



Summary of financial information and notice of Annual General Meeting

For the year ended 30 June 2023

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WHO WE ARE

Our purpose

To enable businesses and people from all walks of life to achieve their financial goals and life aspirations.

Protection

Life insurance and life cell captives

Non-life insurance and non-life cell captives

Building long-term wealth

Asset management and property management

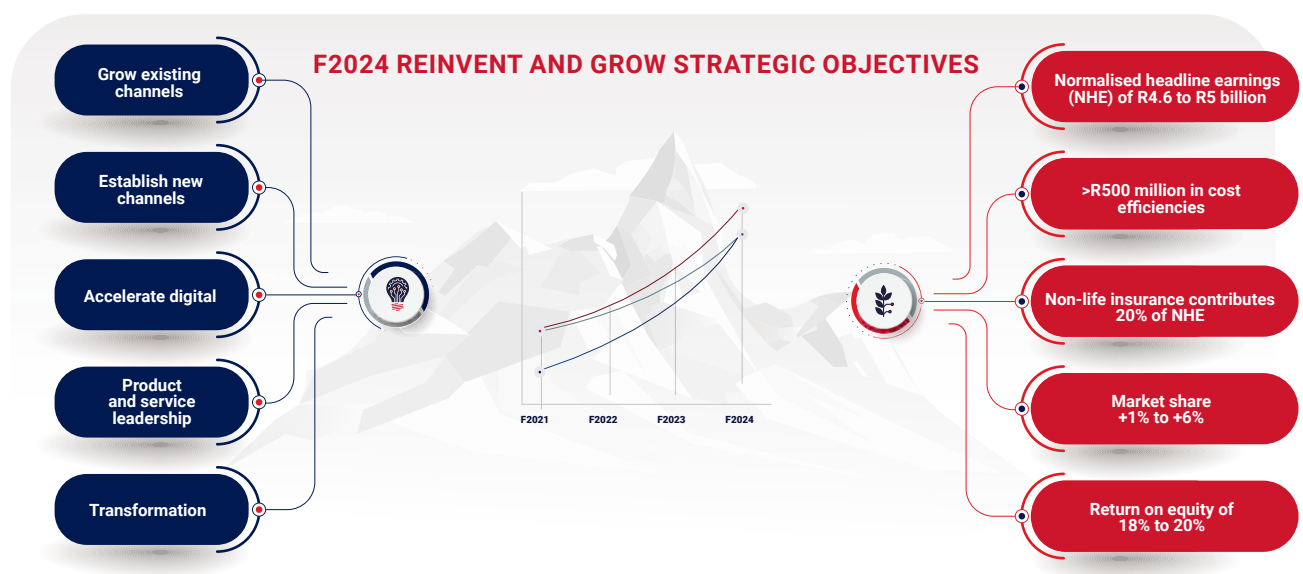
Investments and savings

Employee benefits including administration and consulting

Healthcare solutions

Health administration

Managed care and wellness services



Momentum Metropolitan is one of the largest diversified financial services companies in South Africa.

We provide protection (life and non-life), investment and long-term savings solutions, and healthcare administration through a portfolio of specialised and empowered businesses through the Momentum, Metropolitan and Guardrisk brands.

THE VALUES UNDERPINNING OUR PURPOSE

We have an explicit set of values that play a key role in shaping the culture of the Group and the behaviour of our employees.

 Accountability	 Integrity	 Innovation
 Diversity	 Excellence	 Teamwork

We operate in

Outside South Africa, we operate in five African countries through Momentum Metropolitan Africa, which includes Botswana, Ghana, Lesotho, Mozambique and Namibia. Momentum Investments has operations in the United Kingdom and Guernsey.

The Group has a health insurance joint venture in India and Guardrisk has businesses in Gibraltar and Mauritius.

OUR BUSINESSES AND THEIR SOLUTIONS

We create value through our synergistic portfolio of strategically aligned and sustainably managed businesses.

momentum life

Solutions

- Protection through Myriad, the life insurance product
- Savings through Investo and traditional product ranges
- Traditional products administration (closed life book)
- Advice through Momentum Financial Planning
- Estate administration and estate liquidity benefits through Momentum Trust

Clients

Lifetime value propositions for clients in the middle, upper and high-net-worth markets.

Distribution

Our distribution capability includes our own agency force, digital platforms and independent financial advisers (IFAs).

momentum investments

Solutions

- Retail investments (local and offshore investment platform products, guaranteed investments, annuities, structured products, collective investments, discretionary fund management)
- Institutional investments (multi-asset solutions, single-asset class funds, alternative investments, administrative platform)
- Global investments (multi-asset and single-asset class solutions, and investment consulting for South African, United Kingdom and expat markets)
- Eris, a fully integrated property services company, manages shareholder and policyholder direct property exposures

Clients

Helping individuals, businesses and retirement funds invest with confidence, and stay invested.

Distribution

Distribution capability includes its own agency force and IFAs in the retail segment and a direct distribution team focusing on the institutional market.

Momentum Metropolitan health business

Solutions

- Integrated health administration and managed care and wellness services
- Wellness and reward programmes to incentivise healthy behaviour

Clients

The business manages the health of more than 2.5 million South African beneficiaries.

Distribution

Advisers as well as directly. Medical schemes and employer group contracts are secured through tenders.

GUARDRISK TAILORED RISK SOLUTIONS

Solutions

- Cell captives (life and non-life cell captives), and alternative risk solutions
- General insurance (corporate, specialist and commercial underwriting solutions)
- Life and non-life microinsurance (economic inclusion using our cell captive expertise)

Clients

Corporate and commercial entities.

Distribution

Corporate and commercial insurance brokers and underwriting managers in niche sectors.



Solutions

- Funeral solutions
- Life and disability cover
- Retirement savings solutions
- Discretionary saving solutions
- Annuities and capital protection solutions
- Customisable discretionary savings for life goals
- Hospital cashback solutions

Clients

Needs-based solutions for our clients in the emerging and middle-income markets.

Distribution

Metropolitan Life's solutions are distributed through a combination of tied agents, supporting IFAs, an outbound call centre and digital distribution.



Solutions

- FundsAtWork umbrella fund
- Group insurance
- Structured investments and annuities
- Advice and administration
- Member solutions

Clients

Momentum Corporate provides holistic solutions for the needs of employees and employers across various corporate and public sector entities.

Distribution

Solutions are distributed through large specialist actuarial consultants, employee benefits brokers, smaller intermediaries in the small and medium enterprise (SME) space and an in-house business development team.



Solutions

- Car, home, contents, and portable possession cover for individuals
- Bespoke cover for high-net-worth individuals
- Tailored cover for individuals older than 55
- Comprehensive business insurance solutions for the small, medium and micro-enterprise (SMME) market

Clients

Momentum Insure provides retail non-life insurance to the middle, upper and high-net-worth market segments and small to medium businesses.

Distribution

Non-life retail insurance solutions are distributed through tied agents and IFAs and direct-to-consumer marketing campaigns.



Solutions

- Life insurance
- Non-life insurance
- Healthcare
- Asset management
- Pension administration

Clients

Our insurance solutions are mostly targeted at the retail mass segment, as well as public and private employee groups across our six chosen markets on the continent.

Distribution

The distribution models in each country are tailored to the needs of the local market across tied agents, brokers, IFAs, call centres and bancassurance.

OUR FEDERATED OPERATING MODEL

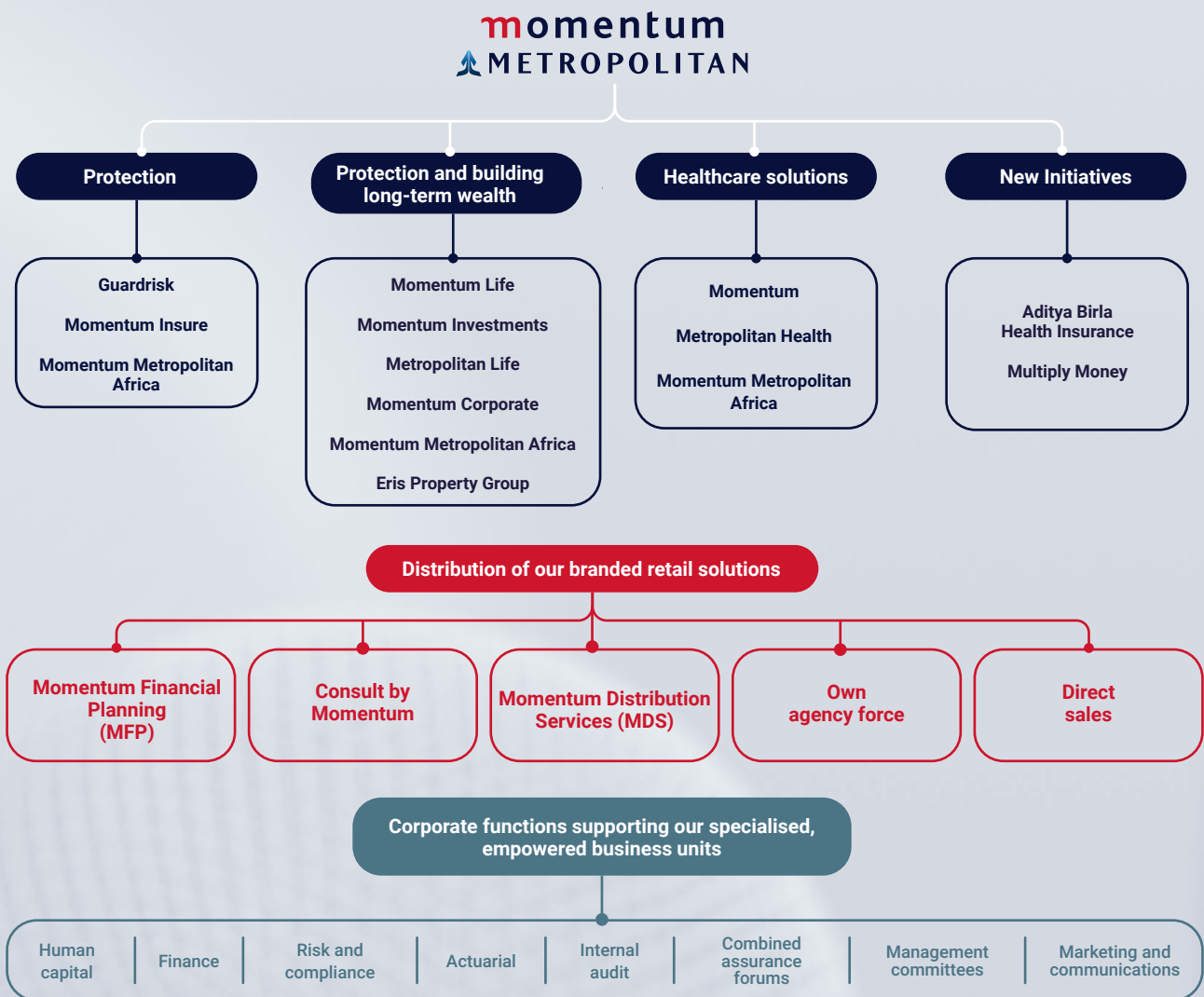
Our federated operating model ensures we remain close to the frontline, are in touch with the needs of our clients and advisers, and make decisions that reflect their realities.

In line with our federated operating model, each Group business unit remains empowered, accountable and responsible for its full value chains, while still being expected to perform according to the Group's corporate portfolio requirements. Individual business unit strategies are designed to achieve both its strategic goals and to contribute toward the Group's overall strategic goals.

The executive teams of our empowered business units are responsible for their full value chains and operate as entrepreneurs, while the Group benefits from the diverse nature of our corporate portfolio.

WHAT MAKES US UNIQUE

- Advice-led approach to client experience
- Delivering reliable outcomes to clients
- Shared-value approach of our business model
- Strong brand value and corporate culture
- Unique operating model and partnerships



CREATING VALUE BY DELIVERING ON OUR PURPOSE



Our financial performance

NHE **R5 079 million** (F2022: R4 383 million)
 Present value of new business premiums (PVNBP) **R68 873 million** (F2022: R72 673 million)

Value of new business (VNB) **R600 million** (F2022: R626 million)
 VNB **0.9%** (F2022: 0.9%)

Value created for society

Level 1 B-BBEE status maintained
 B-BBEE preferential procurement **R4.0 billion** (F2022: R3.6 billion)

Invested in enterprise development initiatives **R10 million** (F2022: R5 million)
 Total community investment of **R43.5 million** (F2022: R27.5 million)

Value created for our providers of financial capital

Distributed **R2.8 billion** through dividends and buybacks (F2022: R1.5 billion)
 Return on equity (ROE) **22.3%** (F2022: 22.7%)

Embedded value per share **R33.75** (F2022: R29.77)
 Return on embedded value (ROEV) per share **17.0%** (F2022: 11.7%)

Interest paid to debt funders **R602 million** (F2022: R381 million)

Value created for the environment

B score for our voluntary participation in the CDP climate change disclosure project
 Invested in renewable energy **R2.4 billion** (F2022: R2.3 billion)

Formal supporter of the Task Force on Climate-related Financial Disclosures (TCFD)
 Reduction in overall greenhouse gas (GHG) emissions of **26%** against 2014 baseline (F2022: 34%)

Value created for our clients

Claims paid on insurance products **R38.3 billion** (F2022: R40.3 billion)
 Policies in force providing our clients with protection **4 million** (F2022: 4 million)
 Assets under management and administration **R974 billion** (F2022: R859.3 billion)
 Signatory of the UN-supported Principles for Responsible Investment (UNPRI) since 2006

Value created for our employees and advisers

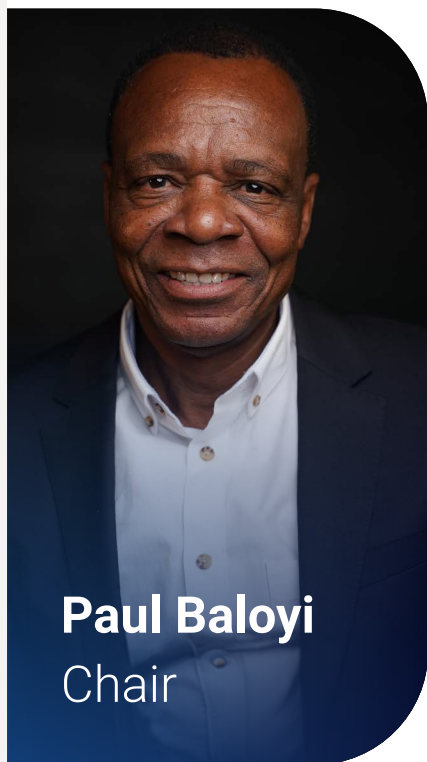
Paid in remuneration **R7.1 billion** (F2022: R6.7 billion)
 Invested in training and development **R282.4 million** (F2022: R297 million)
 101 000 hours in business development support through ASISA ESD Fund (F2022: 96 700 hours)
 13 200 beneficiaries benefited from ISabelo dividend declaration (F2022: 13 000)

Transformation

	Employees	80% are black (F2022: 81%)	65% are women (F2022: 65%)		Board	36% are black (F2022: 44%)	21% are women (F2022: 29%)
		36% are black (F2022: 36%)	18% are women (F2022: 18%)				Senior managers

Positive: net increase in capital
 Neutral: no movement in capital
 Negative: net decrease in capital

MESSAGE FROM OUR CHAIR



Dear shareholder

Our operating environment has been characterised by significant economic and political uncertainty over the past three years, and sadly, there seems no likely respite over the medium term. Globally, unpredictable macroeconomic environments across geographies are becoming more common as geopolitical and trade tensions increase, and regions are subjected to rising interest rates and inflation levels. This, notwithstanding, the trading positions of our local competitors, and indeed other markets, suggest that the South African economy continues to show resilience. In this regard, it is pleasing that our federated business model, which remains core to our strategy, continues to be an effective defensive tool against multiple headwinds impacting the Group.

The Group gained market share and generated strong earnings, while steering new business acquisitions, navigating system changes and introducing new products across its markets. We believe the Group's resilience and innovative approach to growth ensures it can mitigate against risks and harness opportunities to enable long-term growth.

South African economic prospects will likely continue to be weak as negative global factors continue to be a drag. Recent developments in Niger heighten the negative outlook, with the war in Africa likely to be a proxy of the west/east situation. The energy crisis, high debt burden and corruption are matters within the country's control and the country should hope to do better in the medium term, assuming South Africa has fewer own goals.

Performance

The Board is satisfied with normalised headline earnings of R5 079 million and a return on equity of 22.3%. In line with our capital management framework and in consideration of the strong capital and liquidity position, the Board has approved share buyback programmes totalling R1 billion during the year. A total dividend of 120 cents per share was declared, which is an impressive 20% year-on-year increase. The Board is satisfied that the Group remains well positioned to leverage its innovative approach to meet shareholder expectations and stakeholder needs.

The appointment of a new Group CEO

Jeanette Marais (Cilliers) was appointed as Group CEO (effective 1 August 2023), making her the first female CEO of a large, listed life insurance, non-life insurance and asset management Group in South Africa. Jeanette will succeed Hillie Meyer, who has served as Group CEO since February 2018. Having served the Group for a little more than five years, Hillie will retire on 30 September, following a brief handover period.

Having been a key contributor to the Group's evolution since 2018, Jeanette has an intimate knowledge of the Group's strategy, business areas and culture. She has a great understanding of the current industry, the unique set of demands on the Group and what is required to succeed. Jeanette's passion, energy and focus on doing what is best for the Group set her up well to continue our growth trajectory.

This appointment represents a significant advancement in diversity within the Group, and we are proud that we found the best candidate for the job from within the Group. This is testimony to the strength of our succession planning and provides for continuity in strategy execution. Jeanette will be supported by a strong and established Exco team, and we are confident that she will work well with her team and the Board.

Our sincere gratitude to Hillie for his exceptional leadership during his tenure, during which he streamlined the Group's structure, refocused the strategy and unleashed the Group's potential.

Changes to the Board

Several changes to the Board took place in F2023.

We sadly bid farewell to two of our colleagues, Sharron McPherson and Lisa Chiume. Both members generously provided valued insights into the Group's various operations and played key roles as part of the Board's governing body. They will be sorely missed.

Vuyisa Nkonyeni retired as a director of MMH, effective from 24 November 2022. He has kindly agreed to assume the chairmanship of our significant subsidiary, Guardrisk.

I am pleased to report that with effect from 1 June 2023, Frannie Leautier, Phillip Matlakala and Tyrone Soondarjee were appointed as independent non-executive directors. These appointments were made in accordance with the Group Nomination and Evaluation of Directors Policy and were approved by the Prudential Authority. Frannie, Phillip and Tyrone will also serve on various Board committees, contributing their expertise to areas such as investments, risk management, compliance, fair practices and sustainability. We are pleased that these additions will enhance our effectiveness in Group oversight.

Driving the implementation of the Reinvent and Grow strategy

The Board has reaffirmed its confidence in the Group's Reinvent and Grow strategy flowing from reported headline earnings growth achieved, as articulated in the CEO's report. A review of the Group's state of readiness for the ensuing year provided the Board with insights into key executive initiatives expected to further bolster Group earnings growth.

The Group continued to drive the implementation of the Reinvent and Grow strategy and made significant strides in developing alternative channels, entrenching digital transformation, achieving targeted financial metrics, making value-enhancing capital decisions, and deepening credibility with investors.

Sustainability and social relevance

I am pleased that our efforts to drive transformation in financial services have resulted in us maintaining our Level 1 B-BBEE status. The Board is monitoring the implementation of the new Employment Equity Amendment Act, 4 of 2022 through the Social, Ethics and Transformation Committee, and we remain committed to becoming an authentically transformed organisation.

The Group places great emphasis on good corporate citizenship, and endeavours to ensure meaningful responsiveness to clients, other stakeholders and society, in keeping with the principle of treating all our stakeholders fairly. The Group's robust governance structures and entrenched value system ensure services are rendered honestly and fairly and with service excellence.

We recognise that South Africa's unique context poses economic, environmental, social and governance (E-ESG) challenges that could put the promises we make to clients and the broader society at risk. However, these factors also offer opportunities for the Group to make a difference in terms of inclusion and financial resilience – helping people from all walks of life to achieve their financial goals and life aspirations. This purpose guides everything Momentum Metropolitan does, including our contribution towards good sustainability practices.

Threats to social cohesion remain a critical threat for the country due to poor service delivery. The Group, thus, recognises the need for a Just Transition, and to support the commitment between government and business to drive interventions across key aspects of the economy.

The Group's commitment to sustainability is driven by the Group Foundation, which aims to address societal and environmental factors while enabling economic progress – equipping people to make informed and sustainable decisions. Through multiple sustainability initiatives, the Foundation aims to solve some of society's toughest problems and we are proud of evidenced progress (see our [Sustainability Report](#)).

Metropolitan turns 125 years

It is the 125th anniversary of Metropolitan. The brand remains among the Group's proud heritage. We proudly reflect on the lives positively impacted by Metropolitan and its many successes over the years. We expect continued impactful contributions to the Group going forward.

Appreciation

Sincere appreciation to the Board for its diligence in oversight and to the Group's employees for yet another sterling performance. We look forward to their continued contributions. We are looking forward to an invigorated internal environment as Jeanette engages the teams with renewed vigour.

Special thanks to Hillie for the role he played during his five-year period in leadership. Not only did he lead the fixing of the Group, but he also provided cohesive energy in charting and leading a newly configured executive team to restore the credibility of Momentum Metropolitan Holdings to its shareholders and the market broadly.



Paul Baloyi
Chair



GROUP CHIEF EXECUTIVE OFFICER'S REVIEW



Jeanette Marais (Cilliers)
Group CEO

We have emerged from a challenging year in a stronger position and with a good foundation for delivering growth and service to our clients.

We are proud of the Group's exceptional financial performance over the past year. Normalised headline earnings reached a new historic high, exceeding our strategic target of R5 billion for the first time. The Group's strong results in the second year of our three-year Reinvent and Grow strategy are encouraging and confirm how, despite the challenging operating environment, our business model of empowered, accountable business units, and approach to innovation has bolstered our resilience and enhanced long-term sustainability.

Our results benefited from the less severe impacts of Covid-19 on earnings, with mortality and morbidity experience having largely normalised and a strong improvement in investment variances from favourable shifts in yield curves.

OPERATING ENVIRONMENT

Having largely recovered from the effects of the Covid-19 pandemic, the South African operating environment continues to present multiple challenges and uncertainties. These influence consumer behaviour, resulting in a smaller overall share of wallet for insurance products, where weaker purchasing power makes it difficult for clients to save or maintain their current levels of savings and insurance. Client acquisition, new business sales and retention are consequently all under pressure.

Although the past three years have been difficult for South Africans, these challenges demonstrate why Momentum Metropolitan exists. Our purpose is to enable businesses and people from all walks of life to achieve their financial goals and life aspirations – in the good times, as well as bad times. Having paid more than R38.3 billion in claims to our clients, we have honoured our promise to help vulnerable beneficiaries and their families cope. We believe our Group has a role to play as a responsible corporate citizen in this context.

To maximise our social impact, we combine practical on-the-ground efforts by our businesses and employee volunteers with the more formal initiatives of the Group's Foundation. We invested R43.5 million in uplifting South Africans through our CSI initiatives and invested R55 million into the ASISA ESD fund. Through strategic empowerment financing, we invested R17.1 billion in building transport systems, energy supply, healthcare, education and connectivity – enabling service delivery and economic transformation.

Despite significant challenges, the Group showed its resilience through its exceptional recovery in earnings, strong competitive position and the maintenance of a strong solvency position – enabling us to continue to deliver value to our clients, shareholders and communities.

PERFORMANCE

The Group's normalised headline earnings of R5 079 million reflect that most business units performed in line with expectations, resulting in the Group exceeding the expected earnings run rate of more than R1 billion per quarter.

Operating profit of R4 419 million improved by 31%, largely as a result of improved mortality experience in Momentum Life, Momentum Corporate and Momentum Metropolitan Africa following the less severe impact of Covid-19 in the reporting year. Operating profit was impacted by Metropolitan Life's persisting unfavourable lapse experience and underwriting losses in Momentum Insure, driven by adverse weather patterns and average claims cost increasing significantly more than inflation. We are paying considerable attention to these businesses to improve their performance.

The 31% increase in the Group's operating profit was partially offset by a 35% reduction in investment return year-on-year. Investment return from our shareholder assets in the prior year was boosted by large fair value gains on our venture capital (VC) funds, but the previous gain of R443 million was negative R95 million after applying the new liquidity-based adjustment to the overall portfolio valuation.

The continued pressure on consumers is evident, with the Group's overall VNB declining by 4% and the PVNBP reducing by 5% year-on-year. VNB reduced significantly in Momentum Life, Metropolitan Life and Momentum Metropolitan Africa, was slightly lower (1%) in Momentum Corporate, and showed a strong improvement in Momentum Investments (35%). The overall reduction in VNB translates to the VNB margin remaining similar to the prior year's result of 0.9%.

The strong ROE of 22.3% was supported by the NHE result.

Embedded value per share was R33.75 on 30 June 2023 and ROEV was 17.0% for the year. During the financial year, we completed our initial R750 million share repurchase programme on 26 October 2022 and completed the subsequent further R500 million share repurchase programme on 31 May 2023. A total dividend of 120 cents per share was declared for F2023, which is a 20% increase on the 100 cents per share declared in F2022. The Board approved a further R500 million for the repurchase programme of the Group's ordinary shares.

REINVENT AND GROW STRATEGY

The insurance industry is changing rapidly. Clients' circumstances have fundamentally changed since the onset of the Covid-19 pandemic and as a result, their financial needs and how they seek advice have also changed. Their rapid adoption of digital technologies for shopping, payments and banking has led to a change in the balance of power between entrenched insurance incumbents and new challengers in Insurtech and Fintech.

