



Momentum Metropolitan Life Ltd Group Annual Financial Statements – Audited results

for the year ended 30 June 2025

MOMENTUM METROPOLITAN LIFE LTD

Group Annual Financial Statements 2025

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248 SHAREHOLDER DIARY AND ADMINISTRATION

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 Board of Directors (Board) 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 Board are also responsible for the accuracy and consistency of other information included in the financial statements.

To enable the Board to meet these responsibilities:

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

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

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

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

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

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements, presented on pages 17 to 247, were approved by the Board of directors on 17 September 2025 and are signed on its behalf by:



Paul Baloyi
Group Chair

Centurion, 15 September 2025



Jeanette Marais (Cilliers)
Group Chief Executive Officer

Centurion, 15 September 2025

CEO AND FINANCE DIRECTOR CONFIRMATION OF FINANCIAL CONTROLS

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

- a) the AFS set out on pages 17 to 247, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards as issued by the IASB;
- 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, 15 September 2025

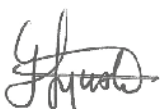


Risto Ketola
Group Finance Director

Centurion, 15 September 2025

CERTIFICATE BY THE GROUP COMPANY SECRETARY

In accordance with the provisions of section 88(2)(e) of the South African Companies Act, 71 of 2008 (the Companies Act), I certify that for the year ended 30 June 2025 the companies have lodged with the registrar of companies all such returns as are required of a company in terms of the Companies Act, and that all such returns are true, correct and up to date.



Gcobisa Tyusha
Group Company Secretary

Centurion, 15 September 2025

INDEPENDENT AUDITORS' REPORT

To the shareholders of Momentum Metropolitan Life Ltd

Report on the audit of the consolidated and separate financial statements

Our opinion

We have audited the consolidated and separate financial statements of Momentum Metropolitan Life Limited and its subsidiaries (the Group and Company) set out on pages 17 to 242 which comprise:

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

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

Basis for opinion

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

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

Independence

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

Reporting in terms of the IRBA Rule on Enhanced Auditor Reporting

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

Final materiality

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

	Consolidated financial statements	Separate financial statements
Final materiality	R 397.5 million	R 381.8 million
How we determined it	5% of consolidated profit before tax	5% of profit before tax
Rationale for the materiality benchmark applied	We identified consolidated profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most likely to be measured by users when evaluating a profit-oriented entity and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies and is further based on our professional judgement after consideration of qualitative factors that impact the Group.	We identified profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most likely to be measured by users when evaluating a profit-oriented entity and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies and is further based on our professional judgement after consideration of qualitative factors that impact the Company.

INDEPENDENT AUDITORS' REPORT CONTINUED

To the shareholders of Momentum Metropolitan Life Ltd

Group and Company audit scope

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

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

In establishing the Group and Company audit scope, based on our risk assessment we determined the type of work that needed to be undertaken on the financial information of the components. In selecting components, we performed risk assessment procedures across the Group and Company and their components to identify risks of material misstatement. We then identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response. We have identified 8 components for the Company and 26 components for the Group at which we determined that further audit procedures were required.

Of the 8 components we have identified for the Company all 8 components were subject to a full scope audit on the entire financial information of the component

Of the 26 components we have identified for the Group:

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

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

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

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

Key audit matters

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

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

Key Audit Matter	How our audit addressed the key audit matter
1. Valuation of insurance and reinsurance contract assets and liabilities	
Refer to the following accounting policies and notes to the consolidated and separate financial statements for the disclosures as it relates to this key audit matter: • Note 9 (Insurance Contracts) • Note 10 (Reinsurance Contracts) • Note 12 (Contract holder liabilities – judgements, assumptions and estimates) • Note 45.10 (Material group accounting policies – Insurance and Investment contracts) The Group and Company held insurance and reinsurance contract assets and liabilities due to their insurance operations during the year ended 30 June 2025. These contracts are recognised and measured in accordance with IFRS Accounting Standard 17: Insurance Contracts (IFRS 17). The following net liabilities and assets have been recognised as at 30 June 2025 in this regard: • Consolidated and separate net insurance liability: R 149.9 billion (refer to note 9) • Consolidated and separate net reinsurance asset: R 5.8 billion (refer to note 10) Management exercises professional judgment and utilises assumptions and estimates to measure its insurance and reinsurance contracts issued or held, which comprise a diverse portfolio of contracts including long-term and short-term products. These judgements are made in the context of the measurement methods applied in the context of the IFRS 17, which include the general measurement model (GMM), the variable fee approach (VFA) and the premium allocation approach (PAA). The present value of future cash flows (PVFCs) reflects management's best estimate of future net cash flows from insurance and reinsurance contracts, based on policy data and various financial and non-financial assumptions. The following assumptions are considered key in the valuation of the PVFCs of insurance and reinsurance contract assets and liabilities: • Mortality and morbidity assumptions • Persistency assumptions, expected claims and lapses • Attributable expenses Management applies complex models and methodologies in their measurement of the insurance and reinsurance contract assets and liabilities, which may materially impact the valuation thereof. We considered the valuation of insurance and reinsurance contract assets and liabilities to be a matter of most significance to our current year audit of the consolidated and separate financial statements due to: • The significant judgements and high degree of estimation uncertainty inherent in the valuation of the insurance and reinsurance contract assets and liabilities; • The complexity of the actuarial models and methodologies applied which increase the risk inherent in the valuations; and • The significance of insurance and reinsurance contract assets and liabilities to the consolidated and separate financial statements.	Using our actuarial expertise where applicable, we performed the following procedures with respect to this key audit matter: • Evaluated the models and methodology applied, considering whether they were appropriate based on our knowledge of the Group and Company, industry standards, regulatory requirements, and the requirements of IFRS 17. • Obtained an understanding of management's process for developing the core actuarial models and tested the design and operating effectiveness of key controls within the process. • For material components of liabilities modelled outside the core actuarial system, we evaluated the reasonability with reference to the applicable principles in IFRS 17. For material portfolios measured using the GMM and VFA we considered the assumptions as follows: • Evaluated the mortality, morbidity and persistency assumptions through reviewing management's experience analysis, and testing the inputs into the experience analyses, to evaluate whether the assumptions were a reasonable output thereof. • Assessed the appropriateness of economic assumptions by comparing them to observable market variables, including discount rates (current and locked-in) and illiquidity premiums. • Assessed the expense assumptions adopted by management with reference to the Group's and Company's underlying expense bases. In doing so, we also considered the relevant functional cost analyses, and the split of attributable and non-attributable expenses for consistency with the applicable requirements of IFRS 17. • Reviewed the results of model reviews carried out as part of management's independent rolling model validation programme to ensure that models are fit for purpose and align with the requirements of IFRS 17. • Identified model changes made during the year, and evaluated the material methodology, inputs and assumption changes against supporting data and the requirements of IFRS 17. We further validated the impact of material model changes implemented during the year by setting an expectation for the impact of the change and comparing it to the actual impact. • Evaluated the build-up and changes in the different liability components (best estimate liability, risk adjustment and contractual service margin (CSM), against our understanding of the business, prior year information alongside expected current year changes, and consistency with valuation basis changes. • Independently recalculated the CSM, Loss Component and Loss Recovery Component using an independently developed model and compared out outputs to those from management's models. For material portfolios measured using the PAA we: • Performed independent testing for various components of the liability for incurred claims and liability for remaining coverage. Outcome: As we performed our procedures over the valuation of insurance and reinsurance contract assets and liabilities, we identified matters for follow up discussions with management. We were able to obtain appropriate explanations or corroborating evidence on the matters identified to support management's valuation of the insurance and reinsurance contract assets and liabilities.

INDEPENDENT AUDITORS' REPORT CONTINUED

To the shareholders of Momentum Metropolitan Life Ltd

Key Audit Matter	How our audit addressed the key audit matter
2. Valuation of level 3 assets Refer to the following accounting policies and notes to the consolidated and separate financial statements for the disclosures as it relates to this key audit matter: • Note 3.1 (Owner-occupied properties) • Note 4 (Investment properties) • Note 6.1 (Financial assets at fair value through profit and loss) • Note 6.6 (Financial assets hierarchy) • Note 43 (Valuation techniques) • Note 45.5 (Material Group accounting policies – Owner-occupied properties) • Note 45.6 (Material Group accounting policies – Investment properties) • Note 45.7 (Material Group accounting policies – Financial assets) The Group and Company recognised certain assets within the asset categories below that are classified as level 3 in terms of IFRS Accounting Standard 13: Fair value measurements (IFRS 13), implying that their value are determined using unobservable inputs. The following level 3 assets have been recognised as at 30 June 2025 in this regard and are included in the scope of this key audit matter: • Owner occupied properties (refer to note 3.1): – Consolidated: R 1.6 billion • Investment properties (refer to note 4): – Consolidated: R 9.6 billion – Separate: R 5.6 billion • Financial assets (refer to note 6.6): – Consolidated: R 4.5 billion – Separate: R 6.3 billion Management exercises professional judgment and utilises assumptions and estimates to value these assets, as further explained below: Owner-occupied properties and investment properties These assets are valued using a discounted cash flow (DCF) methodology or income capitalisation approach. The significant assumptions and judgements applied in the DCF models are capitalisation rates, vacancy rates and discount rates.	We performed the following procedures with respect to this key audit matter: Owner-occupied and investment properties Evaluated the design and implementation of the controls supporting the valuations of investment properties by inspecting the minutes of the Investment Committee meetings, which included the appointment of experienced and qualified management experts and approvals of the valuations by the Investment Committee. Assessed the competence, objectivity and capabilities of the registered professional valuers appointed by management, by confirming their affiliation with applicable professional bodies, and inspecting their valuation reports and comparing their methodology to industry norms. Using our valuations expertise, for a sample of owner-occupied and investment properties, we assessed the reasonableness of the fair values by performing the following procedures: • Reviewed the methodology being used to determine the fair value against industry available information and the applicable IFRS 13 requirements. We compared the methodologies utilised to the prior year and evaluated the reasonability for any significant changes based on our understanding of the nature of the property. • Reviewed the assumptions underlying the calculation of fair value, ensuring that the assumptions reflect market participant assumptions and contractual data where applicable. We also considered whether the cash flows are reasonable with reference to contractual or market-linked cash flows as applicable. • Assessed whether the forecasts used in the valuation are consistent with market expectations and, where available, compared forecasts to up to date budgets and business plans that have been formally approved by management. • Evaluated the reasonability of the capitalisation rate, where applicable, and valuation adjustments, where applicable, taking into consideration relevant industry benchmarks and market data. • Assessed the reasonability of the discount rate, where applicable, against relevant market data, adjusted for property specific circumstances. • Independently recalculated the valuations utilising the inputs and assumptions referred to above, in accordance with the valuation approach, and compared our results with that of management. Outcome: In performing the procedures above, we determined a range of possible values with respect to the sample of assets selected for testing. While our range itself is subjective, management's valuations were found to be within our acceptable range for the selected assets.

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

For unit-linked investments we performed the following procedures:

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

Outcome:

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

INDEPENDENT AUDITORS' REPORT CONTINUED

To the shareholders of Momentum Metropolitan Life Ltd

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Audit tenure

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

DocuSigned by:
PricewaterhouseCoopers Inc.
AE099E8252B141A...

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

17 September 2025

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

Signed by:
Ernst & Young Inc.
7917FFDD8DF44EE...

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

17 September 2025

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

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 2025. The Board is comfortable 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 12 November 2024, Momentum Metropolitan Life Ltd (MML) listed two subordinated debt instruments to the combined value of R750 million on the JSE Ltd. The proceeds of the issuance replaced the funds used to redeem the MMIG07 subordinated debt instrument that was redeemed on 18 September 2024, the first call date.

Disposals

During the current year, the Group declared and distributed a dividend in specie to its ultimate holding company, Momentum Group, consisting of its entire investment in Momentum Life Botswana Ltd. As a result, the Group lost control of Momentum Life Botswana Ltd in accordance with IFRS 10 – Consolidated Financial Statements.

The carrying amount of the net assets disposed of as a dividend in specie was R22 million.

Presentation of financial statements

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

- IFRS Accounting Standards as issued by the IASB.
- IFRIC interpretations by the IFRS Interpretations Committee issued and effective at the time of preparing these statements.
- JSE Debt and Specialist Securities 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 24 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 which will be available on MGL's website (<https://www.momentumgrouppltd.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 2025 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 R4 879 million (2024: R3 395 million). Earnings per share for the year were 2 568 cents per share (2024: 1 787 cents per share). Normalised headline earnings were R4 990 million (2024: earnings of R3 712 million) and normalised headline earnings per share 2 626 cents (2024: 1 954 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	2025 Rm	2024 Rm
Momentum Retail	1 375	1 155
Momentum Investments	945	516
Metropolitan Life	868	595
Momentum Corporate	1 614	1 176
Momentum Metropolitan Health	70	56
Other	80	24
Shareholders	38	190
Total	4 990	3 712

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:

	2025 cents per share	2024 cents per share
Interim – March	1 555	756
Final – September	791	474
	2 346	1 230

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DIRECTORS' REPORT CONTINUED

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 2025:

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

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

	Appointments	Resignations
JJ Sieberhagen	1 March 2025	

Changes to Board committees

1. Dr Sieberhagen was appointed as an independent non-executive director on the Board of MML and a member of the Momentum Group Fair Practices Committee with effect from 1 March 2025. This was to expand the skills set of the Board and respective committees.
2. Mr Dumo Mbethe was appointed as a member of the Group's Risk, Capital and Compliance Committee, effective 1 December 2024.
3. Ms Jeanette Marais was appointed as a member of the Group's Investments Committee, effective 1 December 2024 and resigned as a member of the Group's Risk, Capital and Compliance Committee with effect from 30 November 2024.

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.momentumgrouppltd.co.za/investor-relations/reports/integrated-reports>.

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

Directors' shareholding

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

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

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 2025 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 2025 R'000	Total 2024 R'000
Executive	-	-	18 057	12 500	1 019	203	51 799	83 578	75 031
Non-executive	24 365	-	-	-	-	-	-	24 365	20 579
Total	24 365	-	18 057	12 500	1 019	203	51 799	107 943	95 610

¹ Bonus payments relate to the 2024 financial year's bonus. Refer to note 44 for more details on directors remuneration.

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

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 and Specialist Securities 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

The FSCA approved the liquidation of the Sage Group Pension Fund during August 2025.

On 12 August 2025, MML redeemed the subordinated debt instrument MMIG04 with a nominal amount of R270 million on the contractual call date of the bond.

In September 2025 MML declared a R1 500 million final ordinary cash dividend to Momentum Group Limited for the year ended 30 June 2025 to be paid in October 2025.

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

REPORT OF THE AUDIT COMMITTEE

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

Function of the committee

The committee had discharged its responsibilities as mandated by the Board, its statutory duties in compliance with the Companies Act, Insurance Act 18 of 2017, the JSE Debt and Specialist Securities 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 at https://www.momentumgrouppltd.co.za/remote-assets/s3/clt_mmh_s3/static-assets/documents/about-us/governance/group-audit-committee-terms-of-reference.pdf, are aligned with the above legislation, regulations and practices.

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

Committee composition, attendees and meetings

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

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

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

A brief profile of the current members can be viewed on pages 111 to 114 of the 2025 Integrated Report and the Group's website at <https://www.momentumgrouppltd.co.za/about-us/leadership/board-of-directors>.

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

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

Focus areas of the committee for the year

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

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

These matters are elaborated on further in the Integrated Report.

Annual confirmations by the committee

On an annual basis the committee assesses the following:

Group financial reporting practice processes and Annual Financial Statements

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

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

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

Going concern

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

Group Finance Director and finance function

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

Integrated Report

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

External audit quality and independence

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

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

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

External audit fees are disclosed on page 169 within note 25 to the AFS. All the non-audit services (disclosed on page 169, 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.

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

Combined assurance and internal financial control assessment

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

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

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

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

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

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

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 insurance and reinsurance contract assets and liabilities

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

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

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

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

Valuation of level 3 assets

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

Planned focus areas of the committee for 2026

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

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



Linda de Beer

Chair: Audit Committee

15 September 2025

STATEMENT OF FINANCIAL POSITION

at 30 June 2025

	Group		Company		Notes
	2025 Rm	2024 Rm	2025 Rm	2024 Rm	
ASSETS					
Intangible assets	2 780	2 697	2 597	2 509	2
Owner-occupied properties	1 622	1 533	45	70	3.1
Fixed assets	359	370	337	347	3.2
Investment properties	9 587	9 279	5 557	5 303	4
Interest in subsidiaries	-	-	135 655	117 189	5
Investments in associates	114	87	-	-	
Investment in joint ventures	7	6	2	2	
Employee benefit assets	467	429	467	429	15.3
Financial assets at fair value through profit and loss (FVPL)	644 091	559 803	476 131	413 981	6.1
Financial assets at amortised cost	6 281	5 969	4 700	4 712	6.2
Insurance contract assets	5 252	4 564	5 252	4 564	9
Reinsurance contract assets	5 854	5 401	5 854	5 401	10
Deferred income tax	185	178	-	-	14
Other receivables	547	567	315	334	7
Assets relating to disposal groups held for sale	-	103	-	103	8
Current income tax assets	11	4	-	-	28.2
Cash and cash equivalents	25 334	23 778	17 432	17 382	6.3
Total assets	702 491	614 768	654 344	572 326	
EQUITY					
Equity attributable to owners of the parent	19 261	18 129	20 929	19 516	
Share capital	1 041	1 041	1 041	1 041	16
Other components of equity	10 929	10 808	9 779	9 263	17
Retained earnings	7 291	6 280	10 109	9 212	
Non-controlling interests	74	81	-	-	
Total equity	19 335	18 210	20 929	19 516	
LIABILITIES					
Insurance contract liabilities	155 191	138 711	155 191	138 711	9
Investment contracts designated at FVPL	444 908	383 566	442 161	380 960	11
Financial liabilities at FVPL	66 820	59 353	23 167	21 414	13.1
Financial liabilities at amortised cost	1 204	1 247	61	89	13.2
Reinsurance contract liabilities	44	33	44	33	10
Deferred income tax	2 495	2 395	2 184	2 106	14
Provisions	227	348	201	230	18
Employee benefit obligations	2 109	1 467	1 865	1 308	15
Other payables	9 722	9 303	8 109	7 834	13.3
Liabilities relating to disposal groups held for sale	-	-	-	-	
Current income tax liabilities	436	135	432	125	28.2
Total liabilities	683 156	596 558	633 415	552 810	
Total equity and liabilities	702 491	614 768	654 344	572 326	

INCOME STATEMENT

for the year ended 30 June 2025

	Group		Company		Notes
	2025 Rm	2024 Rm	2025 Rm	2024 Rm	
Insurance revenue	27 250	26 067	27 250	26 067	19
Insurance service expenses	(21 259)	(21 373)	(21 259)	(21 373)	20
Allocation of reinsurance premiums	(3 564)	(3 357)	(3 564)	(3 357)	21
Amounts recoverable from reinsurers for incurred claims	2 887	3 185	2 887	3 185	22
Insurance service result	5 314	4 522	5 314	4 522	
Investment income	32 903	30 406	28 395	25 789	23.1
Amortised cost	1 799	1 811	1 300	1 191	
Other investment income	31 104	28 595	27 095	24 598	
Net realised and unrealised fair value gains	58 929	28 964	56 522	28 135	23.2
Net impairment reversal/(loss) on financial assets	(22)	1	(11)	3	23.3
Finance expenses from insurance contracts issued	(21 609)	(15 299)	(21 609)	(15 299)	23.4
Finance income from reinsurance contracts held	642	465	642	465	23.5
Fair value adjustments on investment contract liabilities	(58 536)	(35 274)	(58 370)	(35 048)	11
Fair value adjustments on collective investment scheme (CIS) liabilities	(5 265)	(3 997)	-	-	
Net investment result	7 042	5 266	5 569	4 045	23
Fee income	5 922	5 186	4 815	4 139	24
Contract administration	4 175	3 610	4 172	3 605	
Trust and fiduciary services	1 349	1 251	574	484	
Other fee income	398	325	69	50	
Other operating expenses	(8 423)	(7 817)	(6 423)	(5 648)	25
Results of operations	9 855	7 157	9 275	7 058	
Share of profit of associates	3	3	-	-	
Share of profit of joint ventures	1	-	-	-	
Other finance costs	(1 910)	(1 643)	(1 639)	(1 391)	26
Profit before tax	7 949	5 517	7 636	5 667	
Income tax expense	(3 081)	(2 124)	(2 844)	(1 978)	27
Earnings for the year	4 868	3 393	4 792	3 689	
Attributable to:					
Owners of the parent	4 879	3 395	4 792	3 689	
Non-controlling interests	(11)	(2)	-	-	
Earnings for the year	4 868	3 393	4 792	3 689	
Earnings per ordinary share (cents)	2 567.9	1 786.8	2 522.1	1 941.6	1

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2025

	Group		Company		Notes
	2025 Rm	2024 Rm	2025 Rm	2024 Rm	
Earnings for year	4 868	3 393	4 792	3 689	
Other comprehensive income, net of tax	123	21	492	(586)	
Items that may subsequently be reclassified to income	24	(36)	-	-	
Exchange differences on translating foreign operations	24	(36)	-	-	17
Items that will not be reclassified to income	99	57	492	(586)	
Land and building revaluation	80	89	-	20	17
Revaluation of subsidiaries	-	-	469	(669)	17
Remeasurements of post-employee benefit funds	5	18	5	18	17
Own credit gain/(loss) on financial liabilities designated at FVPL	18	(29)	18	(29)	13.1
Income tax relating to items that will not be reclassified	(4)	(21)	-	74	17
Total comprehensive income for the year	4 991	3 414	5 284	3 103	
Total comprehensive income attributable to:					
Owners of the parent	5 002	3 416	5 284	3 103	
Non-controlling interests	(11)	(2)	-	-	
Total comprehensive income for the year	4 991	3 414	5 284	3 103	

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025

Group	Share capital Rm	Share premium Rm	Other reserves Rm	Retained earnings Rm	Total attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm	Notes
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)	
Transfer to other reserves from retained earnings	-	-	(34)	34	-	-	-	17
Other	-	-	-	-	-	3	3	
Capital contribution to Group companies ¹	-	-	-	(28)	(28)	-	(28)	
Equity-settled share-based payment arrangements	-	-	16	-	16	-	16	
Balance at 1 July 2024	9	1 032	10 808	6 280	18 129	81	18 210	
Total comprehensive income/(loss)	-	-	105	4 897	5 002	(11)	4 991	
Profit/(loss) for the period	-	-	-	4 879	4 879	(11)	4 868	
Other comprehensive income/(loss)	-	-	105	18	123	-	123	
Dividend declared	-	-	-	(3 872)	(3 872)	-	(3 872)	
Other	-	-	-	-	-	4	4	
Capital contribution to Group companies ¹	-	-	-	(14)	(14)	-	(14)	
Equity-settled share-based payment arrangements	-	-	16	-	16	-	16	
Balance at 30 June 2025	9	1 032	10 929	7 291	19 261	74	19 335	

¹ 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	Total equity Rm
Balance at 1 July 2023	9	1 032	10 029	8 329	19 399	19 399
Total comprehensive (loss)/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 ¹	-	-	-	(28)	(28)	(28)
Equity-settled share-based payment arrangements	-	-	17	-	17	17
Balance at 1 July 2024	9	1 032	9 263	9 212	19 516	19 516
Total comprehensive income	-	-	474	4 810	5 284	5 284
Profit for the period	-	-	-	4 792	4 792	4 792
Other comprehensive income	-	-	474	18	492	492
Dividend declared	-	-	-	(3 872)	(3 872)	(3 872)
Transfer to retained earnings from other reserves	-	-	27	(27)	-	-
Capital contribution to Group companies ¹	-	-	-	(14)	(14)	(14)
Equity-settled share-based payment arrangements	-	-	15	-	15	15
Balance at 30 June 2025	9	1 032	9 779	10 109	20 929	20 929

¹ 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 2025

	Group		Company		Notes
	2025 Rm	2024 Rm	2025 Rm	2024 Rm	
Cash flow from operating activities					
Cash utilised in operations	(19 071)	(20 802)	(16 723)	(14 375)	28.1
Interest received	20 325	17 999	17 949	15 195	
Dividends received	5 558	5 270	4 123	4 158	
Income tax paid	(2 694)	(2 962)	(2 459)	(2 729)	28.2
Interest paid	(2 095)	(1 807)	(1 755)	(1 505)	28.3
Net cash inflow/(outflow) from operating activities	2 023	(2 302)	1 135	744	
Cash flow from investing activities					
Additional investment in subsidiaries	-	-	(17)	(152)	
Share capital returned on deregistration of subsidiary	-	-	-	10	5
Net cash outflow from the disposal of Momentum Life Botswana Ltd	(15)	-	-	-	28.5
Net cash inflow from unbundling of Multiply	-	36	-	-	
Investments in associates and joint ventures	(24)	(10)	-	-	
Purchase of owner-occupied properties	(5)	(1)	-	-	3.1.1
Disposal of owner-occupied properties	-	35	-	34	
Purchase of property and equipment	(107)	(193)	(95)	(187)	
Net cash outflow from investing activities	(151)	(133)	(112)	(295)	
Cash flow from financing activities					
Subordinated call notes issued	750	750	750	750	28.4.1
Subordinated call notes repaid	(750)	(750)	(750)	(750)	28.4.1
Proceeds from carry positions	266 798	201 527	245 682	179 214	28.4.2
Repayment of carry positions	(263 548)	(194 917)	(242 739)	(172 678)	28.4.2
Proceeds from other borrowings measured at fair value	309	6	-	-	28.4.4
Repayment of other borrowings measured at fair value	(5)	(37)	-	-	28.4.4
Repayment of borrowings measured at amortised cost	-	(143)	-	-	28.4.5
Proceeds from borrowings measured at amortised cost	49	155	-	-	28.4.5
Payment of principal portion of lease liability	(70)	(73)	(57)	(60)	28.4.5
Dividend paid to equity holders	(3 850)	(2 975)	(3 850)	(2 975)	
Net cash inflow/(outflow) from financing activities	(317)	3 543	(964)	3 501	
Net cash flow	1 555	1 108	59	3 950	
Cash resources and funds on deposit at beginning	23 778	22 772	17 382	13 443	
Movement due to foreign exchange (losses) and gains	1	(102)	(9)	(11)	
Cash resources and funds on deposit at end	25 334	23 778	17 432	17 382	
Made up as follows:					
Bank and other cash balances	9 516	10 866	8 039	9 309	6.3
Funds on deposit and other money market instruments	15 818	12 912	9 393	8 073	
	25 334	23 778	17 432	17 382	

Dividends paid do not agree to the dividends declared, because in the current year a dividend in specie of R22 million was paid to Momentum Group. Refer to note 28.5.

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

Fair value

- Owner-occupied and investment properties.
- Investments in associates at FVPL.
- Financial assets at 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 as issued by the IASB requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. There are areas of complexity involving a higher degree of judgement and areas where assumptions and estimates are significant to the consolidated financial statements. These judgements, assumptions and estimates are disclosed in detail in the notes to the AFS and in a summary in the Critical judgements and accounting estimates note.

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

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

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

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

CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES

Preparation of financial statements

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

Application of accounting policies

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

The critical judgements and estimates made in applying the Group's accounting policies are detailed in the notes to the AFS, as listed below:

- Impairment testing of 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 2025

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 includes free surplus assets in MML and other discretionary investments not specifically allocated to Segments. Group financing activities are included in this Segment.

The reporting segments are aligned with the internal operating structure. This enables the Group to report meaningfully on the way the business is managed by the Group's leaders.

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 as issued by the IASB

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

SEGMENTAL REPORT CONTINUED

for the year ended 30 June 2025

Group

12 mths to 30.06.2025	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm
Insurance revenue	19	9 043	3 169	6 187	7 754
Insurance service expenses		(6 704)	(2 776)	(4 789)	(6 047)
Contract holder tax ²		(235)	-	(307)	(1)
Allocation of reinsurance premiums		(2 743)	-	(39)	(782)
Amounts recoverable from reinsurers for incurred claims		2 425	-	31	431
Insurance service result		1 786	393	1 083	1 355
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets ²		12 713	37 938	6 695	23 328
Finance expenses from insurance contracts issued		(4 099)	(7 320)	(6 409)	(3 778)
Finance income from reinsurance contracts held		403	-	6	233
Fair value adjustments on investment contract liabilities		(9 076)	(30 017)	(108)	(19 230)
Fair value adjustments on CIS liabilities		-	-	-	-
Net investment result		(59)	601	184	553
Fee income		1 051	4 297	21	1 605
Fee income ³	24	1 051	3 452	21	1 605
Intergroup fee income		-	845	-	-
Other operating expenses		(1 137)	(4 252)	(322)	(1 544)
Results of operations		1 641	1 039	966	1 969
Shareholder investment return ⁴		216	123	143	223
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		1 857	1 162	1 109	2 192
Income tax expense ²		(482)	(227)	(241)	(578)
Earnings for the period		1 375	935	868	1 614
Non-controlling Interest		-	-	-	-
Earnings for year attributable to parent		1 375	935	868	1 614

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

² Contract holder tax is reallocated from the Income tax expense line to the Contract holder tax line (insurance contracts) and the Investment income line (Investment contracts). This represents contract holder taxes that are directly chargeable to insurance and investment contracts and paid on behalf of contract holders to the revenue authority.

³ R5 260 million of the fee income relates to South African operations and R662 million of the fee income relates to non-South African operations, with R632 million of non-South African fee income derived from Great Britain operations. Insurance revenue relates to South African operations.

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.

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 R14 044 million, and the total of such non-current assets located in other countries is R424 million.

Momentum Metropolitan Health Rm	Shareholders Rm	Segmental total Rm	Reconciling items ¹ Rm	Total Rm
1 097	-	27 250	-	27 250
(943)	-	(21 259)	-	(21 259)
-	-	(543)	543	-
-	-	(3 564)	-	(3 564)
-	-	2 887	-	2 887
154	-	4 771	543	5 314
78	379	81 131	10 679	91 810
(3)	-	(21 609)	-	(21 609)
-	-	642	-	642
(105)	-	(58 536)	-	(58 536)
-	-	-	(5 265)	(5 265)
(30)	379	1 628	5 414	7 042
4	204	7 182	(1 260)	5 922
4	191	6 324	(402)	5 922
-	13	858	(858)	-
(5)	(925)	(8 185)	(238)	(8 423)
123	(342)	5 398	4 459	9 855
-	404	1 109	(1 109)	-
-	3	3	-	3
-	1	1	-	1
-	-	-	(1 910)	(1 910)
123	66	6 509	1 440	7 949
(53)	(140)	(1 721)	(1 360)	(3 081)
70	(74)	4 788	80	4 868
-	11	11	-	11
70	(63)	4 799	80	4 879

SEGMENTAL REPORT CONTINUED

for the year ended 30 June 2025

Group continued

		Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm
12 mths to 30.06.2025	Notes				
Earnings for the period		1 375	935	868	1 614
Non-controlling interests		-	-	-	-
Earnings - equity holders of the Group		1 375	935	868	1 614
Adjustments for iSabelo		-	1	-	-
Amortisation of intangible assets relating to business combinations		-	9	-	-
Impairment of intangible assets relating to business combinations		-	-	-	-
Net impairment of Group subsidiary loans and investments		-	-	-	-
Net impairment/(reversal of impairment) of owner-occupied property below cost		-	-	-	-
Loss on disposal of equipment		-	-	-	-
Profit on disposal of owner-occupied property		-	-	-	-
Normalised headline earnings		1 375	945	868	1 614
Normalised headline earnings	1	1 375	945	868	1 614
Operating profit/(loss) ²		1 663	1 141	1 043	1 981
Tax on operating profit/(loss)		(451)	(298)	(283)	(535)
Investment return		216	123	143	223
Tax on investment return		(53)	(21)	(35)	(55)

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
70	(74)	4 788	80	4 868
-	11	11	-	11
70	(63)	4 799	80	4 879
-	15	16	-	16
-	71	80	-	80
-	-	-	-	-
-	10	10	-	10
-	(2)	(2)	-	(2)
-	7	7	-	7
-	-	-	-	-
70	38	4 910	80	4 990
70	38	4 910	80	4 990
123	(164)	5 787	102	5 889
(53)	(74)	(1 694)	(22)	(1 716)
-	404	1 109	-	1 109
-	(128)	(292)	-	(292)

SEGMENTAL REPORT CONTINUED

for the year ended 30 June 2025

Group continued

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 ²		6 999	24 301	4 743	14 333
Finance expenses from insurance contracts issued		(3 137)	(4 614)	(4 509)	(3 037)
Finance (expenses)/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 ³	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 ⁴		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 ²		(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 to the Contract holder tax line (insurance contracts) and the Investment income line (Investment contracts). This represents contract holder taxes that are directly chargeable to insurance and investment contracts and paid on behalf of contract holders to the revenue authority.

³ 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.

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.

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 2025

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 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		1 155	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 2025

Group continued
Reconciling items

12 mths to 30.06.2025	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	543	-	-	-	-	-	-	-	543
Insurance service result	543	-	-	-	-	-	-	-	543
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets	615	1 555	1 000	6 164	(2)	1 246	101	-	10 679
Fair value adjustments on investment contract liabilities	-	-	-	-	-	-	-	-	-
Fair value adjustments on CIS liabilities	-	-	(281)	(4 984)	-	-	-	-	(5 265)
Net investment result	615	1 555	719	1 180	(2)	1 246	101	-	5 414
Fee income	-	-	-	(402)	(858)	-	-	-	(1 260)
Fee income	-	-	-	(402)	-	-	-	-	(402)
Intergroup fee income	-	-	-	-	(858)	-	-	-	(858)
Other operating expenses	-	(51)	(609)	(447)	860	9	-	-	(238)
Results of operations	1 158	1 504	110	331	-	1 255	100	-	4 459
Shareholder investment return	-	(1 109)	-	-	-	-	-	-	(1 109)
Other finance costs	-	(395)	(101)	(159)	-	(1 255)	-	-	(1 910)
Profit before tax	1 158	-	9	172	-	-	100	-	1 440
Income tax expense	(1 158)	-	(9)	(172)	-	-	(21)	-	(1 360)
Earnings for the period	-	-	-	-	-	-	80	-	80

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
Reconciling items continued

Restated 12 mths to 30.06.2024	Contract holder tax Rm	Share- holder invest- ment income Rm	Property subsidiaries not allocated to a reporting segment Rm	CIS subsidiaries not allocated to a reporting segment Rm	Intercom- pany fees and expenses Rm	Allocation of finance expense Rm	Allocation of fair value gains ¹ Rm	Cell captive business Rm	Total Recon- ciling 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	768	5 004	-	1 086	32	-	8 828
Fair value adjustments on investment contract liabilities	-	-	-	-	-	-	-	-	-
Fair value adjustments on CIS liabilities	-	-	(133)	(3 864)	-	-	-	-	(3 997)
Net investment result	469	1 469	635	1 140	-	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	(2)	293	-	1 094	32	-	3 784
Shareholder investment return	-	(1 041)	-	-	-	-	-	-	(1 041)
Other finance costs ²	-	(419)	-	(130)	-	(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.

² Finance costs of R134 million were incorrectly included in the property subsidiary column but should have been included in the CIS column. June 2024 has been restated accordingly.

SEGMENTAL REPORT CONTINUED

for the year ended 30 June 2025

Company

12 mths to 30.06.2025	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm
Insurance revenue	19	9 043	3 169	6 187	7 754
Insurance service expenses		(6 704)	(2 776)	(4 789)	(6 047)
Contract holder tax ²		(235)	-	(307)	(1)
Allocation of reinsurance premiums		(2 743)	-	(39)	(782)
Amounts recoverable from reinsurers for incurred claims		2 425	-	31	431
Insurance service result		1 786	393	1 083	1 355
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets ³		12 733	37 779	6 708	23 347
Finance expenses from insurance contracts issued		(4 099)	(7 320)	(6 409)	(3 778)
Finance income from reinsurance contracts held		403	-	6	233
Fair value adjustments on investment contract liabilities		(9 076)	(29 851)	(108)	(19 230)
Fair value adjustments on CIS liabilities		-	-	-	-
Net investment result		(39)	608	197	572
Fee income		1 030	2 143	20	1 605
Fee Income	24	1 030	2 143	20	1 605
Other operating expenses		(1 141)	(2 258)	(333)	(1 558)
Results of operations		1 636	886	967	1 974
Shareholder investment return ³		196	19	130	203
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		1 832	905	1 097	2 177
Income tax expense ²		(482)	(182)	(241)	(578)
Earnings for the period		1 350	723	856	1 599

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

² Contract holder tax is reallocated from the Income tax expense line to the Contract holder tax line (insurance contracts) and the Investment income line (Investment contracts). This represents contract holder taxes that are directly chargeable to insurance and investment contracts and paid on behalf of contract holders to the revenue authority.

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 R144 192 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
1 097	-	27 250	-	27 250
(943)	-	(21 259)	-	(21 259)
-	-	(543)	543	-
-	-	(3 564)	-	(3 564)
-	-	2 887	-	2 887
154	-	4 771	543	5 314
78	571	81 216	3 690	84 906
(3)	-	(21 609)	-	(21 609)
-	-	642	-	642
(105)	-	(58 370)	-	(58 370)
-	-	-	-	-
(30)	571	1 879	3 690	5 569
4	13	4 815	-	4 815
4	13	4 815	-	4 815
(4)	(747)	(6 041)	(382)	(6 423)
124	(163)	5 424	3 851	9 275
-	407	955	(955)	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(1 639)	(1 639)
124	244	6 379	1 257	7 636
(53)	(128)	(1 664)	(1 180)	(2 844)
71	116	4 715	77	4 792

SEGMENTAL REPORT CONTINUED

for the year ended 30 June 2025

Company continued

		Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm
12 mths to 30.06.2025	Notes				
Earnings - equity holders of the Group		1 350	723	856	1 599
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		1 350	723	856	1 599
Normalised headline earnings	1	1 350	723	855	1 599
Operating profit/(loss) ²		1 653	978	1 042	1 980
Tax on operating profit/(loss)		(451)	(269)	(284)	(534)
Investment return		196	19	130	203
Tax on investment return		(48)	(5)	(32)	(50)

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 items¹ Rm	Total Rm
71	115	4 715	78	4 792
-	15	15	-	15
-	71	71	-	71
-	9	9	-	9
-	-	-	-	-
-	7	7	-	7
-	-	-	-	-
-	(145)	(145)	-	(145)
71	72	4 672	78	4 749
71	72	4 672	78	4 749
123	(131)	5 645	100	5 745
(52)	(75)	(1 665)	(22)	(1 687)
-	406	954	-	954
-	(128)	(263)	-	(263)

SEGMENTAL REPORT CONTINUED

for the year ended 30 June 2025

Company continued

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 ²		7 006	24 046	4 747	14 340
Finance expenses from insurance contracts issued		(3 137)	(4 614)	(4 509)	(3 037)
Finance (expenses)/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 ²		(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 to the Contract holder tax line (insurance contracts) and the Investment income line (Investment contracts). This represents contract holder taxes that are directly chargeable to insurance and investment contracts and paid on behalf of contract holders to the revenue authority.

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 items¹ 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 2025

Company continued

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		-	-	-	-
Loss on disposal of equipment		-	-	-	-
(Profit)/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 ²		1 314	454	657	1 359
Tax on operating profit		(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 2025

Company continued
Reconciling items

	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
12 mths to 30.06.2025							
Contract holder tax	543	-	-	-	-	-	543
Insurance service result	543	-	-	-	-	-	543
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets	615	1 400	338	-	1 237	100	3 690
Net investment result	615	1 400	338	-	1 237	100	3 690
Other operating expenses	-	(51)	(338)	-	7	-	(382)
Results of operations	1 158	1 349	-	-	1 244	100	3 851
Shareholder investment return	-	(954)	-	-	-	-	(954)
Other finance costs	-	(395)	-	-	(1 244)	-	(1 639)
Profit before tax	1 158	-	-	-	-	100	1 258
Income tax expense	(1 158)	-	-	-	-	(22)	(1 180)
Earnings for the period	-	-	-	-	-	78	78

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
Reconciling items continued

	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
12 mths to 30.06.2024							
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.

