previous page 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, S&P and GCR. Refer to Annexure A for the definitions used in this section.

Group	AAA Rm	AA Rm	A Rm	BBB Rm	BB Rm	B Rm	CCC Rm	CC Rm	C Rm	Unrated Rm	Total Rm
2024											
Financial assets at fair value through profit and loss											
Debt securities											
Stock and loans to government and other public bodies	**91 201**	**3 916**	**1 256**	**–**	**119**	**377**	**121**	**–**	**–**	**3 230**	**100 220**
Other debt instruments	**17 979**	**45 174**	**5 415**	**2 666**	**230**	**22**	**97**	**–**	**2**	**2 961**	**74 546**
Derivative financial assets	**146**	**1 698**	**24**	**–**	**–**	**–**	**–**	**–**	**–**	**3**	**1 871**
Carry positions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**15**	**15**
Cash and cash equivalents and funds on deposit and money market instruments	**10 121**	**37 648**	**1 874**	**–**	**54**	**–**	**–**	**265**	**–**	**64**	**50 026**
Other unrated instruments								**–**	**–**		
Other financial assets at amortised cost	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5 969**	**5 969**
Unit-linked investments[1]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**22 448**	**22 448**
	119 447	**88 436**	**8 569**	**2 666**	**403**	**399**	**218**	**265**	**2**	**34 690**	**255 095**
Restated 2023[2]											
Financial assets at fair value through profit and loss											
Debt securities											
Stock and loans to government and other public bodies	74 069	6 176	1 370	228	–	471	155	–	98	966	83 533
Other debt instruments	12 965	40 435	6 734	1 961	101	186	101	–	–	3 153	65 636
Derivative financial assets	206	1 734	18	7	23	–	–	–	–	1	1 989
Carry positions	–	–	–	–	–	–	–	–	–	56	56
Cash and cash equivalents and funds on deposit and money market instruments	10 966	34 680	1 978	–	36	4	–	–	–	624	48 288
Other unrated instruments								–	–		
Other financial assets at amortised cost	–	–	–	–	–	–	–	–	–	7 755	7 755
Unit-linked investments[1]	–	–	–	–	–	–	–	–	–	12 218	12 218
	98 206	83 025	10 100	2 196	160	661	256	–	98	24 773	219 475

1 Refer to note 42 for detail on unit-linked investments and note 39 for credit risk management relating to unit-linked investments.
2 The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

6 FINANCIAL ASSETS CONTINUED

6.5 Credit risk continued

Credit quality of financial assets continued

Company	AAA Rm	AA Rm	A Rm	BBB Rm	BB Rm	B Rm	CCC Rm	CC Rm	C Rm	Unrated Rm	Total Rm
2024											
Financial assets at fair value through profit and loss											
Debt securities											
Stock and loans to government and other public bodies	**77 951**	**3 649**	**813**	**–**	**119**	**254**	**121**	**–**	**–**	**362**	**83 269**
Other debt instruments	**16 474**	**32 488**	**2 800**	**895**	**115**	**22**	**97**	**–**	**–**	**3 780**	**56 671**
Derivative financial instruments	**146**	**1 671**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3**	**1 820**
Carry positions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**13**	**13**
Cash and cash equivalents and funds on deposit and money market instruments	**5 967**	**23 186**	**75**	**–**	**–**	**–**	**–**	**–**	**–**	**18**	**29 246**
Other unrated instruments											
Financial assets at amortised cost	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4 712**	**4 712**
Unit-linked investments[1]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**18 289**	**18 289**
	100 538	**60 994**	**3 688**	**895**	**234**	**276**	**218**	**–**	**–**	**27 177**	**194 020**
Restated 2023[2]											
Financial assets at fair value through profit and loss											
Debt securities											
Stock and loans to government and other public bodies	56 056	5 052	793	73	–	346	155	–	–	86	62 561
Other debt instruments	12 439	30 621	4 176	359	101	64	101	–	–	2 700	50 561
Derivative financial instruments	206	1 711	–	7	23	–	–	–	–	1	1 948
Carry positions	–	–	–	–	–	–	–	–	–	–	–
Cash and cash equivalents and funds on deposit and money market instruments	6 191	19 271	224	–	–	–	–	–	–	78	25 764
Other unrated instruments											
Financial assets at amortised cost	–	–	–	–	–	–	–	–	–	6 230	6 230
Unit-linked investments[1]	–	–	–	–	–	–	–	–	–	11 284	11 284
	74 892	56 655	5 193	439	124	410	256	–	–	20 379	158 348

1 Refer to note 42 for detail on unit-linked investments and note 39 for credit risk management relating to unit-linked investments.
2 The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.6 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:

Group	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2024				
Securities at fair value through profit and loss	430 178	125 261	4 364	559 803
Unit-linked investments				
Collective investment schemes[1]				
Local unlisted or listed quoted	144 662	524	–	145 186
Local unlisted unquoted	–	117	–	117
Foreign unlisted or listed quoted	69 649	27	–	69 676
Foreign unlisted unquoted	–	454	325	779
Other unit-linked investments				
Local unlisted or listed quoted	4 244	13	–	4 257
Local unlisted unquoted	–	9 827	2 521	12 348
Foreign unlisted or listed quoted	202	–	–	202
Foreign unlisted unquoted	–	20	757	777
Debt securities				
Stock and loans to government and other public bodies				
Local listed	84 397	7 889	–	92 286
Foreign listed	3 531	118	–	3 649
Unlisted	–	3 921	364	4 285
Other debt instruments				
Local listed	11	34 745	37	34 793
Foreign listed	6	12 701	–	12 707
Intercompany	–	–	–	–
Unlisted	–	26 835	211	27 046
Equity securities				
Local listed	69 496	–	4	69 500
Foreign listed	53 891	–	–	53 891
Unlisted	–	25	145	170
Funds on deposit and other money market instruments	–	26 248	–	26 248
Carry positions	–	15	–	15
Derivative financial assets – Held for trading	89	1 782	–	1 871
	430 178	125 261	4 364	559 803

[1] Collective investment schemes are classified as level 1 when there is an active market of transactions between investors and collective investment schemes based on a published price.

There were no significant transfers between level 1 and level 2 assets in the current or prior years.

6 FINANCIAL ASSETS CONTINUED

6.6 Financial assets hierarchy continued

Group	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Restated 2023[2]				
Securities at fair value through profit and loss	374 669	115 956	4 542	495 167
Unit-linked investments				
Collective investment schemes[1]				
Local unlisted or listed quoted	128 384	1 487	–	129 871
Local unlisted unquoted	–	99	–	99
Foreign unlisted or listed quoted	59 174	67	–	59 241
Foreign unlisted unquoted[4]	–	416	148	564
Other unit-linked investments				
Local unlisted or listed quoted[6]	3 702	–	–	3 702
Local unlisted unquoted[6]	–	7 948	2 634	10 582
Foreign unlisted or listed quoted	169	–	–	169
Foreign unlisted unquoted[4]	–	20	1 050	1 070
Debt securities				
Stock and loans to government and other public bodies				
Local listed	67 417	8 771	–	76 188
Foreign listed	2 722	60	–	2 782
Unlisted[3]	–	4 039	524	4 563
Other debt instruments				
Local listed	–	34 026	43	34 069
Foreign listed[7]	36	7 140	–	7 176
Intercompany	–	–	–	–
Unlisted[5,7]	–	24 388	3	24 391
Equity securities				
Local listed	68 496	1	2	68 499
Foreign listed	44 486	–	–	44 486
Unlisted	–	16	138	154
Funds on deposit and other money market instruments	6	25 510	–	25 516
Carry positions	–	56	–	56
Derivative financial assets – Held for trading	77	1 912	–	1 989
	374 669	115 956	4 542	495 167

1 Collective investment schemes are classified as level 1 when there is an active market of transactions between investors and collective investment schemes based on a published price.
2 Refer to note 46 for more information on the restatements.
3 Upon further investigation it was concluded that R62 million was incorrectly classified as Other debt instruments Unlisted included in level 2, which should have been included in level 3. June 2023 has been restated accordingly.
4 Upon further investigation it was concluded that R473 million was moved from collective investment schemes to other unit-linked investments in note 42, but was omitted in the current financial assets hierarchy note. June 2023 has been restated accordingly.
5 R39 million Other debt instruments Unlisted were incorrectly classified as level 3 and should have been classified as level 2.
6 R372 million Other unit-linked investments were incorrectly classified as Local unlisted unquoted instead of Local unlisted or listed quoted. 30 June 2023 has been restated accordingly.
7 Inward listed instruments are deemed foreign by the SARB, as such the Group also classifies these instruments as foreign for reporting purposes. R1 063 million Other debt instruments were previously incorrectly classified as Local unlisted and should have been classified as Foreign listed. 30 June 2023 has been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.6 Financial assets hierarchy continued

Company	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2024				
Securities at fair value through profit and loss	318 360	89 540	6 081	413 981
Equity securities				
Local listed	35 255	–	4	35 259
Foreign listed	6 768	–	–	6 768
Unlisted	–	15	145	160
Debt securities				
Stock and loans to government and other public bodies				
Local listed	72 351	6 557	–	78 908
Foreign listed	86	113	–	199
Unlisted	–	3 921	240	4 161
Other debt instruments				
Local listed	–	24 337	10	24 347
Foreign listed	6	6 076	–	6 082
Unlisted	–	24 179	2 064	26 243
Funds on deposit and other money market instruments	–	11 864	–	11 864
Unit-linked investments				
Collective investment schemes[1]				
Local unlisted or listed quoted	130 716	377	–	131 093
Local unlisted unquoted	–	–	–	–
Foreign unlisted or listed quoted	68 854	27	–	68 881
Foreign unlisted unquoted	–	452	325	777
Other unit-linked investments				
Local unlisted or listed quoted	4 145	14	–	4 159
Local unlisted unquoted	–	9 821	2 536	12 357
Foreign unlisted or listed quoted	113	–	–	113
Foreign unlisted unquoted	–	20	757	777
Carry positions	–	13	–	13
Derivative financial assets – Held for trading	66	1 754	–	1 820
Interest in subsidiaries	113 279	–	3 910	117 189
At fair value through profit and loss	113 279	–	883	114 162
At fair value through other comprehensive income	–	–	3 027	3 027
Assets relating to disposal groups held for sale				
Interest in subsidiaries				
At fair value through profit and loss	–	–	–	–
	431 639	89 540	9 991	531 170

[1] Collective investment schemes are classified as level 1 when there is an active market of transactions between investors and collective investment schemes based on a published price.

There were no significant transfers between level 1 and level 2 assets in the current or prior years.

6 FINANCIAL ASSETS CONTINUED

6.6 Financial assets hierarchy continued

Company	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Restated 2023[2]				
Securities at fair value through profit and loss	269 620	84 316	5 748	359 684
Equity securities				
Local listed	34 472	1	2	34 475
Foreign listed	5 413	–	–	5 413
Unlisted	–	15	138	153
Debt securities				
Stock and loans to government and other public bodies				
Local listed	51 136	6 950	–	58 086
Foreign listed	81	55	–	136
Unlisted	–	4 101	238	4 339
Other debt instruments				
Local listed	–	22 124	4	22 128
Foreign listed[6]	–	2 786	–	2 786
Unlisted[3,6]	–	24 133	1 514	25 647
Funds on deposit and other money market instruments	6	12 315	–	12 321
Unit-linked investments				
Collective investment schemes[1]				
Local unlisted or listed quoted	117 049	1 487	–	118 536
Local unlisted unquoted	–	13	–	13
Foreign unlisted or listed quoted	57 738	67	–	57 805
Foreign unlisted unquoted[4]	–	416	148	564
Other unit-linked investments				
Local unlisted or listed quoted[5]	3 612	–	–	3 612
Local unlisted unquoted[5]	–	7 948	2 654	10 602
Foreign unlisted or listed quoted	50	–	–	50
Foreign unlisted unquoted[4]	–	20	1 050	1 070
Carry positions	–	–	–	–
Derivative financial assets – Held for trading	63	1 885	–	1 948
Interest in subsidiaries	106 780	–	4 117	110 897
At fair value through profit and loss	106 780	–	549	107 329
At fair value through other comprehensive income	–	–	3 568	3 568
Assets relating to disposal groups held for sale				
Interest in subsidiaries				
At fair value through profit and loss	–	–	273	273
	376 400	84 316	10 138	470 854

1 Collective investment schemes are classified as level 1 when there is an active market of transactions between investors and collective investment schemes based on a published price.
2 Refer to note 46 for more information on the restatements.
3 Upon further investigation it was concluded that R62 million was incorrectly classified as Other debt instruments Unlisted included in level 2, which should have been included in level 3. June 2023 has been restated accordingly.
4 Upon further investigation it was concluded that R473 million was moved from collective investment schemes to other unit-linked investments in note 42, but was omitted in the current financial assets hierarchy note. June 2023 has been restated accordingly.
5 R372 million Other unit-linked investments were incorrectly classified as Local unlisted unquoted instead of Local unlisted or listed quoted. 30 June 2023 has been restated accordingly.
6 Inward listed instruments are deemed foreign by the SARB, as such the Group also classifies these instruments as foreign for reporting purposes. R1 063 million Other debt instruments were previously incorrectly classified as Local unlisted and should have been classified as Foreign listed. 30 June 2023 has been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.6 Financial assets hierarchy continued

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

	At fair value through profit and loss				
Group	Unit-linked investments Rm	Debt securities Rm	Equity securities Rm	Funds on deposit and other money market instruments Rm	Total Rm
2024					
Opening balance	**3 832**	**570**	**140**	**–**	**4 542**
Total gains/(losses) in net realised and unrealised fair value gains in the income statement					
Realised gains/(losses)	**83**	**(4)**	**2**	**–**	**81**
Unrealised losses/(gains)	**(201)**	**(523)**	**5**	**–**	**(719)**
Accrued interest in investment income in the income statement	**–**	**72**	**–**	**–**	**72**
Purchases	**146**	**850**	**2**	**–**	**998**
Sales	**(241)**	**(281)**	**(34)**	**–**	**(556)**
Settlements	**(16)**	**(98)**	**–**	**–**	**(114)**
Transfers into level 3 from level 1[1]	**–**	**–**	**34**	**–**	**34**
Transfers into level 3 from level 2[1]	**–**	**26**	**–**	**–**	**26**
Transfers out of level 3 into level 2	**–**	**–**	**–**	**–**	**–**
Closing balance	**3 603**	**612**	**149**	**–**	**4 364**
2023					
Opening balance[3]	3 502	944	150	–	4 596
Total gains/(losses) in net realised and unrealised fair value gains in the income statement					
Realised gains/(losses)	27	26	(52)	–	1
Unrealised gains/(losses)[2]	466	(48)	40	–	458
Accrued interest in investment income in the income statement[2]	–	83	–	–	83
Purchases[3]	486	273	29	–	788
Sales	(612)	(809)	(28)	–	(1 449)
Settlements	(37)	(108)	–	–	(145)
Transfers into level 3 from level 1[1]	–	–	1	–	1
Transfers into level 3 from level 2[1, 2]	–	220	–	–	220
Transfers out of level 3 into level 2	–	(11)	–	–	(11)
Closing balance	3 832	570	140	–	4 542

1 Transfers into level 3 equity securities and unit-linked investments relates mainly to assets with stale prices in the current and prior year.
2 Upon further investigation it was concluded that R62 million was incorrectly classified as Other debt instruments Unlisted included in level 2, which should have been included in level 3. June 2023 has been restated accordingly.
3 R39 million Other debt instruments Unlisted were incorrectly classified as level 3 and should have been classified as level 2.

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

6 FINANCIAL ASSETS CONTINUED

6.6 Financial assets hierarchy continued

	Securities at fair value through profit and loss			Interest in subsidiaries			
Company	**Equity securities Rm**	**Debt securities Rm**	**Unit-linked invest-ments Rm**	**At fair value through profit and loss Rm**	**At fair value through other com-prehensive income Rm**	**Held for sale Rm**	**Total Rm**
2024							
Opening balance	**140**	**1 756**	**3 852**	**549**	**3 568**	**273**	**10 138**
Total gains/(losses) in net realised and unrealised fair value gains in the income statement							
Realised gains/(losses)	**2**	**(4)**	**83**	**–**	**–**	**–**	**81**
Unrealised gains/(losses)	**4**	**31**	**(202)**	**48**	**–**	**–**	**(119)**
Total losses in other comprehensive income	**–**	**–**	**–**	**–**	**(669)**	**–**	**(669)**
Accrued interest in investment income in the income statement	**–**	**74**	**–**	**–**	**–**	**–**	**74**
Purchases and investments	**2**	**724**	**142**	**13**	**138**	**–**	**1 019**
Sales and disinvestments	**(33)**	**(176)**	**(241)**	**–**	**(10)**	**–**	**(460)**
Settlements	**–**	**(103)**	**(16)**	**–**	**–**	**–**	**(119)**
Held for sale	**–**	**–**	**–**	**273**	**–**	**(273)**	**–**
Transfers into level 3 from level 1[1]	**34**	**–**	**–**	**–**	**–**	**–**	**34**
Transfers into level 3 from level 2[1]	**–**	**12**	**–**	**–**	**–**	**–**	**12**
Closing balance	**149**	**2 314**	**3 618**	**883**	**3 027**	**–**	**9 991**
Restated 2023[2]							
Opening balance	150	2 189	3 514	765	2 383	–	9 001
Total gains/(losses) in net realised and unrealised fair value gains in the income statement							
Realised (losses)/ gains	(52)	37	27	3	–	–	15
Unrealised gains/(losses)[2]	40	(40)	467	(11)	–	–	456
Total gains in other comprehensive income[2]	–	–	–	–	897	–	897
Accrued interest in investment income in the income statement	–	82	–	–	–	–	82
Purchases and investments	1	272	486	75	869	–	1 703
Sales and disinvestments	–	(750)	(605)	(10)	(581)	–	(1 946)
Settlements[2]	–	(133)	(37)	–	–	–	(170)
Held for sale	–	–	–	(273)	–	273	–
Transfers into level 3 from level 1[1]	1	–	–	–	–	–	1
Transfers into level 3 from level 2[2]	–	99	–	–	–	–	99
Transfers out of level 3 into level 1	–	–	–	–	–	–	–
Closing balance	140	1 756	3 852	549	3 568	273	10 138

[1] Transfers into level 3 equity securities and unit-linked investments relates mainly to assets with stale prices in the current and prior year.

[2] Upon further investigation it was concluded that R62 million was incorrectly classified as Other debt instruments Unlisted included in level 2, which should have been included in level 3. June 2023 has been restated accordingly.

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

FOR THE YEAR ENDED 30 JUNE 2024

6 FINANCIAL ASSETS CONTINUED

6.6 Financial assets hierarchy continued

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

Group	At fair value through profit and loss Unit-linked investments Rm	At fair value through profit and loss Debt securities Rm
2024		
Carrying amount	**3 603**	**612**
Assumption change	**10% increase/ (decrease) in unit price**	**1% (increase)/ decrease in discount rates**
Effect of increase in assumption	**360**	**(6)**
Effect of decrease in assumption	**(360)**	**6**
2023		
Carrying amount	3 832	570
Assumption change	10% increase/ (decrease) in unit price	1% (increase)/ decrease in discount rates
Effect of increase in assumption	383	(6)
Effect of decrease in assumption	(383)	6

Company	At fair value through profit and loss			At fair value through other comprehensive income
	Debt securities Rm	Unit-linked investments Rm	Interest in subsidiaries Rm	Interest in subsidiaries Rm
2024				
Carrying amount	**2 314**	**3 618**	**883**	**3 027**
Assumption change	**1% (increase)/ decrease in discount rates**	**10% increase/ (decrease) in unit price**	**10% increase/ (decrease) in fair value of assets/liabilities**	**1% (increase)/ decrease in risk adjusted discount rate**
Effect of increase in assumption	**(23)**	**362**	**88**	**(152)**
Effect of decrease in assumption	**23**	**(362)**	**(88)**	**181**
Restated 2023[1]				
Carrying amount	1 756	3 852	549	3 568
Assumption change	1% (increase)/ decrease in discount rates	10% increase/ (decrease) in unit price	10% increase/ (decrease) in fair value of assets/liabilities	1% (increase)/ decrease in risk adjusted discount rate
Effect of increase in assumption	(18)	385	55	(190)
Effect of decrease in assumption	18	(385)	(55)	229

[1] Upon further investigation it was concluded that the sensitivity for interest in subsidiaries measured at fair value through other comprehensive income was incorrectly measured. June 2023 has been restated accordingly.

6 FINANCIAL ASSETS CONTINUED

6.6 Financial assets hierarchy continued

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

	2024		Restated 2023[1]	
Group	**Carrying amount Rm**	**Fair value Rm**	**Carrying amount Rm**	**Fair value Rm**
Financial assets at amortised cost	**5 969**	**5 969**	7 755	7 755
Unsettled trades	**1 148**	**1 148**	2 304	2 304
Accounts receivable	**1 882**	**1 882**	2 141	2 141
Funds on deposit and other money market instruments	**79**	**79**	82	82
Loans	**2 860**	**2 860**	3 228	3 228
Cash and cash equivalents	**23 778**	**23 778**	22 772	22 772
	29 747	**29 747**	30 527	30 527
Company				
Assets				
Financial assets at amortised cost	**4 712**	**4 712**	6 230	6 230
Accounts receivable	**720**	**720**	1 525	1 525
Unsettled trades	**1 249**	**1 249**	1 436	1 436
Funds on deposit and other money market instruments	**39**	**39**	42	42
Loans	**2 704**	**2 704**	3 227	3 227
Cash and cash equivalents	**17 382**	**17 382**	13 443	13 443
	22 094	**22 094**	19 673	19 673

[1] The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

Calculation of fair value

For unsettled trades, accounts receivables, 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.

7 OTHER RECEIVABLES

	Group		Company	
	2024 Rm	**Restated 2023 Rm**	**2024 Rm**	**Restated 2023 Rm**
Accelerated rental income (refer to note 4)	**327**	311	**223**	170
Prepayments	**146**	157	**111**	138
Insurance claim	**94**	–	**–**	–
Total other receivables	**567**	468	**334**	308
Current	**214**	181	**72**	123
Non-current	**353**	287	**262**	185
	567	468	**334**	308

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

8 ASSETS AND LIABILITIES RELATING TO DISPOSAL GROUPS HELD FOR SALE

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Assets relating to disposal groups held for sale				
Intangible assets	–	37	–	–
Owner-occupied properties	–	–	–	534
Property and equipment	–	2	–	–
Investment properties	103	–	103	4 067
Interest in subsidiaries	–	–	–	273
Financial assets at amortised cost	–	42	–	–
Other receivables	–	7	–	–
	103	88	103	4 874
Liabilities relating to disposal groups held for sale				
Employee benefit obligations[#]	–	12	–	–
Other payables	–	31	–	–
Provisions	–	5	–	–
	–	48	–	–
Segmental allocation of assets and liabilities				
Metropolitan Life	43	–	43	1 797
Momentum Corporate	26	–	26	1 064
Momentum Investments	2	–	2	117
Momentum Life	25	40	25	942
Shareholders	7	–	7	954
	103	40	103	4 874
The investment properties held for sale comprised the following property types:				
Shopping malls	–	–	–	2 249
Office buildings	103	–	103	1 375
Industrial	–	–	–	103
Hotels	–	–	–	260
Vacant land	–	–	–	19
Other	–	–	–	61
	103	–	103	4 067

[#] R3 million of the employee benefit obligations relate to cash-settled arrangements and R9 million relates to other employee benefit obligations, which are staff and management bonuses.

These properties are subject to the same sensitivity to discount, capitalisation and vacancy rates as described in note 4.

Group

During F2022 a strategic decision was made by the Momentum Group (MGL Group) Board to unbundle the three divisions of Momentum Money (Pty) Ltd (previously Momentum Multiply (Pty) Ltd) and incorporate them into separate entities.

The unbundling took place during F2024 in the form of a sale of the separate divisions, namely the Multiply division and Recharge division. Multiply division was sold to Healthyvybe (Pty) Ltd and a new legal entity, My Thrive (Pty) Ltd will house the Recharge division. These entities are subsidiaries within the MGL Group but outside of the MML Group. R36 million was received from the unbundling.

Company

In F2023, the Company was in the process of transferring certain investment properties and interest in subsidiaries into a qualified hedge investment fund, which is also a subsidiary of MML. During the current year, most of these properties and the interest in subsidiaries were transferred back to investment properties due to new circumstances in the year that lead to changes in the probability of the transaction being concluded in the next 12 months. The sale of the owner-occupied properties of R534m became effective in the current year.

8 ASSETS AND LIABILITIES RELATING TO DISPOSAL GROUPS HELD FOR SALE CONTINUED

Fair value hierarchy

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

Group and Company	Group Investment properties Rm	Company Investment properties Rm
2024		
Opening balance	–	**4 067**
Revaluations	–	–
Revaluation through profit and loss	–	–
Revaluation through other comprehensive income	–	–
Additions	–	–
Disposals	–	**(995)**
Accelerated rental income	–	–
Transferred from/(to) investment property	**103**	**(2 969)**
Closing balance held for sale	**103**	**103**

Company	Owner-occupied properties Rm	Investment properties Rm	Interest in subsidiaries Rm	Total Rm
2023				
Opening balance	519	4 240	230	4 989
Revaluations	20	(161)	(24)	(165)
Revaluation through profit and loss	–	(161)	(24)	(185)
Revaluation through other comprehensive income	20	–	–	20
Additions	7	35	67	109
Depreciation charges	(13)	–	–	(13)
Accelerated rental income	–	(47)	–	(47)
Net impairment reversal through profit or loss	1	–	–	1
Closing balance held for sale	534	4 067	273	4 874

Both the owner-occupied and investment properties are valued as level 3 on the fair value hierarchy using the methodologies described in note 3 and 4 respectively.

The subsidiaries are valued as level 3 on the fair value hierarchy, using the underlying net asset value as the valuation of the investment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS

Group

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:

	2024			2023		
Insurance contracts issued	**Assets Rm**	**Liabilities Rm**	**Net liabilities Rm**	**Assets Rm**	**Liabilities Rm**	**Net liabilities Rm**
General measurement model	**(4 564)**	**66 485**	**61 921**	(4 214)	53 497	49 283
Variable fee approach	**–**	**61 308**	**61 308**	–	60 589	60 589
Premium allocation approach	**–**	**10 918**	**10 918**	–	10 267	10 267
Total measurement models	**(4 564)**	**138 711**	**134 147**	(4 214)	124 353	120 139
Momentum Retail	**(1 438)**	**28 200**	**26 762**	(1 309)	27 877	26 568
Momentum Investments	**–**	**38 644**	**38 644**	–	29 005	29 005
Metropolitan Life	**(3 126)**	**42 398**	**39 272**	(2 905)	39 059	36 154
Momentum Corporate	**–**	**29 459**	**29 459**	–	28 410	28 410
Momentum Metropolitan Health	**–**	**10**	**10**	–	2	2
Guardrisk	**–**	**–**	**–**	–	–	–
Total segments	**(4 564)**	**138 711**	**134 147**	(4 214)	124 353	120 139
Current	**(744)**	**22 598**	**21 854**	(695)	20 507	19 812
Non-current	**(3 820)**	**116 113**	**112 293**	(3 519)	103 846	100 327
Total	**(4 564)**	**138 711**	**134 147**	(4 214)	124 353	120 139

Transfer of Momentum Ability Ltd cell captive business

On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, the prior year Total disclosure table (note 9.1.1 and note 9.2.1), General measurement model disclosure tables (note 9.1.2.1 and note 9.2.2.1) and Guardrisk segment disclosure tables (note 9.1.3.6 and note 9.2.3.5), include MAL's insurance contract assets and insurance contract liabilities as at 1 July 2022. The transfer of these insurance contract assets and insurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item of the respective prior year disclosure tables.

Presentation of disclosure tables

The disclosure tables that follow in this note are presented for the Group and Company, since the Group and Company tables are the same except for the differences in the prior year disclosure tables due to MAL as noted above.

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the tables below:

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage		Liability for incurred claims for contracts not under the PAA	Liability for incurred claims for contracts under the PAA		
	Excluding loss component Rm	Loss component Rm	Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
9.1.1 Total reconciliation						
2024						
Opening insurance contract liabilities	103 169	4 676	6 080	10 185	243	124 353
Opening insurance contract assets	(7 217)	1 951	1 052	–	–	(4 214)
Net balance as at 1 July	95 952	6 627	7 132	10 185	243	120 139
Cash flows						
Premiums received	35 099	–	–	–	–	35 099
Claims and other directly attributable expenses paid	–	–	(23 067)	(4 900)	–	(27 967)
Insurance acquisition cash flows	(3 486)	–	–	(243)	–	(3 729)
Total cash flows	31 613	–	(23 067)	(5 143)	–	3 403
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	(4 839)	–	–	–	–	(4 839)
Other contracts	(21 228)	–	–	–	–	(21 228)
	(26 067)	–	–	–	–	(26 067)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(862)	15 070	5 279	58	19 545
Changes that relate to past service – adjustments to the LIC	–	–	139	(774)	(73)	(708)
Losses on onerous contracts and reversal of those losses	–	401	–	–	–	401
Insurance acquisition cash flows amortisation	1 892	–	–	–	–	1 892
Insurance acquisition cash flows recognised when incurred	–	–	–	243	–	243
	1 892	(461)	15 209	4 748	(15)	21 373
Investment components	(8 202)	–	8 202	–	–	–
Insurance service result	(32 377)	(461)	23 411	4 748	(15)	(4 694)
Finance expenses from insurance contracts issued	12 963	726	568	1 013	29	15 299
Total changes in the statement of profit or loss	(19 414)	265	23 979	5 761	14	10 605
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	108 151	6 892	8 044	10 803	257	134 147
Closing insurance contract liabilities	115 936	5 031	6 684	10 803	257	138 711
Closing insurance contract assets	(7 785)	1 861	1 360	–	–	(4 564)
Net balance as at 30 June	108 151	6 892	8 044	10 803	257	134 147

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.1 Total reconciliation continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Liability for incurred claims for contracts under the PAA: Present value of future cash flows Rm	Liability for incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
2023						
Opening insurance contract liabilities[1]	96 423	4 173	5 969	10 064	270	116 899
Opening insurance contract assets[1]	(7 084)	1 388	1 272	27	1	(4 396)
Net balance as at 1 July[1]	89 339	5 561	7 241	10 091	271	112 503
Cash flows						
Premiums received	31 308	–	–	–	–	31 308
Claims and other directly attributable expenses paid	–	–	(22 138)	(4 803)	–	(26 941)
Insurance acquisition cash flows	(3 422)	–	–	(223)	–	(3 645)
Total cash flows	27 886	–	(22 138)	(5 026)	–	722
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	(5 168)	–	–	–	–	(5 168)
Other contracts	(19 665)	–	–	–	–	(19 665)
	(24 833)	–	–	–	–	(24 833)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(799)	14 297	4 878	31	18 407
Changes that relate to past service – adjustments to the LIC	–	–	(313)	(391)	(79)	(783)
Losses on onerous contracts and reversal of those losses	–	1 660	–	–	–	1 660
Insurance acquisition cash flows amortisation	1 495	–	–	–	–	1 495
Insurance acquisition cash flows recognised when incurred	–	–	–	223	–	223
	1 495	861	13 984	4 710	(48)	21 002
Investment components	(7 628)	–	7 628	–	–	–
Insurance service result	(30 966)	861	21 612	4 710	(48)	(3 831)
Finance expenses from insurance contracts issued	8 809	279	417	410	20	9 935
Total changes in the statement of profit or loss	(22 157)	1 140	22 029	5 120	(28)	6 104
Other movements						
Other movements[1]	884	(74)	–	–	–	810
Net balance as at 30 June	95 952	6 627	7 132	10 185	243	120 139
Closing insurance contract liabilities	103 169	4 676	6 080	10 185	243	124 353
Closing insurance contract assets	(7 217)	1 951	1 052	–	–	(4 214)
Net balance as at 30 June	95 952	6 627	7 132	10 185	243	120 139

[1] On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, MAL's insurance contract assets and insurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these insurance contract assets and insurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be less than the Group balances presented with the same value as the amounts disclosed in the Other movements line item. Except for the differences noted in these line items due to MAL, all the other line items in the table above are the same for the Group and the Company.

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage		Liability for incurred claims for contracts not under the PAA Rm	Total Rm
	Excluding loss component Rm	Loss component Rm		
9.1.2 Measurement models				
9.1.2.1 General measurement model reconciliation				
2024				
Opening insurance contract liabilities	47 172	4 514	1 811	53 497
Opening insurance contract assets	(7 217)	1 951	1 052	(4 214)
Net balance as at 1 July	39 955	6 465	2 863	49 283
Cash flows				
Premiums received	24 477	–	–	24 477
Claims and other directly attributable expenses paid	–	–	(14 006)	(14 006)
Insurance acquisition cash flows	(3 157)	–	–	(3 157)
Total cash flows	21 320	–	(14 006)	7 314
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value approach	(2 752)	–	–	(2 752)
Other contracts	(13 356)	–	–	(13 356)
	(16 108)	–	–	(16 108)
Insurance service expenses				
Incurred claims and other directly attributable expenses	–	(721)	12 188	11 467
Changes that relate to past service – adjustments to the LIC			292	292
Losses on onerous contracts and reversal of those losses	–	93	–	93
Insurance acquisition cash flows amortisation	1 809	–	–	1 809
	1 809	(628)	12 480	13 661
Investment components	(1 811)	–	1 811	–
Insurance service result	(16 110)	(628)	14 291	(2 447)
Finance expenses from insurance contracts issued	6 836	726	209	7 771
Total changes in the statement of profit or loss	(9 274)	98	14 500	5 324
Other movements				
Other movements	–	–	–	–
Net balance as at 30 June	52 001	6 563	3 357	61 921
Closing insurance contract liabilities	59 786	4 702	1 997	66 485
Closing insurance contract assets	(7 785)	1 861	1 360	(4 564)
Net balance as at 30 June	52 001	6 563	3 357	61 921

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.2 Measurement models continued

9.1.2.1 General measurement model reconciliation continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Total Rm
2023				
Opening insurance contract liabilities[1]	41 450	4 109	1 771	47 330
Opening insurance contract assets[1]	(7 046)	1 388	1 272	(4 386)
Net balance as at 1 July[1]	34 404	5 497	3 043	42 944
Cash flows				
Premiums received	20 550	–	–	20 550
Claims and other directly attributable expenses paid	–	–	(13 197)	(13 197)
Insurance acquisition cash flows	(3 134)	–	–	(3 134)
Total cash flows	17 416	–	(13 197)	4 219
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value approach	(2 895)	–	–	(2 895)
Other contracts	(11 856)	–	–	(11 856)
	(14 751)	–	–	(14 751)
Insurance service expenses				
Incurred claims and other directly attributable expenses	–	(560)	11 536	10 976
Changes that relate to past service – adjustments to the LIC	–	–	57	57
Losses on onerous contracts and reversal of those losses	–	1 323	–	1 323
Insurance acquisition cash flows amortisation	1 448	–	–	1 448
	1 448	763	11 593	13 804
Investment components	(1 314)	–	1 314	–
Insurance service result	(14 617)	763	12 907	(947)
Finance expenses from insurance contracts issued	1 868	279	110	2 257
Total changes in the statement of profit or loss	(12 749)	1 042	13 017	1 310
Other movements				
Other movements[1]	884	(74)	–	810
Net balance as at 30 June	39 955	6 465	2 863	49 283
Closing insurance contract liabilities	47 172	4 514	1 811	53 497
Closing insurance contract assets	(7 217)	1 951	1 052	(4 214)
Net balance as at 30 June	39 955	6 465	2 863	49 283

[1] On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, MAL's insurance contract assets and insurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these insurance contract assets and insurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be less than the Group balances presented with the same value as the amounts disclosed in the Other movements line item. Except for the differences noted in these line items due to MAL, all the other line items in the table above are the same for the Group and the Company.

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.2 Measurement models continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Total Rm
9.1.2.2 Variable fee approach reconciliation				
2024				
Opening insurance contract liabilities	56 167	153	4 269	60 589
Opening insurance contract assets	–	–	–	–
Net balance as at 1 July	56 167	153	4 269	60 589
Cash flows				
Premiums received	4 187	–	–	4 187
Claims and other directly attributable expenses paid	–	–	(9 061)	(9 061)
Insurance acquisition cash flows	(329)	–	–	(329)
Total cash flows	3 858	–	(9 061)	(5 203)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value approach	(2 087)	–	–	(2 087)
Other contracts	(1 456)	–	–	(1 456)
	(3 543)	–	–	(3 543)
Insurance service expenses				
Incurred claims and other directly attributable expenses	–	(36)	2 882	2 846
Changes that relate to past service – adjustments to the LIC	–	–	(153)	(153)
Losses on onerous contracts and reversal of those losses	–	203	–	203
Insurance acquisition cash flows amortisation	83	–	–	83
	83	167	2 729	2 979
Investment components	(6 391)	–	6 391	–
Insurance service result	(9 851)	167	9 120	(564)
Finance expenses from insurance contracts issued	6 127	–	359	6 486
Total changes in the statement of profit or loss	(3 724)	167	9 479	5 922
Net balance as at 30 June	56 301	320	4 687	61 308
Closing insurance contract liabilities	56 301	320	4 687	61 308
Closing insurance contract assets	–	–	–	–
Net balance as at 30 June	56 301	320	4 687	61 308

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.2 Measurement models continued

9.1.2.2 Variable fee approach reconciliation continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Total Rm
2023				
Opening insurance contract liabilities	55 114	11	4 198	59 323
Opening insurance contract assets	–	–	–	–
Net balance as at 1 July	55 114	11	4 198	59 323
Cash flows				
Premiums received	4 314	–	–	4 314
Claims and other directly attributable expenses paid	–	–	(8 941)	(8 941)
Insurance acquisition cash flows	(288)	–	–	(288)
Total cash flows	4 026	–	(8 941)	(4 915)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value approach	(2 273)	–	–	(2 273)
Other contracts	(1 374)	–	–	(1 374)
	(3 647)	–	–	(3 647)
Insurance service expenses				
Incurred claims and other directly attributable expenses	–	(11)	2 761	2 750
Changes that relate to past service – adjustments to the LIC	–	–	(370)	(370)
Losses on onerous contracts and reversal of those losses	–	153	–	153
Insurance acquisition cash flows amortisation	47	–	–	47
	47	142	2 391	2 580
Investment components	(6 314)	–	6 314	–
Insurance service result	(9 914)	142	8 705	(1 067)
Finance expenses from insurance contracts issued	6 941	–	307	7 248
Total changes in the statement of profit or loss	(2 973)	142	9 012	6 181
Net balance as at 30 June	56 167	153	4 269	60 589
Closing insurance contract liabilities	56 167	153	4 269	60 589
Closing insurance contract assets	–	–	–	–
Net balance as at 30 June	56 167	153	4 269	60 589

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.2 Measurement models continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage		Liability for incurred claims for contracts under the PAA		
	Excluding loss component Rm	Loss component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
9.1.2.3 Premium allocation approach reconciliation					
2024					
Opening insurance contract liabilities	(170)	9	10 185	243	10 267
Opening insurance contract assets	–	–	–	–	–
Net balance as at 1 July	(170)	9	10 185	243	10 267
Cash flows					
Premiums received	6 435	–	–	–	6 435
Claims and other directly attributable expenses paid	–	–	(4 900)	–	(4 900)
Insurance acquisition cash flows	–	–	(243)	–	(243)
Total cash flows	6 435	–	(5 143)	–	1 292
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(6 416)	–	–	–	(6 416)
	(6 416)	–	–	–	(6 416)
Insurance service expenses					
Incurred claims and other directly attributable expenses	–	(105)	5 279	58	5 232
Changes that relate to past service – adjustments to the LIC			(774)	(73)	(847)
Losses on onerous contracts and reversal of those losses	–	105	–	–	105
Insurance acquisition cash flows recognised when incurred	–	–	243	–	243
	–	–	4 748	(15)	4 733
Investment components	–	–	–	–	–
Insurance service result	(6 416)	–	4 748	(15)	(1 683)
Finance expenses from insurance contracts issued	–	–	1 013	29	1 042
Total changes in the statement of profit or loss	(6 416)	–	5 761	14	(641)
Net balance as at 30 June	(151)	9	10 803	257	10 918
Closing insurance contract liabilities	(151)	9	10 803	257	10 918
Closing insurance contract assets	–	–	–	–	–
Net balance as at 30 June	(151)	9	10 803	257	10 918

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.2 Measurement models continued

9.1.2.3 Premium allocation approach reconciliation continued

	Liability for remaining coverage		Liability for incurred claims for contracts under the PAA		
Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Excluding loss component Rm	Loss component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
2023					
Opening insurance contract liabilities	(141)	53	10 064	270	10 246
Opening insurance contract assets	(38)	–	27	1	(10)
Net balance as at 1 July	(179)	53	10 091	271	10 236
Cash flows					
Premiums received	6 444	–	–	–	6 444
Claims and other directly attributable expenses paid	–	–	(4 803)	–	(4 803)
Insurance acquisition cash flows	–	–	(223)	–	(223)
Total cash flows	6 444	–	(5 026)	–	1 418
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(6 435)	–	–	–	(6 435)
	(6 435)	–	–	–	(6 435)
Insurance service expenses					
Incurred claims and other directly attributable expenses	–	(228)	4 878	31	4 681
Changes that relate to past service – adjustments to the LIC	–	–	(391)	(79)	(470)
Losses on onerous contracts and reversal of those losses	–	184	–	–	184
Insurance acquisition cash flows recognised when incurred	–	–	223	–	223
	–	(44)	4 710	(48)	4 618
Investment components	–	–	–	–	–
Insurance service result	(6 435)	(44)	4 710	(48)	(1 817)
Finance expenses from insurance contracts issued	–	–	410	20	430
Total changes in the statement of profit or loss	(6 435)	(44)	5 120	(28)	(1 387)
Net balance as at 30 June	(170)	9	10 185	243	10 267
Closing insurance contract liabilities	(170)	9	10 185	243	10 267
Closing insurance contract assets	–	–	–	–	–
Net balance as at 30 June	(170)	9	10 185	243	10 267

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Liability for incurred claims for contracts under the PAA: Present value of future cash flows Rm	Liability for incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
9.1.3 Segments						
9.1.3.1 Momentum Retail reconciliation						
2024						
Opening insurance contract liabilities	21 649	3 234	2 994	–	–	27 877
Opening insurance contract assets	(2 975)	866	800	–	–	(1 309)
Net balance as at 1 July	18 674	4 100	3 794	–	–	26 568
Cash flows						
Premiums received	9 653	–	–	–	–	9 653
Claims and other directly attributable expenses paid	–	–	(9 377)	–	–	(9 377)
Insurance acquisition cash flows	(1 521)	–	–	–	–	(1 521)
Total cash flows	8 132	–	(9 377)	–	–	(1 245)
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	(1 318)	–	–	–	–	(1 318)
Other contracts	(7 035)	–	–	–	–	(7 035)
	(8 353)	–	–	–	–	(8 353)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(380)	6 668	–	–	6 288
Changes that relate to past service – adjustments to the LIC	–	–	242	–	–	242
Losses on onerous contracts and reversal of those losses	–	(119)	–	–	–	(119)
Insurance acquisition cash flows amortisation	244	–	–	–	–	244
Insurance acquisition cash flows recognised when incurred	–	–	–	–	–	–
	244	(499)	6 910	–	–	6 655
Investment components	(2 615)	–	2 615	–	–	–
Insurance service result	(10 724)	(499)	9 525	–	–	(1 698)
Finance expenses from insurance contracts issued	2 340	468	329	–	–	3 137
Total changes in the statement of profit or loss	(8 384)	(31)	9 854	–	–	1 439
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	18 422	4 069	4 271	–	–	26 762
Closing insurance contract liabilities	21 728	3 245	3 227	–	–	28 200
Closing insurance contract assets	(3 306)	824	1 044	–	–	(1 438)
Net balance as at 30 June	18 422	4 069	4 271	–	–	26 762

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.3 Segments continued

9.1.3.1 Momentum Retail reconciliation continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Liability for incurred claims for contracts under the PAA: Present value of future cash flows Rm	Liability for incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
2023						
Opening insurance contract liabilities	21 761	3 102	2 834	–	–	27 697
Opening insurance contract assets	(2 688)	823	955	–	–	(910)
Net balance as at 1 July	19 073	3 925	3 789	–	–	26 787
Cash flows						
Premiums received	9 076	–	–	–	–	9 076
Claims and other directly attributable expenses paid	–	–	(9 421)	1	–	(9 420)
Insurance acquisition cash flows	(1 498)	–	–	–	–	(1 498)
Total cash flows	7 578	–	(9 421)	1	–	(1 842)
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	(1 387)	–	–	–	–	(1 387)
Other contracts	(6 397)	–	–	–	–	(6 397)
	(7 784)	–	–	–	–	(7 784)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(354)	6 361	–	–	6 007
Changes that relate to past service – adjustments to the LIC	–	–	134	(1)	–	133
Losses on onerous contracts and reversal of those losses	–	324	–	–	–	324
Insurance acquisition cash flows amortisation	200	–	–	–	–	200
Insurance acquisition cash flows recognised when incurred	–	–	–	–	–	–
	200	(30)	6 495	(1)	–	6 664
Investment components	(2 716)	–	2 716	–	–	–
Insurance service result	(10 300)	(30)	9 211	(1)	–	(1 120)
Finance expenses from insurance contracts issued	2 323	205	215	–	–	2 743
Total changes in the statement of profit or loss	(7 977)	175	9 426	(1)	–	1 623
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	18 674	4 100	3 794	–	–	26 568
Closing insurance contract liabilities	21 649	3 234	2 994	–	–	27 877
Closing insurance contract assets	(2 975)	866	800	–	–	(1 309)
Net balance as at 30 June	18 674	4 100	3 794	–	–	26 568

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.3 Segments continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage		Liability for incurred claims for contracts not under the PAA Rm	Liability for incurred claims for contracts under the PAA		Total Rm
	Excluding loss component Rm	Loss component Rm		Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	
9.1.3.2 Momentum Investments reconciliation						
2024						
Opening insurance contract liabilities	28 328	426	251	–	–	29 005
Opening insurance contract assets	–	–	–	–	–	–
Net balance as at 1 July	28 328	426	251	–	–	29 005
Cash flows						
Premiums received	9 283	–	–	–	–	9 283
Claims and other directly attributable expenses paid	–	–	(3 811)	–	–	(3 811)
Insurance acquisition cash flows	(187)	–	–	–	–	(187)
Total cash flows	9 096	–	(3 811)	–	–	5 285
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	(1 230)	–	–	–	–	(1 230)
Other contracts	(1 515)	–	–	–	–	(1 515)
	(2 745)	–	–	–	–	(2 745)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(51)	2 314	–	–	2 263
Changes that relate to past service – adjustments to the LIC	–	–	15	–	–	15
Losses on onerous contracts and reversal of those losses	–	176	–	–	–	176
Insurance acquisition cash flows amortisation	31	–	–	–	–	31
Insurance acquisition cash flows recognised when incurred	–	–	–	–	–	–
	31	125	2 329	–	–	2 485
Investment components	(1 505)	–	1 505	–	–	–
Insurance service result	(4 219)	125	3 834	–	–	(260)
Finance expenses from insurance contracts issued	4 543	68	3	–	–	4 614
Total changes in the statement of profit or loss	324	193	3 837	–	–	4 354
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	37 748	619	277	–	–	38 644
Closing insurance contract liabilities	37 748	619	277	–	–	38 644
Closing insurance contract assets	–	–	–	–	–	–
Net balance as at 30 June	37 748	619	277	–	–	38 644