Technology ultimately gives clients more flexibility and choice, and tough competition requires all players to raise the bar on digital adoption and client experience. The Group, therefore, focuses on delivering leading products and a seamless and differentiated client service and experience. The Group's Reinvent and Grow strategy also includes objectives to improve our value propositions to advisers, helping them to benefit from digital advances in servicing their clients.

Our Reinvent and Grow strategic objectives have enabled the Group to navigate these changing behaviours and the dynamic environment, while simultaneously setting us up to tap into new revenue streams and optimise existing revenue streams, while also growing current and alternative means of distribution. We are pleased with the good progress made and we are tracking well towards our F2024 targets.



Grow existing channels

When compared to the multiple alternative channels today, the traditional insurance distribution and agency channels have remained consistent in their market share and contribution, while IFAs specifically for Myriad and Momentum Wealth have gained market share. Despite the number of new channels being developed, the agency and adviser channels remain relevant because insurance relationships are built on trust. Throughout the pandemic, intermediaries played a vital role in offering objective advice and assistance to policyholders on how best to manage risk. This trend is expected to continue in both the retail and corporate environments.

During the year, we successfully optimised our channels at MFP, MDS and Consult by Momentum. We continued implementing the key building blocks of our new digital foundation capabilities. These capabilities will enable all Momentum channel and product businesses to connect with clients, advisers and employees in a new digital omnichannel way of work.



Establish new channels

Globally, millennials are rapidly becoming significant purchasers of insurance – they do not follow the traditional life and purchase patterns set by older generations and have different insurance needs and greater expectations. These shifts drive demand for innovative products and services, with personalisation becoming a baseline expectation across industries.

Developing leading solutions requires an integrated approach that applies innovation and discipline to highly regulated products. It also requires the ability to leverage external ecosystems and collaborate with partners outside the industry. We think critically about our clients' functional, social and emotional needs, and choose to strategically invest in technology and develop products that meet new client behaviours and priorities. This approach helps us enhance our value propositions and maximise long-term profitability.

We have successfully enhanced distribution through most of our intermediated channels. The next frontier will be to successfully leverage direct and alternative distribution channels, including digitally enabled embedded insurance and ecosystem platforms, to drive profitable growth beyond existing sales channels. By fully capitalising on partnerships and alternative distribution channels we can expand our reach into new client segments and access underserved markets.

During the year, we successfully established new channels in a number of our businesses. These channels currently contribute a small part of our sales volumes and we aim to meaningfully grow their contribution in the future.



Accelerate digital

Globally, insurance distribution models have become more sophisticated and competitive. Most insurers realise the need to invest in digital solutions, not only to improve client experience but also to remain competitive by enhancing the availability and affordability of insurance.

Data has become a key driver of our competitive advantage, given that information enhances our client experience and drives our sales channels. By enhancing our data capabilities to adapt to the new data paradigm, we have started to use artificial intelligence and machine learning and have successfully leveraged the Insurtech start-up ecosystem, which is paying dividends in respect of product and service innovation.

During the year, we successfully launched a fully digital underwriting and paperless onboarding solution in Myriad Life, digitised most of our new solutions and client communication, and used chatbots in self-service solutions. We are also equipping and enabling our channels digitally to improve adviser journeys.

Looking ahead, we remain focused on creating effective and efficient digital channels to accelerate our business units and Group-level offerings. Our aim is for the proportion of sales generated through our current digital channels to surpass the South African industry average.



Product and service leadership

We are proud of the comprehensive range of competitive products the Group offers and are determined to remain at the forefront of product renewal. Our product and service excellence extends to innovative product and service design, as well as digital enablement and solutions that accurately meet client needs and provides a client experience that exceeds expectations.

During the year, we have made good progress to increase our focus on embedded insurance products in our Guardrisk business, launched a fully digital self-service solution in Momentum Corporate, delivered a new Myriad risk selection and rewards solution, and successfully progressed with the implementation of our artificial intelligence investment models in MGIM.



Retention of critical skills and authentic transformation

The confluence of digitalisation, industry convergence and the new world of work, is placing acute pressure on skills availability and retention in the sector. Attracting and retaining specialist skills is thus becoming more challenging.

The insurance industry in South Africa has faced significant challenges in recent years, including an ageing workforce, a lack of diversity and transformation, and a shortage of skilled workers. These challenges have made it difficult to meet the increasing demand for talent, particularly in leadership positions.

We require specialist skills to deliver our strategic objectives, and the increased remote working opportunities available to top talent means we are competing to retain and attract talent on a global scale. In the areas of digital and IT, for example, it will require constant recruiting efforts to attract critical IT skills, as well as focusing on developing our existing IT talent, crafting employee value propositions (EVPs) specific to this sector, and establishing partnerships with vendors that can provide additional skills and capacity.

From a diversity, equity and inclusion perspective, we will continue our deliberate focus to source external black talent and developing internal black talent. This focus on authentic transformation has helped the Group retain our Level 1 B-BBEE rating for the fifth year in a row, and we believe it reflects the contribution we make to the continued transformation of our country. I am pleased that ACI representation in senior management improved from 39% to 44%, while middle management improved to 47% from 45% in F2023. In F2023, 38% of our total procurement spend was spent with black suppliers.

NHE of R5 billion

The Group achieved NHE of R5 079 million in F2023, well ahead of our target for the year. This result benefitted from large items that are unlikely to recur (positive mortality experience variances, the net positive change in Covid-19 provisions and positive investment variances). Our view is that the underlying run rate of earnings is approximately R4 billion. We will continue to strive towards NHE of between R4.6 billion and R5.0 billion in F2024.

Cost efficiencies of R500 million

The Group made a deliberate decision to increase its investment in various critical projects such as digital transformation to enhance our client value proposition, IFRS 17 and sales-related activities in F2023. Our digitisation initiatives remain the main driver to improve efficiency and secure cost savings. The bulk of the savings of R500 million by F2024 is only expected in the last year (F2024) of our three-year Reinvent and Grow strategic plans.

Non-life Insurance contribution to NHE of 20%

In order to diversify our earnings profile and create resilience, we are looking to expand our exposure to the non-life insurance market. The overall non-life Insurance contribution to NHE was 5%, which was significantly short of expectations and can be ascribed to poor underwriting results in Momentum Insure. Guardrisk continues to show strong growth. Given the recent downward adjustment in expected future performance of Momentum Insure, our current best estimate projections show that we may fall short of our objective.

Market share increases between 1% to 6%

We maintained and increased market share across the Group in F2023, with the latest available data reflecting a market share of 11.8% for Momentum Wealth, 8.6% for the Myriad risk business, 14% for our umbrella funds business (FundsAtWork), 2.4% for Momentum Insure, 26% for Momentum Metropolitan Health and 18% for the emerging market Metropolitan Life business. Not all businesses have achieved targeted market shares yet and more work is required to reach the F2024 Reinvent and Grow targets.

ROE of 20%

We achieved a strong ROE of 22.3% in F2023, in line with normalised headline earnings. Through a combination of earnings growth and capital optimisation, the F2024 objective of 18% to 20% remains possible, despite the modest macroeconomic backdrop.

SUSTAINABILITY IN PRACTICE

The opportunities associated with sustainability are considerable.

Our sustainability framework supports our sustainability ambitions and helps to formalise the implementation and impact of our sustainability initiatives in line with our Reinvent and Grow objectives.

Several trends have shaped our sustainability strategies, including increased consumer vulnerability due to high inflation, climate change impacts and worsening social inequalities.

We are proud of the work we have done to date. We have built foundational level thinking from our approach to responsible investing, to how our insurance products are structured. Our sustainability framework helps us embed our approach to responsible environmental stewardship and positive social impact.

Climate change poses an ever-increasing risk, including extended wetter weather in the short term and the resultant impact on claims and reinsurance costs, as well as the transition risk impact on market, credit and regulatory risks. The increased intensity and/or frequency of extreme weather events can be attributed to climate change, such as the heavy rainfall that resulted in flooding in KwaZulu-Natal, the aftermath of which had a significant impact on the environment and society.

To mitigate this, the Group adopted a climate risk framework to ensure the impact of climate change on all risk types is appropriately mitigated across the Group. Our business units are currently unpacking how climate change will impact them and seeking ways to harness opportunities and mitigate risks.

In South Africa, due to existing socioeconomic inequalities, a Just Transition is vital to ensure livelihoods are protected and communities are empowered in the transition to a low-carbon economy. Our goal is to make financial services more inclusive, enhance financial security and health, and positively contribute to a low-carbon economy. Our stakeholders should expect more deliberate and strategic sustainability thinking and impact over the next few years. There is a strong need for stakeholders from across society to work together if we intend to help our clients and society solve its toughest problems.

OUTLOOK

We will continue to make every effort to look after the financial needs of our policyholders and to generate value for shareholders. We also look to play an increasingly active role, both directly as a corporate citizen and indirectly through industry bodies, to push for pro-growth reforms in South Africa to help our country realise its full potential.

We remain on track in implementing our strategic objectives set for F2024. I am confident that we will continue to reap the rewards of our hard work.

NOTE OF APPRECIATION

I thank our Board and Chair for their wisdom and guidance throughout the last year.

I thank our employees and financial advisers for making our results possible, and for continuing to focus on serving our clients and delivering on their financial needs. A special thanks to our clients for

choosing us as partners on their journeys to achieving their financial goals. To our executive teams across our Group, I appreciate how you showed up to provide leadership in unfamiliar and difficult situations.

Lastly, I thank Hillie for his exceptional leadership over the past five years, during which he streamlined Momentum Metropolitan's structure, refocused our strategy and unleashed the Group's potential.

It is a privilege to be trusted by the Board and the Group's senior leadership to take the reins. I am honoured that I get the chance to give back and lead our Group, which has been so instrumental in my career development. I am also excited to work with the leadership team to further harness our Group's strong brands and talented people, and to successfully execute our future growth plans.

Jeanette Marais (Cilliers)
Incoming Group CEO

I have valued my time as Group CEO of Momentum Metropolitan, during which time the Group adopted a new operating model, the Board reconfigured and the strategy realigned to harness opportunities and mitigate risks in an ever-changing operating environment. I am confident that my actions while leading the Group and as a Board member, were aimed at setting the Group up for success.

I wish Jeanette Marais, who replaces me as Group CEO, all the best in her work and endeavours ahead. I am confident she will lead the Group to further success. Jeanette holds intimate knowledge of the Group's strategy, business areas and culture. She understands the insurance, investment and savings markets and the current operating environment, and what is required for the Group to succeed. Her skill, passion and resilience will enable the Group's growth trajectory as she will always do what's best for the Group.

I thank the Board of Directors for their support and guidance during my time as Group CEO. Their loyalty to the business, our clients and our staff, and their commitment to best practice, ensured that we always navigated challenges seriously but constructively.

I thank the executive teams and Group employees for their unwavering support throughout my tenure. Your considerable efforts are greatly appreciated and helped shape the Group into the formidable business it is today.

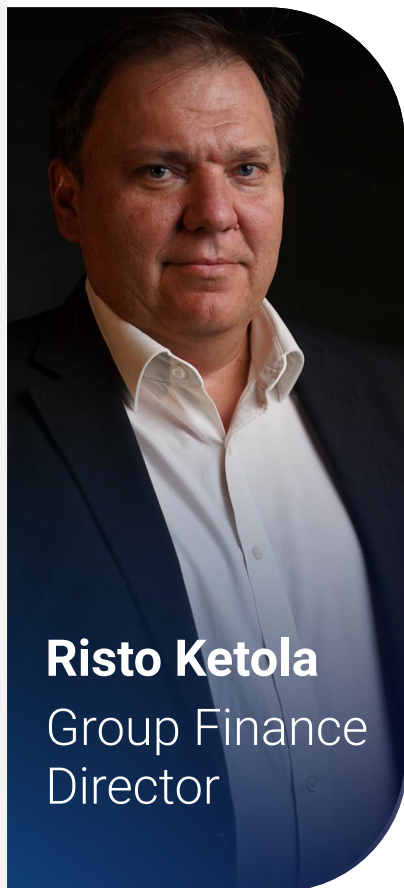
Hillie Meyer
Outgoing Group CEO



MESSAGE FROM HILLIE MEYER



GROUP FINANCE DIRECTOR'S REVIEW



Risto Ketola
Group Finance
Director

OVERVIEW OF FINANCIAL RESULTS

We are pleased with the Group's financial results for the past year given the challenging operating environment. The Group's normalised headline earnings of R5 079 million, were positively impacted by improved mortality experience, due to the modest impact of Covid-19 in the current year, and a strong improvement in investment variances from favourable shifts in yield curves.

The Group delivered normalised headline earnings of R5 079 million for the 12 months ended 30 June 2023, up 16% from the prior year. Normalised headline earnings per share increased by 19% from 287.2 cents to 342.3 cents. Headline earnings per share increased by 5% from 297.3 cents to 310.7 cents and earnings per share improved by 20% from 260.6 cents to 313.3 cents.

Operating profit improved by 31% to R4 419 million, from R3 363 million in the prior year, supported by the improved mortality experience and investment variances. Momentum Life, Momentum Corporate, Guardrisk and Momentum Health delivered pleasing results. Momentum Investments reported marginally lower operating earnings, mainly due to lower mortality profits on the annuity and structured business as well as lower new business sales on the Momentum Wealth platform. Operating earnings in Metropolitan Life were mainly impacted by unfavourable lapse experience on the protection business, as well as assumption changes reflecting operating headwinds. Within the Non-life Insurance segment, Momentum Insure was negatively affected by high claim ratios given adverse experience and premium increases which lagged rising claims inflation. Africa saw a significantly improved result primarily due to positive investment variances and mortality experience, as well as actuarial basis changes.

Investment return from the Group's shareholder assets declined by 35% to R660 million from the prior year, mainly as a result of a significant fair value gain on the Group's investment in venture capital funds in the previous year, followed by a modest negative movement in the current year.

Following a review of the expected future growth prospects of Momentum Insure, gross written premium and earnings expectations have been adjusted downwards. As a result, we have impaired the remaining R478 million goodwill held from the acquisition of the Alexforbes Short-term Insurance business. More positively, earnings include the positive adjustment of R563 million to the carrying amount of the Group's remaining interest in our health insurance joint venture in India, Aditya Birla Health Insurance (ABHI), following the dilution of the Group's investment because of the introduction of a new shareholder. Note that the impairment within Momentum Insure and the gain on our ABHI interest are both excluded from headline earnings and from normalised headline earnings.

Key metrics

	F2023	F2022	Δ%
Earnings per share (cents)	313.3	260.6	20%
Headline earnings per share (cents)	310.7	297.3	5%
Normalised headline earnings per share (cents)	342.3	287.2	19%
Normalised headline earnings (R million) ¹	5 079	4 383	16%
Operating profit (R million) ²	4 419	3 363	31%
Investment return (R million)	660	1 020	(35)%
New business (PVNBP, R million)	68 873	72 673	(5)%
Value of new business (VNB, R million)	600	626	(4)%
New business margin	0.9%	0.9%	
Diluted embedded value per share (Rand)	33.75	29.77	13%
Return on embedded value per share	17.0%	11.7%	
Return on equity ³	22.3%	22.7%	
Dividend per share (cents)	120	100	20%

¹ Normalised headline earnings adjust the JSE definition of headline earnings for the dilutive impact of finance costs related to preference shares that can be converted into ordinary shares of the Group, the impact of treasury shares held by policyholder funds and the iSabelo Trust, the amortisation of intangible assets arising from business combinations, the impairment of loans to subsidiaries following the Group's disinvestment, B-BBEE costs and the amortisation of the discount at which the iSabelo Trust acquired the Momentum Metropolitan treasury shares. The adjustment for the impact of treasury shares removes mismatches that are unique to financial institutions that invest in their own securities on behalf of clients. During 2023 the definition of NHE was refined to include the impairment of loans to subsidiaries, following the Group's strategic decision to disinvest from Kenya.

² Operating profit represents the profit (net of tax) that is generated from the Group's operational activities and reflects normalised headline earnings excluding the investment return on shareholder funds.

³ Return on equity expresses normalised headline earnings as a percentage of start-of-year net asset value, adjusted for the items outlined in footnote 2, as well as the adjusting items to determine headline earnings.

Return on equity and return on embedded value

Return on equity (ROE) for the year was 22.3%, marginally down from 22.7% in the prior year. This strong ROE follows the Group's earnings improvement offset by an increase in opening equity relative to the prior year. Group embedded value per share was R33.75 on 30 June 2023.

The return on embedded value (ROEV) per share was 17.0%, an improvement from 11.7% in the prior year. All per-share metrics benefited from share repurchases made over the past 12 months.

GROUP'S FINANCIAL PERFORMANCE

The following table outlines the contribution from operating profit and investment return to normalised headline earnings per business unit:

R million	F2023			F2022			Δ%		
	Operating profit	Investment return	Normalised headline earnings	Operating profit	Investment return	Normalised headline earnings	Operating profit	Investment return	Normalised headline earnings
Momentum Life	1 824	111	1 935	976	134	1 110	87%	(17)%	74%
Momentum Investments	736	168	904	870	68	938	(15)%	>100%	(4)%
Metropolitan Life	237	70	307	606	66	672	(61)%	6%	(54)%
Momentum Corporate	1 188	142	1 330	1 049	125	1 174	13%	14%	13%
Momentum Metropolitan Health	287	3	290	212	(3)	209	35%	>100%	39%
Non-life Insurance	188	44	232	399	62	461	(53)%	(29)%	(50)%
Momentum Metropolitan Africa	508	88	596	8	110	118	>100%	(20)%	>100%
Normalised headline earnings from operating business units	4 968	626	5 594	4 120	562	4 682	21%	11%	19%
New Initiatives	(438)	10	(428)	(468)	2	(466)	6%	>100%	8%
Shareholders segment	(111)	24	(87)	(289)	456	167	62%	(95)%	<(100)%
Normalised headline earnings	4 419	660	5 079	3 363	1 020	4 383	31%	(35)%	16%

Operating profit

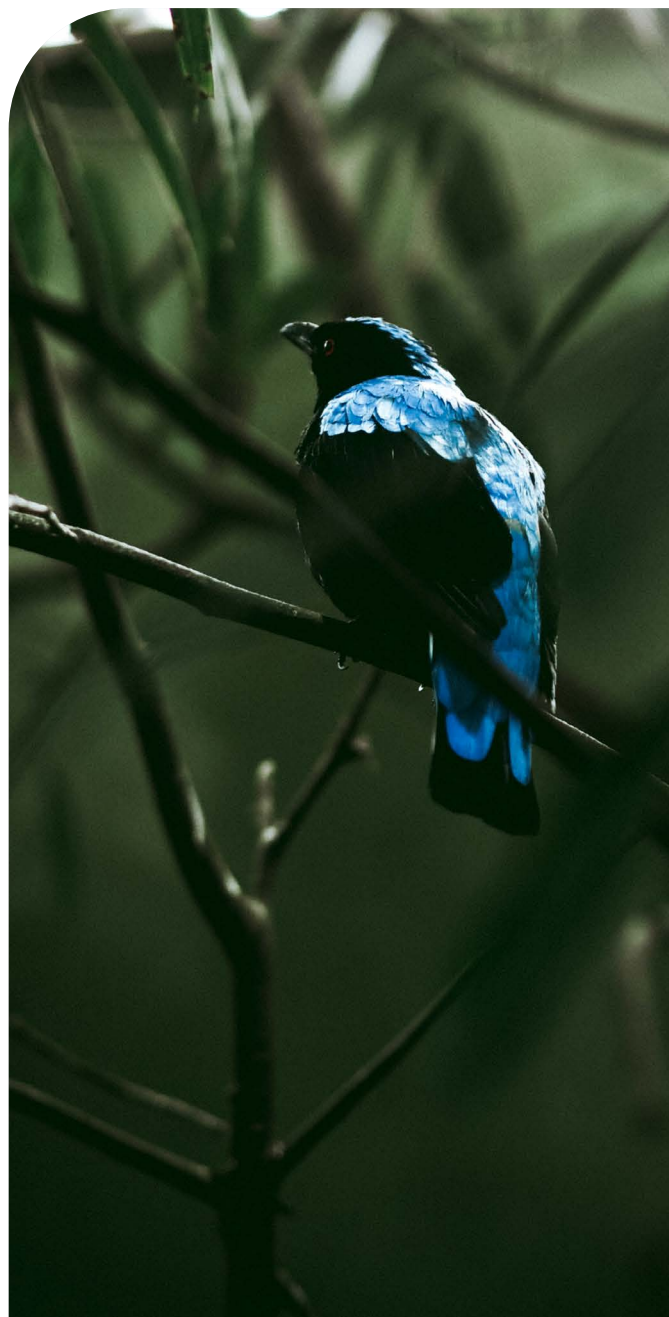
Operating profit increased significantly from R3 363 million to R4 419 million. The robust performance in operating profit follows the recovery in mortality experience variance in Momentum Life, Metropolitan Life, Momentum Corporate and Momentum Metropolitan Africa, all benefiting from the less severe impact of Covid-19 in the current year. Earnings were further supported by a strong improvement in investment variances because of advantageous shifts in yield curves. This was partially dampened by a deterioration in lapse experience in Metropolitan Life and operating profit in Momentum Investments being impacted by lower mortality profits from annuities and lower new business sales on the Momentum Wealth platform, mitigated by lower expenses. Guardrisk continues to deliver strong positive earnings leveraging off their industry and product diversification across cells. Momentum Insure reported an underwriting loss driven by high claim ratios given adverse experience and premium increases which did not mitigate rising claims inflation.

Investment return

Investment return from the Group's shareholder assets declined by 35% to R660 million. The decline is mainly attributable to a decrease in investment return in the Shareholders segment due to fair value losses arising from the revaluation of the Group's investment in VC funds as well as the non-repeat of fair value gains of a cell acquired by Guardrisk during the first quarter of F2022. The prior year included significant write-ups of the VC funds.

Mortality experience

The current year saw positive mortality experience variances in most business units. Our South African life insurance businesses paid R10.1 billion in gross mortality claims during the current year compared to R10.8 billion in the comparative period. Despite the improvement in mortality experience, claims remain above pre-pandemic levels. Morbidity rates improved similarly, however, low low termination rates on claims-in-payment are placing some pressure on morbidity experience.



Investment variance

Investment variances are included in operating profit and are shown below net of tax. The table below sets out the investment variance by business and reflects the various offsetting impacts experienced over the period.

R million	F2023	F2022	Δ%
Momentum Life	598	53	>100%
Momentum Investments	81	34	>100%
Metropolitan Life	71	43	64%
Momentum Corporate	118	148	(20)%
Momentum Metropolitan Africa	166	-	>100%
Shareholders segment	45	75	(40)%
Total investment variance	1 079	353	>100%

The Group recorded a positive investment variance of R1 079 million, compared to a positive R353 million in the prior year. The positive variance in the current year is largely attributable to significant nominal yield increases, a reduction in market implied future inflation rates and strong equity market performance.

The increase in the investment variances was most pronounced in Momentum Life, where the Myriad protection product is particularly sensitive to yield curve changes at long durations. The yield curve at long durations increased, which lowered overall prospective liabilities. For Momentum Investments, the increase in variance was largely attributable to improved earnings from yield enhancement activity on assets backing the annuity business. Metropolitan Life benefited from yield and equity variances. Although positive, the variance in Momentum Corporate was smaller than the prior year. Momentum Metropolitan Africa, mainly driven by Namibia, has seen an improvement from the prior year, which is mainly due to increased returns on the assets backing protection business reserves and refinements to how future inflation assumptions are derived.

Going forward, under IFRS 17, we anticipate a reduction in investment variances arising from yield curve movements. This is because under IFRS 17 the sensitivity of the insurance liabilities is more aligned to the economic view on the insurance liabilities.

NEW BUSINESS PERFORMANCE

The Group's PVNBP declined to R68.9 billion, 5% lower than the prior year. As a general trend, tough economic conditions dampened sales volumes. Momentum Life saw improved volumes on long-term savings, offset by lower protection new business volumes. Momentum Investments saw lower new business on both the local and international Wealth platforms, while annuity sales remained strong. Metropolitan Life's PVNBP stayed in line with the prior year, benefiting from growth in annuities and recurring premium long-term savings business. Momentum Corporate was impacted by lower new business volumes on Group risk products. Momentum Metropolitan Africa saw a decline in new business volumes, mainly driven by the non-repeat of large corporate deals secured in the prior year in Namibia and Lesotho.

Value of new business

The Group's VNB declined by 4% to R600 million, driven by lower new business volumes, higher distribution costs, a general change in new business mix toward lower margin products across many of the business units, and the negative impact of the yield curve-related economic assumption changes. The overall Group's new business margin remained unchanged at 0.9%.