SEGMENTAL REPORT CONTINUED

for the year ended 30 June 2025

Group	Total revenue in scope of IFRS 15			
	Contract administration Rm	Trust and fiduciary services Rm	Other fee income Rm	Total fee income Rm
2025				
Momentum Retail	1 023	21	7	1 051
Momentum Investments	2 106	1 099	1 092	4 297
Metropolitan Life	13	1	7	21
Momentum Corporate	1 034	573	(2)	1 605
Momentum Metropolitan Health	-	-	4	4
Shareholders	-	-	204	204
Segmental total	4 176	1 694	1 312	7 182
Reconciling items	-	(404)	(856)	(1 260)
Total	4 176	1 290	456	5 922
2024¹				
Momentum Retail	1 018	15	3	1 036
Momentum Investments	1 865	1 163	908	3 936
Metropolitan Life	8	-	-	8
Momentum Corporate	720	485	4	1 209
Momentum Metropolitan Health	-	-	5	5
Shareholders	-	-	165	165
Segmental total	3 611	1 663	1 085	6 359
Reconciling items	-	(456)	(717)	(1 173)
Total	3 611	1 207	368	5 186

¹ This information was not presented in prior years, but has been added to correct this disclosure requirement.

Company	Total revenue in scope of IFRS 15			
	Contract administration Rm	Trust and fiduciary services Rm	Other fee income Rm	Total fee income Rm
2025				
Momentum Retail	1 023	-	7	1 030
Momentum Investments	2 102	-	41	2 143
Metropolitan Life	13	-	7	20
Momentum Corporate	1 034	573	(2)	1 605
Momentum Metropolitan Health	-	-	4	4
Shareholders	-	-	13	13
Segmental total	4 172	573	70	4 815
Reconciling items	-	-	-	-
Total	4 172	573	70	4 815
2024¹				
Momentum Retail	1 016	-	6	1 022
Momentum Investments	1 861	-	24	1 885
Metropolitan Life	8	-	-	8
Momentum Corporate	720	485	5	1 210
Momentum Metropolitan Health	-	-	5	5
Shareholders	-	-	9	9
Segmental total	3 605	485	49	4 139
Reconciling items	-	-	-	-
Total	3 605	485	49	4 139

¹ This information was not presented in prior years, but has been added to correct this disclosure requirement.

SEGMENTAL REPORT CONTINUED

for the year ended 30 June 2025

Group	Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets		
	Interest income Rm	Other Rm	Total Rm
Interest income per segment			
12 mths to 30.06.2025			
Momentum Retail	2 856	9 857	12 713
Momentum Investments	10 409	27 529	37 938
Metropolitan Life	2 698	3 997	6 695
Momentum Corporate	5 359	17 969	23 328
Momentum Metropolitan Health	10	68	78
Shareholders	1 098	(719)	379
Segmental total	22 430	58 701	81 131
Reconciling items	2 259	8 420	10 679
Total	24 689	67 121	91 810
12 mths to 30.06.2024¹			
Momentum Retail	2 607	4 392	6 999
Momentum Investments	8 846	15 455	24 301
Metropolitan Life	2 294	2 449	4 743
Momentum Corporate	4 365	9 968	14 333
Momentum Metropolitan Health	9	27	36
Shareholders	565	(434)	131
Segmental total	18 686	31 857	50 543
Reconciling items	3 757	5 071	8 828
Total	22 443	36 928	59 371

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

Group	Non-attributable insurance expense Rm	Investment contracts - management expenses Rm	Investment contracts - DAC amortisation Rm	Employee benefit expenses Rm
Other operating expense per segment				
12 mths to 30.06.2025				
Momentum Retail	(132)	(925)	(21)	(27)
Momentum Investments	(23)	(2 089)	(146)	(704)
Metropolitan Life	(254)	(69)	-	(1)
Momentum Corporate	(123)	(1 166)	(3)	(150)
Momentum Metropolitan Health	-	-	-	-
Shareholders	-	-	-	(1 806)
Segmental total	(532)	(4 249)	(170)	(2 688)
Reconciling items	-	-	-	-
Total	(532)	(4 249)	(170)	(2 688)
12 mths to 30.06.2024 ¹				
Momentum Retail	(173)	(837)	(169)	(27)
Momentum Investments	(20)	(1 875)	(133)	(640)
Metropolitan Life	(255)	(36)	-	-
Momentum Corporate	(99)	(975)	(8)	(134)
Momentum Metropolitan Health	-	-	-	-
Shareholders	-	-	-	(1 392)
Segmental total	(547)	(3 723)	(310)	(2 193)
Reconciling items	-	-	-	-
Total	(547)	(3 723)	(310)	(2 193)

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

	Asset management fees Rm	Consulting fees Rm	Information technology expenses Rm	Miscellaneous Rm	Total Rm
	(28)	-	-	(4)	(1 137)
	(10)	(117)	(71)	(1 092)	(4 252)
	(10)	-	-	12	(322)
	-	-	(5)	(97)	(1 544)
	-	-	-	(5)	(5)
	(13)	-	(67)	961	(925)
	(61)	(117)	(143)	(225)	(8 185)
	(8)	-	-	(230)	(238)
	(69)	(117)	(143)	(455)	(8 423)
	(21)	-	-	-	(1 227)
	(10)	(118)	(71)	(1 313)	(4 180)
	(8)	-	-	3	(296)
	-	(2)	(4)	(85)	(1 307)
	-	-	-	(5)	(5)
	(6)	(73)	(27)	983	(515)
	(45)	(193)	(102)	(417)	(7 530)
	(12)	-	-	(275)	(287)
	(57)	(193)	(102)	(692)	(7 817)

SEGMENTAL REPORT CONTINUED

for the year ended 30 June 2025

Company	Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets		
	Interest income Rm	Other Rm	Total Rm
Interest income per segment			
12 mths to 30.06.2025			
Momentum Retail	2 591	10 142	12 733
Momentum Investments	10 265	27 514	37 779
Metropolitan Life	2 522	4 186	6 708
Momentum Corporate	5 086	18 261	23 347
Momentum Metropolitan Health	10	68	78
Shareholders	679	(108)	571
Segmental total	21 153	60 063	81 216
Reconciling items	1 174	2 516	3 690
Total	22 327	62 579	84 906
12 mths to 30.06.2024¹			
Momentum Retail	2 607	4 399	7 006
Momentum Investments	8 735	15 311	24 046
Metropolitan Life	2 294	2 453	4 747
Momentum Corporate	4 365	9 975	14 340
Momentum Metropolitan Health	9	27	36
Shareholders	564	(164)	400
Segmental total	18 574	32 001	50 575
Reconciling items	955	2 397	3 352
Total	19 529	34 398	53 927

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

Company	Non-attributable insurance expense Rm	Investment contracts - management expenses Rm	Investment contracts - DAC amortisation Rm	Employee benefit expenses Rm
Other operating expense per segment				
12 mths to 30.06.2025				
Momentum Retail	(132)	(925)	(21)	(27)
Momentum Investments	(23)	(2 089)	(146)	-
Metropolitan Life	(253)	(69)	-	(1)
Momentum Corporate	(123)	(1 166)	(3)	(150)
Momentum Metropolitan Health	-	-	-	-
Shareholders	-	-	-	(1 806)
Segmental total	(531)	(4 249)	(170)	(1 984)
Reconciling items	-	-	-	-
Total	(531)	(4 249)	(170)	(1 984)
12 mths to 30.06.2024¹				
Momentum Retail	(173)	(837)	(169)	(13)
Momentum Investments	(20)	(1 874)	(133)	-
Metropolitan Life	(255)	(36)	-	-
Momentum Corporate	(99)	(975)	(8)	(134)
Momentum Metropolitan Health	-	-	-	-
Shareholders	-	-	-	(1 392)
Segmental total	(547)	(3 722)	(310)	(1 539)
Reconciling items	-	-	-	-
Total	(547)	(3 722)	(310)	(1 539)

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

Asset management fees Rm	Consulting fees Rm	Information technology expenses Rm	Miscellaneous Rm	Total Rm
(28)	-	-	(8)	(1 141)
-	-	-	-	(2 258)
(10)	-	-	-	(333)
-	-	(5)	(111)	(1 558)
-	-	-	(4)	(4)
(12)	-	(67)	1 138	(747)
(50)	-	(72)	1 015	(6 041)
-	-	-	(382)	(382)
(50)	-	(72)	633	(6 423)
(21)	-	-	(6)	(1 219)
-	-	-	-	(2 027)
(8)	-	-	-	(299)
-	(2)	(4)	(91)	(1 313)
-	-	-	(5)	(5)
(5)	(73)	(27)	1 119	(378)
(34)	(75)	(31)	1 017	(5 241)
-	-	-	(407)	(407)
(34)	(75)	(31)	610	(5 648)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

1 Reconciliation of earnings

	Group		Company	
	2025	2024	2025	2024
Group earnings per ordinary share attributable to owners of the parent				
Earnings (cents per share)	2 568	1 787	2 522	1 942
Normalised headline earnings (cents per share)	2 626	1 954	2 499	1 898
Reconciliation of normalised headline earnings attributable to owners of the parent	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Earnings – equity holders of the Group	4 879	3 395	4 792	3 689
Loss/(profit) on disposal of equipment	7	(1)	7	-
Profit on disposal of owner-occupied property	-	(4)	-	(3)
Tax on disposal of owner-occupied property ²	-	-	-	15
Net impairment reversal of owner-occupied property below cost	(2)	-	-	(1)
Impairment of intercompany loans	10	23	9	23
Subsidiary dividend income	-	-	(145)	(207)
Impairment of intangible assets relating to business combinations	-	206	-	-
Amortisation of intangible assets relating to business combinations	109	112	98	98
Tax on amortisation of intangible assets relating to business combinations	(29)	(35)	(27)	(24)
iSabelo equity-settled share scheme expenses	16	16	15	17
Normalised headline earnings¹	4 990	3 712	4 749	3 607
Weighted average number of ordinary shares in issue (million)	190	190	190	190

¹ 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.

² 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 was 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	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
2.1 Goodwill	145	145	108	108
2.2 Customer relationships	260	315	188	232
2.3 Broker network	-	-	-	-
2.4 Deferred acquisition costs (DAC) on investment business	2 061	1 861	1 990	1 796
2.5 Computer software	18	27	18	27
2.6 Brands	295	348	292	345
Right-of-use assets	1	1	1	1
Total	2 780	2 697	2 597	2 509

2 Intangible assets continued

2.1

Goodwill

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Carrying amount at beginning ¹	145	333	108	108
Cost	346	359	108	108
Accumulated impairment	(201)	(26)	-	-
Impairment charges ²	-	(175)	-	-
Exchange differences	-	(13)	-	-
Carrying amount at end	145	145	108	108
Cost	346	346	108	108
Accumulated impairment	(201)	(201)	-	-
Cash-generating units (CGUs)				
Ex-Metropolitan Group – Metropolitan Life (Metropolitan/Momentum merger)	108	108	108	108
Momentum Investments Hold Co	37	37	-	-
Carrying amount at end	145	145	108	108

¹ The carrying amount at beginning has been disaggregated to include the gross carrying amount and any accumulated impairment. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

² The prior 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.

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, a terminal value is determined 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	
		2025	2024	2025	2024
Assumptions					
Ex-Metropolitan group	RDR	13.5%	14.8%	13.5%	14.8%
	Long-term growth rate	6%	7%	6%	7%

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 R302 million (2024: R67 million) higher than the carrying amount and has 51% (2024: 10%) 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 2025

2 Intangible assets continued

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
2.2 Customer relationships				
Carrying amount at beginning ¹	315	370	232	276
Cost	798	797	673	673
Accumulated amortisation	(483)	(427)	(441)	(397)
Accumulated impairment	-	-	-	-
Amortisation charges	(56)	(56)	(44)	(44)
Exchange differences	1	1	-	-
Carrying amount at end	260	315	188	232
Cost	799	798	673	673
Accumulated amortisation	(539)	(483)	(485)	(441)
Accumulated impairment	-	-	-	-
To be fully amortised by year:				
The carrying amount is made up as follows:				
Momentum Global Investment Management - Momentum Investments 2031	65	76	-	-
Ex-Metropolitan group - Metropolitan Life (Metropolitan/Momentum merger) 2030	188	232	188	232
Other	7	7	-	-
Carrying amount at end	260	315	188	232

¹ The carrying amount at the end of the year has been disaggregated to include the gross carrying amount and any accumulated amortisation. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements. The accounting policy previously disclosed related to the useful life on Customer relationships has been corrected. The useful life was previously disclosed as between three and 10 years. The disclosure has been corrected to between three and 19 years. This disclosure correction has no impact on the carrying amount or the amortisation of the intangible assets.

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
2.3 Broker network				
Carrying amount at beginning ¹	-	34	-	-
Cost	-	39	-	-
Accumulated amortisation	-	(5)	-	-
Amortisation charges	-	(2)	-	-
Impairment charges	-	(32)	-	-
Carrying amount at end	-	-	-	-
Cost	-	39	-	-
Accumulated amortisation	-	(7)	-	-
Accumulated impairment	-	(32)	-	-

¹ The carrying amount at the end of the year has been disaggregated to include the gross carrying amount and any accumulated amortisation. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

The prior year broker network related to Momentum Global Investment Management (Momentum Investments segment), which was impaired during the prior year due to a decline in the recoverable amount. Please refer to note 2.1 for more details regarding the impairment.

2 Intangible assets continued

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
2.4 Deferred acquisition costs (DAC) on investment business				
Carrying amount at beginning	1 861	1 856	1 796	1 773
Additions	401	326	365	316
Amortisation charges	(202)	(320)	(171)	(293)
Exchange differences	1	(1)	-	-
Carrying amount at end	2 061	1 861	1 990	1 796

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 contracts. Refer to assumptions in note 12.

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
2.5 Computer software				
Carrying amount at beginning ¹	27	37	27	37
Cost	181	181	179	179
Accumulated amortisation	(154)	(144)	(152)	(142)
Accumulated impairment	-	-	-	-
Amortisation charges	(9)	(10)	(9)	(10)
Carrying amount at end	18	27	18	27
Cost	177	181	175	179
Accumulated amortisation	(159)	(154)	(157)	(152)
Accumulated impairment	-	-	-	-

¹ The carrying amount at the end of the year has been disaggregated to include the gross carrying amount and any accumulated amortisation. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

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

During the current year, computer software with a cost of R4 million and accumulated amortisation of R4 million were fully amortised.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

2 Intangible assets continued

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
2.6 Brands				
Carrying amount at beginning ¹	348	402	345	399
Cost	1 081	1 081	1 078	1 078
Accumulated amortisation	(733)	(679)	(733)	(679)
Accumulated impairment	-	-	-	-
Amortisation charges	(53)	(54)	(53)	(54)
Carrying amount at end	295	348	292	345
Cost	1 081	1 081	1 078	1 078
Accumulated amortisation	(786)	(733)	(786)	(733)
Accumulated impairment	-	-	-	-
To be fully amortised by year:				
The carrying amount is made up as follows:				
Metropolitan brand – Metropolitan Life (Metropolitan/Momentum merger)	2031	292	345	292
Other		3	-	-
Carrying amount at end	295	348	292	345

¹ The carrying amount at the end of the year has been disaggregated to include the gross carrying amount and any accumulated amortisation. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

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	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
3.1 Owned owner-occupied properties and right-of-use assets	1 622	1 533	45	70
3.1.1 Owned owner-occupied properties	1 555	1 444	-	-
3.1.2 Right-of-use assets	67	89	45	70
3.2 Fixed assets and right-of-use assets	359	370	337	347
3.2.1 Fixed assets	350	358	328	335
Right-of-use assets	9	12	9	12
	1 981	1 903	382	417
3.1 Owned owner-occupied properties and right-of-use assets				
3.1.1 Owned owner-occupied properties				
Historical carrying amount – cost model	297	320	-	-
Owner-occupied properties – at fair value	1 555	1 444	-	-
Fair value at beginning	1 444	1 783	-	188
Additions	5	1	-	-
Disposals	(1)	(32)	-	(32)
Revaluations through other comprehensive income	80	89	-	20
Depreciation charges	(32)	(34)	-	(3)
Net impairment reversal through profit or loss	2	-	-	1
Transfer from/(to) investment properties	57	(363)	-	(171)
Other	-	-	-	(3)
Fair value at end	1 555	1 444	-	-

No borrowing costs were capitalised in the current year.

The impairment reversal 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 and right-of-use assets continued

3.1.1 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	Carrying amount Rm	Valuation technique	Change in fair value			
			Base assumption ¹	Change in assumption	Decrease in assumption Rm	Increase in assumption Rm
Assumptions						
2025						
Capitalisation rate						
Office buildings	1 464	DCF & income capitalisation	9.12%	100bps	145	(116)
Parkade	91	Income capitalisation	9.25%	100bps	9	(8)
Discount rate						
Office buildings	1 464	DCF & income capitalisation	13.03%	100bps	30	(28)
2024						
Capitalisation rate						
Office buildings	1 361	DCF & income capitalisation	7.00% - 10.25%	100bps	164	(131)
Parkade	83	Income capitalisation	9.25%	100bps	9	(7)
Discount rate						
Office buildings	1 361	DCF & income capitalisation	12.50% - 14.75%	100bps	6	(5)

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

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 2025

3 Owner-occupied properties and fixed assets continued

3.1 Owned owner-occupied properties and right-of-use assets continued

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
3.1.2 Right-of-use assets				
Carrying amount at beginning	89	92	70	164
Additions	42	67	30	56
Terminations of leases	(1)	-	-	-
Depreciation charges	(62)	(69)	(54)	(60)
Modifications	(2)	-	(1)	(90)
Exchange differences	1	(1)	-	-
Carrying amount at end	67	89	45	70
3.2 Fixed assets and right-of-use assets				
3.2.1 Fixed assets				
Fixed assets at carrying value				
Leasehold improvements	30	36	22	31
Furniture and fittings	77	93	72	82
Office equipment	12	16	8	14
Computer equipment	66	98	62	94
Solar plant	164	114	164	114
Motor vehicles	1	1	-	-
	350	358	328	335
Carrying amount at beginning ¹	358	275	335	244
Cost	1 242	1 052	1 057	870
Accumulated depreciation	(867)	(760)	(705)	(609)
Accumulated impairment	(17)	(17)	(17)	(17)
Additions	107	193	95	188
Disposals	(7)	(3)	(5)	(1)
Depreciation charges	(109)	(107)	(97)	(96)
Exchange differences	1	-	-	-
Carrying amount at end ¹	350	358	328	335
Cost	1 287	1 242	1 091	1 057
Accumulated depreciation	(920)	(867)	(746)	(705)
Accumulated impairment	(17)	(17)	(17)	(17)

¹ The carrying amount at the end of the year has been disaggregated to include the gross carrying amount and any accumulated depreciation. The disclosure was omitted in the previous years and the comparatives have been restated to align with the standard requirements.

During the current year, fixed assets with a cost of R56 million and accumulated depreciation of R56 million were fully depreciated.

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

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

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

4 Investment properties

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
4.1 Owned investment properties	9 576	9 269	5 557	5 303
4.2 Right-of-use assets	11	10	-	-
	9 587	9 279	5 557	5 303
At 30 June, investment properties comprised the following property types:				
Shopping malls	4 082	3 866	2 353	2 269
Office buildings	4 842	4 798	2 853	2 736
Industrial	532	510	218	208
Hotels	311	293	311	293
Vacant land	46	50	19	19
Other	99	89	-	1
Property at valuation	9 912	9 606	5 754	5 526
Accelerated rental income (refer to note 7)	(325)	(327)	(197)	(223)
	9 587	9 279	5 557	5 303
4.1 Owned investment properties				
Completed properties				
Fair value at beginning	9 269	8 685	5 303	2 098
Capitalised subsequent expenditure	19	180	13	66
Additions	3	23	-	-
Revaluations	277	40	153	51
Change in accelerated rental income	2	(17)	25	(52)
Transfer from/(to) non-current assets held for sale (refer to note 8) ¹	63	(103)	63	2 969
Transfer (to)/from owner-occupied properties	(57)	363	-	171
Transfer from investment properties under development	-	98	-	-
Fair value at end	9 576	9 269	5 557	5 303

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 prior year, most of these properties were transferred back to investment properties in the prior year.

The R63 million in the current year, relates to a property that was held for sale in the prior year, but due to changes in circumstances, it was 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 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	Carrying amount Rm	Valuation technique	Change in fair value			
			Base assumption ²	Change in assumption	Decrease in assumption Rm	Increase in assumption Rm
Assumptions						
2025						
Capitalisation rate					597	(464)
Shopping malls	4 082	DCF	7.79% - 10.04%	100bps	311	(244)
Office buildings	4 842	DCF	7.44% - 10.15%	100bps	213	(161)
Industrial	532	DCF	8.55% - 11.50%	100bps	47	(38)
Hotels	311	DCF	9.00%	100bps	26	(21)
Discount rate					498	(460)
Shopping malls	4 082	DCF	12.41% - 14.67%	100bps	196	(181)
Office buildings	4 842	DCF	12.45% - 14.52%	100bps	250	(231)
Industrial	532	DCF	13.10% - 14.00%	100bps	40	(37)
Hotels	311	DCF	13.00%	100bps	12	(11)
Vacancy rate					70	(71)
Shopping malls	4 082	DCF	1.35% - 2.76%	100bps	32	(30)
Office buildings	4 842	DCF	0.31% - 10.32%	100bps	32	(35)
Industrial	532	DCF	0.69% - 2.41%	100bps	4	(4)
Hotels	311	DCF	1.00%	100bps	2	(2)
Restated¹ 2024						
Capitalisation rate					611	(487)
Shopping malls	3 866	DCF	7.00% - 11.00%	100bps	289	(227)
Office buildings	4 798	DCF	7.00% - 11.00%	100bps	264	(214)
Industrial	510	DCF	9.00% - 10.00%	100bps	33	(26)
Hotels	293	DCF	9.00%	100bps	25	(20)
Discount rate					444	(415)
Shopping malls	3 866	DCF	12.00% - 16.00%	100bps	183	(170)
Office buildings	4 798	DCF	12.00% - 15.00%	100bps	226	(211)
Industrial	510	DCF	13.00% - 15.00%	100bps	24	(23)
Hotels	293	DCF	13.00%	100bps	11	(11)
Vacancy rate					70	(73)
Shopping malls	3 866	DCF	1.00% - 5.00%	100bps	29	(29)
Office buildings	4 798	DCF	1.00% - 15.00%	100bps	36	(39)
Industrial	510	DCF	1.00% - 3.00%	100bps	3	(3)
Hotels	293	DCF	1.00%	100bps	2	(2)

¹ In the prior year, the valuation technique was described as a combination of DCF and income capitalisation methods. June 2024 has been restated to correctly reflect the use of the DCF method only.

² The base assumption has been calculated using a weighted average.

4 Investment properties continued

4.1 Owned investment properties continued

Company	Carrying amount Rm	Valuation technique	Change in fair value			
			Base assumption ²	Change in assumption	Decrease in assumption Rm	Increase in assumption Rm
Assumptions						
2025						
Capitalisation rate					357	(279)
Shopping malls	2 353	DCF	7.00% - 10.00%	100bps	177	(136)
Office buildings	2 853	DCF	8.21% - 10.09%	100bps	180	(143)
Discount rate					263	(242)
Shopping malls	2 353	DCF	12.00% - 15.00%	100bps	133	(121)
Office buildings	2 853	DCF	13.09% - 14.85%	100bps	130	(121)
Vacancy rate					38	(36)
Shopping malls	2 353	DCF	1.00% - 2.00%	100bps	17	(15)
Office buildings	2 853	DCF	1.10% - 13.40%	100bps	21	(21)
Restated¹ 2024						
Capitalisation rate					361	(284)
Shopping malls	2 269	DCF	7.00% - 10.00%	100bps	169	(130)
Office buildings	2 736	DCF	8.00% - 11.00%	100bps	192	(154)
Discount rate					252	(234)
Shopping malls	2 269	DCF	12.00% - 15.00%	100bps	128	(118)
Office buildings	2 736	DCF	12.75% - 15.00%	100bps	124	(116)
Vacancy rate					37	(37)
Shopping malls	2 269	DCF	1.00% - 5.00%	100bps	15	(15)
Office buildings	2 736	DCF	1.00% - 15.00%	100bps	22	(22)

¹ In the prior year, the valuation technique was described as a combination of DCF and income capitalisation methods. June 2024 has been restated to correctly reflect the use of the DCF method only.

² The base assumption has been calculated using a weighted average.

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

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

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

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

4.2 Right-of-use assets

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Carrying amount at beginning	10	11	-	-
Revaluation	1	(1)	-	-
Carrying amount at end	11	10	-	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

5 Interest in subsidiaries

Company	Effective % holding	
	2025 %	2024 %
Subsidiaries (directly held):		
Collective investment schemes		
<i>At fair value through profit and loss</i>		
Collective investment schemes (Note 41)	Various	Various
Total collective investment schemes		
Unlisted		
<i>At fair value through profit and loss</i>		
102 Rivonia Road (Pty) Ltd	80	80
SMH Land Development (Pty) Ltd	100	100
Other unlisted investments in subsidiaries	Various	Various
<i>At fair value through other comprehensive income^{1,2}</i>		
Momentum Global Investment Management Ltd	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	100	100
Momentum Life Botswana Ltd ³	-	100
Momentum Umhlanga (Pty) Ltd	100	100
Momentum Investment Management (Pty) Ltd	100	100
Other unlisted investments in subsidiaries	Various	Various
Total unlisted 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 (2024: R58 million) from Momentum Wealth International Ltd, R85 million (2024: R120 million) from Momentum Investments Management (Pty) Ltd and R3 million from Roseneck (Pty) Ltd.

³ During the current year, the Company distributed Momentum Life Botswana (Pty) Ltd's shares as a dividend in specie to Momentum Group Ltd.

	Investment by holding company				Carrying amount (including loan account)		Nature of business	Country of incorporation
	Company carrying amount		Amounts owing by/(to) subsidiaries					
	2025 Rm	2024 Rm	2025 Rm	2024 Rm	2025 Rm	2024 Rm		
	131 644	113 623	-	-	131 644	113 623	Unit trusts	South Africa
	131 644	113 623	-	-	131 644	113 623		
	131 644	113 623	-	-	131 644	113 623		
	537	539	56	88	593	627	Property investment Property investment Various	South Africa South Africa Various
	176	205	-	-	176	205		
	138	129	(15)	(15)	123	114		
	223	205	71	103	294	308		
	3 474	3 027	1 816	1 631	5 290	4 658		
	596	570	2	1	598	571	Investment management	United Kingdom
	181	203	-	4	181	207	Client engagement services	South Africa
	591	656	24	19	615	675	Investment services	Guernsey
	376	227	281	137	657	364	Investment management	South Africa
	233	165	1 385	1 370	1 618	1 535	Property investment	South Africa
	-	23	-	16	-	39	Credit & group life insurance	Botswana
	82	63	123	119	205	182	Property investment	South Africa
	1 218	1 066	(33)	(38)	1 185	1 028	Investment management	South Africa
	197	54	34	3	231	57	Various	Various
	4 011	3 566	1 872	1 719	5 883	5 285		
	135 655	117 189	1 872	1 719	137 527	118 908		

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

5 Interest in subsidiaries continued

Subsidiary and other related party provision for expected credit losses

	Relationship	Expected credit loss provision		Impairment expense (reversal)	
		2025 Rm	Restated 2024 Rm	2025 Rm	Restated 2024 Rm
My Thrive (Pty) Ltd	Intergroup	-	17	(17)	17
Momentum Umhlanga (Pty) Ltd (previously known as Momentum Metropolitan Umhlanga (Pty) Ltd)	Subsidiary	1	1	-	-
Southern Life Property Development (Pty) Ltd	Subsidiary	2	3	(1)	-
Momentum Finance Company (Pty) Ltd (previously known as Momentum Metropolitan Finance Company (Pty) Ltd)	Intergroup	2	3	(1)	-
Momentum Group Ltd (Previously known as Momentum Metropolitan Holdings Ltd)	Intergroup	-	2	(2)	(1)
Momentum Strategic Investments (Pty) Ltd (previously Momentum Metropolitan Strategic Investments (Pty) Ltd)	Intergroup	-	-	-	(5)
Metropolitan International Support (Pty) Ltd (MIS)	Intergroup	19	-	19	-
Momentum Multiply (Pty) Ltd (previously Healthvybe)	Intergroup	40	-	40	-
Momentum Trust Ltd	Intergroup	-	30	(30)	12
Other related parties ¹	Related party	2	1	1	-
		66	57	9	23
Total subsidiaries		3	4	(1)	-
Total intergroup and related parties		63	53	10	23

¹ Expected credit losses and provision for impairment raised on loans of R335 million (2024: R706 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		Company	
	2025 Rm	Restated 2024 Rm	2025 Rm	Restated 2024 Rm
The Group's financial assets are summarised below:				
6.1 Financial assets at fair value through profit and loss	644 091	559 803	476 131	413 981
6.2 Financial assets at amortised cost	6 281	5 969	4 700	4 712
6.3 Cash and cash equivalents	25 334	23 778	17 432	17 382
Interest in subsidiaries (refer to note 5)	-	-	135 655	117 189
Total financial assets	675 706	589 550	633 918	553 264
6.1 Financial assets at fair value through profit and loss				
Unit-linked investments ³	273 140	233 266	257 902	218 081
Debt securities ^{1,2}	205 023	173 913	165 786	139 087
Equity securities ³	142 882	123 637	41 936	42 263
Funds on deposit and other money market instruments ^{1,2}	21 489	27 101	9 290	12 717
Derivative financial assets ¹	1 288	1 871	1 217	1 820
Carry positions	269	15	-	13
	644 091	559 803	476 131	413 981
Open-ended	417 088	356 681	304 068	264 583
Current	47 510	52 395	24 714	26 547
Non-current	179 493	150 727	147 349	122 851
1 to 5 years	52 109	47 194	40 385	35 680
5 to 10 years	37 657	26 001	27 840	19 256
> 10 years	89 727	77 532	79 124	67 915
	644 091	559 803	476 131	413 981

¹ Refer to note 38.2 for more information on the global transition to alternative benchmark rates.

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

³ In the prior year equity securities in unlisted private companies of R76 million were incorrectly classified as unit-linked investments. June 2024 has been restated accordingly.

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

	2025		2024	
	Assets Rm	Liabilities Rm	Assets Rm	Liabilities Rm
Group				
Held for trading	1 288	1 531	1 871	2 746
Company				
Held for trading	1 217	1 463	1 820	2 708

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 2025

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	2025			2024		
	Effective exposure Rm	Assets Rm	Liabilities Rm	Restated Effective exposure Rm	Assets Rm	Liabilities Rm
Derivatives held for trading						
Equity derivatives		284	31		217	38
Options, OTC	2	2	-	-	-	-
Options, exchange traded	153	1	-	99	50	-
Futures, OTC	1 849	28	1	1 365	1	8
Futures, exchange traded	1 337	3	23	1 838	17	20
Swaps, OTC ²	243	250	7	139	149	10
CFD	1 587	-	-	1 166	-	-
Interest rate derivatives		760	1 468		1 345	1 738
Futures, exchange traded	-	-	-	-	-	2
Swaps, OTC ²	(720)	755	1 465	(435)	1 343	1 736
Forward rate agreement, OTC	3	5	3	1	2	-
Bonds		228	-		275	87
Options, exchange traded	239	-	-	29	-	-
Futures, OTC	7 312	215	-	6 448	272	87
Futures, exchange traded	9 120	13	-	6 506	3	-
Credit derivatives		-	1		-	9
Swaps, OTC ²	(1)	-	1	(9)	-	9
Currency derivatives		16	31		34	874
Options, OTC	-	-	-	-	12	12
Options, exchange traded	(74)	-	-	(100)	-	-
Futures, OTC ¹	1 001	16	10	1 416	22	14
Futures, exchange traded	(341)	-	4	(1 047)	-	5
Swaps, OTC ²	(17)	-	17	(843)	-	843
Total derivative financial instruments		1 288	1 531		1 871	2 746

¹ Upon further investigation, it was concluded that the effective exposure on Currency derivatives - Futures, OTC was overstated by R55 billion and Currency derivatives - Futures, exchange traded was overstated by R203 million. The prior year has been restated accordingly.

² The effective exposure of the swaps represents the net fair value, which may differ from effective exposure.

6 Financial assets continued

6.1 Financial assets at fair value through profit and loss continued

Derivative financial instruments continued

Company	2025			2024		
	Effective exposure Rm	Assets Rm	Liabilities Rm	Effective exposure Rm	Assets Rm	Liabilities Rm
Derivatives held for trading						
Equity derivatives		281	8		199	18
Options, OTC	2	2	-	-	-	-
Options, exchange traded	73	1	-	17	49	-
Futures, OTC	1 849	28	1	1 365	1	8
Futures, exchange traded	891	-	-	1 181	-	-
Swaps, OTC ¹	243	250	7	139	149	10
Interest rate derivatives		721	1 445		1 317	1 737
Swaps, OTC ¹	(727)	716	1 442	(437)	1 315	1 737
Forward rate agreement, OTC	3	5	3	1	2	-
Bonds		215	-		273	87
Options, exchange traded	204	-	-	9	-	-
Futures, OTC	7 312	215	-	6 448	273	87
Futures, exchange traded	8 261	-	-	6 499	-	-
Credit derivatives		-	1		-	9
Swaps, OTC ¹	(1)	-	1	(9)	-	9
Currency derivatives		-	9		31	857
Options, OTC	-	-	-	-	12	12
Options, exchange traded	(32)	-	-	(38)	-	-
Futures, OTC	895	-	9	617	19	2
Futures, exchange traded	(125)	-	-	(115)	-	-
Swaps, OTC ¹	-	-	-	(843)	-	843
Total derivative financial instruments		1 217	1 463		1 820	2 708

¹ The effective exposure of the swaps represents the net fair value, which may differ from effective exposure.

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

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

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

Offsetting

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

6 Financial assets continued

6.1 Financial assets at fair value through profit and loss continued

Derivative financial instruments continued

Offsetting continued

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

	Group		Company	
	2025 Rm	Restated 2024 Rm	2025 Rm	Restated 2024 Rm
Derivative financial assets				
Recognised financial assets	1 288	1 871	1 217	1 820
Related amounts not set off in the statement of financial position				
Financial instruments	(759)	(1 093)	(740)	(1 075)
Cash collateral received ¹	(529)	(778)	(477)	(745)
Net amount ¹	-	-	-	-
Derivative financial liabilities				
Recognised financial liabilities	1 531	2 746	1 463	2 708
Related amounts not set off in the statement of financial position				
Financial instruments	(759)	(1 093)	(740)	(1 075)
Cash collateral issued	(666)	(469)	(666)	(469)
Net amount	106	1 184	57	1 164

¹ In the prior year, the cash collateral received and the net amount were incorrectly presented. The cash collateral received and the net amount for the Group were overstated by R392 million, and the cash collateral received and the net amount for the Company were overstated by R425 million. June 2024 has been restated accordingly.

6.2 Financial assets at amortised cost

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Unsettled trades ¹	1 129	1 148	487	720
Accounts receivable	1 894	1 950	1 077	1 313
Less: provision for impairment	(69)	(68)	(66)	(64)
Funds on deposit and other money market instruments ⁵	-	110	-	55
Less: provision for impairment ²	-	(31)	-	(16)
Loans	3 327	2 860	3 202	2 704
Related party loans				
Loans due from subsidiaries and fellow MGL subsidiaries	2 802	2 318	3 005	2 486
Less provision for impairment	(63)	(53)	(66)	(57)
Staff loans	1	2	2	3
Other related party loans ³	124	124	123	123
Less: provision for impairment	-	-	-	-
Other loans				
Due from agents and brokers	293	306	293	306
Less: provision for impairment	(155)	(157)	(155)	(157)
Other ⁴	337	320	-	-
Less: provision for impairment	(12)	-	-	-
Total included in financial assets	6 281	5 969	4 700	4 712
Current	5 851	5 724	4 487	4 659
Non-current	430	245	213	53
	6 281	5 969	4 700	4 712

¹ 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.

² This provision relates to a specific counterparty (same as in F2024) 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.

³ Included in other related party loans is a R123 million (2024: R123 million) loan to Abland, that manages the operations of a policyholder trust for MML.

⁴ Includes R307 million (2024: R269 million) in respect of underlying assets in a credit fund classified as CIS.

⁵ 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	Other loans Rm	Funds on deposit and other money market instruments Rm	Accounts receivable Rm	Related party loans Rm	Due from agents and brokers Rm	Total Rm
2025						
Balance at beginning	-	(31)	(68)	(53)	(157)	(309)
Additional provision	(12)	-	(2)	(61)	-	(75)
Reversed to the income statement	-	-	2	51	2	55
Other	-	31	(1)	-	-	30
Balance at end	(12)	-	(69)	(63)	(155)	(299)
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)
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 and brokers Rm	Total Rm
2025						
Balance at beginning		(16)	(64)	(57)	(157)	(294)
Additional provision		-	(2)	(60)	-	(62)
Reversed to the income statement		-	-	51	2	53
Other		16	-	-	-	16
Balance at end		-	(66)	(66)	(155)	(287)
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)

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.

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
6.3 Cash and cash equivalents				
Bank and other cash balances	9 516	10 866	8 039	9 309
Funds on deposit and other money market instruments – maturity < 90 days	15 818	12 912	9 393	8 073
	25 334	23 778	17 432	17 382

Expected credit loss on cash and cash equivalents is immaterial.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

6 Financial assets continued

Group	Fair value through profit and loss				Not in scope of IFRS 9 Rm	Total Rm
	Mandatorily Rm	Designated ¹ Rm	Total fair value Rm	Amortised cost Rm		
Financial assets summarised by measurement category in terms of IFRS 9						
6.4 Financial assets measurement 2025						
Unit-linked investments	273 140	-	273 140	-	-	273 140
Debt securities	47 410	157 613	205 023	-	-	205 023
Equity securities ²	142 882	-	142 882	-	-	142 882
Funds on deposit and other money market instruments	12 927	8 562	21 489	-	-	21 489
Derivative financial assets	1 288	-	1 288	-	-	1 288
Carry positions	-	269	269	-	-	269
Financial assets at amortised cost	-	-	-	6 281	-	6 281
Cash and cash equivalents	-	-	-	25 334	-	25 334
Total financial assets	477 647	166 444	644 091	31 615	-	675 706
Restated 2024						
Unit-linked investments ⁴	233 266	-	233 266	-	-	233 266
Debt securities ³	40 320	133 593	173 913	-	-	173 913
Equity securities ^{2,4}	123 637	-	123 637	-	-	123 637
Funds on deposit and other money market instruments ³	18 352	8 749	27 101	79	-	27 180
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

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

⁴ In the prior year equity securities in unlisted private companies of R76 million were incorrectly classified as unit-linked investments. June 2024 has been restated accordingly.

6 Financial assets continued

6.4 Financial assets measurement continued

Company	Fair value through profit and loss			At fair value through other comprehensive income Rm	Amortised cost Rm	Not in scope of IFRS 9 Rm	Total Rm
	Mandatorily Rm	Designated ¹ Rm	Total fair value Rm				
Financial assets summarised by measurement category in terms of IFRS 9							
2025							
Equity securities ²	41 936	-	41 936	-	-	-	41 936
Debt securities	11 389	154 397	165 786	-	-	-	165 786
Funds on deposit and other money market instruments	728	8 562	9 290	-	-	-	9 290
Unit-linked investments	257 902	-	257 902	-	-	-	257 902
Derivative financial assets	1 217	-	1 217	-	-	-	1 217
Financial assets at amortised cost	-	-	-	-	4 700	-	4 700
Cash and cash equivalents	-	-	-	-	17 432	-	17 432
Investments in subsidiaries at fair value	132 182	-	132 182	3 473	-	-	135 655
Total financial assets	445 354	162 959	608 313	3 473	22 132	-	633 918
Restated 2024							
Equity securities ^{2,4}	42 263	-	42 263	-	-	-	42 263
Debt securities ³	9 464	129 623	139 087	-	-	-	139 087
Funds on deposit and other money market instruments ³	3 968	8 749	12 717	-	39	-	12 756
Unit-linked investments ⁴	218 081	-	218 081	-	-	-	218 081
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

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

⁴ In the prior year equity securities in unlisted private companies of R76 million were incorrectly classified as unit-linked investments. June 2024 has been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 an 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 (refer to note 39), is through the following classes of assets, and is equal to their carrying amounts:

	Group		Company	
	2025 Rm	Restated 2024 Rm	2025 Rm	Restated 2024 Rm
Financial assets at fair value through profit and loss				
Debt securities	205 023	173 913	165 786	139 087
Stock and loans to government and other public bodies ³	115 574	100 259	97 424	83 269
Other debt instruments ^{1,2,3}	89 449	73 654	68 362	55 818
Funds on deposit and other money market instruments ²	21 489	27 101	9 290	12 717
Unit-linked investments (categorised as interest-bearing and money market – refer to note 42)	25 460	22 448	21 011	18 289
Collective investment schemes	22 883	20 232	18 453	16 099
Other unit-linked investments	2 577	2 216	2 558	2 190
Derivative financial assets – Held for trading	1 288	1 871	1 217	1 820
Carry positions	269	15	-	13
Financial assets at amortised cost	6 281	5 969	4 700	4 712
Unsettled trades	1 129	1 148	487	720
Accounts receivable	1 825	1 882	1 011	1 249
Funds on deposit and other money market instruments	-	79	-	39
Loans	3 327	2 860	3 202	2 704
Cash and cash equivalents	25 334	23 778	17 432	17 382
Total financial assets bearing credit risk	285 144	255 095	219 436	194 020

¹ Amandla Renewable Energy Fund (Pty) Ltd holds collateral in respect of preference shares held by the associated special purpose vehicle, Amandla Ilanga (RF) (Pty) Ltd. The security has subsequently been ceded to the holder of the senior preference shares issued by the special purpose vehicle as part of initially securing the senior funding. The material terms of the security cession include that the bare dominium in respect of the asset remains with the cedent and the cessionary only receives the right to sell the security upon default as well as only to the extent that value is owed by the cedent in terms of the cession agreement. The fair value of the security ceded is R704 million (2024: R662 million).