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.3 Segments continued

9.1.3.2 Momentum Investments reconciliation continued

	Liability for remaining coverage			Liability for incurred claims for contracts under the PAA		
Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	**Excluding loss component Rm**	**Loss component Rm**	**Liability for incurred claims for contracts not under the PAA Rm**	**Present value of future cash flows Rm**	**Risk adjustment for non-financial risk Rm**	**Total Rm**
2023						
Opening insurance contract liabilities	23 660	249	269	–	–	24 178
Opening insurance contract assets	–	–	–	–	–	–
Net balance as at 1 July	23 660	249	269	–	–	24 178
Cash flows						
Premiums received	6 504	–	–	–	–	6 504
Claims and other directly attributable expenses paid	–	–	(3 082)	–	–	(3 082)
Insurance acquisition cash flows	(125)	–	–	–	–	(125)
Total cash flows	6 379	–	(3 082)	–	–	3 297
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	(1 238)	–	–	–	–	(1 238)
Other contracts	(1 060)	–	–	–	–	(1 060)
	(2 298)	–	–	–	–	(2 298)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(32)	1 974	–	–	1 942
Changes that relate to past service – adjustments to the LIC	–	–	(8)	–	–	(8)
Losses on onerous contracts and reversal of those losses	–	193	–	–	–	193
Insurance acquisition cash flows amortisation	22	–	–	–	–	22
Insurance acquisition cash flows recognised when incurred	–	–	–	–	–	–
	22	161	1 966	–	–	2 149
Investment components	(1 096)	–	1 096	–	–	–
Insurance service result	(3 372)	161	3 062	–	–	(149)
Finance expenses from insurance contracts issued	1 661	16	2	–	–	1 679
Total changes in the statement of profit or loss	(1 711)	177	3 064	–	–	1 530
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	28 328	426	251	–	–	29 005
Closing insurance contract liabilities	28 328	426	251	–	–	29 005
Closing insurance contract assets	–	–	–	–	–	–
Net balance as at 30 June	28 328	426	251	–	–	29 005

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.3 Segments continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Liability for incurred claims for contracts under the PAA: Present value of future cash flows Rm	Liability for incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
9.1.3.3 Metropolitan Life reconciliation						
2024						
Opening insurance contract liabilities	35 694	628	2 737	–	–	39 059
Opening insurance contract assets	(4 242)	1 085	252	–	–	(2 905)
Net balance as at 1 July	31 452	1 713	2 989	–	–	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)
Total cash flows	7 169	–	(7 612)	–	–	(443)
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	(1 705)	–	–	–	–	(1 705)
Other contracts	(4 497)	–	–	–	–	(4 497)
	(6 202)	–	–	–	–	(6 202)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(270)	3 914	–	–	3 644
Changes that relate to past service – adjustments to the LIC	–	–	(128)	–	–	(128)
Losses on onerous contracts and reversal of those losses	–	155	–	–	–	155
Insurance acquisition cash flows amortisation	1 583	–	–	–	–	1 583
Insurance acquisition cash flows recognised when incurred	–	–	–	–	–	–
	1 583	(115)	3 786	–	–	5 254
Investment components	(3 961)	–	3 961	–	–	–
Insurance service result	(8 580)	(115)	7 747	–	–	(948)
Finance expenses from insurance contracts issued	4 134	147	228	–	–	4 509
Total changes in the statement of profit or loss	(4 446)	32	7 975	–	–	3 561
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	34 175	1 745	3 352	–	–	39 272
Closing insurance contract liabilities	38 654	708	3 036	–	–	42 398
Closing insurance contract assets	(4 479)	1 037	316	–	–	(3 126)
Net balance as at 30 June	34 175	1 745	3 352	–	–	39 272

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.3 Segments continued

9.1.3.3 Metropolitan Life reconciliation continued

	Liability for remaining coverage			Liability for incurred claims for contracts under the PAA		
Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Excluding loss component Rm	Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
2023						
Opening insurance contract liabilities	33 134	468	2 720	–	–	36 322
Opening insurance contract assets	(3 467)	491	317	–	–	(2 659)
Net balance as at 1 July	29 667	959	3 037	–	–	33 663
Cash flows						
Premiums received	8 540	–	–	–	–	8 540
Claims and other directly attributable expenses paid	–	–	(7 293)	–	–	(7 293)
Insurance acquisition cash flows	(1 755)	–	–	–	–	(1 755)
Total cash flows	6 785	–	(7 293)	–	–	(508)
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	(1 967)	–	–	–	–	(1 967)
Other contracts	(4 055)	–	–	–	–	(4 055)
	(6 022)	–	–	–	–	(6 022)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(146)	3 810	–	–	3 664
Changes that relate to past service – adjustments to the LIC	–	–	(444)	–	–	(444)
Losses on onerous contracts and reversal of those losses	–	859	–	–	–	859
Insurance acquisition cash flows amortisation	1 239	–	–	–	–	1 239
Insurance acquisition cash flows recognised when incurred	–	–	–	–	–	–
	1 239	713	3 366	–	–	5 318
Investment components	(3 685)	–	3 685	–	–	–
Insurance service result	(8 468)	713	7 051	–	–	(704)
Finance expenses from insurance contracts issued	3 468	41	194	–	–	3 703
Total changes in the statement of profit or loss	(5 000)	754	7 245	–	–	2 999
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	31 452	1 713	2 989	–	–	36 154
Closing insurance contract liabilities	35 694	628	2 737	–	–	39 059
Closing insurance contract assets	(4 242)	1 085	252	–	–	(2 905)
Net balance as at 30 June	31 452	1 713	2 989	–	–	36 154

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.3 Segments continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Liability for incurred claims for contracts under the PAA: Present value of future cash flows Rm	Liability for incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
9.1.3.4 Momentum Corporate reconciliation						
2024						
Opening insurance contract liabilities	17 523	388	98	10 159	242	28 410
Opening insurance contract assets	–	–	–	–	–	–
Net balance as at 1 July	17 523	388	98	10 159	242	28 410
Cash flows						
Premiums received	6 391	–	–	–	–	6 391
Claims and other directly attributable expenses paid	–	–	(2 267)	(4 245)	–	(6 512)
Insurance acquisition cash flows	(56)	–	–	(139)	–	(195)
Total cash flows	6 335	–	(2 267)	(4 384)	–	(316)
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	(586)	–	–	–	–	(586)
Other contracts	(7 298)	–	–	–	–	(7 298)
	(7 884)	–	–	–	–	(7 884)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(161)	2 174	4 632	56	6 701
Changes that relate to past service – adjustments to the LIC	–	–	10	(789)	(72)	(851)
Losses on onerous contracts and reversal of those losses	–	189	–	–	–	189
Insurance acquisition cash flows amortisation	34	–	–	–	–	34
Insurance acquisition cash flows recognised when incurred	–	–	–	139	–	139
	34	28	2 184	3 982	(16)	6 212
Investment components	(121)	–	121	–	–	–
Insurance service result	(7 971)	28	2 305	3 982	(16)	(1 672)
Finance expenses from insurance contracts issued	1 946	43	8	1 011	29	3 037
Total changes in the statement of profit or loss	(6 025)	71	2 313	4 993	13	1 365
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	17 833	459	144	10 768	255	29 459
Closing insurance contract liabilities	17 833	459	144	10 768	255	29 459
Closing insurance contract assets	–	–	–	–	–	–
Net balance as at 30 June	17 833	459	144	10 768	255	29 459

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.3 Segments continued

9.1.3.4 Momentum Corporate reconciliation continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Liability for incurred claims for contracts under the PAA: Present value of future cash flows Rm	Liability for incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
2023						
Opening insurance contract liabilities	17 861	354	146	10 064	270	28 695
Opening insurance contract assets	–	–	–	–	–	–
Net balance as at 1 July	17 861	354	146	10 064	270	28 695
Cash flows						
Premiums received	6 465	–	–	–	–	6 465
Claims and other directly attributable expenses paid	–	–	(2 342)	(4 332)	–	(6 674)
Insurance acquisition cash flows	(44)	–	–	(144)	–	(188)
Total cash flows	6 421	–	(2 342)	(4 476)	–	(397)
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	(576)	–	–	–	–	(576)
Other contracts	(7 443)	–	–	–	–	(7 443)
	(8 019)	–	–	–	–	(8 019)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	(267)	2 152	4 404	29	6 318
Changes that relate to past service – adjustments to the LIC	–	–	5	(386)	(77)	(458)
Losses on onerous contracts and reversal of those losses	–	284	–	–	–	284
Insurance acquisition cash flows amortisation	34	–	–	–	–	34
Insurance acquisition cash flows recognised when incurred	–	–	–	144	–	144
	34	17	2 157	4 162	(48)	6 322
Investment components	(131)	–	131	–	–	–
Insurance service result	(8 116)	17	2 288	4 162	(48)	(1 697)
Finance expenses from insurance contracts issued	1 357	17	6	409	20	1 809
Total changes in the statement of profit or loss	(6 759)	34	2 294	4 571	(28)	112
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	17 523	388	98	10 159	242	28 410
Closing insurance contract liabilities	17 523	388	98	10 159	242	28 410
Closing insurance contract assets	–	–	–	–	–	–
Net balance as at 30 June	17 523	388	98	10 159	242	28 410

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.3 Segments continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Liability for incurred claims for contracts under the PAA: Present value of future cash flows Rm	Liability for incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
9.1.3.5 Momentum Metropolitan Health reconciliation						
2024						
Opening insurance contract liabilities	(25)	–	–	26	1	2
Opening insurance contract assets	–	–	–	–	–	–
Net balance as at 1 July	(25)	–	–	26	1	2
Cash flows						
Premiums received	881	–	–	–	–	881
Claims and other directly attributable expenses paid	–	–	–	(655)	–	(655)
Insurance acquisition cash flows	–	–	–	(104)	–	(104)
Total cash flows	881	–	–	(759)	–	122
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	–	–	–	–	–	–
Other contracts	(883)	–	–	–	–	(883)
	(883)	–	–	–	–	(883)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	–	–	647	2	649
Changes that relate to past service – adjustments to the LIC	–	–	–	15	(1)	14
Losses on onerous contracts and reversal of those losses	–	–	–	–	–	–
Insurance acquisition cash flows amortisation	–	–	–	–	–	–
Insurance acquisition cash flows recognised when incurred	–	–	–	104	–	104
	–	–	–	766	1	767
Investment components	–	–	–	–	–	–
Insurance service result	(883)	–	–	766	1	(116)
Finance expenses from insurance contracts issued	–	–	–	2	–	2
Total changes in the statement of profit or loss	(883)	–	–	768	1	(114)
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	(27)	–	–	35	2	10
Closing insurance contract liabilities	(27)	–	–	35	2	10
Closing insurance contract assets	–	–	–	–	–	–
Net balance as at 30 June	(27)	–	–	35	2	10

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.3 Segments continued

9.1.3.5 Momentum Metropolitan Health reconciliation continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage: Excluding loss component Rm	Liability for remaining coverage: Loss component Rm	Liability for incurred claims for contracts not under the PAA Rm	Liability for incurred claims for contracts under the PAA: Present value of future cash flows Rm	Liability for incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
2023						
Opening insurance contract liabilities	–	–	–	–	–	–
Opening insurance contract assets	(38)	–	–	27	1	(10)
Net balance as at 1 July	(38)	–	–	27	1	(10)
Cash flows						
Premiums received	723	–	–	–	–	723
Claims and other directly attributable expenses paid	–	–	–	(472)	–	(472)
Insurance acquisition cash flows	–	–	–	(79)	–	(79)
Total cash flows	723	–	–	(551)	–	172
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	–	–	–	–	–	–
Other contracts	(710)	–	–	–	–	(710)
	(710)	–	–	–	–	(710)
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	–	–	474	2	476
Changes that relate to past service – adjustments to the LIC	–	–	–	(4)	(2)	(6)
Losses on onerous contracts and reversal of those losses	–	–	–	–	–	–
Insurance acquisition cash flows amortisation	–	–	–	–	–	–
Insurance acquisition cash flows recognised when incurred	–	–	–	79	–	79
	–	–	–	549	–	549
Investment components	–	–	–	–	–	–
Insurance service result	(710)	–	–	549	–	(161)
Finance expenses from insurance contracts issued	–	–	–	1	–	1
Total changes in the statement of profit or loss	(710)	–	–	550	–	(160)
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	(25)	–	–	26	1	2
Closing insurance contract liabilities	(25)	–	–	26	1	2
Closing insurance contract assets	–	–	–	–	–	–
Net balance as at 30 June	(25)	–	–	26	1	2

9 INSURANCE CONTRACTS CONTINUED

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances continued

9.1.3 Segments continued

9.1.3.6 Guardrisk reconciliation

On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, no disclosure table for the current year is presented.

Reconciliation of the liability for remaining coverage and the liability for incurred claims components of insurance contract balances	Liability for remaining coverage		Liability for incurred claims for contracts not under the PAA Rm	Liability for incurred claims for contracts under the PAA		Total Rm
	Excluding loss component Rm	Loss component Rm		Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	
2023						
Opening insurance contract liabilities[1]	7	–	–	–	–	7
Opening insurance contract assets[1]	(891)	74	–	–	–	(817)
Net balance as at 1 July[1]	(884)	74	–	–	–	(810)
Cash flows						
Premiums received	–	–	–	–	–	–
Claims and other directly attributable expenses paid	–	–	–	–	–	–
Insurance acquisition cash flows	–	–	–	–	–	–
Total cash flows	–	–	–	–	–	–
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value approach	–	–	–	–	–	–
Other contracts	–	–	–	–	–	–
	–	–	–	–	–	–
Insurance service expenses						
Incurred claims and other directly attributable expenses	–	–	–	–	–	–
Changes that relate to past service – adjustments to the LIC	–	–	–	–	–	–
Losses on onerous contracts and reversal of those losses	–	–	–	–	–	–
Insurance acquisition cash flows amortisation	–	–	–	–	–	–
Insurance acquisition cash flows recognised when incurred	–	–	–	–	–	–
	–	–	–	–	–	–
Investment components	–	–	–	–	–	–
Insurance service result	–	–	–	–	–	–
Finance expenses from insurance contracts issued	–	–	–	–	–	–
Total changes in the statement of profit or loss	–	–	–	–	–	–
Other movements						
Other movements[1]	884	(74)	–	–	–	810
Net balance as at 30 June	–	–	–	–	–	–
Closing insurance contract liabilities	–	–	–	–	–	–
Closing insurance contract assets	–	–	–	–	–	–
Net balance as at 30 June	–	–	–	–	–	–

[1] Due to the transfer of the cell captive business in MAL to Guardrisk Life on 1 July 2022, MAL's insurance contract assets and insurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these insurance contract assets and insurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be nil.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances

The tables below present a 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 CSM. These tables do not apply to contracts measured under the PAA.

			Contractual service margin		
Reconciliation of the measurement components of insurance contract balances	**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**
9.2.1 Total reconciliation					
2024					
Opening insurance contract liabilities	102 503	1 764	3 768	6 051	114 086
Opening insurance contract assets	(11 272)	1 905	242	4 911	(4 214)
Net balance as at 1 July	91 231	3 669	4 010	10 962	109 872
Cash flows					
Premiums received	28 664	–	–	–	28 664
Claims and other directly attributable expenses paid	(23 067)	–	–	–	(23 067)
Insurance acquisition cash flows	(3 486)	–	–	–	(3 486)
Total cash flows	2 111	–	–	–	2 111
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(586)	(1 630)	(2 216)
Change in the risk adjustment for non-financial risk for the risk expired	–	(592)	–	–	(592)
Experience adjustments	(642)	4	–	–	(638)
	(642)	(588)	(586)	(1 630)	(3 446)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(928)	66	(59)	921	–
Changes in estimates that result in onerous contract losses or reversal of losses	(347)	(7)	–	–	(354)
Contracts initially recognised in the period	(1 032)	323	–	1 359	650
	(2 307)	382	(59)	2 280	296
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	144	(5)	–	–	139
	144	(5)	–	–	139
Insurance service result	(2 805)	(211)	(645)	650	(3 011)
Finance expenses from insurance contracts issued	12 522	439	160	1 136	14 257
Total changes in the statement of profit or loss	9 717	228	(485)	1 786	11 246
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	103 059	3 897	3 525	12 748	123 229
Closing insurance contract liabilities	115 122	1 871	3 335	7 465	127 793
Closing insurance contract assets	(12 063)	2 026	190	5 283	(4 564)
Net balance as at 30 June	103 059	3 897	3 525	12 748	123 229

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.1 Total reconciliation continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening insurance contract liabilities[1]	95 769	1 750	3 690	5 444	106 653
Opening insurance contract assets[1]	(12 446)	1 930	201	5 929	(4 386)
Net balance as at 1 July[1]	83 323	3 680	3 891	11 373	102 267
Cash flows					
Premiums received	24 864	–	–	–	24 864
Claims and other directly attributable expenses paid	(22 138)	–	–	–	(22 138)
Insurance acquisition cash flows	(3 422)	–	–	–	(3 422)
Total cash flows	(696)	–	–	–	(696)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(660)	(1 446)	(2 106)
Change in the risk adjustment for non-financial risk for the risk expired	–	(561)	–	–	(561)
Experience adjustments	(515)	5	–	–	(510)
	(515)	(556)	(660)	(1 446)	(3 177)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(245)	212	657	(624)	–
Changes in estimates that result in onerous contract losses or reversal of losses	876	40	–	–	916
Contracts initially recognised in the period	(883)	321	–	1 122	560
	(252)	573	657	498	1 476
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	(308)	(5)	–	–	(313)
	(308)	(5)	–	–	(313)
Insurance service result	(1 075)	12	(3)	(948)	(2 014)
Finance expenses from insurance contracts issued	8 258	120	122	1 005	9 505
Total changes in the statement of profit or loss	7 183	132	119	57	7 491
Other movements					
Other movements[1]	1 421	(143)	–	(468)	810
Net balance as at 30 June	91 231	3 669	4 010	10 962	109 872
Closing insurance contract liabilities	102 503	1 764	3 768	6 051	114 086
Closing insurance contract assets	(11 272)	1 905	242	4 911	(4 214)
Net balance as at 30 June	91 231	3 669	4 010	10 962	109 872

[1] On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, MAL's insurance contract assets and insurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these insurance contract assets and insurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be less than the Group balances presented with the same value as the amounts disclosed in the Other movements line item. Except for the differences noted in these line items due to MAL, all the other line items in the table above are the same for the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
9.2.2 Measurement models					
9.2.2.1 General measurement model reconciliation					
2024					
Opening insurance contract liabilities	44 900	1 280	1 623	5 694	53 497
Opening insurance contract assets	(11 272)	1 905	242	4 911	(4 214)
Net balance as at 1 July	33 628	3 185	1 865	10 605	49 283
Cash flows					
Premiums received	24 477	–	–	–	24 477
Claims and other directly attributable expenses paid	(14 006)	–	–	–	(14 006)
Insurance acquisition cash flows	(3 157)	–	–	–	(3 157)
Total cash flows	7 314	–	–	–	7 314
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(313)	(1 576)	(1 889)
Change in the risk adjustment for non-financial risk for the risk expired	–	(507)	–	–	(507)
Experience adjustments	(440)	4	–	–	(436)
	(440)	(503)	(313)	(1 576)	(2 832)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(978)	11	83	884	–
Changes in estimates that result in onerous contract losses or reversal of losses	(365)	(16)	–	–	(381)
Contracts initially recognised in the period	(1 128)	301	–	1 301	474
	(2 471)	296	83	2 185	93
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	297	(5)	–	–	292
	297	(5)	–	–	292
Insurance service result	(2 614)	(212)	(230)	609	(2 447)
Finance expenses from insurance contracts issued	6 036	439	160	1 136	7 771
Total changes in the statement of profit or loss	3 422	227	(70)	1 745	5 324
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	44 364	3 412	1 795	12 350	61 921
Closing insurance contract liabilities	56 427	1 386	1 605	7 067	66 485
Closing insurance contract assets	(12 063)	2 026	190	5 283	(4 564)
Net balance as at 30 June	44 364	3 412	1 795	12 350	61 921

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.2 Measurement models continued

9.2.2.1 General measurement model reconciliation continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening insurance contract liabilities[1]	39 415	1 240	1 627	5 048	47 330
Opening insurance contract assets[1]	(12 446)	1 930	201	5 929	(4 386)
Net balance as at 1 July[1]	26 969	3 170	1 828	10 977	42 944
Cash flows					
Premiums received	20 550	–	–	–	20 550
Claims and other directly attributable expenses paid	(13 197)	–	–	–	(13 197)
Insurance acquisition cash flows	(3 134)	–	–	–	(3 134)
Total cash flows	4 219	–	–	–	4 219
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(316)	(1 397)	(1 713)
Change in the risk adjustment for non-financial risk for the risk expired	–	(470)	–	–	(470)
Experience adjustments	(149)	5	–	–	(144)
	(149)	(465)	(316)	(1 397)	(2 327)
Changes that relate to future service					
Changes in estimates that adjust the CSM	176	171	231	(578)	–
Changes in estimates that result in onerous contract losses or reversal of losses	818	39	–	–	857
Contracts initially recognised in the period	(898)	298	–	1 066	466
	96	508	231	488	1 323
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	62	(5)	–	–	57
	62	(5)	–	–	57
Insurance service result	9	38	(85)	(909)	(947)
Finance expenses from insurance contracts issued	1 010	120	122	1 005	2 257
Total changes in the statement of profit or loss	1 019	158	37	96	1 310
Other movements					
Other movements[1]	1 421	(143)	–	(468)	810
Net balance as at 30 June	33 628	3 185	1 865	10 605	49 283
Closing insurance contract liabilities	44 900	1 280	1 623	5 694	53 497
Closing insurance contract assets	(11 272)	1 905	242	4 911	(4 214)
Net balance as at 30 June	33 628	3 185	1 865	10 605	49 283

[1] On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, MAL's insurance contract assets and insurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these insurance contract assets and insurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be less than the Group balances presented with the same value as the amounts disclosed in the Other movements line item. Except for the differences noted in these line items due to MAL, all the other line items in the table above are the same for the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.2 Measurement models continued

	Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
9.2.2.2	**Variable fee approach reconciliation**					
	2024					
	Opening insurance contract liabilities	57 603	484	2 145	357	60 589
	Opening insurance contract assets	–	–	–	–	–
	Net balance as at 1 July	57 603	484	2 145	357	60 589
	Cash flows					
	Premiums received	4 187	–	–	–	4 187
	Claims and other directly attributable expenses paid	(9 061)	–	–	–	(9 061)
	Insurance acquisition cash flows	(329)	–	–	–	(329)
	Total cash flows	(5 203)	–	–	–	(5 203)
	Changes in the statement of profit or loss					
	Changes that relate to current service					
	CSM recognised in profit or loss for the services provided	–	–	(273)	(54)	(327)
	Change in the risk adjustment for non-financial risk for the risk expired	–	(85)	–	–	(85)
	Experience adjustments	(202)	–	–	–	(202)
		(202)	(85)	(273)	(54)	(614)
	Changes that relate to future service					
	Changes in estimates that adjust the CSM	50	55	(142)	37	–
	Changes in estimates that result in onerous contract losses or reversal of losses	18	9	–	–	27
	Contracts initially recognised in the period	96	22	–	58	176
		164	86	(142)	95	203
	Changes that relate to past service					
	Changes that relate to past service – adjustments to the LIC	(153)	–	–	–	(153)
		(153)	–	–	–	(153)
	Insurance service result	(191)	1	(415)	41	(564)
	Finance expenses from insurance contracts issued	6 486	–	–	–	6 486
	Total changes in the statement of profit or loss	6 295	1	(415)	41	5 922
	Net balance as at 30 June	58 695	485	1 730	398	61 308
	Closing insurance contract liabilities	58 695	485	1 730	398	61 308
	Closing insurance contract assets	–	–	–	–	–
	Net balance as at 30 June	58 695	485	1 730	398	61 308

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.2 Measurement models continued

9.2.2.2 Variable fee approach reconciliation continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening insurance contract liabilities	56 354	510	2 063	396	59 323
Opening insurance contract assets	–	–	–	–	–
Net balance as at 1 July	56 354	510	2 063	396	59 323
Cash flows					
Premiums received	4 314	–	–	–	4 314
Claims and other directly attributable expenses paid	(8 941)	–	–	–	(8 941)
Insurance acquisition cash flows	(288)	–	–	–	(288)
Total cash flows	(4 915)	–	–	–	(4 915)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(344)	(49)	(393)
Change in the risk adjustment for non-financial risk for the risk expired	–	(91)	–	–	(91)
Experience adjustments	(366)	–	–	–	(366)
	(366)	(91)	(344)	(49)	(850)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(421)	41	426	(46)	–
Changes in estimates that result in onerous contract losses or reversal of losses	58	1	–	–	59
Contracts initially recognised in the period	15	23	–	56	94
	(348)	65	426	10	153
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	(370)	–	–	–	(370)
	(370)	–	–	–	(370)
Insurance service result	(1 084)	(26)	82	(39)	(1 067)
Finance expenses from insurance contracts issued	7 248	–	–	–	7 248
Total changes in the statement of profit or loss	6 164	(26)	82	(39)	6 181
Net balance as at 30 June	57 603	484	2 145	357	60 589
Closing insurance contract liabilities	57 603	484	2 145	357	60 589
Closing insurance contract assets	–	–	–	–	–
Net balance as at 30 June	57 603	484	2 145	357	60 589

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

	Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
9.2.3	**Segments**					
9.2.3.1	**Momentum Retail reconciliation**					
	2024					
	Opening insurance contract liabilities	24 090	1 027	1 058	1 701	27 876
	Opening insurance contract assets	(7 382)	1 312	7	4 754	(1 309)
	Net balance as at 1 July	16 708	2 339	1 065	6 455	26 567
	Cash flows					
	Premiums received	9 654	–	–	–	9 654
	Claims and other directly attributable expenses paid	(9 377)	–	–	–	(9 377)
	Insurance acquisition cash flows	(1 521)	–	–	–	(1 521)
	Total cash flows	(1 244)	–	–	–	(1 244)
	Changes in the statement of profit or loss					
	Changes that relate to current service					
	CSM recognised in profit or loss for the services provided	–	–	(151)	(912)	(1 063)
	Change in the risk adjustment for non-financial risk for the risk expired	–	(297)	–	–	(297)
	Experience adjustments	(468)	4	–	–	(464)
		(468)	(293)	(151)	(912)	(1 824)
	Changes that relate to future service					
	Changes in estimates that adjust the CSM	(410)	80	(218)	548	–
	Changes in estimates that result in onerous contract losses or reversal of losses	(250)	25	–	–	(225)
	Contracts initially recognised in the period	(223)	106	–	224	107
		(883)	211	(218)	772	(118)
	Changes that relate to past service					
	Changes that relate to past service – adjustments to the LIC	247	(6)	–	–	241
		247	(6)	–	–	241
	Insurance service result	(1 104)	(88)	(369)	(140)	(1 701)
	Finance expenses from insurance contracts issued	2 145	282	25	685	3 137
	Total changes in the statement of profit or loss	1 041	194	(344)	545	1 436
	Other movements					
	Other movements	–	–	–	–	–
	Net balance as at 30 June	16 505	2 533	721	7 000	26 759
	Closing insurance contract liabilities	24 418	1 086	717	1 976	28 197
	Closing insurance contract assets	(7 913)	1 447	4	5 024	(1 438)
	Net balance as at 30 June	16 505	2 533	721	7 000	26 759

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.3 Segments continued

9.2.3.1 Momentum Retail reconciliation continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening insurance contract liabilities	23 854	1 019	934	1 890	27 697
Opening insurance contract assets	(7 098)	1 289	8	4 891	(910)
Net balance as at 1 July	16 756	2 308	942	6 781	26 787
Cash flows					
Premiums received	9 076	–	–	–	9 076
Claims and other directly attributable expenses paid	(9 421)	–	–	–	(9 421)
Insurance acquisition cash flows	(1 499)	–	–	–	(1 499)
Total cash flows	(1 844)	–	–	–	(1 844)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(227)	(843)	(1 070)
Change in the risk adjustment for non-financial risk for the risk expired	–	(291)	–	–	(291)
Experience adjustments	(221)	5	–	–	(216)
	(221)	(286)	(227)	(843)	(1 577)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(170)	152	329	(311)	–
Changes in estimates that result in onerous contract losses or reversal of losses	107	22	–	–	129
Contracts initially recognised in the period	(70)	96	–	169	195
	(133)	270	329	(142)	324
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	139	(5)	–	–	134
	139	(5)	–	–	134
Insurance service result	(215)	(21)	102	(985)	(1 119)
Finance expenses from insurance contracts issued	2 011	52	21	659	2 743
Total changes in the statement of profit or loss	1 796	31	123	(326)	1 624
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	16 708	2 339	1 065	6 455	26 567
Closing insurance contract liabilities	24 090	1 027	1 058	1 701	27 876
Closing insurance contract assets	(7 382)	1 312	7	4 754	(1 309)
Net balance as at 30 June	16 708	2 339	1 065	6 455	26 567

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.3 Segments continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
9.2.3.2 Momentum Investments reconciliation					
2024					
Opening insurance contract liabilities	26 024	224	669	2 088	29 005
Opening insurance contract assets	–	–	–	–	–
Net balance as at 1 July	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)
Total cash flows	5 284	–	–	–	5 284
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(122)	(315)	(437)
Change in the risk adjustment for non-financial risk for the risk expired	–	(25)	–	–	(25)
Experience adjustments	13	–	–	–	13
	13	(25)	(122)	(315)	(449)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(147)	(5)	125	27	–
Changes in estimates that result in onerous contract losses or reversal of losses	(10)	(1)	–	–	(11)
Contracts initially recognised in the period	(803)	44	–	945	186
	(960)	38	125	972	175
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	15	1	–	–	16
	15	1	–	–	16
Insurance service result	(932)	14	3	657	(258)
Finance expenses from insurance contracts issued	4 278	35	57	244	4 614
Total changes in the statement of profit or loss	3 346	49	60	901	4 356
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	34 654	273	729	2 989	38 645
Closing insurance contract liabilities	34 654	273	729	2 989	38 645
Closing insurance contract assets	–	–	–	–	–
Net balance as at 30 June	34 654	273	729	2 989	38 645

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.3 Segments continued

9.2.3.2 Momentum Investments reconciliation continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening insurance contract liabilities	21 740	208	732	1 498	24 178
Opening insurance contract assets	–	–	–	–	–
Net balance as at 1 July	21 740	208	732	1 498	24 178
Cash flows					
Premiums received	6 504	–	–	–	6 504
Claims and other directly attributable expenses paid	(3 082)	–	–	–	(3 082)
Insurance acquisition cash flows	(124)	–	–	–	(124)
Total cash flows	3 298	–	–	–	3 298
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(106)	(222)	(328)
Change in the risk adjustment for non-financial risk for the risk expired	–	(23)	–	–	(23)
Experience adjustments	18	–	–	–	18
	18	(23)	(106)	(222)	(333)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(11)	(1)	(2)	14	–
Changes in estimates that result in onerous contract losses or reversal of losses	69	(4)	–	–	65
Contracts initially recognised in the period	(569)	36	–	661	128
	(511)	31	(2)	675	193
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	(10)	–	–	–	(10)
	(10)	–	–	–	(10)
Insurance service result	(503)	8	(108)	453	(150)
Finance expenses from insurance contracts issued	1 489	8	45	137	1 679
Total changes in the statement of profit or loss	986	16	(63)	590	1 529
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	26 024	224	669	2 088	29 005
Closing insurance contract liabilities	26 024	224	669	2 088	29 005
Closing insurance contract assets	–	–	–	–	–
Net balance as at 30 June	26 024	224	669	2 088	29 005

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.3 Segments continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
9.2.3.3 Metropolitan Life reconciliation					
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 balance as at 1 July	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)
Total cash flows	(443)	–	–	–	(443)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(244)	(332)	(576)
Change in the risk adjustment for non-financial risk for the risk expired	–	(257)	–	–	(257)
Experience adjustments	(141)	–	–	–	(141)
	(141)	(257)	(244)	(332)	(974)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(210)	(10)	(41)	261	–
Changes in estimates that result in onerous contract losses or reversal of losses	(93)	(30)	–	–	(123)
Contracts initially recognised in the period	(79)	170	–	187	278
	(382)	130	(41)	448	155
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	(128)	–	–	–	(128)
	(128)	–	–	–	(128)
Insurance service result	(651)	(127)	(285)	116	(947)
Finance expenses from insurance contracts issued	4 168	112	39	190	4 509
Total changes in the statement of profit or loss	3 517	(15)	(246)	306	3 562
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	34 499	980	1 567	2 227	39 273
Closing insurance contract liabilities	38 649	401	1 381	1 968	42 399
Closing insurance contract assets	(4 150)	579	186	259	(3 126)
Net balance as at 30 June	34 499	980	1 567	2 227	39 273

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.3 Segments continued

9.2.3.3 Metropolitan Life reconciliation continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening insurance contract liabilities	32 750	420	1 604	1 547	36 321
Opening insurance contract assets	(3 920)	498	193	570	(2 659)
Net balance as at 1 July	28 830	918	1 797	2 117	33 662
Cash flows					
Premiums received	8 540	–	–	–	8 540
Claims and other directly attributable expenses paid	(7 293)	–	–	–	(7 293)
Insurance acquisition cash flows	(1 755)	–	–	–	(1 755)
Total cash flows	(508)	–	–	–	(508)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(266)	(315)	(581)
Change in the risk adjustment for non-financial risk for the risk expired	–	(234)	–	–	(234)
Experience adjustments	(305)	–	–	–	(305)
	(305)	(234)	(266)	(315)	(1 120)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(12)	57	254	(299)	–
Changes in estimates that result in onerous contract losses or reversal of losses	648	20	–	–	668
Contracts initially recognised in the period	(208)	175	–	224	191
	428	252	254	(75)	859
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	(443)	1	–	–	(442)
	(443)	1	–	–	(442)
Insurance service result	(320)	19	(12)	(390)	(703)
Finance expenses from insurance contracts issued	3 423	58	28	194	3 703
Total changes in the statement of profit or loss	3 103	77	16	(196)	3 000
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	31 425	995	1 813	1 921	36 154
Closing insurance contract liabilities	35 315	402	1 578	1 764	39 059
Closing insurance contract assets	(3 890)	593	235	157	(2 905)
Net balance as at 30 June	31 425	995	1 813	1 921	36 154

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.3 Segments continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
9.2.3.4 Momentum Corporate reconciliation					
2024					
Opening insurance contract liabilities	17 074	111	463	498	18 146
Opening insurance contract assets	–	–	–	–	–
Net balance as at 1 July	17 074	111	463	498	18 146
Cash flows					
Premiums received	837	–	–	–	837
Claims and other directly attributable expenses paid	(2 267)	–	–	–	(2 267)
Insurance acquisition cash flows	(56)	–	–	–	(56)
Total cash flows	(1 486)	–	–	–	(1 486)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(69)	(71)	(140)
Change in the risk adjustment for non-financial risk for the risk expired	–	(13)	–	–	(13)
Experience adjustments	(46)	–	–	–	(46)
	(46)	(13)	(69)	(71)	(199)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(161)	1	75	85	–
Changes in estimates that result in onerous contract losses or reversal of losses	6	(1)	–	–	5
Contracts initially recognised in the period	73	3	–	3	79
	(82)	3	75	88	84
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	10	–	–	–	10
	10	–	–	–	10
Insurance service result	(118)	(10)	6	17	(105)
Finance expenses from insurance contracts issued	1 931	10	39	17	1 997
Total changes in the statement of profit or loss	1 813	–	45	34	1 892
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	17 401	111	508	532	18 552
Closing insurance contract liabilities	17 401	111	508	532	18 552
Closing insurance contract assets	–	–	–	–	–
Net balance as at 30 June	17 401	111	508	532	18 552

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.3 Segments continued

9.2.3.4 Momentum Corporate reconciliation continued

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening insurance contract liabilities	17 418	103	420	509	18 450
Opening insurance contract assets	–	–	–	–	–
Net balance as at 1 July	17 418	103	420	509	18 450
Cash flows					
Premiums received	744	–	–	–	744
Claims and other directly attributable expenses paid	(2 342)	–	–	–	(2 342)
Insurance acquisition cash flows	(44)	–	–	–	(44)
Total cash flows	(1 642)	–	–	–	(1 642)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	(61)	(66)	(127)
Change in the risk adjustment for non-financial risk for the risk expired	–	(13)	–	–	(13)
Experience adjustments	(7)	–	–	–	(7)
	(7)	(13)	(61)	(66)	(147)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(52)	4	76	(28)	–
Changes in estimates that result in onerous contract losses or reversal of losses	52	2	–	–	54
Contracts initially recognised in the period	(36)	14	–	68	46
	(36)	20	76	40	100
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	6	(1)	–	–	5
	6	(1)	–	–	5
Insurance service result	(37)	6	15	(26)	(42)
Finance expenses from insurance contracts issued	1 335	2	28	15	1 380
Total changes in the statement of profit or loss	1 298	8	43	(11)	1 338
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	17 074	111	463	498	18 146
Closing insurance contract liabilities	17 074	111	463	498	18 146
Closing insurance contract assets	–	–	–	–	–
Net balance as at 30 June	17 074	111	463	498	18 146

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.3 Segments continued

9.2.3.5 Guardrisk reconciliation

On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, no disclosure table for the current year is presented.

Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening insurance contract liabilities[1]	7	–	–	–	7
Opening insurance contract assets[1]	(1 428)	143	–	468	(817)
Net balance as at 1 July[1]	(1 421)	143	–	468	(810)
Cash flows					
Premiums received	–	–	–	–	–
Claims and other directly attributable expenses paid	–	–	–	–	–
Insurance acquisition cash flows	–	–	–	–	–
Total cash flows	–	–	–	–	–
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	–	–	–	–	–
Change in the risk adjustment for non-financial risk for the risk expired	–	–	–	–	–
Experience adjustments	–	–	–	–	–
	–	–	–	–	–
Changes that relate to future service					
Changes in estimates that adjust the CSM	–	–	–	–	–
Changes in estimates that result in onerous contract losses or reversal of losses	–	–	–	–	–
Contracts initially recognised in the period	–	–	–	–	–
	–	–	–	–	–
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	–	–	–	–	–
	–	–	–	–	–
Insurance service result	–	–	–	–	–
Finance expenses from insurance contracts issued	–	–	–	–	–
Total changes in the statement of profit or loss	–	–	–	–	–
Other movements					
Other movements[1]	1 421	(143)	–	(468)	810
Net balance as at 30 June	–	–	–	–	–
Closing insurance contract liabilities	–	–	–	–	–
Closing insurance contract assets	–	–	–	–	–
Net balance as at 30 June	–	–	–	–	–

[1] Due to the transfer of the cell captive business in MAL to Guardrisk Life on 1 July 2022, MAL's insurance contract assets and insurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these insurance contract assets and insurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be nil.

9 INSURANCE CONTRACTS CONTINUED

9.3 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:

Impact of contracts recognised in the year for insurance contracts issued	2024 Non-onerous contracts issued Rm	2024 Onerous contracts issued Rm	2024 Total Rm	2023 Non-onerous contracts issued Rm	2023 Onerous contracts issued Rm	2023 Total Rm
9.3.1 Impact of contracts recognised in the year: Total						
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	**764**	**2 279**	**3 043**	2 017	1 101	3 118
Claims and other directly attributable expenses	**11 818**	**4 029**	**15 847**	10 748	3 803	14 551
Estimates of the present value of future cash outflows	**12 582**	**6 308**	**18 890**	12 765	4 904	17 669
Estimates of the present value of future cash inflows	**(14 059)**	**(5 863)**	**(19 922)**	(14 126)	(4 426)	(18 552)
Risk adjustment for non-financial risk	**118**	**205**	**323**	239	82	321
Contractual service margin	**1 359**	**–**	**1 359**	1 122	–	1 122
Losses recognised on initial recognition	**–**	**650**	**650**	–	560	560
9.3.2 Measurement models						
9.3.2.1 Impact of contracts recognised in the year: General measurement model						
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	**763**	**1 982**	**2 745**	2 016	843	2 859
Claims and other directly attributable expenses	**11 623**	**2 328**	**13 951**	10 463	1 848	12 311
Estimates of the present value of future cash outflows	**12 386**	**4 310**	**16 696**	12 479	2 691	15 170
Estimates of the present value of future cash inflows	**(13 801)**	**(4 023)**	**(17 824)**	(13 779)	(2 289)	(16 068)
Risk adjustment for non-financial risk	**114**	**187**	**301**	234	64	298
Contractual service margin	**1 301**	**–**	**1 301**	1 066	–	1 066
Losses recognised on initial recognition	**–**	**474**	**474**	–	466	466
9.3.2.2 Impact of contracts recognised in the year: Variable fee approach						
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	**1**	**297**	**298**	1	258	259
Claims and other directly attributable expenses	**195**	**1 701**	**1 896**	285	1 955	2 240
Estimates of the present value of future cash outflows	**196**	**1 998**	**2 195**	286	2 213	2 499
Estimates of the present value of future cash inflows	**(258)**	**(1 840)**	**(2 098)**	(347)	(2 137)	(2 484)
Risk adjustment for non-financial risk	**4**	**18**	**22**	5	18	23
Contractual service margin	**58**	**–**	**58**	56	–	56
Losses recognised on initial recognition	**–**	**176**	**176**	–	94	94

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

9 INSURANCE CONTRACTS CONTINUED

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

	Impact of contracts recognised in the year for insurance contracts issued	2024 Non-onerous contracts issued Rm	2024 Onerous contracts issued Rm	2024 Total Rm	2023 Non-onerous contracts issued Rm	2023 Onerous contracts issued Rm	2023 Total Rm
9.3.3	**Segments**						
9.3.3.1	**Impact of contracts recognised in the year: Momentum Retail**						
	Estimates of the present value of future cash outflows						
	Insurance acquisition cash flows	538	316	854	351	505	856
	Claims and other directly attributable expenses	1 692	906	2 598	1 224	1 284	2 508
	Estimates of the present value of future cash outflows	2 230	1 222	3 452	1 575	1 789	3 364
	Estimates of the present value of future cash inflows	(2 531)	(1 144)	(3 675)	(1 801)	(1 633)	(3 434)
	Risk adjustment for non-financial risk	77	29	106	56	40	96
	Contractual service margin	224	–	224	170	–	170
	Losses recognised on initial recognition	–	107	107	–	196	196
9.3.3.2	**Impact of contracts recognised in the year: Momentum Investments**						
	Estimates of the present value of future cash outflows						
	Insurance acquisition cash flows	169	12	181	111	10	121
	Claims and other directly attributable expenses	8 063	378	8 441	5 630	258	5 888
	Estimates of the present value of future cash outflows	8 232	390	8 622	5 741	268	6 009
	Estimates of the present value of future cash inflows	(9 208)	(217)	(9 425)	(6 426)	(152)	(6 578)
	Risk adjustment for non-financial risk	31	13	44	24	12	36
	Contractual service margin	945	–	945	661	–	661
	Losses recognised on initial recognition	–	186	186	–	128	128
9.3.3.3	**Impact of contracts recognised in the year: Metropolitan Life**						
	Estimates of the present value of future cash outflows						
	Insurance acquisition cash flows	54	1 905	1 959	1 544	558	2 102
	Claims and other directly attributable expenses	2 030	2 345	4 375	2 804	2 027	4 831
	Estimates of the present value of future cash outflows	2 084	4 250	6 334	4 348	2 585	6 933
	Estimates of the present value of future cash inflows	(2 281)	(4 132)	(6 413)	(4 719)	(2 423)	(7 142)
	Risk adjustment for non-financial risk	10	160	170	147	29	176
	Contractual service margin	187	–	187	224	–	224
	Losses recognised on initial recognition	–	278	278	–	191	191
9.3.3.4	**Impact of contracts recognised in the year: Momentum Corporate**						
	Estimates of the present value of future cash outflows						
	Insurance acquisition cash flows	3	46	49	11	28	39
	Claims and other directly attributable expenses	33	400	433	1 090	234	1 324
	Estimates of the present value of future cash outflows	36	446	482	1 101	262	1 363
	Estimates of the present value of future cash inflows	(39)	(370)	(409)	(1 181)	(218)	(1 399)
	Risk adjustment for non-financial risk	–	3	3	12	1	13
	Contractual service margin	3	–	3	68	–	68
	Losses recognised on initial recognition	–	79	79	–	45	45

9 INSURANCE CONTRACTS CONTINUED

9.4 CSM recognition in profit or loss for insurance contracts issued

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

CSM recognition in profit or loss	0 to 1 year Rm	1 to 2 years Rm	2 to 3 years Rm	3 to 4 years Rm	4 to 5 years Rm	5 to 10 years Rm	10 to 15 years Rm	15 to 20 years Rm	> 20 years Rm	Total Rm
2024										
General measurement model	**1 790**	**1 581**	**1 396**	**1 217**	**1 062**	**3 604**	**1 810**	**887**	**798**	**14 145**
Variable fee approach	**305**	**266**	**231**	**199**	**172**	**548**	**240**	**101**	**66**	**2 128**
	2 095	**1 847**	**1 627**	**1 416**	**1 234**	**4 152**	**2 050**	**988**	**864**	**16 273**
2023										
General measurement model	1 569	1 382	1 224	1 081	943	3 196	1 609	787	679	12 470
Variable fee approach	352	308	270	234	203	656	286	120	73	2 502
	1 921	1 690	1 494	1 315	1 146	3 852	1 895	907	752	14 972

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. The total of the table agrees to the CSM balance in note 9.2.1.