PVNBP

R68 873 million
(F2022: R72 673 million)



5%

Recurring premiums

R4 524 million
(2022: R4 607 million)



2%

New business margin

0.9%
(2022: 0.9%)



Single premiums

R49 617 million
(2022: R51 885 million)



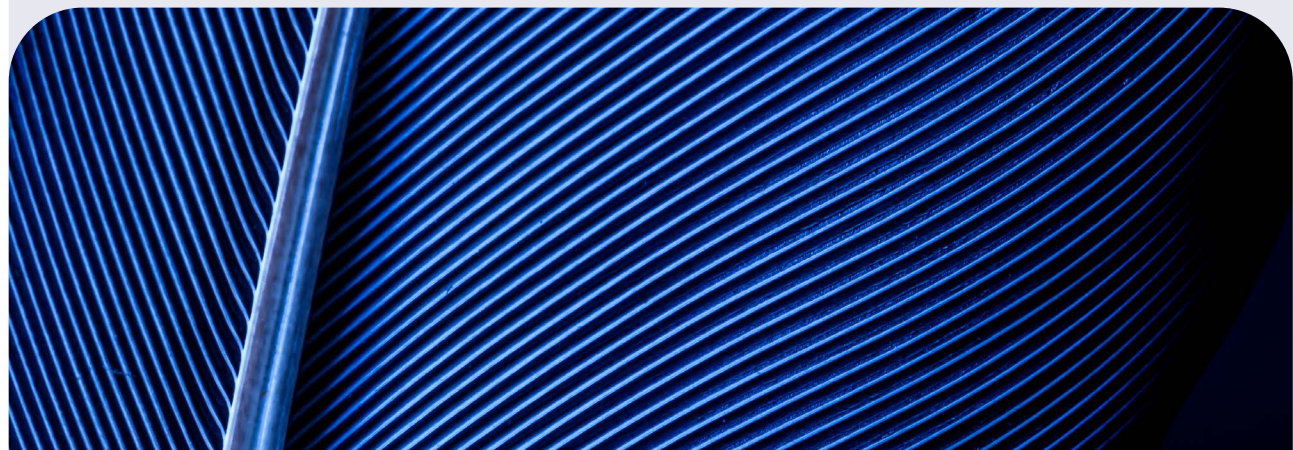
4%

VNB

R600 million
(2022: R626 million)



4%

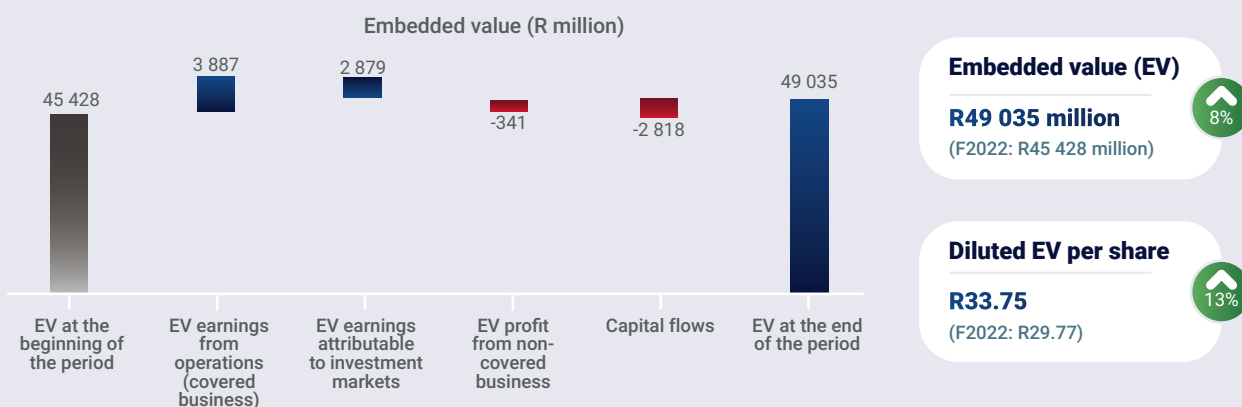


EMBEDDED VALUE

Group embedded value per share was R33.75 as of 30 June 2023. The return on embedded value (ROEV) was an annualised 14.1% for the financial year ending 30 June 2023. The ROEV per share was enhanced by our share repurchase programme, ultimately reflecting a 17% return.

Embedded value earnings from covered business benefited from improved mortality and morbidity experience variances, including unwinding of the allowances for the effects of the recent pandemic. This improvement was noted across businesses, with the largest contribution being from Momentum Corporate. Lapse experience in Metropolitan Life remained a significant detractor from experience variances. The expected contribution from in-force business, the expected change in the present value of margins, remains the single largest contributor to embedded value earnings from covered business. This is a function of near-term discount rates and was relatively unchanged from the prior year. Operating assumption changes relating to mortality, morbidity, and persistency assumptions all contributed positively apart from Metropolitan Life's changes to its lapse assumptions. Changes related to renewal expense assumptions contributed negatively to embedded value earnings. Despite modest sales growth, the contribution from new business remained resilient due to the relatively larger contribution from risk and annuity products.

The contribution from investment markets includes investment returns on the net asset value backing covered business as well as investment variances and economic assumption changes. Investment returns benefited from higher short-term interest rates and the outperformance of MMH shares that are part of the share scheme hedge.



CAPITAL MANAGEMENT ACTIVITIES

The Group remains focused on the active management of the discretionary and surplus capital in the Group. In accordance with our capital management framework, surplus capital will be distributed through ordinary dividends, special dividends or share repurchases.

Share repurchase programme

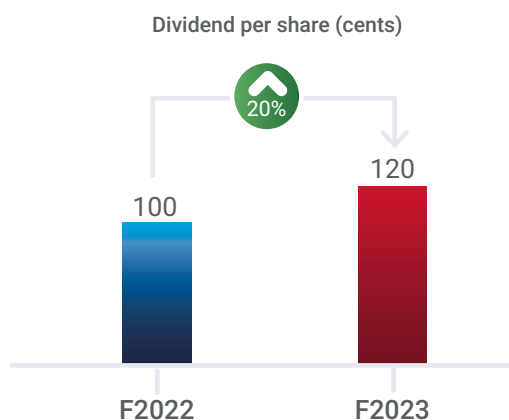
We completed the initial R750 million share repurchase programme on 26 October. The R500 million share repurchase programme communicated to investors at the F2023 interim results announcement and was completed on 31 May 2023. The Group bought back 27.9 million shares (1.9% of the shares in issue as at 30 June 2022), at an average price of R17.87 per share.

In line with our capital management framework, and in consideration of the strong capital and liquidity position, the Board has approved a further R500 million for the repurchase programme of the Group's ordinary shares.

Dividends

Momentum Metropolitan has declared a final dividend of 70 cents per ordinary share, resulting in a total dividend of 120 cents per ordinary share for the full year. The F2023 total dividend represents a payout ratio of 35% of normalised headline earnings.

In line with Momentum Metropolitan's capital distribution philosophy, the share repurchase programme will not be in lieu of a dividend. The Group's dividend policy to declare dividends within a payout range of 33% to 50% of normalised headline earnings, remains unchanged.



Capital deployment

The following capital injections and strategic investments (and disposals) were made during the period:

Areas of capital deployment	R million
Momentum Investments	43
Momentum Metropolitan Health	31
Momentum Insure	580
New Initiatives	248
Shareholders	68
Total capital deployment	970
Business disposals	
Momentum Investments	(28)
New Initiatives	(11)
Total business disposals	(39)
Total net capital deployment	931

Capital deployed to Momentum Investments was mainly for the acquisition of Crown Agents Investment Management, a fixed income and multi asset manager in the UK. The deployment of R31 million in Momentum Metropolitan Health was to facilitate the transfer of Momentum Multiply into the health segment. Capital of R580 million was deployed to Momentum Insure to maintain their solvency position within our internal solvency cover targets following poor underwriting results. Within New Initiatives, R160 million was deployed to maintain the minimum regulatory requirements in the Momentum Money initiative and R61 million was deployed for working capital in Momentum Consult. R68 million was deployed to South African VC funds within the Shareholders segment.

SOLVENCY

The solo SCR for the Group's regulated insurance entities were as follows:

Regulatory solvency position as at 30 June 2023

R million	Momentum Metropolitan Life	Guardrisk Insurance	Guardrisk Life	Momentum Insure
Eligible own funds (pre dividend)	31 526	3 810	4 264	1 292
SCR	15 210	2 918	3 676	820
SCR cover (times)	2.07	1.31	1.16	1.58

Regulatory solvency position as at 30 June 2022

R million	Momentum Metropolitan Life	Guardrisk Insurance	Guardrisk Life	Momentum Insure
Eligible own funds (pre dividend)	30 362	3 006	3 473	977
SCR	14 939	2 545	2 970	695
SCR cover (times)	2.03	1.18	1.17	1.41

Momentum Metropolitan Life has adopted a target range for regulatory solvency cover of 1.6 to 2.0 times the SCR before any declared dividend. The regulatory solvency position of Momentum Metropolitan Life increased from 2.03 times SCR at 30 June 2022 to 2.07 times SCR (pre-foreseeable dividend) at 30 June 2023. This improvement in solvency cover was predominantly due to improved mortality and morbidity experience, good investment returns and the positive impact of increases in the nominal yield curve over the financial year.

The SCR cover for Guardrisk Insurance increased from 1.18 times SCR to 1.31 times SCR, supported by increased promoter cell own funds due to good performance by the promoter business. This was offset slightly by an increase in cell SCR mainly due to the growth of various large cells and increased reinsurance retention levels. The SCR cover for Guardrisk Life decreased slightly from 1.17 times SCR to 1.16 times SCR but remains above the target range. The own funds and SCR increased over the year mainly because of the section 50 transfer of the Momentum Ability business to Guardrisk Life. The nominal yield curve movements had mixed impacts on the own funds and SCR of the long contract boundary cells and promoter. The SCR covers of both Guardrisk licences remained within or above their respective target ranges.

Acquisition of RMI Investment Managers

We are pleased to announce that Momentum Metropolitan concluded a sale agreement with OUTsurance Group (previously Rand Merchant Investment Holdings) in terms of which Momentum Metropolitan will acquire OUTsurance Group's share in the RMI Investment Managers Group. The acquisition will enable the Group to increase its asset management market participation significantly. The purchase consideration includes an upfront cash consideration and a deferred consideration based on the continued performance of the business. The transaction is subject to customary terms and conditions for transactions of this nature, including approval by the competition authorities.

The SCR cover for Momentum Insure increased from 1.41 times SCR at 30 June 2022 to 1.58 times SCR at 30 June 2023. Momentum Insure's solvency position was negatively affected by high claim ratios over the financial year and capital was deployed to Momentum Insure to maintain the solvency position within the target range of 1.4 to 1.6 times SCR.

Regulatory group solvency position for Momentum Metropolitan Holdings

The Prudential Authority has designated Momentum Metropolitan Holdings as an insurance group. The Accounting Consolidation method is used for certain group entities (notably Momentum Metropolitan Life and Momentum Insure).

Momentum Metropolitan Holdings has adopted a target range for group regulatory solvency cover of 1.4 to 1.7 times the SCR. Momentum Metropolitan Holdings Group's SCR cover was 1.6 times at 30 June 2023.

The Group SCR cover is impacted by the restrictions applied to the own funds of cell captive insurers and if Guardrisk were excluded, the SCR cover for the Group would increase to 1.8 times SCR at 30 June 2023.

IMPLEMENTATION OF IFRS 17 – INSURANCE CONTRACTS

We continue to evaluate the impact of IFRS 17 and refine the new financial reporting processes, systems and controls that will underpin our IFRS 17 results. While IFRS 17 will not change the underlying fundamentals of our business, our cash generation or our capital strength, it will significantly change how we report on our insurance business. We remain on track to report under IFRS 17 for the first time for the half-year ended 30 December 2023.

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

- **Economic substance:** Accounting should reflect the underlying economics of insurance contracts as closely as possible. An example of where this was applied is setting the confidence level of the risk adjustment so as to have the contractual service margin (CSM) be a fair reflection of the economic value added.
- **Stable earnings release:** In-force contracts should deliver a stable and real (increasing broadly with inflation) contribution to profit and loss. Earnings volatility, including volatility from one period to the next, should be minimised where possible. An example of where this was applied is the choice to discount coverage units.

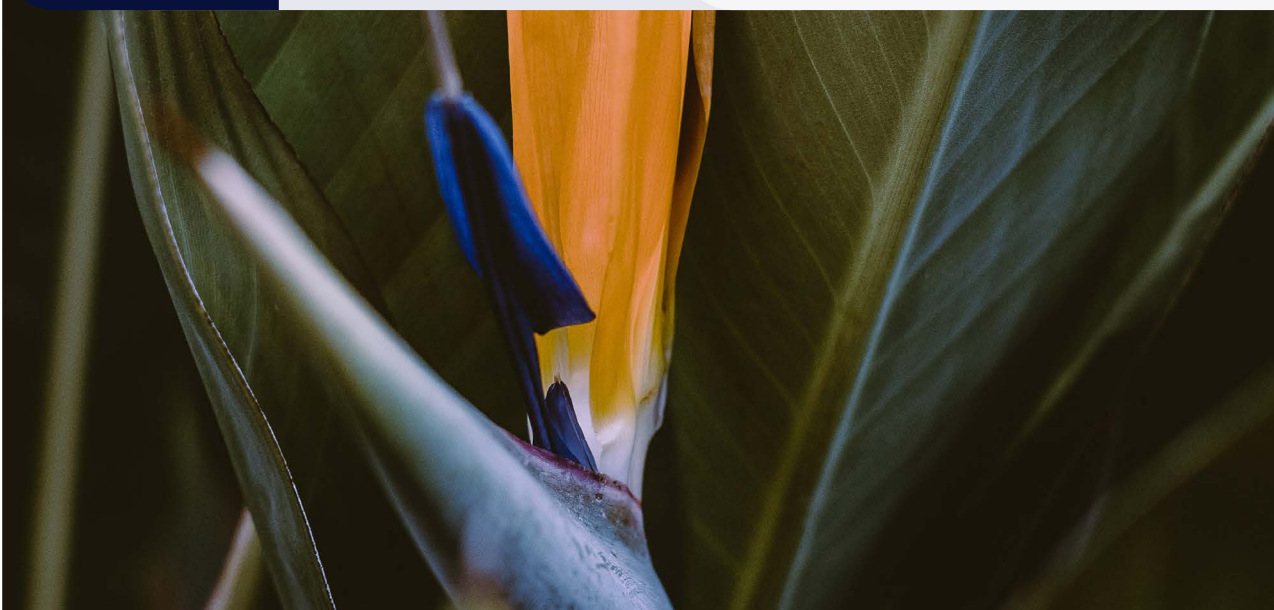
- **Operational alignment:** Where possible, accounting had to align with current business practices, for example, risk and product management. In addition, choices should also support alignment across the various reporting bases being regulatory, statutory, embedded value and tax

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

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

Our next set of results will be prepared on an IFRS 17 basis and we will communicate the revised medium-term targets in due course. It should be noted that the introduction of IFRS 17 is expected to reduce earnings modestly.

	KEY METRICS	HIGH LEVEL IMPACT
Growth and sales	Normalised headline earnings	Expect about a R200 million decrease in NHE and thus likely to see NHE targets adjusted accordingly
	Value of new business	VNB metric sees modest changes while VNB targets unchanged
	Present value of new business premiums	PVNB metric and targets unchanged
Distributable reserves	Dividend per share	Dividends not impacted
	Return on equity	Lower ROE due to c.R3 billion expected increase in equity on transition and c.R200 million decrease in NHE
Financial stability and value	Embedded value	EV per share not materially affected (aligns with distribution not being affected)
	Contractual service margin	R16.5 billion on transition



OUTLOOK

We are proud of the solid earnings Momentum Metropolitan achieved during a challenging period. Our dividend declaration reflects the continued resilience of the Group and the Board's confidence in the underlying financial strength of the business. The Group's strong results in the second year of the three-year Reinvent and Grow strategy are encouraging and confirm our solid competitive position.

The positive mortality experience variances in our main life insurance business units continue to suggest that the Covid-19 pandemic has reached its endemic phase. The normalisation of the mortality experience, combined with the disciplined execution of our strategy and ongoing focus on efficiency, means that we expect our earnings to remain robust in F2024.

While our earnings outlook has improved, recent pressure on sales volumes is a concern. Disposable income remains under pressure due to rising interest rates and high inflation, as well as the lack of economic growth in South Africa. This is likely to put ongoing affordability pressure on new business volumes, particularly on long-term savings and on protection business. Investment business is negatively affected by other factors, such as low confidence in SA asset classes and by consumer preference to maintain their assets in liquid low-risk investments. New business volumes and profitability are receiving significant management attention.

We remain focused on driving sales volumes and a profitable sales mix to improve market share growth and will continue to focus on achieving the Reinvent and Grow business targets for F2024. We believe that the underlying run rate of annual earnings is approximately R4 billion.

IN APPRECIATION

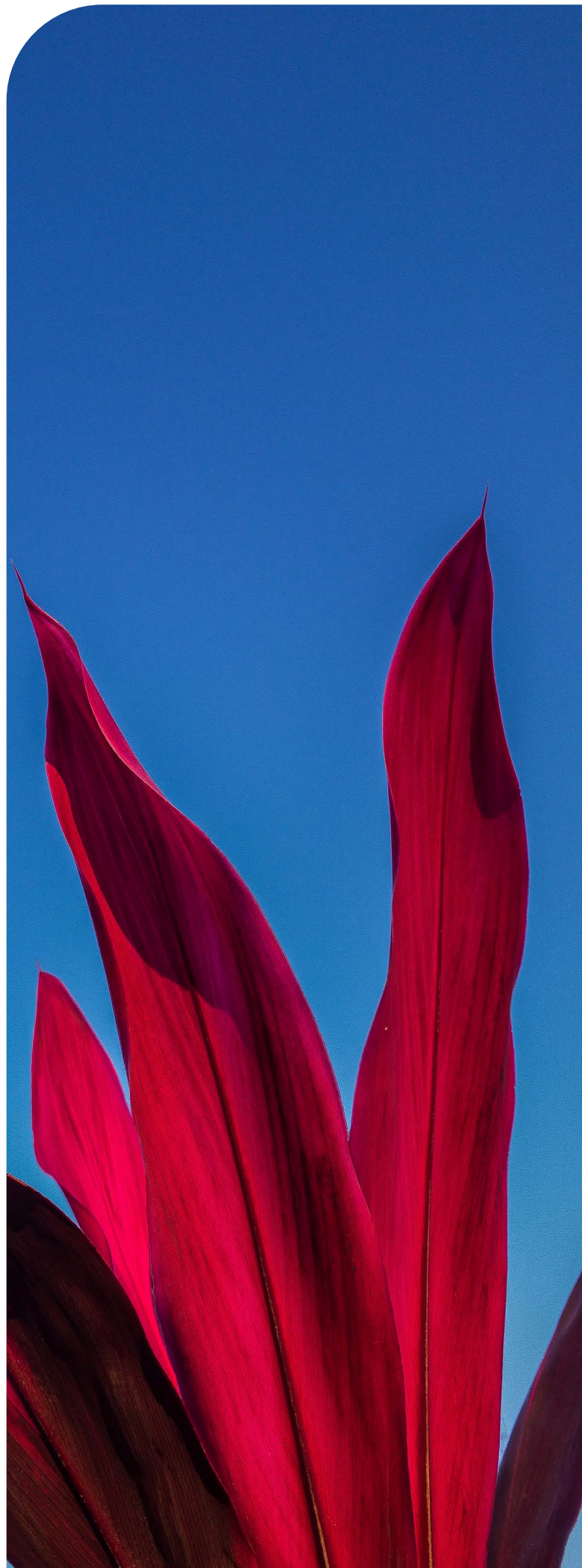
My sincere thanks go to all our stakeholders for their continued support this year. We look forward to working with you to create mutual value in the year ahead.

I am proud of the Group's performance and thank our skilled and resilient employees – it is through their efforts, professionalism and hard work that we have successfully managed to navigate these tough trading conditions to create value for our stakeholders.



Risto Ketola
Group Finance Director

The information in this commentary, including the financial information on which the outlook is based, has not been reviewed and reported on by Momentum Metropolitan's external auditors.



Directors' statement

The Board is pleased to present the summarised audited results of Momentum Metropolitan Holdings Ltd (MMH or the Company) and its subsidiaries (collectively Momentum Metropolitan or the Group) for the year ended 30 June 2023. The preparation of the Group's results was supervised by the Group Finance Director, Risto Ketola (FIA, FASSA, CFA Charterholder).

CORPORATE EVENTS

Acquisitions

On 1 July 2022, the Group, through its 100% owned subsidiary, Guardrisk Group (Pty) Ltd (Guardrisk Group), completed a step-up acquisition to acquire an additional 25% of the shares in Partner Risk Solutions (Pty) Ltd (PRS), resulting in the Group exercising control and thus consolidating PRS from that date. Guardrisk Group originally acquired a 26% equity share in PRS in 2019, following which the investment was equity accounted. The step-up acquisition was executed through the exercise of a call option for cash consideration of R9 million.

During March 2023, the Group, through its wholly owned subsidiary, Momentum Global Investments Management Ltd (MGIM), acquired 100% of the shares in Crown Agents Investment Management Ltd (CAIM) for a purchase consideration of £2.90 million (R64 million). The purchase consideration consisted of an initial cash payment of £2.13 million (R47 million) and £0.77 million (R17 million) contingent consideration.

Disposals and dilution

During July 2022, the Group, through its wholly owned subsidiary, Metropolitan International Holdings (Pty) Ltd, disposed of its entire shareholding in Metropolitan Cannon Life Assurance Ltd and Metropolitan Cannon General Insurance Ltd. A loss on disposal of R112 million was recognised.

During October 2022, the Group's holding in Aditya Birla Health Insurance Company Ltd (ABHI) was diluted from 49% to 44.1% with the introduction of a new shareholder as a partner in the business. As a result, a gain on deemed disposal of R563 million was recognised.

Share buyback programme

The Group bought back a total of 73 million shares (for a cost of R1 250 million including transaction costs) during the current year. These shares were cancelled prior to 30 June 2023.

BASIS OF PREPARATION OF FINANCIAL INFORMATION

These summarised audited results have been prepared in accordance with the following:

- International Accounting Standard (IAS) 34 – Interim financial reporting;
- South African Institute of Chartered Accountants Financial Reporting Guides (as issued by the Accounting Practices Committee);
- Financial Pronouncements (as issued by the Financial Reporting Standards Council);
- JSE Listings Requirements; and
- South African Companies Act, 71 of 2008, as amended.

The accounting policies applied in the preparation of these summarised audited results are in terms of International Financial Reporting Standards (IFRS) and are consistent with those adopted in the previous year except as described below and for specific restatements being listed in note 12. Critical judgements and accounting estimates are disclosed in detail in the Group's Annual Financial Statements (AFS) for the year ended 30 June 2023, including changes in estimates that are an integral part of the insurance business. The Group is exposed to financial and insurance risks, details of which are also provided in the Group's Integrated Report and AFS.

NEW AND REVISED STANDARDS EFFECTIVE FOR THE YEAR ENDED 30 JUNE 2023 AND RELEVANT TO THE GROUP

The following new and amended standards became effective for the first time in the current year and had no impact on the Group's earnings or net asset value (NAV):

- Reference to the Conceptual Framework: Amendments to IFRS 3;
- Proceeds before intended use: Amendments to IAS 16;
- Costs of fulfilling a contract: Amendments to IAS 37; and
- International Tax Reform – Pillar Two model rules: Amendments to IAS 12¹.

The International Accounting Standards Board (IASB) made amendments to IFRS 9 – *Financial instruments* as part of their annual improvements project. These amendments had no impact on the Group's earnings.

¹ The amendments are effective immediately upon issuance (May 2023). The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023. The legislation relating to Pillar Two has not yet been enacted in South Africa. It is anticipated that it will only apply from 2025 onwards. The impact is not known at this stage.

SOLVENCY ASSESSMENT AND GOING CONCERN

The Group is pleased by the solid earnings achieved during a challenging period. The positive mortality experience variances in the Group's main life insurance segments continue to suggest that the Coronavirus disease of 2019 (Covid-19) pandemic has reached its endemic phase. The Group is profitable, with robust levels of capital and liquidity and a strong regulatory solvency position. The Board, through the Audit Committee and Actuarial Committee, has received reports and updates on the operational and financial performance. The Board is satisfied of the Group's solvency, taking into account its ability to withstand impacts from the continuously evolving environment, and its ability to continue as a going concern.

CORPORATE GOVERNANCE

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

CHANGES TO THE DIRECTORATE, SECRETARY AND DIRECTORS' SHAREHOLDING

- Peter Cooper acted as interim Chair until the appointment of Paul Baloyi as Chair on 1 July 2022.
- On 24 November 2022, Vuyisa Nkonyeni retired from the Board.
- On 31 December 2022, Dr Sharron McPherson resigned from the Board.
- On 31 May 2023, Lisa Chiume resigned from the Board.
- On 1 June 2023, Dr Ann Leautier, Phillip Matlakala and Tyrone Soondarjee were appointed to the Board.

All transactions in listed shares of the Company involving directors and prescribed officers were disclosed on the Stock Exchange News Service (SENS).

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. The Group is not aware of capital commitments at 30 June 2023 that were not in the ordinary course of business other than what is disclosed in the AFS.

EVENTS AFTER THE REPORTING PERIOD

In July 2023, the Group's holding in ABHI was diluted from 44.1% to 44.087% following an additional share issue to the shareholder introduced during October 2022.

HP Meyer retired as Group Chief Executive Officer on 31 July 2023. On 1 August 2023, JC Marais (Cilliers) was appointed as Group Chief Executive Officer. On 30 September 2023, HP Meyer will retire from the Board.

In line with the Group's capital management framework and in consideration of the strong capital and liquidity position, the Board has approved a further R500 million for the share buyback programme of the Group's ordinary shares.

MMH concluded a sale agreement with OUTsurance Group (previously Rand Merchant Investment Holdings (RMIH)) in terms of which MMH will acquire RMIH's share in the RMI Investment Managers Group. The transaction is subject to customary terms and conditions for transactions of this nature, including approval by the competition authorities.

Refer to note 34 in the Group's AFS for more details relating to this event. No other material events occurred between the reporting date and the date of approval of these results.