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

³ In the prior year R39 million that relates to stock and loans to government and other public bodies was incorrectly classified as other debt instruments. June 2024 has been restated accordingly.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

6 Financial assets continued

6.5 Credit risk continued

Group	Stage 1	Stage 2	Stage 3	Total
Credit risk balances - expected credit loss	Rm	Rm	Rm	Rm
2025				
Financial assets at amortised cost				
Unsettled trades	1 129	-	-	1 129
Accounts receivable	1 714	48	132	1 894
Provision for impairment	(5)	-	(64)	(69)
Funds on deposit and other money market instruments	-	-	-	-
Provision for impairment	-	-	-	-
Due from agents and brokers	129	-	164	293
Provision for impairment	-	-	(155)	(155)
Related party loans				
Loans due from fellow MGL subsidiaries	1 997	710	95	2 802
Provision for impairment ¹	-	(2)	(61)	(63)
Other related party loans	124	-	-	124
Provision for impairment	-	-	-	-
Staff loans	1	-	-	1
Other	308	-	29	337
Provision for impairment	-	-	(12)	(12)
	5 397	756	128	6 281

¹ 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.

Group	Stage 1	Stage 2	Stage 3	Total
Credit risk balances - expected credit loss	Rm	Rm	Rm	Rm
2024				
Financial assets at amortised cost				
Financial assets at amortised cost	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)
Policy loans related to investment contracts	-	-	-	-
Due from agents and brokers	143	-	163	306
Provision for impairment	-	-	(157)	(157)
Related party loans				
Loans due from 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
Provision for impairment	-	-	-	-
	5 743	71	155	5 969

All balances relate to unrated counterparties, except for the prior year funds on deposit and other money market instruments balance, which related to promissory notes issued by a B-rated counterparty.

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
2025				
Financial assets at amortised cost				
Accounts receivable	899	48	130	1 077
Provision for impairment	(5)	-	(61)	(66)
Funds on deposit and other money market instruments	-	-	-	-
Provision for impairment	-	-	-	-
Unsettled trades	487	-	-	487
Loans				
Related party loans				
Loans due from subsidiaries and fellow MGL subsidiaries	2 200	710	95	3 005
Provision for impairment	(3)	(2)	(61)	(66)
Staff loans	2	-	-	2
Other related party loans	123	-	-	123
Other loans				
Due from agents and brokers	129	-	164	293
Provision for impairment	-	-	(155)	(155)
	3 832	756	112	4 700
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 and brokers	143	-	163	306
Provision for impairment	-	-	(157)	(157)
Policy loans related to investment contracts	-	-	-	-
	4 531	68	113	4 712

All balances relate to unrated counterparties, except for the prior year funds on deposit and other money market instruments balance, which related to promissory notes issued by a B-rated counterparty.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

6 Financial assets continued

6.5 Credit risk continued

Group	12-month expected credit losses (Stage 1) Rm	Lifetime expected credit losses (Stage 2) Rm	Lifetime expected credit losses (Stage 3) Rm	Total Rm
Reconciliation of expected credit losses				
2025				
Accounts receivable				
Opening balance	(4)	(3)	(61)	(68)
Movement recognised in the income statement	-	3	(3)	-
Other	(1)	-	-	(1)
Closing balance	(5)	-	(64)	(69)
Funds on deposit and other money market instruments				
Opening balance	-	-	(31)	(31)
Movement recognised in the income statement	-	-	-	-
Other	-	-	31	31
Closing balance	-	-	-	-
Related party loans				
Opening balance	(3)	-	(50)	(53)
Movement recognised in the income statement	3	(2)	(11)	(10)
Other	-	-	-	-
Closing balance	-	(2)	(61)	(63)
Other loans				
Opening balance	-	-	-	-
Movement recognised in the income statement	-	-	(12)	(12)
Other	-	-	-	-
Closing balance	-	-	(12)	(12)
Due from agents and brokers				
Opening balance	-	-	(157)	(157)
Movement recognised in the income statement	-	-	2	2
Closing balance	-	-	(155)	(155)
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)
Other	-	-	-	-
Closing balance	(3)	-	(50)	(53)
Due from agents and brokers				
Opening balance	(24)	-	(117)	(141)
Movement recognised in the income statement	24	-	(40)	(16)
Closing balance	-	-	(157)	(157)

6 Financial assets continued**6.5 Credit risk continued**

Company	12-month expected credit losses (Stage 1) Rm	Lifetime expected credit losses (Stage 2) Rm	Lifetime expected credit losses (Stage 3) Rm	Total Rm
Reconciliation of expected credit losses				
2025				
Accounts receivable				
Opening balance	(4)	(3)	(57)	(64)
Movement recognised in the income statement	(1)	3	(4)	(2)
Other	-	-	-	-
Closing balance	(5)	-	(61)	(66)
Funds on deposit and other money market instruments				
Opening balance	-	-	(16)	(16)
Movement recognised in the income statement	-	-	-	-
Other	-	-	16	16
Closing balance	-	-	-	-
Loans due from subsidiaries and fellow MGL subsidiaries				
Opening balance	(7)	-	(50)	(57)
Movement recognised in the income statement	4	(2)	(11)	(9)
Other	-	-	-	-
Closing balance	(3)	(2)	(61)	(66)
Due from agents and brokers				
Opening balance	-	-	(157)	(157)
Movement recognised in the income statement	-	-	2	2
Closing balance	-	-	(155)	(155)
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)
Other	-	-	-	-
Closing balance	(7)	-	(50)	(57)
Due from agents and brokers				
Opening balance	(24)	-	(117)	(141)
Movement recognised in the income statement	24	-	(40)	(16)
Closing balance	-	-	(157)	(157)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 and brokers	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

Unsettled trades, accounts receivable, due from agents, broker and intermediaries and loans

Criteria

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 and brokers

Impairment of amounts due from agents and brokers is mainly due to agents and brokers moving to out-of-service status and unproductive agent accounts.

Sensitivities

Accounts receivable and due from agents and brokers

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 2025

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
2025											
Financial assets at fair value through profit and loss											
Debt securities											
Stock and loans to government and other public bodies	109 374	2 589	2 282	356	365	4	87	-	-	517	115 574
Other debt instruments	29 894	48 354	7 027	144	662	-	97	-	-	3 271	89 449
Derivative financial assets	248	1 013	24	-	-	-	-	-	-	3	1 288
Carry positions	-	269	-	-	-	-	-	-	-	-	269
Cash and cash equivalents and funds on deposit and money market instruments	18 684	25 966	1 200	-	60	-	-	194	-	719	46 823
Other unrated instruments											
Other financial assets at amortised cost ²	-	-	-	-	-	-	-	-	-	6 281	6 281
Unit-linked investments ¹	-	-	-	-	-	-	-	-	-	25 460	25 460
	158 200	78 191	10 533	500	1 087	4	184	194	-	36 251	285 144

Restated 2024

Financial assets at fair value through profit and loss

Debt securities											
Stock and loans to government and other public bodies ⁵	91 201	3 916	1 256	-	119	416	121	-	-	3 230	100 259
Other debt instruments ^{3,4,5}	18 180	44 612	5 466	2 666	230	22	97	-	2	2 379	73 654
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 ⁴	10 121	38 501	1 874	-	54	-	-	265	-	64	50 879
Other unrated instruments											
Other financial assets at amortised cost	-	-	-	-	-	-	-	-	-	5 969	5 969
Unit-linked investments ¹	-	-	-	-	-	-	-	-	-	22 448	22 448
	119 648	88 727	8 620	2 666	403	438	218	265	2	34 108	255 095

¹ Refer to note 42 for detail on unit-linked investments and note 39 for credit risk management relating to unit-linked investments.

² Unrated financial assets at amortised cost include unsettled trades (R1 129 million), accounts receivable (R1 825 million) and loans (R3 327 million).

- Unsettled trades are exposed to insignificant credit risk due to the short term nature of the instruments – settled within 30 days and thus no expected credit loss is raised on the balance.
- Accounts receivable consists mainly of Investment contract premium debtors. Balances are normally settled within 30 days. The remaining balance of accounts receivable represents balances that are expected to be settled within 30 days and expected credit loss allowances are recognised.
- Loans consist mainly of loans due from fellow MGL subsidiaries. The recoverability of each loan is assessed and an expected credit loss is recognised in respect of this balance in accordance with IFRS 9. The Group's Treasury function monitors the recoverability of loans and actions are taken to avoid defaulting of loans.

³ An intercompany asset was incorrectly eliminated against credit ratings AAA (R201 million), AA (R291 million), A (R51 million), B (R39 million) and unrated (R3 million). This should have been eliminated against the unrated category. June 2024 has been restated accordingly.

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

⁵ In the prior year R39 million with a credit rating of B, that relates to stock and loans to government and other public bodies was incorrectly classified as other debt instruments. June 2024 has been restated accordingly.

6 Financial assets continued

6.5 Credit risk continued

Credit quality of financial assets continued

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

- Unsettled trades totalling R1 129 million (2024: R1 148 million), included in stage 1 issued by a unrated counterparty. No related impairment due to the low risk of default of unsettled trades due to their short-term nature i.e. settled within a relatively short period of time.
- Accounts receivable totalling R1 714 million (2024: R1 812 million), included in stage 1 and associated impairment of R5 million (2024: R4 million) issued by an unrated counterparty due to the low risk of default.
- Accounts receivable totalling R48 million (2024: R35 million), included in stage 2 and associated impairment of Rnil (2024: R3 million) issued by an unrated counterparty due to an increase in credit risk as repayments are more than 30 days but less than 90 days past due. Accounts receivable totalling R132 million (2024: R103 million), included in stage 3 and associated impairment of R64 million (2024: R61 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Funds on deposit and other money market instruments totalling Rnil (2024: R110 million), included in stage 3 and associated impairment of Rnil (2024: R31 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Due from agents, brokers and intermediaries totalling R129 million (2024: R143 million), included in stage 1 and related impairment of Rnil (2024: Rnil) issued by an unrated counterparty due to the low risk of default.
- Due from agents, brokers and intermediaries totalling R164 million (2024: R163 million), included in stage 3 and related impairment of R155 million (2024: R157 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Loans due from fellow MGL subsidiaries totalling R1 997 million (2024: R2 202 million), included in stage 1 and related impairment of Rnil (2024: R3 million) issued by an unrated counterparty due to the low risk of default.
- Loans due from fellow MGL subsidiaries totalling R710 million (2024: R38 million), included in stage 2 and associated impairment of R2 million (2024: Rnil) issued by an unrated counterparty due to an increase in credit risk as repayments are more than 30 days but less than 90 days past due.
- Loans due from fellow MGL subsidiaries totalling R95 million (2024: R78 million), included in stage 3 and associated impairment of R61 million (2024: R50 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Other related party loans and staff loans totalling R125 million (2024: R126 million), included in stage 1 and associated impairment of Rnil (2024: Rnil) issued by an unrated counterparty due to the low risk of default.
- Other loans totalling R308 million (2024: R319 million), included in stage 1 and related impairment of Rnil (2024: Rnil) issued by an unrated counterparty due to the low risk of default.
- Other loans totalling Rnil (2024: R1 million), included in stage 2 and associated impairment of Rnil (2024: Rnil) issued by an unrated counterparty due to an increase in credit risk as repayments are more than 30 days but less than 90 days past due.
- Other loans totalling R29 million (2024: Rnil), included in stage 3 and associated impairment of R12 million (2024: Rnil) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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
2025											
Financial assets at fair value through profit and loss											
Debt securities											
Stock and loans to government and other public bodies	93 858	1 846	1 016	-	299	4	87	-	-	314	97 424
Other debt instruments	24 043	36 284	4 046	66	43	-	94	-	-	3 786	68 362
Derivative financial instruments	240	974	-	-	-	-	-	-	-	3	1 217
Carry positions	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents and funds on deposit and money market instruments	9 389	16 615	9	-	-	-	-	-	-	709	26 721
Other unrated instruments ²											
Financial assets at amortised cost	-	-	-	-	-	-	-	-	-	4 700	4 700
Unit-linked investments ¹	-	-	-	-	-	-	-	-	-	21 011	21 011
	127 530	55 719	5 071	66	342	4	181	-	-	30 523	219 436

Restated 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 ³	16 474	31 635	2 800	895	115	22	97	-	-	3 780	55 818
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 ³	5 967	24 039	75	-	-	-	-	-	-	18	30 099
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

¹ Refer to note 42 for detail on unit-linked investments and note 39 for credit risk management relating to unit-linked investments.

² Unrated financial assets at amortised cost include unsettled trades (R487 million), accounts receivable (R1 011 million) and loans (R3 202 million).

- Unsettled trades are exposed to insignificant credit risk due to the short term nature of the instruments – settled within 30 days and thus no expected credit loss is raised on the balance.
- Accounts receivable consists mainly of Investment contract premium debtors. Balances are normally settled within 30 days. The remaining balance of accounts receivable represents balances that are expected to be settled within 30 days and expected credit loss allowances are recognised.
- Loans consist mainly of loans due from subsidiaries and fellow MGL subsidiaries. The recoverability of each loan is assessed and an expected credit loss is recognised in respect of this balance in accordance with IFRS 9. The Group's Treasury function monitors the recoverability of loans and actions are taken to avoid defaulting of loans.

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

6 Financial assets continued

6.5 Credit risk continued

Credit quality of financial assets continued

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

- Unsettled trades totalling R487 million (2024: R720 million), included in stage 1 issued by a unrated counterparty. No related impairment due to the low risk of default of unsettled trades due to their short-term nature i.e. settled within a relatively short period of time.
- Accounts receivable totalling R899 million (2024: R1 183 million), included in stage 1 and associated impairment of R5 million (2024: R4 million) issued by an unrated counterparty due to the low risk of default.
- Accounts receivable totalling R48 million (2024: R33 million), included in stage 2 and associated impairment of Rnil (2024: R3 million) issued by an unrated counterparty due to an increase in credit risk as repayments are more than 30 days but less than 90 days past due.
- Accounts receivable totalling R130 million (2024: R97 million), included in stage 3 and associated impairment of R61 million (2024: R57 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Funds on deposit and other money market instruments totalling Rnil (2024: R55 million), included in stage 3 and associated impairment of Rnil (2024: R16 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Due from agents, brokers and intermediaries totalling R129 million (2024: R143 million), included in stage 1 and related impairment of Rnil (2024: Rnil) issued by an unrated counterparty due to the low risk of default.
- Due from agents, brokers and intermediaries totalling R164 million (2024: R163 million), included in stage 3 and related impairment of R155 million (2024: R157 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Loans due from subsidiaries and fellow MGL subsidiaries totalling R2 200 million (2024: R2 370 million), included in stage 1 and related impairment of R3 million (2024: R7 million) issued by an unrated counterparty due to the low risk of default.
- Loans due from subsidiaries and fellow MGL subsidiaries totalling R710 million (2024: R38 million), included in stage 2 and associated impairment of R2 million (2024: Rnil) issued by an unrated counterparty due to an increase in credit risk as repayments are more than 30 days but less than 90 days past due.
- Loans due from subsidiaries and fellow MGL subsidiaries totalling R95 million (2024: R78 million), included in stage 3 and associated impairment of R61 million (2024: R50 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Other related party loans and staff loans totalling R125 million (2024: R126 million), included in stage 1 and associated impairment of Rnil (2024: Rnil) issued by an unrated counterparty due to the low risk of default.

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
2025				
Securities at fair value through profit and loss	504 570	134 987	4 534	644 091
Unit-linked investments				
Collective investment schemes ¹				
Local unlisted or listed quoted	165 797	674	-	166 471
Local unlisted unquoted	-	5	-	5
Foreign unlisted or listed quoted	83 355	19	-	83 374
Foreign unlisted unquoted	-	497	47	544
Other unit-linked investments				
Local unlisted or listed quoted	7 662	13	-	7 675
Local unlisted unquoted	-	10 952	2 834	13 786
Foreign unlisted or listed quoted	413	10	-	423
Foreign unlisted unquoted	-	-	862	862
Debt securities				
Stock and loans to government and other public bodies				
Local listed	101 660	7 753	-	109 413
Foreign listed	3 069	116	-	3 185
Unlisted	-	2 782	194	2 976
Other debt instruments				
Local listed	-	38 045	36	38 081
Foreign listed	-	18 463	-	18 463
Intercompany	-	-	-	-
Unlisted	-	32 636	269	32 905
Equity securities				
Local listed	80 178	-	14	80 192
Foreign listed	62 410	-	-	62 410
Unlisted	-	15	265	280
Funds on deposit and other money market instruments	-	21 489	-	21 489
Carry positions	-	269	-	269
Derivative financial assets - Held for trading	26	1 249	13	1 288
	504 570	134 987	4 534	644 091

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

6 Financial assets continued

6.6 Financial assets hierarchy continued

Group	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Restated 2024				
Securities at fair value through profit and loss	430 178	125 222	4 403	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 ⁴	-	9 827	2 445	12 272
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 ³	84 397	7 889	39	92 325
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 ^{1,2}	-	25 943	211	26 154
Equity securities				
Local listed	69 496	-	4	69 500
Foreign listed	53 891	-	-	53 891
Unlisted ⁴	-	25	221	246
Funds on deposit and other money market instruments ²	-	27 101	-	27 101
Carry positions	-	15	-	15
Derivative financial assets - Held for trading	89	1 782	-	1 871
	430 178	125 222	4 403	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.

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

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

⁴ In the prior year equity securities in unlisted private companies of R76 million were incorrectly classified as unit-linked investments. June 2024 has been restated accordingly.

6 Financial assets continued**6.6 Financial assets hierarchy continued**

Company	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2025				
Securities at fair value through profit and loss	371 862	97 961	6 308	476 131
Equity securities				
Local listed	33 781	-	14	33 795
Foreign listed	7 862	-	-	7 862
Unlisted	-	14	265	279
Debt securities				
Stock and loans to government and other public bodies				
Local listed	88 084	6 271	-	94 355
Foreign listed	59	115	-	174
Unlisted	-	2 768	127	2 895
Other debt instruments				
Local listed	-	29 001	2	29 003
Foreign listed	-	9 463	-	9 463
Unlisted	-	27 786	2 110	29 896
Funds on deposit and other money market instruments	-	9 290	-	9 290
Unit-linked investments				
Collective investment schemes ¹				
Local unlisted or listed quoted	150 718	545	-	151 263
Local unlisted unquoted	-	-	-	-
Foreign unlisted or listed quoted	83 394	19	-	83 413
Foreign unlisted unquoted	-	497	47	544
Other unit-linked investments				
Local unlisted or listed quoted	7 563	14	-	7 577
Local unlisted unquoted	-	10 952	2 881	13 833
Foreign unlisted or listed quoted	400	10	-	410
Foreign unlisted unquoted	-	-	862	862
Carry positions	-	-	-	-
Derivative financial assets - Held for trading	1	1 216	-	1 217
Interest in subsidiaries	131 312	-	4 343	135 655
At fair value through profit and loss	131 312	-	869	132 181
At fair value through other comprehensive income	-	-	3 474	3 474
	503 174	97 961	10 651	611 786

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

6 Financial assets continued

6.6 Financial assets hierarchy continued

Company	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Restated 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 ³	-	15	221	236
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 ²	-	23 326	2 064	25 390
Funds on deposit and other money market instruments ²	-	12 717	-	12 717
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 ³	-	9 821	2 460	12 281
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.

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

³ In the prior year equity securities in unlisted private companies of R76 million were incorrectly classified as unit-linked investments. June 2024 has been restated accordingly.

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:

Group	At fair value through profit and loss				Total Rm
	Unit-linked investments Rm	Debt securities Rm	Equity securities Rm	Derivative financial assets Rm	
2025					
Opening balance	3 527	651	225	-	4 403
Total gains/(losses) in net realised and unrealised fair value gains in the income statement					
Realised gains/(losses)	83	(15)	(19)	-	49
Unrealised (losses)/gains	393	117	66	-	576
Total gains/(losses) in statement of other comprehensive income	-	-	-	13	13
Accrued interest in investment income in the income statement	-	(30)	-	-	(30)
Purchases	542	523	-	-	1 065
Sales	(787)	(682)	-	-	(1 469)
Settlements	(15)	(65)	-	-	(80)
Transfers into level 3 from level 1 ¹	-	-	8	-	8
Transfers into level 3 from level 2 ¹	-	-	-	-	-
Transfers out of level 3 into level 1	-	-	(1)	-	(1)
Closing balance	3 743	499	279	13	4 534
Restated 2024					
Opening balance ³	3 762	570	210	-	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 gains/(losses)	(207)	(523)	11	-	(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 ^{1,2}	-	65	-	-	65
Closing balance	3 527	651	225	-	4 403

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

³ In the prior year equity securities in unlisted private companies of R76 million were incorrectly classified as unit-linked investments. R70 million related to the prior year opening balance and R6 million related to prior year unrealised gains in the income statement. June 2024 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 2025

6 Financial assets continued

6.6 Financial assets hierarchy continued

Company	Securities at fair value through profit and loss			Interest in subsidiaries			Total Rm
	Equity securities Rm	Debt securities Rm	Unit-linked investments Rm	At fair value through profit and loss Rm	At fair value through other comprehensive income Rm	Held for sale Rm	
2025							
Opening balance	225	2 314	3 542	883	3 027	-	9 991
Total gains/(losses) in net realised and unrealised fair value gains in the income statement							
Realised gains/(losses)	(19)	(12)	83	16	-	-	68
Unrealised gains/(losses)	66	77	404	(7)	-	-	540
Total losses in other comprehensive income	-	-	-	-	469	-	469
Accrued interest in investment income in the income statement	-	(18)	-	-	-	-	(18)
Purchases and investments	-	331	563	17	-	-	911
Sales and disinvestments	-	(405)	(787)	(40)	(22)	-	(1 254)
Settlements	-	(48)	(15)	-	-	-	(63)
Transfers into level 3 from level 1 ¹	8	-	-	-	-	-	8
Transfers into level 3 from level 2 ¹	-	-	-	-	-	-	-
Transfers out of level 3 into level 1	(1)	-	-	-	-	-	(1)
Closing balance	279	2 239	3 790	869	3 474	-	10 651
2024							
Opening balance ²	210	1 756	3 782	549	3 568	273	10 138
Total gains/(losses) in net realised and unrealised fair value gains in the income statement							
Realised (losses)/gains	2	(4)	83	-	-	-	81
Unrealised gains/(losses)	10	31	(208)	48	-	-	(119)
Total gains/(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	-	12	-	-	-	-	12
Closing balance	225	2 314	3 542	883	3 027	-	9 991

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 In the prior year equity securities in unlisted private companies of R76 million were incorrectly classified as unit-linked investments. R70 million related to the prior year opening balance and R6 million related to prior year unrealised gains in the income statement. June 2024 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.

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	Debt securities Rm
2025		
Carrying amount	3 743	499
Assumption change	1% increase/(decrease) in discount rates/valuation multiple ²	1% (increase)/decrease in discount rates
Effect of increase in assumption	37	(5)
Effect of decrease in assumption	(37)	5
Restated 2024		
Carrying amount ¹	3 527	651
Assumption change	1% increase/(decrease) in discount rates/valuation multiple ²	1% (increase)/decrease in discount rates
Effect of increase in assumption	35	(7)
Effect of decrease in assumption	(35)	7

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
2025				
Carrying amount	2 239	3 790	869	3 474
Assumption change	1% (increase)/decrease in discount rates	1% increase/(decrease) in discount rates/valuation multiple ²	10% increase/(decrease) in fair value of assets/liabilities	1% (increase)/decrease in risk-adjusted discount rate
Effect of increase in assumption	(22)	38	87	(182)
Effect of decrease in assumption	22	(38)	(87)	216
Restated 2024				
Carrying amount ¹	2 314	3 542	883	3 027
Assumption change	1% (increase)/decrease in discount rates	1% increase/(decrease) in discount rates/valuation multiple ²	10% increase/(decrease) in fair value of assets/liabilities	1% (increase)/decrease in risk-adjusted discount rate
Effect of increase in assumption	(23)	35	88	(152)
Effect of decrease in assumption	23	(35)	(88)	181

¹ Refer to note 6.6 for more information on the restatement.

² The sensitivity disclosure of unit-linked investments was changed in the current year to be more appropriate. June 2024 was restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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:

Group	2025		2024	
	Carrying amount Rm	Fair value* Rm	Carrying amount Rm	Fair value* Rm
Financial assets at amortised cost	6 281	6 281	5 969	5 969
Unsettled trades	1 129	1 129	1 148	1 148
Accounts receivable	1 825	1 825	1 882	1 882
Funds on deposit and other money market instruments	-	-	79	79
Loans	3 327	3 327	2 860	2 860
Cash and cash equivalents	25 334	25 334	23 778	23 778
	31 615	31 615	29 747	29 747
Company				
Assets				
Financial assets at amortised cost	4 700	4 700	4 712	4 712
Unsettled trades	487	487	720	720
Accounts receivable	1 011	1 011	1 249	1 249
Funds on deposit and other money market instruments	-	-	39	39
Loans	3 202	3 202	2 704	2 704
Cash and cash equivalents	17 432	17 432	17 382	17 382
	22 132	22 132	22 094	22 094

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	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Accelerated rental income (refer to note 4)	325	327	197	223
Prepayments	204	146	118	111
Insurance claims	18	94	-	-
Total other receivables	547	567	315	334
Current	193	214	101	72
Non-current	354	353	214	262
	547	567	315	334

8 Assets and liabilities relating to disposal groups held for sale

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Assets relating to disposal groups held for sale				
Investment properties	-	103	-	103
	-	103	-	103
Segmental allocation of assets and liabilities				
Metropolitan Life	-	43	-	43
Momentum Corporate	-	26	-	26
Momentum Investments	-	2	-	2
Momentum Life	-	25	-	25
Shareholders	-	7	-	7
	-	103	-	103
The investment properties held for sale comprised the following property types:				
Office buildings	-	103	-	103
	-	103	-	103

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

Fair value hierarchy

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

	Group Investment properties Rm	Company Investment properties Rm
2025		
Opening balance	103	103
Disposals	(40)	(40)
Transferred from/(to) investment property	(63)	(63)
Closing balance held for sale	-	-
	Group Investment properties Rm	Company Investment properties Rm
2024		
Opening balance	-	4 067
Disposals	-	(995)
Transferred from/(to) investment property	103	(2 969)
Closing balance held for sale	103	103

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 2025

9 Insurance contracts

Group and Company

Portfolios of insurance contract assets and liabilities

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

	2025			2024		
	Assets Rm	Liabilities Rm	Net liabilities Rm	Assets Rm	Liabilities Rm	Net liabilities Rm
Insurance contracts issued						
General measurement model	(5 252)	79 447	74 195	(4 564)	66 485	61 921
Variable fee approach	-	64 565	64 565	-	61 308	61 308
Premium allocation approach	-	11 179	11 179	-	10 918	10 918
Total measurement models	(5 252)	155 191	149 939	(4 564)	138 711	134 147
Momentum Retail	(1 962)	29 835	27 873	(1 438)	28 200	26 762
Momentum Investments	-	47 765	47 765	-	38 644	38 644
Metropolitan Life	(3 290)	46 728	43 438	(3 126)	42 398	39 272
Momentum Corporate	-	30 842	30 842	-	29 459	29 459
Momentum Metropolitan Health	-	21	21	-	10	10
Total segments	(5 252)	155 191	149 939	(4 564)	138 711	134 147
Current	(866)	25 603	24 737	(744)	22 598	21 854
Non-current	(4 386)	129 588	125 202	(3 820)	116 113	112 293
Total	(5 252)	155 191	149 939	(4 564)	138 711	134 147

Changes in presentation

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

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.

9 Insurance contracts continued

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

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

9.1.1 Total

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	
2025						
Opening insurance contract liabilities	115 936	5 031	6 684	10 803	257	138 711
Opening insurance contract assets	(7 785)	1 861	1 360	-	-	(4 564)
Net balance as at 1 July	108 151	6 892	8 044	10 803	257	134 147
Cash flows						
Premiums received	33 374	-	-	-	-	33 374
Claims and other directly attributable expenses paid	-	-	(24 386)	(5 237)	-	(29 623)
Insurance acquisition cash flows	(3 308)	-	-	(269)	-	(3 577)
Total cash flows	30 066	-	(24 386)	(5 506)	-	174
Changes in the income statement						
Insurance revenue						
Contracts under the fair value approach	(4 790)	-	-	-	-	(4 790)
Other contracts	(22 460)	-	-	-	-	(22 460)
	(27 250)	-	-	-	-	(27 250)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(919)	15 621	5 415	40	20 157
Changes that relate to past service - adjustments to the LIC	-	-	210	(986)	(75)	(851)
Losses on onerous contracts and reversal of those losses	-	138	-	-	-	138
Insurance acquisition cash flows amortisation	1 546	-	-	-	-	1 546
Insurance acquisition cash flows recognised when incurred	-	-	-	269	-	269
	1 546	(781)	15 831	4 698	(35)	21 259
Investment components	(8 928)	-	8 928	-	-	-
Insurance service result	(34 632)	(781)	24 759	4 698	(35)	(5 991)
Finance expenses from insurance contracts issued	19 090	813	645	1 032	29	21 609
Total changes in the income statement	(15 542)	32	25 404	5 730	(6)	15 618
Net balance as at 30 June	122 675	6 924	9 062	11 027	251	149 939
Closing insurance contract liabilities	131 236	5 312	7 365	11 027	251	155 191
Closing insurance contract assets	(8 561)	1 612	1 697	-	-	(5 252)
Net balance as at 30 June	122 675	6 924	9 062	11 027	251	149 939

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

9 Insurance contracts continued

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

9.1.1 Total 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	
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 July1	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 income statement						
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 income statement	(19 414)	265	23 979	5 761	14	10 605
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

9 Insurance contracts continued

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

9.1.2 Measurement models

9.1.2.1 General measurement model

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		
2025				
Opening insurance contract liabilities	59 786	4 702	1 997	66 485
Opening insurance contract assets	(7 785)	1 861	1 360	(4 564)
Net balance as at 1 July	52 001	6 563	3 357	61 921
Cash flows				
Premiums received	22 760	-	-	22 760
Claims and other directly attributable expenses paid			(15 459)	(15 459)
Insurance acquisition cash flows	(3 022)	-	-	(3 022)
Total cash flows	19 738	-	(15 459)	4 279
Changes in the income statement				
Insurance revenue				
Contracts under the fair value approach	(2 646)	-	-	(2 646)
Other contracts	(14 471)	-	-	(14 471)
	(17 117)	-	-	(17 117)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	(728)	12 884	12 156
Changes that relate to past service – adjustments to the LIC	-	-	539	539
Losses on onerous contracts and reversal of those losses	-	(206)	-	(206)
Insurance acquisition cash flows amortisation	1 445	-	-	1 445
	1 445	(934)	13 423	13 934
Investment components	(2 353)	-	2 353	-
Insurance service result	(18 025)	(934)	15 776	(3 183)
Finance expenses from insurance contracts issued	10 104	813	261	11 178
Total changes in the income statement	(7 921)	(121)	16 037	7 995
Net balance as at 30 June	63 818	6 442	3 935	74 195
Closing insurance contract liabilities	72 379	4 830	2 238	79 447
Closing insurance contract assets	(8 561)	1 612	1 697	(5 252)
Net balance as at 30 June	63 818	6 442	3 935	74 195

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

9 Insurance contracts continued

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

9.1.2 Measurement models continued

9.1.2.1 General measurement model 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		
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 income statement				
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 income statement	(9 274)	98	14 500	5 324
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

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 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		
2025				
Opening insurance contract liabilities	56 301	320	4 687	61 308
Opening insurance contract assets	-	-	-	-
Net balance as at 1 July	56 301	320	4 687	61 308
Cash flows				
Premiums received	4 100	-	-	4 100
Claims and other directly attributable expenses paid	-	-	(8 927)	(8 927)
Insurance acquisition cash flows	(286)	-	-	(286)
Total cash flows	3 814	-	(8 927)	(5 113)
Changes in the income statement				
Insurance revenue				
Contracts under the fair value approach	(2 144)	-	-	(2 144)
Other contracts	(1 523)	-	-	(1 523)
	(3 667)	-	-	(3 667)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	(79)	2 737	2 658
Changes that relate to past service – adjustments to the LIC	-	-	(329)	(329)
Losses on onerous contracts and reversal of those losses	-	237	-	237
Insurance acquisition cash flows amortisation	101	-	-	101
	101	158	2 408	2 667
Investment components	(6 575)	-	6 575	-
Insurance service result	(10 141)	158	8 983	(1 000)
Finance expenses from insurance contracts issued	8 986	-	384	9 370
Total changes in the income statement	(1 155)	158	9 367	8 370
Net balance as at 30 June	58 960	478	5 127	64 565
Closing insurance contract liabilities	58 960	478	5 127	64 565
Closing insurance contract assets	-	-	-	-
Net balance as at 30 June	58 960	478	5 127	64 565

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

9 Insurance contracts continued

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

9.1.2 Measurement models continued

9.1.2.2 Variable fee approach 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		
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 income statement				
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 income statement	(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

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 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		Total Rm
	Excluding loss component Rm	Loss component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	
2025					
Opening insurance contract liabilities	(151)	9	10 803	257	10 918
Opening insurance contract assets	-	-	-	-	-
Net balance as at 1 July	(151)	9	10 803	257	10 918
Cash flows					
Premiums received	6 514	-	-	-	6 514
Claims and other directly attributable expenses paid	-	-	(5 237)	-	(5 237)
Insurance acquisition cash flows	-	-	(269)	-	(269)
Total cash flows	6 514	-	(5 506)	-	1 008
Changes in the income statement					
Insurance revenue					
Other contracts	(6 466)	-	-	-	(6 466)
	(6 466)	-	-	-	(6 466)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(112)	5 415	40	5 343
Changes that relate to past service – adjustments to the LIC	-	-	(986)	(75)	(1 061)
Losses on onerous contracts and reversal of those losses	-	107	-	-	107
Insurance acquisition cash flows recognised when incurred	-	-	269	-	269
	-	(5)	4 698	(35)	4 658
Insurance service result	(6 466)	(5)	4 698	(35)	(1 808)
Finance expenses from insurance contracts issued	-	-	1 032	29	1 061
Total changes in the income statement	(6 466)	(5)	5 730	(6)	(747)
Net balance as at 30 June	(103)	4	11 027	251	11 179
Closing insurance contract liabilities	(103)	4	11 027	251	11 179
Closing insurance contract assets	-	-	-	-	-
Net balance as at 30 June	(103)	4	11 027	251	11 179

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

9 Insurance contracts continued

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

9.1.2 Measurement models continued

9.1.2.3 Premium allocation approach 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		Total Rm
	Excluding loss component Rm	Loss component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	
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 income statement					
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
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 income statement	(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

9 Insurance contracts continued

9.2 Reconciliation of the measurement components of insurance contract balances

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

9.2.1 Total

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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening insurance contract liabilities	115 122	1 871	3 335	7 465	127 793
Opening insurance contract assets	(12 063)	2 026	190	5 283	(4 564)
Net balance as at 1 July	103 059	3 897	3 525	12 748	123 229
Cash flows					
Premiums received	26 860	-	-	-	26 860
Claims and other directly attributable expenses paid	(24 386)	-	-	-	(24 386)
Insurance acquisition cash flows	(3 308)	-	-	-	(3 308)
Total cash flows	(834)	-	-	-	(834)
Changes in the income statement					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	-	-	(592)	(1 879)	(2 471)
Change in the risk adjustment for non-financial risk for the risk expired	-	(614)	-	-	(614)
Experience adjustments	(1 344)	5	-	-	(1 339)
	(1 344)	(609)	(592)	(1 879)	(4 424)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(994)	(58)	336	716	-
Changes in estimates that result in onerous contract losses or reversal of losses	(561)	21	-	-	(540)
Contracts initially recognised in the period	(888)	307	-	1 152	571
	(2 443)	270	336	1 868	31
Changes that relate to past service					
Changes that relate to past service – adjustments to the LIC	215	(5)	-	-	210
	215	(5)	-	-	210
Insurance service result	(3 572)	(344)	(256)	(11)	(4 183)
Finance expenses from insurance contracts issued	18 366	680	194	1 308	20 548
Total changes in the income statement	14 794	336	(62)	1 297	16 365
Net balance as at 30 June	117 019	4 233	3 463	14 045	138 760
Closing insurance contract liabilities	129 681	2 022	3 278	9 031	144 012
Closing insurance contract assets	(12 662)	2 211	185	5 014	(5 252)
Net balance as at 30 June	117 019	4 233	3 463	14 045	138 760

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

9 Insurance contracts continued

9.2 Reconciliation of the measurement components of insurance contract balances continued

9.2.1 Total 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
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 income statement					
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 income statement	9 717	228	(485)	1 786	11 246
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

9.2.2 Measurement models

9.2.2.1 General measurement model

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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening insurance contract liabilities	56 427	1 386	1 605	7 067	66 485
Opening insurance contract assets	(12 063)	2 026	190	5 283	(4 564)
Net balance as at 1 July	44 364	3 412	1 795	12 350	61 921
Cash flows					
Premiums received	22 760	-	-	-	22 760
Claims and other directly attributable expenses paid	(15 459)	-	-	-	(15 459)
Insurance acquisition cash flows	(3 022)	-	-	-	(3 022)
Total cash flows	4 279	-	-	-	4 279
Changes in the income statement					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	-	-	(290)	(1 829)	(2 119)
Change in the risk adjustment for non-financial risk for the risk expired	-	(529)	-	-	(529)
Experience adjustments	(873)	5	-	-	(868)
	(873)	(524)	(290)	(1 829)	(3 516)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(543)	(124)	(87)	754	-
Changes in estimates that result in onerous contract losses or reversal of losses	(584)	6	-	-	(578)
Contracts initially recognised in the period	(1 010)	294	-	1 088	372
	(2 137)	176	(87)	1 842	(206)
Changes that relate to past service					
Changes that relate to past service - adjustments to the LIC	544	(5)	-	-	539
	544	(5)	-	-	539
Insurance service result	(2 466)	(353)	(377)	13	(3 183)
Finance expenses from insurance contracts issued	8 996	680	194	1 308	11 178
Total changes in the income statement	6 530	327	(183)	1 321	7 995
Net balance as at 30 June	55 173	3 739	1 612	13 671	74 195
Closing insurance contract liabilities	67 835	1 528	1 427	8 657	79 447
Closing insurance contract assets	(12 662)	2 211	185	5 014	(5 252)
Net balance as at 30 June	55 173	3 739	1 612	13 671	74 195

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
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 income statement					
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 income statement	3 422	227	(70)	1 745	5 324
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

9.2.2.2 Variable fee approach

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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening insurance contract liabilities	58 695	485	1 730	398	61 308
Opening insurance contract assets	-	-	-	-	-
Net balance as at 1 July	58 695	485	1 730	398	61 308
Cash flows					
Premiums received	4 100	-	-	-	4 100
Claims and other directly attributable expenses paid	(8 927)	-	-	-	(8 927)
Insurance acquisition cash flows	(286)	-	-	-	(286)
Total cash flows	(5 113)	-	-	-	(5 113)
Changes in the income statement					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	-	-	(302)	(50)	(352)
Change in the risk adjustment for non-financial risk for the risk expired	-	(85)	-	-	(85)
Experience adjustments	(471)	-	-	-	(471)
	(471)	(85)	(302)	(50)	(908)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(451)	66	423	(38)	-
Changes in estimates that result in onerous contract losses or reversal of losses	23	15	-	-	38
Contracts initially recognised in the period	122	13	-	64	199
	(306)	94	423	26	237
Changes that relate to past service					
Changes that relate to past service - adjustments to the LIC	(329)	-	-	-	(329)
	(329)	-	-	-	(329)
Insurance service result	(1 106)	9	121	(24)	(1 000)
Finance expenses from insurance contracts issued	9 370	-	-	-	9 370
Total changes in the income statement	8 264	9	121	(24)	8 370
Net balance as at 30 June	61 846	494	1 851	374	64 565
Closing insurance contract liabilities	61 846	494	1 851	374	64 565
Closing insurance contract assets	-	-	-	-	-
Net balance as at 30 June	61 846	494	1 851	374	64 565