10 REINSURANCE CONTRACTS

Group

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:

	2024			2023		
Reinsurance contracts held	Assets Rm	Liabilities Rm	Net assets Rm	Assets Rm	Liabilities Rm	Net assets Rm
General measurement model	**3 857**	**(33)**	**3 824**	3 312	(36)	3 276
Premium allocation approach	**1 544**	**–**	**1 544**	1 457	–	1 457
Total	**5 401**	**(33)**	**5 368**	4 769	(36)	4 733
Momentum Retail	**3 800**	**(9)**	**3 791**	3 261	(7)	3 254
Metropolitan Life	**51**	**(24)**	**27**	51	(27)	24
Momentum Corporate	**1 550**	**–**	**1 550**	1 457	(2)	1 455
Guardrisk	**–**	**–**	**–**	–	–	–
Total segments	**5 401**	**(33)**	**5 368**	4 769	(36)	4 733
Current	**2 987**	**(18)**	**2 969**	2 738	(21)	2 717
Non-current	**2 414**	**(15)**	**2 399**	2 031	(15)	2 016
Total	**5 401**	**(33)**	**5 368**	4 769	(36)	4 733

Transfer of Momentum Ability Ltd cell captive business

On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, the prior year Total disclosure table (note 10.1.1 and 10.2.1), General measurement model disclosure tables (note 10.1.2.1 and note 10.2.2.1), Premium allocation approach disclosure table (note 10.1.2.2) and Guardrisk segment disclosure tables (note 10.1.3.4 and note 10.2.3.4), include MAL's reinsurance contract assets and reinsurance contract liabilities as at 1 July 2022. The transfer of these reinsurance contract assets and reinsurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item of the respective prior year disclosure tables.

Presentation of disclosure tables

The disclosure tables that follow in this note are presented for the Group and Company, since the Group and Company tables are the same except for the differences in the prior year disclosure tables due to MAL as noted above.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

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

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims is disclosed in the tables below:

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts not under the PAA	Amounts recoverable on incurred claims for contracts under the PAA		
	Excluding loss-recovery component Rm	Loss-recovery component Rm	Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
10.1.1 Total reconciliation						
2024						
Opening reinsurance contract assets	(201)	1 758	1 359	1 819	34	4 769
Opening reinsurance contract liabilities	(60)	14	10	–	–	(36)
Net balance as at 1 July	(261)	1 772	1 369	1 819	34	4 733
Cash flows						
Reinsurance premiums paid	3 682	–	–	–	–	3 682
Reinsurance recoveries received	–	–	(2 699)	(641)	–	(3 340)
Total cash flows	3 682	–	(2 699)	(641)	–	342
Changes in the statement of profit or loss						
Allocation of reinsurance premiums						
Contracts under the fair value approach	(266)	–	–	–	–	(266)
Other contracts	(3 091)	–	–	–	–	(3 091)
	(3 357)	–	–	–	–	(3 357)
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable for incurred claims and other expenses	–	(158)	2 775	664	13	3 294
Changes that relate to past service – adjustments to the AIC	–	–	98	(214)	(14)	(130)
Changes in the loss-recovery component	–	21	–	–	–	21
	–	(137)	2 873	450	(1)	3 185
Net (expenses)/income from reinsurance contracts held	(3 357)	(137)	2 873	450	(1)	(172)
Finance income from reinsurance contracts held	43	171	61	184	6	465
Total changes in the statement of profit or loss	(3 314)	34	2 934	634	5	293
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	107	1 806	1 604	1 812	39	5 368
Closing reinsurance contract assets	162	1 792	1 596	1 812	39	5 401
Closing reinsurance contract liabilities	(55)	14	8	–	–	(33)
Net balance as at 30 June	107	1 806	1 604	1 812	39	5 368

10 REINSURANCE CONTRACTS CONTINUED

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

10.1.1 Total reconciliation continued

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	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	
2023						
Opening reinsurance contract assets[1]	121	1 645	1 446	1 760	32	5 004
Opening reinsurance contract liabilities[1]	(982)	12	5	12	–	(953)
Net balance as at 1 July[1]	(861)	1 657	1 451	1 772	32	4 051
Cash flows						
Reinsurance premiums paid	3 460	–	–	–	–	3 460
Reinsurance recoveries received	–	–	(2 933)	(588)	–	(3 521)
Total cash flows	3 460	–	(2 933)	(588)	–	(61)
Changes in the statement of profit or loss						
Allocation of reinsurance premiums						
Contracts under the fair value approach	(272)	–	–	–	–	(272)
Other contracts	(3 121)	–	–	–	–	(3 121)
	(3 393)	–	–	–	–	(3 393)
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable for incurred claims and other expenses	–	(159)	2 738	637	5	3 221
Changes that relate to past service – adjustments to the AIC	–	–	103	(61)	(6)	36
Changes in the loss-recovery component	–	171	–	–	–	171
	–	12	2 841	576	(1)	3 428
Net (expense)/income from reinsurance contracts held	(3 393)	12	2 841	576	(1)	35
Finance (expenses)/income from reinsurance contracts held	(330)	103	29	59	3	(136)
Total changes in the statement of profit or loss	(3 723)	115	2 870	635	2	(101)
Other movements						
Other movements[1]	863	–	(19)	–	–	844
Net balance as at 30 June	(261)	1 772	1 369	1 819	34	4 733
Closing reinsurance contract assets	(201)	1 758	1 359	1 819	34	4 769
Closing reinsurance contract liabilities	(60)	14	10	–	–	(36)
Net balance as at 30 June	(261)	1 772	1 369	1 819	34	4 733

[1] On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, MAL's reinsurance contract assets and reinsurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these reinsurance contract assets and reinsurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be less than the Group balances presented with the same value as the amounts disclosed in the Other movements line item. Except for the differences noted in these line items due to MAL, all the other line items in the table above are the same for the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

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

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	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		
10.1.2 Measurement models				
10.1.2.1 General measurement model reconciliation				
2024				
Opening reinsurance contract assets	195	1 758	1 359	3 312
Opening reinsurance contract liabilities	(60)	14	10	(36)
Net balance as at 1 July	135	1 772	1 369	3 276
Cash flows				
Reinsurance premiums paid	2 748	–	–	2 748
Reinsurance recoveries received	–	–	(2 699)	(2 699)
Total cash flows	2 748	–	(2 699)	49
Changes in the statement of profit or loss				
Allocation of reinsurance premiums				
Contracts under the fair value approach	(266)	–	–	(266)
Other contracts	(2 246)	–	–	(2 246)
	(2 512)	–	–	(2 512)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	–	(158)	2 775	2 617
Changes that relate to past service – adjustments to the AIC	–	–	98	98
Changes in the loss-recovery component	–	21	–	21
	–	(137)	2 873	2 736
Net (expenses)/income from reinsurance contracts held	(2 512)	(137)	2 873	224
Finance income/(expenses) from reinsurance contracts held	43	171	61	275
Total changes in the statement of profit or loss	(2 469)	34	2 934	499
Other movements				
Other movements	–	–	–	–
Net balance as at 30 June	414	1 806	1 604	3 824
Closing reinsurance contract assets	469	1 792	1 596	3 857
Closing reinsurance contract liabilities	(55)	14	8	(33)
Net balance as at 30 June	414	1 806	1 604	3 824

10 REINSURANCE CONTRACTS CONTINUED

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

10.1.2 Measurement models continued

10.1.2.1 General measurement model reconciliation continued

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	Assets for remaining coverage: Excluding loss-recovery component Rm	Assets for remaining coverage: Loss-recovery component Rm	Amounts recoverable on incurred claims for contracts not under the PAA Rm	Total Rm
2023				
Opening reinsurance contract assets[1]	234	1 639	1 446	3 319
Opening reinsurance contract liabilities[1]	(684)	12	5	(667)
Net balance as at 1 July[1]	(450)	1 651	1 451	2 652
Cash flows				
Reinsurance premiums paid	2 590	–	–	2 590
Reinsurance recoveries received	–	–	(2 933)	(2 933)
Total cash flows	2 590	–	(2 933)	(343)
Changes in the statement of profit or loss				
Allocation of reinsurance premiums				
Contracts under the fair value approach	(272)	–	–	(272)
Other contracts	(1 981)	–	–	(1 981)
	(2 253)	–	–	(2 253)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	–	(142)	2 738	2 596
Changes that relate to past service – adjustments to the AIC	–	–	103	103
Changes in the loss-recovery component	–	160	–	160
	–	18	2 841	2 859
Net (expenses)/income from reinsurance contracts held	(2 253)	18	2 841	606
Finance (expenses)/income from reinsurance contracts held	(330)	103	29	(198)
Total changes in the statement of profit or loss	(2 583)	121	2 870	408
Other movements				
Other movements[1]	578	–	(19)	559
Net balance as at 30 June	135	1 772	1 369	3 276
Closing reinsurance contract assets	195	1 758	1 359	3 312
Closing reinsurance contract liabilities	(60)	14	10	(36)
Net balance as at 30 June	135	1 772	1 369	3 276

[1] On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, MAL's reinsurance contract assets and reinsurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these reinsurance contract assets and reinsurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be less than the Group balances presented with the same value as the amounts disclosed in the Other movements line item. Except for the differences noted in these line items due to MAL, all the other line items in the table above are the same for the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

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

10.1.2 Measurement models continued

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts under the PAA		
	Excluding loss-recovery component Rm	Loss-recovery component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
10.1.2.2 Premium allocation approach reconciliation					
2024					
Opening reinsurance contract assets	(396)	–	1 819	34	1 457
Opening reinsurance contract liabilities	–	–	–	–	–
Net balance as at 1 July	(396)	–	1 819	34	1 457
Cash flows					
Reinsurance premiums paid	934	–	–	–	934
Reinsurance recoveries received	–	–	(641)	–	(641)
Total cash flows	934	–	(641)	–	293
Changes in the statement of profit or loss					
Allocation of reinsurance premiums					
Other contracts	(845)	–	–	–	(845)
	(845)	–	–	–	(845)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	–	–	664	13	677
Changes that relate to past service – adjustments to the AIC	–	–	(214)	(14)	(228)
Changes in the loss-recovery component	–	–	–	–	–
	–	–	450	(1)	449
Net (expenses)/income from reinsurance contracts held	(845)	–	450	(1)	(396)
Finance income from reinsurance contracts held	–	–	184	6	190
Total changes in the statement of profit or loss	(845)	–	634	5	(206)
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	(307)	–	1 812	39	1 544
Closing reinsurance contract assets	(307)	–	1 812	39	1 544
Closing reinsurance contract liabilities	–	–	–	–	–
Net balance as at 30 June	(307)	–	1 812	39	1 544

10 REINSURANCE CONTRACTS CONTINUED

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

10.1.2 Measurement models continued

10.1.2.2 Premium allocation approach reconciliation continued

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	Assets for remaining coverage: Excluding loss-recovery component Rm	Assets for remaining coverage: Loss-recovery component Rm	Amounts recoverable on incurred claims for contracts under the PAA: Present value of future cash flows Rm	Amounts recoverable on incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
2023					
Opening reinsurance contract assets[1]	(113)	6	1 760	32	1 685
Opening reinsurance contract liabilities[1]	(298)	–	12	–	(286)
Net balance as at 1 July[1]	(411)	6	1 772	32	1 399
Cash flows					
Reinsurance premiums paid	870	–	–	–	870
Reinsurance recoveries received	–	–	(588)	–	(588)
Total cash flows	870	–	(588)	–	282
Changes in the statement of profit or loss					
Allocation of reinsurance premiums					
Other contracts	(1 140)	–	–	–	(1 140)
	(1 140)	–	–	–	(1 140)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	–	(17)	637	5	625
Changes that relate to past service – adjustments to the AIC	–	–	(61)	(6)	(67)
Changes in the loss-recovery component	–	11	–	–	11
	–	(6)	576	(1)	569
Net (expenses)/income from reinsurance contracts held	(1 140)	(6)	576	(1)	(571)
Finance income from reinsurance contracts held	–	–	59	3	62
Total changes in the statement of profit or loss	(1 140)	(6)	635	2	(509)
Other movements					
Other movements[1]	285	–	–	–	285
Net balance as at 30 June	(396)	–	1 819	34	1 457
Closing reinsurance contract assets	(396)	–	1 819	34	1 457
Closing reinsurance contract liabilities	–	–	–	–	–
Net balance as at 30 June	(396)	–	1 819	34	1 457

[1] On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, MAL's reinsurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these reinsurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be less than the Group balances presented with the same value as the amounts disclosed in the Other movements line item. Except for the differences noted in these line items due to MAL, all the other line items in the table above are the same for the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

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

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	Assets for remaining coverage: Excluding loss-recovery component Rm	Assets for remaining coverage: Loss-recovery component Rm	Amounts recoverable on incurred claims for contracts not under the PAA Rm	Amounts recoverable on incurred claims for contracts under the PAA: Present value of future cash flows Rm	Amounts recoverable on incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
10.1.3 Segments						
10.1.3.1 Momentum Retail reconciliation						
2024						
Opening reinsurance contract assets	182	1 750	1 329	–	–	3 261
Opening reinsurance contract liabilities	(10)	–	3	–	–	(7)
Net balance as at 1 July	172	1 750	1 332	–	–	3 254
Cash flows						
Reinsurance premiums paid	2 689	–	–	–	–	2 689
Reinsurance recoveries received	–	–	(2 642)	–	–	(2 642)
Total cash flows	2 689	–	(2 642)	–	–	47
Changes in the statement of profit or loss						
Allocation of reinsurance premiums						
Contracts under the fair value approach	(266)	–	–	–	–	(266)
Other contracts	(2 205)	–	–	–	–	(2 205)
	(2 471)	–	–	–	–	(2 471)
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable for incurred claims and other expenses	–	(158)	2 738	–	–	2 580
Changes that relate to past service – adjustments to the AIC	–	–	95	–	–	95
Changes in the loss-recovery component	–	11	–	–	–	11
	–	(147)	2 833	–	–	2 686
Investment components	–	–	–	–	–	–
Net (expense)/income from reinsurance contracts held	(2 471)	(147)	2 833	–	–	215
Finance income from reinsurance contracts held	46	168	61	–	–	275
Total changes in the statement of profit or loss	(2 425)	21	2 894	–	–	490
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	436	1 771	1 584	–	–	3 791
Closing reinsurance contract assets	453	1 771	1 576	–	–	3 800
Closing reinsurance contract liabilities	(17)	–	8	–	–	(9)
Net balance as at 30 June	436	1 771	1 584	–	–	3 791

10 REINSURANCE CONTRACTS CONTINUED

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

10.1.3 Segments continued

10.1.3.1 Momentum Retail reconciliation continued

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	Assets for remaining coverage: Excluding loss-recovery component Rm	Assets for remaining coverage: Loss-recovery component Rm	Amounts recoverable on incurred claims for contracts not under the PAA Rm	Amounts recoverable on incurred claims for contracts under the PAA: Present value of future cash flows Rm	Amounts recoverable on incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
2023						
Opening reinsurance contract assets	241	1 625	1 363	–	–	3 229
Opening reinsurance contract liabilities	(20)	–	5	–	–	(15)
Net balance as at 1 July	221	1 625	1 368	–	–	3 214
Cash flows						
Reinsurance premiums paid	2 546	–	–	–	–	2 546
Reinsurance recoveries received	–	–	(2 848)	–	–	(2 848)
Total cash flows	2 546	–	(2 848)	–	–	(302)
Changes in the statement of profit or loss						
Allocation of reinsurance premiums						
Contracts under the fair value approach	(272)	–	–	–	–	(272)
Other contracts	(1 998)	–	–	–	–	(1 998)
	(2 270)	–	–	–	–	(2 270)
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable for incurred claims and other expenses	–	(142)	2 683	–	–	2 541
Changes that relate to past service – adjustments to the AIC	–	–	100	–	–	100
Changes in the loss-recovery component	–	168	–	–	–	168
	–	26	2 783	–	–	2 809
Investment components	–	–	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(2 270)	26	2 783	–	–	539
Finance (expenses)/income from reinsurance contracts held	(325)	99	29	–	–	(197)
Total changes in the statement of profit or loss	(2 595)	125	2 812	–	–	342
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	172	1 750	1 332	–	–	3 254
Closing reinsurance contract assets	182	1 750	1 329	–	–	3 261
Closing reinsurance contract liabilities	(10)	–	3	–	–	(7)
Net balance as at 30 June	172	1 750	1 332	–	–	3 254

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

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

10.1.3 Segments continued

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	Assets for remaining coverage: Excluding loss-recovery component Rm	Assets for remaining coverage: Loss-recovery component Rm	Amounts recoverable on incurred claims for contracts not under the PAA Rm	Amounts recoverable on incurred claims for contracts under the PAA: Present value of future cash flows Rm	Amounts recoverable on incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
10.1.3.2 Metropolitan Life reconciliation						
2024						
Opening reinsurance contract assets	13	8	30	–	–	51
Opening reinsurance contract liabilities	(41)	14	–	–	–	(27)
Net balance as at 1 July	(28)	22	30	–	–	24
Cash flows						
Reinsurance premiums paid	42	–	–	–	–	42
Reinsurance recoveries received	–	–	(54)	–	–	(54)
Total cash flows	42	–	(54)	–	–	(12)
Changes in the statement of profit or loss						
Allocation of reinsurance premiums						
Other contracts	(30)	–	–	–	–	(30)
	(30)	–	–	–	–	(30)
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable from incurred claims and other expenses	–	–	35	–	–	35
Changes that relate to past service – adjustments to the AIC	–	–	–	–	–	–
Changes in the loss-recovery component	–	10	–	–	–	10
	–	10	35	–	–	45
Investment components	–	–	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(30)	10	35	–	–	15
Finance (expenses)/income from reinsurance contracts held	(4)	3	1	–	–	–
Total changes in the statement of profit or loss	(34)	13	36	–	–	15
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	(20)	35	12	–	–	27
Closing reinsurance contract assets	18	21	12	–	–	51
Closing reinsurance contract liabilities	(38)	14	–	–	–	(24)
Net balance as at 30 June	(20)	35	12	–	–	27

10 REINSURANCE CONTRACTS CONTINUED

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

10.1.3 Segments continued

10.1.3.2 Metropolitan Life reconciliation continued

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	Assets for remaining coverage: Excluding loss-recovery component Rm	Assets for remaining coverage: Loss-recovery component Rm	Amounts recoverable on incurred claims for contracts not under the PAA Rm	Amounts recoverable on incurred claims for contracts under the PAA: Present value of future cash flows Rm	Amounts recoverable on incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
2023						
Opening reinsurance contract assets	(3)	14	22	–	–	33
Opening reinsurance contract liabilities	(86)	12	–	–	–	(74)
Net balance as at 1 July	(89)	26	22	–	–	(41)
Cash flows						
Reinsurance premiums paid	41	–	–	–	–	41
Reinsurance recoveries received	–	–	(43)	–	–	(43)
Total cash flows	41	–	(43)	–	–	(2)
Changes in the statement of profit or loss						
Allocation of reinsurance premiums						
Other contracts	25	–	–	–	–	25
	25	–	–	–	–	25
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable for incurred claims and other expenses	–	–	51	–	–	51
Changes that relate to past service – adjustments to the AIC	–	–	–	–	–	–
Changes in the loss-recovery component	–	(8)	–	–	–	(8)
	–	(8)	51	–	–	43
Investment components	–	–	–	–	–	–
Net income/(expenses) from reinsurance contracts held	25	(8)	51	–	–	68
Finance (expenses)/income from reinsurance contracts held	(5)	4	–	–	–	(1)
Total changes in the statement of profit or loss	20	(4)	51	–	–	67
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	(28)	22	30	–	–	24
Closing reinsurance contract assets	13	8	30	–	–	51
Closing reinsurance contract liabilities	(41)	14	–	–	–	(27)
Net balance as at 30 June	(28)	22	30	–	–	24

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

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

10.1.3 Segments continued

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	Assets for remaining coverage: Excluding loss-recovery component Rm	Assets for remaining coverage: Loss-recovery component Rm	Amounts recoverable on incurred claims for contracts not under the PAA Rm	Amounts recoverable on incurred claims for contracts under the PAA: Present value of future cash flows Rm	Amounts recoverable on incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
10.1.3.3 Momentum Corporate reconciliation						
2024						
Opening reinsurance contract assets	(396)	–	–	1 819	34	1 457
Opening reinsurance contract liabilities	(9)	–	7	–	–	(2)
Net balance as at 1 July	(405)	–	7	1 819	34	1 455
Cash flows						
Reinsurance premiums paid	951	–	–	–	–	951
Reinsurance recoveries received	–	–	(3)	(641)	–	(644)
Total cash flows	951	–	(3)	(641)	–	307
Changes in the statement of profit or loss						
Allocation of reinsurance premiums						
Other contracts	(856)	–	–	–	–	(856)
	(856)	–	–	–	–	(856)
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable from incurred claims and other expenses	–	–	2	664	13	679
Changes that relate to past service – adjustments to the AIC	–	–	3	(214)	(14)	(225)
Changes in the loss-recovery component	–	–	–	–	–	–
	–	–	5	450	(1)	454
Investment components	–	–	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(856)	–	5	450	(1)	(402)
Finance income from reinsurance contracts held	1	–	(1)	184	6	190
Total changes in the statement of profit or loss	(855)	–	4	634	5	(212)
Net balance as at 30 June	(309)	–	8	1 812	39	1 550
Other movements						
Other movements	–	–	–	–	–	–
Closing reinsurance contract assets	(309)	–	8	1 812	39	1 550
Closing reinsurance contract liabilities	–	–	–	–	–	–
Net balance as at 30 June	(309)	–	8	1 812	39	1 550

10 REINSURANCE CONTRACTS CONTINUED

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

10.1.3 Segments continued

10.1.3.3 Momentum Corporate reconciliation continued

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	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	
2023						
Opening reinsurance contract assets	(117)	6	42	1 760	32	1 723
Opening reinsurance contract liabilities	(13)	–	–	12	–	(1)
Net balance as at 1 July	(130)	6	42	1 772	32	1 722
Cash flows						
Reinsurance premiums paid	873	–	–	–	–	873
Reinsurance recoveries received	–	–	(42)	(588)	–	(630)
Total cash flows	873	–	(42)	(588)	–	243
Changes in the statement of profit or loss						
Allocation of reinsurance premiums						
Other contracts	(1 148)	–	–	–	–	(1 148)
	(1 148)	–	–	–	–	(1 148)
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable from incurred claims and other expenses	–	(17)	4	637	5	629
Changes that relate to past service – adjustments to the AIC	–	–	3	(61)	(6)	(64)
Changes in the loss-recovery component	–	11	–	–	–	11
	–	(6)	7	576	(1)	576
Investment components	–	–	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(1 148)	(6)	7	576	(1)	(572)
Finance income from reinsurance contracts held	–	–	–	59	3	62
Total changes in the statement of profit or loss	(1 148)	(6)	7	635	2	(510)
Other movements						
Other movements	–	–	–	–	–	–
Net balance as at 30 June	(405)	–	7	1 819	34	1 455
Closing reinsurance contract assets	(396)	–	–	1 819	34	1 457
Closing reinsurance contract liabilities	(9)	–	7	–	–	(2)
Net balance as at 30 June	(405)	–	7	1 819	34	1 455

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

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

10.1.3 Segments continued

10.1.3.4 Guardrisk reconciliation

On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, no disclosure table for the current year is presented.

Reconciliation of the remaining coverage and the incurred claims components of reinsurance contract balances	Assets for remaining coverage: Excluding loss-recovery component Rm	Assets for remaining coverage: Loss-recovery component Rm	Amounts recoverable on incurred claims for contracts not under the PAA Rm	Amounts recoverable on incurred claims for contracts under the PAA: Present value of future cash flows Rm	Amounts recoverable on incurred claims for contracts under the PAA: Risk adjustment for non-financial risk Rm	Total Rm
2023						
Opening reinsurance contract assets[1]	–	–	19	–	–	19
Opening reinsurance contract liabilities[1]	(863)	–	–	–	–	(863)
Net balance as at 1 July[1]	(863)	–	19	–	–	(844)
Cash flows						
Reinsurance premiums paid	–	–	–	–	–	–
Reinsurance recoveries received	–	–	–	–	–	–
Total cash flows	–	–	–	–	–	–
Changes in the statement of profit or loss						
Allocation of reinsurance premiums	–	–	–	–	–	–
Contracts under the fair value approach	–	–	–	–	–	–
Other contracts						
	–	–	–	–	–	–
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable for incurred claims and other expenses	–	–	–	–	–	–
Changes that relate to past service – adjustments to the AIC	–	–	–	–	–	–
Changes in the loss-recovery component	–	–	–	–	–	–
	–	–	–	–	–	–
Investment components	–	–	–	–	–	–
Net income/(expenses) from reinsurance contracts held	–	–	–	–	–	–
Finance (expenses)/income from reinsurance contracts held	–	–	–	–	–	–
Total changes in the statement of profit or loss	–	–	–	–	–	–
Other movements						
Other movements[1]	863	–	(19)	–	–	844
Net balance as at 30 June	–	–	–	–	–	–
Closing reinsurance contract assets	–	–	–	–	–	–
Closing reinsurance contract liabilities	–	–	–	–	–	–
Net balance as at 30 June	–	–	–	–	–	–

[1] Due to the transfer of the cell captive business in MAL to Guardrisk Life on 1 July 2022, MAL's insurance contract assets and insurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these insurance contract assets and insurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be nil.

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances

The tables below present a roll-forward of the net asset or liability for reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and CSM. These tables only apply to contracts measured under the GMM.

Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
10.2.1 Total reconciliation					
2024					
Opening reinsurance contract assets	4 080	474	186	(1 428)	3 312
Opening reinsurance contract liabilities	(30)	15	2	(23)	(36)
Net balance as at 1 July	4 050	489	188	(1 451)	3 276
Cash flows					
Reinsurance premiums paid	2 748	–	–	–	2 748
Reinsurance recoveries received	(2 699)	–	–	–	(2 699)
Total cash flows	49	–	–	–	49
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	(31)	210	179
Change in the risk adjustment for non-financial risk for the risk expired	–	(45)	–	–	(45)
Experience adjustments	(31)	2	–	–	(29)
	(31)	(43)	(31)	210	105
Changes that relate to future service					
Changes in estimates that adjust the CSM	217	4	(36)	(185)	–
Changes in estimates that do not adjust the CSM	3	3	–	–	6
Contracts initially recognised in the period	87	11	–	(98)	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	73	73
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	(58)	(58)
	307	18	(36)	(268)	21
Changes that relate to past service					
Changes that relate to past service – adjustments to the AIC	101	(3)	–	–	98
	101	(3)	–	–	98
Net income/(expenses) from reinsurance contracts held	377	(28)	(67)	(58)	224
Finance income/(expenses) from reinsurance contracts held	344	66	16	(151)	275
Total changes in the statement of profit or loss	721	38	(51)	(209)	499
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	4 820	527	137	(1 660)	3 824
Closing reinsurance contract assets	4 856	510	128	(1 637)	3 857
Closing reinsurance contract liabilities	(36)	17	9	(23)	(33)
Net balance as at 30 June	4 820	527	137	(1 660)	3 824

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

10.2.1 Total reconciliation continued

Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening reinsurance contract assets[1]	2 896	503	170	(250)	3 319
Opening reinsurance contract liabilities[1]	(755)	69	86	(67)	(667)
Net balance as at 1 July[1]	2 141	572	256	(317)	2 652
Cash flows					
Reinsurance premiums paid	2 590	–	–	–	2 590
Reinsurance recoveries received	(2 933)	–	–	–	(2 933)
Total cash flows	(343)	–	–	–	(343)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	(39)	197	158
Change in the risk adjustment for non-financial risk for the risk expired	–	(42)	–	–	(42)
Experience adjustments	224	3	–	–	227
	224	(39)	(39)	197	343
Changes that relate to future service					
Changes in estimates that adjust the CSM	1 220	(31)	36	(1 225)	–
Changes in estimates that do not adjust the CSM	136	(2)	–	–	134
Contracts initially recognised in the period	90	8	–	(98)	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	123	123
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	(97)	(97)
	1 446	(25)	36	(1 297)	160
Changes that relate to past service					
Changes that relate to past service – adjustments to the AIC	105	(2)	–	–	103
	105	(2)	–	–	103
Net income/(expenses) from reinsurance contracts held	1 775	(66)	(3)	(1 100)	606
Finance (expenses)/income from reinsurance contracts held	(218)	35	12	(27)	(198)
Total changes in the statement of profit or loss	1 557	(31)	9	(1 127)	408
Other movements					
Other movements[1]	695	(52)	(77)	(7)	559
Net balance as at 30 June	4 050	489	188	(1 451)	3 276
Closing reinsurance contract assets	4 080	474	186	(1 428)	3 312
Closing reinsurance contract liabilities	(30)	15	2	(23)	(36)
Net balance as at 30 June	4 050	489	188	(1 451)	3 276

[1] On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, MAL's reinsurance contract assets and reinsurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these reinsurance contract assets and reinsurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be less than the Group balances presented with the same value as the amounts disclosed in the Other movements line item. Except for the differences noted in these line items due to MAL, all the other line items in the table above are the same for the Group and the Company.

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
10.2.2 Measurement models					
10.2.2.1 General measurement model reconciliation					
2024					
Opening reinsurance contract assets	4 080	474	186	(1 428)	3 312
Opening reinsurance contract liabilities	(30)	15	2	(23)	(36)
Net balance as at 1 July	4 050	489	188	(1 451)	3 276
Cash flows					
Reinsurance premiums paid	2 748	–	–	–	2 748
Reinsurance recoveries received	(2 699)	–	–	–	(2 699)
Total cash flows	49	–	–	–	49
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	(31)	210	179
Change in the risk adjustment for non-financial risk for the risk expired	–	(45)	–	–	(45)
Experience adjustments	(31)	2	–	–	(29)
	(31)	(43)	(31)	210	105
Changes that relate to future service					
Changes in estimates that adjust the CSM	217	4	(36)	(185)	–
Changes in estimates that do not adjust the CSM	3	3	–	–	6
Contracts initially recognised in the period	87	11	–	(98)	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	73	73
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	(58)	(58)
	307	18	(36)	(268)	21
Changes that relate to past service					
Changes that relate to past service – adjustments to the AIC	101	(3)	–	–	98
	101	(3)	–	–	98
Net income/(expenses) from reinsurance contracts held	377	(28)	(67)	(58)	224
Finance income/(expenses) from reinsurance contracts held	344	66	16	(151)	275
Total changes in the statement of profit or loss	721	38	(51)	(209)	499
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	4 820	527	137	(1 660)	3 824
Closing reinsurance contract assets	4 856	510	128	(1 637)	3 857
Closing reinsurance contract liabilities	(36)	17	9	(23)	(33)
Net balance as at 30 June	4 820	527	137	(1 660)	3 824

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

10.2.2 Measurement models continued

10.2.2.1 General measurement model reconciliation continued

			Contractual service margin		
Reconciliation of the measurement components of reinsurance contract balances	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
2023					
Opening reinsurance contract assets[1]	2 896	503	170	(250)	3 319
Opening reinsurance contract liabilities[1]	(755)	69	86	(67)	(667)
Net balance as at 1 July[1]	2 141	572	256	(317)	2 652
Cash flows					
Reinsurance premiums paid	2 590	–	–	–	2 590
Reinsurance recoveries received	(2 933)	–	–	–	(2 933)
Total cash flows	(343)	–	–	–	(343)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	(39)	197	158
Change in the risk adjustment for non-financial risk for the risk expired	–	(42)	–	–	(42)
Experience adjustments	224	3	–	–	227
	224	(39)	(39)	197	343
Changes that relate to future service					
Changes in estimates that adjust the CSM	1 220	(31)	36	(1 225)	–
Changes in estimates that do not adjust the CSM	136	(2)	–	–	134
Contracts initially recognised in the period	90	8	–	(98)	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	123	123
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	(97)	(97)
	1 446	(25)	36	(1 297)	160
Changes that relate to past service					
Changes that relate to past service – adjustments to the AIC	105	(2)	–	–	103
	105	(2)	–	–	103
Net income/(expenses) from reinsurance contracts held	1 775	(66)	(3)	(1 100)	606
Finance (expenses)/income from reinsurance contracts held	(218)	35	12	(27)	(198)
Total changes in the statement of profit or loss	1 557	(31)	9	(1 127)	408
Other movements					
Other movements[1]	695	(52)	(77)	(7)	559
Net balance as at 30 June	4 050	489	188	(1 451)	3 276
Closing reinsurance contract assets	4 080	474	186	(1 428)	3 312
Closing reinsurance contract liabilities	(30)	15	2	(23)	(36)
Net balance as at 30 June	4 050	489	188	(1 451)	3 276

[1] On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, MAL's reinsurance contract assets and reinsurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these reinsurance contract assets and reinsurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be less than the Group balances presented with the same value as the amounts disclosed in the Other movements line item. Except for the differences noted in these line items due to MAL, all the other line items in the table above are the same for the Group and the Company.

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
10.2.3 Segments					
10.2.3.1 Momentum Retail reconciliation					
2024					
Opening reinsurance contract assets	3 999	480	182	(1 399)	3 262
Opening reinsurance contract liabilities	(11)	2	2	–	(7)
Net balance as at 1 July	3 988	482	184	(1 399)	3 255
Cash flows					
Reinsurance premiums paid	2 689	–	–	–	2 689
Reinsurance recoveries received	(2 642)	–	–	–	(2 642)
Total cash flows	47	–	–	–	47
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	(31)	205	174
Change in the risk adjustment for non-financial risk for the risk expired	–	(47)	–	–	(47)
Experience adjustments	(20)	2	–	–	(18)
	(20)	(45)	(31)	205	109
Changes that relate to future service					
Changes in estimates that adjust the CSM	222	6	(40)	(188)	–
Changes in estimates that do not adjust the CSM	–	3	–	–	3
Contracts initially recognised in the period	68	14	–	(82)	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	62	62
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	(55)	(55)
	290	23	(40)	(263)	10
Changes that relate to past service					
Changes that relate to past service – adjustments to the AIC	98	(4)	–	–	94
	98	(4)	–	–	94
Net income/(expenses) from reinsurance contracts held	368	(26)	(71)	(58)	213
Finance income/(expenses) from reinsurance contracts held	339	66	15	(145)	275
Total changes in the statement of profit or loss	707	40	(56)	(203)	488
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	4 742	522	128	(1 602)	3 790
Closing reinsurance contract assets	4 765	517	119	(1 602)	3 799
Closing reinsurance contract liabilities	(23)	5	9	–	(9)
Net balance as at 30 June	4 742	522	128	(1 602)	3 790

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

10.2.3 Segments continued

10.2.3.1 Momentum Retail reconciliation continued

Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening reinsurance contract assets	2 765	507	170	(211)	3 231
Opening reinsurance contract liabilities	(32)	8	9	–	(15)
Net balance as at 1 July	2 733	515	179	(211)	3 216
Cash flows					
Reinsurance premiums paid	2 545	–	–	–	2 545
Reinsurance recoveries received	(2 849)	–	–	–	(2 849)
Total cash flows	(304)	–	–	–	(304)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	(39)	176	137
Change in the risk adjustment for non-financial risk for the risk expired	–	(44)	–	–	(44)
Experience adjustments	177	3	–	–	180
	177	(41)	(39)	176	273
Changes that relate to future service					
Changes in estimates that adjust the CSM	1 287	(36)	32	(1 283)	–
Changes in estimates that do not adjust the CSM	159	(4)	–	–	155
Contracts initially recognised in the period	59	13	–	(72)	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	109	109
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	(96)	(96)
	1 505	(27)	32	(1 342)	168
Changes that relate to past service					
Changes that relate to past service – adjustments to the AIC	101	(2)	–	–	99
	101	(2)	–	–	99
Net income/(expenses) from reinsurance contracts held	1 783	(70)	(7)	(1 166)	540
Finance (expenses)/income from reinsurance contracts held	(224)	37	12	(22)	(197)
Total changes in the statement of profit or loss	1 559	(33)	5	(1 188)	343
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	3 988	482	184	(1 399)	3 255
Closing reinsurance contract assets	3 999	480	182	(1 399)	3 262
Closing reinsurance contract liabilities	(11)	2	2	–	(7)
Net balance as at 30 June	3 988	482	184	(1 399)	3 255

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

10.2.3 Segments continued

Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
10.2.3.2 Metropolitan Life reconciliation					
2024					
Opening reinsurance contract assets	81	(6)	4	(29)	50
Opening reinsurance contract liabilities	(17)	13	–	(23)	(27)
Net balance as at 1 July	64	7	4	(52)	23
Cash flows					
Reinsurance premiums paid	42	–	–	–	42
Reinsurance recoveries received	(54)	–	–	–	(54)
Total cash flows	(12)	–	–	–	(12)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	–	5	5
Change in the risk adjustment for non-financial risk for the risk expired	–	2	–	–	2
Experience adjustments	(1)	–	–	–	(1)
	(1)	2	–	5	6
Changes that relate to future service					
Changes in estimates that adjust the CSM	(5)	(2)	4	3	–
Changes in estimates that do not adjust the CSM	3	–	–	–	3
Contracts initially recognised in the period	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)
	17	(5)	4	(5)	11
Changes that relate to past service					
Changes that relate to past service – adjustments to the AIC	–	–	–	–	–
Net income/(expenses) from reinsurance contracts held	16	(3)	4	–	17
Finance income/(expenses) from reinsurance contracts held	4	1	1	(6)	–
Total changes in the statement of profit or loss	20	(2)	5	(6)	17
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	72	5	9	(58)	28
Closing reinsurance contract assets	85	(7)	9	(35)	52
Closing reinsurance contract liabilities	(13)	12	–	(23)	(24)
Net balance as at 30 June	72	5	9	(58)	28

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

10.2.3 Segments continued

10.2.3.2 Metropolitan Life reconciliation continued

			Contractual service margin		
Reconciliation of the measurement components of reinsurance contract balances	**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**
2023					
Opening reinsurance contract assets	75	(4)	–	(39)	32
Opening reinsurance contract liabilities	(9)	9	–	(74)	(74)
Net balance as at 1 July	66	5	–	(113)	(42)
Cash flows					
Reinsurance premiums paid	40	–	–	–	40
Reinsurance recoveries received	(42)	–	–	–	(42)
Total cash flows	(2)	–	–	–	(2)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	–	21	21
Change in the risk adjustment for non-financial risk for the risk expired	–	2	–	–	2
Experience adjustments	52	–	–	–	52
	52	2	–	21	75
Changes that relate to future service					
Changes in estimates that adjust the CSM	(67)	5	4	58	–
Changes in estimates that do not adjust the CSM	(23)	2	–	–	(21)
Contracts initially recognised in the period	31	(5)	–	(26)	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	14	14
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	(1)	(1)
	(59)	2	4	45	(8)
Changes that relate to past service					
Changes that relate to past service – adjustments to the AIC	–	–	–	–	–
Net (expenses)/income) from reinsurance contracts held	(7)	4	4	66	67
Finance income/(expenses) from reinsurance contracts held	7	(2)	–	(5)	–
Total changes in the statement of profit or loss	–	2	4	61	67
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	64	7	4	(52)	23
Closing reinsurance contract assets	81	(6)	4	(29)	50
Closing reinsurance contract liabilities	(17)	13	–	(23)	(27)
Net balance as at 30 June	64	7	4	(52)	23

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

10.2.3 Segments continued

Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
10.2.3.3 Momentum Corporate reconciliation					
2024					
Opening reinsurance contract assets	–	–	–	–	–
Opening reinsurance contract liabilities	(2)	–	–	–	(2)
Net balance as at 1 July	(2)	–	–	–	(2)
Cash flows					
Reinsurance premiums paid	17	–	–	–	17
Reinsurance recoveries received	(3)	–	–	–	(3)
Total cash flows	14	–	–	–	14
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	–	–	–
Change in the risk adjustment for non-financial risk for the risk expired	–	–	–	–	–
Experience adjustments	(9)	–	–	–	(9)
	(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 period	–	–	–	–	–
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					
Changes that relate to past service – adjustments to the AIC	3	–	–	–	3
	3	–	–	–	3
Net expenses from reinsurance contracts held	(6)	–	–	–	(6)
Finance (expenses)/income from reinsurance contracts held	–	–	–	–	–
Total changes in the statement of profit or loss	(6)	–	–	–	(6)
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	6	–	–	–	6
Closing reinsurance contract assets	6	–	–	–	6
Closing reinsurance contract liabilities	–	–	–	–	–
Net balance as at 30 June	6	–	–	–	6

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

10.2.3 Segments continued

10.2.3.3 Momentum Corporate reconciliation continued

Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contractual service margin: Contracts under fair value approach Rm	Contractual service margin: Other contracts Rm	Total Rm
2023					
Opening reinsurance contract assets	37	–	–	–	37
Opening reinsurance contract liabilities	–	–	–	–	–
Net balance as at 1 July	37	–	–	–	37
Cash flows					
Reinsurance premiums paid	5	–	–	–	5
Reinsurance recoveries received	(42)	–	–	–	(42)
Total cash flows	(37)	–	–	–	(37)
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	–	–	–
Change in the risk adjustment for non-financial risk for the risk expired	–	–	–	–	–
Experience adjustments	(6)	–	–	–	(6)
	(6)	–	–	–	(6)
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 period	–	–	–	–	–
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					
Changes that relate to past service – adjustments to the AIC	4	–	–	–	4
	4	–	–	–	4
Net expenses from reinsurance contracts held	(2)	–	–	–	(2)
Finance (expenses)/income from reinsurance contracts held	–	–	–	–	–
Total changes in the statement of profit or loss	(2)	–	–	–	(2)
Other movements					
Other movements	–	–	–	–	–
Net balance as at 30 June	(2)	–	–	–	(2)
Closing reinsurance contract assets	–	–	–	–	–
Closing reinsurance contract liabilities	(2)	–	–	–	(2)
Net balance as at 30 June	(2)	–	–	–	(2)

10 REINSURANCE CONTRACTS CONTINUED

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

10.2.3 Segments continued

10.2.3.4 Guardrisk reconciliation

On 1 July 2022, the cell captive business in Momentum Ability Ltd (MAL), a wholly owned subsidiary of MML, was transferred to Guardrisk Life, a fellow subsidiary of MML. As a result, no disclosure table for the current year is presented.

			Contractual service margin		
Reconciliation of the measurement components of reinsurance contract balances	**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**
2023					
Opening reinsurance contract assets[1]	19	–	–	–	19
Opening reinsurance contract liabilities[1]	(714)	52	77	7	(578)
Net balance as at 1 July[1]	(695)	52	77	7	(559)
Cash flows					
Reinsurance premiums paid	–	–	–	–	–
Reinsurance recoveries received	–	–	–	–	–
Total cash flows	–	–	–	–	–
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	–	–	–	–	–
Change in the risk adjustment for non-financial risk for the risk expired	–	–	–	–	–
Experience adjustments	–	–	–	–	–
	–	–	–	–	–
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 period	–	–	–	–	–
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					
Changes that relate to past service – adjustments to the AIC	–	–	–	–	–
	–	–	–	–	–
Net income/(expenses) from reinsurance contracts held	–	–	–	–	–
Finance income/(expenses) from reinsurance contracts held	–	–	–	–	–
Total changes in the statement of profit or loss	–	–	–	–	–
Other movements					
Other movements[1]	695	(52)	(77)	(7)	559
Net balance as at 30 June	–	–	–	–	–
Closing reinsurance contract assets					
Closing reinsurance contract liabilities	–	–	–	–	–
Net balance as at 30 June	–	–	–	–	–

[1] Due to the transfer of the cell captive business in MAL to Guardrisk Life on 1 July 2022, MAL's insurance contract assets and insurance contract liabilities as at 1 July 2022 are included in the opening balances, and the transfer of these insurance contract assets and insurance contract liabilities to Guardrisk Life are disclosed in the Other movements line item. The Net balance as at 1 July and the Other movements line items in the table above therefore represent the Group balances, while the Company balances in these line items would be nil.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

10 REINSURANCE CONTRACTS CONTINUED

10.3 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:

	Impact of contracts recognised in the year for reinsurance contracts held	2024 Contracts originated in a net gain Rm	2024 Contracts originated not in a net gain Rm	2024 Total Rm	2023 Contracts originated in a net gain Rm	2023 Contracts originated not in a net gain Rm	2023 Total Rm
10.3.1	**Impact of contracts recognised in the year: Total**						
	Estimates of the present value of future cash inflows	807	403	1 210	660	569	1 229
	Estimates of the present value of future cash outflows	(757)	(366)	(1 123)	(627)	(512)	(1 139)
	Risk adjustment for non-financial risk	7	4	11	5	3	8
	Contractual service margin	(57)	(41)	(98)	(38)	(60)	(98)
	Income recognised on initial recognition	–	–	–	–	–	–
10.3.2	**Measurement models**						
10.3.2.1	**Impact of contracts recognised in the year: General measurement model**						
	Estimates of the present value of future cash inflows	807	403	1 210	660	569	1 229
	Estimates of the present value of future cash outflows	(757)	(366)	(1 123)	(627)	(512)	(1 139)
	Risk adjustment for non-financial risk	7	4	11	5	3	8
	Contractual service margin	(57)	(41)	(98)	(38)	(60)	(98)
	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 10.2.

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.

	Impact of contracts recognised in the year for reinsurance contracts held	2024 Contracts originated in a net gain Rm	2024 Contracts originated not in a net gain Rm	2024 Total Rm	2023 Contracts originated in a net gain Rm	2023 Contracts originated not in a net gain Rm	2023 Total Rm
10.3.3	**Segments**						
10.3.3.1	**Impact of contracts recognised in the year: Momentum Retail**						
	Estimates of the present value of future cash inflows	770	403	1 173	596	569	1 165
	Estimates of the present value of future cash outflows	(739)	(366)	(1 105)	(594)	(512)	(1 106)
	Risk adjustment for non-financial risk	10	4	14	10	3	13
	Contractual service margin	(41)	(41)	(82)	(12)	(60)	(72)
	Income recognised on initial recognition	–	–	–	–	–	–
10.3.3.2	**Impact of contracts recognised in the year: Metropolitan Life**						
	Estimates of the present value of future cash inflows	37	–	37	64	–	64
	Estimates of the present value of future cash outflows	(18)	–	(18)	(33)	–	(33)
	Risk adjustment for non-financial risk	(3)	–	(3)	(5)	–	(5)
	Contractual service margin	(16)	–	(16)	(26)	–	(26)
	Income recognised on initial recognition	–	–	–	–	–	–

10 REINSURANCE CONTRACTS CONTINUED

10.4 CSM recognition in profit or loss for reinsurance contracts held

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

CSM recognition in profit or loss	0 to 1 year Rm	1 to 2 years Rm	2 to 3 years Rm	3 to 4 years Rm	4 to 5 years Rm	5 to 10 years Rm	10 to 15 years Rm	15 to 20 years Rm	> 20 years Rm	Total Rm
2024										
General measurement model	**(170)**	**(150)**	**(135)**	**(120)**	**(107)**	**(387)**	**(220)**	**(118)**	**(116)**	**(1 523)**
	(170)	**(150)**	**(135)**	**(120)**	**(107)**	**(387)**	**(220)**	**(118)**	**(116)**	**(1 523)**
2023										
General measurement model	(138)	(124)	(111)	(100)	(89)	(320)	(185)	(100)	(96)	(1 263)
	(138)	(124)	(111)	(100)	(89)	(320)	(185)	(100)	(96)	(1 263)

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. The total of the table agrees to the CSM balance in note 10.2.1.