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Directors' statement continued

FINAL DIVIDEND DECLARATION

Ordinary shares

- On 11 September 2023, a gross final ordinary dividend of 70 cents per ordinary share was declared by the Board.
- The dividend is payable out of income reserves to all holders of ordinary shares recorded in the register of the Company at the close of business on Friday, 6 October 2023, and will be paid on Monday, 9 October 2023.
- The dividend will be subject to local dividend withholding tax at a rate of 20% unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate.
- This will result in a net final dividend of 56 cents per ordinary share for those shareholders who are not exempt from paying dividend tax.
- The last day to trade cum dividend will be Tuesday, 3 October 2023.
- The shares will trade ex dividend from the start of business on Wednesday, 4 October 2023.
- Share certificates may not be dematerialised or rematerialised between Wednesday, 4 October 2023 and Friday, 6 October 2023, both days inclusive.
- The number of ordinary shares at the declaration date was 1 424 779 972.
- MMH's income tax number is 975 2050 147.

Preference shares

- Dividends of R18.5 million (30.06.2022: R18.5 million) (132 cents per share p.a.) were declared on the unlisted A3 MMH preference shares as determined by the Company's Memorandum of Incorporation.

THE BOARD OF DIRECTORS' RESPONSIBILITY

The preparation of these results, and the correct extraction thereof from the Group's audited 2023 AFS, are the responsibility of the Board of directors. A printed version of the full AFS and the SENS announcement may be requested from the office of the Group Company Secretary, Gcobisa Tyusha, tel: +27 12 673 1931 or gcobisa.tyusha@mmltd.co.za.

EXTERNAL AUDIT

These summarised results have not been audited, but have been extracted from the Group's AFS for the year ended 30 June 2023, which have been audited by Ernst & Young Inc. and their unqualified audit report, together with the Group's audited AFS for the year ended 30 June 2023, are available for inspection at the Company's registered office and on Momentum Metropolitan's website. In addition, the summarised Group embedded value information has been extracted from the Group's Embedded Value Report for the year ended 30 June 2023, which has been reviewed by Ernst & Young Inc. in accordance with the embedded value basis of the Group, and the review report is available for inspection at the Company's registered office. Appointments must be made for inspections at the Company's registered office.

Signed on behalf of the Board



Paul Baloyi
Chair

Centurion
11 September 2023



Jeanette Marais (Cilliers)
Group Chief Executive Officer

Centurion
11 September 2023



Hillie Meyer
Executive Director

Centurion
11 September 2023

Condensed consolidated statement of financial position

	Notes	30.06.2023 Rm	Restated 30.06.2022 ¹ Rm	Restated 01.07.2021 ¹ Rm
Assets				
Intangible assets		7 976	8 747	9 939
Owner-occupied properties		3 049	3 016	3 033
Fixed assets		478	478	404
Investment properties		8 825	9 051	8 938
Properties under development		172	162	163
Investments in associates and joint ventures		1 907	1 447	1 105
Employee benefit assets		400	460	697
Financial assets at fair value through profit and loss (FVPL)	11	549 397	489 511	468 767
Financial assets at amortised cost	11	9 292	8 735	7 083
Reinsurance contract assets		12 483	14 748	6 818
Deferred income tax		984	880	756
Insurance and other receivables		6 685	7 799	6 779
Current income tax assets		82	81	456
Non-current assets held for sale		56	14	171
Cash and cash equivalents	11	35 013	28 720	36 822
Total assets		636 799	573 849	551 931
Equity				
Equity attributable to owners of the parent		26 764	24 577	21 524
Non-controlling interests		387	365	348
Total equity		27 151	24 942	21 872
Liabilities				
Insurance contract liabilities				
Life insurance contracts	2	134 119	126 210	128 925
Non-life insurance contracts	2	19 512	22 152	13 563
Investment contracts	2	377 194	321 609	311 722
– with discretionary participation features (DPF)	11	3 267	2 994	19 222
– designated at FVPL	11	373 927	318 615	292 500
Financial liabilities at FVPL	11	44 830	48 141	48 005
Financial liabilities at amortised cost	11	3 969	4 336	4 164
Reinsurance contract liabilities		2 795	2 299	2 347
Deferred income tax		2 531	2 601	2 729
Employee benefit obligations		1 749	1 438	1 148
Other payables		21 397	19 598	17 003
Provisions		380	307	283
Current income tax liabilities		1 172	216	170
Total liabilities		609 648	548 907	530 059
Total equity and liabilities		636 799	573 849	551 931

¹ Refer to note 12 for more information on the restatements.

Condensed consolidated income statement

	Notes	12 mths to 30.06.2023 Rm	Restated 12 mths to 30.06.2022 ¹ Rm
Net insurance premiums	2	43 480	38 893
Fee income	2, 2.3	10 349	9 267
Investment income		30 769	25 513
Net realised and unrealised fair value gains/(losses)		40 429	(3 516)
Net income		125 027	70 157
Net insurance benefits and claims	2	30 059	30 376
Change in actuarial liabilities and related reinsurance		4 225	(6 605)
Change in life insurance contract liabilities		5 708	(3 303)
Change in non-life insurance contract liabilities		(107)	(126)
Change in investment contracts with DPF liabilities		274	(1 644)
Change in reinsurance assets		(1 637)	(874)
Change in reinsurance liabilities		(13)	(658)
Fair value adjustments on investment contract liabilities		48 657	10 884
Fair value adjustments on collective investment scheme (CIS) liabilities		3 526	894
Depreciation, amortisation and impairment expenses	2	1 503	1 680
Employee benefit expenses	2	7 946	7 157
Sales remuneration	2	7 776	7 432
Other expenses	2	9 922	8 498
Expenses		113 614	60 316
Results of operations		11 413	9 841
Share of equity accounted loss on associates and joint ventures		(147)	(243)
Profit on dilution/sale of associates and joint ventures		563	246
Finance costs	6	(2 556)	(2 327)
Profit before tax		9 273	7 517
Income tax expense		(4 847)	(3 709)
Earnings for the year		4 426	3 808
Attributable to:			
Owners of the parent		4 333	3 711
Non-controlling interests		93	97
		4 426	3 808
Basic earnings per ordinary share (cents)	1	313.3	260.6
Diluted earnings per ordinary share (cents)	1	306.9	256.9

¹ Refer to note 12 for more information on the restatements.

Consolidated statement of comprehensive income

	12 mths to 30.06.2023 Rm	Restated 12 mths to 30.06.2022¹ Rm
Earnings for the year	4 426	3 808
Other comprehensive income/(loss), net of tax	516	(29)
Items that may subsequently be reclassified to income	479	96
Exchange differences on translating foreign operations ^{2,3}	362	37
Share of other comprehensive income of associates	117	59
Items that will not be reclassified to income	37	(125)
Own credit losses on financial liabilities designated at FVPL	(6)	(26)
Land and building revaluation	31	(138)
Remeasurements of post-employee benefit funds	10	(8)
Income tax relating to items that will not be reclassified	2	47
Total comprehensive income for the year	4 942	3 779
Total comprehensive income attributable to:		
Owners of the parent	4 852	3 682
Non-controlling interests	90	97
	4 942	3 779

¹ Refer to note 12 for more information on the restatements.

² In the current year, included in Exchange differences on translating foreign operations is a R32 million loss and a R11 million profit which represents the foreign currency translation reserve (FCTR) release on the sale of Metropolitan Cannon Life Assurance Ltd and Metropolitan Cannon General Insurance Ltd, as well as the dilution of the holding in ABHI respectively. As a result, a net income of R21 million was recognised in the income statement.

³ The movement in the current year is primarily caused by the weakening of the ZAR against the USD, GBP, EUR and INR but was offset by the strengthening of the ZAR against the GHS. In the prior year, the movement was primarily caused by the strengthening of the ZAR against the GBP, BWP, GHS, KES and USD.

Consolidated statement of changes in equity

	Notes	12 mths to 30.06.2023 Rm	Restated 12 mths to 30.06.2022 ¹ Rm
Changes in share capital			
Balance at beginning and end		9	9
Changes in share premium			
Balance at beginning		12 760	12 728
Net movement in treasury shares held on behalf of contract holders		59	32
Balance at end		12 819	12 760
Changes in other reserves			
Balance at beginning		1 409	1 469
Investment in associate FCTR	12	-	(51)
Restated opening balance		1 409	1 418
Total comprehensive income/(loss)		525	(3)
Equity-settled share-based payments		52	52
Transfer from/(to) retained earnings		14	(58)
Balance at end	9	2 000	1 409
Changes in retained earnings			
Balance at beginning		10 399	7 369
Total comprehensive income		4 327	3 685
Dividend declared		(1 594)	(735)
Shares repurchased and cancelled		(1 250)	-
Increase relating to transactions with non-controlling interests		-	151
Decrease relating to transactions with non-controlling interests		(2)	(129)
Transfer (to)/from other reserves		(14)	58
Release of put option on minority interest ²		70	-
Balance at end		11 936	10 399
Equity attributable to owners of the parent			
		26 764	24 577
Changes in non-controlling interests			
Balance at beginning		365	348
Business combinations		1	-
Total comprehensive income		90	97
Dividend paid		(73)	(58)
Increase relating to transactions with owners ²		33	38
Decrease relating to transactions with owners		-	(60)
Sale of subsidiary		(29)	-
Balance at end		387	365
Total equity			
		27 151	24 942

¹ Refer to note 12 for more information on the restatements.

² Relates primarily to the put option liability in relation to Metropolitan Cannon Life Assurance Ltd and Metropolitan Cannon General Insurance Ltd. The put option lapsed unexercised during the current year.

Condensed consolidated statement of cash flows

	12 mths to 30.06.2023 Rm	Restated 12 mths to 30.06.2022 ¹ Rm
Cash flow from operating activities		
Cash generated/(utilised) in operations	(6 928)	(22 349)
Interest received	19 368	16 019
Dividends received	4 216	6 190
Income tax paid	(4 076)	(3 484)
Interest paid	(2 586)	(1 986)
Net cash inflow/(outflow) from operating activities	9 994	(5 610)
Cash flow from investing activities		
Net investments in subsidiaries	(18)	–
Contingent consideration related to business combinations	–	(64)
Proceeds on sale of associate	–	147
Proceeds on sale of joint venture and intangibles included in non-current assets held for sale	–	291
Investments in associates and joint ventures	(9)	(647)
Capital injection on associate held in non-current assets held for sale	–	(69)
Net outflow from disposal of subsidiary	(29)	–
Loans advanced to related parties	(364)	–
Loan repayments from related parties	2	150
Purchases of owner-occupied properties	(30)	(256)
Purchase of property and equipment	(247)	(279)
Proceeds from disposal of property and equipment	22	–
Purchases of computer software	(104)	–
Proceeds from disposal of computer software	–	(58)
Dividends from associates	73	37
Net cash outflow from investing activities	(704)	(748)
Cash flow from financing activities		
Subordinated call notes issued	–	1 000
Subordinated call notes repaid	(980)	(87)
Net proceeds/(repayment) from/(of) carry positions ²	1 344	(913)
Preference shares proceeds ²	55	38
Preference shares repaid ²	(28)	(62)
Proceeds from other borrowings measured at fair value ²	30	796
Repayment of other borrowings measured at fair value ²	(801)	(936)
Proceeds from other borrowings measured at amortised cost ²	176	263
Repayment of other borrowings measured at amortised cost ²	(649)	(390)
Dividends paid to equity holders	(1 594)	(735)
Dividends paid to non-controlling interest shareholders	(73)	(58)
Purchase of treasury shares held on behalf of contract holders ²	(204)	(332)
Proceeds from disposal of treasury shares held on behalf of contract holders ²	263	364
Shares purchased from non-controlling interest shareholders	(1)	(347)
Shares issued to non-controlling interest shareholders	5	347
Shares repurchased	(1 250)	–
Net cash outflow from financing activities	(3 707)	(1 052)
Net cash flow	5 583	(7 410)
Cash resources and funds on deposit at beginning	28 720	36 822
Foreign currency translation	710	(692)
Cash resources and funds on deposit at end	35 013	28 720
Made up as follows:		
Cash and cash equivalents	35 013	28 720

¹ Refer to note 12 for more information on the restatements.

² These line items were previously disclosed on a net basis and have subsequently been disaggregated to enhance comparability and usefulness.

The Group has access to a R400 million committed preference share facility concluded on 29 June 2023. No drawdowns have been effected in the current year.

Notes to the summarised audited annual financial statements

NOTE 1

EARNINGS

Normalised headline earnings adjust the JSE definition of headline earnings for the impact of finance costs related to preference shares that can be converted into ordinary shares of the Group when it is anti-dilutive, the impact of treasury shares held by policyholder funds and the iSabelo Trust, the amortisation of intangible assets arising from business combinations and Broad-based black economic empowerment (B-BBEE) costs. Additionally, the iSabelo special purpose vehicle, which houses preference shares issued as part of the employee share ownership scheme's funding arrangement is deemed to be external from the Group and the discount at which the iSabelo Trust acquired the MMH treasury shares is amortised over a period of 10 years and recognised as a reduction to normalised headline earnings. During the current year, the definition of normalised headline earnings was refined to include the impairment of loans to subsidiaries following the Group's strategic decision to disinvest from Kenya.

EARNINGS	Basic earnings		Diluted earnings	
	12 mths to 30.06.2023 Rm	12 mths to 30.06.2022 Rm	12 mths to 30.06.2023 Rm	12 mths to 30.06.2022 Rm
attributable to owners of the parent				
Earnings – equity holders of the Group	4 333	3 711	4 333	3 711
Finance costs – convertible preference shares			37	37
Diluted earnings			4 370	3 748
Adjustments within equity-accounted earnings	3	16	3	16
Profit on dilution of associate ¹	(563)	–	(563)	–
Intangible asset impairments ²	478	709	478	709
Tax on intangible asset impairments	–	4	–	4
Gain on sale of associate and joint venture ³	–	(246)	–	(246)
Loss on sale of subsidiaries ⁴	112	–	112	–
FCTR reversal on dilution of associate ¹	11	–	11	–
FCTR reversal on sale of foreign subsidiaries ⁴	(32)	–	(32)	–
Loss on sale of fixed assets	1	–	1	–
Net (reversal of impairment)/impairment of owner-occupied property below cost ⁵	(46)	35	(46)	35
Tax on net impairment of owner-occupied property below cost	–	4	–	4
Headline earnings⁶	4 297	4 233	4 334	4 270
B-BBEE costs			16	11
Adjustments for iSabelo ⁷			200	(54)
Adjustments for MMH shares held by policyholder funds			141	(134)
Amortisation of intangible assets relating to business combinations			350	290
Impairment of loans to subsidiaries following the Group's disinvestment			38	–
Normalised headline earnings⁸			5 079	4 383

¹ Relates to the dilution of the Group's shareholding in ABHI from 49% to 44.1% in the New Initiatives segment.

² The current and prior year impairments relates mainly to:

– Goodwill recognised as part of the acquisition of the Alexander Forbes Short-term Insurance business (Non-life Insurance segment). The business was subsequently integrated with Momentum Short-term Insurance and referred to as Momentum Insure. The recoverable amount (R1 708 million) of the cash-generating unit (Momentum Insure) is determined based on value-in-use calculations with reference to directors' valuations (DVs). The impairment is a consequence of a revision to the five-year earnings forecast that reflects a weaker medium-term growth outlook. This follows a challenging year in terms of claims experience, which will take some time to normalise. The remaining goodwill balance after the impairment is Rnil (2022: R478 million).

³ Related to the sale of aYo Holdings Ltd, the related intellectual property sold as part of the disposal, as well as the sale of Aluwani Capital Partners (Pty) Ltd.

⁴ Relates to the sale of Metropolitan Cannon Life Assurance Ltd and Metropolitan Cannon General Insurance Ltd in the Momentum Metropolitan Africa segment.

⁵ The net impairment in the current and prior year mainly relates to the Marc, Tower 2. The impairment in the prior year was largely attributed to the decline in market rental rates for office property in Sandton, as well as the weak property market outlook as a result of the Covid-19 pandemic. In the current year, the market has improved which resulted in a partial reversal of the previous impairment recognised.

⁶ Headline earnings consist of operating profit, investment return, investment variances and basis and other changes. The long-term insurance industry exemption which allows that net realised and unrealised fair value gains on investment properties not being excluded from headline earnings has been applied.

⁷ This mainly includes the fair value gain (2022: loss) on the preference shares issued to the iSabelo special purpose vehicle, the add back of the IFRS 2 expense incurred as a result of the employee share ownership scheme, as well as the investment income earned on the preference shares.

⁸ Refer to note 2 for an analysis of normalised headline earnings per segment.

NOTE 1 CONTINUED**EARNINGS PER SHARE (cents)**

attributable to owners of the parent

	12 mths to 30.06.2023	12 mths to 30.06.2022
Basic		
Earnings	313.3	260.6
Headline earnings	310.7	297.3
Basic weighted average number of shares (million) ¹	1 383	1 424
Basic number of shares in issue (million)	1 355	1 424
Diluted		
Normalised headline earnings	342.3	287.2
Diluted weighted average number of shares for normalised headline earnings (million) ²	1 484	1 526
Diluted number of shares in issue (million)	1 453	1 526
Earnings	306.9	256.9
Headline earnings	304.4	292.7
Diluted weighted average number of shares (million) ¹	1 424	1 459

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

² For normalised headline earnings per share, treasury shares held on behalf of contract holders as well as those held by a subsidiary on behalf of employees are deemed to be issued.

NOTE 2**SEGMENTAL REPORT**

The Group's reporting view reflects the following segments:

- **Momentum Life:** Momentum Life includes protection and savings products focused on the middle and affluent client segments, as well as Multiply, a wellness focused client engagement platform.
- **Momentum Investments:** Momentum Investments consists of the Momentum Wealth platform business, local and offshore asset management operations, retail annuities and guaranteed investments, as well as Eris Properties.
- **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.
- **Non-life Insurance:** Non-life Insurance comprises the retail general insurance offering, Momentum Insure; and the cell captive insurer, Guardrisk.
- **Momentum Metropolitan Africa:** This segment includes the Group's operations within other African countries. This includes life insurance, non-life insurance, health insurance and administration and asset management. Botswana, Lesotho and Namibia contribute most materially to the results of this segment.
- **New Initiatives:** This includes India, Momentum Money, Exponential Integration and Consult by Momentum.
- **Shareholders:** The Shareholders segment represents the investment return on venture capital fund investments, a proportion of the investment returns from Momentum Metropolitan Life Ltd (MML), less the head office costs not allocated to operating segments (e.g. certain holding company expenses).

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.

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

Notes to the summarised audited annual financial statements continued

NOTE 2 CONTINUED SEGMENTAL REPORT CONTINUED

	Notes	Momentum Life Rm	Momentum Investments Rm	Momentum Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Momentum Non-life Insurance Rm	Momentum Metropolitan Africa Rm	New Initiatives Rm	Shareholders Rm	Segmental total Rm	Reconciling items ¹ Rm	Total Rm
12 mths to 30.06.2023													
Revenue													
Net insurance premiums	2.4	10 532	36 726	8 561	18 705	1 258	15 246	4 911	-	-	95 939	(52 459)	43 480
Recurring premiums		9 738	951	6 568	14 441	1 258	12 133	4 033	-	-	49 122	(14 965)	34 157
Single premiums		794	35 775	1 993	4 264	-	3 113	878	-	-	46 817	(37 494)	9 323
Fee income		1 194	3 915	24	1 566	2 541	2 188	158	210	617	12 413	(2 064)	10 349
Fee income	2.3, 2.4	1 151	3 099	24	1 565	2 477	2 194	159	115	45	10 829	(480)	10 349
Intergroup fee income		43	816	-	1	64	(6)	(1)	95	572	1 584	(1 584)	-
Expenses													
Net payments to contract holders		10 167	26 882	6 412	19 740	810	7 798	3 252	-	-	75 061	(45 002)	30 059
External payments		3 521	3 886	3 232	1 923	2 493	5 920	1 666	499	806	23 946	3 201	27 147
Other expenses ²		1 302	1 088	1 086	127	78	3 480	571	44	-	7 776	-	7 776
Sales remuneration		1 970	2 017	1 961	1 486	2 005	2 110	909	297	1 431	14 186	3 436	17 622
Administration expenses													
Asset management, direct property and other		76	296	-	-	6	-	4	2	16	400	1 349	1 749
fee expenses		173	485	185	310	404	330	182	156	(641)	1 584	(1 584)	-
Intergroup expenses													
Normalised headline earnings	2.1	1 935	904	307	1 330	290	232	596	(428)	(87)	5 079	-	5 079
Operating profit/(loss) ³		2 520	968	327	1 627	397	405	529	(446)	89	6 416	-	6 416
Tax on operating profit/(loss)		(696)	(232)	(90)	(439)	(110)	(217)	(21)	8	(200)	(1 997)	-	(1 997)
Investment return		134	209	86	173	4	56	122	11	7	802	-	802
Tax on investment return		(23)	(41)	(16)	(31)	(1)	(12)	(34)	(1)	17	(142)	-	(142)
Covered	2.2	2 015	636	305	1 330	-	-	740	-	49	5 075	-	5 075
Non-covered	2.2	(80)	268	2	-	290	232	(144)	(428)	(136)	4	-	4
Basis changes and investment variances⁴		1 935	904	307	1 330	290	232	596	(428)	(87)	5 079	-	5 079
Actuarial liabilities		770	66	(201)	40	-	-	470	-	45	1 190	-	1 190
		80 810	226 006	38 535	117 571	211	49 272	18 149	-	271	530 825	-	530 825

¹ Reconciling items include investment contract business premiums and claims; intergroup fee income and expenses; direct property (R520 million) and asset management fees for all entities (R829 million), except non-life entities, that are set off against investment income for management reporting purposes but shown as an expense for accounting purposes; asset management fees from cell captive business (R2 937 million); the amortisation of intangible assets relating to business combinations (R468 million); expenses relating to consolidated CISs and other minor adjustments to expenses and fee income.

² Other expenses consists of the following line items on the income statement: depreciation, amortisation and impairment expenses, employee benefit expenses, sales remuneration and other expenses.

³ Operating profit/(loss) is normalised headline earnings gross of tax less investment return.

⁴ Basis changes and investment variances are included in normalised headline earnings and are net of tax. The reported numbers represent basis changes on in-force covered business and investment variances that are aligned with embedded value reporting.

NOTE 2 CONTINUED
SEGMENTAL REPORT CONTINUED

	Notes	Momentum Life Rm	Momentum Investments Rm	Momentum Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Non-life Insurance Rm	Momentum Metropolitan Africa Rm	New Initiatives Rm	Shareholders Rm	Segmental total Rm	Reconciling items ¹ Rm	Total Rm
Restated													
12 mths to 30.06.2022													
Revenue													
Net insurance premiums	2.4	9 889	30 732	8 239	17 509	1 186	14 035	5 620	–	–	87 210	(48 317)	38 893
Recurring premiums		9 392	869	6 450	12 798	1 186	10 907	4 015	–	–	45 617	(14 328)	31 289
Single premiums		497	29 863	1 789	4 711	–	3 128	1 605	–	–	41 593	(33 989)	7 604
Fee income		1 274	3 689	70	1 237	2 315	1 685	189	123	546	11 128	(1 861)	9 267
Fee income	2.3, 2.4	1 233	2 976	70	1 234	2 261	1 685	189	83	–	9 731	(464)	9 267
Intergroup fee income		41	713	–	3	54	–	–	40	546	1 397	(1 397)	–
Expenses													
Net payments to contract holders													
External payments		11 250	27 035	6 485	19 917	724	6 373	3 418	–	–	75 202	(44 826)	30 376
Other expenses ³		3 350	3 579	3 072	1 611	2 320	5 445	1 747	215	775	22 114	2 653	24 767
Sales remuneration		1 324	998	1 160	85	83	3 070	675	37	–	7 432	–	7 432
Administration expenses		1 783	1 927	1 748	1 222	1 826	2 099	830	105	1 381	12 921	2 888	15 809
Asset management, direct property and other fee expenses		53	286	–	–	7	–	2	1	15	364	1 162	1 526
Intergroup expenses		190	368	164	304	404	276	240	72	(621)	1 397	(1 397)	–
Normalised headline earnings	2.1	1 110	938	672	1 174	209	461	118	(466)	167	4 383	–	4 383
Operating profit/(loss) ⁴		1 395	1 145	845	1 475	295	450	22	(467)	(285)	4 875	–	4 875
Tax on operating profit/(loss)		(419)	(275)	(239)	(426)	(83)	(51)	(14)	(1)	(4)	(1 512)	–	(1 512)
Investment return		143	83	71	134	(4)	70	137	2	535	1 171	–	1 171
Tax on investment return		(9)	(15)	(5)	(9)	1	(8)	(27)	–	(79)	(151)	–	(151)
Covered	2.2	1 164	680	670	1 172	–	–	202	–	(17)	3 871	–	3 871
Non-covered	2.2	(54)	258	2	2	209	461	(84)	(466)	184	512	–	512
		1 110	938	672	1 174	209	461	118	(466)	167	4 383	–	4 383
Basis changes and investment variances⁵		307	136	95	399	–	–	39	–	75	1 051	–	1 051
Actuarial liabilities		74 637	190 001	36 265	106 861	108	45 052	16 899	–	148	469 971	–	469 971

¹ Reconciling items include investment contract business premiums and claims; intergroup fee income and expenses; direct property (R460 million) and asset management fees for all entities (R702 million), except non-life entities, that are set off against investment income for management reporting purposes but shown as an expense for accounting purposes; asset management fees from cell captive business (R2,395 million); the amortisation of intangible assets relating to business combinations (R475 million); expenses relating to consolidated CIs and other minor adjustments to expenses and fee income.