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
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 income statement					
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 income statement	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

9.2.3 Segments

9.2.3.1 Momentum Retail

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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening insurance contract liabilities	24 418	1 086	717	1 976	28 197
Opening insurance contract assets	(7 913)	1 447	4	5 024	(1 438)
Net balance as at 1 July	16 505	2 533	721	7 000	26 759
Cash flows					
Premiums received	10 282	-	-	-	10 282
Claims and other directly attributable expenses paid	(9 410)	-	-	-	(9 410)
Insurance acquisition cash flows	(1 518)	-	-	-	(1 518)
Total cash flows	(646)	-	-	-	(646)
Changes in the income statement					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	-	-	(144)	(972)	(1 116)
Change in the risk adjustment for non-financial risk for the risk expired	-	(312)	-	-	(312)
Experience adjustments	(1 172)	4	-	-	(1 168)
	(1 172)	(308)	(144)	(972)	(2 596)
Changes that relate to future service					
Changes in estimates that adjust the CSM	108	(139)	47	(16)	-
Changes in estimates that result in onerous contract losses or reversal of losses	(384)	(6)	-	-	(390)
Contracts initially recognised in the period	(312)	115	-	281	84
	(588)	(30)	47	265	(306)
Changes that relate to past service					
Changes that relate to past service - adjustments to the LIC	568	(5)	-	-	563
	568	(5)	-	-	563
Insurance service result	(1 192)	(343)	(97)	(707)	(2 339)
Finance expenses from insurance contracts issued	2 884	455	18	742	4 099
Total changes in the income statement	1 692	112	(79)	35	1 760
Net balance as at 30 June	17 551	2 645	642	7 035	27 873
Closing insurance contract liabilities	25 684	1 123	642	2 386	29 835
Closing insurance contract assets	(8 133)	1 522	-	4 649	(1 962)
Net balance as at 30 June	17 551	2 645	642	7 035	27 873

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
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 income statement					
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 income statement	1 041	194	(344)	545	1 436
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

9.2.3.2 Momentum Investments

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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening insurance contract liabilities	34 654	273	729	2 989	38 645
Opening insurance contract assets	-	-	-	-	-
Net balance as at 1 July	34 654	273	729	2 989	38 645
Cash flows					
Premiums received	6 996	-	-	-	6 996
Claims and other directly attributable expenses paid	(4 653)	-	-	-	(4 653)
Insurance acquisition cash flows	(150)	-	-	-	(150)
Total cash flows	2 193	-	-	-	2 193
Changes in the income statement					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	-	-	(120)	(427)	(547)
Change in the risk adjustment for non-financial risk for the risk expired	-	(28)	-	-	(28)
Experience adjustments	34	-	-	-	34
	34	(28)	(120)	(427)	(541)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(107)	18	1	88	-
Changes in estimates that result in onerous contract losses or reversal of losses	3	(2)	-	-	1
Contracts initially recognised in the period	(565)	36	-	677	148
	(669)	52	1	765	149
Changes that relate to past service					
Changes that relate to past service - adjustments to the LIC	(1)	-	-	-	(1)
	(1)	-	-	-	(1)
Insurance service result	(636)	24	(119)	338	(393)
Finance expenses from insurance contracts issued	6 856	59	79	326	7 320
Total changes in the income statement	6 220	83	(40)	664	6 927
Net balance as at 30 June	43 067	356	689	3 653	47 765
Closing insurance contract liabilities	43 067	356	689	3 653	47 765
Closing insurance contract assets	-	-	-	-	-
Net balance as at 30 June	43 067	356	689	3 653	47 765

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
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 income statement					
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 income statement	3 346	49	60	901	4 356
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

9.2.3.3 Metropolitan Life

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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening insurance contract liabilities	38 649	401	1 381	1 968	42 399
Opening insurance contract assets	(4 150)	579	186	259	(3 126)
Net balance as at 1 July	34 499	980	1 567	2 227	39 273
Cash flows					
Premiums received	8 646	-	-	-	8 646
Claims and other directly attributable expenses paid	(7 910)	-	-	-	(7 910)
Insurance acquisition cash flows	(1 581)	-	-	-	(1 581)
Total cash flows	(845)	-	-	-	(845)
Changes in the income statement					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	-	-	(259)	(415)	(674)
Change in the risk adjustment for non-financial risk for the risk expired	-	(260)	-	-	(260)
Experience adjustments	(244)	-	-	-	(244)
	(244)	(260)	(259)	(415)	(1 178)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(982)	53	289	640	-
Changes in estimates that result in onerous contract losses or reversal of losses	(155)	28	-	-	(127)
Contracts initially recognised in the period	(80)	152	-	186	258
	(1 217)	233	289	826	131
Changes that relate to past service					
Changes that relate to past service - adjustments to the LIC	(352)	-	-	-	(352)
	(352)	-	-	-	(352)
Insurance service result	(1 813)	(27)	30	411	(1 399)
Finance expenses from insurance contracts issued	5 991	156	43	219	6 409
Total changes in the income statement	4 178	129	73	630	5 010
Net balance as at 30 June	37 832	1 109	1 640	2 857	43 438
Closing insurance contract liabilities	42 359	420	1 456	2 493	46 728
Closing insurance contract assets	(4 527)	689	184	364	(3 290)
Net balance as at 30 June	37 832	1 109	1 640	2 857	43 438

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2024					
Opening insurance contract liabilities	35 315	402	1 578	1 764	39 059
Opening insurance contract assets	(3 890)	593	235	157	(2 905)
Net 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 income statement					
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 income statement	3 517	(15)	(246)	306	3 562
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

9.2.3.4 Momentum Corporate

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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening insurance contract liabilities	17 401	111	508	532	18 552
Opening insurance contract assets	-	-	-	-	-
Net balance as at 1 July	17 401	111	508	532	18 552
Cash flows					
Premiums received	936	-	-	-	936
Claims and other directly attributable expenses paid	(2 413)	-	-	-	(2 413)
Insurance acquisition cash flows	(59)	-	-	-	(59)
Total cash flows	(1 536)	-	-	-	(1 536)
Changes in the income statement					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided	-	-	(69)	(67)	(136)
Change in the risk adjustment for non-financial risk for the risk expired	-	(13)	-	-	(13)
Experience adjustments	38	-	-	-	38
	38	(13)	(69)	(67)	(111)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(13)	11	(2)	4	-
Changes in estimates that result in onerous contract losses or reversal of losses	(25)	2	-	-	(23)
Contracts initially recognised in the period	69	4	-	8	81
	31	17	(2)	12	58
Changes that relate to past service					
Changes that relate to past service - adjustments to the LIC	1	-	-	-	1
	1	-	-	-	1
Insurance service result	70	4	(71)	(55)	(52)
Finance expenses from insurance contracts issued	2 635	9	54	22	2 720
Total changes in the income statement	2 705	13	(17)	(33)	2 668
Net balance as at 30 June	18 570	124	491	499	19 684
Closing insurance contract liabilities	18 570	124	491	499	19 684
Closing insurance contract assets	-	-	-	-	-
Net balance as at 30 June	18 570	124	491	499	19 684

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
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 income statement					
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 income statement	1 813	-	45	34	1 892
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

9.3 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:

9.3.1 Total

Impact of contracts recognised in the year for insurance contracts issued	2025			2024		
	Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	805	2 003	2 808	764	2 279	3 043
Claims and other directly attributable expenses	9 610	3 506	13 116	11 818	4 029	15 847
Estimates of the present value of future cash outflows	10 415	5 509	15 924	12 582	6 308	18 890
Estimates of the present value of future cash inflows	(11 700)	(5 112)	(16 812)	(14 059)	(5 863)	(19 922)
Risk adjustment for non-financial risk	133	174	307	118	205	323
Contractual service margin	1 152	-	1 152	1 359	-	1 359
Losses recognised on initial recognition	-	571	571	-	650	650
9.3.2 Measurement models						
9.3.2.1 General measurement model						
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	805	1 742	2 547	763	1 982	2 745
Claims and other directly attributable expenses	9 284	2 154	11 438	11 623	2 328	13 951
Estimates of the present value of future cash outflows	10 089	3 896	13 985	12 386	4 310	16 696
Estimates of the present value of future cash inflows	(11 306)	(3 689)	(14 995)	(13 801)	(4 023)	(17 824)
Risk adjustment for non-financial risk	129	165	294	114	187	301
Contractual service margin	1 088	-	1 088	1 301	-	1 301
Losses recognised on initial recognition	-	372	372	-	474	474
9.3.2.2 Variable fee approach						
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	-	261	261	1	297	298
Claims and other directly attributable expenses	326	1 352	1 678	195	1 701	1 896
Estimates of the present value of future cash outflows	326	1 613	1 939	196	1 998	2 194
Estimates of the present value of future cash inflows	(394)	(1 423)	(1 817)	(258)	(1 840)	(2 098)
Risk adjustment for non-financial risk	4	9	13	4	18	22
Contractual service margin	64	-	64	58	-	58
Losses recognised on initial recognition	-	199	199	-	176	176

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

9 Insurance contracts continued

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

9.3.3 Segments

9.3.3.1 Momentum Retail

Impact of contracts recognised in the year for insurance contracts issued	2025			2024		
	Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	604	227	831	538	316	854
Claims and other directly attributable expenses	1 907	673	2 580	1 692	906	2 598
Estimates of the present value of future cash outflows	2 511	900	3 411	2 230	1 222	3 452
Estimates of the present value of future cash inflows	(2 888)	(835)	(3 723)	(2 531)	(1 144)	(3 675)
Risk adjustment for non-financial risk	96	19	115	77	29	106
Contractual service margin	281	-	281	224	-	224
Losses recognised on initial recognition	-	84	84	-	107	107
9.3.3.2 Momentum Investments						
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	134	10	144	169	12	181
Claims and other directly attributable expenses	6 047	303	6 350	8 063	378	8 441
Estimates of the present value of future cash outflows	6 181	313	6 494	8 232	390	8 622
Estimates of the present value of future cash inflows	(6 884)	(175)	(7 059)	(9 208)	(217)	(9 425)
Risk adjustment for non-financial risk	26	10	36	31	13	44
Contractual service margin	677	-	677	945	-	945
Losses recognised on initial recognition	-	148	148	-	186	186
9.3.3.3 Metropolitan Life						
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	65	1 716	1 781	54	1 905	1 959
Claims and other directly attributable expenses	1 517	2 044	3 561	2 030	2 345	4 375
Estimates of the present value of future cash outflows	1 582	3 760	5 342	2 084	4 250	6 334
Estimates of the present value of future cash inflows	(1 779)	(3 643)	(5 422)	(2 281)	(4 132)	(6 413)
Risk adjustment for non-financial risk	11	141	152	10	160	170
Contractual service margin	186	-	186	187	-	187
Losses recognised on initial recognition	-	258	258	-	278	278
9.3.3.4 Momentum Corporate						
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	2	50	52	3	46	49
Claims and other directly attributable expenses	139	486	625	33	400	433
Estimates of the present value of future cash outflows	141	536	677	36	446	482
Estimates of the present value of future cash inflows	(149)	(459)	(608)	(39)	(370)	(409)
Risk adjustment for non-financial risk	-	4	4	-	3	3
Contractual service margin	8	-	8	3	-	3
Losses recognised on initial recognition	-	81	81	-	79	79

9 Insurance contracts continued

9.4 CSM recognition analysis

An analysis of the expected recognition of the CSM for insurance contracts issued 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
2025										
General measurement model	2 002	1 761	1 530	1 330	1 159	3 878	1 900	914	809	15 283
Variable fee approach	330	288	249	214	183	573	240	94	54	2 225
	2 332	2 049	1 779	1 544	1 342	4 451	2 140	1 008	863	17 508
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

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 and Company

Portfolios of reinsurance contract assets and liabilities

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

	2025			2024		
	Assets Rm	Liabilities Rm	Net assets Rm	Assets Rm	Liabilities Rm	Net assets Rm
Reinsurance contracts held						
General measurement model	4 193	(44)	4 149	3 857	(33)	3 824
Premium allocation approach	1 661	-	1 661	1 544	-	1 544
Total	5 854	(44)	5 810	5 401	(33)	5 368
Momentum Retail	4 133	(14)	4 119	3 800	(9)	3 791
Metropolitan Life	60	(29)	31	51	(24)	27
Momentum Corporate	1 661	(1)	1 660	1 550	-	1 550
Total segments	5 854	(44)	5 810	5 401	(33)	5 368
Current	3 030	(23)	3 007	2 987	(18)	2 969
Non-current	2 824	(21)	2 803	2 414	(15)	2 399
Total	5 854	(44)	5 810	5 401	(33)	5 368

Changes in presentation

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

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

10 Reinsurance contracts continued

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

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

10.1.1 Total

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	
2025						
Opening reinsurance contract assets	162	1 792	1 596	1 812	39	5 401
Opening reinsurance contract liabilities	(55)	14	8	-	-	(33)
Net balance as at 1 July	107	1 806	1 604	1 812	39	5 368
Cash flows						
Reinsurance premiums paid	3 717	-	-	-	-	3 717
Reinsurance recoveries received	-	-	(2 755)	(485)	-	(3 240)
Total cash flows	3 717	-	(2 755)	(485)	-	477
Changes in the income statement						
Allocation of reinsurance premiums						
Contracts under the fair value approach	(264)	-	-	-	-	(264)
Other contracts	(3 300)	-	-	-	-	(3 300)
	(3 564)	-	-	-	-	(3 564)
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable for incurred claims and other expenses	-	(161)	2 482	765	9	3 095
Changes that relate to past service - adjustments to the AIC	-	-	256	(323)	(14)	(81)
Changes in the loss-recovery component	-	(127)	-	-	-	(127)
	-	(288)	2 738	442	(5)	2 887
Net (expenses)/income from reinsurance contracts held	(3 564)	(288)	2 738	442	(5)	(677)
Finance income from reinsurance contracts held	165	169	75	228	5	642
Total changes in the income statement	(3 399)	(119)	2 813	670	-	(35)
Net balance as at 30 June	425	1 687	1 662	1 997	39	5 810
Closing reinsurance contract assets	487	1 674	1 657	1 997	39	5 854
Closing reinsurance contract liabilities	(62)	13	5	-	-	(44)
Net balance as at 30 June	425	1 687	1 662	1 997	39	5 810

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 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	
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 income statement						
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 income statement	(3 314)	34	2 934	634	5	293
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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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

10.1.2.1 General measurement model

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		
2025				
Opening reinsurance contract assets	469	1 792	1 596	3 857
Opening reinsurance contract liabilities	(55)	14	8	(33)
Net balance as at 1 July	414	1 806	1 604	3 824
Cash flows				
Reinsurance premiums paid	3 015	-	-	3 015
Reinsurance recoveries received	-	-	(2 755)	(2 755)
Total cash flows	3 015	-	(2 755)	260
Changes in the income statement				
Allocation of reinsurance premiums				
Contracts under the fair value approach	(264)	-	-	(264)
Other contracts	(2 530)	-	-	(2 530)
	(2 794)	-	-	(2 794)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	(161)	2 482	2 321
Changes that relate to past service – adjustments to the AIC	-	-	256	256
Changes in the loss-recovery component	-	(127)	-	(127)
	-	(288)	2 738	2 450
Net (expenses)/income from reinsurance contracts held	(2 794)	(288)	2 738	(344)
Finance income from reinsurance contracts held	165	169	75	409
Total changes in the income statement	(2 629)	(119)	2 813	65
Net balance as at 30 June	800	1 687	1 662	4 149
Closing reinsurance contract assets	862	1 674	1 657	4 193
Closing reinsurance contract liabilities	(62)	13	5	(44)
Net balance as at 30 June	800	1 687	1 662	4 149

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 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		
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 income statement				
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 (expenses)/income from reinsurance contracts held	43	171	61	275
Total changes in the income statement	(2 469)	34	2 934	499
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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 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		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	
2025					
Opening reinsurance contract assets	(307)	-	1 812	39	1 544
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance as at 1 July	(307)	-	1 812	39	1 544
Cash flows					
Reinsurance premiums paid	702	-	-	-	702
Reinsurance recoveries received	-	-	(485)	-	(485)
Total cash flows	702	-	(485)	-	217
Changes in the income statement					
Allocation of reinsurance premiums					
Other contracts	(770)	-	-	-	(770)
Amounts recoverable from reinsurers for incurred claims	(770)	-	-	-	(770)
Amounts recoverable for incurred claims and other expenses	-	-	765	9	774
Changes that relate to past service – adjustments to the AIC	-	-	(323)	(14)	(337)
Changes in the loss-recovery component	-	-	-	-	-
	-	-	442	(5)	437
Net (expenses)/income from reinsurance contracts held	(770)	-	442	(5)	(333)
Finance income from reinsurance contracts held	-	-	228	5	233
Total changes in the income statement	(770)	-	670	-	(100)
Net balance as at 30 June	(375)	-	1 997	39	1 661
Closing reinsurance contract assets	(375)	-	1 997	39	1 661
Closing reinsurance contract liabilities	-	-	-	-	-
Net balance as at 30 June	(375)	-	1 997	39	1 661

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** 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		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	
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 income statement					
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 income statement	(845)	-	634	5	(206)
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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

10 Reinsurance contracts continued

10.2 Reconciliation of the measurement components of reinsurance contract balances

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

10.2.1 Total

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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening reinsurance contract assets	4 856	510	128	(1 637)	3 857
Opening reinsurance contract liabilities	(36)	17	9	(23)	(33)
Net balance as at 1 July	4 820	527	137	(1 660)	3 824
Cash flows					
Reinsurance premiums paid	3 015	-	-	-	3 015
Reinsurance recoveries received	(2 755)	-	-	-	(2 755)
Total cash flows	260	-	-	-	260
Changes in the income statement					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	-	-	(22)	174	152
Change in the risk adjustment for non-financial risk for the risk expired	-	(49)	-	-	(49)
Experience adjustments	(578)	2	-	-	(576)
	(578)	(47)	(22)	174	(473)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(398)	(31)	(37)	466	-
Changes in estimates that do not adjust the CSM	(94)	3	-	-	(91)
Contracts initially recognised in the period	50	14	-	(64)	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	56	56
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(92)	(92)
	(442)	(14)	(37)	366	(127)
Changes that relate to past service					
Changes that relate to past service - adjustments to the AIC	258	(2)	-	-	256
	258	(2)	-	-	256
Net income/(expenses) from reinsurance contracts held	(762)	(63)	(59)	540	(344)
Finance income/(expenses) from reinsurance contracts held	467	101	14	(173)	409
Total changes in the income statement	(295)	38	(45)	367	65
Net balance as at 30 June	4 785	565	92	(1 293)	4 149
Closing reinsurance contract assets	4 825	548	88	(1 268)	4 193
Closing reinsurance contract liabilities	(40)	17	4	(25)	(44)
Net balance as at 30 June	4 785	565	92	(1 293)	4 149

10 Reinsurance contracts continued**10.2 Reconciliation of the measurement components of reinsurance contract balances continued****10.2.1 Total 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
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 income statement					
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 income statement	721	38	(51)	(209)	499
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

10.2.2 Measurement models**10.2.2.1 General measurement model**

The reconciliation of the measurement components of reinsurance contract balances only applies to contracts measured under the GMM. The current year and prior year GMM reconciliations are therefore the same as the Total reconciliations presented in note 10.2.1.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

10 Reinsurance contracts continued

10.2 Reconciliation of the measurement components of reinsurance contract balances continued

10.2.3 Segments

10.2.3.1 Momentum Retail

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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening reinsurance contract assets	4 765	517	119	(1 602)	3 799
Opening reinsurance contract liabilities	(23)	5	9	-	(9)
Net balance as at 1 July	4 742	522	128	(1 602)	3 790
Cash flows					
Reinsurance premiums paid	2 960	-	-	-	2 960
Reinsurance recoveries received	(2 715)	-	-	-	(2 715)
Total cash flows	245	-	-	-	245
Changes in the income statement					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	-	-	(22)	163	141
Change in the risk adjustment for non-financial risk for the risk expired	-	(50)	-	-	(50)
Experience adjustments	(541)	2	-	-	(539)
	(541)	(48)	(22)	163	(448)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(397)	(30)	(41)	468	-
Changes in estimates that do not adjust the CSM	(91)	2	-	-	(89)
Contracts initially recognised in the period	33	16	-	(49)	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	51	51
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(90)	(90)
	(455)	(12)	(41)	380	(128)
Changes that relate to past service					
Changes that relate to past service – adjustments to the AIC	259	(2)	-	-	257
	259	(2)	-	-	257
Net income/(expenses) from reinsurance contracts held	(737)	(62)	(63)	543	(319)
Finance (expenses)/income from reinsurance contracts held	456	100	14	(167)	403
Total changes in the income statement	(281)	38	(49)	376	84
Net balance as at 30 June	4 706	560	79	(1 226)	4 119
Closing reinsurance contract assets	4 727	556	76	(1 226)	4 133
Closing reinsurance contract liabilities	(21)	4	3	-	(14)
Net balance as at 30 June	4 706	560	79	(1 226)	4 119

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
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 income statement					
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 (expenses)/income from reinsurance contracts held	339	66	15	(145)	275
Total changes in the income statement	707	40	(56)	(203)	488
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 2025

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening reinsurance contract assets	85	(7)	9	(35)	52
Opening reinsurance contract liabilities	(13)	12	-	(23)	(24)
Net balance as at 1 July	72	5	9	(58)	28
Cash flows					
Reinsurance premiums paid	44	-	-	-	44
Reinsurance recoveries received	(38)	-	-	-	(38)
Total cash flows	6	-	-	-	6
Changes in the income statement					
Changes that relate to current service					
CSM recognised in profit or loss for the services received	-	-	-	11	11
Change in the risk adjustment for non-financial risk for the risk expired	-	1	-	-	1
Experience adjustments	(22)	-	-	-	(22)
	(22)	1	-	11	(10)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(1)	(1)	4	(2)	-
Changes in estimates that do not adjust the CSM	(3)	1	-	-	(2)
Contracts initially recognised in the period	17	(2)	-	(15)	-
Recognition of loss-recovery component from onerous underlying contracts	-	-	-	5	5
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(2)	(2)
	13	(2)	4	(14)	1
Changes that relate to past service					
Changes that relate to past service – adjustments to the AIC	-	-	-	-	-
	-	-	-	-	-
Net (expenses)/income from reinsurance contracts held	(9)	(1)	4	(3)	(9)
Finance income/(expenses) from reinsurance contracts held	11	1	-	(6)	6
Total changes in the income statement	2	-	4	(9)	(3)
Net balance as at 30 June	80	5	13	(67)	31
Closing reinsurance contract assets	98	(9)	13	(42)	60
Closing reinsurance contract liabilities	(18)	14	-	(25)	(29)
Net balance as at 30 June	80	5	13	(67)	31

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
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 income statement					
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 (expenses)/income from reinsurance contracts held	16	(3)	4	-	17
Finance income/(expenses) from reinsurance contracts held	4	1	1	(6)	-
Total changes in the income statement	20	(2)	5	(6)	17
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 2025

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
2025					
Opening reinsurance contract assets	6	-	-	-	6
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance as at 1 July	6	-	-	-	6
Cash flows					
Reinsurance premiums paid	11	-	-	-	11
Reinsurance recoveries received	(2)	-	-	-	(2)
Total cash flows	9	-	-	-	9
Changes in the income statement					
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	(15)	-	-	-	(15)
	(15)	-	-	-	(15)
Changes that relate to future service					
Changes in estimates that adjust the CSM	-	-	-	-	-
Changes in estimates that do not adjust the CSM	-	-	-	-	-
Contracts initially recognised in the 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	(1)	-	-	-	(1)
	(1)	-	-	-	(1)
Net expenses from reinsurance contracts held	(16)	-	-	-	(16)
Finance (expenses)/income from reinsurance contracts held	-	-	-	-	-
Total changes in the income statement	(16)	-	-	-	(16)
Net balance as at 30 June	(1)	-	-	-	(1)
Closing reinsurance contract assets	-	-	-	-	-
Closing reinsurance contract liabilities	(1)	-	-	-	(1)
Net balance as at 30 June	(1)	-	-	-	(1)

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 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		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
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 income statement					
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 income statement	(6)	-	-	-	(6)
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 2025

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. These tables only apply to contracts measured under the GMM.

10.3.1 Total

Impact of contracts recognised in the year for reinsurance contracts held	2025			2024		
	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm
Estimates of the present value of future cash inflows	915	303	1 218	807	403	1 210
Estimates of the present value of future cash outflows	(889)	(279)	(1 168)	(757)	(366)	(1 123)
Risk adjustment for non-financial risk	11	3	14	7	4	11
Contractual service margin	(37)	(27)	(64)	(57)	(41)	(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.

10.3.2 Measurement models

10.3.2.1 General measurement model

The disclosure for the impact of contracts recognised in the year for reinsurance contracts held only applies to contracts measured under the GMM. The current year and prior year GMM tables are therefore the same as the Total tables presented in note 10.3.1.

10.3.3 Segments

10.3.3.1 Momentum Retail

Impact of contracts recognised in the year for reinsurance contracts held	2025			2024		
	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm
Estimates of the present value of future cash inflows	879	303	1 182	770	403	1 173
Estimates of the present value of future cash outflows	(870)	(279)	(1 149)	(739)	(366)	(1 105)
Risk adjustment for non-financial risk	13	3	16	10	4	14
Contractual service margin	(22)	(27)	(49)	(41)	(41)	(82)
Income recognised on initial recognition	-	-	-	-	-	-

10.3.3.2 Metropolitan Life

Estimates of the present value of future cash inflows	36	-	36	37	-	37
Estimates of the present value of future cash outflows	(19)	-	(19)	(18)	-	(18)
Risk adjustment for non-financial risk	(2)	-	(2)	(3)	-	(3)
Contractual service margin	(15)	-	(15)	(16)	-	(16)
Income recognised on initial recognition	-	-	-	-	-	-

10 Reinsurance contracts continued

10.4 CSM recognition analysis

An analysis of the expected recognition of the CSM for reinsurance contracts held 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
2025										
General measurement model	(137)	(123)	(109)	(97)	(86)	(311)	(170)	(87)	(81)	(1 201)
	(137)	(123)	(109)	(97)	(86)	(311)	(170)	(87)	(81)	(1 201)
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)

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		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
11.1 Investment contract liabilities designated at fair value through profit and loss	444 908	383 566	442 161	380 960
Total investment contract liability	444 908	383 566	442 161	380 960
<i>Movement in investment contracts designated at fair value through profit and loss</i>				
11.1 Investment contract liabilities designated at fair value through profit and loss				
Balance at beginning	383 566	340 943	380 960	338 451
Contract holder movements	61 416	42 712	61 201	42 509
Deposits received	55 913	60 294	55 708	60 095
Contract benefit payments	(48 793)	(49 189)	(48 663)	(48 993)
Fees on investment contracts	(4 089)	(3 546)	(4 089)	(3 545)
Fair value adjustment to policyholder liabilities under investment contracts	58 536	35 274	58 370	35 048
Other	(151)	(121)	(125)	(96)
Exchange differences	(74)	(89)	-	-
Balance at end	444 908	383 566	442 161	380 960
Current	442 852	381 780	440 105	379 177
Non-current	2 056	1 786	2 056	1 783
	444 908	383 566	442 161	380 960

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 2025

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 receiving insurance coverage under reinsurance contracts and a risk adjustment for non-financial risk.

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

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

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

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

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

Key assumptions:

Mortality, morbidity and persistency assumptions

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

Attributable expenses

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

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

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

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

Investment return and inflation rate assumptions

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

12 Contract holder liabilities – judgements, assumptions and estimates continued

Investment return and inflation rate assumptions continued

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

Risk-free spot rates – nominal:

%		1 year	5 year	10 year	20 year
South Africa	30 June 2025	7.25	8.96	10.91	12.98
	30 June 2024	8.28	10.25	12.25	13.74

Risk-free spot rates – real:

%		1 year	5 year	10 year	20 year
South Africa	30 June 2025	3.58	4.66	5.04	5.38
	30 June 2024	3.81	4.62	5.07	5.48

The Group uses judgement in determining the CPI inflation rate assumptions used to project future renewal expenses over the planning horizon (three years). The assumptions are based on management's assessment of likely inflationary pressures given current business planning activities. As at 30 June 2025, the assumed CPI inflation rate over the three-year planning horizon was 5.0% p.a. (2024: 5.5% 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. Additions to the assumed CPI inflation rates are allowed for some products to reflect the impact of closed books that are in run-off. Additions to assumed CPI inflation rates, in order to derive assumed salary and medical cost inflation rates, are derived from internal and external data.

The Group applies judgement in assessing whether estimated inflation rates expose the Group to financial risks, non-financial risks or both. Changes in CPI inflation rate estimates are considered to be financial risks and the impacts are accounted for in insurance finance income or expenses (general measurement model) and the 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 portfolios) 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	2025	2024
Non-profit annuity business – retail	0.35%	0.35%
Non-profit annuity business – corporate	0.50%	0.50%

Future bonuses

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

12 Contract holder liabilities – judgements, assumptions and estimates continued

Extrapolation of yield curve

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

Investment guarantees

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

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

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

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

The following instruments have been valued by the model:

Instrument	2025		2024	
	Price (% of nominal)	Volatility	Price (% of nominal)	Volatility
A 1-year at-the-money (spot) put on the FTSE/JSE Top 40 index	4.8%	18.0%	4.9%	18.3%
A 1-year put on the FTSE/JSE Top 40 index, with a strike price equal to 0.8 (2024: 0.8) of spot	0.8%	21.0%	0.9%	21.7%
A 1-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 1.048 (2024: 1.0477)	6.8%	17.5%	6.8%	17.6%
A 5-year at-the-money (spot) put on the FTSE/JSE Top 40 index	4.0%	18.2%	3.4%	19.0%
A 5-year put on the FTSE/JSE Top 40 index, with a strike price equal to $(1.04)^5$ (2024: $(1.04)^5$) of spot	8.5%	17.0%	7.4%	18.3%
A 5-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 1.3624 (2024: 1.4412)	13.0%	16.5%	13.9%	17.7%
A 20-year at-the-money (spot) put on the FTSE/JSE Top 40 index	0.2%	22.7%	0.2%	23.8%
A 20-year put on the FTSE/JSE Top 40 index, with a strike price equal to $(1.04)^{20}$ (2024: $(1.04)^{20}$) of spot	1.9%	22.6%	1.5%	23.8%
A 20-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 7.0631 (2024: 8.4612)	24.2%	22.9%	26.1%	24.1%
A 5-year put with a strike price equal to $(1.04)^5$ (2024: $(1.04)^5$) of spot, on an underlying index constructed as 60% FTSE/JSE Top 40 and 40% ALBI, with rebalancing of the underlying index back to these weights taking place annually	3.2%	10.8%	2.4%	11.6%
A 20-year put option on an interest rate with a strike equal to the present 5-year forward rate as at maturity of the put option which pays out if the 5 year interest rate at the time of maturity (in 20 years) is lower than this strike price	0.2%	n/a	0.2%	n/a

Tax

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

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.

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 re-assesses 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 reuses a single dataset to create many simulated samples. The application of the bootstrapping method will consider the confidence level set for the Group and a Log Normal distribution. Only non-financial risks are included in the risk adjustment. Risk types included in the risk adjustment are lapse risk, mortality risk, morbidity risk, longevity risk, termination risk, alteration risk and expense risk.

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

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

Cash-back benefit

The cash-back benefit feature is an optional benefit that can be selected by the policyholder at an additional premium. The payment of the cash-back benefit 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, while premium variances on insurance contracts with a coverage period of 12 months or less relate to current or past insurance contract services.

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

12 Contract holder liabilities – judgements, assumptions and estimates continued

Intercompany fees

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

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

Investment contracts with discretionary participation features

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

Investors earn investment returns on contributions made. If the timing or amount of investment returns payable to investors is at the discretion of the Group, the investment contracts or investment fund rules contain discretionary participation features. The Group applies judgement in assessing whether discretionary participation features have a significant impact on the timing and amount of investment returns payable to investors, in which case the contracts are accounted for under IFRS 17.

The bonus formulae may limit the practical ability of the Group to apply discretion over the timing and amount of investment returns payable to investors. Similarly, the underlying asset mandate might limit the volatility of returns observed and therefore also limit the extent of discretion applied over the timing and amount of investment returns payable. In these cases the discretionary participation feature would be assessed as not being significant and these contracts would be accounted for under IFRS 9.

Insurance contracts with direct participation features

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

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).

Coverage units

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

Insurance contracts		Reinsurance contracts
Type of insurance contract	Type of coverage unit	
Annuities	Annuity payments	Annuity payments, sum at risk
Long-term savings products	Fund value, sum assured	Sum assured
Protection products	Fund value, sum assured	Sum assured
Traditional products	Fund value, sum assured	Sum assured, sum at risk

Basis and other changes

Assumptions and methodologies used in the estimation of fulfilment cash flows are reviewed at the reporting date and the impacts of any resulting changes on the estimates of future cash flows and the risk adjustment are reflected in profit or loss or included in the CSM according to the nature of the underlying contracts and the change made.

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	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
13.1 Financial liabilities at fair value through profit and loss	66 820	59 353	23 167	21 414
13.2 Financial liabilities at amortised cost	1 204	1 247	61	89
13.3 Other payables (excluding deferred revenue liability)	9 409	9 031	7 805	7 573
	77 433	69 631	31 033	29 076
13.1 Financial liabilities at fair value through profit and loss				
Collective investment scheme liabilities	41 213	36 182	-	-
Subordinated call notes	4 382	4 324	4 382	4 324
Carry positions	18 954	15 714	17 322	14 382
Derivative financial liabilities (refer to note 6.1)	1 531	2 746	1 463	2 708
Preference shares	426	377	-	-
Other borrowings	314	10	-	-
	66 820	59 353	23 167	21 414
Current	59 000	51 283	17 641	15 258
Non-current	7 820	8 070	5 526	6 156
	66 820	59 353	23 167	21 414

- The change in the fair value of financial liabilities designated at fair value through profit and loss due to own credit risk amounted to a gain of R18 million (2024: a loss of R29 million), cumulatively the movement in fair value amounts to R65 million (2024: R83 million). This was calculated by measuring the daily changes in the instrument's credit spreads against the equivalent risk-free assets and then accumulating the impact of the changes in the market value for the period. The contractual amount to pay at maturity on the subordinated call notes is R4 270 million for both current and prior year.
- 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 R70 million (2024: R19 million fair value gain) was recognised in profit or loss. During the current year, R18 million fair value gain (2024: R29 million fair value loss) was recognised on the subordinated call notes which has been accounted for in other comprehensive income. The fair value loss was offset by other market factors. Refer to note 35 for more detail. (*fair value interest rate risk*)
- Carry positions (secured) – this relates to a carry position reported by the Group that represents a sale and repurchase of assets in specific group annuity portfolios. These carry positions are secured by government stock with a value of R23 690 million (2024: R15 915 million). Offsetting has not been applied. (*fair value interest rate risk*)
The legal ownership of the securities in respect of the above transactions is transferred to the counterparty. However, the Group retains a contractual obligation to repurchase the securities at a future date. These transactions are subject to margin requirements, which are governed by the Global Master Repurchase Agreement (GMRA). Margining is triggered when the exposure exceeds a predefined threshold.
- 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
- 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 llanga which is a subsidiary of Amandla Renewable Energy Fund (Pty) Ltd, an asset holding entity. These preference shares are measured at fair value in order to eliminate an accounting mismatch. The contractual capital amount required to be paid as at 30 June 2025 amounts to R302 million (2024: R302 million). There is no recourse to the Group in case of default on these preference shares. (cash flow interest rate risk) The senior preference shares were used by Amandla llanga 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 llanga breached its financial covenants in respect of the senior preference shares, which have not yet been remedied. The preference shares have a carrying value of R406 million (2024: R358 million). The holder of the senior preference shares has the ability to agree a timeframe with Amandla llanga within which Amandla llanga is required to remedy the breaches. Additional rights for the holder may then arise should Amandla llanga 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 llanga (RF) (Pty) Ltd. The security has subsequently been ceded to the holder of the senior preference shares issued by the special purpose vehicle as part of initially securing the senior funding. The material terms of the security cession include that the bare dominium in respect of the asset remains with the cedent and the cessionary only receives the right to sell the security upon default as well as only to the extent that value is owed by the cedent in terms of the cession agreement. The fair value of the security ceded is R704 million (2024: R662 million).
- Included in the Other borrowings of R314 million are bonds of R272 million which are exposed to fair value Interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

13 Financial liabilities continued

	Group		Company	
	2025 Rm	Restated 2024 Rm	2025 Rm	2024 Rm
13.2 Financial liabilities at amortised cost				
Term loans	1 112	1 125	-	-
Lease liabilities	92	119	61	89
Other	-	3	-	-
	1 204	1 247	61	89
Current ¹	490	528	24	5
Non-current ¹	714	719	37	84
	1 204	1 247	61	89

¹ During the prior year, current and non-current were incorrectly split. June 2024 has been restated accordingly.

13.2.1 Term loans

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

- A R223 million (2024: R199 million) loan from FirstRand Bank Ltd in order to develop property held by a subsidiary, 102 Rivonia Road (Pty) Ltd. Interest on the loan is levied at 11.17%. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(no interest rate risk)*
- A R126 million (2024: R137 million) loan from Standard Bank Ltd relates to developed property held by a subsidiary, Momentum Umhlanga (Pty) Ltd. Interest on the loan is levied at three-month Johannesburg Interbank Average Rate (JIBAR) plus 1.75%. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(cash flow interest rate risk)*
- A R368 million (2024: R414 million) loan from Standard Bank Ltd relates to developed property held by a subsidiary, 129 Rivonia Road (Pty) Ltd. Interest on the loan is levied at three-month Johannesburg Interbank Average Rate (JIBAR) plus 1.85%. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(cash flow interest rate risk)*
- A R119 million (2024: R130 million) loan from Rand Merchant Bank to fund the acquisition of Seneca Investment Managers Ltd by MGIM (100% held subsidiary of MGL). Interest on the loan is levied at a fixed rate 6.31%. The loan is secured by MGIM and there is no recourse to the Group in case of default. *(no interest rate risk)*
- A R62 million (2024: R71 million) loan from Nedbank Ltd relates to a developed property held by a subsidiary, Taung Mall (Pty) Ltd. Interest on the loan is levied at a variable rate equal to 0.75% below prime rate. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(cash flow interest rate risk)*
- A R149 million (2024: R152 million) loan from Absa Bank in order to develop property held by a subsidiary, 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	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
13.2.2 Lease liabilities				
Carrying amount at beginning	119	120	89	235
New leases entered into	42	69	30	59
Accrued interest on leases	8	8	7	7
Interest paid on leases	(7)	(6)	(7)	(7)
Payment of principal portion of lease liability	(70)	(73)	(57)	(60)
Modifications	(1)	2	(1)	(145)
Exchange differences	1	(1)	-	-
Carrying amount at end	92	119	61	89

13 Financial liabilities continued

	Group		Company	
	2025 Rm	Restated 2024 Rm	2025 Rm	Restated 2024 Rm
13.3 Other payables				
Payables arising from investment contracts ²	4 042	3 488	4 042	3 488
Loans due to subsidiaries and fellow MGL subsidiaries	100	167	154	210
Financial instruments	5 267	5 376	3 609	3 875
Unsettled trades	1 700	1 059	961	740
Commission creditors	686	528	685	527
Bank overdraft	86	131	-	-
Collateral	554	1 175	554	1 175
Other payables ^{1,2}	2 241	2 483	1 409	1 433
Total included in financial liabilities	9 409	9 031	7 805	7 573
Deferred revenue liability	313	272	304	261
Total other payables	9 722	9 303	8 109	7 834
Current	9 224	8 919	7 675	7 502
Non-current	498	384	434	332
	9 722	9 303	8 109	7 834
Reconciliation of deferred revenue liability				
Balance at beginning of year	272	238	261	226
Deferred income relating to new business	127	100	126	96
Amount recognised in income statement ³	(86)	(66)	(83)	(61)
Balance at end of year	313	272	304	261
Current	102	87	94	77
Non-current	211	185	210	184
1 to 5 years	153	133	152	132
5 to 10 years	53	47	53	47
> 10 years	5	5	5	5
	313	272	304	261

¹ Other payables include expense accruals and other sundry liabilities.