11 INVESTMENT CONTRACTS

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

	Group 2024 Rm	Group Restated 2023[1] Rm	Company 2024 Rm	Company Restated 2023[1] Rm
11.1 Investment contract liabilities designated at fair value through profit and loss	**383 566**	340 943	**380 960**	338 451
11.2 Liabilities to first-party cell captive owners	**–**	–	**–**	–
Total investment contract liability	**383 566**	340 943	**380 960**	338 451
Movement in investment contracts designated at fair value through profit and loss				
11.1 Investment contract liabilities designated at fair value through profit and loss				
Balance at beginning	**340 943**	292 798	**338 451**	290 996
Contract holder movements	**42 712**	47 746	**42 509**	47 455
Deposits received	**60 294**	47 863	**60 095**	47 622
Contract benefit payments	**(49 189)**	(42 913)	**(48 993)**	(42 806)
Fees on investment contracts	**(3 546)**	(3 504)	**(3 545)**	(3 503)
Fair value adjustment to policyholder liabilities under investment contracts	**35 274**	46 403	**35 048**	46 220
Changes in share capital, dividends and other items relating to cell captives	**(121)**	(103)	**(96)**	(78)
Related party – investment contract liabilities[2]	**–**	92	**–**	–
Exchange differences	**(89)**	307	**–**	–
Balance at end	**383 566**	340 943	**380 960**	338 451
11.2 Liabilities to first-party cell captive owners				
Balance at beginning	**–**	1 414	**–**	–
Liabilities transferred[3]	**–**	(1 346)	**–**	–
Contract holder movements	**–**	(68)	**–**	–
Fair value adjustment to policyholder liabilities under investment contracts	**–**	2	**–**	–
Changes in share capital, dividends and other items relating to cell captives	**–**	(70)	**–**	–
Balance at end	**–**	–	**–**	–
Current	**381 780**	338 969	**379 177**	336 477
Non-current	**1 786**	1 974	**1 783**	1 974
	383 566	340 943	**380 960**	338 451

[1] The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.
[2] Cell captive business of Ability was transferred during the prior year to Guardrisk Life Ltd, a fellow subsidiary of MML. Because there was an intercompany arrangement between Ability and MML, the transfer resulted in the liability now being with a related party outside the MML Group, which caused an increase in investment liabilities.
[3] Cell captive business was transferred during the prior year to Guardrisk Life Ltd, a fellow subsidiary of MML.

The instruments in note 11 would have been classified as financial liabilities at amortised cost under IFRS 9 had they not been designated at fair value through profit and loss.

For the IFRS 7 disclosures relating to investment contracts, refer to note 13.4.

Refer to note 12 for the assumptions and estimates used.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

12 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 a risk adjustment for non-financial risk. Where appropriate there is consistency between the nature of assumptions and the assumption setting process for insurance contracts issued and reinsurance contracts held. The objective of estimating future cash flows, is to determine the expected value or probability-weighted mean of the full range of possible outcomes, considering all reasonable and supportable information (about past events, current conditions and forecasts of future conditions) available at the reporting date without undue cost or effort. Information available from the Group's systems is considered to be available without undue cost or effort.

The Group estimates the probabilities and amounts of future payments under existing contracts on the basis of information obtained, including information about claims already reported by policyholders, other information about the known or estimated characteristics of the insurance contracts, historical data about the entity's own experience, supplemented when necessary with historical data from other sources. Historical data is adjusted to reflect current conditions.

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 such as industry, national or reinsurer data are used. 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 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. This expense allocation enables the identification of directly allocable insurance acquisition and administration and maintenance expenses.

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

Estimates of market variables are consistent with observable market prices at the measurement date. The Group maximises the use of observable inputs. Market-related information is used to derive real and nominal risk-free yield curves. 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 Group makes use of implied inflation rates when determining fulfilment cash flows for groups of insurance contracts issued and groups of reinsurance contracts held. In estimating fulfilment cash flows for premiums, insurance benefits and expenses, the Group differentiates between consumer price index (CPI) inflation, salary inflation and medical cost inflation rates.

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	2024/06/30	8.28	10.25	12.25	13.74
	2023/06/30	8.91	10.45	12.52	14.18

12 CONTRACT HOLDER LIABILITIES – JUDGEMENTS, ASSUMPTIONS AND ESTIMATES CONTINUED

Investment return and inflation rate assumptions continued

Risk-free spot rates – real:

%		1 year	5 year	10 year	20 year
South Africa	2024/06/30	3.81	4.62	5.07	5.48
	2023/06/30	4.06	4.23	5.02	5.31

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 2024, the assumed CPI inflation rate over the three-year planning horizon was 5.5% p.a. (30 June 2023: 6.0% p.a.)

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. An addition to the assumed CPI inflation rates is 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 contractual service margin (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.

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 portfolio) backing the illiquid contracts. The liquidity spread is added to the discount rate as an illiquidity premium.

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.

Illiquidity premium	2024	2023	1 July 2022
Non-profit annuity business – retail	0.35%	0.35%	0.35%
Non-profit annuity business – corporate	0.50%	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 the assumed future investment returns and are in accordance with product design, bonus philosophy and contract holders' reasonable expectations.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

12 CONTRACT HOLDER LIABILITIES – JUDGEMENTS, ASSUMPTIONS AND ESTIMATES CONTINUED

Investment guarantees

Fulfilment cash flows arising from investment guarantees offered 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
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**
2023	7.8	8.5	9.1	9.8	10.3	12.4	13.7	14.3	14.7	14.8	14.9	14.8

The following instruments have been valued by the model:

	2024		2023	
Instrument	Price (% of nominal)	Volatility	Price (% of nominal)	Volatility
A 1-year at-the-money (spot) put on the Financial Times Stock Exchange (FTSE)/JSE Top 40 index	**4.9%**	**18.3%**	5.9%	20.6%
A 1-year put on the FTSE/JSE Top 40 index, with a strike price equal to 0.8 (2023: 0.8) of spot	**0.9%**	**21.7%**	1.5%	24.5%
A 1-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 1.0477 (2023: 1.0452)	**6.8%**	**17.6%**	7.7%	19.9%
A 5-year at-the-money (spot) put on the FTSE/JSE Top 40 index	**3.4%**	**19.0%**	4.7%	22.3%
A 5-year put on the FTSE/JSE Top 40 index, with a strike price equal to $(1.04)^5$ (2023: $(1.04)^5$) of spot	**7.4%**	**18.3%**	8.9%	20.9%
A 5-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 1.4412 (2023: 1.4534)	**13.9%**	**17.7%**	15.5%	19.7%
A 20-year at-the-money (spot) put on the FTSE/JSE Top 40 index	**0.2%**	**23.8%**	0.2%	26.3%
A 20-year put on the FTSE/JSE Top 40 index, with a strike price equal to $(1.04)^{20}$ (2023: $(1.04)^{20}$) of spot	**1.5%**	**23.8%**	1.5%	25.2%
A 20-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 8.4612 (2023: 9.1627)	**26.1%**	**24.1%**	25.3%	23.7%
A 5-year put, with a strike price equal to $(1.04)^5$ (2023: $(1.04)^5$) 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[1]	**2.4%**	**11.6%**	3.2%	13.2%
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**	0.1%	n/a

[1] The prior year Volatility has been restated.

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.

12 CONTRACT HOLDER LIABILITIES – JUDGEMENTS, ASSUMPTIONS AND ESTIMATES CONTINUED

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. Changes in the risk adjustment included in fulfilment cash flows for future services impact the contractual service margin or the loss component. Changes in the risk adjustment included in fulfilment cash flows for past or current services are allocated between insurance finance income and expenses and insurance service results.

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. 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%.

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 re-uses 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.

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).

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 payment 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.

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.

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.

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).

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

13 FINANCIAL LIABILITIES

Refer to note 45.11, 45.15 and 45.22 for the accounting policies relating to this note.

The Group classifies its financial liabilities into the following categories:

- Financial liabilities at fair value through profit and loss
- 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:

		Group		Company	
		2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
13.1	**Financial liabilities at fair value through profit and loss**	**59 353**	51 067	**21 414**	15 465
13.2	**Financial liabilities at amortised cost**	**1 247**	1 293	**89**	235
13.3	**Other payables (excluding deferred revenue liability)**	**9 031**	9 258	**7 573**	7 553
		69 631	61 618	**29 076**	23 253

		Group		Company	
		2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
13.1	**Financial liabilities at fair value through profit and loss**				
	Collective investment scheme liabilities[#]	**36 182**	33 984	**–**	–
	Subordinated call notes	**4 324**	4 299	**4 324**	4 299
	Carry positions	**15 714**	9 080	**14 382**	7 828
	Derivative financial liabilities (refer to note 6.1)[#]	**2 746**	3 339	**2 708**	3 338
	Preference shares	**377**	310	**–**	–
	Other borrowings	**10**	55	**–**	–
		59 353	51 067	**21 414**	15 465
	Current	**51 283**	43 699	**15 258**	8 800
	Non-current	**8 070**	7 368	**6 156**	6 665
		59 353	51 067	**21 414**	15 465

[1] The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.
[#] Refer note 46 for more information on the restatements.

- 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 loss of R29 million (2023: a loss of R6 million), cumulatively the movement in fair value amounts to R83 million (2023: R54 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.
  No subordinated debt was derecognised during the year.
- Collective investment scheme liabilities – certain collective investment schemes have been classified as investments in subsidiaries. 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 R19 million (2023: R24 million fair value gain) was recognised in profit or loss. During the current year, R29 million fair value loss (2023: R6 million fair value loss) was recognised on the subordinated call notes which has been accounted for in other comprehensive income. These fair value losses were offset by other market factors. Refer to note 35 for more detail. *(fair value interest rate risk)*
- 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 R15 915 million (2023: R8 074 million). Offsetting has not been applied. *(fair value interest rate risk)*
- These instruments, excluding "derivative financial liabilities" and "other borrowings", would have been disclosed as at amortised cost under IFRS 9 had they not been designated at fair value through profit and loss.
- Other borrowings include outstanding contingent consideration of R3 million (2023: R18 million) relating to the acquisition of Seneca in the prior year. *(no interest rate risk)*
- 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 2024 amounts to R302 million (2023: 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 R358 million (2023: R292 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 R662 million (2023: R606 million).

13 FINANCIAL LIABILITIES CONTINUED

	Group		Company	
	2024 Rm	**2023 Rm**	**2024 Rm**	**2023 Rm**
13.2 Financial liabilities at amortised cost				
Term loans	**1 125**	1 093	**–**	–
Lease liabilities	**119**	120	**89**	235
Other	**3**	80	**–**	–
	1 247	1 293	**89**	235
Current	**741**	493	**5**	43
Non-current	**506**	800	**84**	192
	1 247	1 293	**89**	235

13.2.1 Term loans

Term loans include property development loans. Details of which are as follows:

- A R199 million (2023: R217 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)*
- R137 million (2023: R155 million) loan from Standard Bank Ltd relates to developed property held by a subsidiary, Momentum Metropolitan Umhlanga (Pty) Ltd. Interest on the loan is levied at three-month Johannesburg Interbank Average Rate (JIBAR) plus 1.90%. 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 R414 million (2023: R452 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 R130 million (2023: R153 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 R71 million (2023: R79 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 R152 million loan from Absa Bank in order to develop property held by a subsidiary, MMH 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)*

	Group		Company	
	2024 Rm	**2023 Rm**	**2024 Rm**	**2023 Rm**
13.2.2 Lease liabilities				
Carrying amount at beginning	**120**	130	**235**	263
New leases entered into	**69**	64	**59**	63
Accrued interest on leases	**8**	7	**7**	12
Interest paid on leases	**(6)**	(6)	**(7)**	(12)
Payment of principal portion of lease liability	**(73)**	(80)	**(60)**	(90)
Modifications	**2**	1	**(145)**	(1)
Exchange differences	**(1)**	4	**–**	–
Carrying amount at end	**119**	120	**89**	235

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

13 FINANCIAL LIABILITIES CONTINUED

13.3 Other payables

	Group 2024 Rm	Group Restated 2023[1] Rm	Company 2024 Rm	Company Restated 2023[1] Rm
Payables arising from investment contracts	**2 642**	3 273	**2 642**	3 273
Loans due to subsidiaries and fellow MGL subsidiaries	**167**	126	**210**	152
Financial instruments	**6 222**	5 859	**4 721**	4 128
Unsettled trades	**1 059**	1 825	**740**	1 197
Commission creditors	**528**	498	**527**	497
Bank overdraft	**131**	116	**–**	–
Collateral[#]	**1 175**	405	**1 175**	405
Other payables[2]	**3 329**	3 015	**2 279**	2 029
Total included in financial liabilities	**9 031**	9 258	**7 573**	7 553
Deferred revenue liability	**272**	238	**261**	226
Total other payables	**9 303**	9 496	**7 834**	7 779
Current	**8 919**	9 032	**7 502**	7 363
Non-current	**384**	464	**332**	416
	9 303	9 496	**7 834**	7 779
Reconciliation of deferred revenue liability				
Balance at beginning of year	**238**	234	**226**	221
Deferred income relating to new business	**100**	82	**96**	78
Amount recognised in income statement[3]	**(66)**	(80)	**(61)**	(73)
Exchange Differences	**–**	2	**–**	–
Balance at end of year	**272**	238	**261**	226
Current	**87**	9	**77**	4
Non-current	**185**	229	**184**	222
1 to 5 years	**133**	66	**132**	59
5 to 10 years	**47**	137	**47**	137
> 10 years	**5**	26	**5**	26
	272	238	**261**	226

[1] The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.
[2] Other payables include expense accruals and other sundry liabilities.
[3] Materially all fees recognised in the current year, were included in the opening balance.
[#] These line items were previously disclosed on a net basis and have subsequently been disaggregated to enhance comparability and usefulness.

Refer to note 45.10 for the accounting policies relating to the deferred revenue liability.

13 FINANCIAL LIABILITIES CONTINUED

13.4 Financial liabilities measurement

Group Financial liabilities summarised by measurement category in terms of IFRS 9	Fair value through profit and loss Mandatorily Rm	 Designated Rm	 Total fair value Rm	Amortised cost Rm	Not in scope of IFRS 9 Rm	Total Rm
2024						
Investment contracts designated at fair value through profit and loss	**–**	**383 566**	**383 566**	**–**	**–**	**383 566**
Collective investment scheme liabilities	**–**	**36 182**	**36 182**	**–**	**–**	**36 182**
Subordinated call notes	**–**	**4 324**	**4 324**	**–**	**–**	**4 324**
Carry positions	**–**	**15 714**	**15 714**	**–**	**–**	**15 714**
Derivative financial liabilities	**2 746**	**–**	**2 746**	**–**	**–**	**2 746**
Preference shares	**–**	**377**	**377**	**–**	**–**	**377**
Other borrowings	**10**	**–**	**10**	**–**	**–**	**10**
Financial liabilities at amortised cost	**–**	**–**	**–**	**1 128**	**119**	**1 247**
Other payables (excluding deferred revenue liability)	**–**	**–**	**–**	**9 031**	**–**	**9 031**
Total financial liabilities	**2 756**	**440 163**	**442 919**	**10 159**	**119**	**453 197**
Restated 2023[1]						
Investment contracts designated at fair value through profit and loss	–	340 943	340 943	–	–	340 943
Collective investment scheme liabilities	–	33 984	33 984	–	–	33 984
Subordinated call notes	–	4 299	4 299	–	–	4 299
Carry positions	–	9 080	9 080	–	–	9 080
Derivative financial liabilities	3 339	–	3 339	–	–	3 339
Preference shares	–	310	310	–	–	310
Other borrowings	55	–	55	–	–	55
Financial liabilities at amortised cost	–	–	–	1 173	120	1 293
Other payables (excluding deferred revenue liability)	–	–	–	9 258	–	9 258
Total financial liabilities	3 394	388 616	392 010	10 431	120	402 561

Company Financial liabilities summarised by measurement category in terms of IFRS 9	Fair value through profit and loss Mandatorily Rm	 Designated Rm	 Total fair value Rm	Amortised cost Rm	Not in scope of IFRS 9 Rm	Total Rm
2024						
Investment contracts designated at fair value through profit and loss	**–**	**380 960**	**380 960**	**–**	**–**	**380 960**
Subordinated call notes	**–**	**4 324**	**4 324**	**–**	**–**	**4 324**
Carry positions	**–**	**14 382**	**14 382**	**–**	**–**	**14 382**
Derivative financial liabilities	**2 708**	**–**	**2 708**	**–**	**–**	**2 708**
Financial liabilities at amortised cost	**–**	**–**	**–**	**–**	**89**	**89**
Other payables (excluding deferred revenue liability)	**–**	**–**	**–**	**7 573**	**–**	**7 573**
Total financial liabilities	**2 708**	**399 666**	**402 374**	**7 573**	**89**	**410 036**
Restated 2023[1]						
Investment contracts designated at fair value through profit and loss	–	338 451	338 451	–	–	338 451
Subordinated call notes	–	4 299	4 299	–	–	4 299
Carry positions	–	7 828	7 828	–	–	7 828
Derivative financial liabilities	3 338	–	3 338	–	–	3 338
Financial liabilities at amortised cost	–	–	–	–	235	235
Other payables (excluding deferred revenue liability)	–	–	–	7 553	–	7 553
Total financial liabilities	3 338	350 578	353 916	7 553	235	361 704

[1] The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

13 FINANCIAL LIABILITIES CONTINUED

13.5 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:

Group	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2024				
Investment contracts designated at fair value through profit and loss	–	383 555	11	383 566
Financial liabilities at fair value through profit and loss	36 202	22 759	392	59 353
Collective investment scheme liabilities	36 170	–	12	36 182
Subordinated call notes	–	4 324	–	4 324
Carry positions	–	15 714	–	15 714
Derivative financial liabilities – held for trading	25	2 721	–	2 746
Preference shares	–	–	377	377
Other borrowings	7	–	3	10
	36 202	406 314	403	442 919
Restated 2023[1]				
Investment contracts designated at fair value through profit and loss	–	340 932	11	340 943
Financial liabilities at fair value through profit and loss	34 007	16 716	344	51 067
Collective investment scheme liabilities	33 968	–	16	33 984
Subordinated call notes	–	4 299	–	4 299
Carry positions	–	9 080	–	9 080
Derivative financial liabilities – held for trading	2	3 337	–	3 339
Preference shares	–	–	310	310
Other borrowings	37	–	18	55
	34 007	357 648	355	392 010

Company	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2024				
Investment contracts designated at fair value through profit and loss	–	380 949	11	380 960
Financial liabilities at fair value through profit and loss	–	21 414	–	21 414
Subordinated call notes	–	4 324	–	4 324
Carry positions	–	14 382	–	14 382
Derivative financial liabilities – held for trading	–	2 708	–	2 708
	–	402 363	11	402 374
Restated 2023[1]				
Investment contracts designated at fair value through profit and loss	–	338 440	11	338 451
Financial liabilities at fair value through profit and loss	–	15 465	–	15 465
Subordinated call notes	–	4 299	–	4 299
Carry positions	–	7 828	–	7 828
Derivative financial liabilities – held for trading	–	3 338	–	3 338
	–	353 905	11	353 916

[1] The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

There were no significant transfers between level 1 and level 2 liabilities for both the current and prior years.

13 FINANCIAL LIABILITIES CONTINUED

13.5 Financial liabilities hierarchy continued

A reconciliation of the level 3 liabilities has been provided below:

Group	At fair value through profit and loss				
	Investment contracts designated at fair value through profit and loss Rm	Collective investment scheme liabilities Rm	Preference shares Rm	Other borrowings Rm	Total Rm
2024					
Opening balance	**11**	**16**	**310**	**18**	**355**
Unrealised gain	**–**	**(4)**	**67**	**–**	**63**
Issues	**–**	**–**	**–**	**3**	**3**
Settlements	**–**	**–**	**–**	**(18)**	**(18)**
Closing balance	**11**	**12**	**377**	**3**	**403**
2023					
Opening balance	10	14	294	20	338
Business combinations	–	–	–	16	16
Realised losses	(2)	–	–	(22)	(24)
Unrealised gain	3	–	16	–	19
Issues	–	2	–	–	2
Exchange differences	–	–	–	4	4
Closing balance	11	16	310	18	355

Sensitivity: Increasing/decreasing the discount rate by 1% would increase/decrease the carrying amount of level 3 preference shares by R2 million and R1 million (2023: R2 million and R1 million) respectively.

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

FOR THE YEAR ENDED 30 JUNE 2024

13 FINANCIAL LIABILITIES CONTINUED

13.5 Financial liabilities hierarchy continued

Company	Investment contracts designated at fair value through profit and loss 2024 Rm	2023 Rm
Opening Balance	**11**	10
Total losses/(gains) in net realised and unrealised fair value gains in the income statement		
Realised losses	**–**	(2)
Unrealised gain/(losses)	**–**	3
Closing Balance	**11**	11

Sensitivity: Increasing/decreasing the investment return by 10% would decrease/increase the carrying amount of level 3 financial instrument liabilities by R1.1 million and R1.1 million (2023: R1.1 million and R1.1 million), respectively.

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

There were no level 3 movements recognised in other comprehensive income.

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

Group	2024 Carrying amount Rm	2024 Fair value Rm	Restated 2023[1] Carrying amount Rm	Restated 2023[1] Fair value Rm
Financial liabilities at amortised cost	**1 128**	**1 066**	1 173	1 124
Term loans and other	**1 128**	**1 066**	1 173	1 124
Other payables (excluding deferred revenue liability)	**9 031**	**9 031**	9 258	9 258
Payables arising from investment contracts	**2 642**	**2 642**	3 273	3 273
Other	**6 389**	**6 389**	5 985	5 985
	10 159	**10 097**	10 431	10 382

Company	2024 Carrying amount Rm	2024 Fair value Rm	Restated 2023[1] Carrying amount Rm	Restated 2023[1] Fair value Rm
Other payables (excluding deferred revenue liability)	**7 573**	**7 573**	7 553	7 553
Payables arising from investment contracts	**2 642**	**2 642**	3 273	3 273
Other	**4 931**	**4 931**	4 280	4 280
	7 573	**7 573**	7 553	7 553

[1] The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

Calculation of fair value

- For other payables and payables arising from investment contracts, the carrying amount approximates fair value due to their short-term nature.
- For financial liabilities at amortised cost the carrying amount approximates fair value due to their short-term nature, except for a loan included with a capital balance of R265 million (2023: R264 million) which has a level 3 fair value of R203 million (2023: R215 million). The fair value is the discounted amount of the estimated future cash flows to be paid, based on monthly repayments of between 15 and 20 months. The expected cash flows are discounted using a discount factor derived from the relevant discount curves such as the ZAR nominal and ZAR swap curves.

14 DEFERRED INCOME TAX

Refer to note 45.12 for the accounting policies relating to this note.

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
Deferred tax asset	**178**	108	**–**	–
Deferred tax liability	**(2 395)**	(2 472)	**(2 106)**	(2 263)
	(2 217)	(2 364)	**(2 106)**	(2 263)
Deferred tax is made up as follows:				
Accruals and provisions	**(46)**	(44)	**(67)**	(66)
Accelerated wear and tear	**(100)**	(92)	**–**	–
Revaluations	**(1 150)**	(929)	**(969)**	(816)
Properties	**(204)**	(196)	**(20)**	(83)
Financial instruments	**(750)**	(580)	**(754)**	(580)
Other	**(196)**	(153)	**(195)**	(153)
Deferred tax on intangible assets as a result of business combinations	**(182)**	(220)	**(163)**	(186)
Deferred revenue liability	**(1)**	1	**–**	–
Tax losses	**166**	106	**5**	5
Phase-in[2]	**(865)**	(1 166)	**(865)**	(1 166)
Deferred acquisition costs	**(12)**	(16)	**–**	–
Prepayments	**16**	46	**–**	40
Other	**(43)**	(50)	**(47)**	(74)
	(2 217)	(2 364)	**(2 106)**	(2 263)
Movement in deferred tax				
Balance at beginning	**(2 364)**	(2 751)	**(2 263)**	(2 553)
Business combinations	**–**	(2)	**–**	–
Deferred tax transferred from common control transaction	**–**	13	**–**	–
Charge to the income statement	**168**	306	**83**	280
Accruals and provisions	**(2)**	(76)	**(1)**	(74)
Accelerated wear and tear	**(8)**	(7)	**–**	–
Revaluations	**(200)**	(124)	**(227)**	(146)
Properties	**13**	26	**(11)**	(3)
Financial instruments	**(170)**	(186)	**(174)**	(186)
Other	**(43)**	36	**(42)**	43
Deferred tax movement on intangible assets as a result of past business combinations	**38**	30	**23**	27
Deferred revenue liability	**(2)**	–	**–**	–
Tax losses	**60**	(71)	**–**	(73)
Phase-in[2]	**301**	551	**301**	551
Deferred acquisition costs	**4**	3	**–**	–
Prepayments	**(30)**	(8)	**(40)**	(6)
Other	**7**	8	**27**	1
Charge to other comprehensive income	**(21)**	2	**74**	10
Other	**–**	(1)	**–**	–
Tax transferred[3]	**–**	69	**–**	–
Balance at end	**(2 217)**	(2 364)	**(2 106)**	(2 263)
Unused tax losses for which no deferred tax has been recognised	**340**	376	**–**	–

[1] The prior year has been restated for the application of IFRS 17 and change in accounting policy. Refer to note 45.1 and note 46 for more information.
[2] 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 – Insurance contracts.
[3] Cell captive business was transferred during the year to Guardrisk Life Ltd, a fellow subsidiary of MML.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

14 DEFERRED INCOME TAX CONTINUED

Creation of deferred tax assets and recognition of deferred tax liabilities

Deferred tax assets are raised for tax losses where their 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. Remaining balances are not recognised.

Potential tax benefits due to unused tax losses will expire should an entity cease to trade and no deferred tax asset is recognised.

No deferred tax liability is recognised on temporary differences of R517 million (2023: R448 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.

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.

15 EMPLOYEE BENEFIT OBLIGATIONS AND ASSETS

Refer to note 45.18 for the accounting policies relating to this note.

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
15.1 Post-retirement medical benefits	**54**	72	**54**	71
15.2 Cash-settled arrangements	**585**	316	**515**	278
15.3 Employee benefit assets	**429**	398	**429**	398
Other employee benefit obligations[1]	**828**	804	**739**	694
Total employee benefit obligations and assets	**1 896**	1 590	**1 737**	1 441
Current	**1 169**	992	**1 011**	843
Non-current	**727**	598	**726**	598
	1 896	1 590	**1 737**	1 441

[1] Group: Other employee benefit obligations relate to leave pay liability of R256 million (2023: R231 million) and staff and management bonuses of R571 million (2023: R573 million). In the prior year R9 million relating to staff and management bonuses was included in employee benefits obligations in the liabilities relating to disposal groups held for sale in note 8.
Company: Other employee benefit obligations relate to leave pay liability of R235 million (2023: R210 million) and staff and management bonuses of R504 million (2023: R484 million).
Employee benefit expenses are included in the income statement. Refer to note 25.3.

Employee benefit expenses are included in the income statement. Refer to note 25.3.

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
15.1 Post-retirement medical benefits				
Balance at beginning – unfunded	**72**	84	**71**	83
Current service costs	**1**	1	**1**	1
Interest expense	**8**	10	**8**	10
Actuarial (gains)/loss – other comprehensive income	**(17)**	(19)	**(17)**	(19)
Settlements	**(2)**	–	**(2)**	–
Benefits paid and transferred	**(8)**	(4)	**(7)**	(4)
Balance at end – unfunded	**54**	72	**54**	71
Current	**6**	13	**6**	12
Non-current	**48**	59	**48**	59
	54	72	**54**	71

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.

15 EMPLOYEE BENEFIT OBLIGATIONS CONTINUED

15.2 Cash-settled arrangements

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Retention and remuneration schemes				
Balance at beginning	**316**	145	**278**	131
Additional provisions	**480**	265	**414**	228
Benefits paid	**(210)**	(103)	**(177)**	(81)
Business combinations	**–**	10	**–**	–
Exchange differences	**(1)**	2	**–**	–
Transfer to non-current liabilities held for sale (refer to note 8)	**–**	(3)	**–**	–
Balance at end	**585**	316	**515**	278
Current	**306**	157	**265**	137
Non-current	**279**	159	**250**	141
	585	316	**515**	278

Share schemes

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.

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.

The performance units have performance criteria based on minimum hurdles related to the return on EV of the Group. The units will therefore vest after a period of three years, and the Group's performance will be averaged over the same period to determine whether the criteria have been met.

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 retention units, 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 an MGL share (average of 20 trading days before the settlement date).

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 MGL shares. The SARs simulate "at-the-money" call options on MGL 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 MGL 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

15 EMPLOYEE BENEFIT OBLIGATIONS CONTINUED

15.2 Cash-settled arrangements continued

Share schemes continued

Group	LTIP		SAR	
	Performance units '000	Deferred bonus units '000	Performance units '000	Retention units '000
Units in force at 1 July 2022	23 449	8 313	350	–
Units granted during year	11 802	13 568	–	–
Units converted to retention units	–	–	(817)	1 013
Units transferred from/(to) other group companies during year	(57)	258	875	–
Units exercised/released during year	(1 587)	(4 772)	–	(322)
Units cancelled/lapsed during year	(4 917)	(833)	(408)	–
Units in force at 1 July 2023	28 690	16 534	–	691
Units granted during year	**10 846**	**10 985**	**–**	**22**
Units converted to retention units	**–**	**–**	**–**	**1**
Units transferred from/(to) other group companies during year	**230**	**(51)**	**–**	**–**
Units exercised/released during year	**(3 474)**	**(6 979)**	**–**	**(346)**
Units cancelled/lapsed during year	**(4 115)**	**(705)**	**–**	**–**
Units in force at 30 June 2024	**32 177**	**19 784**	**–**	**368**

Shares outstanding (by expiry date) for the LTIP and SAR are as follows:

	LTIP		SAR	
	Performance units '000	Deferred bonus units '000	Performance units '000	Retention units '000
2024				
Financial year 2024/2025	**6 032**	**8 915**	**–**	**368**
Financial year 2025/2026	**7 809**	**7 547**	**–**	**–**
Financial year 2026/2027	**8 840**	**3 322**	**–**	**–**
Financial year 2027/2028	**6 468**	**–**	**–**	**–**
Financial year 2027/2029	**3 028**	**–**	**–**	**–**
Total outstanding shares	**32 177**	**19 784**	**–**	**368**
Restated 2023				
Financial year 2023/2024	4 313	6 815	–	345
Financial year 2024/2025	6 659	5 519	–	346
Financial year 2025/2026	8 518	4 200	–	–
Financial year 2026/2027	5 773	–	–	–
Financial year 2027/2028	3 427	–	–	–
Total outstanding shares	28 690	16 534	–	691

Upon further investigation it was concluded that the Company numbers were not included in the prior year Group numbers. June 2023 has been restated accordingly.

15 EMPLOYEE BENEFIT OBLIGATIONS CONTINUED

15.2 Cash-settled arrangements continued

Share schemes continued

Company	LTIP		SAR	
	Performance units '000	Deferred bonus units '000	Performance units '000	Retention units '000
Units in force at 1 July 2022	22 286	6 919	14 752	–
Units granted during year	10 545	11 167	–	–
Units converted to retention units	–	–	(9 140)	988
Units transferred to other group companies during year	(1 325)	(391)	(1 049)	–
Units exercised/released during year	(1 403)	(3 674)	–	(314)
Units cancelled/lapsed during year	(3 969)	(502)	(4 563)	–
Units in force at 1 July 2023	26 134	13 519	–	674
Units granted during year	**9 568**	**9 012**	**–**	**22**
Units converted to retention units	**–**	**–**	**–**	**–**
Units transferred from other group companies during year	**574**	**21**	**–**	**–**
Units exercised/released during year	**(3 237)**	**(5 656)**	**–**	**(337)**
Units cancelled/lapsed during year	**(4 057)**	**(651)**	**–**	**–**
Units in force at 30 June 2024	**28 982**	**16 245**	**–**	**359**
2023				
Market value of range at date of exercise/release (cents)	1 706	1706 – 1957	–	1 706
2024				
Market value of range at date of exercise/release (cents)	**1 988 – 2 070**	**1 988 – 2 190**	**–**	**1 988**

Shares outstanding (by expiry date) for the LTIP and SAR are as follows:

	LTIP		SAR	
	Performance units '000	Deferred bonus units '000	Performance units '000	Retention units '000
2024				
Financial year 2024/2025	**5 577**	**7 273**	**–**	**359**
Financial year 2025/2026	**7 134**	**6 248**	**–**	**–**
Financial year 2026/2027	**7 899**	**2 726**	**–**	**–**
Financial year 2027/2028	**5 727**	**–**	**–**	**–**
Financial year 2028/2029	**2 644**	**–**	**–**	**–**
Total outstanding shares	**28 981**	**16 247**	**–**	**359**
2023				
Financial year 2023/2024	4 008	5 513	–	337
Financial year 2024/2025	6 135	4 503	–	337
Financial year 2025/2026	7 763	3 503	–	–
Financial year 2026/2027	5 177	–	–	–
Financial year 2027/2028	3 050	–	–	–
Total outstanding shares	26 133	13 519	–	674

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

15 EMPLOYEE BENEFIT OBLIGATIONS CONTINUED

15.2 Cash-settled arrangements continued

Inputs used in the valuation of the share schemes

2024

LTIP	Valuation assumptions include: Outstanding tranche period in months	Take-up rate on units outstanding	Current vesting rate	Share price at year end
Award date 01/10/2019 and vesting date 01/10/2022 and settlement date 01/10/2024 – performance units	3	99%	100%	R22.90
Award date 01/10/2020 and vesting date 01/10/2023 and settlement date 01/10/2024 – performance units	3	99%	100%	R22.90
Award date 01/10/2020 and vesting date 01/10/2023 and settlement date 01/10/2025 – performance units	15	93%	100%	R22.90
Award date 01/04/2021 and vesting date 01/04/2024 and settlement date 01/04/2025 – performance units	9	96%	100%	R22.90
Award date 01/04/2021 and vesting date 01/04/2024 and settlement date 01/04/2026 – performance units	21	90%	100%	R22.90
Award date 01/10/2021 and vesting date 01/10/2024 and settlement date 01/10/2024 – performance units	3	99%	100%	R22.90
Award date 01/10/2021 and vesting date 01/10/2024 and settlement date 01/10/2025 – performance units	15	93%	100%	R22.90
Award date 01/10/2021 and vesting date 01/10/2024 and settlement date 01/10/2026 – performance units	27	88%	100%	R22.90
Award date 01/10/2022 and vesting date 01/10/2025 and settlement date 01/10/2025 – performance units	15	93%	75%	R22.90
Award date 01/10/2022 and vesting date 01/10/2025 and settlement date 01/10/2026 – performance units	27	88%	75%	R22.90
Award date 01/10/2022 and vesting date 01/10/2025 and settlement date 01/10/2027 – performance units	39	83%	75%	R22.90
Award date 05/10/2022 and vesting date 05/10/2025 and settlement date 05/10/2025 – performance units	15	93%	75%	R22.90
Award date 05/10/2022 and vesting date 05/10/2025 and settlement date 05/10/2026 – performance units	27	88%	75%	R22.90
Award date 05/10/2022 and vesting date 05/10/2025 and settlement date 05/10/2027 – performance units	39	83%	75%	R22.90
Award date 01/04/2023 and vesting date 01/04/2026 and settlement date 01/04/2026 – performance units	21	90%	75%	R22.90
Award date 01/04/2023 and vesting date 01/04/2026 and settlement date 01/04/2027 – performance units	33	85%	75%	R22.90
Award date 01/04/2023 and vesting date 01/04/2026 and settlement date 01/04/2028 – performance units	45	80%	75%	R22.90
Award date 01/10/2023 and vesting date 01/10/2026 and settlement date 01/10/2026 – performance units	27	88%	59%	R22.90
Award date 01/10/2023 and vesting date 01/10/2026 and settlement date 01/10/2027 – performance units	39	83%	59%	R22.90
Award date 01/10/2023 and vesting date 01/10/2026 and settlement date 01/10/2028 – performance units	51	78%	59%	R22.90
Award date 01/10/2021 and vesting date 01/10/2024 – deferred bonus units	3	99%	100%	R22.90
Award date 01/10/2022 and vesting date 01/10/2024 – deferred bonus units	3	99%	100%	R22.90
Award date 01/10/2022 and vesting date 01/10/2025 – deferred bonus units	15	93%	100%	R22.90
Award date 01/04/2023 and vesting date 01/04/2025 – deferred bonus units	9	96%	100%	R22.90
Award date 01/04/2023 and vesting date 01/04/2026 – deferred bonus units	21	90%	100%	R22.90
Award date 01/04/2023 and vesting date 01/10/2024 – deferred bonus units	3	99%	100%	R22.90
Award date 01/04/2023 and vesting date 01/10/2025 – deferred bonus units	15	93%	100%	R22.90
Award date 01/10/2023 and vesting date 01/10/2024 – deferred bonus units	3	99%	100%	R22.90
Award date 01/10/2023 and vesting date 01/10/2025 – deferred bonus units	15	93%	100%	R22.90
Award date 01/10/2023 and vesting date 01/10/2026 – deferred bonus units	27	88%	100%	R22.90

SAR	Valuation assumptions include: Outstanding tranche period in months	Take-up rate on units outstanding	Current vesting rate	Share price at year end
Award date 01/10/2018 and vesting date 01/10/2022 and settlement date 01/10/2024 – retention units	3	99%	100%	R22.90

15 EMPLOYEE BENEFIT OBLIGATIONS CONTINUED

15.2 Cash-settled arrangements continued

Inputs used in the valuation of the share schemes continued

2023

LTIP	Valuation assumptions include: Outstanding tranche period in months	Take-up rate on units outstanding	Current vesting rate	Share price at year end
Award date 01/10/2019 and vesting date 01/10/2022 and settlement date 01/10/2023 – performance units	3	99%	100%	R18.06
Award date 01/10/2019 and vesting date 01/10/2022 and settlement date 01/10/2024 – performance units	15	93%	100%	R18.06
Award date 01/10/2020 and vesting date 01/10/2023 and settlement date 01/10/2023 – performance units	3	99%	56%	R18.06
Award date 01/10/2020 and vesting date 01/10/2023 and settlement date 01/10/2024 – performance units	15	93%	56%	R18.06
Award date 01/10/2020 and vesting date 01/10/2023 and settlement date 01/10/2025 – performance units	27	88%	56%	R18.06
Award date 01/04/2021 and vesting date 01/04/2024 and settlement date 01/04/2024 – performance units	9	96%	56%	R18.06
Award date 01/04/2021 and vesting date 01/04/2024 and settlement date 01/04/2025 – performance units	21	90%	56%	R18.06
Award date 01/04/2021 and vesting date 01/04/2024 and settlement date 01/04/2026 – performance units	33	85%	56%	R18.06
Award date 01/10/2021 and vesting date 01/10/2024 and settlement date 01/10/2024 – performance units	15	93%	37%	R18.06
Award date 01/10/2021 and vesting date 01/10/2024 and settlement date 01/10/2025 – performance units	27	88%	37%	R18.06
Award date 01/10/2021 and vesting date 01/10/2024 and settlement date 01/10/2026 – performance units	39	83%	37%	R18.06
Award date 01/04/2022 and vesting date 01/04/2025 and settlement date 01/04/2025 – performance units	21	90%	37%	R18.06
Award date 01/04/2022 and vesting date 01/04/2025 and settlement date 01/04/2026 – performance units	33	85%	37%	R18.06
Award date 01/04/2022 and vesting date 01/04/2025 and settlement date 01/04/2027 – performance units	45	80%	37%	R18.06
Award date 01/10/2022 and vesting date 01/10/2025 and settlement date 01/10/2025 – performance units	27	88%	79%	R18.06
Award date 01/10/2022 and vesting date 01/10/2025 and settlement date 01/10/2026 – performance units	39	83%	79%	R18.06
Award date 01/10/2022 and vesting date 01/10/2025 and settlement date 01/10/2027 – performance units	51	78%	79%	R18.06
Award date 05/10/2022 and vesting date 05/10/2025 and settlement date 05/10/2025 – performance units	27	88%	79%	R18.06
Award date 05/10/2022 and vesting date 05/10/2025 and settlement date 05/10/2026 – performance units	39	83%	79%	R18.06
Award date 05/10/2022 and vesting date 05/10/2025 and settlement date 05/10/2027 – performance units	51	78%	79%	R18.06
Award date 01/04/2023 and vesting date 01/04/2026 and settlement date 01/04/2026 – performance units	33	85%	79%	R18.06
Award date 01/04/2023 and vesting date 01/04/2026 and settlement date 01/04/2027 – performance units	45	80%	79%	R18.06
Award date 01/04/2023 and vesting date 01/04/2026 and settlement date 01/04/2028 – performance units	57	76%	79%	R18.06
Award date 01/10/2020 and vesting date 01/10/2023 – deferred bonus units	3	99%	100%	R18.06
Award date 01/05/2021 and vesting date 01/05/2024 – deferred bonus units	10	95%	100%	R18.06
Award date 01/10/2021 and vesting date 01/10/2023 – deferred bonus units	3	99%	100%	R18.06
Award date 01/10/2021 and vesting date 01/10/2024 – deferred bonus units	15	93%	100%	R18.06
Award date 01/10/2022 and vesting date 01/10/2023 – deferred bonus units	3	99%	100%	R18.06
Award date 01/10/2022 and vesting date 01/10/2024 – deferred bonus units	15	93%	100%	R18.06
Award date 01/10/2022 and vesting date 01/10/2025 – deferred bonus units	27	88%	100%	R18.06
Award date 01/04/2023 and vesting date 01/04/2024 – deferred bonus units	9	96%	100%	R18.06
Award date 01/04/2023 and vesting date 01/04/2025 – deferred bonus units	21	90%	100%	R18.06
Award date 01/04/2023 and vesting date 01/04/2026 – deferred bonus units	33	85%	100%	R18.06
Award date 01/04/2023 and vesting date 01/10/2023 – deferred bonus units	3	99%	100%	R18.06
Award date 01/04/2023 and vesting date 01/10/2024 – deferred bonus units	15	93%	100%	R18.06
Award date 01/04/2023 and vesting date 01/10/2025 – deferred bonus units	27	88%	100%	R18.06

SAR	Valuation assumptions include: Outstanding tranche period in months	Take-up rate on units outstanding	Current vesting rate	Share price at year end
Award date 01/10/2018 and vesting date 01/10/2022 and settlement date 01/10/2023 – retention units	3	99%	100%	R18.06
Award date 01/10/2018 and vesting date 01/10/2022 and settlement date 01/10/2024 – retention units	15	97%	100%	R18.06

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

15 EMPLOYEE BENEFIT OBLIGATIONS CONTINUED

15.2 Cash-settled arrangements continued

Vesting rate assumptions regarding performance units in the previous tables

Long-term Incentive Plan (LTIP)

There are currently three LTIP schemes in flight which were awarded in October 2021,October 2022 and the latest LTIP tranche was issued in October 2023.

The LTIP tranche issued in October 2021 performance criteria is 100% weighted to the Group's total shareholder return outperforming an equally weighted basket of lister peers (Discovery, Old Mutual and Sanlam). As at 30 June 2024 the LTIP liability for October 2021 was calculated assuming 100% of units issued in October 2021 (vesting in 2024 with settlement dates in 2024,2025,2026) will vest.

The LTIP tranche issued in October 2022 performance criteria is 100% weighted to the Group's total shareholder return outperforming an equally weighted basket of lister peers (Discovery, Old Mutual and Sanlam). As at 30 June 2024 the LTIP liability for October 2022 was calculated assuming 75% 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, OM and Sanlam) as an average over the three-year performance measurement period with a total weighting of 20%. As at June 2024 the 2023 LTIP liability was calculated using a 59% vesting probability assumption.

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 MGL shares. The SARs simulate "at-the-money" call options on MGL 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 MGL 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.

Share scheme

Momentum Sales Phantom Scheme (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.

Reconciliation of units/options in force:

	MSPS '000
Units/Options in force at 01 July 2022	2 333
Granted at prices ranging between (cents)	1427 – 2079
Units/Options granted during year	752
Granted at prices ranging between (cents)	1609 – 1609
Units/Options exercised/released during year	(627)
Market value of range at date of exercise/release	1609 – 1986
Units/Options cancelled/lapsed during year	(106)
Granted at prices ranging between (cents)	1427 – 2079
Units/Options in force at 30 June 2023	2 352
Granted at prices ranging between (cents)	**1427 – 2079**
Units/Options granted during year	**544**
Granted at prices ranging between (cents)	**2023 – 2023**
Units/Options exercised/released during year	**(536)**
Market value of range at date of exercise/release	**1712 – 2023**
Units/Options cancelled/lapsed during year	**(43)**
Granted at prices ranging between (cents)	**1702 – 2023**
Units/Options in force at 30 June 2024	**2 317**

15 EMPLOYEE BENEFIT OBLIGATIONS CONTINUED

15.2 Cash-settled arrangements continued

Share scheme continued

Momentum Sales Phantom Scheme (MSPS) continued

Shares outstanding (by expiry date) for the MSPS are as follows:

	MSPS '000
2024	
Financial year 2024/2025	**526**
Financial year 2025/2026	**596**
Financial year 2026/2027	**597**
Financial year 2027/2028	**421**
Financial year 2028/2029	**177**
Total outstanding shares	**2 317**
2023	
Financial year 2023/2024	537
Financial year 2024/2025	534
Financial year 2025/2026	606
Financial year 2026/2027	426
Financial year 2027/2028	249
Total outstanding shares	2 352

Valuation assumptions:

Assumptions	2024	2023
Share price	**1966 – 2023**	1427 – 2079
Forfeiture rate	**4.5%**	5.0%

Share-based payment expense

The share-based payment expense relating to cash-settled schemes is R480 million (2023: R265 million) for the Group and R414 million (2023: R228 million) for the Company and is disclosed under employee benefit expenses in note 25.3.

15.3 Cash-settled arrangements

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Sage Group Pension Fund (SGPF)	**429**	398	**429**	398

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).

Because the balance represents only represents plan assets, the movement for the year is primarily due to returns on the assets of R37 million (2023: R32 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 (2023: nil). The Financial Sector Conduct Authority (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.

Metropolitan Staff Retirement Fund

In 2023, the Metropolitan Staff Retirement Fund, which also had no defined benefit obligations, was liquidated after approval from the FSCA and the proceeds of R89 million was received in cash.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

16 SHARE CAPITAL AND SHARE PREMIUM

Refer to note 45.20 for the accounting policies relating to this note.

Authorised share capital of MML

225 million ordinary shares of 5 cents each.

Issued share capital

The issued share capital of the Group reflects the issued share capital of MML.