² Refer to note 12 for more information on the restatements.

³ Other expenses consists of the following line items on the income statement: depreciation, amortisation and impairment expenses, employee benefit expenses, sales remuneration and other expenses.

⁴ Operating profit/(loss) is normalised headline earnings gross of tax less investment return.

⁵ Basis changes and investment variances are included in normalised headline earnings and are net of tax. The reported numbers represent basis changes on in-force covered business and investment variances that are aligned with embedded value reporting.

Notes to the summarised audited annual financial statements continued

NOTE 2.1

CHANGE IN NORMALISED HEADLINE EARNINGS

	Notes	Change %	12 mths to 30.06.2023 Rm	12 mths to 30.06.2022 Rm
Momentum Life		74	1 935	1 110
Momentum Investments		(4)	904	938
Metropolitan Life		(54)	307	672
Momentum Corporate		13	1 330	1 174
Momentum Metropolitan Health		39	290	209
Non-life Insurance		(50)	232	461
Momentum Metropolitan Africa		>100	596	118
Normalised headline earnings from operating segments		19	5 594	4 682
New Initiatives		8	(428)	(466)
Shareholders		<(100)	(87)	167
Total normalised headline earnings	2	16	5 079	4 383

NOTE 2.2 SEGMENTAL ANALYSIS

	Notes	Momentum Life Rm	Momentum Investments Rm	Momentum Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Non-life Insurance Rm	Momentum Metropolitan Africa Rm	New Initiatives Rm	Shareholders Rm	Total Rm
12 mths to 30.06.2023											
Covered											
Protection		1 432	-	131	900	-	-	578	-	-	3 041
Long-term savings		165	(42)	(14)	169	-	-	(20)	-	-	258
Annuities and structured products		-	549	72	141	-	-	99	-	-	861
Traditional		256	-	67	-	-	-	(3)	-	-	320
Other ¹		60	(13)	(21)	(22)	-	-	6	-	(161)	(151)
Investment return		102	142	70	142	-	-	80	-	210	746
Total	2	2 015	636	305	1 330	-	-	740	-	49	5 075
Non-covered											
Investment and savings	2.2.1	-	242	-	-	-	-	-	-	-	242
Life insurance		-	-	-	-	-	-	(57)	-	-	(57)
Health	2.2.2	-	-	-	-	287	-	(1)	-	-	286
Momentum Multiply		(77)	-	-	-	-	-	-	-	-	(77)
Non-life insurance	2.2.3	-	-	-	-	-	(341)	20	-	-	(321)
Cell captives	2.2.3	-	-	-	-	-	529	-	-	-	529
Holding company expenses		-	-	-	-	-	-	(104)	-	(138)	(242)
New Initiatives India	2.2.4	-	-	-	-	-	-	-	(251)	-	(251)
Other ²		(12)	-	2	-	-	-	(10)	(187)	188	(19)
Investment return		9	26	-	-	3	44	8	10	(186)	(86)
Total	2	(80)	268	2	-	290	232	(144)	(428)	(136)	4
Normalised headline earnings											
		1 935	904	307	1 330	290	232	596	(428)	(87)	5 079

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

² Included in Other is mainly Momentum Money as well as earnings that are not policyholder related.

Notes to the summarised audited annual financial statements

continued

NOTE 2.2 CONTINUED SEGMENTAL ANALYSIS CONTINUED

	Notes	Momentum Life Rm	Momentum Investments Rm	Momentum Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Non-life Insurance Rm	Momentum Metropolitan Africa Rm	New Initiatives Rm	Shareholders Rm	Total Rm
12 mths to 30.06.2022											
Covered											
Protection		749	-	214	759	-	-	5	-	-	1 727
Long-term savings		159	(17)	201	314	-	-	157	-	-	814
Annuities and structured products		-	641	166	34	-	-	55	-	-	896
Traditional		126	-	38	-	-	-	(6)	-	-	158
Other ¹		1	(4)	(15)	(60)	-	-	(43)	-	53	(68)
Investment return		129	60	66	125	-	-	34	-	(70)	344
Total	2	1 164	680	670	1 172	-	-	202	-	(17)	3 871
Non-covered											
Investment and savings	2.2.1	-	249	-	-	-	-	-	-	-	249
Life insurance		-	-	-	-	-	-	(23)	-	-	(23)
Health	2.2.2	-	-	-	-	212	-	20	-	-	232
Momentum Multiply		(50)	-	-	-	-	-	-	-	-	(50)
Non-life insurance	2.2.3	-	-	-	-	-	(9)	(32)	-	-	(41)
Cell captives	2.2.3	-	-	-	-	-	408	-	-	-	408
Holding company expenses		-	-	-	-	-	-	(125)	-	(206)	(331)
New initiatives India	2.2.4	-	-	-	-	-	-	-	(338)	-	(338)
New initiatives aYo		-	-	-	-	-	-	-	(1)	-	(1)
Other ²		(9)	1	2	2	-	-	-	(129)	(136)	(269)
Investment return		5	8	-	-	(3)	62	76	2	526	676
Total	2	(54)	258	2	2	209	461	(84)	(466)	184	512
Normalised headline earnings		1 110	938	672	1 174	209	461	118	(466)	167	4 383

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

² Included in Other is mainly Momentum Money as well as earnings that are not policyholder related.

NOTE 2.2.1**MOMENTUM INVESTMENTS – NON-COVERED BUSINESS**

	Notes	12 mths to 30.06.2023 Rm	12 mths to 30.06.2022 Rm
Revenue		1 832	1 714
Fee income		1 742	1 645
Investment income		70	53
Fair value gains		20	16
Expenses and finance costs		(1 514)	(1 428)
Other expenses		(1 465)	(1 391)
Finance costs		(49)	(37)
Share of profit of associates		32	37
Profit before tax		350	323
Income tax expense		(72)	(60)
Non-controlling interest		(10)	(5)
Normalised headline earnings		268	258
Operating profit before tax	2.2	309	309
Tax on operating profit	2.2	(67)	(60)
Investment return		27	10
Tax on investment return		(1)	(1)
Normalised headline earnings		268	258

Notes to the summarised audited annual financial statements continued

NOTE 2.2.2

HEALTH – NON-COVERED BUSINESS

	Notes	Momentum Metropolitan Health Rm	Momentum Metropolitan Africa Rm	Total Rm
12 mths to 30.06.2023				
Revenue		3 812	738	4 550
Net insurance premiums		1 258	724	1 982
Fee income		2 481	–	2 481
Investment income		62	14	76
Intergroup fees		11	–	11
Expenses and finance costs		(3 312)	(761)	(4 073)
Net payments to contract holders		(810)	(562)	(1 372)
Change in actuarial liabilities		13	–	13
Other expenses		(2 512)	(199)	(2 711)
Finance costs		(3)	–	(3)
Share of profit of associates		23	28	51
Profit before tax		523	5	528
Income tax expense		(136)	(9)	(145)
Non-controlling interest		(97)	14	(83)
Normalised headline earnings		290	10	300
Operating profit before tax	2.2	397	4	401
Tax on operating profit	2.2	(110)	(5)	(115)
Investment return		4	14	18
Tax on investment return		(1)	(3)	(4)
Normalised headline earnings		290	10	300
Closed schemes		60	10	70
Open scheme		154	–	154
Other		76	–	76
		290	10	300
			Principal members	Lives
Momentum Metropolitan Health principal members			1 240 225	
Momentum Metropolitan Africa lives				417 159

NOTE 2.2.2 CONTINUED**HEALTH – NON-COVERED BUSINESS CONTINUED**

	Notes	Momentum Metropolitan Health Rm	Momentum Metropolitan Africa Rm	Total Rm
12 mths to 30.06.2022				
Revenue		3 482	596	4 078
Net insurance premiums		1 186	571	1 757
Fee income		2 263	2	2 265
Investment income		18	23	41
Intergroup fees		15	–	15
Expenses and finance costs		(3 067)	(583)	(3 650)
Net payments to contract holders		(724)	(434)	(1 158)
Change in actuarial liabilities		1	–	1
Other expenses		(2 341)	(149)	(2 490)
Finance costs		(3)	–	(3)
Share of profit of associates		12	26	38
Profit before tax		427	39	466
Income tax expense		(116)	(4)	(120)
Non-controlling interest		(102)	1	(101)
Normalised headline earnings		209	36	245
Operating profit before tax	2.2	295	20	315
Tax on operating profit	2.2	(83)	–	(83)
Investment return		(4)	21	17
Tax on investment return		1	(5)	(4)
Normalised headline earnings		209	36	245
Closed schemes		24	36	60
Open scheme		104	–	104
Other		81	–	81
		209	36	245
			Principal members	Lives
Momentum Metropolitan Health principal members			1 184 094	
Momentum Metropolitan Africa lives				404 890

Notes to the summarised audited annual financial statements continued

NOTE 2.2.3

NON-LIFE INSURANCE

	Notes	Non-life business Rm	Cell captive business Rm	Momentum Metropolitan Africa Rm	Total Rm
12 mths to 30.06.2023					
Gross written premiums		3 108	–	268	3 376
Net insurance premiums		2 956	–	196	3 152
Fee income		8	1 353	75	1 436
Management fees		–	698	–	698
Investment fees		–	160	–	160
Underwriting fees		–	478	–	478
Other fee income		8	17	75	100
Investment income		117	219	77	413
Total income		3 081	1 572	348	5 001
Expenses and finance costs		(3 357)	(843)	(298)	(4 498)
Net payments to contract holders		(2 267)	–	(81)	(2 348)
Change in actuarial liabilities		–	–	(2)	(2)
Acquisition costs ¹		(293)	–	(52)	(345)
Other expenses		(797)	(823)	(163)	(1 783)
Finance costs		–	(20)	–	(20)
(Loss)/Profit before tax		(276)	729	50	503
Income tax expense		(28)	(193)	(13)	(234)
Non-controlling interest		–	–	(10)	(10)
Normalised headline earnings		(304)	536	27	259
Operating (loss)/profit before tax	2.2	(323)	729	29	435
Tax on operating (loss)/profit	2.2	(18)	(200)	(9)	(227)
Investment return		48	8	7	63
Tax on investment return		(11)	(1)	–	(12)
Normalised headline earnings		(304)	536	27	259
Momentum Insure (including Admin)		(304)	–	–	(304)
Guardrisk Group		–	536	–	536
Momentum Insurance (Namibia)		–	–	17	17
Momentum Short-term Insurance (Namibia)		–	–	10	10
Cannon Short-term		–	–	–	–
		(304)	536	27	259

¹ The acquisition costs relating to the cell captive business are included in underwriting fees.

NOTE 2.2.3 CONTINUED

NON-LIFE INSURANCE CONTINUED

	Notes	Non-life business Rm	Cell captive business Rm	Momentum Metropolitan Africa Rm	Total Rm
12 mths to 30.06.2022					
Gross written premiums		2 878	–	432	3 310
Net insurance premiums		2 753	–	344	3 097
Fee income		3	1 119	89	1 211
Management fees		–	635	–	635
Investment fees		–	79	–	79
Underwriting fees		–	399	–	399
Other fee income		3	6	89	98
Investment income		76	166	33	275
Total income		2 832	1 285	466	4 583
Expenses and finance costs		(2 913)	(688)	(462)	(4 063)
Net payments to contract holders		(1 916)	–	(185)	(2 101)
Change in actuarial liabilities		–	–	19	19
Acquisition costs ¹		(206)	–	(73)	(279)
Other expenses		(791)	(673)	(223)	(1 687)
Finance costs		–	(15)	–	(15)
(Loss)/Profit before tax		(81)	597	4	520
Income tax expense		94	(149)	(4)	(59)
Non-controlling interest		–	–	(5)	(5)
Normalised headline earnings		13	448	(5)	456
Operating (loss)/profit before tax	2.2	(111)	558	(29)	418
Tax on operating (loss)/profit	2.2	102	(150)	(3)	(51)
Investment return		31	39	27	97
Tax on investment return		(9)	1	–	(8)
Normalised headline earnings		13	448	(5)	456
Momentum Insure (including Admin)		13	–	–	13
Guardrisk Group		–	448	–	448
Momentum Insurance (Namibia)		–	–	8	8
Momentum Short-term Insurance (Namibia)		–	–	5	5
Cannon Short-term		–	–	(18)	(18)
		13	448	(5)	456

¹ The acquisition costs relating to the cell captive business are included in underwriting fees.

Notes to the summarised audited annual financial statements continued

NOTE 2.2.4

INDIA – NON-COVERED BUSINESS¹

	Notes	12 mths to 30.06.2023 Rm	12 mths to 30.06.2022 Rm
Gross written premiums		5 941	3 522
Net earned premiums		4 019	2 426
Fee income		31	21
Net incurred claims		(2 599)	(1 688)
Total management expenses		(1 950)	(1 545)
Net commission expenses		(314)	(39)
Underwriting loss		(813)	(825)
Investment income		241	145
Operating loss		(572)	(680)
Investment income on excess		98	48
Loss before and after tax		(474)	(632)
MMH share of results ²		(225)	(310)
Group support costs		(40)	(32)
Group IT and IT services		14	4
Normalised headline earnings	2.2	(251)	(338)
Number of lives		20 853 206	18 789 363

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

² During October 2022, the Group's holding was diluted from 49% to 44.1% with the introduction of a new shareholder as a partner in the business.

NOTE 2.3

SEGMENT IFRS 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS

	Notes	Total revenue in scope of IFRS 15					
		Contract admini- stration Rm	Trust and fiduciary services Rm	Health admini- stration Rm	Cell captive commission Rm	Other fee income Rm	Total fee income Rm
12 mths to 30.06.2023							
Momentum Life		906	73	–	–	172	1 151
Momentum Investments		1 647	1 270	–	–	182	3 099
Metropolitan Life		10	–	–	–	14	24
Momentum Corporate		1 025	487	–	–	53	1 565
Momentum Metropolitan Health		1	–	2 425	–	51	2 477
Non-life Insurance		163	–	–	1 972	59	2 194
Momentum Metropolitan Africa		42	34	–	–	83	159
New Initiatives		–	–	–	–	115	115
Shareholders ¹		–	–	–	–	45	45
Segmental total		3 794	1 864	2 425	1 972	774	10 829
Reconciling items		–	(483)	–	–	3	(480)
Total	2	3 794	1 381	2 425	1 972	777	10 349
12 mths to 30.06.2022							
Momentum Life		1 043	20	–	–	170	1 233
Momentum Investments		1 561	1 243	–	–	172	2 976
Metropolitan Life		–	–	–	–	70	70
Momentum Corporate		759	431	–	–	44	1 234
Momentum Metropolitan Health		–	–	2 246	–	15	2 261
Non-life Insurance		121	–	–	1 496	68	1 685
Momentum Metropolitan Africa		49	26	–	–	114	189
New Initiatives		–	–	–	–	83	83
Segmental total		3 533	1 720	2 246	1 496	736	9 731
Reconciling items		–	(468)	–	–	4	(464)
Total	2	3 533	1 252	2 246	1 496	740	9 267

¹ This relates to structuring and origination fees earned that was previously allocated to operating segments.

NOTE 2.4**SEGMENT REVENUE PER GEOGRAPHICAL BASIS**

	Notes	SA Rm	Non-SA Rm	Total revenue Rm
12 mths to 30.06.2023				
Momentum Life		11 683	–	11 683
Momentum Investments		39 013	812	39 825
Metropolitan Life		8 585	–	8 585
Momentum Corporate		20 270	–	20 270
Momentum Metropolitan Health		3 735	–	3 735
Non-life Insurance		16 549	891	17 440
Momentum Metropolitan Africa		–	5 070	5 070
New Initiatives		115	–	115
Shareholders		45	–	45
Segmental total		99 995	6 773	106 768
Reconciling items		(51 545)	(1 394)	(52 939)
Total	2	48 450	5 379	53 829
12 mths to 30.06.2022				
Momentum Life		11 122	–	11 122
Momentum Investments		33 020	688	33 708
Metropolitan Life		8 309	–	8 309
Momentum Corporate		18 743	–	18 743
Momentum Metropolitan Health		3 447	–	3 447
Non-life Insurance		14 840	880	15 720
Momentum Metropolitan Africa		–	5 809	5 809
New Initiatives		83	–	83
Segmental total		89 564	7 377	96 941
Reconciling items		(47 105)	(1 676)	(48 781)
Total	2	42 459	5 701	48 160

NOTE 3**NON-CONTROLLING INTERESTS (legal percentages)**

	30.06.2023 %	30.06.2022 %
Eris Property Group	23.0	23.1
Metropolitan Health Ghana	15.0	15.0
Momentum Metropolitan Namibia	0.8	0.8
Momentum Mozambique	33.0	33.0
Metropolitan Health Corporate	29.5	29.5
Momentum Short-term Insurance (Namibia)	30.0	30.0
Momentum Insurance (Namibia)	30.0	30.0
Momentum Health Solutions	27.0	27.0
Entities sold during year		
Metropolitan Cannon General Insurance	–	33.7
Metropolitan Cannon Life Assurance	–	33.7

Notes to the summarised audited annual financial statements continued

NOTE 4

BUSINESS COMBINATIONS

JUNE 2023

Partner Risk Solutions (Pty) Ltd

On 1 July 2022, the Group, through its 100% owned subsidiary, Guardrisk Group, completed a step-up acquisition to acquire an additional 25% of the shares in Partner Risk Solutions (Pty) Ltd (PRS), resulting in the Group exercising control and thus consolidating PRS from that date. Guardrisk Group originally acquired a 26% equity share in PRS in 2019, following which the investment was equity accounted. The step-up acquisition was executed through the exercise of a call option for cash consideration of R9 million.

Crown Agents Investment Management Ltd

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

These acquisitions provide an opportunity for growth, which is the Group's current focus.

JUNE 2022

There were no significant business combinations for the 12 months ended June 2022.

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

	PRS Rm	CAIM Rm	30.06.2023 Rm	30.06.2022 Rm
Purchase consideration in total	16	64	80	–
Fair value of net assets				
Intangible assets	–	17	17	–
Financial instrument assets	–	24	24	–
Insurance and other receivables	1	–	1	–
Cash and cash equivalents ¹	3	35	38	–
Other assets	–	1	1	–
Other liabilities	(1)	(17)	(18)	–
Net identifiable assets acquired	3	60	63	–
Goodwill recognised	14	4	18	–
Contingent liability payments	–	(17)	(17)	–
Previously held investment in associate derecognised	(7)	–	(7)	–
NCI recognised	(1)	–	(1)	–
Purchase consideration in cash¹	9	47	56	–
Revenue since acquisition	11	18	29	–
Earnings since acquisition	1	1	2	–

¹ Net cash outflow of R18 million relating to the purchase of subsidiaries is made up of negative R56 million relating to the purchase consideration in cash and positive R38 million relating to cash and cash equivalents recognised as part of the net assets acquired.

The above acquisitions resulted in a total of R18 million goodwill being recognised attributable to certain anticipated operating synergies. The goodwill is not deductible for tax purposes. If the acquisitions was made on 1 July 2022, additional revenue of R56 million and loss after tax of R5 million would have been recognised.

NOTE 5

GOODWILL

	30.06.2023 Rm	Restated 30.06.2022 ¹ Rm
Cost	3 036	2 969
Accumulated impairment	(1 672)	(1 194)
Balance at end	1 364	1 775
Balance at beginning	1 775	2 489
Business combinations	18	1
Impairment charges ²	(478)	(717)
Exchange differences	49	2
Balance at end	1 364	1 775

¹ Balance has been restated to align with annual financial statements.

² R478 million (2022: R707 million) impairment relates to the goodwill recognised as part of the acquisition of the Alexander Forbes Short-term Insurance business (Non-life Insurance segment). The business was subsequently integrated with Momentum Short-term Insurance and referred to as Momentum Insure. The impairment is a consequence of a revision to the five-year earnings forecast that reflects a weaker medium-term growth outlook. This follows a challenging year in terms of claims experience, which will take some time to normalise. The remaining goodwill balance after the impairment was Rnil (2022: R478 million).

NOTE 6

FINANCE COSTS

	30.06.2023 Rm	30.06.2022 Rm
Cost of trading positions	1 298	1 286
Subordinated debt	383	345
Cost of carry positions	422	347
Redeemable preference shares	188	145
Other finance costs	265	204
Total	2 556	2 327

NOTE 7

SIGNIFICANT RELATED PARTY TRANSACTIONS

In the prior year R140 million of the ordinary dividends declared in March 2022 were attributable to RMI. As a result of RMI unbundling its shareholding in MMH on 25 April 2022, RMI is no longer a related party as of that date.

NOTE 8

DISPOSAL OF SUBSIDIARIES

	30.06.2023 Rm	30.06.2022 Rm
Assets/(liabilities) disposed of:		
Financial assets at FVPL	309	–
Investment properties	122	–
Cash and cash equivalents	29	–
Other assets	287	–
Life insurance contracts	(78)	–
Investment contracts designated at FVPL	(86)	–
Other liabilities	(442)	–
Net assets sold	141	–
Non-controlling interests disposed of	(29)	–
Loss on sale of subsidiaries	(112)	–
Cash flow from sale of subsidiaries	–	–

In the current year, the Group disposed of its shareholdings in Metropolitan Cannon Life Assurance Ltd and Metropolitan Cannon General Insurance Ltd.

Notes to the summarised audited annual financial statements continued

NOTE 9

OTHER RESERVES

	30.06.2023 Rm	Restated 30.06.2022¹ Rm
Land and building revaluation reserve	330	311
FCTR	414	(60)
Non-distributable reserve	78	73
Employee benefit revaluation reserve	64	23
Fair value adjustment for preference shares issued by MMH	940	940
Equity-settled share-based payment arrangements	174	122
Total	2 000	1 409

¹ Refer to note 12 for more information on the restatements.

NOTE 10

DIVIDENDS

	2023	2022
Ordinary listed MMH shares (cents per share)		
Interim – March	50	35
Final – September	70	65
Total	120	100

MMH convertible redeemable preference shares (issued to KTH)

The A3 MMH preference shares were redeemable on 30 November 2022 at a redemption value of R9.18 per share unless converted into MMH ordinary shares on a one-for-one basis prior to that date. The preference shares were not redeemed on 30 November 2022 and an extension was entered into in the current year, for a further 10 months until 30 September 2023. The ordinary shares were originally issued at a price of R10.18 per share. Dividends are payable on the remaining preference shares at 132 cents per annum (payable March and September). MMH subscribed for a cumulative, redeemable preference share in Off The Shelf Investments 108 (Pty) Ltd (a subsidiary of KTH) which is linked to the A3 preference shares acquired in 2011. The dividends on the Off The Shelf Investments preference share aligns the A3 preference share dividend to the ordinary dividends.

	2023 Rm	2022 Rm
A3 MMH preference share dividends – KTH		
Interim – March	19	19
Final – September	19	19
Total	38	38

NOTE 11

FINANCIAL INSTRUMENTS SUMMARISED BY MEASUREMENT CATEGORY IN TERMS OF IFRS 9

	FVPL			Amortised cost Rm	Not in scope of IFRS 9 Rm	Total Rm
	Mandatorily Rm	Designated ¹ Rm	Total fair value Rm			
30.06.2023						
Unit-linked investments	216 300	–	216 300	–	–	216 300
Debt securities	40 495	142 154	182 649	305	–	182 954
Equity securities ²	114 352	–	114 352	–	–	114 352
Carry positions	–	56	56	–	–	56
Funds on deposit and other money market instruments	15 814	17 881	33 695	181	–	33 876
Derivative financial assets	2 345	–	2 345	–	–	2 345
Financial assets at amortised cost	–	–	–	8 806	–	8 806
Insurance and other receivables (excluding accelerated rental and prepayments)	–	–	–	–	5 833	5 833
Cash and cash equivalents	–	–	–	35 013	–	35 013
Total financial assets	389 306	160 091	549 397	44 305	5 833	599 535
Investment contracts with DPF	–	–	–	–	3 267	3 267
Investment contracts designated at FVPL	–	373 927	373 927	–	–	373 927
CIS liabilities	–	27 683	27 683	–	–	27 683
Subordinated call notes	–	4 300	4 300	–	–	4 300
Carry positions	–	9 080	9 080	–	–	9 080
Preference shares	–	366	366	–	–	366
Derivative financial liabilities	3 336	–	3 336	–	–	3 336
Other borrowings	3	62	65	–	–	65
Financial liabilities at amortised cost	–	–	–	3 770	199	3 969
Other payables (excluding premiums in advance and deferred revenue liability)	–	–	–	12 725	6 954	19 679
Total financial liabilities	3 339	415 418	418 757	16 495	10 420	445 672

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

² Equity securities are classified as FVPL at inception.

Notes to the summarised audited annual financial statements continued

NOTE 11 CONTINUED

FINANCIAL INSTRUMENTS SUMMARISED BY MEASUREMENT CATEGORY IN TERMS OF IFRS 9 CONTINUED

	FVPL			Amortised cost Rm	Not in scope of IFRS 9 Rm	Total Rm
	Mandatorily Rm	Designated ¹ Rm	Total fair value Rm			
Restated 30.06.2022²						
Unit-linked investments	184 886	–	184 886	–	–	184 886
Debt securities ³	45 401	129 447	174 848	481	–	175 329
Equity securities ⁴	96 646	–	96 646	–	–	96 646
Carry positions	–	1 124	1 124	–	–	1 124
Funds on deposit and other money market instruments ³	13 427	16 666	30 093	263	–	30 356
Derivative financial assets	1 914	–	1 914	–	–	1 914
Financial assets at amortised cost	–	–	–	7 991	–	7 991
Insurance and other receivables (excluding accelerated rental and prepayments)	–	–	–	–	6 917	6 917
Cash and cash equivalents	–	–	–	28 720	–	28 720
Total financial assets	342 274	147 237	489 511	37 455	6 917	533 883
Investment contracts with DPF	–	–	–	–	2 994	2 994
Investment contracts designated at FVPL	–	318 615	318 615	–	–	318 615
CIS liabilities	–	30 782	30 782	–	–	30 782
Subordinated call notes	–	5 327	5 327	–	–	5 327
Carry positions	–	7 723	7 723	–	–	7 723
Preference shares	–	337	337	–	–	337
Derivative financial liabilities	3 039	–	3 039	–	–	3 039
Other borrowings	878	55	933	–	–	933
Financial liabilities at amortised cost	–	–	–	4 148	188	4 336
Other payables (excluding premiums in advance and deferred revenue liability)	–	–	–	10 894	6 953	17 847
Total financial liabilities	3 917	362 839	366 756	15 042	10 135	391 933

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

² Refer to note 12 for more information on the restatements except for those disclosed in footnote 3.