² Payables arising from investment contracts of R846 million were incorrectly classified as Other payables in the prior year. June 2024 has been restated accordingly.

³ Materially all fees recognised in the current year, were included in the opening balance.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

13 Financial liabilities continued

Group	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
Financial liabilities summarised by measurement category in terms of IFRS 9						
13.4 Financial liabilities measurement 2025						
Investment contracts designated at fair value through profit and loss	-	444 908	444 908	-	-	444 908
Collective investment scheme liabilities	-	41 213	41 213	-	-	41 213
Subordinated call notes	-	4 382	4 382	-	-	4 382
Carry positions	-	18 954	18 954	-	-	18 954
Derivative financial liabilities	1 531	-	1 531	-	-	1 531
Preference shares	-	426	426	-	-	426
Other borrowings	314	-	314	-	-	314
Financial liabilities at amortised cost	-	-	-	1 112	92	1 204
Other payables (excluding deferred revenue liability)	-	4 042	4 042	5 367	-	9 409
Total financial liabilities	1 845	513 925	515 770	6 479	92	522 341
Restated 2024¹						
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)	-	3 488	3 488	5 543	-	9 031
Total financial liabilities	2 756	443 651	446 407	6 671	119	453 197
Company						
Financial liabilities summarised by measurement category in terms of IFRS 9						
2025						
Investment contracts designated at fair value through profit and loss	-	442 161	442 161	-	-	442 161
Subordinated call notes	-	4 382	4 382	-	-	4 382
Carry positions	-	17 322	17 322	-	-	17 322
Derivative financial liabilities	1 463	-	1 463	-	-	1 463
Financial liabilities at amortised cost	-	-	-	-	61	61
Other payables (excluding deferred revenue liability)	-	4 042	4 042	3 763	-	7 805
Total financial liabilities	1 463	467 907	469 370	3 763	61	473 194
Restated 2024¹						
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)	-	3 488	3 488	4 085	-	7 573
Total financial liabilities	2 708	403 154	405 862	4 085	89	410 036

¹ Upon further investigation, it was determined that Payables arising from investment contracts should be disclosed as designated at fair value through profit and loss and not at amortised cost. June 2024 has been restated accordingly. The values remain unchanged and have not been restated.

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
2025				
Investment contracts designated at fair value through profit and loss	-	444 904	4	444 908
Payables arising from investment contracts	-	4 042	-	4 042
Financial liabilities at fair value through profit and loss	41 538	24 837	445	66 820
Collective investment scheme liabilities	41 200	-	13	41 213
Subordinated call notes	-	4 382	-	4 382
Carry positions	-	18 954	-	18 954
Derivative financial liabilities – held for trading	27	1 501	3	1 531
Preference shares	-	-	426	426
Other borrowings	311	-	3	314
	41 538	473 783	449	515 770
Restated 2024¹				
Investment contracts designated at fair value through profit and loss	-	383 555	11	383 566
Payables arising from investment contracts	-	3 488	-	3 488
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	409 802	403	446 407
Company	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2025				
Investment contracts designated at fair value through profit and loss	-	442 157	4	442 161
Payables arising from investment contracts	-	4 042	-	4 042
Financial liabilities at fair value through profit and loss	-	23 167	-	23 167
Subordinated call notes	-	4 382	-	4 382
Carry positions	-	17 322	-	17 322
Derivative financial liabilities – held for trading	-	1 463	-	1 463
	-	469 366	4	469 370
Restated 2024¹				
Investment contracts designated at fair value through profit and loss	-	380 949	11	380 960
Payables arising from investment contracts	-	3 488	-	3 488
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
	-	405 851	11	405 862

¹ Refer to note 13.4 for more details regarding the restatement.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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	Derivative financial liabilities - held for trading	Collective investment scheme liabilities Rm	Preference shares Rm	Other borrowings Rm	Total Rm
2025						
Opening balance	11	-	12	377	3	403
Realised losses	1	-	-	-	-	1
Unrealised gain	(2)	-	1	49	-	48
Total losses in other comprehensive income	-	-	-	-	-	-
Issues	-	3	-	-	-	3
Contract holder movements						
Benefits paid	(6)	-	-	-	-	(6)
Investment return	-	-	-	-	-	-
Closing balance	4	3	13	426	3	449
2024						
Opening balance	11		16	310	18	355
Unrealised gain	-		(4)	67	-	63
Total losses in other comprehensive income	-		-	-	-	-
Issues	-		-	-	3	3
Sales	-		-	-	-	-
Settlements	-		-	-	(18)	(18)
Closing balance	11		12	377	3	403

Sensitivity: Increasing/decreasing the discount rate by 1% would increase/decrease the carrying amount of level 3 preference shares by R3 million and R2 million (2024: 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.

Company	Investment contracts designated at fair value through profit and loss	
	2025 Rm	2024 Rm
Opening Balance	11	11
Total losses/(gains) in net realised and unrealised fair value gains in the income statement		
Realised losses	1	-
Unrealised gain/(losses)	(2)	-
Contract holder movements	-	-
Benefits paid	(6)	-
Closing Balance	4	11

Sensitivity: Increasing/decreasing the investment return by 10% would decrease/increase the carrying amount of level 3 financial instrument liabilities by R0.4 million and R0.4 million (2024: 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.

13 Financial liabilities continued

13.5 Financial liabilities hierarchy continued

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	2025		Restated 2024 ¹	
	Carrying amount Rm	Fair value Rm	Carrying amount Rm	Fair value Rm
Financial liabilities at amortised cost				
Term loans and other	1 112	1 017	1 128	1 066
Other payables (excluding deferred revenue liability and payables arising from investment contracts)				
Other	5 367	5 367	5 543	5 543
	6 479	6 384	6 671	6 609

Company	2025		Restated 2024 ¹	
	Carrying amount Rm	Fair value Rm	Carrying amount Rm	Fair value Rm
Other payables (excluding deferred revenue liability and payables arising from investment contracts)				
Other	3 763	3 763	4 085	4 085
	3 763	3 763	4 085	4 085

¹ Refer to note 13.4 for more details regarding the restatement.

Calculation of fair value

- For other payables, 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 and variable interest rates, except for a loan included with a capital balance of R265 million (2024: R265 million) which has a level 3 fair value of R170 million (2024: R203 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 (2024: 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

14 Deferred income tax

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

	Group		Company	
	2025 Rm	Restated 2024 Rm	2025 Rm	2024 Rm
Deferred tax asset	185	178	-	-
Deferred tax liability	(2 495)	(2 395)	(2 184)	(2 106)
	(2 310)	(2 217)	(2 184)	(2 106)
<i>Deferred tax is made up as follows:</i>				
Accruals and provisions	(31)	(46)	(67)	(67)
Accelerated wear and tear	(108)	(100)	-	-
Revaluations	(1 434)	(1 150)	(1 234)	(969)
Properties	(225)	(204)	(24)	(20)
Financial instruments	(972)	(750)	(973)	(754)
Other	(237)	(196)	(237)	(195)
Deferred tax on intangible assets as a result of business combinations	(153)	(182)	(136)	(163)
Deferred revenue liability	(2)	(1)	-	-
Tax losses	195	166	4	5
Phase-in ¹	(693)	(865)	(693)	(865)
Deferred acquisition costs	(12)	(12)	-	-
Prepayments	(14)	16	-	-
Other	(58)	(43)	(58)	(47)
	(2 310)	(2 217)	(2 184)	(2 106)
<i>Movement in deferred tax</i>				
Balance at beginning	(2 217)	(2 364)	(2 106)	(2 263)
Charge to the income statement	(93)	168	(78)	83
Accruals and provisions	15	(2)	-	(1)
Accelerated wear and tear	(8)	(8)	-	-
Revaluations	(284)	(200)	(265)	(227)
Properties	(21)	13	(4)	(11)
Financial instruments	(222)	(170)	(219)	(174)
Other	(41)	(43)	(42)	(42)
Deferred tax movement on intangible assets as a result of past business combinations	29	38	27	23
Deferred revenue liability	(1)	(2)	-	-
Tax losses	29	60	(1)	-
Phase-in ¹	172	301	172	301
Deferred acquisition costs	-	4	-	-
Prepayments	(30)	(30)	-	(40)
Other	(15)	7	(11)	27
Charge to other comprehensive income	(4)	(21)	-	74
Other	3	-	-	-
Exchange differences	1	-	-	-
Balance at end	(2 310)	(2 217)	(2 184)	(2 106)
Unused tax losses for which no deferred tax asset has been recognised ²	1 268	1 259	-	-
Potential tax benefit ²	342	340	-	-

¹ The phase-in relates to the systematic release of the deferred tax raised due to the transitional changes to the insurance liability as a result of the implementation of IFRS 17 - Insurance Contracts.

² In the prior year, the potential tax benefit amount was incorrectly presented as unused tax losses for which no deferred tax asset has been recognised. June 2024 has been restated accordingly.

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.

Based on approved budgets prepared by management of these subsidiaries, the Group considers it probable that the deferred tax asset will be used against future taxable profits. The deferred tax assets on losses are calculated after considering the assessed loss utilisation limitation of 80%. The limitation effectively defers the utilisation of the assessed loss to future periods.

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 R518 million (2024: R517 million) relating to the unremitted earnings of international subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. Deferred tax not raised in respect of associates and joint ventures is not considered to be material.

Critical accounting estimates and judgements

The Group is subject to direct taxation in a number of jurisdictions. There may be transactions and calculations where the ultimate taxation determination has an element of uncertainty during the ordinary course of business. The Group recognises liabilities based on objective estimates of the amount of taxation that may be due. Where the final taxation determination is different from the amounts that were initially recorded, such difference will impact earnings in the period in which such determination is made. Deferred tax assets are raised based on forecasts that are annually updated.

15 Employee benefit obligations and assets

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
15.1 Post-retirement medical benefits	48	54	48	54
15.2 Cash-settled arrangements	930	585	813	515
15.3 Employee benefit assets²	(467)	(429)	(467)	(429)
Other employee benefit obligations¹	1 131	828	1 004	739
Net employee benefit	1 642	1 038	1 398	879
Current ²	1 241	1 169	999	1 011
Non-current ²	401	(131)	399	(132)
	1 642	1 038	1 398	879

¹ Group: Other employee benefit obligations relate to leave pay liability of R249 million (2024: R256 million) and staff and management bonuses of R882 million (2024: R571 million).

Company: Other employee benefit obligations relate to leave pay liability of R229 million (2024: R235 million) and staff and management bonuses of R774 million (2024: R504 million).

² The total balance disclosed has been updated to reflect the net employee benefit of assets and liabilities for the current year, with the prior year restated. In the prior year, the employee benefit asset and liability within this note was disclosed on an absolute basis.

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
15.1 Post-retirement medical benefits				
Balance at beginning – unfunded	54	72	54	71
Current service costs	1	1	1	1
Interest expense	6	8	6	8
Actuarial gains – other comprehensive income	(5)	(17)	(5)	(17)
Settlements	(1)	(2)	(1)	(2)
Benefits paid and transferred	(7)	(8)	(7)	(7)
Balance at end – unfunded	48	54	48	54
Current	5	6	5	6
Non-current	43	48	43	48
	48	54	48	54

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

15 Employee benefit obligations and assets continued

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
15.2 Cash-settled arrangements				
Retention and remuneration schemes				
Balance at beginning	585	316	515	278
Additional provisions ¹	778	480	687	414
Benefits paid	(435)	(210)	(389)	(177)
Exchange differences	2	(1)	-	-
Balance at end	930	585	813	515
Current	522	306	457	265
Non-current	408	279	356	250
	930	585	813	515

¹ The significant increase in the current year is attributable to increases in the share price in the current year and overall higher performance vesting probabilities.

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).

15 Employee benefit obligations and assets continued**15.2 Cash-settled arrangements** continued**Share schemes** continued

Group	LTIP			SAR	
	Performance units '000	Retention units '000	Deferred bonus units '000	Performance units '000	Retention units '000
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 1 July 2024	32 177	-	19 784	-	368
Units granted during year	8 266	-	7 315	-	-
Units converted to retention units	-	-	-	-	-
Units transferred to other Group companies during year	(994)	-	(177)	-	-
Units exercised/released during year	(6 426)	-	(9 440)	-	(368)
Units cancelled/lapsed during year	(382)	-	(619)	-	-
Units in force at 30 June 2025	32 641	-	16 863	-	-

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

	LTIP			SAR	
	Performance units '000	Retention units '000	Deferred bonus units '000	Performance units '000	Retention units '000
2025					
Financial year 2025/2026	7 716	-	9 401	-	-
Financial year 2026/2027	8 797	-	5 342	-	-
Financial year 2027/2028	8 718	-	2 120	-	-
Financial year 2028/2029	5 207	-	-	-	-
Financial year 2029/2030	2 203	-	-	-	-
Total outstanding shares	32 641	-	16 863	-	-
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 2028/2029	3 028	-	-	-	-
Total outstanding shares	32 177	-	19 784	-	368

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

15 Employee benefit obligations and assets continued

15.2 Cash-settled arrangements continued

Share schemes continued

Company	LTIP			SAR	
	Performance units '000	Retention units '000	Deferred bonus units '000	Performance units '000	Retention units '000
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 to 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 1 July 2024	28 982	-	16 245	-	359
Units granted during year	7 407	-	6 082	-	-
Units converted to retention units	-	-	-	-	-
Units transferred from other Group companies during year	(930)	-	(124)	-	-
Units exercised/released during year	(5 973)	-	(7 811)	-	(359)
Units cancelled/lapsed during year	(312)	-	(236)	-	-
Units in force at 30 June 2025	29 174	-	14 156	-	-

2024

Market value of range at date of exercise/release (cents) 1 988 – 2 070 - 1 988 – 2 190 - 1 988

2025

Market value of range at date of exercise/release (cents) 2 216 – 3 024 - 2 216 – 3 428 - 2 708 – 2 831

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

	LTIP			SAR	
	Performance units '000	Retention units '000	Deferred bonus units '000	Performance units '000	Retention units '000
2025					
Financial year 2025/2026	7 019	-	7 911	-	-
Financial year 2026/2027	7 851	-	4 466	-	-
Financial year 2027/2028	7 743	-	1 779	-	-
Financial year 2028/2029	4 596	-	-	-	-
Financial year 2029/2030	1 965	-	-	-	-
Total outstanding shares	29 174	-	14 156	-	-
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

15 Employee benefit obligations and assets continued**15.2 Cash-settled arrangements** continued**Inputs used in the valuation of the share schemes****2025****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 01/10/2020 and vesting date 01/10/2023 and settlement date 01/10/2025 – performance units	3	99%	100%	R34.29
Award date 01/04/2021 and vesting date 01/04/2024 and settlement date 01/04/2026 – performance units	9	96%	100%	R34.29
Award date 01/10/2021 and vesting date 01/10/2024 and settlement date 01/10/2025 – performance units	3	99%	100%	R34.29
Award date 01/10/2021 and vesting date 01/10/2024 and settlement date 01/10/2026 – performance units	15	93%	100%	R34.29
Award date 01/10/2022 and vesting date 01/10/2025 and settlement date 01/10/2025 – performance units	3	99%	100%	R34.29
Award date 01/10/2022 and vesting date 01/10/2025 and settlement date 01/10/2026 – performance units	15	93%	100%	R34.29
Award date 01/10/2022 and vesting date 01/10/2025 and settlement date 01/10/2027 – performance units	27	88%	100%	R34.29
Award date 05/10/2022 and vesting date 05/10/2025 and settlement date 05/10/2025 – performance units	3	99%	100%	R34.29
Award date 05/10/2022 and vesting date 05/10/2025 and settlement date 05/10/2026 – performance units	15	93%	100%	R34.29
Award date 05/10/2022 and vesting date 05/10/2025 and settlement date 05/10/2027 – performance units	27	88%	100%	R34.29
Award date 01/04/2023 and vesting date 01/04/2026 and settlement date 01/04/2026 – performance units	9	96%	100%	R34.29
Award date 01/04/2023 and vesting date 01/04/2026 and settlement date 01/04/2027 – performance units	21	90%	100%	R34.29
Award date 01/04/2023 and vesting date 01/04/2026 and settlement date 01/04/2028 – performance units	33	85%	100%	R34.29
Award date 01/10/2023 and vesting date 01/10/2026 and settlement date 01/10/2026 – performance units	15	93%	67.50%	R34.29
Award date 01/10/2023 and vesting date 01/10/2026 and settlement date 01/10/2027 – performance units	27	88%	67.50%	R34.29
Award date 01/10/2023 and vesting date 01/10/2026 and settlement date 01/10/2028 – performance units	39	83%	67.50%	R34.29
Award date 01/10/2024 and vesting date 01/10/2027 and settlement date 01/10/2027 – performance units	27	88%	70.80%	R34.29
Award date 01/10/2024 and vesting date 01/10/2027 and settlement date 01/10/2028 – performance units	39	83%	70.80%	R34.29
Award date 01/10/2024 and vesting date 01/10/2027 and settlement date 01/10/2029 – performance units	51	78%	70.80%	R34.29
Award date 01/10/2022 and vesting date 01/10/2025 – deferred bonus units	3	99%	100%	R34.29
Award date 01/04/2023 and vesting date 01/04/2026 – deferred bonus units	9	96%	100%	R34.29
Award date 01/10/2023 and vesting date 01/10/2025 – deferred bonus units	3	99%	100%	R34.29
Award date 01/10/2023 and vesting date 01/10/2026 – deferred bonus units	15	93%	100%	R34.29
Award date 01/04/2023 and vesting date 01/10/2025 – deferred bonus units	3	99%	100%	R34.29
Award date 01/10/2024 and vesting date 01/10/2025 – deferred bonus units	3	99%	100%	R34.29
Award date 01/10/2024 and vesting date 01/10/2026 – deferred bonus units	15	93%	100%	R34.29
Award date 01/10/2024 and vesting date 01/10/2027 – deferred bonus units	27	88%	100%	R34.29
Award date 01/04/2025 and vesting date 01/04/2026 – deferred bonus units	9	96%	100%	R34.29
Award date 01/04/2025 and vesting date 01/04/2027 – deferred bonus units	21	90%	100%	R34.29
Award date 01/04/2025 and vesting date 01/04/2028 – deferred bonus units	33	85%	100%	R34.29

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

15 Employee benefit obligations and assets continued

15.2 Cash-settled arrangements continued

Inputs used in the valuation of the share schemes continued

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 and assets continued

15.2 Cash-settled arrangements continued

Vesting rate assumptions regarding performance units in the previous tables

Long-term Incentive Plan (LTIP)

The share-based payment provision is calculated by estimating the vesting probability, based on forecasted performance against their respective targets. The Total Shareholder Return (TSR) peer comparison is weighted 20% towards the overall Long-term Incentive Performance Targets, with the remaining 80% allocation being decided on by other relevant performance measurement criteria (NHE; VNB; ROE; strategic enablers and ESG positive impact).

The TSR peer comparison is over a 3-year performance measurement period. If the TSR of the Group exceeded that of the peer group as at the end of the performance measurement period then the TSR percentage of the LTIP award would be eligible for vesting approval to the Group employees.

In order to estimate the TSR vesting probability, a share price projection Monte Carlo simulation model is used. This involves 100 000 simulations of the point-in-time price at the performance end date for all companies and computing the corresponding TSR value for each. The projection model as at the end of June 2025 assumed interest rates implied by the nominal government curve, Momentum Group Ltd dividend yield of 4.37% (2024: 5.59%), Momentum Group Ltd volatility of 25.78% (2024: 25.91%) (historically estimated), a Momentum Group Ltd spot price of R34.29 (2024: R22.90) per share, and a term to the performance end date as per the LTIP tranche being valued.

The closing liability value at reporting date is calculated as follows: number of shares in force at reporting date; multiplied by the closing share price at reporting date; multiplied by the vesting probability at reporting date; multiplied by the allowance for expected attrition up to maturity at reporting date; multiplied by time apportionment at reporting date¹.

There are currently three LTIP schemes in flight which were awarded in October 2022, October 2023 and the latest LTIP tranche was issued in October 2024.

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 listed peers (Discovery, Old Mutual and Sanlam). As at 30 June 2025, the LTIP liability for October 2022 was calculated assuming 100% of units issued in October 2022 (vesting in 2025 with settlement dates in 2025, 2026, 2027) will vest.

The October 2023 LTIP tranche was issued with performance criteria NHE, VNB, ROE and TSR. NHE and VNB targets set for each of the financial years 2024 to 2026. Each year's target contributes 33.33% to the total three-year allocated weightings of 30%. The ROE target will be measured for the end of the three-year measurement period (as at June 2026) with a total weighting of 20%. The TSR target was set and measured against the peer group (Discovery, Old Mutual and Sanlam) as an average over the three-year performance measurement period with a total weighting of 20%. As at June 2025 the 2023 LTIP liability was calculated using a 67.5% vesting probability assumption.

The October 2024 LTIP tranche was issued with performance criteria NHE, VNB, ROE, TSR, three strategic enablers and two ESG criteria. NHE and VNB targets set for each of the financial years 2025 to 2027 whereby each year's target contributes 8.3%, 8.3%, 8.4% respectively – the total allocated weightings are 25%. The ROE target will be measured for the end of the three-year measurement period (as at June 2027) with a total weighting of 15%. The TSR target was set and measured against the peer group (Discovery, Old Mutual and Sanlam) as an average over the three-year performance measurement period with a total weighting of 15%. Each of the three strategic enablers contribute 5% weight and are to be measured at the end of the performance period with a total weighting of 15%. The two ESG criteria are measured at the end of the performance period and are weighted 2.5% each and 5% in total. As at June 2025 the 2024 LTIP liability was calculated using a 71% vesting probability assumption.

¹ This is calculated as a percentage and calculated as: (reporting date less offer date) divided by (vesting date less offer 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 the Company's shares. The SARs simulate "at-the-money" call options on the Company's shares, meaning that the growth in the share price between the allocation date and the vesting date will accrue to the participant at the vesting date. The measurement of performance takes place after a period of four years, and vesting then takes place in equal thirds after four, five and six years, at the ruling Momentum Group Ltd share price based on the 20 day volume weighted average price (VWAP) up to payment date. Resignation before the vesting date results in the forfeiture of any unsettled units.

The volatility used in the valuation of the SAR was based on market rates and determined to be 30%. The risk-free rate used within the valuations was 4.99%.

The SAR performance units vested in October 2022. On vesting, the performance units were converted into retention units with settlement dates of October 2022, October 2023, and October 2024.

Retention units

The retention units have no imposed performance criteria and therefore vest on award date, subject to the employee maintaining satisfactory performance during the period between the award date and the settlement date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

15 Employee benefit obligations and assets continued

15.2 Cash-settled arrangements continued

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 2023	2 352
Granted at prices ranging between (cents)	1 427 - 2 079
Units/Options granted during year	544
Granted at prices ranging between (cents)	2 023 - 2 023
Units/Options exercised/released during year	(536)
Market value of range at date of exercise/release	1 712 - 2 023
Units/Options cancelled/lapsed during year	(43)
Granted at prices ranging between (cents)	1 702 - 2 023
Units/Options in force at 30 June 2024	2 317
Granted at prices ranging between (cents)	1 427 - 2 866
Units/Options granted during year	440
Granted at prices ranging between (cents)	2 866 - 2 866
Units/Options exercised/released during year	(512)
Market value of range at date of exercise/release	2 866 - 3 037
Units/Options cancelled/lapsed during year	(110)
Granted at prices ranging between (cents)	1 966 - 2 866
Units/Options in force at 30 June 2025	2 135

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

	MSPS '000
2025	
Financial year 2025/2026	558
Financial year 2026/2027	566
Financial year 2027/2028	550
Financial year 2028/2029	315
Financial year 2029/2030	146
Total outstanding shares	2 135
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

Valuation assumptions:

Assumptions	2025	2024
Share price	1 427 - 2 866	1 966 - 2 023
Forfeiture rate	4.5%	4.5%

Share-based payment expense

The share-based payment expense relating to cash-settled schemes is R778 million (2024: R480 million) for the Group and R687 million (2024: R414 million) for the Company and is disclosed under employee benefit expenses in note 25.3.

15 Employee benefit obligations and assets continued

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
15.3 Employee benefit assets				
Sage Group Pension Fund (SGPF)	(467)	(429)	(467)	(429)

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 only represents plan assets, the movement for the year is primarily due to returns on the assets of R39 million (2024: R37 million).

The fund is in the process of liquidation and the surplus is for the benefit of the employer as the fund has no employee liabilities (2024: nil). The 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.

During August 2025, FSCA approval was received and the surplus was paid into the Group's bank account.

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	
	2025 Rm	2024 Rm	2025 Rm	2024 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 2025 (2024: 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

17 Other components of equity

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
17.1 Land and building revaluation reserve	405	329	-	-
17.2 Foreign currency translation reserve	215	191	-	-
17.3 Non-distributable reserve	(13)	(13)	-	-
17.4 Employee benefit revaluation reserve	82	77	82	77
17.5 Common control reserve	10 141	10 141	10 141	10 141
17.6 Revaluation of subsidiaries reserve	-	-	(541)	(1 037)
17.7 Equity-settled share-based payment arrangements	99	83	97	82
	10 929	10 808	9 779	9 263

Movements in other reserves

17.1 Land and building revaluation reserve

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

Balance at beginning

Earnings directly attributable to other components of equity

Revaluation

Deferred tax on revaluation

Transfer to retained earnings

Balance at end

329	295	-	132
76	68	-	94
80	89	-	20
(4)	(21)	-	74
-	(34)	-	(226)
405	329	-	-

In the prior year, the Company had higher deferred tax on revaluation than the revaluation. This reversal of deferred tax through OCI was 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.

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
17.2 Foreign currency translation reserve				
Refer to note 45.3 for the accounting policies relating to this note.				
Balance at beginning	191	227	-	-
Currency translation differences	24	(36)	-	-
Balance at end	215	191	-	-
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	77	59	77	59
Remeasurement of post-employment benefit obligations	5	18	5	18
Balance at end	82	77	82	77

17 Other components of equity continued

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
17.5 Common control reserve				
Balance at beginning	10 141	10 141	10 141	10 141
Balance at end	10 141	10 141	10 141	10 141

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.

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
17.6 Revaluation of subsidiaries reserve				
Balance at beginning	-	-	(1 037)	(368)
Fair value movement	-	-	469	(669)
Transfer to retained earnings	-	-	27	-
Balance at end	-	-	(541)	(1 037)

For subsidiaries that are measured at fair value through other comprehensive income, the fair value movements are recorded in the revaluation of subsidiary reserve.

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	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
17.7 Equity-settled share-based payment arrangements				
B-BBEE share-based payment reserve				
Balance at beginning	83	67	82	65
Share schemes – value of services provided	16	16	15	17
Balance at end	99	83	97	82

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 permanently 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 2025.

The fair value used in determining the allocation is based on the unit price on grant date, adjusted for various variables. Refer to note 43 for more details regarding the valuation assumptions. The total unit allocation costs relating to the current year for the iSabelo Trust amounting to R16 million (2024: R18 million) for the Group and amounting to R15 million (2024: R17 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.

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for the year ended 30 June 2025

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-Apr-21 ¹	12-Apr-31	5.8 years	64	248 158
Units awarded F2022	29-Apr-22 ²	28-Apr-32	6.8 years	48	56 733
Units awarded F2023	24-Apr-23 ³	24-Apr-33	7.8 years	36	57 150
Units awarded F2024 (offer date 24/04/2024)	24-Apr-24	24-Apr-34	8.8 years	42	46 637
Units awarded F2024 (offer date 08/06/2024)	08-Jun-24	24-Apr-34	8.8 years	80	4 144
Units awarded F2025	24-Apr-25	24-Apr-35	9.8 years	148	31 027

	Average price	'000
Movements during the year:		
As at 1 July 2023		201 340
Awarded units added due to reinstatements	59	270
Units Awarded ⁴	42	46 637
Units Awarded ⁵	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
Awarded units added due to reinstatements	48	164
Units Awarded ⁶	148	31 027
Awarded units lapsed due to resignation	62	(30 934)
Awarded units cancelled due to non-acceptance	148	(4 872)
Units Transferred from/to another Group company	72	828
As at 30 June 2025		201 613

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 Units were allocated to employees on 24 April 2024. The IFRS 2 grant date for employees is 24 April 2024 as at this date there was a shared understanding of the terms and conditions of the arrangement.

⁵ Units were allocated to employees on 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.

⁶ Units were allocated to employees on 24 April 2025. The IFRS 2 grant date for employees is 24 April 2025 as at this date there was a shared understanding of the terms and conditions of the arrangement.

18 Provisions

Group	Reinter-mediation provision ¹ Rm	Deregistration of closed schemes ² Rm	Other Rm	Total Rm
2025				
Balance at beginning	139	71	138	348
Paid/utilised during year	(4)	-	(139)	(143)
Unutilised amounts reversed	(67)	(1)	(5)	(73)
Additional provisions	17	4	55	76
Increases arising due to the passage of time and the effect of changes in the discount rate	17	-	-	17
Exchange differences	-	-	2	2
Balance at end	102	74	51	227
2024				
Balance at beginning	199	67	54	320
Business combinations	-	-	-	-
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
Company	Reinter-mediation provision ¹ Rm	Deregistration of closed schemes ² Rm	Other Rm	Total Rm
2025				
Balance at beginning	139	71	20	230
Amounts utilised during year	(4)	-	(17)	(21)
Unutilised amounts reversed	(67)	(1)	(1)	(69)
Additional provisions	17	4	23	44
Increases arising due to the passage of time and the effect of changes in the discount rate	17	-	-	17
Balance at end	102	74	25	201
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

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

19 Insurance revenue

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Contracts not measured under the PAA				
Amounts relating to the changes in the LRC	19 238	17 759	19 238	17 759
Expected incurred claims and other expenses after loss component allocation	16 138	14 912	16 138	14 912
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	584	561	584	561
CSM recognised in profit or loss for the services provided	2 471	2 216	2 471	2 216
Other	45	70	45	70
Insurance acquisition cash flows recovery	1 546	1 892	1 546	1 892
Insurance revenue from contracts not measured under the PAA	20 784	19 651	20 784	19 651
Insurance revenue from contracts measured under the PAA	6 466	6 416	6 466	6 416
	27 250	26 067	27 250	26 067

20 Insurance service expenses

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Incurred claims and other directly attributable expenses	20 157	19 545	20 157	19 545
Changes that relate to past service – adjustments to the LIC	(851)	(708)	(851)	(708)
Losses on onerous contracts and reversal of those losses	138	401	138	401
Insurance acquisition cash flows amortisation	1 546	1 892	1 546	1 892
Insurance acquisition cash flows recognised when incurred	269	243	269	243
	21 259	21 373	21 259	21 373

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	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Contracts not measured under the PAA				
Amounts relating to the changes in the assets for remaining coverage	2 794	2 512	2 794	2 512
Expected recovery of incurred claims and other expenses after loss-recovery component allocation	2 874	2 625	2 874	2 625
Change in the risk adjustment for non-financial risk for the risk expired after loss-recovery component allocation	47	43	47	43
CSM recognised in profit or loss for the services received	(151)	(180)	(151)	(180)
Other	24	24	24	24
Allocation of reinsurance premiums from contracts not measured under the PAA	2 794	2 512	2 794	2 512
Allocation of reinsurance premiums from contracts measured under the PAA	770	845	770	845
	3 564	3 357	3 564	3 357

22 Amounts recoverable from reinsurers for incurred claims

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Amounts recoverable for incurred claims and other expenses	3 095	3 294	3 095	3 294
Changes that relate to past service – adjustments to the AIC	(81)	(130)	(81)	(130)
Changes in the loss-recovery component	(127)	21	(127)	21
	2 887	3 185	2 887	3 185

23 Net investment result

Group	2025			2024		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.1 Investment income	11 979	20 924	32 903	10 168	20 238	30 406
23.2 Net realised and unrealised fair value gains/(losses)	11 712	47 217	58 929	6 050	22 914	28 964
23.3 Net impairment reversal/(loss) on financial assets	-	(22)	(22)	-	1	1
23.4 Finance expenses from insurance contracts issued	(21 608)	-	(21 608)	(15 299)	-	(15 299)
23.5 Finance income from reinsurance contracts held	641	-	641	465	-	465
Fair value adjustments on investment contract liabilities	-	(58 536)	(58 536)	-	(35 274)	(35 274)
Fair value adjustments on collective investment scheme (CIS) liabilities	-	(5 265)	(5 265)	-	(3 997)	(3 997)
	2 724	4 318	7 042	1 384	3 882	5 266
23.1 Investment income						
Refer to note 45.23.2 for the accounting policies relating to this note.						
Interest income	10 864	13 825	24 689	9 003	13 440	22 443
At fair value through profit and loss	10 442	12 437	22 879	8 591	12 041	20 632
At amortised cost using the effective interest rate method						
Cash and cash equivalents	416	1 337	1 753	410	1 345	1 755
Financial assets at amortised cost	6	40	46	2	54	56
Non-financial assets	-	2	2	-	-	-
Related party	-	9	9	-	-	-
Dividend income	893	5 884	6 777	937	5 655	6 592
At fair value through profit and loss						
Dividend income - listed	521	2 810	3 331	581	2 594	3 175
Dividend income - unlisted	370	2 981	3 351	356	2 954	3 310
Dividends on preference shares - unlisted	2	16	18	-	20	20
Dividends on preference shares - listed	-	12	12	-	12	12
Dividend income from subsidiary and fellow subsidiary companies	-	65	65	-	75	75
Rental income	221	1 185	1 406	227	1 091	1 318
Investment properties	221	1 181	1 402	227	1 087	1 314
Owner-occupied properties	-	4	4	-	4	4
Other income	1	30	31	1	52	53
	11 979	20 924	32 903	10 168	20 238	30 406

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

23 Net investment result continued

	2025			2024		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.2 Net realised and unrealised fair value gains/(losses)						
Refer to note 45.6, 45.7 and 45.11 for the accounting policies relating to this note.						
Financial assets	11 651	47 118	58 769	6 027	22 998	29 025
Designated at fair value through profit and loss	5 044	(13 728)	(8 684)	2 349	(8 173)	(5 824)
Mandatorily at fair value through profit and loss	5 697	59 382	65 079	3 068	31 093	34 161
Net derivative financial instruments	910	1 458	2 368	610	129	739
Net realised and unrealised foreign exchange differences on financial instruments not at FVPL	-	6	6	-	(51)	(51)
Investment property	84	195	279	50	(27)	23
Valuation (losses)/gains	84	193	277	50	(10)	40
Change in accelerated rental income	-	2	2	-	(17)	(17)
Financial liabilities	-	(112)	(112)	-	(92)	(92)
Designated at fair value through profit and loss	-	(112)	(112)	-	(92)	(92)
Other investments	(23)	16	(7)	(27)	35	8
	11 712	47 217	58 929	6 050	22 914	28 964

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

23 Net investment result continued

	2025			2024		
	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
Related party loans	-	(10)	(10)	-	(23)	(23)
Other loans	-	(12)	(12)	-	-	-
	-	(22)	(22)	-	1	1
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	9 351	-	9 351	6 397	-	6 397
Interest accreted using locked-in rates	1 502	-	1 502	1 296	-	1 296
Interest accreted using current rates	5 237	-	5 237	4 739	-	4 739
Effect of changes in interest rates and other financial assumptions	5 564	-	5 564	2 638	-	2 638
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	121	-	121	365	-	365
Effects of risk mitigation option	(166)	-	(166)	(136)	-	(136)
	21 609	-	21 609	15 299	-	15 299
23.5 Finance income/(expenses) from reinsurance contracts held						
Refer to note 45.10 for the accounting policies relating to this note.						
Interest accreted	209	-	209	207	-	207
Effect of changes in interest rates and other financial assumptions	421	-	421	267	-	267
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	12	-	12	(9)	-	(9)
	642	-	642	465	-	465

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

23 Net investment result continued

Company	2025			2024		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.1 Investment income	11 979	16 416	28 395	10 168	15 621	25 789
23.2 Net realised and unrealised fair value gains/(losses)	11 711	44 811	56 522	6 050	22 085	28 135
23.3 Net impairment reversal/(loss) on financial assets	-	(11)	(11)	-	3	3
23.4 Finance expenses from insurance contracts issued	(21 608)	-	(21 608)	(15 299)	-	(15 299)
23.5 Finance expenses from reinsurance contracts held	641	-	641	465	-	465
Fair value adjustments on investment contract liabilities	-	(58 370)	(58 370)	-	(35 048)	(35 048)
	2 723	2 846	5 569	1 384	2 661	4 045
23.1 Investment income						
Refer to note 45.23.2 for the accounting policies relating to this note.						
Interest income	10 864	11 463	22 327	9 003	10 525	19 528
At fair value through profit and loss	10 442	10 564	21 006	8 591	9 597	18 188
Related Party	-	19	19	-	149	149
At amortised cost using the effective interest rate method						
Cash and cash equivalents	416	876	1 292	410	774	1 184
Financial assets at amortised cost	6	2	8	2	5	7
Non-financial assets	-	2	2	-	-	-
Dividend income	893	4 327	5 220	937	4 394	5 331
At fair value through profit and loss						
Dividend income – listed	521	1 277	1 798	581	1 305	1 886
Dividend income – unlisted	370	2 824	3 194	356	2 786	3 142
Dividends on preference shares – unlisted	2	15	17	-	20	20
Dividends on preference shares – listed	-	1	1	-	1	1
Dividend income from subsidiary and fellow subsidiary companies ¹	-	210	210	-	282	282
Rental income	221	601	822	227	659	886
Investment properties	221	597	818	227	655	882
Owner-occupied properties	-	4	4	-	4	4
Other income	1	25	26	1	43	44
	11 979	16 416	28 395	10 168	15 621	25 789

¹ Consists of dividend income from subsidiaries of R145 million (2024: R207 million) and dividends from fellow subsidiaries of R65 million (2024: R75 million).

23 Net investment result continued

	2025			2024		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.2 Net realised and unrealised fair value gains/(losses)						
Refer to note 45.6, 45.7 and 45.11 for the accounting policies relating to this note.						
Financial assets	11 651	30 370	42 021	6 027	17 848	23 875
Designated at fair value through profit and loss	5 044	1 218	6 262	2 349	752	3 101
Mandatorily at fair value through profit and loss	5 697	28 126	33 823	3 068	17 245	20 313
Net derivative financial instruments – gains/(losses)	910	1 030	1 940	610	(140)	470
Net realised and unrealised foreign exchange differences on financial instruments not at FVPL	-	(4)	(4)	-	(9)	(9)
Investment property	84	94	178	50	(51)	(1)
Valuation (losses)/gains	84	69	153	50	1	51
Change in accelerated rental income	-	25	25	-	(52)	(52)
Financial liabilities	-	(70)	(70)	-	(19)	(19)
Designated at fair value through profit and loss	-	(70)	(70)	-	(19)	(19)
Investments in subsidiaries at fair value through profit and loss	(24)	14 417	14 393	(27)	4 247	4 220
Subsidiary companies	(24)	5	(19)	(27)	36	9
Collective investment schemes	-	14 412	14 412	-	4 211	4 211
Other investments	-	-	-	-	60	60
	11 711	44 811	56 522	6 050	22 085	28 135

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

23 Net investment result continued

	2025			2024		
	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	-	(2)	(2)	-	26	26
Loans due from subsidiaries and fellow MGL subsidiaries	-	(9)	(9)	-	(23)	(23)
	-	(11)	(11)	-	3	3
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	9 351	-	9 351	6 397	-	6 397
Interest accreted using locked-in rates	1 502	-	1 502	1 296	-	1 296
Interest accreted using current rates	5 237	-	5 237	4 739	-	4 739
Effect of changes in interest rates and other financial assumptions	5 564	-	5 564	2 638	-	2 638
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	121	-	121	365	-	365
Effects of risk mitigation option	(166)	-	(166)	(136)	-	(136)
	21 609	-	21 609	15 299	-	15 299
23.5 Finance income/(expenses) from reinsurance contracts held						
Refer to note 45.10 for the accounting policies relating to this note.						
Interest accreted	209	-	209	207	-	207
Effect of changes in interest rates and other financial assumptions	421	-	421	267	-	267
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	12	-	12	(9)	-	(9)
	642	-	642	465	-	465

24 Fee income

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Contract administration	4 175	3 610	4 172	3 605
Investment contract administration	4 089	3 544	4 089	3 544
Release of deferred front-end fees	86	66	83	61
Trust and fiduciary services	1 349	1 251	574	484
Asset management	764	748	-	-
Retirement fund administration	574	484	574	484
Asset administration	11	19	-	-
Other fee income	398	325	69	50
Administration fees income	12	6	2	-
Scrip lending fees	4	5	4	5
Related party fees income	240	214	8	8
Other	142	100	55	37
	5 922	5 186	4 815	4 139

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 Expenses

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
25.1 Net insurance benefits and claims	27 362	25 651	27 362	25 651
25.2 Depreciation, amortisation and impairment expenses	322	542	260	269
25.3 Employee benefit expenses	6 074	5 328	5 369	4 686
25.4 Sales remuneration	3 704	3 814	3 655	3 771
25.5 Other expenses	4 691	4 574	3 507	3 363
	42 153	39 909	40 153	37 740
Represented by				
Insurance and other directly attributable expenses	33 730	32 092	33 730	32 092
Other operating expenses	8 423	7 817	6 423	5 648
	42 153	39 909	40 153	37 740

The amounts disclosed in note 25 are the total expenses incurred by the Group in rendering financial services to policyholders and managing the operations of the Group. The portion of the total expenses that are attributable to rendering of insurance contract services is disclosed in note 20 and presented in insurance service expenses on the face of the income statement.