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Balance at 30 June	**1 041**	1 041	**1 041**	1 041
	1 041	1 041	**1 041**	1 041
Share capital	**9**	9	**9**	9
Share premium	**1 032**	1 032	**1 032**	1 032
	1 041	1 041	**1 041**	1 041

MML had 190 million ordinary shares in issue at 30 June 2024 (2023: 190 million).

Dividends

For detail of dividends declared and paid during the year, refer to the directors' report and to note 30.5 on related party transactions.

17 OTHER COMPONENTS OF EQUITY

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
17.1 Land and building revaluation reserve	**329**	295	**–**	132
17.2 Foreign currency translation reserve	**191**	227	**–**	–
17.3 Non-distributable reserve	**(13)**	(13)	**–**	–
17.4 Employee benefit revaluation reserve	**77**	59	**77**	59
17.5 Common control reserve	**10 141**	10 141	**10 141**	10 141
17.6 Revaluation of subsidiaries reserve	**–**	–	**(1 037)**	(368)
17.7 Equity-settled share-based payment arrangements	**83**	67	**82**	65
	10 808	10 776	**9 263**	10 029

Movements in other reserves

17.1 Land and building revaluation reserve

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

	Group 2024 Rm	Group 2023 Rm	Company 2024 Rm	Company 2023 Rm
Balance at beginning	**295**	275	**132**	109
Earnings directly attributable to other components of equity	**68**	20	**94**	23
Revaluation	**89**	30	**20**	25
Deferred tax on revaluation	**(21)**	(10)	**74**	(2)
Transfer to retained earnings	**(34)**	–	**(226)**	–
Balance at end	**329**	295	**–**	132

The Company has higher deferred tax on revaluation than the revaluation. This reversal of deferred tax through OCI is due to the change in intention in the recovery of properties sold to 129 Rivonia, a fellow subsidiary of MGL, as the income tax rollover provisions were applied.

17 OTHER COMPONENTS OF EQUITY CONTINUED

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
17.2 Foreign currency translation reserve				
Refer to note 45.3 for the accounting policies relating to this note.				
Balance at beginning	**227**	83	**–**	–
Currency translation differences	**(36)**	144	**–**	–
Balance at end	**191**	227	**–**	–
17.3 Non-distributable reserve				
Balance at beginning	**(13)**	(13)	**–**	–
Balance at end	**(13)**	(13)	**–**	–
17.4 Employee benefit revaluation reserve				
Refer to note 45.18 for the accounting policies relating to this note.				
Balance at beginning	**59**	18	**59**	18
Remeasurement of post-employment benefit obligations	**18**	9	**18**	9
Deferred tax on remeasurement of post-employment benefit obligations	**–**	12	**–**	12
Transfer to retained earnings	**–**	20	**–**	20
Balance at end	**77**	59	**77**	59

During the prior year, the Metropolitan Staff Retirement Fund was liquidated and R20 million was transferred from the Employee Benefit Fund Reserve to Retained earnings.

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
17.5 Common control reserve				
Balance at beginning	**10 141**	10 141	**10 141**	10 141
Release	**–**	–	**–**	–
Balance at end	**10 141**	10 141	**10 141**	10 141

The prior year has been restated due to the change in accounting policy. Refer to note 46 for more information.

The Group acquired the life insurance business of Metropolitan Life Ltd with effect from 31 May 2013. This reserve reflects the difference between the purchase price and the MGL Group carrying value of the business acquired under a common control business combination.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

17 OTHER COMPONENTS OF EQUITY CONTINUED

	Group		Company	
	2024 Rm	**2023 Rm**	**2024 Rm**	**2023 Rm**
17.6 Revaluation of subsidiaries reserve				
Balance at beginning	**–**	–	**(368)**	(709)
Fair value movement	**–**	–	**(669)**	897
Transfer from retained earnings[1]	**–**	–	**–**	(556)
Balance at end	**–**	–	**(1 037)**	(368)

[1] Transfers out of the revaluation surplus in the prior year related to the restructuring of Momentum Investment.

There are no deferred tax consequences relating to the revaluation of the subsidiaries classified as fair value through other comprehensive income. The Company does not provide for deferred taxation where the timing of the reversal of temporary differences is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. As the Company does not foresee the subsidiaries held at fair value through other comprehensive income to be disposed of in the foreseeable future, no deferred tax is raised on the revaluation thereof.

	Group		Company	
	2024 Rm	**2023 Rm**	**2024 Rm**	**2023 Rm**
17.7 Equity-settled share-based payment arrangements				
B-BBEE share-based payment reserve				
Balance at beginning	**67**	44	**65**	44
Share schemes – value of services provided	**16**	23	**17**	21
Balance at end	**83**	67	**82**	65

iSabelo Trust

To achieve our long-term strategic business objectives and to strengthen our Broad-Based Black Economic Empowerment (B-BBEE) ownership, Momentum Metropolitan 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 Metropolitan 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 10 years (lock in period) before they can be redeemed for Momentum Metropolitan shares. At the end of the lock in period, the iSabelo Trust will exchange the units for MGL shares.

Employees will retain the proportional vesting of units for the portion of the seven years they were employed by Momentum Metropolitan, 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 2024.

The fair value used in determining the allocation is based on the unit price on grant date, adjusted for various variables. Refer to note 43 for more details regarding the valuation assumptions. The total unit allocation costs relating to the current year for the iSabelo Trust amounting to R18 million (2023: R23 million) for the Group and amounting to R17 million (2023: R21 million) for the Company has been included in the income statement. Refer to note 25.3. There were no modifications to the scheme in the current period.

Refer to note 43 for valuation assumptions relating to this scheme.

17 OTHER COMPONENTS OF EQUITY CONTINUED

17.7 Equity-settled share-based payment arrangements continued

The following units were awarded and the redemption thereof deferred to a predetermined future date:

	Grant date	Redemption date	Weighted average remaining contractual life	Grant date fair value	Number of units '000
Units awarded F2021	**22/04/2021[1]**	**12-Apr-31**	**6.8 years**	**64**	**248 158**
Units awarded F2022	**29/04/2022[2]**	**28-Apr-32**	**7.8 years**	**48**	**56 733**
Units awarded F2023	**24/04/2023[3]**	**24-Apr-33**	**8.8 years**	**36**	**57 150**
Units awarded F2024 (offer date 24/04/2024)	**24/04/2024**	**24-Apr-34**	**9.8 years**	**42**	**46 637**
Units awarded F2024 (offer date 08/06/2024)	**08/06/2024**	**24-Apr-34**	**9.8 years**	**80**	**4 144**

	Average price	'000
Movements during the year:		
As at 1 July 2022		237 894
Units awarded	36	57 150
Awarded units lapsed due to resignation	55	(54 443)
Awarded units cancelled due to non-acceptance[4]	45	(31 672)
Units transferred from/to another group company	58	(7 589)
As at 30 June 2023		201 340
Awarded units added due to reinstatements	**59**	**270**
Units awarded[5]	**42**	**46 637**
Units awarded[6]	**364**	**4 144**
Awarded units lapsed due to resignation	**57**	**(33 420)**
Awarded units cancelled due to non-acceptance	**42**	**(13 501)**
Units transferred from/to another group company	**64**	**(70)**
As at 30 June 2024		**205 400**

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 As a result of a refinement in the iSabelo valuation model the grant date fair value of the F2021 award has been prospectively revised to 64 cents. The valuation model used at June 2021 was a simplified approximation of the grant date fair value – refer above for details of how the valuation model has been refined in F2022.

4 The iSabelo Trustees resolved that where units were allocated and not accepted within a reasonable period of time, as stipulated in the allocation letter or by written confirmation, such units shall lapse. This was implemented for the first time in the prior financial year.

5 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.

6 Units were allocated to employees on 08 June 2024. The IFRS 2 grant date for employees is 08 June 2024 as at this date there was a shared understanding of the terms and conditions of the arrangement.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

18 PROVISIONS

Group	Reinter-mediation provision[1] Rm	Deregistration of closed schemes[2] Rm	Other Rm	Total Rm
2024				
Balance at beginning	**199**	**67**	**54**	**320**
Paid/utilised during year	**(10)**	**–**	**(40)**	**(50)**
Unutilised amounts reversed	**(36)**	**(2)**	**–**	**(38)**
Additional provisions	**16**	**6**	**126**	**148**
Increases arising due to the passage of time and the effect of changes in the discount rate	**(30)**	**–**	**–**	**(30)**
Exchange differences	**–**	**–**	**(2)**	**(2)**
Balance at end	**139**	**71**	**138**	**348**
2023				
Balance at beginning	237	–	26	263
Business combinations	–	–	3	3
Paid/utilised during year	(9)	–	(3)	(12)
Unutilised amounts reversed	(68)	–	–	(68)
Additional provisions	15	67	34	116
Increases arising due to the passage of time and the effect of changes in the discount rate	24	–	–	24
Exchange differences	–	–	(1)	(1)
Transfer to non-current liabilities held for sale (refer to note 8)	–	–	(5)	(5)
Balance at end	199	67	54	320

Company	Reinter-mediation provision[1] Rm	Deregistration of closed schemes[2] Rm	Other Rm	Total Rm
2024				
Balance at beginning	**199**	**67**	**36**	**302**
Amounts utilised during year	**(10)**	**–**	**(40)**	**(50)**
Unutilised amounts reversed	**(36)**	**(2)**	**–**	**(38)**
Additional provisions	**16**	**6**	**24**	**46**
Increases arising due to the passage of time and the effect of changes in the discount rate	**(30)**	**–**	**–**	**(30)**
Balance at end	**139**	**71**	**20**	**230**
2023				
Balance at beginning	237	–	7	244
Amounts utilised during year	(9)	–	(3)	(12)
Unutilised amounts reversed	(68)	–	–	(68)
Additional provisions	15	67	32	114
Increases arising due to the passage of time and the effect of changes in the discount rate	24	–	–	24
Balance at end	199	67	36	302

[1] 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 re-assessed 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.

[2] The Momentum Corporate segment has an obligation to deregister existing closed and terminated retirement funds with the regulator. A provision was recognised as a result of a legal obligation to incur certain costs as a result of the initiation of the deregistration process. The timing of when the costs will be incurred is uncertain due to the time required per fund to complete the deregistration. An amount per fund, based on historical experience was used to estimate the total cost of the deregistration process. The provision will be assessed annually based on actual expenses incurred per fund deregistration.

19 INSURANCE REVENUE

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

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Contracts not measured under the PAA				
Amounts relating to the changes in the LRC	**17 759**	16 903	**17 759**	16 903
Expected incurred claims and other expenses after loss component allocation	**14 912**	14 185	**14 912**	14 185
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	**561**	539	**561**	539
CSM recognised in profit or loss for the services provided	**2 216**	2 107	**2 216**	2 107
Other	**70**	72	**70**	72
Insurance acquisition cash flows recovery	**1 892**	1 495	**1 892**	1 495
Insurance revenue from contracts not measured under the PAA	**19 651**	18 398	**19 651**	18 398
Insurance revenue from contracts measured under the PAA	**6 416**	6 435	**6 416**	6 435
	26 067	24 833	**26 067**	24 833

20 INSURANCE SERVICE EXPENSES

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

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Incurred claims and other directly attributable expenses	**19 545**	18 407	**19 545**	18 407
Changes that relate to past service – adjustments to the LIC	**(708)**	(783)	**(708)**	(783)
Losses on onerous contracts and reversal of those losses	**401**	1 660	**401**	1 660
Insurance acquisition cash flows amortisation	**1 892**	1 495	**1 892**	1 495
Insurance acquisition cash flows recognised when incurred	**243**	223	**243**	223
	21 373	21 002	**21 373**	21 002

Insurance service expenses include the impact of the movement in loss components during the reporting period. Insurance service expenses do not include incurred non-distinct investment components included in net insurance benefits and claims (refer to note 25.1).

21 ALLOCATION OF REINSURANCE PREMIUMS

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

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Contracts not measured under the PAA				
Amounts relating to the changes in the assets for remaining coverage	**2 512**	2 253	**2 512**	2 253
Expected recovery of incurred claims and other expenses after loss-recovery component allocation	**2 625**	2 345	**2 625**	2 345
Change in the risk adjustment for non-financial risk for the risk expired after loss-recovery component allocation	**43**	40	**43**	40
CSM recognised in profit or loss for the services received	**(180)**	(158)	**(180)**	(158)
Other	**24**	26	**24**	26
Allocation of reinsurance premiums from contracts not measured under the PAA	**2 512**	2 253	**2 512**	2 253
Allocation of reinsurance premiums from contracts measured under the PAA	**845**	1 140	**845**	1 140
	3 357	3 393	**3 357**	3 393

22 AMOUNTS RECOVERABLE FROM REINSURERS FOR INCURRED CLAIMS

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

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Amounts recoverable for incurred claims and other expenses	**3 294**	3 221	**3 294**	3 221
Changes that relate to past service – adjustments to the AIC	**(130)**	36	**(130)**	36
Changes in the loss-recovery component	**21**	171	**21**	171
	3 185	3 428	**3 185**	3 428

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

23 NET INVESTMENT RESULT

Refer to note 44.10 for the accounting policies relating to this note.

		2024			Restated 2023[1]		
	Group	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.1	**Investment income**	10 168	20 238	30 406	8 235	18 755	26 990
23.2	**Net realised and unrealised fair value gains/(losses)**	6 050	22 914	28 964	2 982	36 652	39 634
23.3	**Net impairment reversal/(loss) on financial assets**	–	1	1	–	(13)	(13)
23.4	**Finance expenses from insurance contracts issued**	(15 299)	–	(15 299)	(9 935)	–	(9 935)
23.5	**Finance expenses from reinsurance contracts held**	465	–	465	(136)	–	(136)
	Fair value adjustments on investment contract liabilities	–	(35 274)	(35 274)	–	(46 405)	(46 405)
	Fair value adjustments on collective investment scheme (CIS) liabilities	–	(3 997)	(3 997)	–	(4 382)	(4 382)
		1 384	3 882	5 266	1 146	4 607	5 753

23.1 Investment income

Refer to note 45.23.2 for the accounting policies relating to this note.

	Insurance related Rm 2024	Non-insurance related Rm 2024	Total Rm 2024	Insurance related Rm 2023	Non-insurance related Rm 2023	Total Rm 2023
Interest income	9 003	13 440	22 443	7 022	12 362	19 384
At fair value through profit and loss	8 591	12 041	20 632	6 755	11 276	18 031
At amortised cost using the effective interest rate method						
Cash and cash equivalents	410	1 345	1 755	265	1 027	1 292
Financial assets at amortised cost	2	54	56	2	50	52
Non-financial assets	–	–	–	–	9	9
Related party	–	–	–	–	–	–
Dividend income	937	5 655	6 592	965	5 485	6 450
At fair value through profit and loss						
Dividend income – listed	581	2 594	3 175	580	2 514	3 094
Dividend income – unlisted	356	2 954	3 310	385	2 884	3 269
Dividends on preference shares – listed	–	12	12	–	25	25
Dividends on preference shares – unlisted	–	20	20	–	15	15
Dividend income from subsidiary and fellow subsidiary companies	–	75	75	–	47	47
Rental income	227	1 091	1 318	247	902	1 149
Investment properties	227	1 087	1 314	247	898	1 145
Owner-occupied properties	–	4	4	–	4	4
Other income	1	52	53	1	6	7
	10 168	20 238	30 406	8 235	18 755	26 990

[1] The prior year has been restated for the application of IFRS 17 and due to an error in investment income. Refer to note 45.1 and note 46 for more information.

23 NET INVESTMENT RESULT CONTINUED

	2024			2023		
	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/(losses)						
Refer to note 45.6, 45.7 and 45.11 for the accounting policies relating to this note.						
Financial assets	**6 027**	**22 998**	**29 025**	3 099	36 700	39 799
Designated at fair value through profit and loss	**2 349**	**(8 173)**	**(5 824)**	(1 182)	(7 605)	(8 787)
Mandatorily at fair value through profit and loss	**3 068**	**31 093**	**34 161**	4 632	43 889	48 521
Net derivative financial instruments	**610**	**129**	**739**	(351)	412	61
Net realised and unrealised foreign exchange differences on financial instruments not at FVPL	**–**	**(51)**	**(51)**	–	4	4
Investment property	**50**	**(27)**	**23**	(116)	(102)	(218)
Valuation (losses)/gains	**50**	**(10)**	**40**	(116)	(126)	(242)
Change in accelerated rental income	**–**	**(17)**	**(17)**	–	24	24
Financial liabilities	**–**	**(92)**	**(92)**	–	39	39
Designated at fair value through profit and loss	**–**	**(92)**	**(92)**	–	39	39
Other investments	**(27)**	**35**	**8**	(1)	15	14
	6 050	**22 914**	**28 964**	2 982	36 652	39 634

The movement in net realised and unrealised fair value gains/(losses) for the period mainly relates to local and global equity performance.

	2024			2023		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.3 Net impairment reversal/(loss) on financial assets						
Refer to note 45.7 for the accounting policies relating to this note.						
Financial assets at amortised cost						
Accounts receivable	**–**	**24**	**24**	–	(3)	(3)
Funds on deposit and other money market instruments	**–**	**–**	**–**	–	1	1
Related party loans	**–**	**(23)**	**(23)**	–	(11)	(11)
	–	**1**	**1**	–	(13)	(13)
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	**6 397**	**–**	**6 397**	7 209	–	7 209
Interest accreted using locked-in rates	**1 296**	**–**	**1 296**	1 126	–	1 126
Interest accreted using current rates	**4 739**	**–**	**4 739**	3 087	–	3 087
Effect of changes in interest rates and other financial assumptions	**2 638**	**–**	**2 638**	(1 361)	–	(1 361)
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	**365**	**–**	**365**	30	–	30
Effects of risk mitigation option	**(136)**	**–**	**(136)**	(156)	–	(156)
	15 299	**–**	**15 299**	9 935	–	9 935
23.5 Finance expenses from reinsurance contracts held						
Refer to note 45.10 for the accounting policies relating to this note.						
Interest accreted	**207**	**–**	**207**	146	–	146
Effect of changes in interest rates and other financial assumptions	**267**	**–**	**267**	(184)	–	(184)
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	**(9)**	**–**	**(9)**	(98)	–	(98)
	465	**–**	**465**	(136)	–	(136)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

23 NET INVESTMENT RESULT CONTINUED

	Company	2024 Insurance related Rm	2024 Non-insurance related Rm	2024 Total Rm	Restated 2023[1] Insurance related Rm	Restated 2023[1] Non-insurance related Rm	Restated 2023[1] Total Rm
23.1	**Investment income**	10 168	15 621	25 789	8 231	13 881	22 112
23.2	**Net realised and unrealised fair value gains/(losses)**	6 050	22 085	28 135	2 982	34 558	37 540
23.3	**Net impairment reversal/(loss) on financial assets**	–	3	3	–	(13)	(13)
23.4	**Finance expenses from insurance contracts issued**	(15 299)	–	(15 299)	(9 935)	–	(9 935)
23.5	**Finance expenses from reinsurance contracts held**	465	–	465	(136)	–	(136)
	Fair value adjustments on investment contract liabilities	–	(35 048)	(35 048)	–	(46 220)	(46 220)
	Fair value adjustments on collective investment scheme (CIS Liabilities)	–	–	–	–	–	–
		1 384	2 661	4 045	1 142	2 206	3 348

23.1 Investment income

Refer to note 45.23.2 for the accounting policies relating to this note.

	2024 Insurance related Rm	2024 Non-insurance related Rm	2024 Total Rm	Restated 2023[1] Insurance related Rm	Restated 2023[1] Non-insurance related Rm	Restated 2023[1] Total Rm
Interest income	9 003	10 525	19 528	7 017	9 019	16 038
At fair value through profit and loss	8 591	9 597	18 188	6 755	8 177	14 932
Related Party	–	149	149	–	264	264
At amortised cost using the effective interest rate method						
Cash and cash equivalents	410	774	1 184	260	563	823
Financial assets at amortised cost	2	5	7	2	6	8
Non-financial assets	–	–	–	–	9	9
Dividend income	937	4 394	5 331	965	4 208	5 173
At fair value through profit and loss						
Dividend income – listed	581	1 305	1 886	580	1 325	1 905
Dividend income – unlisted	356	2 786	3 142	385	2 682	3 067
Dividends on preference shares – listed	–	1	1	–	4	4
Dividends on preference shares – unlisted	–	20	20	–	15	15
Dividend income from subsidiary and fellow subsidiary companies[2]	–	282	282	–	182	182
Rental income	227	659	886	248	651	899
Investment properties	227	655	882	248	647	895
Owner-occupied properties	–	4	4	–	4	4
Other income	1	43	44	1	3	4
	10 168	15 621	25 789	8 231	13 881	22 112

[1] The prior year has been restated for the application of IFRS 17 and due to an error in investment income. Refer to note 45.1 and note 46 for more information.
[2] Consists of dividend income from subsidiaries of R207 million (2023: R135 million), dividends from fellow subsidiaries of R75 million (2023: R47 million).

23 NET INVESTMENT RESULT CONTINUED

	2024			2023		
	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/(losses)						
Refer to note 45.6, 45.7 and 45.11 for the accounting policies relating to this note.						
Financial assets	6 027	17 848	23 875	3 099	23 611	26 710
Designated at fair value through profit and loss	2 349	752	3 101	(1 183)	3	(1 180)
Mandatorily at fair value through profit and loss	3 068	17 245	20 313	4 632	23 413	28 045
Net derivative financial instruments – gains/(losses)	610	(140)	470	(350)	159	(191)
Net realised and unrealised foreign exchange differences on financial instruments not at FVPL	–	(9)	(9)	–	36	36
Investment property	50	(51)	(1)	(116)	(13)	(129)
Valuation (losses)/gains	50	1	51	(116)	(61)	(177)
Change in accelerated rental income	–	(52)	(52)	–	48	48
Financial liabilities	–	(19)	(19)	–	25	25
Designated at fair value through profit and loss	–	(19)	(19)	–	25	25
Investments in subsidiaries at fair value through profit and loss	(27)	4 247	4 220	(1)	10 928	10 927
Subsidiary companies	(27)	36	9	(1)	(41)	(42)
Collective investment schemes	–	4 211	4 211	–	10 969	10 969
Other investments	–	60	60	–	7	7
	6 050	22 085	28 135	2 982	34 558	37 540

The movement in net realised and unrealised fair value gains/(losses) for the period mainly relates to local and global equity performance.

	2024			2023		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.3 Net impairment reversal/(loss) on financial assets						
Refer to note 45.7 for the accounting policies relating to this note.						
Financial assets at amortised cost						
Accounts receivable	–	26	26	–	(2)	(2)
Loans due from subsidiaries and fellow MGL subsidiaries	–	(23)	(23)	–	(11)	(11)
	–	3	3	–	(13)	(13)
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	6 397	–	6 397	7 209	–	7 209
Interest accreted using locked-in rates	1 296	–	1 296	1 126	–	1 126
Interest accreted using current rates	4 739	–	4 739	3 087	–	3 087
Effect of changes in interest rates and other financial assumptions	2 638	–	2 638	(1 361)	–	(1 361)
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	365	–	365	30	–	30
Effects of risk mitigation option	(136)	–	(136)	(156)	–	(156)
	15 299	–	15 299	9 935	–	9 935
23.5 Finance expenses from reinsurance contracts held						
Refer to note 45.10 for the accounting policies relating to this note.						
Interest accreted	207	–	207	146	–	146
Effect of changes in interest rates and other financial assumptions	267	–	267	(184)	–	(184)
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	(9)	–	(9)	(98)	–	(98)
Foreign exchange differences	–	–	–	–	–	–
	465	–	465	(136)	–	(136)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

24 FEE INCOME

Refer to note 45.23.1 for the accounting policies relating to this note.

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
Contract administration	**3 610**	3 584	**3 605**	3 576
Investment contract administration	**3 544**	3 504	**3 544**	3 503
Release of deferred front-end fees	**66**	80	**61**	73
Trust and fiduciary services	**1 251**	1 117	**484**	483
Asset management	**748**	628	**–**	–
Retirement fund administration	**484**	483	**484**	483
Asset administration	**19**	6	**–**	–
Other fee income	**325**	440	**50**	83
Momentum Multiply fee income[2]	**–**	161	**–**	–
Administration fees income	**6**	11	**–**	6
Scrip lending fees	**5**	3	**5**	3
Related party fees income	**214**	129	**8**	5
Other	**100**	136	**37**	69
	5 186	5 141	**4 139**	4 142

1 The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.
2 The Multiply product offering was discontinued from the Group during the current year. The business was transferred to another company within the Momentum Group, but outside the MML Group. Refer to note 8 for more information.

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.

25 OPERATING EXPENSES

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
25.1 Net insurance benefits and claims	**25 651**	24 004	**25 651**	24 004
25.2 Depreciation, amortisation and impairment expenses	**542**	337	**269**	300
25.3 Employee benefit expenses	**5 328**	4 901	**4 686**	4 277
25.4 Sales remuneration	**3 814**	3 576	**3 771**	3 518
25.5 Other expenses	**4 574**	4 453	**3 363**	3 420
	39 909	37 271	**37 740**	35 519
Represented by				
Insurance and other directly attributable expenses	**32 092**	30 195	**32 092**	30 195
Other operating expenses	**7 817**	7 076	**5 648**	5 324
	39 909	37 271	**37 740**	35 519

1 The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

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 statement of profit and loss.

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
25.1 Net insurance benefits and claims				
Refer to note 45.10 for the accounting policies relating to this note.				
Life insurance contracts	**25 651**	24 004	**25 651**	24 004
Death and disability claims	**12 493**	11 871	**12 493**	11 871
Maturity claims	**4 100**	3 895	**4 100**	3 895
Annuities	**6 834**	5 988	**6 834**	5 988
Surrenders	**1 895**	1 999	**1 895**	1 999
Other[2]	**329**	251	**329**	251
	25 651	24 004	**25 651**	24 004

1 The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.
2 Other includes loyalty bonuses paid out on insurance products.

25 OPERATING EXPENSES CONTINUED

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] 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	**212**	217	**161**	193
Owner-occupied properties (refer to note 3.1)	**34**	36	**3**	18
Equipment	**109**	116	**98**	100
Right-of-use assets (refer to note 3.2)	**69**	65	**60**	75
Amortisation (refer to note 2)	**123**	130	**109**	110
Customer relationships	**56**	55	**44**	44
Brand	**54**	54	**54**	54
Broker Network	**2**	2	**–**	–
Computer software	**10**	18	**10**	11
Right-of-use assets	**1**	1	**1**	1
Impairment (reversal)/charges of intangible assets (refer to note 2)	**207**	–	**–**	–
Goodwill	**175**	–	**–**	–
Broker Network	**32**	–	**–**	–
Impairment reversal of owner-occupied properties (refer note 3.1)	**–**	(10)	**(1)**	(3)
	542	337	**269**	300
25.3 Employee benefit expenses				
Refer to note 45.18 for the accounting policies relating to this note.				
Salaries	**4 298**	4 111	**3 811**	3 605
Defined contribution retirement fund	**281**	267	**246**	236
Contributions to medical aid funds	**155**	145	**142**	132
Share-based payment expenses – Cash-settled arrangements (refer to note 15.2)	**480**	265	**414**	228
Training costs	**77**	84	**71**	79
Retirement fund assets	**(31)**	(40)	**(31)**	(40)
Share-based payment expenses – Equity-settled arrangements (refer to note 17.7)	**18**	23	**17**	21
Post-retirement medical benefits	**9**	11	**9**	11
Other	**41**	35	**7**	5
	5 328	4 901	**4 686**	4 277

[1] The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

For detail of directors' and prescribed officers' remuneration, refer to note 44.

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
25.4 Sales remuneration				
Refer to note 45.10 for the accounting policies relating to this note.				
Commission and sales remuneration expenses incurred for the acquisition of insurance contracts	**2 480**	2 351	**2 477**	2 352
Commission and sales remuneration expenses incurred for the acquisition of investment contracts	**1 027**	889	**1 027**	889
Amortisation of DAC on investment business	**320**	379	**293**	333
Impairment/(Impairment reversal) of amounts due from agents, brokers and intermediaries (refer to note 6.2)	**16**	(11)	**16**	(11)
Related party commission recoveries	**(29)**	(32)	**(42)**	(45)
	3 814	3 576	**3 771**	3 518

[1] The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

25 OPERATING EXPENSES CONTINUED

25.5 Other expenses

	Group		Company	
	2024 Rm	Restated 2023[2] Rm	2024 Rm	Restated 2023[1] Rm
Asset management fees	**1 099**	1 034	**1 052**	1 022
Consulting fees	**424**	511	**279**	382
Information technology expenses	**192**	263	**61**	141
Direct property operating expenses on investment property	**693**	597	**414**	444
Office costs	**231**	305	**194**	262
Marketing costs	**311**	527	**301**	486
Other indirect taxes	**423**	393	**367**	389
Momentum Multiply benefit payments[$]	**2**	78	**-**	-
Travel expenses	**159**	155	**146**	144
Auditors' remuneration	**167**	86	**134**	61
Audit fees	**163**	82	**134**	58
Fees for other services	**4**	4	**-**	3
Bank charges	**61**	51	**44**	41
Lease charges[1]	**18**	17	**10**	12
Policy services	**151**	167	**151**	167
Regulatory fees	**55**	44	**45**	37
Insurance expenses	**41**	36	**36**	34
Net expenses recovered by / (from) subsidiaries and fellow subsidiaries	**400**	21	**54**	(326)
Expenses recovered by subsidiaries and fellow subsidiaries[#]	**1 214**	761	**1 175**	781
Expenses recovered from subsidiaries and fellow subsidiaries[#]	**(814)**	(740)	**(1 121)**	(1 107)
Other expenses	**147**	168	**75**	124
	4 574	4 453	**3 363**	3 420

[1] Group: Included in lease charges are R16 million (2023: R15 million) relating to short-term leases and R2 million (2023: R2 million) relating to variable lease payments.
Company: Included in lease charges are R8 million (2023: R10 million) relating to short-term leases and R2 million (2023: R2 million) relating to variable lease payments.
[2] The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.
[#] These line items were previously disclosed on a net basis and have subsequently been disaggregated to enhance comparability and usefulness.
[$] The Multiply business was transferred in the current year to a company in the Momentum Group, but outside of the MML Group. Refer to note 8 for details.

The previous year includes the results of Multiply and Recharge, which is no longer reported as part of MML.

26 OTHER FINANCE COSTS

Refer to note 45.24.1 for the accounting policies relating to this note.

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
Interest expense on financial liabilities				
Unsecured subordinated call notes	**420**	383	**420**	383
Cost of carry positions	**1 066**	565	**942**	488
Lease liabilities	**8**	7	**7**	12
Cost of trading positions[#]	**7**	1 289	**–**	–
Other[2]	**142**	118	**22**	6
	1 643	2 362	**1 391**	889
Designated at fair value through profit and loss	**1 486**	948	**1 362**	871
Amortised cost	**157**	1 414	**29**	18
	1 643	2 362	**1 391**	889

[#] Rubix Alpha was restructured towards the end of F2023. The new structure of the fund no longer contains any of the financed positions that was previously in this fund.
[1] Included in other, is interest on a term loan with Standard Bank of R44 million (2023: R39 million) and interest on a term loan with RMB of R23 million (2023: R25 million).
[2] The prior year has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

27 INCOME TAX EXPENSE

Refer to note 45.12 and 45.13 for the accounting policies relating to this note.

	Group		Company	
Income tax expenses/(credits)	**2024 Rm**	**Restated 2023[1] Rm**	**2024 Rm**	**Restated 2023[1] Rm**
Current taxation	**2 292**	2 654	**2 061**	2 446
Shareholder tax				
South African normal tax – current year	**1 472**	1 768	**1 430**	1 728
South African normal tax – prior year	**4**	4	**1**	(5)
Foreign countries – normal tax	**17**	11	**–**	–
Foreign withholding tax	**171**	146	**2**	–
Contract holder tax				
Tax on contract holder funds – current year	**621**	700	**621**	700
South African normal tax – prior year	**7**	23	**7**	23
Tax attributable to cell captive owners	**–**	2	**–**	–
Deferred tax	**(168)**	(306)	**(83)**	(280)
Shareholder tax				
South African normal tax – current year	**(259)**	(445)	**(172)**	(422)
Foreign countries – normal tax	**2**	(2)	**–**	–
Contract holder tax				
Tax on contract holder funds – current year	**89**	141	**89**	142
	2 124	2 348	**1 978**	2 166

[1] The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

	Group		Company	
Tax rate reconciliation	**2024 %**	**Restated 2023[1] %**	**2024 %**	**Restated 2023[1] %**
Tax calculated at standard rate of South African tax on earnings	**27.0**	27.0	**27.0**	27.0
Change in tax rate	**–**	–	**–**	–
Prior year adjustments	**0.1**	0.2	**–**	(0.1)
Taxation on contract holder funds	**15.1**	18.2	**12.6**	16.8
Foreign taxes differential due to different statutory rates	**(0.5)**	(0.4)	**–**	–
Capital gains tax	**(0.3)**	(0.2)	**0.4**	(0.1)
Non-taxable income[2]	**(4.4)**	(4.0)	**(5.5)**	(4.0)
Unrealised movements	**–**	–	**–**	1.5
Non-deductible expenses[3]	**1.0**	1.1	**1.0**	1.0
Deferred tax asset not recognised	**1.0**	0.8	**–**	–
Other	**(0.5)**	1.4	**(0.6)**	–
Effective rate	**38.5**	44.1	**34.9**	42.1

[1] The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.
[2] Non-taxable income mainly comprises dividend income which is not taxable.
[3] Non-deductible expenses comprise Shareholder expenses which are not directly attributable to an income generating unit, including depreciation and impairments, and are thus not deductible for tax purposes.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

28 CASH FLOW FROM OPERATING ACTIVITIES

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
28.1 Cash utilised in operations				
Profit before tax	**5 517**	5 320	**5 667**	5 143
Adjusted for				
Items disclosed separately				
Dividend income	**(6 592)**	(6 450)	**(5 331)**	(5 173)
Interest income[$]	**(22 525)**	(19 456)	**(19 610)**	(16 109)
Finance costs[#]	**1 752**	2 443	**1 500**	970
Adjustments to reconcile profit before tax to net cash flows				
Share of (profits)/losses of associates and joint ventures	**(3)**	2	**–**	–
Depreciation and amortisation expenses	**335**	347	**270**	303
Impairment charges	**207**	(10)	**(1)**	(3)
Revaluation of investment in subsidiary	**–**	–	**(9)**	42
Gains and losses on foreign exchange differences and fair value gains and losses relating to investing and financing and forex movements on cash and cash equivalents	**183**	(418)	**(29)**	(215)
Equity settled share-based payment expense	**18**	23	**17**	21
Changes in operating assets and liabilities				
Investment contract liabilities	**42 712**	47 769	**42 509**	47 455
Deferred acquisition costs on investment business	**(6)**	47	**(23)**	26
Financial assets at amortised cost	**7 631**	3 918	**7 643**	2 909
Other receivables	**(99)**	(25)	**(26)**	7
Insurance contract assets and liabilities	**14 008**	6 826	**14 008**	6 826
Reinsurance assets and liabilities	**(635)**	108	**(635)**	162
Employee benefit assets and obligations	**261**	249	**252**	261
Investment property	**(225)**	108	**931**	497
Other operating liabilities	**(165)**	1 284	**(16)**	1 410
Financial assets and liabilities	**(63 176)**	(49 235)	**(54 954)**	(37 355)
Investments in subsidiary CIS	**–**	–	**(6 538)**	(15 808)
Cash utilised in operations	**(20 802)**	(7 150)	**(14 375)**	(8 631)
28.2 Income tax paid				
Receivable/(due) at beginning	**(804)**	(53)	**(793)**	(50)
Current income tax asset	**4**	6	**–**	–
Current income tax liability	**(808)**	(59)	**(793)**	(50)
Charged to income statement	**(2 292)**	(2 654)	**(2 061)**	(2 446)
Other	**3**	1	**–**	–
(Receivable)/due at end	**131**	804	**125**	793
Current income tax asset	**4**	4	**–**	–
Current income tax liability	**(135)**	(808)	**(125)**	(793)
	(2 962)	(1 902)	**(2 729)**	(1 703)
28.3 Interest paid				
Unsecured subordinated call notes	**443**	413	**443**	413
Cost of carry positions	**1 048**	559	**924**	481
Lease liabilities	**6**	6	**7**	12
Cost of trading positions	**7**	1 289	**–**	–
Other	**303**	238	**131**	47
	1 807	2 505	**1 505**	953

[1] The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.
[#] These line items were previously disclosed on a net basis and have subsequently been disaggregated to enhance comparability and usefulness.
[$] The prior year has been restated refer to note 46 for more information.

28 CASH FLOW FROM OPERATING ACTIVITIES CONTINUED

		Group 2024 Rm	Group Restated 2023 Rm	Company 2024 Rm	Company Restated 2023 Rm
28.4	**Liabilities arising from financing activities**				
28.4.1	**Subordinated call notes**	**4 324**	4 299	**4 324**	4 299
28.4.2	**Carry positions**	**15 714**	9 080	**14 382**	7 828
28.4.3	**Preference Shares**	**377**	310	**–**	–
28.4.4	**Financial liabilities at fair value through profit and loss: Other borrowings**	**10**	55	**–**	–
28.4.5	**Financial liabilities at amortised cost**	**1 247**	1 293	**89**	235
		21 672	15 037	**18 795**	12 362
28.4.1	**Subordinated call notes**				
	Due at beginning	**4 299**	5 327	**4 299**	5 327
	Subordinated call notes issued	**750**	–	**750**	–
	Accrued interest	**420**	383	**420**	383
	Interest paid	**(443)**	(413)	**(443)**	(413)
	Subordinated call notes repaid	**(750)**	(980)	**(750)**	(980)
	Fair value movement	**19**	(24)	**19**	(24)
	Own credit loss included in other comprehensive income	**29**	6	**29**	6
	Due at end	**4 324**	4 299	**4 324**	4 299
28.4.2	**Carry positions**				
	Due at beginning	**9 080**	7 723	**7 828**	5 529
	Net proceeds/(repayment) from/(of) carry positions	**6 610**	1 360	**6 536**	2 294
	Proceeds from carry positions[#]	**201 527**	167 609	**179 214**	140 027
	Repayment of carry positions[#]	**(194 917)**	(166 249)	**(172 678)**	(137 733)
	Accrued interest	**1 066**	565	**942**	487
	Interest paid[$]	**(1 048)**	(559)	**(924)**	(486)
	Fair value movement	**6**	(9)	**–**	(1)
	Due at end	**15 714**	9 080	**14 382**	7 828
28.4.3	**Preference Shares**				
	Due at beginning	**310**	294	**–**	–
	Fair value movement	**67**	16	**–**	–
	Due at end	**377**	310	**–**	–
28.4.4	**Financial liabilities at fair value through profit and loss: Other borrowings**				
	Due at beginning	**55**	825	**–**	–
	Proceeds from other borrowings	**6**	45	**–**	–
	Repayment of other borrowings	**(37)**	(795)	**–**	–
	Fair value movement	**(15)**	(22)	**–**	–
	Exchange differences	**1**	2	**–**	–
	Due at end	**10**	55	**–**	–

[#] These line items were previously disclosed on a net basis and have subsequently been disaggregated to enhance comparability and usefulness.
[$] The prior year has been restated refer to note 46 for more information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

28 CASH FLOW FROM OPERATING ACTIVITIES CONTINUED

28.4 Liabilities arising from financing activities continued

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
28.4.5 Financial liabilities at amortised cost				
Due at beginning	**1 293**	1 285	**235**	263
New leases entered into	**69**	64	**59**	63
Accrued interest on leases	**8**	7	**7**	12
Interest paid on leases	**(6)**	(6)	**(7)**	(12)
Payment of principal portion of lease liability	**(73)**	(80)	**(60)**	(90)
Modifications	**2**	1	**(145)**	(1)
Exchange differences on leases	**(1)**	4	**–**	–
Proceeds from term loans	**152**	168	**–**	–
Repayment of capital portion of term loans	**(63)**	(7)	**–**	–
Accrued interest on term loans	**195**	87	**–**	–
Interest paid on term loans	**(247)**	(169)	**–**	–
Proceeds from other borrowings	**3**	–	**–**	–
Repayment of other borrowings	**(80)**	(91)	**–**	–
Accrued interest on other borrowings	**–**	3	**–**	–
Exchange differences on other borrowings	**(5)**	27	**–**	–
Due at end	**1 247**	1 293	**89**	235

28.5 Disposal of subsidiaries reconciliation

There were no disposal of subsidiaries in the current year.

29 BUSINESS COMBINATIONS

Business combinations for the year ended 30 June 2024

There were no business combinations in the current year.

Business combinations for the year ended 30 June 2023

Momentum Outcome-Based Solutions (Pty) Ltd

On 01 October 2022, MML Group, through its new subsidiary Momentum Investments Hold Co, acquired 100% of the issued share capital of Momentum Outcome-Based Solutions (Pty) Ltd (MOBS or the Company) from Momentum Metropolitan Strategic Investments (MMSI or the Seller) a fellow subsidiary of MGL, through a common control transaction.

The purchase price consideration, the net assets acquired and any relevant goodwill relating to the above transaction were as follows:

	Group	
	2024 Rm	2023 Rm
Intangible assets	**–**	37
Plant and equipment	**–**	1
Financial instrument assets	**–**	46
Deferred income tax assets	**–**	13
Cash and cash equivalents	**–**	117
Total Assets	**–**	214
Employee benefit obligations	**–**	46
Other payables	**–**	35
Provisions	**–**	3
Current income tax liabilities	**–**	9
Total liabilities	**–**	93
Net asset value	**–**	121
Acquisition price	**–**	121
Purchase consideration: non-cash (intercompany loans)	**–**	121
Goodwill	**–**	–
Cash in subsidiary	**–**	117
Less purchase consideration in cash	**–**	–
Net cash as a result of business combination	**–**	117

29 BUSINESS COMBINATIONS CONTINUED

Business combinations for the year ended 30 June 2023 continued

Crown Agents Investment Management Limited

During March 2023, the Group, through its wholly owned subsidiary, MGIM, acquired 100% of the shares in CAIM for a purchase consideration of £2.90 million (R64 million). The purchase consideration consisted of an initial cash payment of £2.13 million (R47 million) and £0.77 million (R17 million) contingent consideration. The contingent consideration is made up of two future payments. The first contingent consideration payment is dependent upon the brand being registered by MGIM and will result in a payment of £0.12 million. If the brand is not registered the payment will be £nil. The second contingent payment is dependent on certain performance targets of new business being met. If new business is above the target, the payment will equal 20% of the difference between the actual new business amount and the target. If no targets are met, the payment will be £nil.

The purchase price consideration, the net assets acquired and any relevant goodwill relating to the above transaction were as follows:

	Group	
	2024 Rm	2023 Rm
Intangible assets	–	17
Financial instrument assets	–	24
Deferred income tax assets	–	1
Cash and cash equivalents	–	35
Total Assets	–	77
Deferred income tax liabilities	–	3
Other payables	–	14
Total liabilities	–	17
Net asset value	–	60
Acquisition price:	–	64
Contingent consideration liability[1]	–	17
Purchase consideration in cash	–	47
Goodwill	–	4
Cash in subsidiary	–	35
Less purchase consideration in cash	–	47
Net cash as a result of business combination	–	(12)
Revenue since acquisition	–	18
Earnings since acquisition	–	1

[1] The contingent liability is included as part of other borrowings.

The acquisition provides an opportunity for growth, which is the Group's current focus.

The above acquisition resulted in a total of R4 million goodwill being recognised attributable to certain anticipated operating synergies. The goodwill is not deductible for tax purposes. If the acquisitions was made on 1 July 2022, additional revenue of R56 million and loss after tax of R5 million would have been recognised.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

30 RELATED PARTY TRANSACTIONS

30.1 Major shareholders and group companies

The holding company of Momentum Metropolitan Life Limited is Momentum Group Limited (MGL).

The most significant related parties of the Company are Momentum Investment Management (Pty) Ltd, Momentum Global Investment Management Company Ltd, Momentum Money (previously Momentum Multiply (Pty) Ltd), 102 Rivonia Road (Pty) Ltd, 129 Rivonia Road (Pty) Ltd, Momentum Wealth International Ltd, and Momentum Wealth (Pty) Ltd, all subsidiaries of the Company. Subsidiaries and associated companies of these companies are also related parties.

Significant subsidiaries of the Company are listed in note 5, along with loans due to or from these entities.

Various collective investment schemes 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. Collective investment schemes over which the Group has significant influence but not control are classified as investments in associates carried at fair value; 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) 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 entities in the Momentum Group

During the current year, MML invested additional capital of R137 million into Momentum Money (Pty) Ltd an existing subsidiary and R14 million into 102 Rivonia Road (Pty) Ltd an existing subsidiary. The Company also sold owner-occupied properties (classified as disposal groups held for sale in the prior year) of R534 million to 129 Rivonia Road (Pty) Ltd, a subsidiary of the Group. Investment properties of R995 million were sold by the Company to a qualified investor hedge fund, which is controlled and consolidated by the Group.

During the year, the Group unbundled the Multiply business housed in the Momentum Money (Pty) Ltd subsidiary. The unbundling was done in the form of a sale at a consideration equal to net asset value of the separate divisions, namely the Multiply division and Recharge division. Multiply division was sold to Healthyvybe (Pty) Ltd and a new legal entity, My Thrive (Pty) Ltd will house the Recharge division. These entities are subsidiaries within the MGL Group but outside of the MML Group.

30.3 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 45.

The aggregate compensation paid by the Group or on behalf of the Group to key management for services rendered to the Group is:

	Group and Company	
	2024 Rm	**2023 Rm**
Salaries and other short-term employee benefits	**74**	46
Post-employment benefits	**1**	1
Share-based payments	**93**	46
Directors' fees	**21**	20
	189	113

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 15.2.

Aggregate details of insurance and investment transactions between the Company (including any subsidiary) and key management personnel and their families are as follows:

	2024		2023	
	Insurance Rm	**Investment Rm**	**Insurance Rm**	**Investment Rm**
Fund value (at 30 June)	**–**	**111**	–	92
Aggregate life and disability cover (at 30 June)	**36**	**–**	34	–
Deposits/premiums (for 12 months to June)	**1**	**5**	1	7
Withdrawals/claims (for 12 months to June)	**–**	**–**	–	(1)

In aggregate, the Group earned fees and charges totalling R2.3 million (2023: R1 million) on the insurance and investment products set out above.

30 RELATED PARTY TRANSACTIONS CONTINUED

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.

Refer to note 30.7 for details on related party transactions.

30.5 Transactions with significant shareholders

MML dividend declarations:

In September 2024 MML declared a R900 million final ordinary cash dividend to Momentum Group Limited for the year ended 30 June 2024 to be paid in October 2024. This dividend declaration is a decrease from the R1 550 million final ordinary dividend for the year ended 30 June 2023.

An interim cash dividend of R1 425 million was declared in March 2024 (F2023: R1 500 million) to Momentum Group Limited.