³ Upon further investigation it was concluded that Funds on deposit and other money market instruments designated at FVPL of R67 million should have been classified as Debt securities designated at FVPL. June 2022 has been restated accordingly.

⁴ Equity securities are classified as FVPL at inception.

NOTE 11.1**FINANCIAL INSTRUMENTS FAIR VALUE HIERARCHY**

The different valuation method levels have been defined as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Input other than quoted prices included within level 1 that is observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).
- **Level 3:** Input for the asset or liability that is not based on observable market data (unobservable input).

FINANCIAL ASSETS

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
30.06.2023				
Securities at FVPL	386 882	156 605	5 910	549 397
Unit-linked investments				
CISs ¹				
Local unlisted or listed quoted	126 990	1 525	–	128 515
Local unlisted unquoted	–	98	–	98
Foreign unlisted or listed quoted	69 729	361	66	70 156
Foreign unlisted unquoted	–	1 645	43	1 688
Other unit-linked investments				
Local unlisted or listed quoted	3 615	–	–	3 615
Local unlisted unquoted	–	7 880	2 621	10 501
Foreign unlisted or listed quoted	469	–	–	469
Foreign unlisted unquoted	–	20	1 238	1 258
Debt securities				
Stock and loans to government and other public bodies				
Local listed	69 911	8 819	–	78 730
Foreign listed	2 722	4 697	–	7 419
Unlisted	–	4 236	1 449	5 685
Other debt instruments				
Local listed	–	42 003	43	42 046
Foreign listed	36	9 499	64	9 599
Unlisted	–	39 123	47	39 170
Equity securities				
Local listed	68 688	–	2	68 690
Foreign listed	44 639	772	36	45 447
Unlisted	–	38	177	215
Funds on deposit and other money market instruments	6	33 689	–	33 695
Carry positions	–	56	–	56
Derivative financial assets – held for trading	77	2 144	124	2 345
	386 882	156 605	5 910	549 397

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

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

Notes to the summarised audited annual financial statements continued

NOTE 11.1 CONTINUED

FINANCIAL INSTRUMENTS FAIR VALUE HIERARCHY CONTINUED

FINANCIAL ASSETS CONTINUED

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Restated 30.06.2022				
Securities at FVPL	338 720	144 603	6 188	489 511
Unit-linked investments				
CISs ¹				
Local unlisted or listed quoted ²	113 653	1 214	–	114 867
Local unlisted unquoted	–	16	–	16
Foreign unlisted or listed quoted ³	53 273	270	55	53 598
Foreign unlisted unquoted ³	–	1 901	58	1 959
Other unit-linked investments				
Local unlisted or listed quoted ²	3 555	1	–	3 556
Local unlisted unquoted ^{2,4}	–	6 635	2 652	9 287
Foreign unlisted or listed quoted ⁵	204	–	–	204
Foreign unlisted unquoted ^{4,5}	259	96	1 044	1 399
Debt securities				
Stock and loans to government and other public bodies				
Local listed ⁶	70 362	10 785	1	81 148
Foreign listed ⁶	1 590	3 656	2	5 248
Unlisted ⁷	–	3 650	1 371	5 021
Other debt instruments				
Local listed ^{6,7,8}	1	38 798	3	38 802
Foreign listed ^{6,7}	10	8 037	64	8 111
Unlisted ^{6,7}	–	36 057	461	36 518
Equity securities				
Local listed	60 522	3	1	60 526
Foreign listed	35 221	567	146	35 934
Unlisted	–	27	159	186
Funds on deposit and other money market instruments ⁸	–	30 093	–	30 093
Carry positions	–	1 124	–	1 124
Derivative financial assets – held for trading	70	1 673	171	1 914
	338 720	144 603	6 188	489 511

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

² R206 million was inappropriately classified as CIS Local unlisted or listed quoted included in level 1, of which R191 million should have been classified as Other unit-linked investments Local unlisted or listed quoted included in level 1 and R15 million should have been classified as Other unit-linked investments Local unlisted unquoted included in level 2. June 2022 has been restated accordingly.

³ CISs of R372 million was incorrectly classified as Foreign unlisted or listed quoted included in level 1 and should have been classified as Foreign unlisted unquoted included in level 2. June 2022 has been restated accordingly.

⁴ Other unit-linked investments of R480 million was incorrectly classified as Local unlisted unquoted included in level 3 and should have been classified as Foreign unlisted unquoted included in level 3. June 2022 has been restated accordingly.

⁵ Upon further interrogation it was noted that R259 million Foreign unlisted or listed quoted Other unit-linked investments included in level 1 was inappropriately classified as such and should have been classified as Foreign unlisted unquoted Other unit-linked investments included in level 1. June 2022 has been restated accordingly.

⁶ When an inward listed instrument is deemed foreign by the SARB, the Group will classify it as foreign for IFRS reporting purposes. In 2020, the SARB issued a circular that deemed all inward listed debt as local whereas previously this was deemed to be foreign. The SARB has subsequently reissued a final circular in February 2022 following industry engagement deeming all inward listed debt type instruments to be foreign. The Group has therefore restated the June 2022 figures accordingly to consistently treat all inward listed debt type instruments as foreign. Therefore, R4 538 million Other debt instruments previously classified as Local listed has been appropriately classified as Foreign listed and R4 million Stock and Loans to government and other public bodies previously classified as Local listed has been appropriately classified as Foreign listed. This treatment is in accordance with the SARB February 2022 circular.

⁷ Upon further investigation it was concluded that R563 million was incorrectly classified as Other debt instruments Local listed included in level 2, of which:

- R218 million should have been classified as Other debt instruments Foreign listed included in level 2;
- R340 million should have been classified as Other debt instruments Unlisted included in level 2; and
- R5 million should have been classified as Other debt instruments Unlisted included in level 3.

June 2022 has been restated accordingly.

⁸ Further investigation noted that R62 million included in Funds on deposit and other money market instruments level 2 and R5 million included in Funds on deposit and other money market instruments level 3, totalling R67 million, should have been classified as Other debt instruments level 2. June 2022 has been restated accordingly.

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

NOTE 11.1 CONTINUED**FINANCIAL INSTRUMENTS FAIR VALUE HIERARCHY CONTINUED****FINANCIAL LIABILITIES**

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
30.06.2023				
Investment contracts designated at FVPL	–	373 916	11	373 927
Financial liabilities at FVPL	27 714	16 776	340	44 830
CIS liabilities	27 671	–	12	27 683
Subordinated call notes	–	4 300	–	4 300
Carry positions	–	9 080	–	9 080
Preference shares	–	56	310	366
Derivative financial liabilities – held for trading	2	3 334	–	3 336
Other borrowings	41	6	18	65
	27 714	390 692	351	418 757
30.06.2022				
Investment contracts designated at FVPL	–	318 605	10	318 615
Financial liabilities at FVPL	31 577	16 142	422	48 141
CIS liabilities	30 768	–	14	30 782
Subordinated call notes	–	5 327	–	5 327
Carry positions	–	7 723	–	7 723
Preference shares	–	43	294	337
Derivative financial liabilities – held for trading	3	3 036	–	3 039
Other borrowings	806	13	114	933
	31 577	334 747	432	366 756

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

Notes to the summarised audited annual financial statements continued

NOTE 11.2

FAIR VALUE OF LEVEL 3 FINANCIAL ASSETS

	At FVPL					Total Rm
	Unit-linked investments Rm	Debt securities Rm	Equity securities Rm	Funds on deposit and other money market instruments Rm	Derivative financial assets Rm	
12 mths to 30.06.2023						
Opening balance	3 809	1 902	306	–	171	6 188
Total gains/(losses) in net realised and unrealised fair value gains in the income statement						
Realised gains/(losses)	26	29	(56)	–	–	(1)
Unrealised gains/(losses)	292	(13)	49	–	(74)	254
Foreign exchange adjustments	10	–	4	–	27	41
Accrued interest in investment income in the income statement	–	64	–	–	–	64
Purchases	479	485	59	–	–	1 023
Sales	(611)	(827)	(32)	–	–	(1 470)
Settlements	(37)	(147)	–	–	–	(184)
Transfers into level 3 from level 1	–	–	1	–	–	1
Transfers into level 3 from level 2 ¹	–	116	7	–	–	123
Transfers out to level 2 ²	–	(6)	(123)	–	–	(129)
Closing balance	3 968	1 603	215	–	124	5 910
Restated 12 mths to 30.06.2022³						
Opening balance	2 992	1 978	234	–	178	5 382
Total gains/(losses) in net realised and unrealised fair value gains in the income statement						
Realised gains/(losses)	107	17	(49)	–	–	75
Unrealised gains/(losses)	998	(39)	39	–	3	1 001
Foreign exchange adjustments	(3)	–	1	–	2	–
Accrued interest in investment income in the income statement	–	56	–	–	–	56
Other	(4)	(3)	–	–	–	(7)
Purchases	459	865	176	–	–	1 500
Sales	(284)	(917)	(133)	–	–	(1 334)
Settlements	(464)	(68)	–	–	(12)	(544)
Transfers into level 3 from level 2	8	13	69	–	–	90
Transfers out to level 2 ²	–	–	(31)	–	–	(31)
Closing balance	3 809	1 902	306	–	171	6 188

¹ Debt securities (R116 million) were transferred from level 2 to level 3 as the instrument's price was stale for more than 30 days. This is as a result of the debt crisis in Ghana.

² Transfers out to level 2 relates mainly to assets with inputs to valuation techniques that are no longer stale.

³ R5 million was incorrectly classified as Funds on deposit and other money market instruments and should have been classified as Debt securities. June 2022 has been restated accordingly.

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

NOTE 11.2 CONTINUED

SENSITIVITY OF SIGNIFICANT LEVEL 3 FINANCIAL ASSETS MEASURED AT FAIR VALUE TO CHANGES IN KEY ASSUMPTIONS

	At FVPL	
	Unit-linked investments Rm	Debt securities Rm
30.06.2023		
Carrying amount	3 968	1 603
Assumption change	10% increase/ (decrease) in unit price	1% increase/ (decrease) in discount rates
Effect of increase in assumption	397	(12)
Effect of decrease in assumption	(397)	16
Restated 30.06.2022^{1,2}		
Carrying amount	3 809	1 902
Assumption change	10% increase/ (decrease) in unit price	1% increase/ (decrease) in discount rates
Effect of increase in assumption	381	(19)
Effect of decrease in assumption	(381)	20

¹ The assumption changes were not applied to certain Debt securities which resulted in an increase and decrease of R8 million respectively. June 2022 has been restated accordingly.

² Upon further investigation, it was noted that there was an elimination that was not appropriately reflected in the sensitivity analysis. This resulted in an increase and decrease of R15 million respectively. June 2022 has been restated accordingly.

NOTE 11.3

FAIR VALUE OF LEVEL 3 FINANCIAL LIABILITIES

	At FVPL				
	Investment contracts designated at FVPL Rm	CIS liabilities Rm	Preference shares Rm	Other borrowings Rm	Total Rm
12 mths to 30.06.2023					
Opening balance	10	14	294	114	432
Business combinations	-	-	-	17	17
Total losses/(gains) in net realised and unrealised fair value gains in the income statement					
Realised gains	(2)	-	-	(22)	(24)
Unrealised losses/(gains)	3	(4)	16	-	15
Issues	-	2	-	-	2
Lapsed unexercised	-	-	-	(94)	(94)
Exchange differences	-	-	-	3	3
Closing balance	11	12	310	18	351
12 mths to 30.06.2022					
Opening balance	23	18	313	201	555
Total gains in net realised and unrealised fair value gains in the income statement					
Unrealised gains	(2)	(1)	(13)	(61)	(77)
Issues	-	4	-	35	39
Sales	-	(4)	-	-	(4)
Settlements	-	(3)	(6)	(64)	(73)
Contract holder movements					
Benefits paid	(11)	-	-	-	(11)
Exchange differences	-	-	-	3	3
Closing balance	10	14	294	114	432

Notes to the summarised audited annual financial statements continued

NOTE 11.3 CONTINUED

FAIR VALUE OF LEVEL 3 FINANCIAL LIABILITIES CONTINUED

Sensitivity: The final calculation of the deferred consideration payable by MGIM as a result of the initial acquisition of Seneca Investment Managers Ltd has been valued at Rnil during the current year as a result of the remaining criteria for payment not being met. In the prior year, increasing/decreasing the assets under management growth rate by 10% would decrease/increase the carrying amount of the contingent consideration, included in Other borrowings, in level 3 by R1.1 million and R1.1 million respectively. In respect of the contingent consideration recognised as a result of the acquisition in the current year, increasing/decreasing the assets under management growth rate by 0.18% would decrease/increase the carrying amount of the contingent consideration, included in Other borrowings, in level 3 by R1.5 million and R1.5 million respectively.

NOTE 11.4

VALUATION TECHNIQUES

Group's valuation processes

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 bi-annually, in line with the Group's bi-annual reporting dates.

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. 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.

NOTE 11.4 CONTINUED**VALUATION TECHNIQUES CONTINUED****Critical accounting estimates and judgements continued**

The following are the methods and assumptions for determining the fair value when a valuation technique is used in respect of instruments classified as level 2.

Instrument	Valuation basis	Main assumptions
Equities and similar securities		
– Listed, local and foreign	Discounted cash flow (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, money market 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, currency rates
– Unlisted	DCF	Nominal bond curve, swap curve, real bond curve, consumer price index, credit spread, currency rates, issue spread, money market curve, graded non-convertible debenture quotes
	DCF, Black-Scholes model	Yield curves, discount rates, volatilities
Funds on deposit and other money market instruments		
– Listed	DCF	Money market curve, swap curve, issue spread
	Published prices	Money market curve, credit spread
	Published yield of benchmark bond	Money market curve, credit spread
– Unlisted	DCF	Money market curve, nominal bond curve, swap curve, credit spread, inflation curve
Unit-linked investments	Adjusted NAV or NAV	Underlying asset and liability values
Derivative assets and liabilities	Black-Scholes model (European options), binomial tree (American/Bermudan options), DCF	Nominal bond curve, swap curve, real bond curve, consumer price index, credit spread, volatility, forward equity, currency rates
Subordinated call notes (Liability)	Published yield quotations	Nominal bond curve, real bond curve
Carry position assets and liabilities	DCF	Nominal bond curve, repo rates
Investment contracts designated at FVPL	Asset and liability matching method	Asset value

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

Notes to the summarised audited annual financial statements

continued

NOTE 11.4 CONTINUED

VALUATION TECHNIQUES CONTINUED

Critical accounting estimates and judgements continued

Information about fair value measurements using significant unobservable inputs for instruments classified as level 3

Financial assets	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Securities at FVPL				
Equity securities				
– Foreign listed	Published prices	Adjustments for low liquidity or inactivity	Liquidity discount: 0% to 30% (2022: 0% to 30%)	The higher the liquidity discount rate, the lower the fair value
– Unlisted	NAV	Underlying property valuations impacted by capitalisation rates, vacancy rates and potential capitalisation of project costs	Could vary significantly based on the value of the underlying properties ¹	The higher the capitalisation rate the lower the value of the property and the fair value. The higher the vacancy rate the lower the value of the property and the fair value ¹
	Adjusted NAV or NAV	Price per unit	Could vary significantly based on the assets and liabilities held by the investee ¹	The higher the NAV, the greater the fair value ¹
	DCF	Discount rate	Multiple unobservable inputs ¹	The higher the discount rate, the lower the fair value of the assets
Debt securities				
Stock and loans to government and other public bodies				
– Unlisted	DCF	Discount rate	8.00% to 13.07% (2022: 8.00% to 13.07%)	The higher the discount rate, the lower the fair value of the assets
– Listed	Published prices	Adjustments for recoverability and credit risk determined by collection rates of performing and non-performing loans	Multiple unobservable inputs ¹	The lower the collection rates, the lower the fair value
Other debt instruments				
– Unlisted	DCF, Black-Scholes model	Discount rate, volatilities, yield curve	Multiple unobservable inputs ¹	Could vary significantly based on multiple inputs ¹ . The higher the discount rate, the lower the fair value of the assets. A normal yield curve will result in a high fair value and a downward-sloping curve will result in lower fair values
	DCF	Discount rate	10.45% to 15.65% (2022: 9.90% to 11.19%); 9.37% to 16.00% (2022: 6.41% to 17.92%)	
	Last quoted price multiplied by number of units held	Price per unit	78c (2022: 78c)	The higher the price per unit, the higher the fair value
Unit-linked investments				
GISS				
– Foreign unlisted unquoted	Unit price of underlying assets/liabilities multiplied by number of units held	Price per unit	Could vary significantly based on the assets and liabilities held by the investee ¹	The higher the NAV, the greater the fair value ¹

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

NOTE 11.4 CONTINUED**VALUATION TECHNIQUES CONTINUED****Critical accounting estimates and judgements continued**

Financial assets	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Securities at FVPL continued				
Other unit-linked investments				
– Local unlisted unquoted	Adjusted NAV or NAV	Price per unit	Could vary significantly due to range of holdings ¹	The higher the price per unit, the higher the fair value ¹
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics. Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics.	Could vary significantly due to range of holdings ¹	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
– Foreign unlisted unquoted	Adjusted NAV or NAV	Price per unit	Could vary significantly due to range of holdings ¹	The higher the price per unit, the higher the fair value ¹
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics. Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics.	Could vary significantly due to range of holdings ¹	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Derivative financial assets	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics. Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics.	Could vary significantly due to range of inputs ¹	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Financial liabilities				
Financial liabilities at FVPL				
Other borrowings	DCF	AUM growth rate	18% (30.06.2022: 3.25%)	The higher the rate, the higher the fair value
Preference shares	DCF	Discount rate	13.17% to 15.65% (30.06.2022: 3.00%)	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.

Notes to the summarised audited annual financial statements

continued

NOTE 12 RESTATEMENTS

The following restatements were made to the consolidated statement of financial position, income statement, statement of comprehensive income and statement of cash flows:

Statement of financial position as at 30.06.2022	Before restatement Rm	Carry positions ¹ Rm	Commission correction ² Rm	Investment in associate FCTR ³ Rm	Debtors/ creditors/ reclas- sification ⁴ Rm	Smooth bonus data reserve ⁵ Rm	Effective interest rate ⁶ arrangements ⁷ Rm	Inter- company reinsurance Rm	After restatement Rm
Investments in associates and joint ventures	1 491	-	-	(44)	-	-	-	-	1 447
Financial assets at amortised cost	8 739	-	-	-	(4)	-	-	-	8 735
Reinsurance contract assets	14 976	-	-	-	(25)	-	-	(203)	14 748
Insurance and other receivables	7 739	-	-	-	60	-	-	-	7 799
Equity attributable to owners of the parent	(24 621)	-	-	44	-	-	-	-	(24 577)
Insurance contract liabilities	(126 233)	-	-	-	-	-	-	23	(126 210)
Life insurance contracts									
Investment contracts									
- with DPF	(3 031)	-	-	-	-	37	-	-	(2 994)
- designated at FVPL	(318 758)	-	-	-	-	(37)	-	180	(318 615)
Other payables	(19 567)	-	-	-	(31)	-	-	-	(19 598)
as at 01.07.2021									
Investments in associates and joint ventures	1 156	-	-	(51)	-	-	-	-	1 105
Financial assets at FVPL	471 362	(2 595)	-	-	-	-	-	-	468 767
Financial assets at amortised cost	7 968	(413)	-	-	(472)	-	-	-	7 083
Reinsurance contract assets	6 849	-	-	-	(31)	-	-	-	6 818
Insurance and other receivables	6 240	-	-	-	539	-	-	-	6 779
Equity attributable to owners of the parent	(21 575)	-	-	51	-	-	-	-	(21 524)
Financial liabilities at FVPL	(51 013)	3 008	-	-	-	-	-	-	(48 005)
Other payables	(16 967)	-	-	-	(36)	-	-	-	(17 003)

¹ Trade date accounting was applied to sale and repurchase as well as reverse sale and repurchase agreements as opposed to the application of settlement date accounting as required by IFRS 9 – *Financial Instruments* and required in terms of the Group's accounting policy. 1 July 2021 has been restated accordingly.

² A reassessment was performed on Sales remuneration expenses. Certain transactions were incorrectly disclosed as Sales remuneration instead of as Other expenses. June 2022 has been restated accordingly.

³ Goodwill initially recognised and included in the carrying value of investments in associates and joint ventures related to ABHI was not treated as part of the assets of the foreign operation. As such, the Goodwill was not expressed in the functional currency of ABHI and subsequently translated to the Group's reporting currency. 30 June 2022 and 1 July 2021 have been restated accordingly.

⁴ During the IFRS 17 implementation project, the classifications of all accounts receivable and accounts payable balances were reassessed between insurance and non-insurance balances. It was determined that certain amounts were incorrectly classified as insurance where the transactions were non-insurance related and vice versa. 30 June 2022 and 1 July 2021 have been restated accordingly.

⁵ During the prior year, a selection of policyholder liabilities were reclassified from investment contracts with DPF to investment contracts at FVPL as a result of an update to FSCA Standard 5 of 2020. A reserve related to these policies was incorrectly not reclassified as well. 30 June 2022 has been restated accordingly.

⁶ The Group's policy is to reflect interest on financial instruments measured at FVPL based on the effective interest rate method. For certain instruments this was incorrectly calculated leading to a misclassification between Other investment income and Net realised and unrealised fair value gains/losses.

⁷ An intercompany reinsurance agreement between MML and Guardrisk Life Ltd was not eliminated in the prior year. June 2022 has been restated accordingly.

NOTE 12 CONTINUED
RESTATEMENTS CONTINUED

	Before restatement Rm	Carry positions ¹ Rm	Commission correction ² Rm	Investment in associate FCTR ³ Rm	Debtors/creditors reclassification ⁴ Rm	Smooth data bonus data reserve ⁵ Rm	Effective interest rate ⁶ Rm	Inter-company reinsurance arrangements ⁷ Rm	After restatement Rm
Income statement for the 12 mths to 30.06.2022									
Investment income	26 167	-	-	-	-	-	(654)	-	25 513
Net realised and unrealised fair value gains	(4 170)	-	-	-	-	-	654	-	(3 516)
Change in actuarial liabilities and related reinsurance									
Change in life insurance contract liabilities	3 280	-	-	-	-	-	-	23	3 303
Change in reinsurance assets	897	-	-	-	-	-	-	(23)	874
Sales remuneration	(7 674)	-	242	-	-	-	-	-	(7 432)
Other expenses	(8 256)	-	(242)	-	-	-	-	-	(8 498)
Earnings for the year	3 808	-	-	-	-	-	-	-	3 808
Statement of comprehensive income for the 12 mths to 30.06.2022									
Items that may subsequently be reclassified to income									
Share of other comprehensive income of associates	52	-	-	7	-	-	-	-	59
Total comprehensive income for the year	3 772	-	-	7	-	-	-	-	3 779
Statement of cash flows for the 12 mths to 30.06.2022									
Cash utilised in operations	(19 619)	(3 008)	-	-	-	-	278	-	(22 349)
Interest received	16 297	-	-	-	-	-	(278)	-	16 019
Proceeds from carry positions	5 607	3 008	-	-	-	-	-	-	8 615

¹ Trade date accounting was applied to sale and repurchase as well as reverse sale and repurchase agreements as opposed to the application of settlement date accounting as required by IFRS 9 – *Financial instruments* and required in terms of the Group's accounting policy. 1 July 2021 has been restated accordingly.

² A reassessment was performed on Sales remuneration expenses. Certain transactions were incorrectly disclosed as Sales remuneration instead of as Other expenses. June 2022 has been restated accordingly.

³ Goodwill initially recognised and included in the carrying value of investments in associates and joint ventures related to ABHI was not treated as part of the assets of the foreign operation. As such, the Goodwill was not expressed in the functional currency of ABHI and subsequently translated to the Group's reporting currency. 30 June 2022 and 1 July 2021 have been restated accordingly.

⁴ During the IFRS 17 implementation project, the classifications of all accounts receivable and accounts payable balances were reassessed between insurance and non-insurance amounts were incorrectly classified as insurance where the transactions were non-insurance related and vice versa. 30 June 2022 and 1 July 2021 have been restated accordingly.

⁵ During the prior year, a selection of policyholder liabilities were reclassified from investment contracts with DPF to investment contracts as a result of an update to FSCA Standard 5 of 2020. A reserve related to these policies was incorrectly not reclassified as well. 30 June 2022 has been restated accordingly.

⁶ The Group's policy is to reflect interest on financial instruments measured at FVPL based on the effective interest rate method. For certain instruments this was incorrectly calculated leading to a misclassification between Other investment income and Net realised and unrealised fair value gains/losses.