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
25.1 Net insurance benefits and claims				
Life insurance contracts	27 362	25 651	27 362	25 651
Death and disability claims	12 977	12 493	12 977	12 493
Maturity claims	4 059	4 100	4 059	4 100
Annuities	7 805	6 834	7 805	6 834
Surrenders	2 087	1 895	2 087	1 895
Terminations, disinvestments and withdrawal benefits	21	-	21	-
Other ¹	413	329	413	329
	27 362	25 651	27 362	25 651

¹ Other includes cash-back benefits of R164 million (2024: R115 million) paid out on insurance products.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

25 Expenses continued

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
25.2 Depreciation, amortisation and impairment expenses				
Refer to note 45.4 and 45.5 for the accounting policies relating to this note.				
Depreciation	206	212	154	161
Owner-occupied properties (refer to note 3.1.1)	32	34	-	3
Equipment	112	109	100	98
Right-of-use assets (refer to note 3.1.2)	62	69	54	60
Amortisation (refer to note 2)	118	123	106	109
Customer relationships	56	56	44	44
Brand	53	54	53	54
Broker Network	-	2	-	-
Computer software	9	10	9	10
Right-of-use assets	-	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 3.1.1)	(2)	-	-	(1)
	322	542	260	269
25.3 Employee benefit expenses				
Refer to note 45.18 for the accounting policies relating to this note.				
Salaries	4 718	4 298	4 193	3 811
Defined contribution retirement fund	289	281	253	246
Contributions to medical aid funds	159	155	145	142
Share-based payment expenses – Cash-settled arrangements (refer to note 15.2)	778	480	687	414
Training costs	55	77	52	71
Retirement fund assets	(39)	(31)	(39)	(31)
Share-based payment expenses – Equity-settled arrangements (refer to note 17.7)	16	18	15	17
Post-retirement medical benefits	7	9	7	9
Other	91	41	56	7
	6 074	5 328	5 369	4 686

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
25.4 Sales remuneration				
Commission and sales remuneration expenses incurred for the acquisition of insurance contracts	2 274	2 480	2 278	2 477
Commission and sales remuneration expenses incurred for the acquisition of investment contracts	1 258	1 027	1 258	1 027
Amortisation of DAC on investment business	202	320	171	293
Impairment of DAC on investment business	-	-	-	-
(Impairment reversal)/Impairment of amounts due from agents and brokers (refer to note 6.2)	(2)	16	(2)	16
Related party commission recoveries	(28)	(29)	(50)	(42)
	3 704	3 814	3 655	3 771

25 Expenses continued

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
25.5 Other expenses				
Asset management fees	1 306	1 099	1 237	1 052
Consulting fees	439	424	255	279
Information technology expenses	5	192	45	61
Direct property operating expenses on investment property	656	693	355	414
Office costs	205	231	162	194
Marketing costs	320	311	303	301
Other indirect taxes	440	423	384	367
Momentum Multiply benefit payments	1	2	-	-
Travel expenses	122	159	109	146
Auditors' remuneration	116	167	86	134
Audit fees	116	163	86	134
Fees for other services	-	4	-	-
Bank charges	64	61	48	44
Lease charges ¹	26	18	18	10
Policy services	146	151	145	151
Regulatory fees	65	55	51	45
Insurance expenses	47	41	42	36
Net expenses recovered by/(from) subsidiaries and fellow subsidiaries	594	400	202	54
Expenses recovered by subsidiaries and fellow subsidiaries	1 469	1 214	1 423	1 175
Expenses recovered from subsidiaries and fellow subsidiaries	(875)	(814)	(1 221)	(1 121)
Other expenses	139	147	65	75
	4 691	4 574	3 507	3 363

¹ Group: Included in lease charges are R24 million (2024: R16 million) relating to short-term leases and R2 million (2024: R2 million) relating to variable lease payments.
Company: Included in lease charges are R17 million (2024: R8 million) relating to short-term leases and R1 million (2024: R2 million) relating to variable lease payments.

26 Other finance costs

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Interest expense on financial liabilities				
Subordinated call notes	395	420	395	420
Cost of carry positions	1 345	1 066	1 229	942
Lease liabilities	8	8	7	7
Cost of trading positions	12	7	-	-
Other finance costs	150	142	8	22
	1 910	1 643	1 639	1 391
Designated at fair value through profit and loss	1 740	1 486	1 624	1 362
Amortised cost	170	157	15	29
	1 910	1 643	1 639	1 391

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

27 Income tax expense

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Income tax expenses/(credits)				
Current taxation	2 988	2 292	2 766	2 061
Shareholder tax				
South African normal tax – current year	2 085	1 472	2 029	1 430
South African normal tax – prior year	(10)	4	(10)	1
Foreign countries – normal tax	(5)	17	-	-
Foreign withholding tax	172	171	1	2
Contract holder tax				
Tax on contract holder funds – current year	762	621	762	621
South African normal tax – prior year	(16)	7	(16)	7
Deferred tax	93	(168)	78	(83)
Shareholder tax				
South African normal tax – current year	(75)	(259)	(96)	(172)
South African normal tax – prior year	-	-	-	-
Foreign countries – normal tax	(5)	2	-	-
Contract holder tax				
Tax on contract holder funds – current year	173	89	174	89
	3 081	2 124	2 844	1 978

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Tax rate reconciliation				
Tax calculated at standard rate of South African tax on earnings	27.0	27.0	27.0	27.0
Prior year adjustments	(0.2)	0.1	(0.1)	-
Foreign taxes differential due to different statutory rates	(0.3)	(0.5)	-	-
Capital gains tax	1.4	(0.3)	1.5	0.4
Non-taxable income ¹	(5.0)	(4.4)	(5.7)	(5.5)
Non-deductible expenses ²	0.6	1.0	0.6	1.0
Deferred tax asset not recognised	0.3	1.0	-	-
Other	1.8	(0.5)	1.8	(0.6)
Shareholder effective tax rate	25.6	23.4	25.1	22.3
Taxation on contract holder funds	13.2	15.1	12.1	12.6
Effective rate	38.8	38.5	37.2	34.9

¹ Non-taxable income mainly comprises dividend income which is not taxable.

² 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.

28 Cash flow from operating activities

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
28.1 Cash utilised in operations				
Profit before tax	7 949	5 517	7 636	5 667
Adjusted for				
Items disclosed separately				
Dividend income	(6 777)	(6 592)	(5 220)	(5 331)
Interest income ¹	(24 767)	(22 525)	(22 405)	(19 610)
Finance costs ²	2 029	1 752	1 758	1 500
Adjustments to reconcile profit before tax to net cash flows				
Share of (profits)/losses of associates and joint ventures	(4)	(3)	-	-
Depreciation and amortisation expenses	324	335	260	270
Impairment charges	(2)	207	-	(1)
Revaluation of investment in subsidiary	-	-	19	(9)
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	120	183	85	(29)
Equity-settled share-based payment expense	16	18	15	17
Changes in operating assets and liabilities				
Investment contract liabilities	61 416	42 712	61 201	42 509
Deferred acquisition costs on investment business	(199)	(6)	(194)	(23)
Financial assets at amortised cost	5 342	7 631	5 565	7 643
Other receivables	20	(99)	19	(26)
Insurance contract assets and liabilities	15 792	14 008	15 792	14 008
Reinsurance assets and liabilities	(442)	(635)	(442)	(635)
Employee benefit assets and obligations	608	261	523	252
Investment property	(262)	(225)	(151)	931
Other operating liabilities	299	(165)	246	(16)
Financial assets and liabilities	(80 533)	(63 176)	(63 409)	(54 954)
Investments in subsidiary CIS	-	-	(18 021)	(6 538)
Cash utilised in operations	(19 071)	(20 802)	(16 723)	(14 375)
¹ Interest income includes R78 million (2024: R82 million) related to interest earned on policy loans.				
² Finance costs includes R119 million (2024: R109 million) related to interest accrued on late claims.				
28.2 Income tax paid				
Receivable/(due) at beginning	(131)	(804)	(125)	(793)
Current income tax asset	4	4	-	-
Current income tax liability	(135)	(808)	(125)	(793)
Charged to income statement	(2 988)	(2 292)	(2 766)	(2 061)
Other	-	3	-	-
(Receivable)/due at end	425	131	432	125
Current income tax asset	11	4	-	-
Current income tax liability	(436)	(135)	(432)	(125)
	(2 694)	(2 962)	(2 459)	(2 729)
28.3 Interest paid				
Unsecured subordinated call notes	389	443	389	443
Cost of carry positions	1 348	1 048	1 232	924
Lease liabilities	7	6	7	7
Cost of trading positions	12	7	-	-
Other [#]	339	303	127	131
	2 095	1 807	1 755	1 505

[#] Included in other for Group, is interest on a term loan with Standard Bank of R37 million (2024: R44 million) and interest on a term loan with RMB of R23 million (2024: R23 million).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

28 Cash flow from operating activities continued

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
28.4 Liabilities arising from financing activities				
28.4.1 Subordinated call notes	4 382	4 324	4 382	4 324
28.4.2 Carry positions	18 954	15 714	17 322	14 382
28.4.3 Preference shares at fair value through profit and loss	426	377	-	-
28.4.4 Financial liabilities at fair value through profit and loss: Other borrowings	314	10	-	-
28.4.5 Financial liabilities at amortised cost	1 204	1 247	61	89
	25 280	21 672	21 765	18 795
28.4.1 Subordinated call notes				
Due at beginning	4 324	4 299	4 324	4 299
Subordinated call notes issued	750	750	750	750
Accrued interest	395	420	395	420
Interest paid	(389)	(443)	(389)	(443)
Subordinated call notes repaid	(750)	(750)	(750)	(750)
Fair value movement	70	19	70	19
Own credit (gain)/loss included in other comprehensive income	(18)	29	(18)	29
Due at end	4 382	4 324	4 382	4 324
28.4.2 Carry positions				
Due at beginning	15 714	9 080	14 382	7 828
Net proceeds from carry positions	3 250	6 610	2 943	6 536
Proceeds from carry positions	266 798	201 527	245 682	179 214
Repayment of carry positions	(263 548)	(194 917)	(242 739)	(172 678)
Accrued interest	1 345	1 066	1 229	942
Interest paid	(1 348)	(1 048)	(1 232)	(924)
Fair value movement	(7)	6	-	-
Due at end	18 954	15 714	17 322	14 382
28.4.3 Preference shares at fair value through profit and loss				
Due at beginning	377	310	-	-
Fair value movement	49	67	-	-
Due at end	426	377	-	-
28.4.4 Financial liabilities at fair value through profit and loss: Other borrowings				
Due at beginning	10	55	-	-
Proceeds from other borrowings	309	6	-	-
Repayment of other borrowings	(5)	(37)	-	-
Fair value movement	-	(15)	-	-
Exchange differences	-	1	-	-
Due at end	314	10	-	-

28 Cash flow from operating activities continued**28.4 Liabilities arising from financing activities continued**

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
28.4.5 Financial liabilities at amortised cost				
Due at beginning	1 247	1 293	89	235
Terminations of leases	-	-	-	-
New leases entered into	42	69	30	59
Accrued interest on leases	8	8	7	7
Interest paid on leases	(7)	(6)	(7)	(7)
Payment of principal portion of lease liability	(70)	(73)	(57)	(60)
Modifications	(1)	2	(1)	(145)
Exchange differences on leases	1	(1)	-	-
Proceeds from term loans	49	152	-	-
Repayment of capital portion of term loans	3	(63)	-	-
Accrued interest on term loans	101	195	-	-
Interest paid on term loans	(172)	(247)	-	-
Proceeds from other borrowings	-	3	-	-
Repayment of other borrowings	(3)	(80)	-	-
Exchange differences on other borrowings	6	(5)	-	-
Due at end	1 204	1 247	61	89

28.5 Disposal of subsidiaries reconciliation

During the current year, the Group declared and distributed a dividend in specie to its ultimate holding company, Momentum Group, consisting of its entire investment in Momentum Life Botswana Ltd. As a result, the Group lost control of Momentum Life Botswana Ltd in accordance with IFRS 10 – Consolidated Financial Statements.

The carrying amount of the net assets disposed of as a dividend in specie was R22 million.

No gain or loss was recognised was recognised in profit or loss.

The transaction was non-cash in nature and is disclosed as a non-cash transaction in the cash flow.

Assets/(liabilities) disposed of:	
Financial instruments – assets	7
Current income tax asset	1
Cash and Cash Equivalents	15
Other Payables	(1)
Net assets disposed	22
Profit/(loss) on sale of subsidiary	-
Receipt from disposal of Momentum Life Botswana Ltd	-
Cash flow from sale of subsidiary	-
Cash proceeds on disposal of Momentum Life Botswana Ltd	-
Cash and cash equivalents disposed of	(15)
Net cash on disposal	(15)

29 Business combinations**Business combinations for the year ended 30 June 2025**

There were no business combinations in the current year.

Business combinations for the year ended 30 June 2024

There were no business combinations in the prior year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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, 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, the Group declared and distributed a dividend in specie to its ultimate holding company, Momentum Group, consisting of its entire investment in Momentum Life Botswana Ltd. As a result, the Group lost control of Momentum Life Botswana Ltd in accordance with IFRS 10 – Consolidated Financial Statements.

The carrying amount of the net assets disposed of as a dividend in specie was R22 million.

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 44.

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	
	2025 Rm	2024 Rm
Salaries and other short-term employee benefits	114	74
Post-employment benefits	1	1
Share-based payments	148	93
Directors' fees	24	21
	287	189

The Group's executive directors are members of the staff pension schemes.

The executive directors participate in the Group's long-term retention schemes, the details of which are in note 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:

	2025		2024	
	Insurance Rm	Investment Rm	Insurance Rm	Investment Rm
Fund value (at 30 June)	-	225	-	111
Aggregate life and disability cover (at 30 June)	53	-	36	-
Deposits/premiums (for 12 months to June)	1	21	1	5
Withdrawals/claims (for 12 months to June)	-	(24)	-	-

In aggregate, the Group earned fees and charges totalling R1.9 million (2024: R2.3 million) on the insurance and investment products set out above.

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 2025 MML declared a R1 500 million final ordinary cash dividend to Momentum Group Limited for the year ended 30 June 2025 to be paid in October 2025. This dividend declaration is an increase from the R900 million final ordinary dividend for the year ended 30 June 2024.

An interim cash dividend of R2 950 million was declared in March 2025 (2024: R1 425 million) to Momentum Group Limited.

30.6 Post-employment benefit plans

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
30.7 Summary of related party transactions				
Transactions with holding company				
Dividends expense	3 872	2 975	3 872	2 975
Transactions with subsidiaries				
Fee income for administrative functions	-	-	368	348
Dividend income	-	-	144	207
Interest income	-	-	119	248
Sales remuneration recoveries	-	-	22	13
Fee expenses for administrative functions	-	-	(678)	(580)
Owner-occupied property sold	-	-	-	534
Transactions with fellow subsidiaries				
Insurance revenue – from contracts measured under the premium allocation approach	14	31	14	31
Amounts recoverable for incurred claims and other	6	22	6	22
Fees income for administrative functions	1 177	1 075	861	781
Commission income	1	-	-	-
Dividend income	65	75	65	75
Interest income	10	-	5	-
Rental income	19	-	-	-
Sales remuneration recoveries	28	29	28	29
Fees expense for administrative functions	(1 670)	(1 389)	(1 535)	(1 295)

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions only if such terms can be substantiated.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

31 Capital and lease commitments and receivables

	Group		Company	
	2025 Rm	Restated 2024 Rm	2025 Rm	Restated 2024 Rm
Capital commitments				
Authorised but not contracted	8	4	8	4
	8	4	8	4
The above commitment, which is in respect of building refurbishments of R8 million (2024: R4 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	436	530	298	283
Between 1 and 2 years	355	455	251	256
Between 2 and 3 years	269	405	196	225
Between 3 and 4 years	217	341	162	180
Between 4 and 5 years	204	321	154	155
More than 5 years	601	1 437	315	754
	2 082	3 489	1 376	1 853
The minimum future lease payments receivable under non-cancellable operating leases on owner-occupied properties:				
Less than 1 year	19	18	-	-
Between 1 and 2 years	20	19	-	-
Between 2 and 3 years	-	20	-	-
Between 3 and 4 years	-	-	-	-
	39	57	-	-
Loan commitments¹				
Undrawn loan commitments	-	904	-	904
	-	904	-	904

¹ As at 30 June 2025, the Group had no undrawn loan commitments. In the previous financial year, undrawn loan commitments amounted to R904 million. This disclosure was omitted in the prior year and has been corrected to align with the standards' requirements.

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 2025 (2024: nil).

33 Events after the reporting period

During September 2025, the Board declared a final dividend of R1 500 million to be paid in October 2025. Refer to note 30.5 for details.

The Sage Group Pension Fund is in the process of liquidation and the surplus is for the benefit of the employer as the fund has no employee liabilities. The 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. During August 2025 FSCA approval was received and the surplus was paid into the Group's bank account. An amount of R472 million was received, and a gain of R5 million is expected to be recognised in F2026. Refer to note 15.3 for details.

On 12 August 2025, MML redeemed the subordinated debt instrument MMIG04 with a nominal amount of R270 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.

34.1 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 2025 was R24 305 million (30 June 2024: R25 650 million). Permanent health insurance claims paid (cash flows) for the same period was R1 481 million or 6.1% of total insurance claims paid (30 June 2024: R1 411 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

34 Financial and insurance risk management continued

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.

Insurance and reinsurance contracts	Insurance risk						Financial risk			
	Expense risk	Morbidity and mortality risk	Persis-tency risk	Premium risk	Reserve risk	Catastro-phe 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	x
Non-profit annuities	x	x					x	x	x	
Other non-profit business	x	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	x
Non-profit annuities	x	x					x	x	x	
Other non-profit business	x	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	

The table below has been included in 2025 to indicate how insurance contracts issued and reinsurance contracts held are largely allocated to the IFRS 17 measurement models:

Insurance and reinsurance contracts	Measurement models		
	General measurement model	Variable fee approach	Premium allocation approach
Life insurance contracts			
Individual insurance contracts			
Market-related		x	
Discretionary participation	x	x	
With-profit annuities		x	
Non-profit annuities	x		
Other non-profit business	x		x
Group insurance contracts			
Market-related	n/a	n/a	n/a
Discretionary participation	n/a	n/a	n/a
With-profit annuities		x	
Non-profit annuities	x		
Other non-profit business			x
Health insurance			x
Reinsurance contracts held	x	n/a	x

The life insurance contracts reflected in the tables above are included as follows in the table below. Market-related and With-profit annuity business are included under Long-term savings. Discretionary participation business is included under Long-term savings (if smoothed bonus) and Traditional (if conventional with-profit). Non-profit annuities are included under Annuities and structured products. Other non-profit business consists mostly of Protection business.

Carrying values of insurance products issued	2025	Restated 2024 ¹
Protection	19 397	17 977
Long-term savings	38 527	36 191
Annuities and structured products	69 527	57 922
Traditional	22 507	21 991
Health	21	10
Other	(40)	56
Insurance contracts	149 939	134 147

¹ In the prior year, the carrying values of insurance products issued were incorrectly not presented. June 2024 has been restated accordingly.

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 2025 and the comparative amount as of 30 June 2024.

Capital type	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
IFRS NAV	19 335	18 210	20 929	19 516
Subordinated debt	4 382	4 324	4 382	4 324
Total	23 717	22 534	25 311	23 840

- **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.

- **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**

Momentum Metropolitan Life acts as the Momentum Group's capital centre, it may distribute any excess capital above the required capital to the Momentum Group after taking the following into consideration:

- (1) That the available capital is greater than required capital post the capital distribution.
- (2) Regulatory solvency position of Momentum Metropolitan Life remains within the target solvency range of 1.6x to 2.0x SCR after the capital distribution and taking any imminent pressures on solvency into account.
- (3) The liquidity position post the capital distribution should remain strong.
- (4) Any planned capital deployments within Momentum Metropolitan Life.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

35 Capital management continued

35.3 Overview of capital management developments

35.3.1 Changes in capital structure

Subordinated debt raising and settlement

On 12 November 2024, MML listed two subordinated debt instruments, the MML08 floating rate bond and the MML09 fixed rate bond, with a combined value of R750 million on the JSE Ltd. The proceeds of the issuance replaced the funds used to redeem the MMIG07 subordinated debt instrument, which was redeemed on 18 September 2024, the first call date.

On 12 August 2025, MML redeemed the MMIG04 subordinated debt instrument, with a nominal amount of R270 million, on the first call date.

35.3.2 Subordinated debt profile

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

Instrument code	Amount issued (Rm)	Tenor	Date issued	Coupon rate	Interest rate type
2025					
MMIG04	270	10 years	Aug 2015	11.30%	Fixed
MML01	290	7 years	Dec 2019	JIB03+175 bps	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
MML06 tap	410	5.6 years	Oct 2023	10.01%	Fixed
MML07	340	5.6 years	Oct 2023	JIB03+134 bps	Floating
MML08	250	5.5 years	Nov 2024	JIB03+129 bps	Floating
MML09	500	5.5 years	Nov 2024	9.52%	Fixed
Total	4 270				
Restated 2024					
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 ¹	410	5.6 years	Oct 2023	10.01%	Fixed
MML07	340	5.6 years	Oct 2023	JIB03+134bps	Floating
Total	4 270				

¹ The tenor of MML06 tap has been revised to match the maturity date of MML06 given that they relate to the same instrument despite the different issue dates.

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 MML's subordinated debt:

Instrument code	Amount issued (Rm)	Date issued	Outstanding tenor	Maturity year
2025				
MMIG04	270	Aug 2015	0.1 years	2025
MML01	290	Dec 2019	1.4 years	2026
MML02	460	Dec 2019	1.4 years	2026
MML03	300	Feb 2021	2.7 years	2028
MML04	450	Feb 2021	2.7 years	2028
MML05	865	May 2022	1.9 years	2027
MML06	135	May 2022	3.9 years	2029
MML06 tap	410	Oct 2023	3.9 years	2029
MML07	340	Oct 2023	3.9 years	2029
MML08	250	Nov 2024	4.9 years	2030
MML09	500	Nov 2024	4.9 years	2030
Total	4 270			
2024				
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	Oct 2023	4.9 years	2029
MML07	340	Oct 2023	4.9 years	2029
Total	4 270			

35.4 Capital coverage

MML has adopted a target range for regulatory solvency cover of 1.6 to 2.0 times the SCR. This makes allowance for the capital required to support the covered business against a range of severe but plausible scenarios, as well as the wider strategic investments of the Group. The regulatory solvency cover of MML (after foreseeable dividends) was above the upper threshold of the target range at 30 June 2025 (and narrowly below the upper threshold at 30 June 2024).

The 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 1.35 to 1.65 times SCR. The Group's solvency position is determined by aggregating the adjusted own funds and SCR under the regulatory framework of all the underlying entities, after elimination of intragroup aggregations. 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 2025 (and at 30 June 2024).

35.5 Credit ratings

In November 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 2025.

Entity	Type	National scale		Global scale		Outlook
		2025	2024	2025	2024	
MML	Insurance Financial Strength (IFS)	Aaa.za (AAA)	Aaa.za (AAA)	Ba1 (BB+)	Ba1 (BB+)	Stable
MML	Issuer rating	Aa1.za (AA+)	Aa1.za (AA+)	Ba2 (BB)	Ba2 (BB)	Stable
Subordinated debt	n/a	Aa3.za (AA-)	Aa3.za (AA-)	Ba3 (BB-)	Ba3 (BB-)	Stable

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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.

The contracts described above are measured using either the general measurement model or the variable fee approach, depending on the nature of the contract and the presence of direct participation features.

Non-profit annuity business

A non-profit annuity policy pays an income to the annuitant in return for a lump sum consideration paid on origination of the annuity policy. Payments normally cease on death of the insured life or lives, but different options, such as guaranteed payment periods and maximum payment terms, are offered to policyholders.

Benefit payments on non-profit annuities are generally fixed in nominal or inflation-adjusted terms and guaranteed at inception. The amount and timing of benefit payments are impacted primarily by longevity of policyholders and increases in benefit payments.

Non-profit annuity insurance contracts expose the Group to longevity risk and interest rate risk, expense risk and liquidity risk. In instances where annuity payments or increases in payments are guaranteed, the Group is exposed to further liquidity risk. The investments held to fund annuity liabilities expose the Group to market risk, credit risk and liquidity risk.

Other non-profit business

These include long-term regular premium insurance contracts of varying durations. These policies mainly represent whole life and term assurance contracts that provide lump sum benefits on death and disability. Benefits and premiums are guaranteed in nominal or inflation-linked terms, subject to reviewability clauses. The amount and timing of benefits payments are impacted, among others, by persistency, mortality and morbidity. Non-profit insurance business exposes the Group to persistency risk, mortality risk, morbidity risk, expense risk and liquidity risk. The Group is exposed to market risk, credit risk and liquidity risk through the investments that it holds to back the non-profit insurance liabilities.

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, longevity)

The risk of loss or adverse change in the value of life insurance contracts arising from changes in the level, trend, or volatility of demographic rates in respect of insurance obligations where a change in demographic rates lead to an increase in the value of insurance liabilities or claims. Underwriting processes are in place to manage exposure to these risks. The most significant measures are:

- The HAFs are required to evaluate and provide advice to the Board on the actuarial soundness of the terms and conditions of insurance contracts (Insurance Act, 18 of 2017, GOI 3).
- Regular experience investigations are conducted and used to set premium rates and valuation assumptions.
- Reinsurance arrangements are negotiated in order to limit the risk from any individual contract or aggregation of contracts. These include company-wide catastrophe reinsurance.

The nature of risks varies depending on the class of business. The material classes of business most affected by these risks are discussed below.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

36 Insurance and investment business continued

36.2 Life insurance risks continued

36.2.1 Demographic risks (mortality, morbidity, persistency, longevity) 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.

36 Insurance and investment business continued

36.2 Life insurance risks continued

36.2.1 Demographic risks (mortality, morbidity, persistency, longevity) 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 alteration risks are managed as follows:

- Persistency rates are measured on an ongoing basis by a variety of factors and based on this information, management actions are implemented as and when required.
- Customer retention programmes are in place to actively retain customers at risk of departure due to a lapse or surrender.
- Premium rates are determined using realistic assumptions with regard to termination rates (rates of lapse, surrender and paid-up) and premium indexation take-up rates based on the Group's actual experience.
- Benefit incentives are built in to the product design in order to encourage the take-up of premium indexation options.
- Where withdrawal benefits are payable on termination, these can be adjusted to recover certain expenses. However, market and regulatory restrictions limit the extent to which this can be done.
- Commission paid on many products can be recouped on early termination.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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.

The table below has been included in 2025 to show the concentration of individual life insurance contract benefits (gross and net of reinsurance) by sum insured at risk:

Sum insured per benefit (R)	2025			Restated 2024 ¹		
	Number of benefits	Amount (gross) Rm	Amount (net) Rm	Number of benefits	Amount (gross) Rm	Amount (net) Rm
0 – 20 000	2 447 054	20 729	20 567	2 603 529	21 453	21 281
20 001 – 50 000	786 519	26 315	25 944	749 453	25 204	24 831
50 001 – 100 000	229 443	16 280	15 500	212 502	14 998	14 201
100 001 – 200 000	65 035	8 819	6 994	63 131	8 705	6 853
200 001 – 500 000	137 029	41 340	31 804	143 693	43 100	33 223
500 001 – 1 000 000	196 264	114 931	83 394	204 388	118 607	85 989
> 1 000 000	517 785	1 303 376	701 418	515 819	1 255 639	680 334
Total	4 379 129	1 531 790	885 621	4 492 515	1 487 706	866 712

The table below has been included in 2025 to show the concentration of group schemes by scheme size (as determined by the number of lives covered):

Lives covered by scheme	2025	Restated 2024 ¹
0 – 1 000	7 489	7 372
1 001 – 5 000	316	315
> 5 000	171	183
Total	7 976	7 870

The following table has been included in 2025 to show the distribution of number of annuitants by total amount per year:

Annuity amount per annum (R)	2025		Restated 2024 ¹	
	Number of annuitants	Total amount per annum Rm	Number of annuitants	Total amount per annum Rm
0 – 10 000	41 911	215	44 366	225
10 001 – 50 000	40 492	1 118	40 417	1 095
50 001 – 100 000	16 016	1 154	15 206	1 087
100 001 – 200 000	12 068	1 704	11 067	1 556
> 200 000	10 838	4 337	9 470	3 795
Total	121 325	8 528	120 526	7 758

¹ The concentration risk tables, which were omitted in error in the prior year's financial statements, have been included in the current year. Comparative information as at 30 June 2024 has been restated accordingly

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.

Undrawn loan commitments

Undrawn loan commitments represent contractual obligations that may require future cash outflows if counterparties elect to draw on these facilities. As at 30 June 2025, the Group had no undrawn loan commitments. In the previous financial year, undrawn loan commitments amounted to R904 million. The commitments outstanding at 30 June 2024 were subject to specific contractual drawdown dates, rather than being payable on demand. This disclosure was omitted in the prior year and has been corrected to align with the standards' requirements.

These commitments are included in note 31, presented on an undiscounted basis according to the earliest contractual maturity dates.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

37 Liquidity risk continued

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.

37.4 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 fulfilment cash flows which includes the risk adjustment for non-financial risks (where applicable). The calibrated non-financial risk margins are applied to expected future cash flows to calculate the risk adjustment. The inclusion of the non-financial risk margins in the expected future cash flows results in a total risk adjustment that is equal to the target VAR amount of the Group. The present value of the expected net future cash flows and the risk adjustment are allocated to time periods based on the expected timing of the cash flows. Due to the use of a margin approach, the run-down of the risk adjustment approximates the run-down of the present value of expected net future cash flows. The liquidity risk table provides separate disclosures on insurance contract assets, insurance contract liabilities, reinsurance contract assets and reinsurance contract liabilities.

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	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
General measurement model	114	7 059	6 317	5 753	5 330	4 929	18 544	10 162	5 135	6 020	69 363	79 447
Variable fee approach	5 004	7 292	7 245	5 533	5 022	4 690	14 770	6 959	3 218	2 607	62 340	64 565
Premium allocation approach	-	4 293	783	560	516	455	1 550	838	546	1 638	11 179	11 179
	5 118	18 644	14 345	11 846	10 868	10 074	34 864	17 959	8 899	10 265	142 882	155 191
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

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	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
General measurement model	243	(1 600)	(1 799)	(1 738)	(1 396)	(1 102)	(2 655)	(851)	(169)	616	(10 451)	(5 252)
	243	(1 600)	(1 799)	(1 738)	(1 396)	(1 102)	(2 655)	(851)	(169)	616	(10 451)	(5 252)
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)

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 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	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
General measurement model	1 509	844	219	143	141	137	628	490	351	911	5 373	4 193
Premium allocation approach	-	781	100	72	66	58	198	107	70	209	1 661	1 661
	1 509	1 625	319	215	207	195	826	597	421	1 120	7 034	5 854
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

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	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
General measurement model	9	1	(2)	(2)	(2)	(2)	(8)	(5)	(4)	(8)	(23)	(44)
	9	1	(2)	(2)	(2)	(2)	(8)	(5)	(4)	(8)	(23)	(44)
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)

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	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
Investment contract liabilities	442 568	283	262	169	82	1 074	114	95	78	182	444 907	444 908
2024												
Investment contract liabilities	381 210	571	269	215	155	67	717	77	83	203	383 567	383 566

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	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
Investment contract liabilities	439 822	283	262	169	82	1 074	114	95	78	182	442 161	442 161
2024												
Investment contract liabilities	378 607	571	269	215	155	66	717	77	82	202	380 961	380 960

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 contractual cash flows remaining at the end of the reporting period is provided in the following table:

Expected cash flows (undiscounted)	Open-ended Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
Collective investment scheme liabilities	41 212	-	-	-	-	-	-	-	-	-	41 212	41 213
Subordinated call notes	-	643	1 935	958	1 039	821	-	-	-	-	5 396	4 382
Carry positions	-	18 981	-	-	-	-	-	-	-	-	18 981	18 954
Derivative financial liabilities	-	-	-	-	-	-	-	-	-	-	-	1 531
Preference shares	-	48	52	10	-	-	307	218	-	-	635	426
Other borrowings	-	27	27	271	-	3	1	4	-	-	333	314
	41 212	19 699	2 014	1 239	1 039	824	308	222	-	-	66 557	66 820
Restated 2024²												
Collective investment scheme liabilities	36 182	-	-	-	-	-	-	-	-	-	36 182	36 182
Subordinated call notes	-	1 106	585	1 885	896	975	-	-	-	-	5 447	4 324
Carry positions	-	15 714	-	-	-	-	-	-	-	-	15 714	15 714
Derivative financial liabilities ¹	-	-	-	-	-	-	-	-	-	-	-	2 746
Preference shares	-	4	58	-	4	22	285	190	-	-	563	377
Other borrowings	6	3	-	2	-	-	-	-	-	-	11	10
	36 188	16 827	643	1 887	900	997	285	190	-	-	57 917	59 353
Undrawn loan commitments ³	-	904	-	-	-	-	-	-	-	-	904	-

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

² The contractual cash flow table has been enhanced to include additional years, providing a more granular view of undiscounted cash flows. The change has been applied retrospectively to the prior year to ensure consistency and comparability.

³ The comparative liquidity risk disclosure for 30 June 2024 has been restated to include undrawn loan commitments of R904 million that were not included in the prior year's financial statements. This has had no impact on the Group's statement of financial position.

Collective investment scheme liabilities arise on consolidation and represent demand liabilities of scheme interests not held by the Group.

The cash flows relating to the subordinated call notes have been allocated to the earliest period in which they are callable by MML. They will be funded from cash resources at that time. The shareholder funds include sufficient cash resources to fund the coupon payments under these call notes.

Carry positions have a one-month rolling period and the funding thereof forms part of the general portfolio management.

Company

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

Expected cash flows (undiscounted)	Open-ended Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
Subordinated call notes	-	643	1 935	958	1 039	821	-	-	-	-	5 396	4 382
Carry positions	-	17 347	-	-	-	-	-	-	-	-	17 347	17 322
Derivative financial liabilities	-	-	-	-	-	-	-	-	-	-	-	1 463
	-	17 990	1 935	958	1 039	821	-	-	-	-	22 743	23 167
Restated 2024²												
Subordinated call notes	-	1 106	585	1 885	896	975	-	-	-	-	5 447	4 324
Carry positions	-	14 382	-	-	-	-	-	-	-	-	14 382	14 382
Derivative financial liabilities ¹	-	-	-	-	-	-	-	-	-	-	-	2 708
	-	15 488	585	1 885	896	975	-	-	-	-	19 829	21 414
Undrawn loan commitments ³	-	904	-	-	-	-	-	-	-	-	904	-

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

² The contractual cash flow table has been enhanced to include additional years, providing a more granular view of undiscounted cash flows. The change has been applied retrospectively to the prior year to ensure consistency and comparability.

³ The comparative liquidity risk disclosure for 30 June 2024 has been restated to include undrawn loan commitments of R904 million that were not included in the prior year's financial statements. This has had no impact on the Company's statement of financial position.

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.

37 Liquidity risk continued**37.4 Liquidity risk tables continued****37.4.4 Financial liabilities carried at amortised cost****Group**

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

Expected cash flows (undiscounted)	Open-ended Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
Financial liabilities at amortised cost	-	516	419	108	106	62	22	3	-	3	1 239	1 204
Term loans	-	481	383	92	103	58	12	-	-	-	1 129	1 112
Lease liabilities	-	35	36	16	3	4	10	3	-	3	110	92
Other	-	-	-	-	-	-	-	-	-	-	-	-
Other payables	4	11 391	2	-	-	80	8	-	-	21	11 506	9 409
	4	11 907	421	108	106	142	30	3	-	24	12 745	10 613
Restated 2024¹												
Financial liabilities at amortised cost	-	549	300	267	108	100	40	4	6	31	1 405	1 247
Term loans	-	504	262	237	99	97	33	-	-	-	1 232	1 125
Lease liabilities	-	42	38	30	9	3	7	4	6	31	170	119
Other	-	3	-	-	-	-	-	-	-	-	3	3
Other payables	4	9 408	1 412	-	1	52	27	-	-	-	10 904	9 031
	4	9 957	1 712	267	109	152	67	4	6	31	12 309	10 278

¹ The contractual cash flow table has been enhanced to include additional years, providing a more granular view of undiscounted cash flows. The change has been applied retrospectively to the prior year to ensure consistency and comparability.

Other payables exclude deferred revenue liabilities. Refer to note 13.3 for details.

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 contractual cash flows remaining at the end of the reporting period is provided in the following table:

Expected cash flows (undiscounted)	Open-ended Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2025												
Financial liabilities at amortised cost	-	29	33	12	-	-	-	-	-	-	74	61
Term loans	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	29	33	12	-	-	-	-	-	-	74	61
Other	-	-	-	-	-	-	-	-	-	-	-	-
Other payables	-	7 756	-	-	-	50	-	-	-	-	7 806	7 805
	-	7 785	33	12	-	50	-	-	-	-	7 880	7 866
Restated 2024¹												
Financial liabilities at amortised cost	-	28	37	28	7	-	-	-	-	-	100	89
Term loans	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	28	37	28	7	-	-	-	-	-	100	89
Other	-	-	-	-	-	-	-	-	-	-	-	-
Other payables	-	7 546	-	-	-	47	-	-	-	-	7 593	7 573
	-	7 574	37	28	7	47	-	-	-	-	7 693	7 662

¹ The contractual cash flow table has been enhanced to include additional years, providing a more granular view of undiscounted cash flows. The change has been applied retrospectively to the prior year to ensure consistency and comparability.

Other payables exclude deferred revenue liabilities. Refer to note 13.3 for details.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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			
	2025		Restated 2024		2025		Restated 2024	
Total asset liquidity	%	Rm	%	Rm	%	Rm	%	Rm
High ¹	79	551 404	79	481 061	81	529 896	81	461 738
Medium ²	19	135 437	20	118 552	18	115 128	18	101 491
Low/illiquid ³	2	11 689	2	11 275	1	5 941	1	5 722
Other assets not included above								
– intangible assets		2 780		2 697		2 597		2 509
– employee benefit assets		467		429		467		429
– accelerated rental income		325		327		197		223
– prepayments		204		146		118		111
– deferred income tax		185		178		-		-
– assets relating to disposal groups held for sale		-		103		-		103
Total assets		702 491		614 768		654 344		572 326

¹ 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.

² 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).

³ 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).

Refer to note 6.6 for more details regarding the restatement.

37.4.6 Maturity profile of derivative financial instruments

The following table indicates the expiry of derivative financial assets and liabilities, based on net undiscounted cash flow projections. When the amount payable is not fixed, the amount disclosed is determined by reference to conditions existing at the reporting date.

Some of the Group's derivatives are subject to collateral requirements. Cash flows for those derivatives could occur earlier than the contractual maturity date.

Group

	Carrying value Rm	Total Rm	0 to 1 year Rm	1 to 5 years Rm	>5 years
2025					
Derivatives held for trading					
Equity derivatives	253	290	287	-	3
Interest rate derivatives	(708)	(863)	(88)	(719)	(56)
Bond derivatives	228	232	231	1	-
Credit derivatives	(1)	10	3	7	-
Currency derivatives	(15)	31	(5)	36	-
Total net undiscounted cash flow projections	(243)	(300)	428	(675)	(53)
Derivative financial instruments					
Assets	1 288				
Liabilities	(1 531)				
	(243)				

Restated 2024

Derivatives held for trading

Equity derivatives ¹	179	210	166	42	2
Interest rate derivatives ¹	(393)	(304)	57	(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)	(754)	319	(1 370)	297

Derivative financial instruments

Assets	1 871
Liabilities	(2 746)
	(875)

¹ The prior year maturity profile for equity derivatives and interest rate derivatives was incorrectly completed. June 2024 has been restated accordingly.