30.6 Post-employment benefit plans

Refer to note 15 for details of the Group's employee benefit plans.

30.7 Summary of related party transactions

	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
Transactions with holding company				
Dividends expense	**2 975**	3 200	**2 975**	3 200
Transactions with subsidiaries				
Fee income for administrative functions	**–**	–	**348**	375
Dividend income	**–**	–	**207**	134
Interest income	**–**	–	**248**	352
Sales remuneration recoveries	**–**	–	**13**	12
Fee expenses for administrative functions	**–**	–	**(580)**	(549)
Owner-occupied property sold	**–**	–	**534**	–
Transactions with fellow subsidiaries				
Insurance revenue – from contracts measured under the premium allocation approach	**31**	70	**31**	70
Amounts recoverable for incurred claims and other	**22**	31	**22**	31
Fees income for administrative functions	**1 075**	842	**781**	737
Dividends income	**75**	47	**75**	47
Interest income	**–**	–	**–**	–
Sales remuneration recoveries	**29**	32	**29**	32
Fees expense for administrative functions	**(1 389)**	(874)	**(1 295)**	(862)

[1] The prior year has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

31 CAPITAL AND LEASE COMMITMENTS AND RECEIVABLES

	Group		Company	
	2024 Rm	2023 Rm	**2024 Rm**	2023 Rm
Capital commitments				
Authorised but not contracted	**4**	6	**4**	6
	4	6	**4**	6
The above commitment, which is in respect of building refurbishments of R6 million will be financed from internal sources.				
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	**1**	1	**1**	1
	1	1	**1**	1
The minimum future lease payments receivable under non-cancellable operating leases on investment properties:				
Less than 1 year	**530**	466	**283**	380
Between 1 and 2 years	**455**	383	**256**	293
Between 2 and 3 years	**405**	347	**225**	251
Between 3 and 4 years	**341**	312	**180**	211
Between 4 and 5 years	**321**	97	**155**	72
More than 5 years	**1 437**	598	**754**	598
	3 489	2 203	**1 853**	1 805
The minimum future lease payments receivable under non-cancellable operating leases on owner-occupied properties:				
Less than 1 year	**18**	17	**–**	–
Between 1 and 2 years	**19**	18	**–**	–
Between 2 and 3 years	**20**	19	**–**	–
Between 3 and 4 years	**–**	20	**–**	–
	57	74	**–**	–

32 CONTINGENT LIABILITIES

Refer to note 45.17 for the accounting policies relating to this note.

The Group is party to legal proceedings in the normal course of business and appropriate provisions are made when losses are expected to materialise.

The Group does not have any material contingent liabilities at 30 June 2024 (2023: nil).

33 EVENTS AFTER THE REPORTING PERIOD

During September 2024, the Board declared a final dividend of R900 million to be paid in October 2024. Refer to note 30.5 for details.

The Group has decided to discontinue the Momentum Money product offering and the process has begun to wind down the business. It is expected that the financial impact will be finalised by December 2024.

On 18 September 2024, MML redeemed the subordinated debt instrument MMIG07 with a nominal amount of R750 million on the contractual call date of the bond.

No other material events occurred between the reporting date and the date of approval of these results.

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 Ltd 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 FINANCIAL AND INSURANCE RISK MANAGEMENT CONTINUED

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.

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.

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.

34.3 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.

34.4 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.

Total insurance claims paid (cash flow) for the financial year ended 30 June 2024 was R25 650 million (30 June 2023: R24 145 million). Permanent health insurance claims paid (cash flows) for the same period was R1 411 million or 5.5% of total insurance claims paid (30 June 2023: R1 327 million or 5.5% 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.

34.5 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 9 and 10. 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

FOR THE YEAR ENDED 30 JUNE 2024

34 FINANCIAL AND INSURANCE RISK MANAGEMENT CONTINUED

34.5 Risk management continued

Insurance and reinsurance contracts	Insurance risk						Financial risk			
	Expense risk	Morbidity and mortality risk	Persistency risk	Premium risk	Reserve risk	Catastrophe risk	Credit risk	Liquidity risk	Interest rate risk	Price risk
Life insurance contracts										
Individual insurance contracts										
Market-related	x	x	x				x	x	x	x
Discretionary participation	x	x	x				x	x	x	x
With-profit annuities	x	x						x	x	x
Non-profit annuities	x	x						x	x	
Other non-profit business	x	x	x				x	x	x	x
Group insurance contracts										
Market-related	x	x	x				x	x	x	x
Discretionary participation	x	x	x				x	x	x	x
With-profit annuities	x	x						x	x	x
Non-profit annuities	x	x						x	x	
Other non-profit business	x	x	x				x	x	x	x
Health insurance	x	x	x	x	x	x	x	x		
Reinsurance contracts held	x	x				x	x	x	x	

35 CAPITAL MANAGEMENT

35.1 Capital management objectives

The Board has the ultimate responsibility for the efficient management of capital within the Group and Company. 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 and Company's capital management programme are to maintain compliance with minimum regulatory solvency capital requirements (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 and Company'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 and the Company continue to focus on optimising capital consumption, the Group and Company capital structure, capital deployment and capital distribution. When these activities are combined, capital management drives value creation within the Group and Company. The capital management programme is underpinned by appropriate links to the Group's and Company'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 and Company’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 and Company to support its business strategy.

  Within the Group and Company, 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 and Company's total capital as of 30 June 2024 and the comparative amount as of 30 June 2023.

Capital type	Group		Company	
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm
IFRS Accounting Standards NAV	**18 210**	17 780	**19 516**	19 399
Subordinated debt	**4 324**	4 299	**4 324**	4 299
Total	**22 534**	22 079	**23 840**	23 698

[1] The prior year has been restated for the application of IFRS 17 and change in accounting policy. Refer to note 45.1 and note 46 for more information.

35 CAPITAL MANAGEMENT CONTINUED

35.2 Capital management framework continued

- **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 and Company specify capital coverage ratios and ranges for the Group and Company 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. 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 and Company's local insurance entities.
- **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 and Company'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 and Company'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.
- **Dividends:** The Group's and Company's dividend policy is to grow dividends in line with normalised headline earnings growth. The Group and Company target a 2.5x normalised headline earnings dividend cover with a 2.0x to 3.0x target coverage range. This implies a pay-out ratio of c.40% to c.50% of normalised headline earnings per reporting period.

35.3 Overview of capital management developments

35.3.1 Changes in capital structure

Subordinated debt raising and settlement

On 19 October 2023, MML redeemed the subordinated debt instrument MMIG06 with a nominal amount of R750 million. The redemption was executed on the contractual call date of the bond. The redemption was refinanced by the proceeds from the MML06 bond tap and MML07 bond which were issued on 11 October 2023 for a total nominal amount of R750 million. The MML07 bond is a 5.6 year floating rate note maturing on 29 May 2029 and the MML06 bond is a 7 year fixed rate note maturing on 25 May 2029.

35.3.2 Subordinated debt profile

The table below shows a summary of the Company subordinated debt profile, which relates to unsecured callable notes currently in issue at 30 June 2024:

Instrument code	Amount issued (Rm)	Tenor	Date issued	Coupon rate	Interest rate type
MMIG04	**270**	**10 years**	**Aug 2015**	**11.30%**	**Fixed**
MMIG07	**750**	**5.5 years**	**Mar 2019**	**JIB03+175bps**	**Floating**
MML01	**290**	**7 years**	**Dec 2019**	**JIB03+175bps**	**Floating**
MML02	**460**	**7 years**	**Dec 2019**	**9.29%**	**Fixed**
MML03	**300**	**7.1 years**	**Feb 2021**	**JIB03+194bps**	**Floating**
MML04	**450**	**7.1 years**	**Feb 2021**	**7.89%**	**Fixed**
MML05	**865**	**5 years**	**May 2022**	**JIB03+160bps**	**Floating**
MML06	**135**	**7 years**	**May 2022**	**10.01%**	**Fixed**
MML06 tap	**410**	**7 years**	**May 2022**	**10.01%**	**Fixed**
MML07	**340**	**5.6 years**	**Oct 2023**	**JIB03+134bps**	**Floating**
Total	**4 270**				

The table below shows a summary of the Company subordinated debt profile, which relates to unsecured callable notes currently in issue at 30 June 2023:

Instrument code	Amount issued (Rm)	Tenor	Date issued	Coupon rate	Interest rate type
MMIG04	270	10 years	Aug 2015	11.30%	Fixed
MMIG06	750	6 years	Oct 2017	JIB03+220 bps	Floating
MMIG07	750	5.5 years	Mar 2019	JIB03+175 bps	Floating
MML01	290	7 years	Dec 2019	JIB03+175bps	Floating
MML02	460	7 years	Dec 2019	9.29%	Fixed
MML03	300	7.1 years	Feb 2021	JIB03+194 bps	Floating
MML04	450	7.1 years	Feb 2021	7.89%	Fixed
MML05	865	5 years	May 2022	JIB03+160 bps	Floating
MML06	135	7 years	May 2022	10.01%	Fixed
Total	4 270				

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

35 CAPITAL MANAGEMENT CONTINUED

35.3 Overview of capital management developments continued

35.3.2 Subordinated debt profile continued

The Group and Company believe that the current capital mix is adequate and will continue to pursue strategies to optimise the capital mix within the Prudential Standards.

The table below shows the maturity profile of Momentum Metropolitan's subordinated debt at 30 June 2024:

Instrument code	Amount issued (Rm)	Date issued	Outstanding tenor	Maturity year
MMIG04	**270**	**Aug 2015**	**1.1 years**	**2025**
MMIG07	**750**	**Mar 2019**	**0.2 years**	**2024**
MML01	**290**	**Dec 2019**	**2.4 years**	**2026**
MML02	**460**	**Dec 2019**	**2.4 years**	**2026**
MML03	**300**	**Feb 2021**	**3.7 years**	**2028**
MML04	**450**	**Feb 2021**	**3.7 years**	**2028**
MML05	**865**	**May 2022**	**2.9 years**	**2027**
MML06	**135**	**May 2022**	**4.9 years**	**2029**
MML06 tap	**410**	**May 2022**	**4.9 years**	**2029**
MML07	**340**	**Oct 2023**	**4.9 years**	**2029**
Total	**4 270**			

The table below shows the maturity profile of Momentum Metropolitan's subordinated debt at 30 June 2023:

Instrument code	Amount issued (Rm)	Date issued	Outstanding tenor	Maturity year
MMIG04	270	Aug 2015	2.1 years	2025
MMIG06	750	Oct 2017	0.3 years	2023
MMIG07	750	Mar 2019	1.2 years	2024
MML01	290	Dec 2019	3.4 years	2026
MML02	460	Dec 2019	3.4 years	2026
MML03	300	Feb 2021	4.7 years	2028
MML04	450	Feb 2021	4.7 years	2028
MML05	865	May 2022	3.9 years	2027
MML06	135	May 2022	5.9 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 2024 (and narrowly within the upper threshold at 30 June 2023).

The Prudential Authority (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 1.4 to 1.7 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 SCRs 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 2024 (and at 30 June 2023).

35.5 Credit ratings

In January 2024, Moody's published their updated credit opinion for MML. In those credit opinion reports, Moody's affirmed the MML credit ratings and maintained a stable outlook on the ratings. The table below shows MML's credit ratings as at 30 June 2024.

		National scale		Global scale		
Entity	**Type**	**2024**	**2023**	**2024**	**2023**	**Outlook**
MML	Insurer 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**

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.

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 vested bonuses for smoothed bonus business, as well as amounts invested 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.

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 (except to the extent that they are exposed to mortality insurance risk). 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

36 INSURANCE AND INVESTMENT BUSINESS CONTINUED

36.1 Classes of insurance and investment contract business continued

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.

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 Heads of Actuarial Function (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.

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)

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.

36 INSURANCE AND INVESTMENT BUSINESS CONTINUED

36.2 Life insurance risks continued

36.2.1 Demographic risks (mortality, morbidity, persistency) continued

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.
- Acquired immunodeficiency syndrome (AIDS) risk is no longer material, given the impact of anti-retrovirals and the reduction in AIDS cases.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

36 INSURANCE AND INVESTMENT BUSINESS CONTINUED

36.2 Life insurance risks continued

36.2.1 Demographic risks (mortality, morbidity, persistency) continued

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 alternation 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.

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 INSURANCE AND INVESTMENT BUSINESS CONTINUED

36.3 Health insurance risks

The Group sells health insurance policies to policyholders in South Africa. These policies expose the Group to morbidity risk, anti-selection risk, expense risks, credit risk and liquidity risk.

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.

36.4 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 the segmental report for a depiction of the diversified nature of the Group.

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 (Enterprise Risk Management) function.

The Momentum Metropolitan 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 rollover 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

FOR THE YEAR ENDED 30 JUNE 2024

37 LIQUIDITY RISK CONTINUED

37.2 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.

Liquidity risk from non-profit annuity benefits is borne by shareholders. Liquidity risk is mitigated by ensuring that expected cash flows are matched with sufficiently liquid assets of appropriate nature and term.

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.

37.3 Shareholder funds

The significant shareholder liabilities of the Group are the carry positions and the subordinated call notes issued by Momentum Metropolitan Life Ltd.

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 LIQUIDITY RISK CONTINUED

37.4 Liquidity risk tables

37.4.1 Insurance and reinsurance business

The liquidity risk tables for insurance contracts and reinsurance contracts are based on the present value of expected net future cash flows and the risk adjustment for non-financial risks (where applicable). The present value of the expected net future cash flows and risk adjustment are allocated to time periods based on the expected timing of the cash flows. The liquidity risk table provides separate disclosures on insurance contract assets, insurance contract liabilities, reinsurance contract assets and reinsurance contract liabilities.

Group and Company

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.

Fulfilment cash flows (discounted)	Payable on demand Rm	0 to 1 year Rm	1 to 2 years Rm	2 to 3 years Rm	3 to 4 years Rm	4 to 5 years Rm	5 to 10 years Rm	10 to 15 years Rm	15 to 20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2024												
General measurement model	**28**	**5 964**	**5 485**	**4 953**	**4 518**	**4 129**	**15 117**	**8 107**	**4 120**	**5 392**	**57 813**	**66 485**
Variable fee approach	**3 194**	**7 657**	**7 269**	**5 414**	**4 899**	**4 476**	**13 960**	**6 623**	**3 169**	**2 519**	**59 180**	**61 308**
Premium allocation approach	**–**	**4 379**	**709**	**439**	**451**	**427**	**1 355**	**792**	**591**	**1 775**	**10 918**	**10 918**
	3 222	**18 000**	**13 463**	**10 806**	**9 868**	**9 032**	**30 432**	**15 522**	**7 880**	**9 686**	**127 911**	**138 711**
2023												
General measurement model	26	4 982	4 086	4 004	3 690	3 339	12 250	6 461	3 233	4 109	46 180	53 497
Variable fee approach	3 322	7 000	6 366	5 422	4 681	4 372	14 114	6 847	3 322	2 641	58 087	60 589
Premium allocation approach	–	4 086	624	490	420	352	1 270	711	506	1 808	10 267	10 267
	3 348	16 068	11 076	9 916	8 791	8 063	27 634	14 019	7 061	8 558	114 534	124 353

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.

Fulfilment cash flows (discounted)	Payable on demand Rm	0 to 1 year Rm	1 to 2 years Rm	2 to 3 years Rm	3 to 4 years Rm	4 to 5 years Rm	5 to 10 years Rm	10 to 15 years Rm	15 to 20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2024												
General measurement model	**–**	**(1 463)**	**(1 384)**	**(1 588)**	**(1 255)**	**(988)**	**(2 628)**	**(877)**	**(276)**	**422**	**(10 037)**	**(4 564)**
	–	**(1 463)**	**(1 384)**	**(1 588)**	**(1 255)**	**(988)**	**(2 628)**	**(877)**	**(276)**	**422**	**(10 037)**	**(4 564)**
2023												
General measurement model	–	(1 525)	(1 382)	(1 440)	(1 190)	(956)	(2 431)	(737)	(179)	473	(9 367)	(4 214)
	–	(1 525)	(1 382)	(1 440)	(1 190)	(956)	(2 431)	(737)	(179)	473	(9 367)	(4 214)

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.

Fulfilment cash flows (discounted)	Payable on demand Rm	0 to 1 year Rm	1 to 2 years Rm	2 to 3 years Rm	3 to 4 years Rm	4 to 5 years Rm	5 to 10 years Rm	10 to 15 years Rm	15 to 20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2024												
General measurement model	**1 219**	**1 106**	**262**	**184**	**170**	**158**	**641**	**449**	**306**	**871**	**5 366**	**3 857**
Premium allocation approach	**–**	**797**	**81**	**50**	**51**	**49**	**155**	**90**	**68**	**203**	**1 544**	**1 544**
	1 219	**1 903**	**343**	**234**	**221**	**207**	**796**	**539**	**374**	**1 074**	**6 910**	**5 401**
2023												
General measurement model	1 022	1 028	206	144	135	128	541	392	261	697	4 554	3 312
Premium allocation approach	–	802	66	52	44	37	135	75	54	192	1 457	1 457
	1 022	1 830	272	196	179	165	676	467	315	889	6 011	4 769

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

37 LIQUIDITY RISK CONTINUED

37.4 Liquidity risk tables continued

37.4.1 Insurance and reinsurance business continued

Group and Company continued

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.

Fulfilment cash flows (discounted)	Payable on demand Rm	0 to 1 year Rm	1 to 2 years Rm	2 to 3 years Rm	3 to 4 years Rm	4 to 5 years Rm	5 to 10 years Rm	10 to 15 years Rm	15 to 20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2024												
General measurement model	**14**	**3**	**(5)**	**(2)**	**(2)**	**(2)**	**(9)**	**(6)**	**(3)**	**(7)**	**(19)**	**(33)**
	14	**3**	**(5)**	**(2)**	**(2)**	**(2)**	**(9)**	**(6)**	**(3)**	**(7)**	**(19)**	**(33)**
2023												
General measurement model	9	(6)	2	1	1	–	(2)	(4)	(4)	(12)	(15)	(36)
	9	(6)	2	1	1	–	(2)	(4)	(4)	(12)	(15)	(36)

37.4.2 Fulfilment cash flow recognition for investment contract liabilities

Group

An analysis of the expected cash flows remaining at the end of the reporting period is provided in the following table:

Expected cash flows (undiscounted)	Payable on demand Rm	0 to 1 year Rm	1 to 2 years Rm	2 to 3 years Rm	3 to 4 years Rm	4 to 5 years Rm	5 to 10 years Rm	10 to 15 years Rm	15 to 20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2024												
Investment contract liabilities	**381 210**	**571**	**269**	**215**	**155**	**67**	**717**	**77**	**83**	**203**	**383 567**	**383 566**
Restated 2023[1]												
Investment contract liabilities	336 622	2 347	531	194	158	77	648	79	82	206	340 944	340 943

Company

An analysis of the expected cash flows remaining at the end of the reporting period is provided in the following table:

Expected cash flows (undiscounted)	Payable on demand Rm	0 to 1 year Rm	1 to 2 years Rm	2 to 3 years Rm	3 to 4 years Rm	4 to 5 years Rm	5 to 10 years Rm	10 to 15 years Rm	15 to 20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2024												
Investment contract liabilities	**378 607**	**571**	**269**	**215**	**155**	**66**	**717**	**77**	**82**	**202**	**380 961**	**380 960**
Restated 2023[1]												
Investment contract liabilities	334 131	2 347	531	193	158	77	648	79	82	206	338 452	338 451

[1] The prior period has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

37 LIQUIDITY RISK CONTINUED

37.4 Liquidity risk tables continued

37.4.3 Financial liabilities at fair value through profit or loss

Group

An analysis of the expected cash flows remaining at the end of the reporting period is provided in the following table:

Expected cash flows (undiscounted)	Open-ended Rm	0 to 1 years Rm	1 to 5 years Rm	5 to 10 years Rm	>10 years Rm	Total Rm	Carrying amount Rm
2024							
Collective investment scheme liabilities	**36 182**	**–**	**–**	**–**	**–**	**36 182**	**36 182**
Subordinated call notes	**–**	**1 106**	**4 341**	**–**	**–**	**5 447**	**4 324**
Carry positions	**–**	**15 714**	**–**	**–**	**–**	**15 714**	**15 714**
Derivative financial liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**2 746**
Preference shares	**–**	**4**	**84**	**285**	**190**	**563**	**377**
Other borrowings	**6**	**3**	**2**	**–**	**–**	**11**	**10**
	36 188	**16 827**	**4 427**	**285**	**190**	**57 917**	**59 353**
2023							
Collective investment scheme liabilities	33 704	–	–	–	–	33 704	33 984
Subordinated call notes	–	1 125	4 222	149	–	5 496	4 299
Carry positions	–	9 080	–	–	–	9 080	9 080
Derivative financial liabilities[1]	–	–	–	–	–	–	3 339
Preference shares	–	–	100	201	168	469	310
Other borrowings	22	17	9	8	30	86	55
	33 726	10 222	4 331	358	198	48 835	51 067

[1] Cash flows for derivative financial instruments have been disclosed on a net basis below. Refer to note 37.4.6.

Refer to note 45.1 and note 46 for more information on restatements.

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.

Company

An analysis of the expected cash flows remaining at the end of the reporting period is provided in the following table:

Expected cash flows (undiscounted)	Open-ended Rm	0 to 1 years Rm	1 to 5 years Rm	5 to 10 years Rm	>10 years Rm	Total Rm	Carrying amount Rm
2024							
Subordinated call notes	**–**	**1 106**	**4 341**	**–**	**–**	**5 447**	**4 324**
Carry positions	**–**	**14 382**	**–**	**–**	**–**	**14 382**	**14 382**
Derivative financial liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**2 708**
	–	**15 488**	**4 341**	**–**	**–**	**19 829**	**21 414**
2023							
Subordinated call notes	–	1 125	4 222	149	–	5 496	4 299
Carry positions	–	7 828	–	–	–	7 828	7 828
Derivative financial liabilities[1]	–	–	–	–	–	–	3 338
	–	8 953	4 222	149	–	13 324	15 465

[1] Cash flows for derivative financial instruments have been disclosed on a net basis below.

Refer to note 46 for more information on restatements.

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

FOR THE YEAR ENDED 30 JUNE 2024

37 LIQUIDITY RISK CONTINUED

37.4 Liquidity risk tables continued

37.4.4 Financial liabilities carried at amortised cost

Group

An analysis of the expected cash flows remaining at the end of the reporting period is provided in the following table:

Expected cash flows (undiscounted)	Open-ended Rm	0 to 1 years Rm	1 to 5 years Rm	5 to 10 years Rm	>10 years Rm	Total Rm	Carrying amount Rm
2024							
Financial liabilities at amortised cost	**–**	**549**	**775**	**40**	**41**	**1 405**	**1 247**
Term loans	**–**	**504**	**695**	**33**	**–**	**1 232**	**1 125**
Lease liabilities	**–**	**42**	**80**	**7**	**41**	**170**	**119**
Other	**–**	**3**	**–**	**–**	**–**	**3**	**3**
Other payables	**4**	**9 408**	**1 465**	**27**	**–**	**10 904**	**9 031**
	4	**9 957**	**2 240**	**67**	**41**	**12 309**	**10 278**
Restated 2023[1]							
Financial liabilities at amortised cost	–	493	818	107	36	1 454	1 293
Term loans	–	378	735	99	–	1 212	1 093
Lease liabilities	–	35	83	8	36	162	120
Other	–	80	–	–	–	80	80
Other payables	4	10 767	–	–	–	10 771	9 258
	4	11 260	818	107	36	12 225	10 551

[1] The prior period has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1and note 46 for more information.

Other payables exclude deferred revenue liabilities.

Other liabilities are considered to be excluded from the scope of IFRS 9 and IFRS 7; therefore no cash flows are provided for those liabilities.

Company

An analysis of the expected cash flows remaining at the end of the reporting period is provided in the following table:

Expected cash flows (undiscounted)	Open-ended Rm	0 to 1 years Rm	1 to 5 years Rm	5 to 10 years Rm	>10 years Rm	Total Rm	Carrying amount Rm
2024							
Financial liabilities at amortised cost	**–**	**28**	**72**	**–**	**–**	**100**	**89**
Term loans	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Lease liabilities	**–**	**28**	**72**	**–**	**–**	**100**	**89**
Other payables	**–**	**7 546**	**47**	**–**	**–**	**7 593**	**7 573**
	–	**7 574**	**119**	**–**	**–**	**7 693**	**7 662**
Restated 2023[1]							
Financial liabilities at amortised cost	–	56	216	–	–	272	235
Lease liabilities	–	56	216	–	–	272	235
Other payables	–	7 553	–	–	–	7 553	7 553
	–	7 609	216	–	–	7 825	7 788

[1] The prior period has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

Other payables exclude deferred revenue liabilities.

Other liabilities are considered to be excluded from the scope of IFRS 9 and IFRS 7; therefore no cash flows are provided for those liabilities.

37 LIQUIDITY RISK CONTINUED

37.4 Liquidity risk tables continued

37.4.5 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:

	Group				Company			
	2024		Restated 2023[1]		2024		Restated 2023[1]	
Total asset liquidity	%	Rm	%	Rm	%	Rm	%	Rm
High[2]	**79**	**480 208**	77	422 583	**81**	**460 885**	80	401 786
Medium[3]	**20**	**119 405**	21	112 098	**18**	**102 344**	19	97 451
Low/illiquid[4]	**2**	**11 275**	2	11 032	**1**	**5 722**	1	2 708
Other assets not included above								
– intangible assets		**2 697**		3 033		**2 509**		2 594
– employee benefit assets		**429**		398		**429**		398
– accelerated rental income		**327**		311		**223**		170
– prepayments		**146**		157		**111**		138
– deferred income tax		**178**		108		**–**		–
– assets relating to disposal groups held for sale		**103**		88		**103**		4 874
Total assets		**614 768**		549 808		**572 326**		510 119

1 The prior period has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

2 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.

3 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 receivables, reinsurance contracts).

4 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).

37.4.6 Maturity profile of derivative financial instruments

Contractual maturities are assessed to be essential for an understanding of all derivatives presented in the consolidated statement of financial position. 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.

Group

	Carrying value Rm	Total Rm	0 to 1 year Rm	1 to 5 years Rm	>5 years
2024					
Derivatives held for trading					
Equity derivatives	**179**	**(9)**	**(9)**	**–**	**–**
Interest rate derivatives	**(393)**	**(163)**	**198**	**(697)**	**336**
Bond derivatives	**188**	**227**	**225**	**2**	**–**
Credit derivatives	**(9)**	**4**	**1**	**3**	**–**
Currency derivatives	**(840)**	**(891)**	**(130)**	**(720)**	**(41)**
Total net undiscounted cash flow projections	**(875)**	**(832)**	**285**	**(1 412)**	**295**
Derivative financial instruments					
Assets	**1 871**				
Liabilities	**(2 746)**				
	(875)				
2023					
Derivatives held for trading					
Equity derivatives	35	(13)	(13)	–	–
Interest rate derivatives	(254)	(198)	27	(415)	190
Bond derivatives	(87)	(80)	10	(90)	–
Credit derivatives	(17)	(4)	–	(4)	–
Currency derivatives	(1 027)	(1 066)	(140)	(884)	(42)
Total net undiscounted cash flow projections	(1 350)	(1 361)	(116)	(1 393)	148
Derivative financial instruments					
Assets	1 989				
Liabilities	(3 339)				
	(1 350)				

Please refer to note 46 on more information on restatements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

37 LIQUIDITY RISK CONTINUED

37.4 Liquidity risk tables continued

37.4.6 Maturity profile of derivative financial instruments continued

Company

	Carrying value Rm	Total Rm	0 to 1 year Rm	1 to 5 years Rm	>5 years
2024					
Derivatives held for trading					
Equity derivatives	**181**	**(7)**	**(7)**	**–**	**–**
Interest rate derivatives	**(420)**	**(167)**	**202**	**(701)**	**332**
Bond derivatives	**186**	**224**	**222**	**2**	**–**
Credit derivatives	**(9)**	**4**	**1**	**3**	**–**
Currency derivatives	**(826)**	**(889)**	**(128)**	**(720)**	**(41)**
Total net undiscounted cash flow projections	**(888)**	**(835)**	**290**	**(1 416)**	**291**
Derivative financial instruments					
Assets	**1 820**				
Liabilities	**(2 708)**				
	(888)				
2023					
Derivatives held for trading					
Equity derivatives	26	(20)	(20)	–	–
Interest rate derivatives	(305)	(313)	(2)	(493)	182
Bond derivatives	(91)	(84)	6	(90)	–
Credit derivatives	(17)	(4)	–	(4)	–
Currency derivatives	(1 003)	(1 044)	(118)	(884)	(42)
Total net undiscounted cash flow projections	(1 390)	(1 465)	(134)	(1 471)	140
Derivative financial instruments					
Assets	1 948				
Liabilities	(3 338)				
	(1 390)				

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:

	Group		Company				
	Carrying amount		Carrying amount				
	2024 Rm	Restated 2023[1] Rm	2024 Rm	Restated 2023[1] Rm	Market price risk	Interest rate risk	Currency risk
Assets							
Carried at FVPL							
Unit-linked investments	**233 342**	205 298	**218 157**	192 252	✓✓	✓	✓
Debt securities	**174 766**	149 169	**139 940**	113 122	✓		✓
Equity securities	**123 561**	113 139	**42 187**	40 041	✓✓		✓
Funds on deposit and other money market instruments	**26 248**	25 516	**11 864**	12 321	✓		✓
Derivative financial assets	**1 871**	1 989	**1 820**	1 948	✓✓	✓✓	✓
Carry positions	**15**	56	**13**	–	✓	✓✓	
Interest in subsidiaries	**–**	–	**117 189**	110 897	✓✓		✓
Carried at amortised cost							
Unsettled trades	**1 148**	2 304	**720**	1 525			✓
Accounts receivable	**1 882**	2 141	**1 249**	1 436		✓	✓
Funds on deposit and other money market instruments	**79**	82	**39**	42		✓	
Loans	**2 860**	3 228	**2 704**	3 227		✓✓	✓
Cash and cash equivalents	**23 778**	22 772	**17 382**	13 443		✓✓	✓
Other non-financial assets	**14 686**	14 663	**8 763**	10 574			
Other receivables	**567**	468	**334**	308		✓	
Insurance contract assets	**4 564**	4 214	**4 564**	4 214	✓✓	✓✓	
Reinsurance contract assets	**5 401**	4 769	**5 401**	4 769	✓	✓✓	
Total assets	**614 768**	549 808	**572 326**	510 119			
Liabilities							
Carried at FVPL							
Investment contracts designated at FVPL	**383 566**	340 943	**380 960**	338 451	✓✓	✓✓	✓
Collective investment scheme liabilities	**36 182**	33 984	**–**	–	✓✓	✓	✓
Subordinated call notes	**4 324**	4 299	**4 324**	4 299	✓	✓✓	
Carry positions	**15 714**	9 080	**14 382**	7 828	✓	✓✓	
Derivative financial liabilities	**2 746**	3 339	**2 708**	3 338	✓✓	✓✓	✓
Preference shares	**377**	310	**–**	–	✓	✓✓	
Other borrowings	**10**	55	**–**	–	✓	✓	✓
Carried at amortised cost							
Term loans[2]	**1 125**	1 093	**–**	–		✓✓	
Lease liabilities	**119**	120	**89**	235		✓✓	✓
Other[2]	**3**	80	**–**	–		✓	
Other payables (excluding deferred revenue liabilities)							
Payables arising from investment contracts	**2 642**	3 273	**2 642**	3 273			✓
Unsettled trades	**1 059**	1 825	**740**	1 197			✓
Commission creditors	**528**	498	**527**	497		✓	✓
Other	**4 802**	3 662	**3 664**	2 586		✓	✓
Liabilities relating to disposal groups held for sale	**–**	48	**–**	–	✓✓	✓✓	
Other non-financial liabilities	**4 617**	5 030	**4 030**	4 627			
Insurance contract liabilities	**138 711**	124 353	**138 711**	124 353	✓✓	✓✓	
Reinsurance contract liabilities	**33**	36	**33**	36	✓	✓✓	
Total liabilities	**596 558**	532 028	**552 810**	490 720			

✓✓ High exposure
✓ Medium/low exposure
1 The prior period has been restated for the application of IFRS 17 and errors. Refer to note 45.1 and note 46 for more information.
2 These line items were previously disclosed combined and have subsequently been disaggregated to enhance comparability and usefulness.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

38 MARKET RISK CONTINUED

Market risk governance

Shareholder market risk is managed according to the Momentum Shareholder Market Risk Policy while the Client Investment Policy governs the management of policyholder market risk.

The Momentum Capital and Investment Committee (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 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.

MML 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 Ltd 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.

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.

38 MARKET RISK CONTINUED

Market risk governance continued

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; and
- considering the risk-reward profile of holding equities and assuming appropriate risk in order to obtain higher expected returns on assets.

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 Metropolitan Private Equity Investments Committee, represented by specialist investment professionals and independent Momentum Metropolitan representatives; and
- 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

38 MARKET RISK CONTINUED

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.

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 12.

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 adverse 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 following table 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. In addition to the information disclosed below the Group holds investments in non-subsidiary unit-linked investments for which disclosures are not provided, as the Group does not manage these assets in a manner that considers risk from changes in interest rates.

38 MARKET RISK CONTINUED

38.2 Interest rate risk continued

Interest rate risk management continued

Exposure of financial instruments to interest rates continued

Group

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 %
2024					
At FVPL					
Debt securities	**174 764**	**60 577**	**107 509**	**6 678**	**7%**
Funds on deposit and other money market instruments	**26 247**	**9 621**	**16 429**	**197**	**7%**
Derivative financial assets	**1 871**	**–**	**1 871**	**–**	**N/A**
Derivative financial liabilities	**(2 746)**	**–**	**(2 746)**	**–**	**N/A**
Carry positions	**15**	**–**	**15**	**–**	**–**
At amortised cost					
Funds on deposit and other money market instruments	**79**	**–**	**–**	**79**	**N/A**
Loans and receivables at amortised cost	**5 890**	**1 089**	**–**	**4 801**	**–**
Cash and cash equivalents	**23 778**	**21 413**	**–**	**2 365**	**7%**
	229 898	**92 700**	**123 078**	**14 120**	
Restated 2023[1]					
At FVPL					
Debt securities	149 169	53 942	90 275	4 952	8%
Funds on deposit and other money market instruments	25 516	11 382	14 134	–	8%
Derivative financial assets	1 989	–	1 989	–	N/A
Derivative financial liabilities	(3 338)	–	(3 338)	–	N/A
Carry positions[#]	56	–	56	–	–
At amortised cost					
Debt securities	–	–	–	–	–
Funds on deposit and other money market instruments	82	–	–	82	N/A
Loans and receivables at amortised cost	7 673	552	–	7 121	–
Cash and cash equivalents	22 772	19 780	–	2 992	6%
	203 919	85 656	103 116	15 147	

[1] The prior period has been restated for the application of IFRS 17. Refer to note 45.1 for more information.

[#] Upon further investigation it was concluded that R56 million carry positions was incorrectly classified as no interest rate risk, which should have been fair value interest rate risk. June 2023 has been restated accordingly.

Liability exposure to interest rates is reflected in note 13.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

38 MARKET RISK CONTINUED

38.2 Interest rate risk continued

Interest rate risk management continued

Exposure of financial instruments to interest rates continued

Company

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 %
2024					
At FVPL					
Debt securities	**139 941**	**42 420**	**88 903**	**8 618**	**7%**
Funds on deposit and other money market instruments	**11 864**	**3 751**	**7 916**	**197**	**7%**
Derivative financial assets	**1 820**	**–**	**1 820**	**–**	**N/A**
Derivative financial liabilities	**(2 708)**	**–**	**(2 708)**	**–**	**N/A**
Carry positions	**13**	**–**	**13**	**–**	**–**
At amortised cost					
Funds on deposit and other money market instruments	**39**	**–**	**–**	**39**	**–**
Loans and receivables at amortised cost	**4 673**	**302**	**–**	**4 371**	**–**
Cash and cash equivalents	**17 381**	**15 972**	**–**	**1 409**	**7%**
	173 023	**62 445**	**95 944**	**14 634**	
Restated 2023[1]					
At FVPL					
Debt securities	113 122	35 800	69 390	7 932	8%
Funds on deposit and other money market instruments	12 321	5 689	6 632	–	8%
Derivative financial assets	1 948	–	1 948	–	N/A
Derivative financial liabilities	(3 338)	–	(3 338)	–	N/A
Carry positions	–	–	–	–	0%
At amortised cost	–				
Debt securities	–	–	–	–	
Funds on deposit and other money market instruments	42	–	–	42	N/A
Loans and receivables at amortised cost	6 188	534	–	5 654	0%
Cash and cash equivalents	13 443	12 641	–	802	6%
	143 726	54 664	74 632	14 430	

[1] The prior period has been restated for the application of IFRS 17 and other restatements. Refer to note 45.1 and note 46 for more information.

Liability exposure to interest rates is reflected in note 13.

In light of the global transition to alternative benchmark rates, the South African Reserve Bank (SARB) has commenced the transition in South Africa from the Johannesburg Interbank Average Rate (JIBAR) benchmark to the South African Rand Overnight Index Average (ZARONIA). The Market Practitioners Group (MPG), formed by the SARB, advises and assists with interest rate benchmark reform in the South African financial markets. Individuals from Momentum Group participate in various MPG Workgroups, allowing consideration of the Group's interests and ensuring that the Group stays up to date with developments and planned timeframes of the reform project.

Broader stakeholder education and training regarding ZARONIA adoption and transition, and the impact thereof, is continuing within the Group to ensure broad-based understanding for purposes of implementation. The SARB's transition plan involves adoption in derivatives markets first, followed by broader market instruments, and finally, the conversion of legacy JIBAR positions to ZARONIA. The Group has launched projects for development towards operational and system readiness, to support a smooth transition as per the timelines which continue to be communicated by the SARB from time to time. Some project phases have been completed, some are in process, and some will commence in the near future. JIBAR rates are currently the only affected rates with regards to transition. The following instruments will be impacted:

(i) non-derivative financial assets which comprise cash, cash equivalents, debt securities and fund deposits;
(ii) non-derivative financial liabilities; and
(iii) derivatives.

Based on current timelines provided by the SARB/MPG the expected transition date from JIBAR-based to ZARONIA-based financial instruments will likely only take place within the latter part of the 2026 financial year and early parts of the 2027 financial year. The Group therefore only expects to start trading in ZARONIA-based financial instruments towards the latter end of the 2025 financial year or early part of the 2026 financial year. The Group is currently unable to quantify the financial implications and risks from the transition and therefore are not clear yet if there will be changes to the Group's risk management strategy. This would depend on the size of any potential impact as well as the availability of risk mitigation trades.

38 MARKET RISK CONTINUED

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.

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 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 following table 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, Uganda and Mozambique.

The currency risk exposure on liabilities denominated in foreign currencies, excluding the liabilities disclosed in note 37.5 and derivative financial liabilities, is not considered material. The currency risk associated with derivative financial liabilities is concentrated within US Dollars at a value of R870 million (2023: R977 million).

The following assets, 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:

Group	Africa Rm	UK £ Rm	US $ Rm	Euro Rm	Asian Pacific Rm	Other Rm	Total Rm
2024							
Closing exchange rate		***23.0746***	***18.2543***	***19.5568***			
Investment securities							
At FVPL							
Unit-linked investments	**–**	**8 269**	**44 303**	**832**	**213**	**15**	**53 632**
Equity securities	**–**	**2 445**	**35 220**	**5 072**	**6 067**	**4 954**	**53 758**
Debt securities	**–**	**268**	**5 320**	**958**	**1 129**	**326**	**8 001**
Funds on deposit and other money market instruments	**–**	**5**	**1 829**	**3**	**–**	**–**	**1 837**
Derivative financial assets	**–**	**1**	**68**	**1**	**13**	**1**	**84**
At amortised cost							
Loans and accounts receivable	**9**	**71**	**235**	**18**	**–**	**15**	**348**
Cash and cash equivalents	**13**	**446**	**2 996**	**167**	**78**	**59**	**3 759**
	22	**11 505**	**89 971**	**7 051**	**7 500**	**5 370**	**121 419**
Restated 2023							
Closing exchange rate		*24.0136*	*18.8915*	*20.6059*			
Investment securities							
At FVPL							
Unit-linked investments	–	7 926	37 981	1 169	10	50	47 136
Equity securities	–	2 138	27 987	4 973	5 584	3 749	44 431
Debt securities	–	177	4 698	706	628	206	6 415
Funds on deposit and other money market instruments	–	2	1 648	7	–	–	1 657
Derivative financial assets	–	–	61	–	2	1	64
At amortised cost							
Loans and accounts receivable	–	101	1 191	17	2	13	1 324
Cash and cash equivalents	–	500	3 280	131	97	68	4 076
	–	10 844	76 846	7 003	6 323	4 087	105 103

Refer to note 46 for more information on restatements.

The assets above generally back policyholder liabilities, reducing the currency risk exposure for shareholders.

African exchange rates representing material balances above are:

Closing exchange rate	Botswana	Ghana	Kenya
2024	**1.3453**	**1.1937**	**0.1412**
2023	1.3973	1.6626	0.1390

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

38 MARKET RISK CONTINUED

38.3 Currency risk continued

Company	Africa Rm	UK £ Rm	US $ Rm	Euro Rm	Asian Pacific Rm	Other Rm	Total Rm
2024							
Closing exchange rate		***23.0746***	***18.2543***	***19.5568***			
Investment securities							
At FVPL							
Unit-linked investments	**–**	**5 836**	**37 596**	**604**	**40**	**4**	**44 080**
Equity securities	**–**	**180**	**6 010**	**317**	**18**	**158**	**6 683**
Debt securities	**–**	**94**	**4 147**	**32**	**–**	**–**	**4 273**
Funds on deposit and other money market instruments	**–**	**–**	**1 829**	**–**	**–**	**–**	**1 829**
Derivative financial assets	**–**	**–**	**60**	**–**	**–**	**–**	**60**
Interest in subsidiaries	**23**	**1 226**	**–**	**–**	**–**	**–**	**1 249**
At amortised cost							
Loans and accounts receivable	**–**	**–**	**35**	**–**	**–**	**–**	**35**
Cash and cash equivalents	**–**	**9**	**1 553**	**74**	**9**	**12**	**1 657**
	23	**7 345**	**51 230**	**1 027**	**67**	**174**	**59 866**
2023							
Closing exchange rate		*24.0136*	*18.8915*	*20.6059*			
Investment securities							
At FVPL							
Unit-linked investments	–	5 055	30 651	968	5	18	36 697
Equity securities	–	305	4 280	443	76	260	5 364
Debt securities	–	36	3 505	4	–	–	3 545
Funds on deposit and other money market instruments	–	–	1 640	1	–	–	1 641
Derivative financial assets	–	–	45	–	–	–	45
Interest in subsidiaries	24	1 575	–	–	–	–	1 599
At amortised cost							
Loans and accounts receivable	–	71	504	3	2	–	580
Cash and cash equivalents	–	74	1 927	46	4	27	2 078
	24	7 116	42 552	1 465	87	305	51 549

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.

38 MARKET RISK CONTINUED

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:

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Investment properties	**9 279**	8 794	**5 303**	2 098
Owner-occupied properties	**1 533**	1 875	**70**	352
Collective investment schemes property exposure (refer to note 42)[#, 1]	**5 341**	4 558	**5 432**	4 306
Other unit-linked investments property exposure (refer to note 42)	**598**	858	**567**	849
	16 751	16 085	**11 372**	7 605
Percentage of total assets	**2.7%**	2.9%	**2.0%**	1.5%

[#] Upon further investigation it was note that the prior year Company numbers relating to Collective investment schemes property exposure do not reconcile to note 42, these have been reconciled in the current year. June 2023 has been restated accordingly.

[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.

Refer to note 4 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 long outstanding debtors relating to tenants at 30 June 2024 of R42 million for the Group (2023: R55 million) and R41 million for the Company (2023: R52 million). The carrying amount of unlet and vacant investment property as at 30 June 2024 was R950 million (2023: R952 million) for the Group and R624 million (2023: R626 million) for the Company.

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; and
- market risk through investments held in shareholder funds.

The tables below illustrate the sensitivity of the Group's profit or loss to changes in insurance and market risk variables.

Life insurance

Group and Company	Gross of reinsurance		Net of reinsurance	
Insurance and market risk sensitivity analysis for insurance contracts	Impact on profit or loss Rm	Change in CSM Rm	Impact on profit or loss Rm	Change in CSM Rm
2024				
Insurance risks				
10% decrease in future expenses	**373**	**797**	**320**	**871**
10% decrease in lapse, paid-up and surrender rates	**(88)**	**408**	**(50)**	**503**
5% decrease in mortality and morbidity for assurance business	**1 165**	**2 847**	**846**	**2 899**
5% decrease in mortality and morbidity for annuity business	**(99)**	**(512)**	**(91)**	**(512)**
1% reduction in expense inflation rate	**195**	**534**	**151**	**594**
10% reduction in premium indexation take-up rate	**(29)**	**(1 134)**	**10**	**(1 306)**
Market risks				
1% reduction in gross investment return and inflation rate	**(374)**	**(11)**	**(77)**	**(31)**
10% fall in market value of equities and properties	**(134)**	**(310)**	**(134)**	**(310)**
2023				
Insurance risks				
10% decrease in future expenses	365	789	333	833
10% decrease in lapse, paid-up and surrender rates	(62)	323	(46)	421
5% decrease in mortality and morbidity for assurance business	1 038	2 591	785	2 660
5% decrease in mortality and morbidity for annuity business	(62)	(473)	(56)	(473)
1% reduction in expense inflation rate	183	525	158	560
10% reduction in premium indexation take-up rate	(26)	(990)	7	(1 131)
Market risks				
1% reduction in gross investment return and inflation rate	(270)	(8)	(52)	(9)
10% fall in market value of equities and properties	(134)	(343)	(134)	(343)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

38 MARKET RISK CONTINUED

38.5 Insurance and market risk sensitivity analysis continued

Investment contracts

Market risk sensitivity analysis for investment contracts	Impact on profit or loss 2024 Rm	Impact on profit or loss 2023 Rm
1% reduction in gross investment return and inflation rate	**(9)**	1
10% fall in market value of equities and properties	**(27)**	(25)

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 Ltd Investment Committee as well as the Principles and Practices of Financial Management (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.

Group and Company

Insurance contracts with direct participation features	Carrying value Base value Rm	 10% reduction in equity and property prices	 1% reduction in interest rates
2024			
Fair value of underlying funds (Rm)	**57 784**	**54 063**	**58 635**
Percentage change in carrying value (%)		**(6.44%)**	**1.47%**
2023			
Fair value of underlying funds (Rm)	57 640	54 084	58 502
Percentage change in carrying value (%)		(6.17%)	1.50%

Methods and assumptions used to determine the 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 contractual service margin 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.