⁷ An intercompany reinsurance agreement between MML and Guardrisk Life Ltd was not eliminated in the prior year. June 2022 has been restated accordingly.

Notes to the summarised audited annual financial statements continued

NOTE 13

ADOPTION OF NEW STANDARDS

IFRS 17 TRANSITIONAL ADJUSTMENTS

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

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

Significant parts of the Group's implementation efforts were resourced from internal teams that were actively involved in finance and actuarial processes. This led to challenges during financial reporting periods but had the benefit of embedding the relevant technical and processing skills within the organisation. Although this blueprint was adhered to in general, entities across the Guardrisk Group are noteworthy exceptions. This is due to the specific nature of the cell captive industry in South Africa, for which clarity on implementation requirements was provided significantly later than the initial publication of the standard.

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

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

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

- *Economic reality*
Accounting should reflect the underlying economics of insurance contracts as closely as possible. An example of where this was applied is setting the confidence level of the risk adjustment so as to have the contractual service margin (CSM) a fair reflection of the economic value added.
- *Stable earnings release*
In-force contracts should deliver a stable and real (increasing broadly with inflation) contribution to profit and loss. Earnings volatility, including volatility from one period to the next, should be minimised where possible. An example of where this was applied is the choice to discount coverage units.
- *Operational alignment*
Where possible, accounting had to align with current business practices for example risk and product management. In addition, choices should also support alignment across the various reporting bases being regulatory, statutory, embedded value and tax.

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

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

NOTE 13 CONTINUED

ADOPTION OF NEW STANDARDS CONTINUED

IFRS 17 TRANSITIONAL ADJUSTMENTS continued

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

The expected impact of IFRS 17 on the Group's key metrics is tabled below:

Key metrics		High level impact
Growth and sales	Normalised headline earnings	Expect c.R200 million decrease in normalised headline earnings and thus likely to see normalised headline earnings targets adjusted accordingly
	Value of new business	VNB metric sees modest changes VNB targets unchanged
	Present value of new business premiums	PVNB metric and targets unchanged
Distributable reserves	Dividend per share	Dividends not impacted
Financial stability and value	Return on equity	Lower return on equity due to c.R3 billion expected increase in equity on transition and c.R200 million decrease in normalised headline earnings
	Embedded Value	EV per share not materially affected (aligns with distribution not being affected)
	CSM	c.R16.5 billion on transition

13.2 Nature of changes in accounting policy

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

The implementation of IFRS 17 did not result in a change in classification of policies, as insurance or investment contracts. Policies issued under life insurance licences that were accounted for under IFRS 9, continue to be accounted for as financial instruments, except in instances where restrictive unbundling requirements in IFRS 17 result in unbundled financial instruments, being accounted for together with existing insurance contracts, as single insurance contracts in the scope of IFRS 17. The accounting treatment of third-party cell captive arrangements was affected by the implementation of IFRS 17. For further information on the application of IFRS 17 to third-party cell captive arrangements, refer to note 13.5.

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

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

Statement of financial position

Recognition and derecognition

Under IFRS 4, the Group recognised insurance contracts issued and reinsurance contracts held when the contracts became effective.

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

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

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

Notes to the summarised audited annual financial statements continued

NOTE 13 CONTINUED

ADOPTION OF NEW STANDARDS CONTINUED

IFRS 17 TRANSITIONAL ADJUSTMENTS continued

13.2 Nature of changes in accounting policy continued

Statement of financial position continued

Portfolios and groups of insurance contracts

In terms of IFRS 4, the Group accounted for insurance contracts issued and reinsurance contracts held on a contract or portfolio basis.

In terms of IFRS 17, on initial recognition, insurance contracts are grouped into portfolios (based on how contracts are managed) and then into groups of insurance contracts (the unit of account) based on expected profitability. The recognition and measurement principles in IFRS 17 are applied to each unit of account. In instances where the insurance contracts were measured and accounted for on a portfolio basis under IFRS 4, the application of the IFRS 17 to the new unit of account, will reflect the economic consequences of transactions with policyholders on a more granular level.

Measurement of insurance contracts issued and reinsurance contracts held

In terms of IFRS 4, liabilities relating to life insurance contracts and investment contracts with DPF were measured in accordance with the Financial Soundness valuation (FSV) basis as set out in SAP 104 – *Calculation of the value of the assets, liabilities and solvency capital requirement of long-term insurers*. The FSV basis is based on best estimate assumptions regarding future experience plus compulsory margins and additional discretionary margins for prudence and deferral of profit emergence. In terms of the FSV basis, the Group could not incorporate the expected impact of policyholder options that are beneficial to the Group, in the measurement of insurance contracts.

In terms of IFRS 4, non-life insurance contracts were reflected on the statement of financial position through the provision for unearned premiums and outstanding claims liability. The provision for unearned premiums represented the proportion of the premiums written during the reporting period in question that relate to unexpired risk periods, computed separately for each insurance contract using the 365th method. Outstanding claims comprised provisions for the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date, whether reported or not.

Under IFRS 17 the following aspects of insurance contract measurement are applied:

- *Measurement models*

In terms of IFRS 17, insurance contracts issued are measured with the general measurement model, the variable fee approach or the premium allocation approach. Reinsurance contracts held are measured in terms of the general measurement model or the premium allocation approach.

In terms of the general measurement model and the variable fee approach, groups of insurance contracts are measured at the total of fulfilment cash flows and the contractual service margin (CSM).

If the group of insurance contracts is onerous, the group is measured at the fulfilment cash flows. In comparison, the contractual service margin of a group of reinsurance contracts is either a deferred income or expense. Fulfilment cash flows consists of the present value of expected income and expenses that the Group expects to incur to fulfil obligations under insurance contracts and a risk adjustment for non-financial risk.

The general measurement model and the variable fee approach differ on how the contractual service margin is measured after initial recognition. The differences relate to the changes in estimates of fulfilment cash flows that adjusts the contractual service margin or loss component (a sub-set of the fulfilment cash flows that represents a loss recognised) and the discount rates used to measure the adjustments at the reporting date.

The premium allocation approach is a simplified version of the general measurement model and is comparable to the unearned premium method applied in terms of IFRS 4. In terms of the premium allocation approach, premiums received are recognised as insurance service revenue during the coverage period of the group of insurance contracts based on the passage of time or the pattern of expected insurance service expenses. In contrast to the general measurement model and the variable fee approach, the premium allocation approach does not require a contractual service margin to be maintained for the group of insurance contracts. It also allows, when criteria are met, for fulfilment cash flows to be measured at undiscounted amounts and insurance acquisition cash flows to be expensed when incurred.

NOTE 13 CONTINUED**ADOPTION OF NEW STANDARDS CONTINUED****IFRS 17 TRANSITIONAL ADJUSTMENTS** continued**13.2 Nature of changes in accounting policy** continued*Statement of financial position continued**Measurement of insurance contracts issued and reinsurance contracts held continued*

- *Identification and measurement of fulfilment cash flows*

Fulfilment cash flows are included in the measurement of insurance contract assets and insurance contract liabilities. Fulfilment cash flows consists of the present value of expected income and expenses that the Group expects to incur to fulfil obligations under insurance contracts (the best estimate liability) and a risk adjustment for non-financial risk.

Fulfilment cash flows include, but are not limited to, premium inflows, fee income, charges, insurance acquisition expenses, administration and maintenance expenses, claims and benefits, investment management expenses, reporting and risk management expenses and overhead expenses incurred to support the fulfilment of insurance contracts issued. The identification and measurement of fulfilment cash flows determines whether a group of insurance contracts is expected to be profitable or loss-making over the coverage period.

The inclusion of the risk adjustment and policyholder options that are beneficial to the Group in fulfilment cash flows, resulted in significant changes in the measurement of insurance contracts when compared to IFRS 4.

- *Risk adjustment*

In terms of IFRS 4, compulsory and discretionary margins were included in the measurement of insurance contract liabilities. Compulsory margins were prescribed and held to cover uncertainties in the best-estimate assumptions used. Compulsory margins were released over time should experience be in line with these best-estimate assumptions. The Group held discretionary margins if the compulsory margins were insufficient for prudent reserving or if practice or product design justified the deferral of profits. The Group released these margins into profit before tax in line with product design and risks borne by the Group. These margins were set at product level.

In terms of IFRS 17, the Group includes a risk adjustment for non-financial risk in the measurement of liabilities for remaining coverage and liabilities for incurred claims. The risk adjustment represents the compensation that the Group expects to receive to neutralise the economic effect of non-financial risk accepted. The risk adjustment of a group of reinsurance contracts held reflects the non-financial risks ceded to the reinsurer.

Changes in the risk adjustment caused by changes in estimates regarding future services are accounted for in the contractual service margin or the loss component. Changes in the risk adjustment caused by changes in estimates regarding past or current services are allocated between insurance finance income and expenses and insurance service results.

The Group developed actuarial models and processes to set margins for adverse deviation in non-financial assumptions based on the confidence level set for the risk adjustment. These margins enable the Group to calculate the risk adjustment per unit of account directly.

The release of the risk adjustment for non-financial risk is included in the income statement section.

- *CSM*

The CSM, a component of the liability for remaining coverage, represents the expected profit to be earned over the remaining coverage period of the group of insurance contracts. The CSM is recognised at initial recognition of the group of insurance contracts, at an amount that is opposite, but equal to the expected net fulfilment cash inflows. The release of profit from the CSM is based on insurance contract services rendered during the financial period and the resulting release of coverage units. Coverage units represent the Group's readiness to render insurance contract services. The recognition of the CSM ensures that insurance service revenue is not earned before insurance contract services have been rendered.

For insurance contracts measured under the General Measurement Model, interest is accreted to the contractual service margin carrying amount at the locked-in discount rate, determined at initial recognition of the group of insurance contracts.

For insurance contracts measured under the Variable Fee Approach, the insurer's share of changes in the fair value of underlying items adjusts the carrying amount of the CSM.

Notes to the summarised audited annual financial statements continued

NOTE 13 CONTINUED

ADOPTION OF NEW STANDARDS CONTINUED

IFRS 17 TRANSITIONAL ADJUSTMENTS continued

13.2 Nature of changes in accounting policy continued

Statement of financial position continued

Measurement of insurance contracts issued and reinsurance contracts held continued

- *Onerous contracts and loss component*

In terms of IFRS 4, the Group performed liability adequacy tests for each insurance portfolio. The liability adequacy test considered whether the carrying amount of the insurance liability less the carrying amounts of related intangible assets, is a sufficient reserve for best estimate future cash flows. If the insurance liability was found to be insufficient, the related intangible assets are impaired, before a loss is recognised in the statement of comprehensive income.

The implementation of IFRS 17 results in losses being recognised at a more granular level, per unit of account, when compared to IFRS 4 practices.

At initial recognition an insurance contract or group of insurance contracts is classified as onerous, if fulfilment cash flows incurred to date and remaining fulfilment cash flows are expected to result in a net cash outflow. At initial recognition, insurance contracts that are onerous are combined into units of account that contain only onerous insurance contracts. Once an insurance contract is allocated into a unit of account, the insurance contract remains in the unit of account until the insurance contract is derecognised. After initial recognition, a previously profitable group of insurance contracts is treated as an onerous group, if loss-making changes to fulfilment cash flows depletes the CSM.

For a group of insurance contracts measured under the general measurement model or the variable fee approach, the recognition of a loss, on an onerous insurance contract or group of insurance contracts, leads to the identification of a loss component (a sub-set of fulfilment cash flows) in the liability for remaining coverage. The loss component indicates the extent to which losses must be reversed or amortised before a CSM can be recognised for the group of insurance contracts. For insurance contracts measured under the premium allocation approach, the loss component is an additional liability that is added to the liability for remaining coverage.

At the reporting date, the loss component is adjusted to reflect the extent to what insurance contract services have been rendered and current assumptions regarding remaining fulfilment cash flows.

To the extent that losses on an onerous group of insurance contracts are covered by reinsurance contracts, a loss recovery component is identified in the fulfilment cash flows of the group of reinsurance contracts. If the group of reinsurance contracts is measured under the premium allocation approach, an additional asset is added to the asset for remaining coverage.

Reinsurance costs that relate to events and circumstances before the recognition of the group of reinsurance contracts are expensed when incurred.

- *Discount rate*

In terms of IFRS 4, the Group determined discount rates, to be used in the measurement of insurance contracts, by adding compulsory risk margins to risk-free interest rates obtained from yield curves on government bonds.

In terms of IFRS 17, the discount rate should reflect the characteristics of the fulfilment cash flows. Some yield curves (based on risk-free interest rates) represent market returns on liquid assets, while fulfilment cash flows might represent less liquid or illiquid groups of insurance contracts. In such instances, the Group adds an illiquidity premium to the discount rate used, to measure insurance contract assets and insurance contract liabilities. Compulsory risk margins are no longer included in the construction of discount rates.

For information on the treatment of cell captive arrangements under IFRS 17, refer to note 13.5.

NOTE 13 CONTINUED**ADOPTION OF NEW STANDARDS CONTINUED****IFRS 17 TRANSITIONAL ADJUSTMENTS** continued**13.2 Nature of changes in accounting policy** continued*Income statement**Recognition of insurance service revenue*

In terms of IFRS 4, the Group recognised revenue from long-term insurance premiums, when due and from non-life insurance premiums, when earned. Revenue was measured at the amount due, or the amount earned.

In terms of IFRS 17, insurance service revenue is the consideration that the Group expects to be entitled to, for rendering insurance contracts services during the financial period. Insurance service revenue replaces premiums as revenue from insurance contracts issued. The quantum of insurance contract services rendered is determined by changes in the liabilities for remaining coverage caused by the rendering of services.

Insurance service 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 and release of profit from the CSM.

The implementation of IFRS 17 will result in changes in the timing of revenue recognised by the Group for rendering insurance contract services.

The release of profit from the CSM is based on insurance contract services rendered during the financial period based on the release of coverage units. Coverage units represent the Group's readiness to render insurance contract services.

In terms of the premium allocation approach, premiums received are recognised as insurance service revenue during the coverage period of the group of insurance contracts based on the passage of time or the pattern of expected insurance service expenses.

The implementation of IFRS 17 should result in the amount and timing of the recognition of insurance service revenue being different from the amount and timing of revenue recognised under IFRS 4.

Recognition of insurance service expenses

In terms of IFRS 4, the Group recognised insurance claims incurred in 'insurance benefits and claims', while measurement changes in insurance liabilities were included in 'changes in actuarial liabilities and reinsurance' on the statement of comprehensive income. Other expenses incurred by the Group were presented on the statement of comprehensive income as appropriate.

In terms of IFRS 17, fulfilment cash flows are expensed when incurred and presented under insurance service expenses on the statement of comprehensive income. Insurance service expenses include, among others, allocated insurance acquisition cash flows, policy administration and maintenance expenses, claims expenses, investment management expenses and overhead expenses attributable to the provision of insurance services. Taxes which are directly recovered from policyholder benefits are included as fulfilment cash flows. The remainder of incurred expenses are presented on the statement of comprehensive income as appropriate.

Insurance acquisition cash flows

In terms of IFRS 4, the Group capitalised expenses associated with the acquisition of insurance contracts as deferred acquisition costs (DAC). DAC consisted of incremental costs incurred to obtain a contract with a customer. DAC was amortised over a range of amortisation periods reflecting the expected duration of underlying insurance contracts issued.

In terms of the general measurement model and the variable fee approach, expected insurance acquisition cash flows are included in fulfilment cash flows. Once incurred, actual insurance acquisition cash flows are recognised in the liability for incurred claims and the liability for remaining coverage.

In terms of the premium allocation approach incurred insurance acquisition cash flows are capitalised in the liability for remaining coverage and amortised to insurance service expenses over the coverage period. If criteria are met, insurance acquisition cash flows are expensed when incurred.

Insurance acquisition cash flows are incurred in selling, underwriting and issuing insurance contracts. Examples of such expenses include commission expenses, marketing expenses, distribution channel expenses, policy issue costs, policyholder risk assessment costs, and policyholder communication costs. The expenses include both successful and unsuccessful efforts to market and sell insurance contracts. The inclusion of the insurance acquisition cash flows in the liability for remaining coverage reduces expected profits or increase expected losses to be recognised from the group of insurance contracts.

Notes to the summarised audited annual financial statements continued

NOTE 13 CONTINUED

ADOPTION OF NEW STANDARDS CONTINUED

IFRS 17 TRANSITIONAL ADJUSTMENTS continued

13.2 Nature of changes in accounting policy continued

Income statement continued

Insurance acquisition cash flows continued

Insurance acquisition expenses, among other items, are recovered through premiums received from policyholders. The Group recognises insurance service revenue and equal amounts of insurance service expenses by allocating to financial periods, the portion of the premiums that recover insurance acquisition expenses on a straight-line basis over the passage of time.

To enable the recognition of insurance acquisition expenses in insurance service revenue and insurance service expenses, the Group maintains an off-balance sheet cumulative balance for insurance acquisition expenses.

Reinsurance expenses and recoveries

Reinsurance premiums are expensed in a separate line on the face of the statement of comprehensive income through the amount of reinsurance recoveries expected in the reporting period, releases of the risk adjustment for non-financial risk and amortisation of the CSM.

In terms of the premium allocation approach, the reinsurance premiums paid are expensed over the coverage period according to the passage of time or the expected pattern of reinsurance coverage to be provided by the reinsurers.

Recoveries from reinsurers are recognised as assets for incurred claims, when the recovery of the claim has been incurred. Assets for incurred claims are measured at the present value of expected cash flows, taking into account the terms and conditions of the reinsurance treaty. The measurement of the asset for incurred claims includes a risk adjustment for non-financial risk ceded to the reinsurer. Recoveries from reinsurers are disclosed separately on the face of the statement of comprehensive income.

Insurance finance income and expense

In terms of IFRS 4, the Group recognised interest income or expense on insurance issued and reinsurance contracts held. The interest income or expense was included in changes in actuarial liabilities and related reinsurance on the face of the income statement.

In terms of IFRS 17, interest income and expense on insurance contracts issued and reinsurance contracts held are presented separately, under insurance finance income or expense and reinsurance finance income or expense. *Thus, the Group elected to not present a portion of insurance finance income and expense in other comprehensive income.*

In general, the Group does not incur finance expense/income on the liability/asset for remaining coverage and the liability/asset for incurred claims measured in terms of the premium allocation approach. Exceptions to this principle relate to group credit life insurance, some health insurance contracts and cash-back benefits.

NOTE 13 CONTINUED**ADOPTION OF NEW STANDARDS CONTINUED****IFRS 17 TRANSITIONAL ADJUSTMENTS** continued**13.2 Nature of changes in accounting policy** continued*Income statement continued**Own equity instruments held to back contract liabilities*

Investments held by the Group to back insurance and investment contract liabilities include own equity instruments. Own equity instruments and related investment returns were eliminated on consolidation to reflect the economic consequences of holding own equity instruments as investments, the Group included investment returns on own equity instruments and the number of own equity instruments held in normalised headline earnings and diluted normalised earnings per share.

In terms of recent amendments to IAS 32 Financial Instruments: Presentation the Group decided to account for own equity instruments, held to back insurance contracts measured under the variable fee approach and investment contracts where the investment returns on the own equity instruments impact policyholder benefits, as issued own equity instruments.

The change in accounting policy should result in own equity instruments being included in financial assets at fair value through profit and loss and in issued equity instruments on the statement of financial position. In addition, the investment returns on these instruments will be included in net income on the face of the income statement.

13.3 Expected impact of implementation of IFRS 17 on consolidated equity

The implementation of IFRS 17 is expected to result in an increase in consolidated equity of approximately R2.9 billion. The expected increase in consolidated equity can be analysed as follows:

The expected impact of the implementation of IFRS 17 – *Insurance contracts* on total equity of the Group is as follows:

Total equity	Notes	30.06.2022 Rbn
Balance at beginning		25.0
Life insurance, non-life insurance and health insurance		
Increase in retained earnings		2.4
Recognition and measurement of insurance contracts issued and reinsurance contracts held	a.	6.5
Derecognition of intangible assets	b.	(3.2)
Investments in associates and joint ventures	c.	(0.2)
Increase in net deferred tax liabilities	d.	(0.6)
Investment returns on Group shares held in insurance policyholder assets	e.	(0.1)
Increase in other components of equity		0.5
Increase in non-controlling interests		0.0
Decrease in foreign currency translation reserve		0.0
Decrease in treasury shares	e.	0.4
Other		0.1
Cell captive arrangements		
Increase in retained earnings		0.0
Balance at end		27.9

Notes to the summarised audited annual financial statements continued

NOTE 13 CONTINUED

ADOPTION OF NEW STANDARDS CONTINUED

IFRS 17 TRANSITIONAL ADJUSTMENTS continued

13.3 Expected impact of implementation of IFRS 17 on consolidated equity continued

The expected increase in retained earnings for life insurance, non-life insurance and health insurance can be analysed as follows:

	30.06.2022 Rbn
Total equity	
Life insurance contracts issued – impact on retained earnings (debit)/credit	6.5
Release of compulsory and discretionary margins	25.9
Risk adjustment for non-financial risk	(3.5)
Contractual service margin	(16.5)
Best estimate liability difference	0.6
Non-life insurance contracts – impact on retained earnings (debit)/credit	0.0
Health insurance contracts – impact on retained earnings (debit)/credit	0.0
Increase in retained earnings	6.5

The expected increase in retained earnings relating to cell captive arrangements has been presented as a single amount, due to the offsetting impact of insurance contracts issued, reinsurance contracts held and in-substance reinsurance contracts held with cell owners. For further information on the expected impact of the implementation of IFRS 17 on cell captive arrangements and in particular third-party cell captive arrangements, refer to note 13.5.

a. *Recognition and measurement of insurance contracts issued and reinsurance contracts held*

The expected increase in retained earnings is represented by a net change in carrying amounts of insurance contracts issued and reinsurance contracts from 30 June 2022 (in terms of IFRS 4) to 1 July 2022 (in terms of IFRS 17).

	30.06.2022 Rbn
Total equity	
Insurance contracts and investment contracts with discretionary participation features	
Long-term insurance contracts	124.0
Investment contract liabilities and investment contract liabilities with discretionary participation features	3.0
Short-term insurance contracts	1.9
Capitation agreements	0.0
Net insurance contract liabilities on 30 June 2022	128.9
Reinsurance contracts held	
Reinsurance contract assets	3.5
Net reinsurance contract assets on 30 June 2022	(3.5)
Reallocation of working capital balances and policyholder loans	0.8
Net insurance contract liabilities on 30 June 2022 (i)	126.2

In terms of IFRS 4, the Group accounted for amounts due to and due from with policyholders and reinsurers in various working capital items on the statement of financial position. In terms of IFRS 17, amounts due to and due from policyholders and reinsurers are included in the measurement of insurance contracts issued and reinsurance contracts held and are no longer disclosed separately on the statement of financial position.

In terms of IFRS 4, investment contracts with discretionary participation features were presented in a separate line on the statement of financial position. In terms of IFRS 17, these contracts are presented together with insurance contracts issued on the statement of financial position and are no longer presented separately. The balances on 30 June 2022 reflect the carrying amounts of items before to the measurement adjustments due to the implementation of IFRS 17.

NOTE 13 CONTINUED

ADOPTION OF NEW STANDARDS CONTINUED

IFRS 17 TRANSITIONAL ADJUSTMENTS continued

13.3 Expected impact of implementation of IFRS 17 on consolidated equity continued

a. *Recognition and measurement of insurance contracts issued and reinsurance contracts held* continued

	General measurement model Rbn	Variable fee approach Rbn	Premium allocation approach Rbn	Total Rbn
Analysis of net insurance contracts on 1 July 2022				
Insurance contract assets	(4.1)	0.1	(0.1)	(4.1)
Insurance contract liabilities	50.9	65.9	12.5	129.3
Net insurance contract liabilities on 1 July 2022	46.8	66.0	12.4	125.2

	General measurement model Rbn	Premium allocation approach Rbn	Total Rbn
Analysis of net reinsurance contracts on 1 July 2022			
Reinsurance contract assets	3.4	2.4	5.8
Reinsurance contract liabilities	(0.2)	(0.1)	(0.3)
Net reinsurance contracts assets held on 1 July 2022	3.2	2.3	5.5
Net insurance contract liabilities on 1 July 2022 (ii)			119.7
Reduction in net insurance contract liabilities on 1 July 2022 (i - ii)			6.5

On 1 July 2022 the Group measured insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features. The application of IFRS 17 resulted in insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features being presented as assets or liabilities on the statement of financial position, depending on whether the portfolios that contracts have been allocated to, are in asset or liability positions.

b. *Intangible assets*

	Value of business acquired Rbn	Deferred acquisition costs Rbn	Total Rbn
Carrying amount on 30 June 2022	3.1	2.0	5.1
Derecognition to retained earnings	(3.1)	(0.1)	(3.2)
Carrying amount on 1 July 2022	0.0	1.9	1.9

On 30 June 2022 the Group carried 'value of business acquired' and other intangible assets with carrying amounts of R3.1 billion, and DAC, with carrying amounts of R2.0 billion linked to insurance business on the statement of financial position. The 'value of business acquired' represents the difference between the fair value of the insurance contracts acquired and the carrying amounts of these contracts in terms of previous accounting policies, at the various acquisition dates. The DAC relates to expenses incurred to sell and issue insurance policies to policyholders. In terms of IFRS 17, the Group derecognised the carrying amount of value of business acquired assets to retained earnings, as the fair value of the acquired insurance contracts at the acquisition date, is now incorporated in the measurement of the CSM or loss component of the group of insurance contracts, at the acquisition date. DAC is now included in the measurement of insurance contracts and has been derecognised from the statement of financial position. The remaining balance of DAC relates to costs incurred on investment contracts. The derecognition of these intangible assets on 1 July 2022 resulted in amendments to the deferred tax balance on 1 July 2022.