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
2025					
Derivatives held for trading					
Equity derivatives	273	276	273	-	3
Interest rate derivatives	(724)	(568)	176	(716)	(28)
Bond derivatives	215	219	218	1	-
Credit derivatives	(1)	10	3	7	-
Currency derivatives	(9)	(18)	(18)	-	-
Total net undiscounted cash flow projections	(246)	(326)	407	(708)	(25)
Derivative financial instruments					
Assets	1 217				
Liabilities	(1 463)				
	(246)				
Restated 2024					
Derivatives held for trading					
Equity derivatives ¹	181	213	169	42	2
Interest rate derivatives ¹	(420)	(307)	62	(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)	(755)	326	(1 374)	293
Derivative financial instruments					
Assets	1 820				
Liabilities	(2 708)				
	(888)				

¹ The prior year maturity profile for equity derivatives and interest rate derivatives was incorrectly completed. June 2024 has been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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		Market price risk	Interest rate risk	Currency risk
	Carrying amount		Carrying amount				
	2025 Rm	Restated 2024 Rm	2025 Rm	Restated 2024 Rm			
Assets							
Carried at FVPL							
Unit-linked investments	273 140	233 342	257 902	218 157	✓✓	✓	✓
Debt securities ¹	205 023	173 913	165 786	139 087	✓	✓✓	✓
Equity securities	142 882	123 561	41 936	42 187	✓✓		✓
Funds on deposit and other money market instruments ¹	21 489	27 101	9 290	12 717	✓	✓✓	✓
Derivative financial assets	1 288	1 871	1 217	1 820	✓✓	✓✓	✓
Carry positions	269	15	-	13	✓	✓✓	
Interest in subsidiaries	-	-	135 655	117 189	✓✓		✓
Carried at amortised cost							
Unsettled trades	1 129	1 148	487	720			✓
Accounts receivable	1 825	1 882	1 011	1 249		✓	✓
Funds on deposit and other money market instruments	-	79	-	39		✓✓	✓✓
Loans	3 327	2 860	3 202	2 704		✓✓	✓
Cash and cash equivalents	25 334	23 778	17 432	17 382		✓✓	✓
Other non-financial assets	15 132	14 686	9 005	8 763			
Other receivables	547	567	315	334			
Insurance contract assets	5 252	4 564	5 252	4 564	✓✓	✓✓	
Reinsurance contract assets	5 854	5 401	5 854	5 401	✓	✓✓	
Total assets	702 491	614 768	654 344	572 326			
Liabilities							
Carried at FVPL							
Investment contracts designated at FVPL	444 908	383 566	442 161	380 960	✓✓	✓✓	✓
Payables arising from investment contracts ²	4 042	3 488	4 042	3 488			✓
Collective investment scheme liabilities	41 213	36 182	-	-	✓✓	✓	✓
Subordinated call notes	4 382	4 324	4 382	4 324	✓	✓✓	
Carry positions	18 954	15 714	17 322	14 382	✓	✓✓	
Derivative financial liabilities	1 531	2 746	1 463	2 708	✓✓	✓✓	✓
Preference shares	426	377	-	-	✓	✓✓	
Other borrowings	314	10	-	-	✓	✓	✓
Carried at amortised cost							
Term loans ³	1 112	1 125	-	-		✓✓	✓
Lease liabilities	92	119	61	89		✓✓	✓
Other ³	-	3	-	-		✓	
Other payables (excluding deferred revenue liabilities)							
Unsettled trades	1 700	1 059	961	740			✓
Commission creditors	686	528	685	527			✓
Other	2 981	3 956	2 117	2 818			✓
Liabilities relating to disposal groups held for sale	-	-	-	-	✓✓	✓✓	
Other non-financial liabilities	5 580	4 617	4 986	4 030			
Insurance contract liabilities	155 191	138 711	155 191	138 711	✓✓	✓✓	
Reinsurance contract liabilities	44	33	44	33	✓	✓✓	
Total liabilities	683 156	596 558	633 415	552 810			

✓✓ High exposure

✓ Medium/low exposure

¹ Prior year balances have been restated to correct the presentation of loan commitments, which were previously recognised based on total funds to be advanced rather than actual funds advanced, resulting in a reclassification of R853 million between funds on deposit and debt securities.

² Upon further investigation, it was determined that Payables arising from investment contracts should be disclosed as designated at fair value through profit and loss and not at amortised cost. June 2024 has been restated accordingly. The values remain unchanged and have not been restated.

³ These line items were previously disclosed combined and have subsequently been disaggregated to enhance comparability and usefulness.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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.
- 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 Private Equity Investments Committee, represented by specialist investment professionals and independent Momentum representatives.
- Mitigating the risk of potential subjective valuation due to the nature of unlisted investments by utilising the guideline developed by the South African Venture Capital and Private Equity Association (SAVCA) to provide a framework for valuation and disclosure in this regard. This framework is consistent with best practice exercised and recommended by the European Venture Capital and Private Equity Association.

Hedging strategies using derivatives and other structures are implemented to reduce equity risk on shareholder exposures in accordance with risk appetite requirements. Management investigates, implements and assesses risk mitigation efforts with consideration given to the market conditions at any given time.

38 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.

	2025 Rm	Restated 2024 ¹ Rm
Premium allocation approach - Exposure to interest rate risk		
Insurance contract liabilities	9 889	9 763
Insurance contract assets	-	-
Net insurance contract liabilities	9 889	9 763
Reinsurance contract liabilities	-	-
Reinsurance contract assets	1 428	1 345
Net reinsurance contract assets	1 428	1 345

¹ In the prior year, the exposure to interest rate risk of insurance contracts measured under the premium allocation approach in the table above was incorrectly not presented. June 2024 has been restated accordingly.

Depending on the measurement model used, the impact of changes in discount rates affect current profit or loss before tax through insurance or reinsurance finance income or expense, insurance service results or future profit or loss before tax through releases from the contractual service margin. For further information on how changes in discount rates are accounted for, refer to the relevant accounting policies. The Group is exposed to interest rate risk in the various countries where it operates. For further information on the risk-free yield curves used in determining the relevant discount rates, refer to note 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 averse to duration mismatch risks, although limited mismatches to individual government bond maturities may be tolerated where appropriately rewarded and in accordance with explicit risk management limits. Where aspects of long-term product features give rise to exposures that cannot be cost effectively hedged in the South African market, such features would be mitigated through appropriate risk limits, pricing and management actions such as premium reviews and bonus decisions.

Hedging strategies using derivatives and other structures may be implemented to mitigate interest rate risk on shareholder exposures in accordance with risk appetite requirements.

Management investigates, implements and assesses risk mitigation efforts with consideration given to the market conditions at any given time. Risk mitigation efforts are independently monitored with the objective of preventing significant mismatch losses due to a shift in the yield curve or a change in the shape of the yield curve.

Exposure of financial instruments to interest rates

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate financial assets and financial liabilities, and on the fair value of other investments. Fair values of fixed maturity investments included in the Group's investment portfolios are subject to changes in prevailing market interest rates. The 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. The Group has included unit-linked investments under the interest rate risk disclosure. Although the Group does not manage unit-linked investments with a focus on interest rate sensitivity, as the investment risk is borne by policyholders, these investments are nonetheless subject to changes in market interest rates that may affect their fair value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 %
2025					
At FVPL					
Unit-linked investments (categorised as interest-bearing and money market – refer to note 42) ¹	25 460	-	25 460	-	n/a
Debt securities	205 023	73 393	120 300	11 330	8%
Funds on deposit and other money market instruments	21 489	8 301	13 188	-	6%
Derivative financial assets	1 288	-	1 288	-	n/a
Derivative financial liabilities	(1 531)	-	(1 531)	-	n/a
Carry positions	269	-	269	-	-
At amortised cost					
Funds on deposit and other money market instruments	-	-	-	-	n/a
Loans and receivables at amortised cost	6 281	965	-	5 316	-
Cash and cash equivalents	25 333	22 407	-	2 926	6%
	283 612	105 066	158 974	19 572	
Restated 2024					
At FVPL					
Unit-linked investments (categorised as interest-bearing and money market – refer to note 42) ¹	22 448	-	22 448	-	n/a
Debt securities ²	173 911	60 577	106 656	6 678	7%
Funds on deposit and other money market instruments ²	27 100	9 621	17 282	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%
	252 346	92 700	145 526	14 120	

¹ To enhance the transparency and completeness of the financial statements, the Group has included unit-linked investments under the interest rate risk disclosure. Although the Group does not manage unit-linked investments with a focus on interest rate sensitivity, as the investment risk is borne by policyholders, these investments are nonetheless subject to changes in market interest rates that may affect their fair value.

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

Liability exposure to interest rates is reflected in note 13.

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 %
2025					
At FVPL					
Unit-linked investments (categorised as interest-bearing and money market – refer to note 42) ¹	21 011	-	21 011	-	n/a
Debt securities	165 786	51 710	101 166	12 910	8%
Funds on deposit and other money market instruments	9 290	3 364	5 926	-	6%
Derivative financial assets	1 217	-	1 217	-	n/a
Derivative financial liabilities	(1 463)	-	(1 463)	-	n/a
Carry positions	-	-	-	-	-
At amortised cost					
Funds on deposit and other money market instruments	-	-	-	-	-
Loans and receivables at amortised cost	4 700	244	-	4 456	-
Cash and cash equivalents	17 432	16 303	-	1 129	6%
	217 973	71 621	127 857	18 495	
Restated 2024					
At FVPL					
Unit-linked investments (categorised as interest-bearing and money market – refer to note 42) ¹	18 289	-	18 289	-	n/a
Debt securities ²	139 088	42 420	88 050	8 618	7%
Funds on deposit and other money market instruments ²	12 717	3 751	8 769	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	n/a
Loans and receivables at amortised cost	4 673	302	-	4 371	-
Cash and cash equivalents	17 381	15 972	-	1 409	7%
	191 312	62 445	114 233	14 634	

¹ To enhance the transparency and completeness of the financial statements, the Group has included unit-linked investments under the interest rate risk disclosure. Although the Group does not manage unit-linked investments with a focus on interest rate sensitivity, as the investment risk is borne by policyholders, these investments are nonetheless subject to changes in market interest rates that may affect their fair value.

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

Liability exposure to interest rates is reflected in note 13.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

38 Market risk continued

38.2 Interest rate risk continued

Interest rate risk management continued

Future change in the reference interest rate: Transition from JIBAR to ZARONIA

The South African Reserve Bank (the SARB), through the Market Practitioners Group (the MPG), has identified the South African Rand Overnight Index Average (ZARONIA) as the preferred alternative risk-free rate (RFR) to replace the Johannesburg Interbank Average Rate (JIBAR) as part of global benchmark reform initiatives aimed at enhancing the robustness and reliability of financial benchmarks.

In line with SARB guidance, from 1 July 2024, financial institutions and market participants are required to cease issuing new financial instruments referencing JIBAR. The transition of legacy exposures is expected to continue through approximately mid-2026, which may coincide with the formal cessation or loss of representativeness of JIBAR. However, the SARB has not yet announced a definitive cessation date.

As at the reporting date, the Group's exposures to JIBAR are concentrated in:

- Derivative assets and liabilities, primarily futures and swaps.
- Financial assets and liabilities, which include floating-rate and credit-linked debt instruments, bonds, cash and short-term deposits.

The Group has established a dedicated, cross-functional programme to manage the transition from JIBAR to ZARONIA. This programme includes:

- Engaging with counterparties and industry bodies to confirm fallback language and market conventions.
- Assessing legal, taxation and contractual implications across affected instruments.
- Updating valuation methodologies and system architecture to accommodate ZARONIA-based pricing and risk management.
- Evaluating potential impacts on financial reporting, including disclosures and measurement under IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures.

Following the amendments introduced by Interest Rate Benchmark Reform – Phase 2, the Group will apply the practical expedients available for modifications that arise directly as a result of the benchmark reform and that are on economically equivalent terms. For financial instruments measured at amortised cost or at fair value through profit or loss, contractual changes solely due to replacing JIBAR with ZARONIA (including any necessary spread adjustments) will be treated as a modification without derecognition, and no immediate gain or loss is expected to arise on transition, provided the conditions under IFRS 9 are met. For investment contracts without significant insurance risk that reference JIBAR, modifications will be assessed under the same principles.

Due to the absence of a definitive cessation date for JIBAR and the ongoing assessment of affected exposures, the Group is not yet able to reliably quantify the full extent of the nominal amounts of financial instruments that may remain outstanding at the cessation date and thus subject to modification. Accordingly, quantitative disclosure of remaining JIBAR-linked exposures is presented as at 30 June 2025.

Quantitative exposure to JIBAR-linked financial instruments

Notional/Principal exposure	2025 Rm
Total assets recognised on the statement of financial position subject to JIBAR reform yet to transition	
Derivative financial assets ¹	31 129
Other financial assets ²	86 657
	117 786
Total liabilities recognised on the statement of financial position subject to JIBAR reform yet to transition	
Derivative financial liabilities ¹	23 734
Other financial liabilities ²	2 045
	25 779
Total exposure³	92 007

¹ Derivative assets and liabilities include interest rate swaps, cross-currency swaps, and futures directly referencing JIBAR, including futures, bond options and CFDs indirectly referencing JIBAR.

² Financial assets and liabilities include floating rate and credit-linked debt instruments, bonds, cash and short-term deposits.

³ Exposures represent notional or principal amounts referencing JIBAR as at the reporting date.

38 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 translation of the financial position, results and cash flows of these foreign operations into ZAR for consolidation purposes does not, in itself, give rise to currency risk exposure for the Group. Only foreign currency-denominated assets and liabilities held directly by the Group (rather than via consolidation) create currency risk.

The majority of the Group's currency exposure results from the offshore assets held by policyholder portfolios. These investments were made for the purpose of obtaining a favourable international exposure to foreign currency and to investment value fluctuations in terms of investment mandates, subject to limitations imposed by the South African Reserve Bank (SARB).

To the extent that these offshore assets are held in respect of contracts where the contract holder benefits mirror the returns on the underlying assets, the Group's net currency risk exposure is limited.

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.

The Group's exposure to foreign currency risk comprises both shareholder assets directly held and the Group's exposure to future asset-based fee income earned on policyholder portfolios invested in foreign assets.

The following exposures, denominated in foreign currencies, where the currency risk (including translation risk) resides with the Group, are included in the Group's statement of financial position at 30 June:

Group	Africa Rm	UK £ Rm	US \$ Rm	Euro € Rm	Asian Pacific Rm	Other Rm	Total Rm
2025							
<i>Closing exchange rate</i>		24.3490	17.7699	20.8591			
Financial assets							
Investment securities							
At FVPL							
Unit-linked investments	-	9 371	51 346	1 167	349	172	62 405
Equity securities	-	3 248	40 096	7 036	6 596	5 424	62 400
Debt securities	-	700	4 603	1 229	1 312	3	7 847
Funds on deposit and other money market instruments	-	-	1 569	-	-	-	1 569
Derivative financial assets	-	-	53	-	2	-	55
At amortised cost							
Loans and accounts receivable	-	80	281	26	3	18	408
Cash and cash equivalents	-	470	2 536	151	56	66	3 279
	-	13 869	100 484	9 609	8 318	5 683	137 963
Financial liabilities							
Financial liabilities at FVPL							
CIS liabilities	-	816	12 035	-	245	-	13 096
Derivative financial liabilities	-	469	15	13	8	-	505
Other	-	3	-	-	-	-	3
Financial liabilities at amortised cost							
Term loans	-	119	-	-	-	-	119
Lease liabilities	-	21	-	-	-	-	21
	-	1 428	12 050	13	253	-	13 744
2024							
<i>Closing exchange rate</i>		23.0746	18.2543	19.5568			
Financial assets							
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
Financial liabilities¹							
Financial liabilities at FVPL							
CIS liabilities	-	970	10 254	-	238	-	11 462
Derivative financial liabilities	-	1	870	-	13	-	884
Other	-	3	-	-	-	-	3
Financial liabilities at amortised cost							
Term loans	-	130	152	-	-	-	282
Lease liabilities	-	20	-	-	-	-	20
	-	1 124	11 267	-	251	-	12 651

¹ In the prior year, the financial liabilities were incorrectly not presented. June 2024 has been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

38 Market risk continued

38.3 Currency risk continued

A significant portion of the foreign-currency assets represents policyholder assets. The related policyholder liabilities are not included in the table; however, the economic currency risk to shareholders is limited as these exposures are largely pass-through in nature.

The following exposures, denominated in foreign currencies and held for the benefit of shareholders, where the currency risk (including translation risk) resides with the Group, are included in the Group's statement of financial position at 30 June:

	Africa Rm	UK £ Rm	US \$ Rm	Total Rm
2025				
Total	-	926	119	1 045
2024¹				
Total	23	862	122	1 007

¹ This is a change in presentation in the current year. The shareholder exposures to currency risk had not been included in the currency risk exposure table in prior years. This omission represented a disclosure error under IAS 8, and the comparative information has therefore been restated to include the shareholder exposures in order to align with the requirements of IFRS 7. The restatement has no impact on the Group's statement of financial position, statement of comprehensive income, statement of changes in equity, or statement of cash flows.

African exchange rates representing material balances above are:

Closing exchange rate	Botswana	Ghana	Kenya
2025	1.3363	1.7169	0.1375
2024	1.3453	1.1937	0.1412

Company	Africa Rm	UK £ Rm	US \$ Rm	Euro € Rm	Asian Pacific Rm	Other Rm	Total Rm
2025							
Closing exchange rate	24.3490	17.7699	20.8591				
Financial assets							
Investment securities							
At FVPL							
Unit-linked investments	-	7 448	44 306	854	35	172	52 815
Equity securities	-	264	6 683	617	69	249	7 882
Debt securities	-	126	3 494	34	14	-	3 668
Funds on deposit and other money market instruments	-	-	1 569	-	-	-	1 569
Derivative financial assets	-	-	23	-	-	-	23
Interest in subsidiaries	-	1 187	-	-	-	-	1 187
At amortised cost							
Debt securities	-	-	-	-	-	-	-
Funds on deposit and other money market instruments	-	-	-	-	-	-	-
Loans and accounts receivable	-	2	18	-	-	-	20
Cash and cash equivalents	-	72	1 535	52	7	29	1 695
	-	9 099	57 628	1 557	125	450	68 859
Financial liabilities							
Financial liabilities at FVPL							
Derivative financial liabilities	-	-	10	-	-	-	10
	-	-	10	-	-	-	10
2024							
Closing exchange rate	23.0746	18.2543	19.5568				
Financial assets							
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
Financial liabilities¹							
Financial liabilities at FVPL							
Derivative financial liabilities	-	-	847	-	-	-	847
	-	-	847	-	-	-	847

¹ In the prior year, the financial liabilities were incorrectly not presented. June 2024 has been restated accordingly.

38 Market risk continued**38.3 Currency risk continued****Currency risk management**

The Group attempts to mitigate currency risk from obligations for guaranteed benefits by holding assets in the same currency as the liabilities. Currency risk from embedded guarantees is hedged, depending on the availability of hedging instruments. Mandates on shareholder funds backing capital requirements provide limited tolerances to foreign currency exposure.

The Group holds exposures denominated in foreign currencies for the benefit of shareholders. A sensitivity analysis has been prepared to illustrate the impact on profit or loss before tax of a 10% weakening or strengthening of the Rand against major foreign currencies, based on shareholder exposures at the reporting date. A change of this magnitude would result in a corresponding foreign exchange gain or loss for the Group. The analysis excludes foreign exchange translation differences arising on consolidation of foreign operations, which are recognised in other comprehensive income. The disclosure was omitted in previous years, and the comparatives have been restated to align with the requirements of IFRS Accounting Standards.

This table reflects the sensitivities applied to the exposures for foreign exposures held directly for the benefit of shareholders:

	Africa Rm	UK £ Rm	US \$ Rm	Total Rm
2025	10% movement	10% movement	10% movement	
Total	-	93	12	105
2024	10% movement	10% movement	10% movement	
Total	2	86	12	100

The tables illustrate the sensitivity of the Group's profit or loss before tax to changes in foreign currency exchange rates relating to shareholder exposure. This disclosure was omitted in prior years, and the comparative information has been restated to align with the requirements of IFRS 7. The correction has no impact on the Group's statement of financial position, statement of comprehensive income, statement of changes in equity, or statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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 and Company's exposure to property holdings at 30 June is as follows:

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Investment properties	9 587	9 279	5 557	5 303
Owner-occupied properties	1 622	1 533	45	70
Collective investment schemes property exposure (refer to note 42) ¹	6 588	5 341	6 239	5 432
Other unit-linked investments property exposure (refer to note 42)	817	598	817	567
	18 614	16 751	12 658	11 372
Percentage of total assets	2.6%	2.7%	1.9%	2.0%

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 2025 of R27 million for the Group (2024: R42 million) and R24 million for the Company (2024: R41 million). The carrying amount of unlet and vacant investment property as at 30 June 2025 was R967 million (2024: R950 million) for the Group and R781 million (2024: R624 million) for the Company.

38.5 Insurance and market risk sensitivity analysis

38.5.1 Life insurance and investment contracts

The Group's profit or loss and equity are exposed to:

- insurance risk through insurance contracts issued and reinsurance contracts held;
- market risk through investments held to back insurance contracts issued, reinsurance contracts held and investment contracts issued.

The insurance and market risk sensitivity analysis in the tables below indicates the net impact (when applicable) of changes in market risk variables on the measurement of insurance and investment contract assets and liabilities and the investments supporting the insurance and investment contracts.

Life insurance

Group and Company	Gross of reinsurance		Net of reinsurance	
	Impact on profit or loss Rm	Change in CSM Rm	Impact on profit or loss Rm	Change in CSM Rm
Insurance and market risk sensitivity analysis for insurance contracts - increases/(decreases)				
2025				
Insurance risks				
10% decrease in future expenses	416	870	364	940
10% decrease in lapse, paid-up and surrender rates	(105)	470	(10)	507
5% decrease in mortality and morbidity for assurance business	1 346	2 776	1 063	2 812
5% decrease in mortality and morbidity for annuity business	(159)	(560)	(150)	(560)
1% reduction in expense inflation rate	237	586	194	645
10% reduction in premium indexation take-up rate	(101)	(1 035)	(53)	(1 194)
Market risks				
1% reduction in gross investment return and inflation rate ¹	(445)	(10)	(123)	(54)
10% fall in market value of equities and properties	(155)	(290)	(156)	(290)
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 ¹	(374)	(11)	(77)	(31)
10% fall in market value of equities and properties	(134)	(310)	(134)	(310)

¹ The sensitivity tests a 1% reduction in the nominal risk-free yield curve across all durations (i.e. observable market yields and ultimate spot rate). For a 1% reduction in observable nominal yields and the ultimate spot rate remaining unchanged, the Group's earnings are expected to decrease by R101 million (gross of reinsurance) and increase by R154 million (net of reinsurance). This is a more accurate reflection of the Group's earnings exposure to parallel movements in nominal market yields.

38 Market risk continued**38.5 Insurance and market risk sensitivity analysis continued****Investment contracts**

	Impact on profit or loss	
	2025 Rm	2024 Rm
Market risk sensitivity analysis for investment contracts – increases/(decreases)		
1% reduction in gross investment return and inflation rate	(12)	(9)
10% fall in market value of equities and properties	(48)	(27)

Methods and assumptions used to determine the insurance and market risk sensitivity analyses

Methods and assumptions used in determining impact of changes in insurance and market risk variables:

Life insurance and market risk sensitivities

- The life insurance and market risk sensitivities are aligned with the embedded value sensitivities for the Group's covered business. The sensitivity analyses are performed as individual point-in-time stresses at the reporting date.
- The carrying values of investments backing insurance contracts and investment contracts are adjusted to include changes in the market risk variables. The changes in the carrying value of investments backing insurance and investment contracts affect the expected cash flows of some of these contracts.
- The carrying values of groups of insurance contracts issued are remeasured based on changes in fulfilment cash flows and the 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 a parallel change in the nominal yield curve across all durations 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.

38.5.2 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	Base value Rm	Carrying value	
		10% reduction in equity and property prices	1% reduction in interest rates
Insurance contracts with direct participation features			
2025			
Fair value of underlying funds (Rm)	61 884	57 626	62 878
Percentage change in carrying value (%)		(6.88%)	1.61%
2024			
Fair value of underlying funds (Rm)	57 784	54 063	58 635
Percentage change in carrying value (%)		(6.44%)	1.47%

38.5.3 Shareholder net assets

Management has assessed the potential impact of reasonable possible changes in market risk variables, specifically interest rates and other price risks, on shareholder net assets. The outcome of this assessment indicates that such changes would not have a material effect on profit or loss or equity. Accordingly, the disclosure of a separate quantitative sensitivity analysis has been assessed as immaterial.

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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.

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.

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.

Financial assets credit risk exposure

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

Unsettled trades, accounts receivable, due from agents and brokers and loans

The Group is exposed to credit risk arising from unsettled trades, accounts receivable, due from agents and brokers and loans. The Group manages the credit risk by providing for expected credit losses based on the changes in credit risk. To determine a significant change in credit risk both historical data and forward-looking information is taken into account. This includes existing or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations, a breach of contract, significant changes in the value of any collateral supporting the obligation and reductions in financial support from a parent entity.

Financial liabilities designated at fair value through profit and loss

The current fair value movements on financial liabilities that would have otherwise been classified as at amortised cost under IFRS 9, but which have been designated at FVPL, includes a R18 million gain (2024: R29 million loss) attributable to change in own credit risk.

Credit risk ratings

In November 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. 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 R373 million at 30 June 2025 (2024: R338 million).

Transfer of financial assets

The Group is involved in the transfer of financial assets through scrip lending and sale and repurchase of assets agreements. Refer below for detail on scrip lending arrangements as well as related security and credit enhancements. Also refer to the accounting policies for more 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 R1 333 million (2024: R3 501 million) on the scrip lent. The carrying amount of scrip on loan in the current year was R1 159 million (2024: R3 044 million) and consisted of local listed equity securities. Fair value of the asset transferred, and the associated liability are tabled below:

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Carrying position liability	18 954	15 714	17 322	14 382
Underlying assets	23 690	15 915	22 070	14 598

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

39 Credit risk continued

Financial assets at amortised cost

The receivables arising from investment contracts are limited to and secured by the underlying value of the unpaid policy benefits in terms of the policy contract.

Policy loans

Policyholder loans are included in the carrying values of insurance contract assets or insurance contract liabilities. Policy loans are secured by policies issued by the Group. In terms of the regulations applicable to the Group, the value of policy loans may not exceed the value of the policy and as a result the policy loans are fully collateralised by assets which the Group owns.

Premium debtors

Premium debtors are included in the carrying values of insurance contract assets or insurance contract liabilities. Amounts receivable in terms of life insurance contracts are limited to and secured by the underlying value of the unpaid policy benefits in terms of the policy contract. Non-performance risk of premium debtors is classified as terminations risk as set out in note 36.

Loan commitments

As at 30 June 2025, the Group had no undrawn loan commitments. In the previous financial year, undrawn loan commitments amounted to R904 million. This disclosure was omitted in the prior year and has been corrected to align with the standards' requirements. The Group discloses undrawn loan commitments as part of its maximum exposure to credit risk.

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 arising from insurance contracts.

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

	Group		Company	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Reinsurance contract assets	5 854	5 401	5 854	5 401
Assets for remaining coverage	2 161	1 954	2 161	1 954
Amounts recoverable on incurred claims	3 693	3 447	3 693	3 447
Total credit risk exposure arising from reinsurance contracts	5 854	5 401	5 854	5 401

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 international scale credit ratings issued by rating agencies, or national scale ratings generated by an internal model where rating agency ratings are not available:

Reinsurer	2025	2024
Swiss Re	AA-	AA-
General Re	AA+	AA+
Hannover Re	AA-	AA-
RGA Re	AA-	AA-
Munich Re	AA	AA-
SCOR Re	A+	AA-

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	
		2025 %	2024 %
Momentum Metropolitan Life Ltd			
<i>Subsidiary companies</i>			
Momentum Life Botswana Ltd	Botswana	-	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 (Pty) Ltd		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.

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for the year ended 30 June 2025

41 Significant subsidiary companies continued

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

	Interest held		Carrying amount	
	2025 %	2024 %	2025 Rm	2024 Rm
Momentum GF Global Equity Fund	87%	90%	17 915	21 817
Curate Global Sustainable Equity Fund (previously Momentum GF Global Sustainable Equity Fund)	83%	80%	17 200	13 227
Momentum Money Market Fund	57%	63%	8 817	8 919
Momentum Thematic Growth Equity Fund	100%	100%	8 307	6 174
Momentum Bond Fund	94%	94%	7 447	6 165
Momentum Income Plus Fund	64%	61%	6 842	6 315
Momentum Focus 6 Fund of Funds	89%	89%	5 647	5 190
Momentum Trending Equity Fund	99%	98%	5 389	1 962
Momentum Ultra Long-Term Value Fund	91%	91%	4 151	3 425
Momentum Enhanced Yield Fund	58%	58%	4 090	4 414
Curate Global Emerging Markets Equity Fund (previously Momentum GF Global Emerging Markets Equity Fund)	88%	89%	4 088	4 350
Momentum Value Equity Fund	99%	97%	3 939	988
Momentum Opportunistic Equity Fund	100%	100%	3 794	3 442
Momentum SA Flexible Fixed Interest Fund	78%	78%	3 430	2 788
Momentum Global Growth Fund IC Ltd	91%	93%	2 922	3 160
Momentum Macro Value Fund	100%	100%	2 992	2 823
Momentum Global Systematic Equity Fund	100%	100%	2 970	1 905
Momentum High Growth Fund	100%	100%	2 914	2 623
Momentum GF Global Fixed Income Fund	98%	94%	2 783	3 087
Momentum Focus 7 Fund of Funds	85%	84%	2 732	2 327
Momentum Focus 5 Fund of Funds	79%	77%	1 991	1 775
Momentum Capped SWIX Index Fund	84%	88%	1 870	1 920
Momentum Global Managed Fund IC Ltd	87%	89%	1 803	1 776
Momentum Diversified Income Fund	58%	60%	1 725	1 632
Momentum RCIS QI Property Hedge Fund	100%	100%	1 619	1 550
Momentum Emerging Manager Growth Fund	100%	100%	1 558	1 319
Momentum Equity Fund	32%	33%	1 284	1 194
Momentum Property Equity Fund	95%	95%	1 284	1 111
Curate Global Growth Equity Fund	77%	*	1 334	*
Momentum GF Global Sustainable Equity Feeder Fund	67%	**	1 249	**
Momentum RCIS Multi-Managed ZAR Equity Hedge QI Hedge Fund	100%	100%	1 179	1 105
Momentum RCIS Multi-Managed ZAR Capi Alpha QI Hedge Fund	100%	100%	1 162	998
Momentum Macro Growth Fund	100%	100%	1 055	948
Curate Global Value Equity Fund	63%	*	1 037	*
Momentum RCIS Rubix QI Hedge Fund	100%	100%	1 030	885
Momentum Core Equity Fund	31%	31%	1 000	953
Curate Global Quality Equity Fund	62%	*	955	*
Momentum Flexible Income Fund	72%	72%	918	631
Momentum SA Real Growth Property Fund	83%	**	857	**
Momentum Real Growth Property Fund	75%	80%	823	751
Momentum Managed Bond Fund	100%	100%	814	726
Momentum RCIS ZAR Diversified QI Fund of Hedge Funds	80%	80%	685	626
Momentum Active Bond Fund	76%	76%	622	562
Momentum International Equity Feeder Fund	***	45%	***	585
			146 223	126 148

* These are new investment for the current year.

** The funds are only a significant subsidiary in the current year.

*** The fund was only a significant subsidiary in the prior year.

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

Fund name	Domicile
Momentum GF Global Equity Fund	Luxembourg
Curate Global Sustainable Equity Fund (previously Momentum GF Global Sustainable Equity Fund)	Luxembourg
Curate Global Emerging Markets Equity Fund (previously Momentum GF Global Emerging Markets Equity Fund)	Luxembourg
Momentum Global Systematic Equity Fund	Luxembourg
Momentum Global Growth Fund IC Ltd	Guernsey
Momentum GF Global Fixed Income Fund	Luxembourg
Momentum Global Managed Fund IC Ltd	Guernsey
Curate Global Growth Equity Fund	Luxembourg
Curate Global Value Equity Fund	Luxembourg
Curate Global Quality Equity Fund	Luxembourg

41 Significant subsidiary companies continued

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

	Interest held		Carrying amount	
	2025 %	2024 %	2025 Rm	2024 Rm
Momentum GF Global Equity Fund	67%	74%	13 820	17 899
Curate Global Sustainable Equity Fund (previously Momentum GF Global Sustainable Equity Fund)	58%	61%	11 990	10 174
Momentum Money Market Fund	54%	60%	8 406	8 431
Momentum Thematic Growth Equity Fund	88%	86%	7 316	5 299
Momentum Bond Fund	92%	92%	7 299	6 058
Momentum Income Plus Fund	64%	61%	6 842	6 315
Momentum Focus 6 Fund of Funds	89%	89%	5 647	5 190
Momentum Trending Equity Fund	90%	77%	4 900	1 532
Momentum Ultra Long-Term Value Fund	91%	91%	4 151	3 425
Momentum Value Equity Fund	99%	96%	3 939	979
Momentum Enhanced Yield Fund	54%	48%	3 824	3 614
Curate Global Emerging Markets Equity Fund (previously Momentum GF Global Emerging Markets Equity Fund)	78%	79%	3 603	3 897
Momentum Macro Value Fund	100%	100%	2 992	2 823
Momentum Global Systematic Equity Fund	100%	100%	2 970	1 905
Momentum High Growth Fund	100%	100%	2 914	2 623
Momentum Focus 7 Fund of Funds	85%	84%	2 732	2 327
Momentum Opportunistic Equity Fund	67%	68%	2 525	2 344
Momentum GF Global Fixed Income Fund	73%	71%	2 072	2 322
Momentum Focus 5 Fund of Funds	79%	77%	1 991	1 775
Momentum Capped SWIX Index Fund	84%	88%	1 870	1 916
Momentum Global Growth Fund IC Ltd	57%	55%	1 817	1 848
Momentum RCIS QI Property Hedge Fund	100%	100%	1 619	1 550
Momentum Emerging Manager Growth Fund	100%	100%	1 558	1 319
Momentum Diversified Income Fund	46%	47%	1 363	1 284
Curate Global Growth Equity Fund	77%	*	1 334	*
Momentum Equity Fund	32%	33%	1 284	1 192
Momentum Property Equity Fund	95%	95%	1 284	1 111
Momentum GF Global Sustainable Equity Feeder Fund	67%	**	1 235	**
Momentum Global Managed Fund IC Ltd	57%	59%	1 181	1 188
Momentum RCIS Multi-Managed ZAR Equity Hedge QI Hedge Fund	100%	100%	1 179	1 105
Momentum RCIS Multi-Managed ZAR Capi Alpha QI Hedge Fund	100%	100%	1 162	998
Curate Global Value Equity Fund	63%	*	1 037	*
Momentum RCIS Rubix QI Hedge Fund	100%	100%	1 030	885
Momentum SA Flexible Fixed Interest Fund	22%	23%	967	812
Curate Global Quality Equity Fund	62%	*	955	*
Momentum SA Real Growth Property Fund	81%	**	838	**
Momentum Flexible Income Fund	72%	72%	917	629
Momentum Real Growth Property Fund	75%	80%	823	751
Momentum Managed Bond Fund	100%	100%	814	726
Momentum Core Equity Fund	22%	23%	707	719
Momentum RCIS ZAR Diversified QI Fund of Hedge Funds	80%	80%	685	626
Momentum Active Bond Fund	76%	**	622	**
Momentum International Equity Feeder Fund	33%	44%	***	582
Total investment in CIS subsidiaries			126 214	108 173

* This is a new investment for the current year.

** The funds are only a significant subsidiary in the current year.

*** The fund was only a significant subsidiary in the prior year.

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for the year ended 30 June 2025

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	
	2025 Rm	Restated 2024 Rm	2025 Rm	Restated 2024 Rm
Collective investment schemes				
Local and foreign	250 394	215 758	235 220	200 751
Equity	84 165	69 733	75 573	60 088
Interest-bearing	19 335	17 015	15 668	13 666
Property	6 588	5 341	6 239	5 432
Mixed	136 434	120 086	134 884	119 034
Money market	3 548	3 217	2 785	2 433
Commodity	324	366	71	98
Other unit-linked investments	22 746	17 508	22 682	17 330
Local and foreign				
Equity ¹	4 625	4 292	4 726	4 329
Interest-bearing	2 366	1 869	2 347	1 850
Mixed	14 375	10 225	14 327	10 166
Commodity	352	177	254	78
Property	817	598	817	567
Money market	211	347	211	340
	273 140	233 266	257 902	218 081

¹ Refer to note 6.1 for more information on the restatement.

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
2025				
Momentum Africa Real Estate Fund	310	25.1%	Standard investment	London
2024				
Momentum Africa Real Estate Fund	324	26.4%	Standard investment	London

Summarised financial information relating to the associates above:

42 Unconsolidated structured entities continued**42.2 Detail on investments in associates at fair value through profit or loss continued**

	Momentum Africa Real Estate Fund Rm
2025	
Current assets	13
Non-current assets	1 178
Current liabilities	17
Non-current liabilities	1 174
Revenue	57
Profit	12
Restated 2024¹	
Current assets	-
Non-current assets	1 244
Current liabilities	19
Non-current liabilities	1 224
Revenue	58
Loss	(290)

¹ Loan and interest receivables from subsidiaries were incorrectly classified as current assets and should have been classified as non-current assets. June 2024 has been restated accordingly.

42.3 Other unconsolidated structured entities

The table below provides information on significant other unconsolidated structured entities in which the Group holds an interest:

Name of entity	Investment type	Nature and purpose of business	How is the entity financed?	Carrying amount ¹		Income received ²	
				2025 Rm	2024 Rm	2025 Rm	2024 Rm
Grayston Drive Autos (RF) Ltd	Floating rate note/vanilla bonds	Special purpose vehicle set up by Investec Bank Limited to finance their automobiles book.	Funding received from the South African capital market	469	**	23	**
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	*	36
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	428	552	46	38
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	642	624	64	58
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	622	398	57	9
The Thekwini Warehousing Conduit (RF) Ltd	Fixed rate notes	Asset Backed Commercial Paper set up by South African Home Loans (Pty) Ltd to fund pools of home loans pursuant to a securitisation scheme.	The issuance of fixed and/or floating rate, asset-based commercial paper	568	769	5	10
Harcourt Street 1 (RF) Ltd	Floating rate notes	The issuer of the funds borrowed or raised from such debt instruments to acquire assets of any kind, but are typically associated with property investment and management.	Funding received from the South African capital market	527	403	7	11
				3 256	3 092	202	162

* The carrying value of this listed securitisation is not considered to be significant in the current year.

** The carrying value of this listed securitisation was not considered to be significant in the prior year.

¹ Included in securities at FVPL in the statement of financial position. The carrying amount represents the Group's maximum exposure.

² Consists of interest income and fair value gains/(losses).

The Group has not sponsored any significant unconsolidated structured entities in which it holds an interest.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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	
	2025 %	2024 %	2025 Rm	2024 Rm
Momentum Africa Real Estate Fund	25%	26%	310	324
Momentum Macro Growth Fund	9%	10%	100	93
VPFP International Growth Fund IC Ltd	19%	15%	73	50
Momentum Financials Fund	9%	11%	39	43
VPFP International Cautious Fund IC Ltd	4%	6%	33	33
Momentum – Sterling Balanced Fund IC Limited	12%	9%	22	20
PB Global Flexible Fund IC Limited	*	5%	*	85
Total investment in CIS associates			577	648

* This fund was only a significant associate in the prior 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.