Reinsurance contracts held

- The impact of the individual sensitivities on tax were considered for the relevant tax-paying entities.

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 Capital and Investment Committee (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 Global Credit Ratings (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). 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 A-rated local banks 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. For OTC equity index options, the credit risk is managed through the creditworthiness of the counterparty in terms of the Group's credit risk exposure policy. For OTC interest rate swaps, the Group enters into margining arrangements with counterparties, which limit the exposure to each counterparty to a level commensurate with the counterparty's credit rating and the value-at-risk in the portfolio. For exchange-traded options, credit risk is largely mitigated through the formal trading mechanism of the derivative exchange.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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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.

Amounts due from agents, brokers and intermediaries

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. As the largest portion of the Group’s new business premiums arises from brokerages that are subsidiaries of A-rated South African banks, the risk of default is low, and relates mainly to independent intermediaries.

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 only enters into reinsurance treaties with reinsurers registered with the Prudential Authority. 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 claims against reinsurers, and the payment of premiums to reinsurers.

The Group considers the credit quality of any reinsurer prior to renewing or entering into an agreement. Due diligence is performed on reinsurance partners and all partners are approved by a designated committee.

Credit risk exposure

For the Group's maximum exposure to credit risk refer to note 6.5.

Financial assets and liabilities designated at fair value through profit and loss

The current fair value movements on financial liabilities that would have otherwise been classified as at amortised cost or fair value through other comprehensive income (FVOCI) under IFRS 9, but which have been designated at FVPL, includes a R29 million loss (2023: R6 million loss) attributable to change in own credit risk.

Credit risk ratings

In January 2024, Moody’s updated their credit opinion for MML. In those credit opinion reports, Moody’s affirmed the MML credit rating and maintained the stable credit rating outlook. In the Moody’s credit opinion, 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 R338 million at 30 June 2024 (2023: R315 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 detail 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 R3 501 million (2023: R3 012 million) on the scrip lent. The carrying amount of scrip on loan in the current year was R3 044 million (2023: R2 624 million) and consisted of local listed equity securities. Fair value of the asset transferred, and the associated liability are tabled below:

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Carrying position liability	**15 714**	9 080	**14 382**	7 828
Underlying assets	**15 915**	9 063	**14 598**	7 838

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.

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.

The following table represents the Group's maximum exposure to credit risk arising from reinsurance contracts held:

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Reinsurance contract assets	**5 401**	4 769	**5 401**	4 768
Assets for remaining coverage	**1 954**	1 557	**1 954**	1 556
Amounts recoverable on incurred claims	**3 447**	3 212	**3 447**	3 212
Total credit risk exposure arising from reinsurance contracts	**5 401**	4 769	**5 401**	4 768

Credit quality of reinsurers

The table below discloses information about the credit quality of reinsurance contracts held that are assets per reinsurance counterparty, by using their respective national scale credit ratings issued by rating agencies, or national scale ratings generated by an internal model where rating agency ratings are not available:

Reinsurer	2024	2023
Swiss Re	**AA-**	AA-
General Re	**AA+**	AA+
Hannover Re	**AA-**	AA-
RGA Re	**AA-**	AA-
Munich Re	**AA-**	AA-
SCOR Re	**AA-**	AA-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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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 41 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 portfolios' 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 fair value through profit and loss.

41 SIGNIFICANT SUBSIDIARY COMPANIES

Companies	Country of incorporation, where not South Africa	Interest held 2024 %	Interest held 2023 %
Momentum Metropolitan Life Ltd			
Subsidiary companies			
Momentum Ability Ltd		–	100
Momentum Life Botswana Ltd	Botswana	**100**	100
Momentum Global Investment Management Ltd	United Kingdom	**100**	100
Momentum Wealth (Pty) Ltd		**100**	100
Momentum Wealth International Ltd	Guernsey	**100**	100
102 Rivonia Road (Pty) Ltd		**80**	80
Momentum Money		**100**	100
129 Rivonia Road (Pty) Ltd		**100**	100
Momentum Umhlanga Pty Ltd (previously Momentum Metropolitan Umhlanga (Pty) Limited)		**100**	100
SMH Land Development Pty Ltd		**100**	100
Momentum Investments Management (Pty) Ltd		**100**	100

Please refer to note 5 for carrying amounts.

41 SIGNIFICANT SUBSIDIARY COMPANIES CONTINUED

At 30 June, the following collective investment schemes (CISs) were significant subsidiaries of the Group:

	Interest held		Carrying amount	
	2024 %	**2023 %**	**2024 Rm**	**2023 Rm**
Momentum GF Global Equity Fund	**90%**	91%	**21 817**	23 291
Momentum GF Global Sustainable Equity Fund	**80%**	82%	**13 227**	8 995
Momentum Money Market Fund	**63%**	61%	**8 919**	8 546
Momentum Income Plus Fund	**61%**	60%	**6 315**	5 634
Momentum Thematic Growth Equity Fund	**100%**	100%	**6 174**	5 734
Momentum Bond Fund	**94%**	100%	**6 165**	6 911
Momentum Focus 6 Fund of Funds	**89%**	88%	**5 190**	5 090
Momentum Enhanced Yield Fund	**58%**	53%	**4 414**	3 962
Momentum GF Global Emerging Markets Equity Fund	**89%**	94%	**4 350**	3 598
Momentum Opportunistic Equity Fund	**100%**	99%	**3 442**	2 549
Momentum Ultra Long-Term Value Fund	**91%**	92%	**3 425**	3 983
Momentum Global Growth Fund IC Ltd	**93%**	94%	**3 160**	3 422
Momentum GF Global Fixed Income Fund	**94%**	92%	**3 087**	1 967
Momentum Macro Value Fund	**100%**	100%	**2 823**	2 602
Momentum SA Flexible Fixed Interest Fund	**78%**	88%	**2 788**	6 986
Momentum High Growth Fund	**100%**	100%	**2 623**	2 991
Momentum Focus 7 Fund of Funds	**84%**	83%	**2 327**	2 130
Momentum Trending Equity Fund	**98%**	99%	**1 962**	1 894
Momentum Capped SWIX Index Fund	**88%**	90%	**1 920**	2 346
Momentum Global Systematic Equity Fund	**100%**	*	**1 905**	*
Momentum Global Managed Fund IC Ltd	**89%**	88%	**1 776**	1 819
Momentum Focus 5 Fund of Funds	**77%**	75%	**1 775**	1 681
Momentum Diversified Income Fund	**60%**	59%	**1 632**	1 310
Momentum RCIS QI Property Hedge Fund	**100%**	**	**1 550**	**
Momentum Emerging Manager Growth Fund	**100%**	100%	**1 319**	1 265
Momentum Equity Fund	**33%**	35%	**1 194**	1 288
Momentum Property Equity Fund	**95%**	93%	**1 111**	885
Momentum RCIS Multi-Managed ZAR Equity Hedge QI Hedge Fund	**100%**	99%	**1 105**	791
Momentum RCIS Multi-Managed ZAR Capi Alpha QI Hedge Fund	**100%**	100%	**998**	873
Momentum Value Equity Fund	**97%**	98%	**988**	1 001
Momentum Core Equity Fund	**31%**	33%	**953**	991
Momentum Macro Growth Fund	**100%**	100%	**948**	955
Momentum RCIS Rubix QI Hedge Fund	**100%**	100%	**885**	846
Momentum Real Growth Property Fund	**80%**	82%	**751**	719
Momentum Managed Bond Fund	**100%**	100%	**726**	597
Momentum Flexible Income Fund	**72%**	66%	**631**	514
Momentum RCIS ZAR Diversified QI Fund of Hedge Funds	**80%**	100%	**626**	556
Momentum International Equity Feeder Fund	**45%**	47%	**585**	646
Momentum Active Bond Fund	**76%**	**	**562**	**
			126 148	119 368

* This is a new investment for the current year.
** The funds are only a significant subsidiary in the current year.

All the above collective investment schemes are incorporated in South Africa, except for the funds listed below:

Fund name	Domicile
Momentum GF Global Equity Fund	Luxembourg
Momentum GF Global Sustainable Equity Fund	Luxembourg
Momentum GF Global Emerging Markets Equity Fund	Luxembourg
Momentum GF Global Fixed Income Fund	Luxembourg
Momentum Global Growth Fund IC Ltd	Guernsey
Momentum Global Systematic Equity Fund	Luxembourg
Momentum Global Managed Fund IC Ltd	Guernsey

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FOR THE YEAR ENDED 30 JUNE 2024

41 SIGNIFICANT SUBSIDIARY COMPANIES CONTINUED

At 30 June the following collective investment schemes (CIS) were significant subsidiaries of the Company:

	Interest held		Carrying amount	
	2024 %	**2023 %**	**2024 Rm**	**2023 Rm**
Momentum GF Global Equity Fund	**74%**	74%	**17 899**	19 081
Momentum GF Global Sustainable Equity Fund	**61%**	60%	**10 174**	6 545
Momentum Money Market Fund	**60%**	59%	**8 431**	8 328
Momentum Income Plus Fund	**61%**	60%	**6 315**	5 634
Momentum Bond Fund	**92%**	99%	**6 058**	6 840
Momentum Thematic Growth Equity Fund	**86%**	88%	**5 299**	5 031
Momentum Focus 6 Fund of Funds	**89%**	88%	**5 190**	5 090
Momentum GF Global Emerging Markets Equity Fund	**79%**	84%	**3 897**	3 214
Momentum Enhanced Yield Fund	**48%**	46%	**3 614**	3 474
Momentum Ultra Long-Term Value Fund	**91%**	78%	**3 425**	3 380
Momentum Macro Value Fund	**100%**	100%	**2 823**	2 602
Momentum High Growth Fund	**100%**	85%	**2 623**	2 551
Momentum Opportunistic Equity Fund	**68%**	58%	**2 344**	1 486
Momentum Focus 7 Fund of Funds	**84%**	83%	**2 327**	2 130
Momentum GF Global Fixed Income Fund	**71%**	69%	**2 322**	1 474
Momentum Capped SWIX Index Fund	**88%**	74%	**1 916**	1 931
Momentum Global Systematic Equity Fund	**100%**	*	**1 905**	*
Momentum Global Growth Fund IC Ltd	**55%**	57%	**1 848**	2 077
Momentum Focus 5 Fund of Funds	**77%**	75%	**1 775**	1 681
Momentum RCIS QI Property Hedge Fund	**100%**	**	**1 550**	**
Momentum Trending Equity Fund	**77%**	69%	**1 532**	1 323
Momentum Emerging Manager Growth Fund	**100%**	100%	**1 319**	1 265
Momentum Diversified Income Fund	**47%**	48%	**1 284**	1 054
Momentum Equity Fund	**33%**	35%	**1 192**	1 285
Momentum Global Managed Fund IC Ltd	**59%**	59%	**1 188**	1 216
Momentum Property Equity Fund	**95%**	93%	**1 111**	885
Momentum RCIS Multi-Managed ZAR Equity Hedge QI Hedge Fund	**100%**	99%	**1 105**	791
Momentum RCIS Multi-Managed ZAR Capi Alpha QI Hedge Fund	**100%**	100%	**998**	873
Momentum Value Equity Fund	**96%**	98%	**979**	1 000
Momentum RCIS Rubix QI Hedge Fund	**100%**	100%	**885**	846
Momentum SA Flexible Fixed Interest Fund	**23%**	62%	**812**	4 951
Momentum Real Growth Property Fund	**80%**	78%	**751**	685
Momentum Core Equity Fund	**23%**	25%	**719**	747
Momentum Managed Bond Fund	**100%**	100%	**726**	597
Momentum Flexible Income Fund	**72%**	65%	**629**	513
Momentum RCIS ZAR Diversified QI Fund of Hedge Funds	**80%**	100%	**626**	556
Momentum International Equity Feeder Fund	**44%**	47%	**582**	646
Momentum Active Bond Fund	**76%**	**	**562**	**
Total investment in CIS subsidiaries			**108 735**	101 782

* This is a new investment for the current year.
** The funds are only a significant subsidiary in the current year.

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 collective investment schemes 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 – 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.

42.1 Collective investment schemes and other unit-linked investments

Unit-linked investments comprise local and foreign collective investment schemes as well as other unit-linked investments. Collective investment schemes are categorised into property, equity, money market, mixed assets and interest-bearing instruments based on the 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.

	Group		Company	
	2024 Rm	2023 Rm	2024 Rm	Restated 2023 Rm
Collective investment schemes				
Local and foreign	**215 758**	189 775	**200 751**	176 918
Equity	**69 733**	60 089	**60 088**	50 712
Interest-bearing#	**17 015**	6 730	**13 666**	6 243
Property	**5 341**	4 558	**5 432**	4 306
Mixed	**120 086**	114 761	**119 034**	112 977
Money market	**3 217**	3 355	**2 433**	2 646
Commodity	**366**	282	**98**	34
Other unit-linked investments	**17 584**	15 523	**17 406**	15 334
Local and foreign				
Equity	**4 368**	5 679	**4 405**	5 682
Interest-bearing#	**1 869**	1 463	**1 850**	1 725
Mixed	**10 225**	6 671	**10 166**	6 316
Commodity	**177**	182	**78**	92
Property	**598**	858	**567**	849
Money market	**347**	670	**340**	670
	233 342	205 298	**218 157**	192 252

Upon further investigation it was concluded that R305 million was incorrectly moved from other unit-linked investments to collective investment schemes. June 2023 has been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

42 UNCONSOLIDATED STRUCTURED ENTITIES CONTINUED

42.2 Detail on investments in associates at fair value through profit or loss

The Group holds a significant investment in the following associates at fair value through profit or loss:

	Carrying amount Rm	% interest held	Nature of relationship	Principal place of business
2024				
Momentum Africa Real Estate Fund	**324**	**26.4%**	**Standard investment**	**London**
2023				
Momentum Africa Real Estate Fund	473	26.5%	Standard investment	London

Summarised financial information relating to the associates above:

	Momentum Africa Real Estate Fund Rm
2024	
Current assets	**1 244**
Non-current assets	**–**
Current liabilities	**19**
Non-current liabilities	**1 224**
Revenue	**58**
Loss	**(290)**
2023	
Current assets	1 551
Non-current assets	241
Current liabilities	8
Non-current liabilities	1 783
Revenue	50
Profit	24

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] 2024 Rm	Carrying amount[1] 2023 Rm	Income received[2] 2024 Rm	Income received[2] 2023 Rm
The Thekwini Fund 16 (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	**346**	397	**36**	26
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	**552**	611	**38**	27
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	**624**	588	**58**	23
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	**398**	**	**9**	**
Blue Diamond X Investments (RF) Ltd	Floating rate notes/fixed rate notes	The Issuer will use the proceeds from the issue of the notes for the purpose of acquiring and/or investing in participating assets	Funding received from the South African capital market	*	522	*	15
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	**769**	739	**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	**403**	393	**11**	–
				3 092	3 250	**162**	91

* This listed securitisation is not considered to be significant in the current year.
** 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.

42 UNCONSOLIDATED STRUCTURED ENTITIES CONTINUED

42.3 Other unconsolidated structured entities continued

At 30 June the following collective investment schemes (CIS) were associates of the Company:

	Interest held		Carrying amount	
	2024 %	2023 %	2024 Rm	2023 Rm
Momentum Africa Real Estate Fund	**26%**	27%	**324**	473
Momentum Macro Growth Fund	**10%**	10%	**93**	93
PB Global Flexible Fund IC Limited	**5%**	5%	**85**	92
VPFP International Growth Fund IC Ltd	**15%**	9%	**50**	32
Momentum Financials Fund	**11%**	8%	**43**	36
VPFP International Cautious Fund IC Ltd	**6%**	4%	**33**	21
Momentum – Sterling Balanced Fund IC Limited	**9%**	*	**20**	*
Momentum Inflation Linked Bond Portfolio Fund	**	20%	**	64
Total investment in CIS associates			**648**	811

* This fund is only a significant associate in the current year.
** The fund is a subsidiary in the current year.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

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 6.6 for details of the instruments split into the different levels.

Instrument	Valuation basis	Main assumptions
Equities and similar securities – Local listed and unlisted		
– Listed and local	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, real bond curve, swap curve, consumer price index, credit spread, currency rates
	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 fair value through profit and loss	Asset and liability matching method	Asset value

There were no significant changes in the valuation methods applied since the prior year.

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 fair value through profit and loss				
Equity securities				
Listed	Published prices	Adjustments for low liquidity or inactivity	Liquidity discount: 0% to 30% (2023: 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 value of the property and the fair value[1]
	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]
Debt securities				
Stock and loans to government and other public bodies				
Unlisted	DCF	Discount rate	5.04% to 13.07% (2023: 8.00% to 13.07%)	The higher the discount rate, the lower the fair value of the assets
Listed	Published prices	Adjustments for recoverability and credit risk determined by collection rates of performing and non-performing loans	Multiple unobservable inputs[1]	The lower the collection rates, the lower the fair value
Other debt instruments				
Unlisted	DCF, Black-Scholes model	Discount rate, volatilities, yield curve	Multiple unobservable inputs[1]	Could vary significantly based on multiple inputs[1]. The higher the discount rate, the lower the fair value of the assets. A normal yield curve will result in a high fair value and a downward-sloping curve will result in lower fair values.
	DCF	Discount rate	10.22% to 10.95% (2023: 10.45% to 15.65%); 9.58% to 15.85% (2023: 9.37% to 16.00%)	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 (2023: 78c)	The higher the price per unit, the higher the fair value
	NAV	Underlying property valuations impacted by capitalisation rates, vacancy rates and potential capitalisation of project costs. Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics.	Could vary significantly based on the value of the underlying properties	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.
Funds on deposit and other money market instruments	Deposit rates, or DCF (market-related yields)	Market input (based on quotes received from market participants and valuation agents)	Could vary significantly due to the different risks associated with the investee	The greater the adjustments, the higher the fair value

[1] Quantitative information is not readily available as quantitative unobservable inputs are not developed by the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

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	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Unit-linked investments				
Collective investment schemes				
Foreign unlisted unquoted	Unit price of underlying assets/liabilities multiplied by number of units held	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]
Other unit-linked investments				
Local unlisted unquoted	Adjusted NAV or NAV	Price per unit	Could vary significantly due to range of holdings[1]	The higher the price per unit, the higher the fair value[1]
	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	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
Investment in subsidiaries				
Investment in subsidiaries at fair value through other comprehensive income	DCF	Discount rate	2024: 12.5% to 18.00% (2023: 12.5% to 18.25%)	The higher the discount rate, the lower the fair value of the investment
Investment in subsidiaries at fair value through profit and loss	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	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.
Derivative financial 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 inputs[1]	The fair value varies based on any changes to the NAV and judgemental adjustments applied by management.
Financial liabilities at fair value through profit and loss				
Other borrowings	DCF	Assets under management (AUM) growth rate	18% (2023: 18%)	The higher the rate, the higher the fair value
Preference shares	DCF	Discount rate	12.73% to 15.85% (2023: 13.17% to 15.65%)	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.

43 VALUATION TECHNIQUES CONTINUED

43.3 Equity-settled arrangements

Valuation assumptions relating to outstanding iSabelo units at 30 June

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 MGL 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 MGL shares where the strike price is the applicable value of the scheme debt per unit at the date of exercise (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% (2023: 14%) was used.

Key inputs

For the valuation the following key parameters were used:

Key Model Parameters

2024					
Market-based parameters	**Tranche 1**	**Tranche 2**	**Tranche 3**	**Tranche 4**	**Comment**
Share price at issue date	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	72% of prime	72% of prime	72% of prime	A preference share
	120% of prime	120% of prime	120% of prime	120% of prime	B preference share
Employee attrition	14.00%	14.00%	14.00%	14.00%	Based on historic experience

2023				
Market-based parameters	**Tranche 1**	**Tranche 2**	**Tranche 3**	**Comment**
Share price at issue date	18.89	16.49	18.37	Share price as at issue date
Volatility	40.00%	40.00%	26.30%	Based on market rates
Risk-free rate	10.87%	10.61%	11.40%	10-year point on GOVI Zero NACS
Contractual parameters				
Dividend yield	4%	4%	4%	Constant dividend yield assumed over the projection period
Funding charges	72% of prime	72% of prime	72% of prime	A preference share
	120% of prime	120% of prime	120% of prime	B preference share
Employee attrition	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

FOR THE YEAR ENDED 30 JUNE 2024

44 DIRECTORS REMUNERATION

The Group's executive directors are contracted as full-time, permanent employees, with the exception of the CEO who is currently on a fixed term contract. Notice periods range from one to 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 Remco based on recommendations by the CEO.

Non-executive directors, including the Chairman, 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.

	Salary		Performance bonus		Retention payments		Long-term incentive payments		Expense allowance	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Hillie Meyer[1]	2 105	8 171	6 650	4 475	–	–	13 669	7 058	–	–
Jeanette Marais (Cilliers)	7 399	5 177	4 150	3 175	–	–	10 189	5 137	–	–
Risto Ketola	5 361	4 996	3 650	3 050	–	–	8 051	4 238	–	–
Dumo Mbethe[2]	4 196	–	3 600	–	–	–	4 827	–	–	–
Executive directors	19 061	18 344	18 050	10 700	–	–	36 736	16 433	–	–

	Medical aid		Pension fund		Contractual payment		Total remuneration		Value of shares granted	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Hillie Meyer[1]	–	–	–	–	–	–	22 424	19 704	10 614	25 406
Jeanette Marais (Cilliers)	71	63	405	283	–	–	22 214	13 835	23 598	14 740
Risto Ketola	71	63	268	278	–	–	17 401	12 625	15 324	14 342
Dumo Mbethe[2]	43	–	326	–	–	–	12 992	–	12 381	–
Executive directors	185	126	999	561	–	–	75 031	46 164	61 917	54 488

	Fees		Ad hoc fees		Total fees	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000
HP Meyer[4]	277	–	–	–	277	–
SC Jurisich	2 192	2 081	–	–	2 192	2 081
LM Chiume[3]	–	1 729	–	–	–	1 729
SL Mc Pherson[5]	–	655	–	–	–	655
L de Beer	1 986	1 876	–	–	1 986	1 876
DJ Park	1 752	1 794	–	–	1 752	1 794
P Cooper	1 560	1 438	–	–	1 560	1 438
V Nkonyeni[6]	–	821	–	–	–	821
T Gobalsamy	1 210	1 159	–	–	1 210	1 159
S Rapeti[7]	92	–	–	–	92	–
NJ Dunkley (Nigel)[8]	3 120	3 002	–	–	3 120	3 002
P Matlakala[9]	2 018	1 516	–	–	2 018	1 516
T Soondarjee[9]	1 146	87	–	–	1 146	87
AF Leautier[9]	1 206	43	–	–	1 206	43
PC Baloyi[10]	2 806	2 813	–	–	2 806	2 813
PJ Makosholo[11]	1 214	1 056	–	–	1 214	1 056
Non-executive directors	20 579	20 070	–	–	20 579	20 070

[1] Resigned 30 September 2023.
[2] Appointed 22 November 2023.
[3] Resigned 31 May 2023.
[4] Appointed 1 April 2024.
[5] Resigned 31 December 2022.
[6] Resigned 24 November 2022.
[7] Appointed 1 June 2024.
[8] Received fees from directorship in United Kingdom (MGIM and Euroguard Boards).
[9] Appointed 1 June 2023.
[10] Appointed 8 April 2022.
[11] Resigned 30 June 2024.

45 SIGNIFICANT GROUP ACCOUNTING POLICIES

45.1 New IFRS standards and amendments

45.1.1 Standards, amendments to and interpretations of published standards that are not yet effective and have not been early adopted by the Group

- IAS 1 (Amendments) – Classification of liabilities as current or non-current and non-current liabilities with covenants (effective from annual periods beginning on or after 1 January 2024).
- IFRS 16 (Amendments) – Lease liability in a sale and leaseback (effective from annual periods beginning on or after 1 January 2024).
- IAS 7 and IFRS 7 (Amendments) – Disclosures: Supplier finance arrangements (effective from annual periods beginning on or after 1 January 2024).
- 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).
- IFRS 18 – Presentation and disclosure in financial statements (effective from annual periods beginning on or after 1 January 2027).
- IFRS 19 – Disclosures: Subsidiaries without public accountability (effective from annual periods beginning on or after 1 January 2027).

Management is currently assessing the impact of these amendments.

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments

45.1.2.1 Overview of the implementation of IFRS 17 – Insurance contracts by the Group

The Group initiated efforts to implement IFRS 17 in the 2017 calendar year. At a relatively early stage, it was decided that the implementation project should have a compliance focus as opposed to co-mingling development efforts with financial reporting transformation. In turn, this decision enabled the project to mainly rely on existing administrative and financial reporting infrastructure. This approach was extensively tested with internal and external experts at the time.

Significant parts of the Group's implementation efforts were resourced from internal teams that were actively involved in finance and actuarial processes. This led to challenges during financial reporting periods but had the benefit of embedding the relevant technical and processing skills within the organisation.

The ultimate successful implementation of IFRS 17 requires a variety of reporting functions, including actuarial and operational finance teams, to be in lockstep. The importance of line of business administration systems in facilitating this cannot be overemphasised. An initial mapping of the requirements to system capabilities supported an approach where any given system should ideally only be required to support the financial reporting of either insurance contracts (under IFRS 17) or investment contracts (under IFRS 9). In turn, this led to a reassessment of the Group's practices on what constitutes significant discretion and the resulting reclassification for the June 2020 financial year end. The net result was that limited changes were required to the Group's array of administration solutions.

Despite a long development time, several areas of the standard continued to pose uncertainty. The Group believes that industry practice will develop over time on these matters, including the various approaches deemed acceptable by assurance providers. Nevertheless, it was necessary to follow a timeous and rigorous governance process from the start on these areas of uncertainty as well as other design decisions as demanded by development timeframes. The Group's external assurance provider was requested to provide an ongoing compliance rating on interpretation and methodology matters since their involvement in 2019.

IFRS 17 requires accounting policy and implementation choices which will affect the level and pattern of future earnings. When deliberating the options, the Group decided not to target a specific earnings or equity impact, but to adhere to a framework consisting of three principles:

Economic reality
Accounting should reflect the underlying economics of insurance contracts as closely as possible. An example of where this was applied is setting the confidence level of the risk adjustment so as to have the contractual service margin (CSM) at a fair reflection of the economic value added.

Stable earnings release
In-force contracts should deliver a stable and real (increasing broadly with inflation) contribution to profit and loss. Earnings volatility, including volatility from one period to the next, should be minimised where possible. An example of where this was applied is the choice to discount coverage units.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.1 Overview of the implementation of IFRS 17 – Insurance contracts by the Group continued

Operational alignment
Where possible, accounting had to align with current business practices, for example risk and product management. In addition, choices should also support alignment across the various reporting bases being regulatory, statutory, embedded value and tax.

By applying this framework, the Group believes that the implementation of IFRS 17 will contribute to enhanced clarity and comparability of its financial results. It is noteworthy that the quantum and magnitude of adjustments between IFRS earnings and normalised headline earnings (one of the Group's key performance indicators) is expected to reduce, emphasising the reliance placed on meaningful financial results.

While the impact of IFRS 17 on the Group's financial reporting process and results is significant, solvency and thus ultimate free cash flow is unaffected. No immediate changes to business models are anticipated, but the additional granularity and aspects on financial performance provided by IFRS 17 may be used to enhance decision-making.

45.1.2.2 Nature of changes in accounting policy

For the Group, IFRS 17 replaced IFRS 4 – Insurance contracts for the reporting periods commencing on or after 1 July 2023.

The implementation of IFRS 17 resulted in changes in the classification of some policies as insurance or investment contracts. Policies issued under life insurance licences that were accounted for under IFRS 9 continue to be accounted for as financial instruments, except in instances where restrictive unbundling requirements in IFRS 17 result in previously unbundled financial instruments, being accounted for together with existing insurance contracts as single insurance contracts in the scope of IFRS 17.

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features (DPF). It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

IFRS 17 has brought significant changes to the accounting for insurance and reinsurance contracts. The requirements of IFRS 17 are equally applicable to insurance contracts issued and reinsurance contracts held, with a few exceptions. As a result a transition balance sheet as at 1 July 2022 has been prepared.

Statement of financial position
<u>Recognition and derecognition</u>
Under IFRS 4, the Group recognised insurance contracts issued and reinsurance contracts held when the contracts became effective.

In terms of IFRS 17, a group of insurance contracts is recognised at the earlier of the start of the coverage period, the due date for payment for first premiums or when it becomes evident that the Group is onerous at initial recognition. A group of reinsurance contracts is recognised at the earlier of the commencement of the Group's coverage period or the date when the entity recognised a group of onerous underlying insurance contracts, covered by the related reinsurance agreement.

The implementation of IFRS 17 resulted in insurance contracts and reinsurance contracts being recognised earlier and therefore affecting the Group's financial position and financial performance from an earlier date, when compared to previous accounting policies.

In terms of IFRS 4, the Group derecognised an insurance or reinsurance contract when the contract expired or was fulfilled. This treatment will continue under IFRS 17. In terms of IFRS 17, the Group considers the extent of modifications to insurance and reinsurance contracts to determine if the substance of the modification is a derecognition of the modified contracts and the recognition of a new group of contracts.

<u>Portfolios and groups of insurance contracts</u>
In terms of IFRS 4, the Group accounted for insurance contracts issued and reinsurance contracts held on a contract or portfolio basis.

In terms of IFRS 17, on initial recognition, insurance contracts are grouped into portfolios (based on how contracts are managed) and then into groups of insurance contracts (the unit of account) based on expected profitability. A group of insurance or reinsurance contracts does not contain contracts issued more than one year apart. The recognition and measurement principles in IFRS 17 are applied to each unit of account. In instances where the insurance contracts were measured and accounted for on a portfolio basis under IFRS 4, the application of IFRS 17 to the new unit of account will reflect the economic consequences of transactions with policyholders on a more granular level.

<u>Measurement of insurance contracts issued and reinsurance contracts held</u>
In terms of IFRS 4, liabilities relating to life insurance contracts and investment contracts with DPF were measured in accordance with the Financial Soundness Valuation (FSV) basis as set out in SAP 104 – Calculation of the value of the assets, liabilities and solvency capital requirement of long-term insurers. The FSV basis is based on best-estimate assumptions regarding future experience plus compulsory margins and additional discretionary margins for prudence and deferral of profit emergence. In terms of the FSV basis, the Group could not incorporate the expected impact of policyholder options that are beneficial to the Group, in the measurement of insurance contracts.

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.2 Nature of changes in accounting policy continued

Statement of financial position continued

Measurement of insurance contracts issued and reinsurance contracts held continued

Under IFRS 17 the following aspects of insurance contract measurement are applied:

Measurement models

In terms of IFRS 17, insurance contracts issued are measured with the general measurement model, the variable fee approach or the premium allocation approach. Reinsurance contracts held are measured in terms of the general measurement model or the premium allocation approach.

In terms of the general measurement model and the variable fee approach, groups of insurance contracts are measured at the total of fulfilment cash flows and the CSM. The CSM, a component of the liability for remaining coverage, represents the expected profit to be earned over the remaining coverage period of the group of insurance contracts.

If the group of insurance contracts is onerous, the group is measured at the fulfilment cash flows (that includes a loss component). In comparison, the CSM of a group of reinsurance contracts is either a deferred income or expense. Fulfilment cash flows consists of the present value of expected income and expenses that the Group expects to incur to fulfil obligations under insurance contracts and a risk adjustment for non-financial risk.

The general measurement model and the variable fee approach differ on how the CSM is measured after initial recognition. The differences relate to the changes in estimates of fulfilment cash flows that adjusts the CSM or loss component (a subset of the fulfilment cash flows that represents a cumulative loss recognised) and the discount rates used to measure the adjustments at the reporting date.

The premium allocation approach is a simplified version of the general measurement model and is comparable to the unearned premium method applied in terms of IFRS 4. In terms of the premium allocation approach, premiums received are recognised as insurance revenue during the coverage period of the group of insurance contracts based on the passage of time or the pattern of expected insurance service expenses. In contrast to the general measurement model and the variable fee approach, the premium allocation approach does not require a CSM to be maintained for the group of insurance contracts. It also allows, when criteria are met, for fulfilment cash flows to be measured at undiscounted amounts and insurance acquisition cash flows to be expensed when incurred.

Identification and measurement of fulfilment cash flows

Fulfilment cash flows are included in the measurement of insurance contract assets and insurance contract liabilities. Fulfilment cash flows consist of the present value of expected income and expenses that the Group expects to incur to fulfil obligations under insurance contracts (the best-estimate liability) and a risk adjustment for non-financial risk.

Fulfilment cash flows include, but are not limited to, premium inflows, insurance acquisition expenses, administration and maintenance expenses, claims and benefits, investment management expenses, reporting and risk management expenses and overhead expenses incurred to support the fulfilment of insurance contracts issued. The fulfilment cash flows include a risk adjustment for non-financial risks. The identification and measurement of fulfilment cash flows determines whether a group of insurance contracts is expected to be profitable or loss-making over the coverage period. Fulfilment cash flows of a group of reinsurance contracts include, among others, the expected reinsurance premiums, recovery of claims and reinsurance commission.

The inclusion of the risk adjustment and policyholder options that are beneficial to the Group in fulfilment cash flows, resulted in significant changes in the measurement of insurance contracts when compared to IFRS 4.

Risk adjustment

In terms of IFRS 4, compulsory and discretionary margins were included in the measurement of insurance contract liabilities. Compulsory margins were prescribed and held to cover uncertainties in the best-estimate assumptions used. Compulsory margins were released over time should experience be in line with these best-estimate assumptions. The Group held discretionary margins if the compulsory margins were insufficient for prudent reserving or if practice or product design justified the deferral of profits. The Group released these margins into profit before tax in line with product design and risks borne by the Group. These margins were set at product level.

In terms of IFRS 17, 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 risk adjustment of a group of reinsurance contracts held reflects the non-financial risks ceded to the reinsurer.

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.

The Group developed actuarial models and processes to set margins for adverse deviation in non-financial assumptions based on the confidence level set for the risk adjustment. These margins enable the Group to calculate the risk adjustment per unit of account directly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.2 Nature of changes in accounting policy continued

Statement of financial position continued

Measurement of insurance contracts issued and reinsurance contracts held continued

CSM

The CSM, a component of the liability for remaining coverage, represents the expected profit to be earned over the remaining coverage period of the group of insurance contracts. 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. The release of profit from the CSM is based on the release of coverage units linked to the insurance contract services rendered during the financial period. Coverage units represent the Group's readiness to render insurance contract services. The recognition of the CSM ensures that insurance revenue is not earned before insurance contract services have been rendered. The CSM of a group of reinsurance contracts is either a deferred gain or loss. The CSM on a group of reinsurance contracts are amortised into the allocation of reinsurance premiums based on the release of coverage units.

For insurance contracts measured under the general measurement model, interest is accreted to the CSM carrying amount at the locked-in discount rate, determined at initial recognition of the group of insurance contracts.

For insurance contracts measured under the variable fee approach, the insurer's share of changes in the fair value of underlying items adjusts the carrying amount of the CSM.

Onerous contracts and loss component

In terms of IFRS 4, the Group performed liability adequacy tests for each insurance portfolio. The liability adequacy test considered whether the carrying amount of the insurance liability less the carrying amounts of related intangible assets, is a sufficient reserve for best-estimate future cash flows. If the insurance liability was found to be insufficient, the related intangible assets are impaired, before a loss is recognised in the statement of comprehensive income.

The implementation of IFRS 17 results in losses being recognised at a more granular level, per unit of account, when compared to IFRS 4 practices.

At initial recognition an insurance contract or group of insurance contracts is classified as onerous, if fulfilment cash flows incurred to date and remaining fulfilment cash flows are expected to result in a net cash outflow. At initial recognition, insurance contracts that are onerous are combined into units of account that contain only onerous insurance contracts. Once an insurance contract is allocated into a unit of account, the insurance contract remains in the unit of account until the insurance contract is derecognised. After initial recognition, a previously profitable group of insurance contracts is treated as an onerous group, if loss-making changes to fulfilment cash flows depletes the CSM.

For a group of insurance contracts measured under the general measurement model or the variable fee approach, the recognition of a loss on an onerous insurance contract or group of insurance contracts, leads to the identification of a loss component (a subset of fulfilment cash flows) in the liability for remaining coverage. The loss component indicates the extent to which losses must be reversed or amortised before a CSM can be recognised for the group of insurance contracts. For insurance contracts measured under the premium allocation approach, the loss component is an additional liability that is added to the liability for remaining coverage.

At the reporting date, the loss component is adjusted to reflect insurance service expenses incurred and for changes in assumptions regarding remaining fulfilment cash flows.

To the extent that an onerous group of insurance contracts is reinsured, a loss-recovery component is established when the loss on initial recognition is recognised. The reinsurance CSM is reduced when such a loss-recovery component is established.

If the group of reinsurance contracts is measured under the premium allocation approach, an additional asset is added to the asset for remaining coverage.

Reinsurance costs that relate to events and circumstances before the recognition of the group of reinsurance contracts are expensed when incurred.

Discount rate

In terms of IFRS 4, the Group determined discount rates to be used in the measurement of insurance contracts, by adding compulsory risk margins to risk-free interest rates obtained from yield curves on government bonds.

In terms of IFRS 17, the Group makes use of risk-free yield curves to identify risk-free interest rates used in determining discount rates. Discount rates should reflect the characteristics of the fulfilment cash flows. Some yield curves (based on risk-free interest rates) represent market returns on liquid assets, while fulfilment cash flows might represent less liquid or illiquid groups of insurance contracts. In such instances, the Group adds an illiquidity premium to the discount rate used, to measure insurance contract assets and insurance contract liabilities. Compulsory risk margins are no longer included in the construction of discount rates.

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.2 Nature of changes in accounting policy continued

Income statement

Recognition of insurance revenue

In terms of IFRS 4, the Group recognised revenue from life insurance premiums when due. Revenue was measured at the amount due or the amount earned.

In terms of IFRS 17, insurance revenue is the consideration that the Group expects to be entitled to, for rendering insurance contract services during the financial period. Insurance revenue replaces premiums as revenue from insurance contracts issued. The quantum of insurance contract services rendered is determined by changes in the liabilities for remaining coverage caused by the rendering of services.

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 implementation of IFRS 17 resulted in changes in the timing of revenue recognised by the Group for rendering insurance contract services.

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.

In terms of the premium allocation approach, premiums received are recognised as insurance revenue during the coverage period of the group of insurance contracts based on the passage of time or the pattern of expected insurance service expenses.

Recognition of insurance service expenses

In terms of IFRS 4, the Group recognised insurance claims incurred in “insurance benefits and claims”, while measurement changes in insurance liabilities were included in “changes in actuarial liabilities and related reinsurance” on the statement of comprehensive income. Other expenses incurred by the Group were presented on the statement of comprehensive income as appropriate.

In terms of IFRS 17, fulfilment cash flows are expensed when incurred and presented under insurance service expenses on the statement of comprehensive income. Insurance service expenses include, among others, allocated insurance acquisition cash flows, policy administration and maintenance expenses, claims expenses, investment management expenses and overhead expenses attributable to the provision of insurance services. 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 statement of comprehensive income. The remainder of incurred expenses are presented on the statement of comprehensive income as appropriate.

Insurance acquisition cash flows

In terms of IFRS 4, the Group capitalised expenses associated with the acquisition of insurance contracts as deferred acquisition costs (DAC). DAC consisted of incremental costs incurred to obtain a contract with a customer. DAC was amortised over a range of amortisation periods reflecting the expected duration of underlying insurance contracts issued.

In terms of the general measurement model and the variable fee approach, expected insurance acquisition cash flows are included in fulfilment cash flows. Once incurred, actual insurance acquisition cash flows are recognised in the liability for incurred claims and the liability for remaining coverage.

In terms of the premium allocation approach incurred insurance acquisition cash flows are capitalised in the liability for remaining coverage and amortised to insurance service expenses over the coverage period. If criteria are met, insurance acquisition cash flows are expensed when incurred.

Insurance acquisition cash flows are incurred in selling, underwriting and issuing insurance contracts. 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. The inclusion of the insurance acquisition cash flows in the liability for remaining coverage reduces expected profits or increase expected losses to be recognised from the group of insurance contracts.

Insurance acquisition expenses, among other items, are recovered through premiums received from policyholders. The Group recognises insurance revenue and equal amounts of insurance service expenses by allocating to financial periods, the portion of the premiums that recover insurance acquisition expenses on a straight-line basis over the passage of time.

To enable the recognition of insurance acquisition expenses in insurance revenue and insurance service expenses, the Group maintains an off-balance sheet cumulative balance for insurance acquisition expenses.

Reinsurance expenses and recoveries

Reinsurance premiums are expensed in a separate line on the face of the statement of comprehensive income through the amount of reinsurance recoveries expected in the reporting period, releases of the risk adjustment for non-financial risk and amortisation of the CSM.

In terms of the premium allocation approach, the reinsurance premiums paid are expensed over the coverage period according to the passage of time or the expected pattern of reinsurance coverage to be provided by the 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 statement of comprehensive income.

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 is accounted for as a reduction in the premiums to be paid to the reinsurer. 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 is accounted for as a reduction in the premiums to be paid to the reinsurer.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.2 Nature of changes in accounting policy continued

Income statement continued

Insurance finance income and expense

In terms of IFRS 4, the Group recognised interest income or expense on insurance contracts issued and reinsurance contracts held. The interest income or expense was included in changes in actuarial liabilities and related reinsurance on the face of the income statement.

In terms of IFRS 17, interest income and expense on insurance contracts issued and reinsurance contracts held are presented separately, under insurance finance income or expense and reinsurance finance income or expense. Thus, the Group elected to not present a portion of insurance finance income and expense in other comprehensive income.

In general, the Group does not incur finance expense/income on the liability/asset for remaining coverage and the liability/asset for incurred claims measured in terms of the premium allocation approach. Exceptions to this principle relate to group credit life insurance, some health insurance contracts and cash-back benefits.

45.1.2.3 Impact of implementation of IFRS 17 on Group and Company equity

The impact of the implementation of IFRS 17 on total equity of the Group is as follows:

Total equity	Notes	**Rm**
Restated balance at 30 June 2022		15 901
Increase in retained earnings		1 902
Recognition and measurement of insurance contracts issued and reinsurance contracts held	a.	5 433
Derecognition of intangible assets	b.	(2 846)
Increase in net deferred tax liabilities	c.	(579)
Investment contracts designated at FVPL	d.	(106)
Balance at 1 July 2022		17 803

a. *Recognition and measurement of insurance contracts issued and reinsurance contracts held*

The increase in retained earnings is represented by a net change in carrying amounts of insurance contracts issued and reinsurance contracts from 30 June 2022 (in terms of IFRS 4) to 1 July 2022 (in terms of IFRS 17).

	30.06.2022 Rm
Insurance contracts and investment contracts with DPF	
Life insurance contracts	112 950
Investment contracts with DPF	2 439
Net insurance contract liabilities on 30 June 2022	115 389
Reinsurance contracts held	
Reinsurance contract liabilities	340
Reinsurance contract assets	(2 988)
Net reinsurance contract assets on 30 June 2022	(2 648)
Reallocation of working capital balances and policyholder loans	1 144
Net insurance contract liabilities and reinsurance contract assets on 30 June 2022 (i)	113 885

In terms of IFRS 4, the Group accounted for amounts due to and due from policyholders and reinsurers in various working capital items on the statement of financial position. In terms of IFRS 17, amounts due to and due from policyholders and reinsurers are included in the measurement of insurance contracts issued and reinsurance contracts held and are no longer disclosed separately on the statement of financial position.

In terms of IFRS 4, investment contracts with DPF were presented in a separate line on the statement of financial position. In terms of IFRS 17, these contracts are presented together with insurance contracts issued on the statement of financial position and are no longer presented separately. The balances on 30 June 2022 reflect the carrying amounts of items before the measurement adjustments due to the implementation of IFRS 17.

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.3 Impact of implementation of IFRS 17 on consolidated equity continued

The impact of the implementation of IFRS 17 on total equity of the Group is as follows: continued

a. Recognition and measurement of insurance contracts issued and reinsurance contracts held continued

	General measurement model Rm	Variable fee approach Rm	Premium allocation approach Rm	Total Rm
Analysis of net insurance contracts on 1 July 2022				
Insurance contract assets	(4 386)	–	(10)	(4 396)
Insurance contract liabilities	47 330	59 323	10 246	116 899
Net insurance contract liabilities on 1 July 2022	42 944	59 323	10 236	112 503

	General measurement model Rm	Premium allocation approach Rm	Total Rm
Analysis of net reinsurance contracts on 1 July 2022			
Reinsurance contract assets	3 319	1 685	5 004
Reinsurance contract liabilities	(667)	(286)	(953)
Net reinsurance contracts assets held on 1 July 2022	2 652	1 399	4 051
Net insurance contract liabilities and reinsurance contract assets on 1 July 2022 (ii)			**108 452**
Reduction in net insurance contract liabilities and reinsurance contract assets on 1 July 2022 (i – ii)			**5 433**

On 1 July 2022 the Group measured insurance contracts and investment contracts with DPF issued, and reinsurance contracts held in terms of IFRS 17. The application of IFRS 17 resulted in insurance contracts and investment contracts with DPF issued, and reinsurance contracts held being presented as assets or liabilities on the statement of financial position, depending on whether the portfolios that contracts have been allocated to, are in asset or liability positions.

b. Intangible assets

	Value of business acquired Rm	Deferred acquisition costs Rm	Total Rm
Restated carrying amount on 30 June 2022	2 806	3 144	5 950
Derecognition to retained earnings	(2 806)	(40)	(2 846)
Carrying amount on 1 July 2022	–	3 104	3 104

The "value of business acquired" represents the difference between the fair value of the insurance contracts acquired and the carrying amounts of these contracts in terms of previous accounting policies, at the various acquisition dates. In terms of IFRS 17, the Group derecognised the carrying amount of value of business acquired assets to retained earnings, as the fair value of the acquired insurance contracts at the acquisition date is now incorporated in the measurement of the CSM or loss component of the group of insurance contracts, at the acquisition date. The derecognition of these intangible assets on 1 July 2022 resulted in amendments to the deferred tax balance on 1 July 2022.

c. Deferred income tax

	Carrying amount Rm
Deferred income tax assets	(90)
Restated deferred income tax liabilities	2 261
Net restated deferred income tax on 30 June 2022	2 171
Deferred tax impact on adjustment to retained earnings on 1 July 2022	579
Net deferred income tax on 1 July 2022	2 750
Deferred income tax assets	(90)
Deferred income tax liabilities	2 840
Net deferred income tax on 1 July 2022	2 750

The implementation of IFRS 17 resulted in an increase in net deferred tax liabilities of R579 million.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.3 Impact of implementation of IFRS 17 on consolidated equity continued

The impact of the implementation of IFRS 17 on total equity of the Group is as follows: continued

d. Investment contracts designated at FVPL

	Carrying amount Rm
Carrying amount on 30 June 2022	294 106
Derecognition to retained earnings	106
Carrying amount on 1 July 2022	294 212

The implementation of IFRS 17 resulted in changes in the classification of some policies as insurance or investment contracts.