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
Payables arising from investment contracts	Fair value of the underlying assets	Fair value of the underlying assets

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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
Financial assets at fair value through profit and loss				
Equity securities				
Listed	Published prices	Adjustments for low liquidity or inactivity	Liquidity discount: 0% to 30% (2024: 0% to 30%)	The higher the liquidity discount rate, the lower the fair value
Unlisted	NAV	Underlying property valuations impacted by capitalisation rates, vacancy rates and potential capitalisation of project costs	Could vary significantly based on the value of the underlying properties ¹	The higher the capitalisation rate the lower the value of the property and the fair value. The higher the vacancy rate, the lower value of the property and the fair value ¹
Debt securities				
<i>Stock and loans to government and other public bodies</i>				
Unlisted	DCF	Discount rate	8.00% to 11.5% (2024: 5.04% to 13.07%)	The higher the discount rate, the lower the fair value of the assets.
<i>Other debt instruments</i>				
Unlisted	DCF, Black-Scholes model	Discount rate, volatilities, yield curve	Multiple unobservable inputs ¹	Could vary significantly based on multiple inputs. The higher the discount rate, the lower the fair value of the assets. A normal yield curve will result in a lower fair value and a downward-sloping curve will result in higher fair values.
	DCF	Discount rate	9.00% to 10.22% (2024: 10.22% to 10.95%); 8.5% to 15.06% (2024: 9.58% to 15.85%)	The higher the discount rate, the lower the fair value of the assets.
	Last quoted price multiplied by number of units held	Price per unit	78c (2024: 78c)	The higher the price per unit, the higher the fair value

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

43 Valuation techniques continued

43.2 Fair value classification on level 3 instruments continued

Information about fair value measurements using significant unobservable inputs (level 3) continued

Financial assets	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Unit-linked investments				
<i>Collective investment schemes</i>				
Foreign unlisted unquoted	Market approach – earnings multiple method & DCF	Valuation multiple, enterprise value, surplus assets, excess liabilities, financial instrument ranking, discount rates	Could vary significantly based on the assets and liabilities held by the investee	The higher the valuation multiple, enterprise value, surplus excess and financial instrument ranking, the greater the fair value. The higher the excess liabilities the lower the fair value. The higher the discount rate, the lower the fair value of the assets.
<i>Other unit-linked investments</i>				
Local unlisted unquoted	Market approach – earnings multiple method & DCF	Valuation multiple, enterprise value, surplus assets, excess liabilities, financial instrument ranking, discount rates	Could vary significantly due to range of holdings	The higher the valuation multiple, enterprise value, surplus excess and financial instrument ranking, the greater the fair value. The higher the excess liabilities the lower the fair value. The higher the discount rate, the lower the fair value of the assets.
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics. Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics	Could vary significantly due to range of holdings ¹	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Foreign unlisted unquoted	Market approach – earnings multiple method & DCF	Valuation multiple, enterprise value, surplus assets, excess liabilities, financial instrument ranking, discount rates	Could vary significantly due to range of holdings	The higher the valuation multiple, enterprise value, surplus excess and financial instrument ranking, the greater the fair value. The higher the excess liabilities the lower the fair value. The higher the discount rate, the lower the fair value of the assets.
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics. Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics	Could vary significantly due to range of holdings ¹	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Investment in subsidiaries				
Investment in subsidiaries at fair value through other comprehensive income	DCF	Discount rate	12.75% to 16.75% (2024: 12.5% to 18.00%)	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 ¹	The higher the capitalisation rate, the lower the value of the property and the fair value. The higher the vacancy rate, the lower the value of the property and the fair value
Derivative financial assets				
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics	Could vary significantly due to range of holdings ¹	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Financial liabilities				
Financial liabilities at fair value through profit and loss				
Preference shares	DCF	Discount rate	11.55% to 14.43% (2024: 12.73% to 15.85%)	The higher the discount rate, the lower the fair value of the liability

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

There were no significant changes in the valuation methods applied since the prior year. Editorial changes have been made to the fair value classification on level 3 instruments.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

43 Valuation techniques continued

43.3 Fair value classification on financial instruments not measured at fair value disclosed as level 2 instruments²

Instrument	Valuation basis	Main assumptions
Financial assets at amortised cost		
Unsettled trades	Transaction price of the underlying trade	No key assumptions applied over the transaction price of the underlying trade given the typical short period between trade date and settlement date
Accounts receivable	DCF ¹	Discount rate applied if the effect of the time value of money is considered material
Funds on deposit and other money market instruments	DCF ¹	Discount rate applied if the effect of the time value of money is considered material
Loans	DCF ¹	Discount rate applied if the effect of the time value of money is considered material
Cash and cash equivalents	DCF ¹	Discount rate applied if the effect of the time value of money is considered material
Financial liabilities at amortised cost		
Term loans	DCF ¹	Discount rate applied if the effect of the time value of money is considered material
Other payables		
Other	DCF ¹	Discount rate applied if the effect of the time value of money is considered material

¹ Valuation basis will typically reference the face value, with appropriate consideration of credit risk and discounted for the effect of the time value of money if considered material.

² In the prior year, the fair value classification on financial instruments not measured at fair value disclosed as level 2 instruments in the table above was incorrectly not presented.

43.4 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 Momentum Group Ltd shares for the holders of the vested units. Consequently, an individual unit holder in the scheme can be seen as holding a call option on Momentum Group Ltd shares where the exercise price is the applicable value of the scheme debt per unit at the settlement date (i.e. the value of the preference shares).

All scheme debt will be settled at the end of year 10 of the scheme. Before this, the debt profile allows for the ranking of the different debt instruments by first servicing obligations to the most senior instruments in this case the A preference shares, and then to the subordinated B preference shares.

The IFRS 2 charge for any specific issuance is then determined as the grant date fair valuation of the option adjusted for the expected proportion of units that will reach vesting (i.e. attrition). The recognition profile of the expenses follows a graded vesting pattern in line with IFRS 2 guidance.

In order to incorporate the impact of employees leaving over the scheme duration, an employee attrition rate of 14% (2024: 14%) was used.

43 Valuation techniques continued**43.4 Equity-settled arrangements continued****Valuation assumptions relating to outstanding iSabelo units at 30 June continued****Key inputs**

For the valuation, the following key parameters were used:

Key model parameters

2025						
Market-based parameters	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Comment
Share price at issue date	18.89	16.49	18.37	20.15	32.43	Share price as at issue date
Volatility	40.00%	40.00%	26.30%	23.61%	24.47%	Based on market rates
Risk-free rate	10.87%	10.61%	11.40%	12.95%	10.93%	10-year point on GOVI Zero NACS
Contractual parameters						
Dividend yield	4%	4%	4%	4%	4%	Constant dividend yield assumed over the projection period
Funding charges	72% of prime 120% of prime	72% of prime 120% of prime	72% of prime 120% of prime	72% of prime 120% of prime	72% of prime 120% of prime	A preference share B preference share
Employee attrition	14.00%	14.00%	14.00%	14.00%	14.00%	Based on historic experience
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 120% of prime	72% of prime 120% of prime	72% of prime 120% of prime	72% of prime 120% of prime		A preference share B preference share
Employee attrition	14.00%	14.00%	14.00%	14.00%		Based on historic experience

The volatility used in the valuation was based on the market implied volatility at the time of the valuation.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

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	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Hillie Meyer ¹	-	2 105	-	6 650	-	-	-	13 669	-	-
Jeanette Marais (Cilliers)	7 872	7 399	4 900	4 150	-	-	21 988	10 189	-	-
Risto Ketola	5 685	5 361	3 850	3 650	-	-	18 070	8 051	-	-
Dumo Mbethe	4 500	4 196	3 750	3 600	-	-	11 741	4 827	-	-
Executive directors	18 057	19 061	12 500	18 050	-	-	51 799	36 736	-	-

	Medical aid		Pension fund		Contractual payment		Total remuneration		Value of shares granted	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Hillie Meyer ¹	-	-	-	-	-	-	-	22 424	-	10 614
Jeanette Marais (Cilliers)	78	71	388	405	-	-	35 226	22 214	25 118	23 598
Risto Ketola	78	71	278	268	-	-	27 961	17 401	16 951	15 324
Dumo Mbethe	47	43	353	326	-	-	20 391	12 992	13 984	12 381
Executive directors	203	185	1 019	999	-	-	83 578	75 031	56 053	61 917

	Fees		Ad hoc fees		Total fees	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000
PC Baloyi	2 967	2 806	-	-	2 967	2 806
P Cooper	1 832	1 560	-	-	1 832	1 560
L de Beer	2 078	1 986	-	-	2 078	1 986
NJ Dunkley ²	2 690	3 120	-	-	2 690	3 120
T Gobalsamy	1 258	1 210	-	-	1 258	1 210
SC Jurisich	2 298	2 192	-	-	2 298	2 192
AF Leautier	1 644	1 206	-	-	1 644	1 206
PJ Makosholo	-	1 214	-	-	-	1 214
P Matlakala	2 113	2 018	-	-	2 113	2 018
HP Meyer ¹	1 120	277	-	-	1 120	277
DJ Park	1 832	1 752	-	-	1 832	1 752
S Rapeti	1 120	92	-	-	1 120	92
JJ Sieberhagen ³	1 874	-	-	-	1 874	-
T Soondarjee	1 539	1 146	-	-	1 539	1 146
Non-executive directors	24 365	20 579	-	-	24 365	20 579

¹ Retired as an executive director September 2023. The remuneration disclosed for the prior financial year represents amounts received and/or earned for services rendered as an executive director. Post his retirement he was not awarded any remuneration for his services as an executive director. All payments due post his retirement relate to cash settlement of vested deferred bonus and LTIP units earned during his tenure as executive director but with vesting and cash settlement due post retirement per the original award vesting and settlement terms and conditions approved by the Group Remuneration Committee. For 2025 Hillie Meyer received LTIP and deferred bonus units payment amounting to R31.6 million.

² Received fees from directorship in United Kingdom (MGIM and Euroguard Boards).

³ Appointed 1 March 2025.

45 Material 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 21 (Amendments) – Lack of exchangeability (effective from annual periods beginning on or after 1 January 2025).
- Volume 11 – Annual improvements to IFRS Accounting Standards (effective from annual periods beginning on or after 1 January 2026).
- IFRS 9 and IFRS 7 (Amendments) – Contracts referencing nature-dependent electricity (effective from annual periods beginning on or after 1 January 2026).
- IFRS 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 18 establishes a structured framework for presenting financial statements, with an aim to enhance transparency and comparability. The standard introduces specific subtotals in the income statement, such as operating profit, and mandates disclosures for management-defined performance measures (MPMs). It also requires greater disaggregation of financial information to provide clearer insights. The adoption of IFRS 18 will result in changes to the presentation of the Group's income statement and related notes, with comparative periods requiring restatement. However, the Group's earnings for the period will remain unchanged. The Group is currently assessing the full impact of IFRS 18.
- IFRS 19 – 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.

45.2 Consolidation

45.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. All material subsidiaries have financial years ending on 30 June and are consolidated to that date. Subsidiaries with financial year-ends other than 30 June are consolidated using audited or reviewed results (where necessary) for the relevant period ended 30 June. The accounting policies for subsidiaries are consistent, in all material respects, with the policies adopted by the Group. Separate disclosure is made of non-controlling interests.

Initial measurement

The acquisition method of accounting is used to account for the acquisition of subsidiaries/business combinations by the Group. The cost of a business combination is the fair value of the assets given at the date of acquisition, equity issued and liabilities assumed or incurred (including contingent liabilities). This includes assets or liabilities recognised from contingent consideration arrangements. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit and loss. Costs directly attributable to the business combination are expensed as incurred. Consideration transferred in excess of the fair value of the Group's share of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Conversely, to the extent that the Group's share of identifiable assets, liabilities and contingent liabilities exceeds the consideration transferred, the difference is recognised in the income statement as a bargain purchase. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interest shareholders even if this results in the non-controlling interest shareholders having a deficit balance.

Disposals

If the Group loses control of a subsidiary company, the gain or loss on disposal is calculated as the difference between the fair value of the consideration received, and the carrying amount of the subsidiary's net assets and any non-controlling interest. Any gains or losses in other comprehensive income that are allowed to be recycled to the income statement are reclassified and those amounts not reclassified to the income statement are directly transferred to retained earnings. Goodwill is included in the calculation of gains and losses on the disposal of an entity.

Transactions with non-controlling interest shareholders

Transactions with non-controlling interest shareholders are treated as transactions with equity participants of the Group and any resulting in gains and losses for the Group are recorded in equity.

Measurement – MML separate financial statements

Investments in subsidiaries

The Company accounts for its investments in subsidiaries either at fair value through profit or loss or at fair value through other comprehensive income, depending on the category of investment. The measurement basis is determined when the investment is initially recognised and is applied consistently to that category.

For subsidiaries measured at fair value through profit or loss, all changes in fair value are recognised in profit or loss within net realised and unrealised fair value gains and losses.

For subsidiaries measured at fair value through other comprehensive income, fair value changes are recognised in other comprehensive income and are not subsequently reclassified to profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

45 Material Group accounting policies continued

45.2 Consolidation continued

45.2.1 Subsidiaries continued

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.

45.2.2 Associates

Associates are all entities over which the Group has significant influence but not control. The accounting policies for associates are consistent, in all material respects, with the policies adopted by the Group.

Measurement

Investments in associate companies are initially recognised at cost, including goodwill, and the carrying amount is increased or decreased with the Group's proportionate share of post-acquisition profits or losses, using the equity method of accounting. The equity method is discontinued from the date that the Group ceases to have significant influence over the associate. When significant influence is lost, any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in the income statement.

Investments in CISs where the Group has significant influence are recognised at 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 and joint ventures for investment-linked insurance funds. Initial measurement is at fair value on trade date, with subsequent measurement at fair value based on quoted repurchase prices at the close of business on the last trading day on or before the reporting date. Fair value adjustments on CISs are recognised in the income statement. The related income from these schemes is recognised as interest or dividends received, as appropriate.

Impairment

Under the equity method, the carrying amount is tested for impairment at reporting dates.

Measurement – 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. 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, foreign exchange rate differences arising from the translation of the net investment in foreign entities are recognised in the foreign currency translation reserve in other comprehensive income. On disposal, such foreign exchange rate differences are recognised in the income statement as part of net realised and unrealised fair value gains.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

45 Material Group accounting policies continued

45.4 Intangible assets

45.4.1 Goodwill

Recognition and measurement

Goodwill is recognised at the acquisition date. Subsequent to initial measurement, goodwill is carried at cost less accumulated impairment losses.

Goodwill on acquisition of subsidiaries is included in intangible assets whereas goodwill on acquisition of associates is included in investment in associates.

Impairment

At the acquisition date, goodwill acquired in a business combination is allocated to CGUs that are expected to benefit from the synergy of the combination in which the goodwill arose. CGUs to which goodwill has been allocated are assessed annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to a CGU and then to reduce the carrying amount of other assets on a pro rata basis. Impairment losses on goodwill are not reversed.

45.4.2 Deferred acquisition costs (DAC)

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 over 3 to 19 years, brands over 10 to 20 years and computer software over 10 years. If an intangible asset has an indefinite useful life, no amortisation is recorded on that intangible asset.

45.5 Owner-occupied properties

Owner-occupied properties are held for use in the supply of services or for administrative purposes. Where the Group occupies a significant portion of the property, it is classified as an owner-occupied property.

Measurement

Owner-occupied properties are stated at revalued amounts, being fair value reflective of market conditions at the reporting date.

Fair value is determined using either DCF techniques which present value the net rental income, discounted for the different types of properties at the market rates applicable at the reporting date, or the income capitalisation approach based on the aggregate contractual or market-related rent receivable less associated costs. Where considered necessary, significant properties are valued externally by an independent valuer, at least once in a three-year cycle, to confirm the fair value of the portfolio.

Increases in the carrying amount arising on revaluation of buildings are credited to a land and building revaluation reserve in other comprehensive income. 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 5 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 2025

45 Material Group accounting policies continued

45.6 Investment properties

Investment properties are held to earn rentals or for capital appreciation or both and are not significantly occupied by the companies of the Group. Investment properties include property under development for future use as investment property.

Measurement

Investment properties comprise freehold land and buildings and are carried at fair value, reflective of market conditions at the reporting date, less the related cumulative accelerated rental income receivable. Fair value is determined as being the present value of net rental income, discounted for the different types of properties at the market rates applicable at the reporting date. All properties are internally valued on a biannual basis and where considered necessary, significant properties are valued externally by an independent valuer, at least once in a three-year cycle, to confirm the fair value of the portfolio. The accelerated rental income receivable represents the cumulative difference between rental income on a straight-line basis and the accrual basis.

Investment properties that are being redeveloped for continuing use as investment property, or for which the market has become less active, continue to be measured at fair value.

Undeveloped land is valued at fair value based on recent market activity in the area.

Transfers to and from investment properties

If an investment property becomes owner-occupied, it is reclassified under owner-occupied properties, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes, and vice versa.

45.7 Financial assets

Classification

The Group classifies its financial assets in the following main categories:

- Financial assets at 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 Material 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 its 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 2025

45 Material Group accounting policies continued

45.10 Insurance and investment contracts

The contracts issued by the Group transfer insurance risk, financial risk or both. Contracts are separated into investment and insurance contracts for the purposes of valuation and accounting purposes. Insurance contracts transfer significant insurance risk to the Group. Insurance risk is significant if an insured event could cause the Group to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance. Investment contracts transfer financial risk to the Group.

Where allowed in terms of the standard, the Group accounts for financial guarantee contracts as insurance contracts. In other instances, the Group accounts for financial guarantee contracts as financial instruments.

Investment contracts with discretionary participation features are accounted for as insurance contracts. An investment contract exposes the Group to financial risk and not to significant insurance risk. The terms and conditions of an investment contract contains discretionary participation features if discretionary benefits are expected to be a significant portion of the total expected benefits to the policyholder.

Some investment contracts issued by the Group provides the policyholder with a choice regarding the investment fund(s) that the policyholder funds will be invested into. Investment fund rules and relevant PPFMs could result in an investment fund providing significant discretionary benefits to policyholders. Investment contracts with existing or potential exposure to such funds are assessed to determine whether the investment contracts contain discretionary participation features.

The accounting policies dealing with the accounting treatment of investment contracts with discretionary participation features are discussed under the section dealing with the variable fee approach.

An insurance contract can provide various types of insurance cover to a policyholder. The lowest level of accounting for an insurance contract, is the insurance contract itself. The Group applies judgement to assess whether accounting for various insurance components as a single insurance contract, reflects the economic substance of the insurance contract. The Group considers facts and circumstances in deciding whether the insurance components should be accounted for as one insurance contract or as several separate insurance contracts. Accounting for a single insurance contract as several, separate insurance contracts is not an accounting policy choice. As such the accounting treatment can be determined on a case-by-case basis.

Policyholders who are members of the LifeReturns loyalty scheme can earn incentive benefits depending on their LifeReturns Rewards status and other factors. LifeReturns discounts on premiums are accounted for as reductions in the fulfilment cash flows or estimated amount of insurance revenue of a group of insurance contracts.

45.10.1 Insurance contracts issued and reinsurance contracts held

45.10.1.1 Presentation

The closing balance of a portfolio of insurance contracts includes, among others, the carrying values of liabilities for incurred claims of groups of insurance contracts in the portfolio. Fulfilment cash flows (including risk adjustments) for incurred claims and payables or receivables incurred as part of the claims handling and settlement processes, are included in the measurement of the liability for incurred claims. After the recognition of the incurred amounts, the Group transfers fulfilment cash flows with third parties that are subject to negligible non-financial risk to financial liabilities at amortised cost or other payables. As a result, the closing balance of the liability for incurred claims consists of fulfilment cash flows for incurred claims and other payables or receivables that continue to expose the Group to non-financial risk.

Insurance finance income and expenses earned/incurred in the measurement of a group of insurance contracts or investment contracts with discretionary participation features are presented, in total, in insurance finance income and expenses on the income statement.

45.10.1.2 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.

45.10.1.3 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 Material 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 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.

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.

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 paid on the modification date.

When a reinsurance contract measured in terms of the premium allocation approach is derecognised, the allocation of reinsurance service premiums for the period is reduced and any loss-recovery component or incurred claims for the group of reinsurance contracts is adjusted, to no longer include the reinsurance contract.

45.10.1.5 Portfolios and groups of insurance contracts issued and reinsurance contracts held

A portfolio of insurance contracts comprises contracts subject to similar risks, that are managed together. The identification of portfolios of insurance contracts involves judgement. In identifying portfolios of insurance contracts, the Group considers the perils and insured events that are covered by the insurance contracts. In addition, the Group considers management information and decision-making processes to identify the insurance contracts that are managed together.

The Group has identified a group of insurance contracts issued and reinsurance contracts held as the contracts that are issued/held during the financial year of the Group. Contracts issued/held between and including the 1st of July and 30th of June the following year, are included in the same group of insurance contracts. In limited instances, a group of insurance contracts will consist of insurance contracts issued during a shorter period than an annual period, for example insurance contracts issued within a month.

At initial recognition the insurance contracts in a portfolio of insurance products are allocated into mandated groups of insurance contracts based on expected profitability. Insurance contracts that are onerous are allocated into a group that contains the onerous contracts. The remaining insurance contracts are allocated into a group that contains insurance contracts that are expected to be profitable, but might become onerous in the future. The allocation is performed on a set of insurance contracts or per individual insurance contract. The process makes use of fulfilment cash flows, qualitative factors and sensitivity analyses to allocate the insurance contracts into groups of insurance contracts. Once an insurance contract has been allocated to a particular group of insurance contracts, the contract remains in the particular group for the remainder of the coverage period of the contract.

A reinsurance treaty sets out the legal relationship between the insurer and the reinsurer. The Group accounts for reinsurance treaties by recognising a series of reinsurance contracts held. The Group measures reinsurance contracts with reference to the fulfilment cash flows of the underlying insurance contracts that receive reinsurance coverage and the relevant terms and conditions as specified in the reinsurance treaties. These reinsurance contracts held, are allocated into groups of reinsurance contracts originated in a net gain and groups of reinsurance contracts originated not in a net gain. The allocation is determined by whether the underlying group of insurance contracts is expected to be profitable (net gain) or onerous (not in a net gain) at initial recognition of the reinsurance contracts held.

The Group prepares interim and annual financial statements. At the interim reporting date, the contractual service margin or loss component of a group of insurance contracts is adjusted for the impact of changes in accounting estimates. Such estimates include changes in fulfilment cash flows that relate to future service and estimates of remaining future service. When preparing the next set of annual financial statements, changes in accounting estimates made to the contractual service margin or loss component at the previous interim reporting date, is reversed and the contractual service margin or loss component at the annual reporting date, is based on the annual financial period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

45 Material 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 Measurement of fulfilment cash flows

The measurement of a group of insurance contracts and reinsurance contracts considers the fulfilment cash flows within the boundary of the group of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. Cash flows within the boundary of an insurance contract are those that relate directly to the fulfilment of the contract, including cash flows for which the entity has discretion over the amount or timing of the cash flows.

Fulfilment cash flows are the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.

References to 'expenses' in the accounting policy include cash flow items and incurred expenses, such as depreciation, amortisation and some employee benefits.

- **Insurance acquisition expenses**

In selling, underwriting and issuing insurance contracts, the Group incurs expenses that are included in fulfilment cash flows. Examples of such expenses include commission expenses, marketing expenses, distribution channel expenses, policy issue costs, policyholder risk assessment costs and policyholder communication costs. The expenses include both successful and unsuccessful efforts to market and sell insurance contracts.

Commission expenses relate to the sale of insurance contracts to policyholders and are included in fulfilment cash flows as insurance acquisition cash flows. Commission expenses include commission earned by brokers 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 training expenses and costs incurred to provide administrative support to brokers. 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 and brokers.

- **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 to assist with ongoing administration, maintenance and servicing of the insurance contract are included in fulfilment cash flows.

45 Material 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 Measurement of fulfilment cash flows 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.

- **Amounts receivable from agents and brokers**

In general, the Group collects premiums directly from policyholders. Such premium cash flows are included in fulfilment cash flows and the measurement of insurance contract assets and liabilities, until the premiums are paid into the Group's bank accounts.

- **Management judgement**

Management applies judgement in identifying expenses that are directly attributable to the fulfilment of the insurance contract and are included in fulfilment cash flows. The Group makes use of established allocation principles and methodologies to allocate these expenses to portfolios and groups of insurance contracts.

- **Reinsurance contracts held**

Fulfilment cash flows for reinsurance contracts held include expected reinsurance premiums ceded, expected recoveries from reinsurers and a risk adjustment for non-financial risk.

- **Treatment of cash flows relating to tax in fulfilment cash flows**

The Group recovers some tax expenses from policyholders through a policyholder tax charge. Initially, the relevant tax cash outflows and policyholder tax charge are included in fulfilment cash flows on an expected cash flows basis. Recognition of investment returns results in tax obligations for the Group. Taxes which are directly recovered from policyholder benefits are included as fulfilment cash flows, but are presented as part of income tax expenses on the face of the income statement. At the same point in time, the Group recognises the policyholder tax charge (equal to the income tax expense) as insurance revenue through a reduction in the liability for remaining coverage.

- **Discount rates**

The Group applies the 'bottom-up' approach in determining the discount rate to be used in the measurement of fulfilment cash flows at initial and subsequent measurement of a group of insurance contracts and reinsurance contracts held.

This approach entails the calculation of a discount rate by identifying and then adjusting a risk-free interest rate to reflect the characteristics of the fulfilment cash flows and the insurance and reinsurance contracts. The Group makes use of a risk-free yield curve to identify risk-free interest rates to be used in determining the discount rates. The risk-free yield curve is based on traded government bonds depending on availability of reliable market information. In instances or jurisdictions where reliable market information is not available, the Group uses stable risk-free rates as appropriate.

In adjusting the risk-free interest rate, the Group targets consistency between the currency of the fulfilment cash flows and the currency of the risk-free interest rate and how inflation is incorporated in setting the fulfilment cash flows and the discount rate. The Group aims to ensure that financial risks are not double counted in determining the fulfilment cash flows and the discount rate. In some instances, the Group adds an illiquidity premium to the risk-free rate, to reflect differences in the liquidity of the risk-free interest rate and the group of insurance or reinsurance contracts.

For insurance and reinsurance contracts measured under the General measurement model, the discount rate determined at initial recognition is used for the remainder of the coverage period, to accrete interest to or adjust the contractual service margin for changes in estimates of cash flows relating to future services.

For insurance contracts measured under the Variable fee approach, the current discount rate at the reporting date is used to adjust the contractual service margin for changes in estimates of cash flows relating to future services.

When a group of insurance contracts is recognised, the discount rate determined at initial recognition is used to measure the fulfilment cash flows of insurance contracts added to the group during the financial period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

45 Material Group accounting policies continued

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.7 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. At initial recognition, the contractual service margin of a group of reinsurance contracts held can be either positive or negative. The contractual service margin is calculated as the amount that is opposite, but equal to the net fulfilment cash flows.

General measurement model

Interest is accreted over the reporting period to the contractual service margin carrying amount at the locked-in discount rate, determined at initial recognition of the group of insurance or reinsurance contracts. The interest income/expense is included in reinsurance/insurance finance income and expenses on the face of the income statement.

Changes in fulfilment cash flows that relate to future services are accounted for in the contractual service margin. Changes in fulfilment cash flows relating to financial risks or changes in financial risks are accounted for in insurance/reinsurance finance income and expenses. The present value of the adjustment to the contractual service margin is calculated with the locked-in discount rate determined at initial recognition of the group of insurance or reinsurance contracts. The present value of the fulfilment cash flows at the reporting date is calculated with the current discount rate. The difference between the adjustment to the contractual service margin and the adjustment to fulfilment cash flows is accounted for in insurance/reinsurance 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 makes use of various coverage units in recognising insurance revenue.

The Group discounts coverage units in determining the expected coverage units at the reporting date. The discount rate used is the locked-in interest rate determined at the initial recognition of the group of insurance contracts.

45.10.1.8 Loss component and loss-recovery component

The allocation of insurance contracts into an onerous group of insurance contracts results in the recognition of a loss in insurance service expenses and the identification of a loss component within the fulfilment cash flows of the group of insurance contracts. The loss component indicates the extent to which losses must be reversed or amortised before a contractual service margin can be recognised for the group of insurance contracts.

The Group identifies a loss-recovery component within the fulfilment cash flows if a group of insurance contracts covered by a reinsurance contract held is expected to be onerous at initial recognition or becomes onerous subsequent to initial recognition. The loss-recovery component represents the expected recovery of expected insurance claims from the reinsurer.

Insurance contracts 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 changes to fulfilment cash flows relating to past and current services (incurring of expected insurance service expenses, the release of the risk adjustment for services provided and the incurring of insurance finance income and expenses), between the loss component and the liability for remaining coverage (without the loss component).

Profitable changes in fulfilment cash flows that 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.

45 Material 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 Loss component and loss-recovery component continued

Insurance contracts issued continued

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.

Reinsurance contracts held

The loss-recovery component and changes to the loss-recovery component are accounted for by changes to the carrying value of the reinsurance contract contractual service margin and gains or losses recognised in recovery of claims from the reinsurer. The recognition of a gain indicates the expected recovery of insurance claims in the loss component of an underlying group of insurance contracts, from the reinsurer.

Incurred insurance claims reduce the loss component with a commensurate reduction in the loss-recovery component. Changes in fulfilment cash flows of the loss component regarding insurance claims, result in changes in fulfilment cash flows of the loss-recovery component and the reinsurance contractual service margin. Decreases in other fulfilment cash flows of the loss component (relative to the initial recognition) result in decreases in the fulfilment cash flows of the loss-recovery component and changes to the reinsurance contractual service margin. These subsequent changes to the loss-recovery component are accounted for in the same manner as the initial recognition of the loss-recovery component. Increases in fulfilment cash flows of the loss component that are not covered by the reinsurance contract do not impact the loss-recovery component fulfilment cash flows.

At the reporting date, the amount of the loss-recovery component cannot exceed the amount of the loss component of the onerous group of insurance contracts expected to be recovered from the reinsurer. Any excess results in a reversal of previously recognised gains in the recovery from reinsurers with a corresponding adjustment to the reinsurance contractual service margin.

45.10.1.9 Premium allocation approach

Application of the premium allocation approach

The premium allocation approach is a simplified version of the general measurement model. It is the accounting policy of the Group to apply the premium allocation approach for the measurement of groups of insurance contracts issued and groups of reinsurance contracts held, that qualify to be measured in terms of this measurement model.

The premium allocation approach can be applied if the coverage period of the insurance contracts or reinsurance contracts included in the group, is 12 months or less. In instances where the coverage period is in excess of 12 months, the Group applies a further eligibility assessment to determine whether the premium allocation approach may be applied.

Determining whether the assessment has been passed, involves management judgement. As a guideline, the carrying values under the premium allocation approach should materially approximate the carrying values under the general measurement model, for the best-estimate scenario as well as selected sensitivity scenarios for key assumptions, for the assessment to be passed. The best-estimate scenario must meet the requirements of fulfilment cash flows. Sensitivity scenarios should cover key assumptions, be considered "plausible" and represent reasonable and supportable estimates of the future. If the sensitivity eligibility assessment for one of the key assumptions is failed, management considers the impact of the particular result on the overall assessment and the reasons why the assessment failed, before concluding whether the total eligibility assessment has been passed or not.

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.

Measurement

• Insurance contracts issued

The carrying value of the liability for remaining coverage includes premiums received in cash and the amortisation of capitalised insurance acquisition cash flows (where applicable). These amounts are reduced by insurance revenue recognised for the reporting period and capitalised insurance acquisition cash flows (where applicable). The carrying value of the liability for incurred claims is determined in the same manner as for insurance contracts measured in terms of the general measurement model and the variable fee approach.

The carrying value of the liability for remaining coverage should be adjusted for the impact of the time value of money and financial risks inherent to the expected future cash flows. The carrying value of the liability for remaining coverage is based on the present value of estimated future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in insurance finance income or expenses.

If the Group expects at initial recognition of a group of insurance contracts, that the time duration between the due date of the respective premiums and the relevant periods of service is 12 months or less, the preference of the Group is to not adjust the carrying value of the liability for remaining coverage for the time value of money and financial risks. There are instances where the fulfilment cash flows are adjusted for the impact of time of money and financial risks.

The carrying value of the liability for incurred claims should be adjusted for the impact of the time value of money and financial risks inherent to the expected future cash flows. The carrying value of the liability for incurred claims is based on the present value of estimated future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in insurance finance income or expenses.

In instances where the settlement period between the incurring of a claim and settlement is 12 months or less, the preference of the Group is not to adjust the carrying value of the liability for incurred claims with the time value of money or the impact of financial risks. In such an instance, the calculation of the loss component does not consider the impact of the time value of money and the effect of financial risks. In Momentum Metropolitan Life Ltd there are instances where the fulfilment cash flows are adjusted for the time value of money and effect of financial risks.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

45 Material 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 Premium allocation approach continued

- **Reinsurance contracts held**

The carrying value of the asset for remaining coverage includes premiums paid in cash and reinsurance acquisition cash flows capitalised. These amounts are reduced by the allocation of reinsurance premiums and amortisation of capitalised reinsurance acquisition cash flows. The carrying value of the asset for incurred claims is determined in the same manner as for reinsurance contracts measured in terms of the general measurement model.

The carrying value of the asset for remaining coverage should be adjusted for the impact of the time value of money and financial risks inherent to the expected, future cash flows. The carrying value of the asset for remaining coverage is based on the present value of estimated future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in reinsurance finance income or expenses.

If the Group expects at initial recognition of a group of reinsurance contracts, that the time duration between the due date of the respective reinsurance premiums and the relevant periods of service is 12 months or less, the preference of the Group is 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. 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 Material 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 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.

45.10.1.11 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.

45.10.1.12 Insurance service expenses

Incurred claims and other expenses are recognised as liabilities for incurred claims. Liabilities for incurred claims are measured at the present value of expected cash flows and a risk adjustment for non-financial risk.

Incurred claims and other expenses are expensed when incurred and presented under insurance service expenses on the income statement. Insurance service expenses include, among others, allocated insurance acquisition cash flows, policy administration and maintenance expenses, claims expenses (including adjustments for past service), investment management expenses and overhead expenses attributable to the provision of insurance services. The recognition of losses and adjustments to previously recognised losses from onerous groups of insurance contracts are included in insurance service expenses on the income statement. Taxes which are directly recovered from policyholder benefits are included as fulfilment cash flows, but are presented as part of income tax expenses on the face of the income statement. The remainder of incurred expenses are presented on the income statement.

45.10.1.13 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.

45.10.1.14 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 2025

45 Material Group accounting policies continued

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.15 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.

45.10.1.16 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 regarding future insurance contract services increase the contractual service margin or reduce the loss component of the liability for remaining coverage, by reversing onerous losses previously recognised in insurance service expenses. Loss-making premium variances regarding future insurance contract services reduce the contractual service margin or increase the loss component of the liability for remaining coverage, by increasing onerous losses previously recognised in insurance service expenses.

For insurance contracts measured under the premium allocation approach, insurance 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 Material Group accounting policies continued

45.10 Insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.16 Miscellaneous items continued

Accounting for insurance contracts, investment contracts with discretionary participation features or reinsurance contracts held acquired through a business combination or a transfer of a portfolio of contracts

The acquired contracts are allocated into portfolios and groups of insurance contracts as if the contracts were issued by the Group on the acquisition date. The allocation of contracts into groups of insurance contracts makes use of facts and circumstances on the acquisition date, regardless of when the contracts were issued or entered into originally. The premium allocation approach and variable fee approach eligibility assessments are performed considering the facts and circumstances on the acquisition date.

- **General measurement model and variable fee approach**

On the acquisition date, the Group determines the remaining fulfilment cash flows of the acquired group of contracts. The consideration received/receivable or paid/payable for the specific group of contracts are added to the remaining fulfilment cash flows to calculate the contractual service margin or loss component on the acquisition date. The inclusion of the consideration received or paid ensures that the contractual service margin or loss component reflects the total estimated economic impact of the acquisition of the group of contracts.

If the group of insurance contracts, investment contracts with discretionary participation features or reinsurance contracts held were acquired in a business combination, the fair value of the respective group of contracts is used as the consideration paid or received.

An onerous loss recognised on the acquisition of an onerous group of contracts is accounted for as an increase in goodwill or decrease in the gain on bargain purchase on a business combination. The loss component is a ring-fenced part of the existing liability for remaining coverage. A contractual service margin recognised on the acquisition of the group of contracts will be recognised 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 flow asset at fair value for the right to obtain future insurance contracts that are renewals of contracts acquired at the acquisition date and for the right to obtain future, newly issued insurance contracts. Last mentioned right is restricted to the extent that the Group is not required to incur further insurance acquisition cash flows to obtain the mentioned future insurance contracts.

Intercompany fees

Various entities within the Group assist in the fulfilling of the obligations under insurance contracts or investment contracts with discretionary participation features. These companies provide a range of services including investment management services, administration 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.

Fair value approach - transition to IFRS 17

The Group measured groups of insurance contracts and reinsurance contracts in terms of the fair value approach on 1 July 2022. The fair value measurement incorporated information regarding the item being measured at the measurement date. The fair value approach resulted in the calculation of the contractual service margin or loss component as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows for the group of contracts at 1 July 2022. Excess of the fair value over the fulfilment cash flows was accounted for as a contractual service margin, while excess of the fulfilment cash flows over the fair value was accounted for as a loss component. Differences between the fair value and fulfilment cash flows of a group of reinsurance contracts held on 1 July 2022, was accounted for as a contractual service margin. The loss-recovery component was calculated by multiplying the loss component of the underlying group of insurance contracts with the percentage of claims the Group expects to recover from the reinsurer.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

45 Material 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 Material 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. 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.

The fair value of financial liabilities quoted in active markets is based on current market prices. Alternatively, where an active market does not exist, fair value is derived from cash flow models or other appropriate valuation models allowing for the Group's own credit risk. These include the use of arm's length transactions, DCF analysis, option pricing models and other valuation techniques commonly used by market participants, making maximum use of market input and relying as little as possible on entity-specific input.

Financial liabilities are derecognised when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Financial liabilities, such as callable notes which are listed on the JSE interest rate market and CIS liabilities (representing the units in CISs where the Group consolidates the CISs and is required to disclose the value of the units not held by the Group as liabilities) are managed, with their performance being evaluated on a fair value basis and designated at FVPL. Carry positions (refer below) are designated at FVPL as it reduces an accounting mismatch. These financial liabilities are recognised initially at fair value, with transaction costs being expensed in the income statement, and are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the value of financial liabilities at FVPL are included in the income statement in the period in which they arise. Changes in the fair value of the financial liability that relates to changes in own credit risk is recognised in other comprehensive income if it does not create an accounting mismatch. Interest on the callable notes and carry positions are disclosed separately as finance costs using the effective interest rate method.

Carry positions

Carry positions consist of sale and repurchase of assets agreements. These agreements contain the following instruments:

- Repurchase agreements: financial liabilities consisting of financial instruments sold with an agreement to repurchase these instruments at a fixed price at a later date. These financial liabilities are classified as financial liabilities at fair value through 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 designated at fair value as it reduces an accounting mismatch.

Conversely, where the Group purchases financial instruments subject to a commitment to resell these at a future date and the risk of ownership does not pass to the Group, the consideration paid is included under financial assets carried at fair value where they are managed on a fair value basis.

The difference between the sale and repurchase price is treated as finance cost and is accrued over the life of the agreement using the effective interest rate method.

Financial liabilities at amortised cost

Financial liabilities that are neither held for trading nor at fair value are measured at amortised cost. Financial liabilities at amortised cost are recognised initially at fair value plus transaction cost that are directly attributable to the acquisition of the financial liability. These financial liabilities are then subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the liability using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

45 Material 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.

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 Material 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 2025

45 Material 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 those services. The liability is measured initially, and at each reporting date until settled, at the fair value appropriate to the scheme, taking into account the terms and conditions on which the rights were granted, and the extent to which the employees have rendered services to date, excluding the impact of any non-market-related vesting conditions. Non-market-related vesting conditions are included in the assumptions regarding the number of units expected to vest. These assumptions are revised at every reporting date. The impact of the revision of original estimates, if any, is recognised in the income statement, and a corresponding adjustment is made to the liability.

45 Material Group accounting policies continued

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.

45.20 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 CIs and share trusts, irrespective of whether they are held in shareholder or contract holder portfolios. The consideration paid, including any directly attributable costs, is eliminated from shareholder equity on consolidation until the shares are cancelled or reissued. If reissued, the difference between the carrying amount and the consideration received for the shares, net of attributable incremental transaction costs and the related income tax effects, is included in share premium.

45.21 Dividends paid

Dividends declared 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2025

45 Material Group accounting policies continued

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, except for performance fees which are recognised at a point in time when the performance obligations are met. Where initial fees are received, these are deferred and recognised over the average period of the contract. This period is re-assessed annually.

Other fee income

Administration fees received 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.

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 from operating leases 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 or sale are complete. All other finance costs are recognised in the income statement, using the effective interest rate method, and taking into account the expected timing and amount of cash flows. Finance costs include the amortisation of any discounts or premiums or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on the effective interest rate method.

45.25 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 the segmental report for more details.

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
FTSE	Financial Times Stock Exchange
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
SASAI	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; 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-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.

SHAREHOLDER DIARY AND ADMINISTRATION

Shareholder diary

Financial year end	30 June	
Reporting	Annual Financial Statements published	17 September 2025
	Annual General Meeting	20 November 2025

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.momentumgrouppltd.co.za>

Auditors

Ernst & Young Inc.
PricewaterhouseCoopers Inc.

www.momentummetropolitan.co.za

momentum

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