Total equity	Notes	Rm
Restated balance at 30 June 2022		16 764
Increase in retained earnings		1 902
Recognition and measurement of insurance contracts issued and reinsurance contracts held	a.	5 493
Derecognition of intangible assets	b.	(2 847)
Increase in net deferred tax liabilities	c.	(511)
Investment contracts designated at FVPL	d.	(233)
Balance at 1 July 2022		18 666

a. Recognition and measurement of insurance contracts issued and reinsurance contracts held

The increase in retained earnings is represented by a net change in carrying amounts of insurance contracts issued and reinsurance contracts from 30 June 2022 (in terms of IFRS 4) to 1 July 2022 (in terms of IFRS 17).

Total equity	30.06.2022 Rm
Insurance contracts and investment contracts with DPF	
Life insurance contracts	113 321
Investment contracts with DPF	2 439
Net insurance contract liabilities on 30 June 2022	115 760
Reinsurance contracts held	
Reinsurance contract liabilities	–
Reinsurance contract assets	(2 988)
Net reinsurance contract assets on 30 June 2022	(2 988)
Reallocation of working capital balances and policyholder loans	1 139
Net insurance contract liabilities and reinsurance contract assets on 30 June 2022 (i)	113 911

In terms of IFRS 4, the Group accounted for amounts due to and due from policyholders and reinsurers in various working capital items on the statement of financial position. In terms of IFRS 17, amounts due to and due from policyholders and reinsurers are included in the measurement of insurance contracts issued and reinsurance contracts held and are no longer disclosed separately on the statement of financial position.

In terms of IFRS 4, investment contracts with DPF were presented in a separate line on the statement of financial position. In terms of IFRS 17, these contracts are presented together with insurance contracts issued on the statement of financial position and are no longer presented separately. The balances on 30 June 2022 reflect the carrying amounts of items before the measurement adjustments due to the implementation of IFRS 17.

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.3 Impact of implementation of IFRS 17 on consolidated equity continued

The impact of the implementation of IFRS 17 on total equity of the Group is as follows:

a. *Recognition and measurement of insurance contracts issued and reinsurance contracts held* continued

	General measurement model Rm	Variable fee approach Rm	Premium allocation approach Rm	Total Rm
Analysis of net insurance contracts on 1 July 2022				
Insurance contract assets	(3 569)	–	(10)	(3 579)
Insurance contract liabilities	47 323	59 323	10 246	116 892
Net insurance contract liabilities on 1 July 2022	43 754	59 323	10 236	113 313

	General measurement model Rm	Premium allocation approach Rm	Total Rm
Analysis of net reinsurance contracts on 1 July 2022			
Reinsurance contract assets	3 300	1 685	4 985
Reinsurance contract liabilities	(89)	(1)	(90)
Net reinsurance contracts assets held on 1 July 2022	3 211	1 684	4 895
Net insurance contract liabilities and reinsurance contract assets on 1 July 2022 (ii)			**108 418**
Reduction in net insurance contract liabilities and reinsurance contract assets on 1 July 2022 (i – ii)			**5 493**

On 1 July 2022 the Group measured insurance contracts and investment contracts with DPF issued, and reinsurance contracts held in terms of IFRS 17. The application of IFRS 17 resulted in insurance contracts and investment contracts with DPF issued, and reinsurance contracts held being presented as assets or liabilities on the statement of financial position, depending on whether the portfolios that contracts have been allocated to, are in asset or liability positions.

b. *Intangible assets*

	Value of business acquired Rm	Other intangible assets Rm	Total Rm
Restated carrying amount on 30 June 2022	2 806	2 741	5 547
Derecognition to retained earnings	(2 806)	(41)	(2 847)
Carrying amount on 1 July 2022	–	2 700	2 700

The "value of business acquired" represents the difference between the fair value of the insurance contracts acquired and the carrying amounts of these contracts in terms of previous accounting policies, at the various acquisition dates. In terms of IFRS 17, the Group derecognised the carrying amount of value of business acquired assets to retained earnings, as the fair value of the acquired insurance contracts at the acquisition date is now incorporated in the measurement of the CSM or loss component of the group of insurance contracts, at the acquisition date. The derecognition of these intangible assets on 1 July 2022 resulted in amendments to the deferred tax balance on 1 July 2022.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.3 Impact of implementation of IFRS 17 on consolidated equity continued

The impact of the implementation of IFRS 17 on total equity of the Group is as follows:

c. Deferred income tax

	Carrying amount Rm
Deferred income tax assets	–
Restated deferred income tax liabilities	2 042
Net restated deferred income tax on 30 June 2022	2 042
Deferred tax impact on adjustment to retained earnings on 1 July 2022	511
Net deferred income tax on 1 July 2022	2 553
Deferred income tax assets	–
Deferred income tax liabilities	2 553
Net deferred income tax on 1 July 2022	2 553

The implementation of IFRS 17 resulted in an increase in net deferred tax liabilities of R511 million.

d. Investment contracts designated at FVPL

	Carrying amount Rm
Carrying amount on 30 June 2022	290 763
Derecognition to retained earnings	233
Carrying amount on 1 July 2022	290 996

The implementation of IFRS 17 resulted in changes in the classification of some policies as insurance or investment contracts.

45.1.2.4 Impact of IFRS 17 on presentation and disclosure

Presentation of insurance contracts and reinsurance contracts held – statement of financial position
In terms of IFRS 4, the Group presented insurance contract assets and insurance contract liabilities on a net basis on the statement of financial position. Assets and liabilities for reinsurance contracts held were presented separately on the statement of financial position.

In terms of IFRS 17, portfolios of insurance contracts that are assets are accumulated and presented as insurance contract assets on the face of the statement of financial position, while portfolios that are liabilities are accumulated and presented as insurance contract liabilities on the face of the statement of financial position. A similar approach is followed for portfolios of reinsurance contracts held that are in asset and liability positions.

Presentation of insurance contracts issued and reinsurance contracts held – income statement
In terms of IFRS 4, insurance premiums was the measure of revenue earned from providing insurance coverage during the financial period, while net insurance benefits and claims and expenses (including changes in actuarial liabilities and related reinsurance) indicated the net expenses incurred in providing insurance coverage to policyholders.

In terms of IFRS 17, insurance revenue replaced insurance premiums as the measure of revenue earned from the rendering of insurance contract services during the financial period. Insurance service expenses replaced net insurance benefits and claims and expenses as the measure of fulfilment expenses incurred during the financial period. Expenses that are not fulfilment cash flows are presented outside of insurance service expenses in terms of relevant IFRS Accounting Standards as appropriate.

Reinsurance premiums ceded represent the cost of ceding insurance risks to reinsurers during the financial period. Insurance claims recovered are presented as incurred insurance claims recovered from reinsurers.

The total of insurance revenue, insurance service expenses, reinsurance premiums ceded and insurance claims recovered, is the insurance service result for the financial period. The insurance service result is a measure of the profitability of the insurance contract services provided and reinsurance contract services acquired during the financial period.

For the current and comparative reporting period, the Group adjusted the face of the income statement to separately disclose net impairment losses on financial assets. This enables the Group to comply with IFRS 17 disclosure requirements regarding the relationship between investment returns and insurance finance income and expenses.

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.5 Transition and use of transitional provisions

The Group transitioned to IFRS 17 by identifying insurance contracts issued and reinsurance contracts held that were in force on 1 July 2022 and by applying IFRS 17 to these contracts based on the transitional provisions of the standard. The Group applied the fully retrospective approach or the fair value approach to account for groups of insurance contracts issued and reinsurance contracts held on 1 July 2022.

The Group applied the fair value approach to specific groups of insurance contracts issued and reinsurance contracts held if the requirements of the standard were viewed as being impracticable to apply by means of the fully retrospective approach.

On 1 July 2022, the Group applied the following transition methods to determine the CSM balances per group of contracts issued and reinsurance contracts held.

Group

Transition approaches 1 July 2022	Fully retrospective approach Rm	Fair value approach Rm	Total Rm
Insurance contracts issued			
General measurement model	10 977	1 828	12 805
Variable fee approach	396	2 063	2 459
Total	11 373	3 891	15 264
Reinsurance contracts held – deferred gain/(deferred cost)			
General measurement model	(317)	256	(61)
Total	(317)	256	(61)

Company

Transition approaches 1 July 2022	Fully retrospective approach Rm	Fair value approach Rm	Total Rm
Insurance contracts issued			
General measurement model	10 509	1 828	12 337
Variable fee approach	396	2 063	2 459
Total	10 905	3 891	14 796
Reinsurance contracts held – deferred gain/(deferred cost)			
General measurement model	(324)	179	(145)
Total	(324)	179	(145)

Determining whether it is impracticable to apply the standard on the fully retrospective basis is an item of management judgement. The Group made this judgement by considering whether the expected cost to apply the fully retrospective method is reasonable or unreasonable relative to the value that would be obtained from applying this transition method.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.1 New IFRS standards and amendments continued

45.1.2 Adoption of new standards – IFRS 17 transitional adjustments continued

45.1.2.5 Transition and use of transitional provisions continued

Factors considered in making this assessment includes the following:

- Availability and accessibility of historical data.
- The effort involved in obtaining historical data.
- Reliability and significance of historical assumptions.
- Extent of system and model development required.

Key implementation decisions include, but are not limited to the following:

- The latest versions of actuarial models were used to measure units of account, regardless of when the units of account were recognised.
- A consistent set of risk margins were used to measure the risk adjustment for non-financial risks on 1 July 2022 and at previous reporting dates.
- Insurance contracts and reinsurance contracts acquired in business combinations were accounted for from the acquisition date of the relevant business combination. Embedded values at the acquisition dates were used to determine the fair value of acquired contracts where embedded values or relative embedded values were referenced in the transaction terms.

Fully retrospective approach
In terms of the fully retrospective method, the Group accounted for groups of insurance contracts issued and reinsurance contracts held, as if IFRS 17 had been effective from the date when the groups of contracts were recognised.

The modification of Myriad insurance contracts issued prior to 30 June 2017 resulted in these contracts being derecognised and recognised in a new unit of account on 1 July 2017. These contracts were accounted for on the fully retrospective approach from 1 July 2017.

Fair value approach
In terms of the fair value approach, the Group measured groups of insurance contracts issued and reinsurance contracts held at fair value on 1 July 2022 (the measurement date) and applied the requirements of the standard to these contracts on a prospective basis from this date.

A fair value measurement incorporates information regarding the item being measured at the measurement date. The Group allocated insurance contracts into groups of insurance contracts, identified various types of contracts in the scope of IFRS 17 and measured specific fulfilment cash flows based on information available at the initial recognition of the insurance contracts issued and reinsurance contracts held.

The fair value approach results in the calculation of the CSM or loss component per group of insurance contracts issued, as the difference between the fair value and the fulfilment cash flows of the group of insurance contracts on 1 July 2022. Excess of the fair value over the fulfilment cash flows is accounted for as a CSM (expected future profit), while the excess of the fulfilment cash flows over the fair value is accounted for as a loss component (a provision for expected losses) with a reduction in retained earnings.

Differences between the fair value and fulfilment cash flows of a group of reinsurance contracts held on 1 July 2022, was accounted for in the CSM as deferred gain or loss on the purchase of reinsurance cover. The deferred gain or loss is recognised in the allocation of reinsurance premiums paid over the coverage period. For a group of reinsurance contracts held, any loss-recovery component on 1 July 2022 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.

The application of the fair value approach could result in different CSM/loss component balances being included/identified in the measurement of the groups of insurance contracts, compared to if the fully retrospective approach is applied. The CSM or loss component balances will impact the amount and timing of the recognition of future insurance revenue and insurance service expenses, with a resulting impact on the profit before tax of the Group. The application of the fair value approach will impact the statement of financial position and the statement of comprehensive income until the relevant groups of insurance contracts issued have been derecognised.

Per portfolio, insurance contracts measured in terms of the fair value approach on 1 July 2022, were allocated to a single group of insurance contracts, regardless of the cohort the insurance contracts belonged to or the expected profitability of the insurance contracts. A similar approach was applied for reinsurance contracts held on 1 July 2022.

The use of a single group of insurance contracts issued or reinsurance contracts held on 1 July 2022, reduced the number of units of accounts to be accounted for on transition to IFRS 17 and will result in a netting of CSM and loss components that would have existed in more granular groups of contracts. On a cumulative basis, the profit or loss before tax will be the same amount, regardless of whether the insurance contracts issued or reinsurance contracts held are allocated to more than one group of contracts, however the annual profit before tax amounts could be different.

Fair value option
Specific groups of insurance contracts where risk mitigation strategies are applied were transitioned to IFRS 17 on a fair value basis in terms of the option afforded by the standard.

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.2 Consolidation

45.2.1. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the day that control is lost. 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. All intragroup balances and unrealised gains and losses on transactions between group companies are eliminated. When control is lost, any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in the income statement.

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. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. 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. Gains and losses on disposal of subsidiaries are included in the income statement as realised and fair value gains. Any gains or losses in other comprehensive income that relate to the subsidiary are reclassified to the income statement at the date of disposal.

Transactions with non-controlling interest shareholders

Transactions with non-controlling interest shareholders are treated as transactions with equity participants of the Group. Disposals to/acquisitions from non-controlling interest shareholders result in gains and losses for the Group that are recorded in equity. Any difference between any consideration paid/received and the relevant share acquired/sold of the carrying amount of the net assets of the subsidiary is recorded in equity.

Measurement – MML separate financial statements

Investments in subsidiaries at fair value through profit and loss
Investment in each subsidiary is evaluated to consider whether it is appropriate to measure the carrying amount at fair value through profit and loss. Where this is deemed appropriate, the fair value movements are recorded in net realised and unrealised fair value gains and losses in the income statement. This policy choice is made once-off and is not revised subsequently.

Investments in subsidiaries at fair value through other comprehensive income
Investment in each subsidiary is evaluated to consider whether it is appropriate to measure the carrying amount at fair value through other comprehensive income. Where this is deemed appropriate, the fair value movements of these investments in subsidiaries are recorded directly against other comprehensive income. This policy choice is made once-off and is not revised subsequently.

Investments in subsidiaries that will be disposed of in the near future
Investments in subsidiaries held exclusively with the view of disposal in the near future (12 months) are accounted for at the lower of fair value less the cost to sell and its carrying amount in terms of the requirements of IFRS 5.

Disposal of investments in subsidiaries
Gains or losses on disposal of investments in subsidiaries carried at fair value through profit and loss are included in the income statement as net realised fair value gains and losses. When investments in subsidiaries carried at fair value through other comprehensive income are sold, the cumulative amount that was accounted for against other comprehensive income is transferred directly to retained earnings.

Measurement – MML separate and consolidated financial statements

Acquisition of subsidiaries or businesses under common control
Common control is defined as a business combination in which all the combining entities (subsidiaries or businesses) are ultimately controlled by the same party both before and after the business combination, and control is not transitory. The cost of an acquisition of a business under common control is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the exchange. The Group and Company recognises assets and liabilities of the acquiree included in and measured at the carrying values in the consolidated financial statements of the Momentum Group, at the date of the business combination under common control. Any excess/deficit of the purchase price over the carrying amounts of the assets and liabilities is adjusted directly to equity, in a separate common control reserve. Adjustments to achieve harmonisation of accounting policies will be adjusted on consolidation at the holding company level. Under this approach comparatives are not restated.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.2 Consolidation continued

45.2.2 Associates

Associates are all entities over which the Group has significant influence but not control. The Group's investment in associates includes goodwill, identified on acquisition, net of any accumulated impairment loss. 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 collective investment schemes where the Group has significant influence are recognised at fair value through profit and loss and are not equity accounted where they back contract holder liabilities, based on the scope exemption in IAS 28 – Investments in associates 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 collective investment schemes 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 – MML separate financial statements

Investments in collective investment schemes where the Company has significant influence are carried as investments at fair value through profit and loss and are not equity accounted where they back contract holder liabilities, based on the scope exemption in IAS 28 – Investments in associates 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 collective investment schemes are recognised in the income statement. The related income from these schemes is recognised as interest or dividends received, as appropriate.

45.2.3 Joint arrangements

The Group applies IFRS 11 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 fair value through profit and loss, 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, exchange 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 exchange 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 SIGNIFICANT 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 cash-generating units that are expected to benefit from the synergy of the combination in which the goodwill arose. Cash-generating units 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 cash-generating unit 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)

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, brands 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 between 3 and 10 years, brands over 15 to 20 years and computer software over 10 years.

45.5 Owner-occupied properties

Owner-occupied properties are stated at revalued amounts, being fair value reflective of market conditions at the reporting date.

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. 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

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT 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 valuator, at least 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 fair value through profit and loss, 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 fair value through profit and loss 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.

- **Equity instruments – MML separate financial statements**
  The Company subsequently measures all equity investments at fair value. The Company's management has elected to not present fair value gains and losses on equity instruments in other comprehensive income, except for investments in subsidiaries elected to be measured at fair value through other comprehensive income. All other fair value gains and losses on equity instruments are recognised in the income statement.

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 fair value through profit and loss 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.

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.7 Financial assets continued

Impairment – MML 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 their own judgement, on an individual loan basis, to adjust the prescribed LGD to include forward-looking information. Balances are written off when there is no reasonable expectation of recovery.

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 fair value through profit and loss

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. The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including DCF and options 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 over-the-counter 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

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts

45.10.1 Insurance contracts issued and reinsurance contracts held

45.10.1.1 Initial recognition of insurance contracts issued and reinsurance contracts held

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.

45.10.1.2 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 Standards. 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 Standards. 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.

45.10.1.3 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 contract 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.

Any fee charged by the Group for the modification of the original insurance contract is accounted for as a premium variance in the contractual service margin of the group of insurance contracts that contained the original insurance contract.

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 the 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 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 contract results in a derecognition of a reinsurance 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.

Any fee charged to the Group for the modification of the original reinsurance contract is accounted for as a premium variance in the contractual service margin of the group of reinsurance contracts that contained the original reinsurance contract.

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 the new reinsurance contract are measured as if the notional premium was received 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 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.4 Portfolios 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 that are managed together.

The reinsurance treaty is the unit of account for the legal relationship between the insurer and the reinsurer. In some instances, the reinsurance treaty, as a unit of account, does not reflect the economic substance of the legal relationship between the insurer and the reinsurer.

In such instances, the rights and obligations of the reinsurance treaty are allocated to the lines of business and insurance contracts, that receive reinsurance coverage. The Group applies judgement in allocating the rights and obligations of the reinsurance treaties into various sets of rights and obligations representing individual reinsurance contracts held.

45.10.1.5 Groups of insurance contracts issued and reinsurance contracts held

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.

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.

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 likely to be 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 rights and obligations of the reinsurance treaty can be allocated to the lines of business and related groups of insurance contracts that receive reinsurance coverage. The Group applies judgement by allocating the rights and obligations of the reinsurance treaties to groups of insurance contracts that receive reinsurance coverage. These rights and obligations form individual reinsurance contracts held.

The Group accounts for reinsurance treaties by recognising a series of IFRS 17 reinsurance contracts held for each cohort of direct insurance contract issued. The IFRS 17 reinsurance contracts held are recognised when the first direct insurance contracts to which it relates are recognised, or earlier, if the underlying group of insurance contracts is onerous. The fulfilment cash flows of the annual IFRS 17 reinsurance contracts reflect as appropriate the fulfilment cash flow from rights and obligations of underlying insurance contracts.

45.10.1.6 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.

In assessing whether the discretionary benefits are expected to be a significant portion of the total expected policyholder benefits, the Group assesses the discretionary benefits as a percentage of total expected policyholder benefits.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.6 Scope of the standard continued

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.

Policyholders who are members of the Multiply loyalty scheme can earn incentive benefits depending on their Multiply Rewards status and other factors. Multiply 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.

45.10.1.7 Presentation

Obligations related to incurred but not paid fixed and variable overheads
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.

Presentation of Insurance finance income and expenses
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.

45.10.1.8 Measurement

Identification of cash flows and expenses for inclusion in 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 expenses***
  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 imburse brokers and intermediaries to assist with ongoing administration, maintenance and servicing of the insurance contract are included in fulfilment cash flows.

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.8 Measurement continued

- ***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 expenses***
  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.

- ***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.

- ***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

- ***Applied for interim and annual financial reporting***
  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.

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 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 contracts.

For insurance 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.9 Contractual service margin

The contractual service margin 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.

General measurement model
Interest is accreted over the reporting period to the contractual service margin carrying amount at the locked-in discount rate, determined at initial recognition of the group of insurance contracts. The interest expense is included in 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 contractual service margin. Changes in fulfilment cash flows relating to financial risks or changes in financial risks are accounted for in insurance finance income and expenses. The present value of the adjustment to the contractual service margin is calculated with the locked-in discount rate determined at initial recognition of the group of insurance 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 contractual service margin and the adjustment to fulfilment cash flows is accounted for in insurance finance income and expenses.

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 contractual service margin. 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 contractual service margin. These adjustments to the contractual service margin are not discounted. Changes in other fulfilment cash flows that relate to future services are accounted for in the contractual service margin 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 contractual service margin. The release of profit from the contractual service margin 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 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.

45.10.1.10 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 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 issued
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 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).

Profitable changes in fulfilment cash flows that relate 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 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 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.10 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 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 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 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.

45.10.1.11 Premium allocation approach

Application

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.

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.

Time value of money

- ***Insurance contracts issued***

  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.

  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 to not 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

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.11 Premium allocation approach continued

Time value of money continued

- ***Reinsurance contracts held***

  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 to not 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 reinsurance 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.

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.

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 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.

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. Decreases in other fulfilment cash flows of the loss component (relative to the initial recognition) result in decreases in the loss-recovery component. 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.

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 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.12 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 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.

45.10.1.13 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 contractual service margin.

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.

45.10.1.14 Insurance service expenses

Fulfilment cash flows 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 the income statement. The remainder of incurred expenses are presented on the income statement.

45.10.1.15 Insurance and reinsurance finance income and expenses

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 expenses 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 rate 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) are 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 in 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.

45.10.1.16 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.17 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.

45.10.1.18 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 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 contractual service margin and released to insurance revenue over the coverage period.

Profitable premium variances 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 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 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 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.

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.18 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 contracts as if the contracts were issued by the group of companies 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-fended part of the existing liability for remaining coverage. A contractual service margin recognised on the acquisition of the group of contracts will be recognised in insurance 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 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 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 flows 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 services, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.10 Insurance and investment contracts continued

45.10.2 Investment contracts

Investment contracts are those where only financial risk is transferred.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided that in the case of a non-financial variable, the variable is not specific to a party to the contract.

The classification of contracts is performed at the inception of each contract. The classification of the contract at inception remains the classification of the contract for the remainder of its lifetime. There is one exception to this principle:

- If the terms of an investment contract change significantly, the original contract is derecognised and a new contract is recognised with the new classification.

The Group designates investment contract liabilities at fair value through profit and loss upon initial recognition as their fair value is dependent on the fair value of underlying financial assets, derivatives and/or investment properties that are carried at fair value through profit and loss. The Group follows this approach because it eliminates or significantly reduces a measurement or recognition inconsistency, referred to as an accounting mismatch, that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Measurement

The Group issues investment contracts without fixed terms and contracts with fixed terms and guaranteed terms.

Investment contracts without fixed terms are financial liabilities whose fair value is dependent on the fair value of underlying financial asset portfolios that can include derivatives and are designated at inception as at fair value through profit and loss.

For investment contracts without fixed terms, fair value is determined using the current unit values that reflect the fair value of the financial assets contained within the Group’s unitised investment funds linked to the related financial liability, multiplied by the number of units attributed to the contract holders at the valuation date.

A financial liability is recognised in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Financial liabilities are initially recognised at fair value.

The fair value of financial liabilities is never less than the amount payable on surrender, discounted for the required notice period, where applicable.

For investment contracts with fixed and guaranteed terms (guaranteed endowments and term certain annuities), valuation techniques are used to establish the fair value at inception and at each reporting date. The valuation model values the liabilities as the present value of the maturity values, using appropriate market-related yields to maturity. If liabilities calculated in this manner fall short of the single premium paid at inception of the policy, the liability is increased to the level of the single premium, to ensure that no profit is recognised at inception. This deferred profit liability is recognised in profit or loss over the life of the contract based on factors relevant to a market participant, including the passing of time.

For investment contracts where investment management services are rendered and the contracts provide for minimum investment return guarantees, provision is made for the fair value of the embedded option within the investment contract liability.

Deferred revenue liability (DRL)

A DRL is recognised in respect of fees paid at inception of the contract by the policyholder that are directly attributable to a contract. The DRL 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 DRL is recognised in revenue and falls within the scope of IFRS 15.

Deferred acquisition costs

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 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.11 Financial liabilities

Recognition and measurement

The Group classifies its financial liabilities into the following categories:

- Financial liabilities at fair value through profit and loss.
- 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 fair value through profit and loss

This category has two subcategories: financial liabilities held for trading and those designated at fair value through profit and loss 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, unless they are designated as hedges. Derivatives held for trading are classified as mandatorily at fair value through profit and loss.

Financial liabilities are classified as at fair value through profit and loss 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.

Issues and settlements of financial liabilities are recognised on trade date, being the date on which the Group commits to issuing or settling the financial liabilities.

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, carry positions (refer below) and collective investment schemes liabilities (representing the units in collective investment schemes where the Group consolidates the collective investment schemes 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 fair value through profit and loss. 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 fair value through profit and loss 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 fair value though profit and loss.
- 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 fair value through profit and loss.

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 where they are managed on a fair value basis.

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, net of transaction costs incurred. 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.11 Financial liabilities continued

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.

45.12 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 re-assessed 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.

Deferred income tax is provided for in respect of temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.15 Leases: accounting by lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- **Right-of-use asset**
  The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The Group mainly has leases for office buildings. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment. Right-of-use assets that are classified as owner-occupied properties or property and equipment are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets that are classified as investment properties are measured at fair value (refer to Investment properties accounting policy). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets that are classified as owner-occupied properties are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Owner-occupied properties	50 years
Property and equipment	5–20 years

  If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

- **Lease liabilities**
  At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

  In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

  The Group's lease liabilities are included in financial liabilities at amortised cost.

- **Short-term leases and leases of low-value assets**
  The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

45.16 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.

45.17 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.18 Employee benefits

Pension fund obligations

The Group provides defined benefit pension schemes as well as defined contribution pension 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.

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 service 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.

45.19 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 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.20 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 collective investment schemes 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.

45.21 Dividends paid

Dividends paid to shareholders of the Company are recognised on declaration date.

45.22 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 fair value through profit and loss 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.

45.23 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:

45.23.1 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. Where initial fees are received, these are deferred and recognised over the average period of the contract. This period is reassessed annually.

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

FOR THE YEAR ENDED 30 JUNE 2024

45 SIGNIFICANT GROUP ACCOUNTING POLICIES CONTINUED

45.23 Income recognition continued

45.23.2 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 is recognised on the straight-line method over the term of the rental agreement.

45.24 Expense recognition

45.24.1 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. 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.

45.25 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 RESTATEMENTS

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

Statement of financial position	Before restatement Rm	Common control business combination policy change[1] Rm	FEC: Unsettled trades versus open derivative positions[2] Rm	Consolidated fund flows[3] Rm	Unsettled trades[4] Rm	Cost of carry positions[5] Rm	Margin call accounts[6] Rm	Interest received[7] Rm	Total restatement before IFRS 17 transition Rm	IFRS 17 transition[8] Rm	After restatement Rm
as at 30 June 2023											
Group											
Intangible assets	2 547	3 128	–	–	–	–	–	–	5 675	(2 642)	3 033
Financial assets at FVPL	493 230	–	–	–	–	–	1 937	–	495 167	–	495 167
Financial assets at amortised cost	9 043	–	(602)	324	(100)	–	–	–	8 665	(910)	7 755
Insurance and other receivables	3 598	–	–	–	–	–	–	–	3 598	(3 598)	–
Other receivables	–	–	–	–	–	–	–	–	–	468	468
Insurance contract assets	–	–	–	–	–	–	–	–	–	4 214	4 214
Reinsurance contract assets	4 986	–	–	–	–	–	–	–	4 986	(217)	4 769
Cash and cash equivalents	24 709	–	–	–	–	–	(1 937)	–	22 772	–	22 772
Other components of equity	(5 364)	(5 412)	–	–	–	–	–	–	(10 776)	–	(10 776)
Retained earnings	(8 252)	3 196	–	–	–	–	–	–	(5 056)	(827)	(5 883)
Insurance contract liabilities	(120 378)	–	–	–	–	–	–	–	(120 378)	(3 975)	(124 353)
Investment contracts with DPF	(2 549)	–	–	–	–	–	–	–	(2 549)	2 549	–
Investment contracts designated at FVPL	(340 658)	–	–	–	–	–	–	–	(340 658)	(285)	(340 943)
Financial liabilities at FVPL	(50 769)	–	(18)	(280)	–	–	–	–	(51 067)	–	(51 067)
Reinsurance contract liabilities	–	–	–	–	–	–	–	–	–	(36)	(36)
Deferred income tax liabilities	(1 329)	(912)	–	–	–	–	–	–	(2 241)	(231)	(2 472)
Other payables	(15 662)	–	620	(44)	100	–	–	–	(14 986)	5 490	(9 496)
Company											
Intangible assets	2 108	3 128	–	–	–	–	–	–	5 236	(2 642)	2 594
Financial assets at FVPL	358 199	–	–	–	–	–	1 485	–	359 684	–	359 684
Financial assets at amortised cost	7 187	–	–	–	(100)	–	–	–	7 087	(857)	6 230
Insurance and other receivables	3 494	–	–	–	–	–	–	–	3 494	(3 494)	–
Other receivables	–	–	–	–	–	–	–	–	–	308	308
Insurance contract assets	–	–	–	–	–	–	–	–	–	4 214	4 214
Reinsurance contract assets	4 986	–	–	–	–	–	–	–	4 986	(217)	4 769
Cash and cash equivalents	14 928	–	–	–	–	–	(1 485)	–	13 443	–	13 443
Other components of equity	(4 617)	(5 412)	–	–	–	–	–	–	(10 029)	–	(10 029)
Retained earnings	(10 701)	3 196	–	–	–	–	–	–	(7 505)	(824)	(8 329)
Insurance contract liabilities	(120 380)	–	–	–	–	–	–	–	(120 380)	(3 973)	(124 353)
Investment contracts with DPF	(2 549)	–	–	–	–	–	–	–	(2 549)	2 549	–
Investment contracts designated at FVPL	(338 166)	–	–	–	–	–	–	–	(338 166)	(285)	(338 451)
Reinsurance contract liabilities	–	–	–	–	–	–	–	–	–	(36)	(36)
Deferred income tax liabilities	(1 120)	(912)	–	–	–	–	–	–	(2 032)	(231)	(2 263)
Other payables	(13 367)	–	–	–	100	–	–	–	(13 267)	5 488	(7 779)

1 The Company made a voluntary change in its accounting policy on the measurement of acquisition of subsidiaries and businesses under common control. Previously, these transactions were measured at the carrying amounts recognised by the acquiree, which may have resulted in a different carrying value on Momentum Group level and on the MML Company level. With the new accounting policy, the acquired business will reflect the carrying amounts recognised at a Momentum Group level. This change will provide more reliable and relevant information in the MML Company financial statements.
The change in accounting policy reduced the Group and Company earnings per share with 103 cents per share.

2 Derivative financial assets and derivative financial liabilities were incorrectly reported as part of unsettled trade receivables and unsettled trade payables balances. This resulted in reclassifications between financial assets and financial liabilities at FVPL and financial assets and financial liabilities measured at amortised cost. 30 June 2023 and 1 July 2022 have been restated accordingly.

3 Creation and liquidation flows within certain funds consolidated by the Group occurred on the last day of the 30 June 2023 financial year, however were not processed and recognised in the previous financial year. 30 June 2023 has been restated accordingly.

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5 The cost of carry positions were incorrectly included as interest income as opposed interest expense. Additionally, a portion of the interest paid was calculated incorrectly. 30 June 2023 has been restated accordingly.

6 The classification of the margin call accounts associated with derivative financial instruments has been reassessed. It was determined that these accounts do not meet the definition of cash and cash equivalents as per IAS 7: Statement of cash flows. This resulted in a reclassification between cash and cash equivalents and financial assets at FVPL. 30 June 2023 and 1 July 2022 have been restated accordingly.

7 The principles used to determine interest received were reassessed. This resulted in a reclassification between interest received and cash generated from operations. June 2023 has been restated.

8 Refer to note 45.1.2 for more information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

46 RESTATEMENTS CONTINUED

Statement of financial position	Before restatement Rm	Common control business combination policy change[1] Rm	FEC: Unsettled trades versus open derivative positions[2] Rm	Consolidated fund flows[3] Rm	Unsettled trades[4] Rm	Cost of carry positions[5] Rm	Margin call accounts[5] Rm	Interest received[5] Rm	Total restatement before IFRS 17 transition Rm	IFRS 17 transition Rm	After restatement Rm
as at 1 July 2022											
Group											
Intangible assets	2 548	3 402	–	–	–	–	–	–	5 950	(2 846)	3 104
Financial assets at fair value through profit and loss (FVPL)	446 246	–	–	–	–	–	2 001	–	448 247	–	448 247
Financial assets at amortised cost	7 116	–	(542)	–	–	–	–	–	6 574	(878)	5 696
Insurance and other receivables	3 948	–	–	–	–	–	–	–	3 948	(3 948)	–
Other receivables	–	–	–	–	–	–	–	–	–	450	450
Insurance contract assets	–	–	–	–	–	–	–	–	–	4 396	4 396
Reinsurance contract assets	2 988	–	–	–	–	–	–	–	2 988	2 016	5 004
Cash and cash equivalents	19 815	–	–	–	–	–	(2 001)	–	17 814	–	17 814
Other components of equity	(5 136)	(5 412)	–	–	–	–	–	–	(10 548)	–	(10 548)
Retained earnings	(7 224)	3 001	–	–	–	–	–	–	(4 223)	(1 902)	(6 125)
Insurance contract liabilities	(112 950)	–	–	–	–	–	–	–	(112 950)	(3 949)	(116 899)
Investment contracts with discretionary participation features (DPF)	(2 439)	–	–	–	–	–	–	–	(2 439)	2 439	–
Investment contracts designated at FVPL	(294 106)	–	–	–	–	–	–	–	(294 106)	(106)	(294 212)
Financial liabilities at FVPL	(52 933)	–	(13)	–	–	–	–	–	(52 946)	–	(52 946)
Reinsurance contract liabilities	(340)	–	–	–	–	–	–	–	(340)	(613)	(953)
Deferred income tax liabilities	(1 270)	(991)	–	–	–	–	–	–	(2 261)	(579)	(2 840)
Other payables	(14 173)	–	555	–	–	–	–	–	(13 618)	5 520	(8 098)
Company											
Intangible assets	2 145	3 402	–	–	–	–	–	–	5 547	(2 847)	2 700
Financial Assets at FVPL	320 204	–	–	–	–	–	1 656	–	321 860	–	321 860
Financial assets at amortised cost	5 052	–	–	–	–	–	–	–	5 052	(881)	4 171
Insurance and other receivables	3 790	–	–	–	–	–	–	–	3 790	(3 790)	–
Other receivables	–	–	–	–	–	–	–	–	–	315	315
Insurance contract assets	–	–	–	–	–	–	–	–	–	3 579	3 579
Reinsurance contract assets	2 988	–	–	–	–	–	–	–	2 988	1 997	4 985
Cash and cash equivalents	12 386	–	–	–	–	–	(1 656)	–	10 730	–	10 730
Other components of equity	(4 191)	(5 412)	–	–	–	–	–	–	(9 603)	–	(9 603)
Retained earnings	(9 121)	3 001	–	–	–	–	–	–	(6 120)	(1 902)	(8 022)
Insurance contract liabilities	(113 321)	–	–	–	–	–	–	–	(113 321)	(3 571)	(116 892)
Investment contracts with discretionary participation features (DPF)	(2 439)	–	–	–	–	–	–	–	(2 439)	2 439	–
Investment contracts designated at FVPL	(290 763)	–	–	–	–	–	–	–	(290 763)	(233)	(290 996)
Reinsurance contract liabilities	–	–	–	–	–	–	–	–	–	(90)	(90)
Deferred income tax liabilities	(1 051)	(991)	–	–	–	–	–	–	(2 042)	(511)	(2 553)
Other payables	(11 881)	–	–	–	–	–	–	–	(11 881)	5 495	(6 386)

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5 The cost of carry positions were incorrectly included as interest income as opposed interest expense. 30 June 2023 has been restated accordingly.

46 RESTATEMENTS CONTINUED

Statement of profit and loss	Before restatement Rm	Common control business combination policy change[1] Rm	FEC: Unsettled trades versus open derivative positions[2] Rm	Consolidated fund flows[3] Rm	Unsettled trades[4] Rm	Cost of carry positions[5] Rm	Margin call accounts[6] Rm	Interest received[7] Rm	Total restatement before IFRS 17 transition Rm	IFRS 17 transition[8] Rm	After restatement Rm
for the year ended 30 June 2023											
Group											
Investment income	26 921	–	–	–	–	143	–	–	27 064	(74)	26 990
Amortised cost	1 353	–	–	–	–	–	(125)	–	1 228	116	1 344
Other investment income	25 568	–	–	–	–	143	125	–	25 836	(190)	25 646
Other operating expenses[9]	–	(274)	–	–	–	–	–	–	(274)	(6 802)	(7 076)
Other finance costs	(2 301)	–	–	–	–	(143)	–	–	(2 444)	82	(2 362)
Income tax expense	(2 707)	79	–	–	–	–	–	–	(2 628)	280	(2 348)
Company											
Investment income	22 101	–	–	–	–	84	–	–	22 185	(73)	22 112
Amortised cost	835	–	–	–	–	–	(101)	–	734	98	832
Other investment income	21 266	–	–	–	–	84	101	–	21 451	(171)	21 280
Other operating expenses[9]	–	(274)	–	–	–	–	–	–	(274)	(5 050)	(5 324)
Other finance costs	(886)	–	–	–	–	(84)	–	–	(970)	81	(889)
Income tax expense	(2 525)	79	–	–	–	–	–	–	(2 446)	280	(2 166)

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7. The principles used to determine interest received were reassessed. This resulted in a reclassification between interest received and cash generated from operations. June 2023 has been restated.
8. Refer to note 45.1.2 for more information.
9. As part of the IFRS 17 transition, depreciation, amortisation and impairment expenses, employee benefit expenses, other expenses, and sales remuneration that were previously presented in the statement of profit or loss were represented as part of other operating expenses. Refer to note 25 for more information regarding the split between other operating expenses and insurance services expenses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

46 RESTATEMENTS CONTINUED

Statement of cash flows	Before restatement Rm	Common control business combination policy change[1] Rm	FEC: Unsettled trades versus open derivative positions[2] Rm	Consolidated fund flows[3] Rm	Unsettled trades[4] Rm	Cost of carry positions[5] Rm	Margin call accounts[6] Rm	Interest received[7] Rm	Total restatement before IFRS 17 transition Rm	IFRS 17 transition[8] Rm	After restatement Rm
for the year ended 30 June 2023											
Group											
Cash utilised in operations	(7 642)	–	–	–	–	–	64	428	(7 150)	–	(7 150)
Interest received	15 972	–	–	–	–	143	–	(428)	15 687	–	15 687
Interest paid	(2 347)	–	–	–	–	(158)	–	–	(2 505)	–	(2 505)
Net proceeds from carry positions	1 345	–	–	–	–	15	–	–	1 360	–	1 360
Cash resources and funds on deposit at beginning	19 815	–	–	–	–	–	(2 001)	–	17 814	–	17 814
Cash resources and funds on deposit at end	24 709	–	–	–	–	–	(1 937)	–	22 772	–	22 772
Company											
Cash utilised in operations	(9 126)	–	–	–	–	–	171	324	(8 631)	–	(8 631)
Interest received	12 445	–	–	–	–	84	–	(324)	12 205	–	12 205
Interest paid	(873)	–	–	–	–	(80)	–	–	(953)	–	(953)
Net proceeds from carry positions	2 298	–	–	–	–	(4)	–	–	2 294	–	2 294
Cash resources and funds on deposit at beginning	12 386	–	–	–	–	–	(1 656)	–	10 730	–	10 730
Cash resources and funds on deposit at end	14 928	–	–	–	–	–	(1 485)	–	13 443	–	13 443

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2 Derivative financial assets and derivative financial liabilities were incorrectly reported as part of unsettled trade receivables and unsettled trade payables balances. This resulted in reclassifications between financial assets and financial liabilities at FVPL and financial assets and financial liabilities measured at amortised cost. 30 June 2023 and 1 July 2022 have been restated accordingly.

3 Creation and liquidation flows within certain funds consolidated by the Group occurred on the last day of the 30 June 2023 financial year, however were not processed and recognised in the previous financial year. 30 June 2023 has been restated accordingly.

4 Unsettled trade receivables and unsettled trade payables were incorrectly reported as part of the accounts receivable and other payables balances. This resulted in reclassifications between financial liabilities measured at amortised cost. The line items in the financial assets at amortised cost note (note 6.2) affected by the restatement are unsettled trades and accounts receivables, and the line items in the other payables note (note 13.3) affected by the restatement are unsettled trades and other payables. 30 June 2023 has been restated accordingly.

5 The cost of carry positions were incorrectly included as interest income as opposed interest expense. Additionally, a portion of the interest paid was calculated incorrectly. 30 June 2023 has been restated accordingly.

6 The classification of the margin call accounts associated with derivative financial instruments has been reassessed. It was determined that these accounts do not meet the definition of cash and cash equivalents as per IAS 7: Statement of cash flows. This resulted in a reclassification between cash and cash equivalents and financial assets at FVPL. 30 June 2023 and 1 July 2022 have been restated accordingly.

7 The principles used to determine interest received were reassessed. This resulted in a reclassification between interest received and cash generated from operations. June 2023 has been restated.

8 Refer to note 45.1.2 for more information.

9 As part of the IFRS 17 transition, depreciation, amortisation and impairment expenses, employee benefit expenses, other expenses, and sales remuneration that were previously presented in the statement of profit or loss were represented as part of other operating expenses. Refer to note 25 for more information regarding the split between other operating expenses and insurance services expenses.

ANNEXURE A

Abbreviations and definitions

ABBREVIATIONS

AFS	Annual Financial Statements
AIACF	Assets for insurance acquisition cash flows
AIC	Assets for incurred claims
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
BSA	Bonus stabilisation accounts
BSM	Balance Sheet Management
CAE	Chief Audit Executive
CFA	Chartered Financial Analyst
CFD	Contract for Differences
CGU	Cash-generating unit
CIC	Capital and Investment Committee
CIS	Collective investment scheme
CPI	Consumer Price Index
CSM	Contractual service margin
DAC	Deferred Acquisition Costs
DCF	Discounted cash flow
DPF	Discretionary participation features
DV	Directors' valuation
DWT	Dividend withholding tax
ELC	Excluding loss component
ELoRC	Excluding loss-recovery component
ERM	Enterprise Risk Management
EV	Embedded value
FASSA	Fellow of the Actuarial Society of South Africa
FCTR	Foreign Currency Translation Reserve
FIA	Fellow of the Institute of Actuaries
FSCA	Financial Sector Conduct Authority
FVA	Fair value approach
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit and loss
GCR	Global Credit Ratings
GMM	General measurement model
HAFs	Heads of the Actuarial Function
IAS	International Accounting Standards
IBNR	Incurred but not yet reported
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
IFS	Insurer Financial Strength
IMA	Investment management agreement
IPEV	International Private Equity and Venture Capital
ISDA	International Swaps and Derivatives Agreements
ISRE	International Standard on Review Engagements
JIBAR	Johannesburg Interbank Average Rate
JSE	Johannesburg Stock Exchange
LC	Loss component
LIC	Liability for incurred claims
LoRC	Loss-recovery component
LRC	Liability for remaining coverage
LTIP	Long-term Incentive Plan
MGL	Momentum Group Ltd
MML/the Company	Momentum Metropolitan Life Ltd
Momentum Metropolitan Life Group/the Group	MML and its subsidiaries
MRKT	MRKT Energy Holdings (Pty) Ltd
MSPS	Momentum Sales Phantom Shares
OTC	Over-the-counter
PA	Prudential Authority
PAA	Premium allocation approach
PHI	Permanent health insurance
PPFM	Principles and practices of financial management
PVFCF	Present value of future cash flows
PVP	Present value of future premiums
RA	Risk adjustment for non-financial risk
RDR	Risk discount rate
ROEV	Return on Embedded Value
S&P	Standard & Poor's
SAICA	South African Institute of Chartered Accountants
SAM	Solvency Assessment and Management
SAP	Standard of Actuarial Practice
SARB	South African Reserve Bank
SAR	Share Appreciation Right
SASAII	South African Student Accommodation Impact Investments (Pty) Ltd
SAVCA	South African Venture Capital and Private Equity Association
SCR	Solvency capital requirement
SENS	Stock Exchange News Service
TOR	Terms of Reference
TSR	Total Shareholder Returns
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

ANNEXURE A CONTINUED

Abbreviations and definitions

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.

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.

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.

DEFINITIONS CONTINUED

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 PVP. 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.

Non-current

Non-current refers to expected recovery and settlement after 12 months.

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.

ANNEXURE A CONTINUED

Abbreviations and definitions

DEFINITIONS CONTINUED

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.

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

Changes to segmental reporting

The Group has aligned the reporting segments with the updated internal operating structure. This enables the Group to report more meaningfully on the way the business is managed by the Group's leaders. The new segmental reporting had no impact on the current or prior year reported earnings, diluted earnings or headline earnings per share, or on the NAV or net cash flow.

These changes have been applied to the prior year.

The historic segment of Momentum Life, which previously included protection and savings products focused on the middle and affluent client segments and Momentum Multiply, has been rebranded to Momentum Retail.

Momentum Investments, which previously consisted of the Momentum Wealth investment platform business, local and offshore asset management operations, retail annuities and guaranteed investments, now also includes Momentum Money, a digital transactional account and savings wallet for clients.

There are no changes to the Metropolitan Life and Momentum Corporate reporting segments.

SHAREHOLDER DIARY AND ADMINISTRATION

SHAREHOLDER DIARY

Financial year end	30 June	
Reporting	Annual Financial Statements published	27 September 2024
	Annual general meeting	21 November 2024

ADMINISTRATION

MOMENTUM METROPOLITAN LIFE LTD

Company Secretary and registered office
Gcobisa Tyusha
268 West Avenue
Centurion
Telephone: +27 12 673 1931
gcobisa.tyusha@mmltd.co.za

Company registration number
1904/002186/06

Internet address
https://www.momentumgroupltd.co.za

Auditors
Ernst & Young Inc