Notes to the summarised audited annual financial statements continued

NOTE 13 CONTINUED

ADOPTION OF NEW STANDARDS CONTINUED

IFRS 17 TRANSITIONAL ADJUSTMENTS continued

13.3 Expected impact of implementation of IFRS 17 on consolidated equity continued

c. Investments in associates and joint ventures

	Carrying amount Rbn
Equity accounted investment on 30 June 2022	1.0
Adjustment to the Group's share of equity	(0.2)
Equity accounted investment on 1 July 2022	0.8

The Group accounts for its interest in ABHI by way of the equity accounting method. As a result, the Group adjusts the carrying amount of the investment in the joint venture with its share of changes in the net assets of the investee. IFRS 17 required the remeasurement of net assets of the associate, resulting in a change in the carrying amount of the Group's interest in the associate. Changes in the net asset value of the associate relate primarily to recognition of insurance service revenue over the passage of time compared to over two financial periods and the inclusion of a risk adjustment for non-financial risks in the measurement of liabilities and assets for incurred claims.

d. Deferred income tax

	Carrying amount Rbn
Deferred income tax assets	(0.4)
Deferred income tax liabilities	2.6
Net deferred income tax on 30 June 2022	2.2
Deferred tax impact on adjustment to retained earnings on 1 July 2022	0.6
Net deferred income tax on 1 July 2022	2.8
Deferred income tax assets	(0.4)
Deferred income tax liabilities	3.2
Net deferred income tax on 1 July 2022	2.8

On 1 July 2022 the Group derecognised intangible assets with a carrying amount of R3.2 billion and reduced the net carrying amount of insurance contracts issued and reinsurance contracts held with R6.5 billion in terms of IFRS 17. The implementation of IFRS 17 is expected to result in an increase in net deferred tax liabilities of R0.6 billion.

e. Own equity instruments

On 1 July 2022 the change in accounting policy regarding own equity instruments held will result in an increase in financial assets at fair value through profit or loss and total equity of R294 million. The increase is due to the recognition of own equity instruments at a fair value of R294 million, cumulative fair value losses on own equity instruments of R131 million and an increase in share premium of R424 million. In future, the normalised headline earnings reconciliations will not include items for own equity instruments held to back insurance contracts measured under the variable fee approach and investment contracts where the investment return on the own equity instruments impact policyholder benefits.

13.4 Expected impact of IFRS 17 on presentation and disclosure

Presentation of insurance contracts and reinsurance contracts held – statement of financial position

In terms of IFRS 4, the Group presented insurance contract assets and insurance contract liabilities on a net basis on the statement of financial position. In the same manner, assets and liabilities for reinsurance contracts held were presented on net basis on the statement of financial position.

In terms of IFRS 17, portfolios of insurance contracts that are assets are accumulated and presented as insurance contract assets on the face of the statement of financial position, while portfolios that are liabilities are accumulated and presented as insurance contract liabilities on the face of the statement of financial position. A similar approach is followed for portfolios of reinsurance contracts held that are in asset and liability positions.

NOTE 13 CONTINUED

ADOPTION OF NEW STANDARDS CONTINUED

IFRS 17 TRANSITIONAL ADJUSTMENTS *continued*

13.4 Expected impact of IFRS 17 on presentation and disclosure *continued*

Presentation of insurance contracts issued and reinsurance contracts held – income statement

In terms of IFRS 4, insurance premiums was the measure of revenue earned from providing insurance coverage during the financial period, while net insurance benefits and claims and expenses (including, changes in actuarial liabilities and related reinsurance) indicated the net expenses incurred in providing insurance coverage to policyholders.

In terms of IFRS 17, insurance service revenue replaces insurance premiums as the measure of revenue earned from the rendering of insurance contract services during the financial period. Insurance service expenses replace net insurance benefits and claims and expenses as the measure of fulfilment expenses incurred during the financial period. Expenses that are not fulfilment cash flows are presented outside of insurance service expenses in terms of relevant IFRS as appropriate.

Reinsurance premiums ceded represent the cost of ceding insurance risks to reinsurers during the financial period. Insurance claims recovered are presented as incurred insurance claims recovered from reinsurers.

The total of insurance service revenue, insurance service expenses, reinsurance premiums ceded and insurance claims recovered, is the insurance service result for the financial period. The insurance service result is a measure of the profitability of the insurance contract services provided and reinsurance contract services acquired during the financial period.

13.5 Other

Cell captive arrangements – Third-party cell captive arrangements

In terms of IFRS 4, the Group accounted for insurance policies issued under third-party cell captive arrangements as insurance contracts issued in terms of IFRS 4 and reflected the cell owner as the ultimate reinsurer of the net profit/loss generated by the cell. This treatment resulted in the Group profit before tax reflecting only the fee earned for administering the cell captive arrangement.

In terms of IFRS 17 the third-party cell shareholder agreement is accounted for as an in-substance reinsurance agreement held by the Group as policyholder. The net profit or loss generated by the cell is accounted for as separate, gross reinsurance transactions between the Group as insurer and the cell owner as reinsurer. This treatment results in the Group profit or loss continuing to reflect only the fee earned for administering the cell captive arrangement.

The insurance contracts issued under the cell captive arrangement are reflected in insurance contract assets or liabilities, while the rights and obligations with the cell owner are reflected in reinsurance contract assets or liabilities.

13.6 Transition and use of transitional provisions

The Group transitioned to IFRS 17 by identifying insurance contracts issued and reinsurance contracts held that were in-force on 1 July 2022 and by applying IFRS 17 to these contracts based on the transitional provisions of the standard. The Group applied the full retrospective approach or the fair value approach to account for groups of insurance contracts issued and reinsurance contracts held on 1 July 2022.

The Group applied the fair value approach to specific groups of insurance contracts issued and reinsurance contracts held if the requirements of the standard were viewed as being impracticable to apply by means of the fully retrospective approach.

On 1 July 2022, the Group applied the following transition methods to determine the CSM balances per group of contracts issued and reinsurance contracts held:

Transition approaches 1 July 2022	Fully retrospective approach Rbn	Fair value approach Rbn	Total Rbn
General measurement model	11.6	1.7	13.3
Variable fee approach	0.4	2.8	3.2
Total	12.0	4.5	16.5

Embedded value information

	30.06.2023 Rm	30.06.2022 Rm
Embedded value results		
Covered business		
Equity attributable to owners of the parent	26 764	24 620
Fair value adjustments on Metropolitan business acquisition and other consolidation adjustments	(1 608)	(2 015)
Net assets – non-covered business within life insurance companies	(4 246)	(3 394)
Net assets – non-covered business outside life insurance companies	(7 362)	(6 631)
Diluted adjusted net worth – covered business	13 548	12 580
Net value of in-force business	22 152	20 650
Diluted embedded value – covered business	35 700	33 230
Non-covered business		
Net assets – non-covered business within life insurance companies	4 246	3 394
Net assets – non-covered business outside life insurance companies	7 362	6 631
Consolidation adjustments ¹	(956)	(1 548)
Adjustments for dilution ²	1 541	1 422
Diluted adjusted net worth – non-covered business	12 193	9 899
Write-up to directors' value	1 142	2 299
Non-covered business	4 303	5 247
Holding company expenses ³	(1 824)	(1 839)
International holding company expenses ³	(1 337)	(1 109)
Diluted embedded value – non-covered business	13 335	12 198
Diluted adjusted net worth	25 741	22 479
Net value of in-force business	22 152	20 650
Write-up to directors' value	1 142	2 299
Diluted embedded value	49 035	45 428
Required capital – covered business (adjusted for qualifying debt) ⁴	6 144	6 633
Free surplus – covered business	7 404	5 947
Diluted embedded value per share (cents)	3 375	2 977
Diluted adjusted net worth per share (cents)	1 772	1 473
Diluted number of shares in issue (million) ⁵	1 453	1 526
Return on embedded value (%) – annualised internal rate of return	14.1%	11.6%

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

² Adjustments for dilution are made up as follows:

- Treasury shares held on behalf of contract holders: R453 million (30.06.2022: R407 million);
- Liabilities related to iSabelo transaction: R826 million (30.06.2022: R763 million); and
- Liability – Momentum Metropolitan Holdings Ltd convertible preference shares issued to KTH: R262 million (30.06.2022: R252 million).

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

⁴ The required capital for in-force covered business amounts to R10 443 million (30.06.2022: R10 936 million) and is adjusted for qualifying debt of R4 299 million (30.06.2022: R4 303 million).

⁵ The diluted number of shares in issue takes into account all issued shares, assuming conversion of the convertible redeemable preference shares, and includes the treasury shares held on behalf of contract holders as well as those held by a subsidiary related to the iSabelo transaction.

	30.06.2023 Rm	30.06.2022 Rm
Analysis of net value of in-force business		
Momentum Life	10 471	9 832
Gross value of in-force business	10 862	10 585
Less cost of required capital	(391)	(753)
Momentum Investments¹	1 930	1 410
Gross value of in-force business	2 326	1 794
Less cost of required capital	(396)	(384)
Metropolitan Life	3 772	3 950
Gross value of in-force business	4 255	4 425
Less cost of required capital	(483)	(475)
Momentum Corporate	3 317	2 948
Gross value of in-force business	4 446	4 080
Less cost of required capital	(1 129)	(1 132)
Momentum Metropolitan Africa	2 662	2 510
Gross value of in-force business	3 045	2 885
Less cost of required capital	(383)	(375)
Net value of in-force business	22 152	20 650

¹ Included in covered business is Wealth business not deemed to be long-term insurance business with a value of in-force of R357 million (30.06.2022: R160 million).

	Adjusted net worth² Rm	Net value of in-force Rm	30.06.2023 Rm	30.06.2022 Rm
Embedded value detail				
Covered business				
Momentum Life	1 950	10 471	12 421	12 432
Momentum Investments ¹	1 666	1 930	3 596	3 117
Metropolitan Life	1 750	3 772	5 522	5 750
Momentum Corporate	3 750	3 317	7 067	6 548
Momentum Metropolitan Africa	1 327	2 662	3 989	3 739
Operating segments	10 443	22 152	32 595	31 586
Qualifying Debt	(4 299)	-	(4 299)	(4 303)
Free Surplus	7 404	-	7 404	5 947
Total covered business	13 548	22 152	35 700	33 230

¹ Included in covered business is Wealth business not deemed to be long-term insurance business with a value of in-force of R357 million (30.06.2022: R160 million).

² Intercompany loans are carried by the units that utilise the funding, aligned with capital management practices.

Embedded value information continued

Embedded value detail continued	Adjusted net worth ² Rm	Write-up to directors' value Rm	30.06.2023 Rm	30.06.2022 Rm
Non-covered business				
Momentum Life	291	(678)	(387)	(464)
Momentum Multiply	274	(678)	(404)	(476)
Other	17	–	17	12
Momentum Investments	1 321	1 511	2 832	2 582
Investment and savings	1 227	1 534	2 761	2 479
Other	94	(23)	71	103
Metropolitan Life	11	–	11	9
Other	11	–	11	9
Momentum Corporate	159	–	159	109
Other	159	–	159	109
Momentum Metropolitan Health	590	728	1 318	1 066
Health	590	728	1 318	1 066
Non-life Insurance	4 469	1 914	6 383	6 622
Non-life insurance	1 670	38	1 708	2 002
Cell captives	2 799	1 876	4 675	4 620
Momentum Metropolitan Africa	332	(1 210)	(878)	(568)
Life insurance	61	12	73	18
Health	309	62	371	383
Non-life insurance	74	8	82	87
Other	(112)	45	(67)	53
International holding company expenses ¹	–	(1 337)	(1 337)	(1 109)
New Initiatives	1 521	701	2 222	2 242
New initiatives India	1 444	701	2 145	2 143
Other	77	–	77	99
Shareholders	3 499	(1 824)	1 675	600
Other	3 499	–	3 499	2 439
Holding company expenses ¹	–	(1 824)	(1 824)	(1 839)
Total non-covered business	12 193	1 142	13 335	12 198
Total embedded value	25 741	23 294	49 035	45 428

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

² Intercompany loans are carried by the units that utilise the funding, aligned with capital management practices.

Covered business

Analysis of changes in Group embedded value	Notes	Adjusted net worth (ANW) Rm	Gross value of in-force (VIF) Rm	Cost of required capital Rm	12 mths to 30.06.2023 Total EV Rm	12 mths to 30.06.2022 Total EV Rm
Profit from new business		(926)	1 898	(287)	685	689
Embedded value from new business	A	(926)	1 813	(287)	600	626
Expected return to end of period	B	–	85	–	85	63
Profit from existing business		3 797	(1 033)	283	3 047	3 137
Expected return – unwinding of RDR	B	–	2 351	(378)	1 973	1 639
Release from the cost of required capital	C	–	–	513	513	488
Expected (or actual) net of tax profit transfer to net worth	D	3 466	(3 466)	–	–	–
Operating experience variances	E	680	171	–	851	(27)
Development expenses	F	(66)	–	–	(66)	(52)
Operating assumption changes	G	(283)	(89)	148	(224)	1 089
Embedded value profit/(loss) from operations		2 871	865	(4)	3 732	3 826
Investment return on adjusted net worth	H	903	–	–	903	246
Investment variances	I	1 075	689	219	1 983	(617)
Economic assumption changes	J	398	(422)	127	103	214
Exchange rate movements	K	17	33	(5)	45	5
Embedded value profit – covered business		5 264	1 165	337	6 766	3 674
Transfer of business to non-covered business	L	–	–	–	–	–
Other capital transfers	M	(926)	–	–	(926)	518
Dividend paid		(3 370)	–	–	(3 370)	(860)
Change in embedded value – covered business		968	1 165	337	2 470	3 332
Non-covered business						
Change in directors' valuation and other items					(128)	687
Change in holding company expenses					(213)	426
Embedded value (loss)/profit – non-covered business					(341)	1 113
Transfer of business from covered business	L				–	–
Other capital transfers	M				926	(518)
Dividend received					1 776	125
Allowance for shareholder flows related to iSabelo transaction					63	85
Shares repurchased					(1 250)	–
Finance costs – preference shares					(37)	(37)
Change in embedded value – non-covered business					1 137	768
Total change in Group embedded value					3 607	4 100
Total embedded value profit					6 425	4 787
Return on embedded value (%) – annualised internal rate of return					14.1%	11.6%

Embedded value information continued

A. VALUE OF NEW BUSINESS

	Momentum Life Rm	Momentum Investments ⁴ Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Africa Rm	Total Rm
Value of new business^{1, 2, 3}						
12 mths to 30.06.2023						
Value of new business	(69)	466	154	67	(18)	600
Gross	(13)	549	200	143	8	887
Less cost of required capital	(56)	(83)	(46)	(76)	(26)	(287)
New business premiums	3 625	40 027	3 673	5 392	1 424	54 141
Recurring premiums	1 094	205	1 681	1 093	451	4 524
Protection	477	–	1 197	284	219	2 177
Long-term savings	617	181	477	436	232	1 943
Annuities and structured products	–	24	7	373	–	404
Single premiums	2 531	39 822	1 992	4 299	973	49 617
Protection	–	–	–	–	108	108
Long-term savings	2 531	32 960	406	3 669	325	39 891
Annuities and structured products	–	6 862	1 586	630	540	9 618
New business premiums (APE)	1 347	4 187	1 881	1 523	549	9 487
Protection	477	–	1 197	284	230	2 188
Long-term savings	870	3 477	518	803	265	5 933
Annuities and structured products	–	710	166	436	54	1 366
Present value of new business premiums (PVNBP)	7 601	40 656	7 201	10 485	2 930	68 873
Profitability of new business as a percentage of APE	(5.1)	11.1	8.2	4.4	(3.3)	6.3
Profitability of new business as a percentage of PVNBP	(0.9)	1.1	2.1	0.6	(0.6)	0.9
12 mths to 30.06.2022						
Value of new business	(20)	346	244	68	(12)	626
Gross	35	404	317	133	14	903
Less cost of required capital	(55)	(58)	(73)	(65)	(26)	(277)
New business premiums	3 255	41 854	3 555	5 789	2 039	56 492
Recurring premiums	1 053	205	1 710	1 239	400	4 607
Protection	459	–	1 219	784	148	2 610
Long-term savings	594	189	483	453	252	1 971
Annuities and structured products	–	16	8	2	–	26
Single premiums	2 202	41 649	1 845	4 550	1 639	51 885
Protection	–	–	–	1	105	106
Long-term savings	2 202	36 129	474	4 521	886	44 212
Annuities and structured products	–	5 520	1 371	28	648	7 567
New business premiums (APE)	1 273	4 370	1 894	1 694	565	9 796
Protection	459	–	1 219	784	159	2 621
Long-term savings	814	3 802	530	905	341	6 392
Annuities and structured products	–	568	145	5	65	783
Present value of new business premiums (PVNBP)	7 291	42 476	7 160	12 276	3 470	72 673
Profitability of new business as a percentage of APE	(1.6)	7.9	12.9	4.0	(2.1)	6.4
Profitability of new business as a percentage of PVNBP	(0.3)	0.8	3.4	0.6	(0.3)	0.9

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

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

³ No allowance has been made for Covid-19 in the assumptions used to calculate value of new business.

⁴ Included in covered business is Wealth business not deemed to be long-term insurance business with value of new business of R77 million (30.06.2022: R68 million).

A. VALUE OF NEW BUSINESS CONTINUED

	12 mths to 30.06.2023 Rm	12 mths to 30.06.2022 Rm
Reconciliation of lump sum inflows		
Total lump sum inflows	46 817	41 593
Inflows not included in value of new business	(11 359)	(6 723)
Wealth off-balance sheet business	12 355	15 270
Term extensions on maturing policies	189	242
Automatically Continued Policies	1 577	1 510
Non-controlling interests and other adjustments	38	(7)
Single premiums included in value of new business	49 617	51 885

	30.06.2023 %	30.06.2022 %
Principal assumptions (South Africa)^{1, 2}		
Pre-tax investment return		
Equities	16.0	15.5
Properties	13.5	13.0
Government stock	12.5	12.0
Other fixed-interest stocks	13.0	12.5
Cash	11.5	11.0
Risk-free return ³	12.5	12.0
Risk discount rate (RDR) ⁴	14.8	14.4
Investment return (before tax) – balanced portfolio ³	14.7	14.2
Renewal expense inflation rate ⁵	7.1	7.7

¹ The principal assumptions relate only to the South African life insurance business. Assumptions relating to international life insurance businesses are based on local requirements and can differ from the South African assumptions.

² The assumptions quoted in the table are representative rates derived at the 10-year point of the yield curves.

³ Risk-free returns are taken from an appropriate market-related, risk-free yield curve as at the valuation date. Appropriate risk premia are added to the risk-free yields in order to derive yields on other asset classes. Expected cash flows at each duration are discounted using yields appropriate to that duration. The investment return on balanced portfolio business was calculated by applying the above returns to an expected long-term asset distribution.

⁴ The risk discount rate applied for covered business in South Africa is derived based on a weighted average cost of capital approach. The assumptions with regards the beta used to derive the cost of equity, the equity risk premium and the relative weighting between debt and equity funding are reviewed annually and has remained unchanged from that assumed at 30 June 2022 (the parameters used to derive the cost of debt has been updated to reflect the current market inputs and expectations).

⁵ For the retail businesses an inflation rate of 6.0% p.a. is used over the planning horizon (three years) where after the inflation rate is derived from market inputs as the difference between nominal and real yields across the term structure of these curves. An addition to the expense inflation is allowed for in some divisions to reflect the impact of closed books that are in run-off. The 7.1% above represents the 10-year point of the yield curves.

B. EXPECTED RETURN

The expected return is determined by applying the risk discount rate applicable at the beginning of the reporting year to the present value of in-force covered business at the beginning of the reporting year. The expected return on new business is determined by applying the current risk discount rate to the value of new business from the point of sale to the end of the year.

C. RELEASE FROM THE COST OF REQUIRED CAPITAL

The release from the cost of required capital represents the difference between the risk discount rate and the expected after tax investment return on the assets backing the required capital over the year.

D. EXPECTED (OR ACTUAL) NET OF TAX PROFIT TRANSFER TO NET WORTH

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

Embedded value information continued

E. OPERATING EXPERIENCE VARIANCES

		12 mths to 30.06.2023				12 mths to 30.06.2022
		ANW Rm	Gross VIF Rm	Cost of required capital Rm	EV Rm	EV Rm
Operating experience variances	Notes					
Momentum Life		247	103	-	350	(125)
Mortality and morbidity	1	134	13	-	147	(272)
Terminations, premium cessations and policy alterations	2	84	99	-	183	218
Expense variance		26	-	-	26	27
Other		3	(9)	-	(6)	(98)
Momentum Investments		10	(46)	-	(36)	174
Mortality and morbidity	3	(10)	(5)	-	(15)	117
Terminations, premium cessations and policy alterations	4	14	(62)	-	(48)	(39)
Expense variance		(47)	-	-	(47)	39
Credit risk variance		27	-	-	27	47
Other	5	26	21	-	47	10
Metropolitan Life		(121)	(119)	-	(240)	(188)
Mortality and morbidity	6	97	16	-	113	16
Terminations, premium cessations and policy alterations	7	(237)	(119)	-	(356)	(272)
Expense variance		(16)	-	-	(16)	(2)
Credit risk variance		46	-	-	46	25
Other		(11)	(16)	-	(27)	45
Momentum Corporate		757	171	-	928	325
Mortality and morbidity	8	754	-	-	754	317
Terminations, premium cessations and policy alterations	9	54	171	-	225	27
Expense variance		(165)	-	-	(165)	(78)
Credit risk variance		6	-	-	6	11
Other	10	108	-	-	108	48
Momentum Metropolitan Africa		(10)	62	-	52	(159)
Mortality and morbidity	11	66	7	-	73	(117)
Terminations, premium cessations and policy alterations	12	(9)	47	-	38	(64)
Expense variance		(68)	-	-	(68)	(4)
Other		1	8	-	9	26
Shareholders		(203)	-	-	(203)	(54)
Total operating experience variances		680	171	-	851	(27)

Notes

- The mortality variance largely stems from the improvement in the Protection and Traditional businesses as well as a release from the Covid-19 provisions.
- Largely driven by better than expected lapse experience on the Protection business and net positive contribution from alterations experience, in particular with regards voluntary premium growth.
- The annuity book of business experienced reduced mortality profits due to the easing of the Covid-19 pandemic and the release of an IBNR reserve.
- Reprice of contracts, fee changes and drawdowns on living annuities.
- Mainly due to new business premium variance and tax relief impacts.
- The mortality variance largely stems from the improvement in funeral business and a release from the Covid-19 provisions.
- The deterioration in persistency and alteration experience includes once-off operational impacts and deterioration observed in the lapse experience.
- The ANW was positively impacted by morbidity experience on the PHI book as well as positive mortality experience on the Group Risk book and a release from the Covid-19 provisions.
- The ANW impact mainly relates to the release of reserves on the transfer of certain investments into market-related portfolios, which offer reduced guarantees. The VIF impact relates to positive retention over the period.
- Mainly relates to admin fees exceeding expectations.
- Positive mortality experience due to improved Covid experience and a release from the Covid-19 provisions.
- Higher premiums received than expected on Group Risk business resulting in a positive VIF contribution.

F. DEVELOPMENT EXPENSES

Business development expenses within segments.

G. OPERATING ASSUMPTION CHANGES

	Notes	12 mths to 30.06.2023				12 mths to 30.06.2022
		ANW Rm	Gross VIF Rm	Cost of required capital Rm	EV Rm	EV Rm
Operating assumption changes						
Momentum Life		172	139	206	517	846
Mortality and morbidity assumptions	1	45	7	-	52	(64)
Termination assumptions	2	97	314	-	411	(121)
Renewal expense assumptions		(12)	(103)	-	(115)	182
Modelling, methodology and other changes	3, 4	42	(79)	206	169	849
Momentum Investments		(15)	(101)	12	(104)	190
Mortality and morbidity assumptions		-	-	-	-	-
Termination assumptions	5	(58)	41	-	(17)	(10)
Renewal expense assumptions		(57)	(155)	-	(212)	300
Modelling, methodology and other changes	4, 6	100	13	12	125	(100)
Metropolitan Life		(272)	(110)	-	(382)	52
Mortality and morbidity assumptions	7	270	62	-	332	196
Termination assumptions	8	(190)	(96)	-	(286)	(99)
Renewal expense assumptions		(440)	40	-	(400)	(48)
Modelling, methodology and other changes	9	88	(116)	-	(28)	3
Momentum Corporate		(78)	(37)	(70)	(185)	(40)
Mortality and morbidity assumptions	10	36	224	-	260	246
Termination assumptions		(5)	3	-	(2)	-
Renewal expense assumptions		(2)	(270)	-	(272)	(332)
Modelling, methodology and other changes	4, 11	(107)	6	(70)	(171)	46
Momentum Metropolitan Africa		(90)	20	-	(70)	41
Mortality and morbidity assumptions		23	(19)	-	4	(36)
Termination assumptions	12	-	39	-	39	(44)
Renewal expense assumptions		(150)	(1)	-	(151)	44
Modelling, methodology and other changes	13	37	1	-	38	77
Total operating assumption changes		(283)	(89)	148	(224)	1 089

Notes

- No mortality basis changes were implemented other than the release of the remaining Covid-19 provisions. Morbidity provisions were strengthened for Protection business.
- Persistency assumptions for Protection business were revised in line with experience.
- Methodology changes relate mostly to changes to the modelling of Protection business ancillary benefits.
- Cost of capital impact mainly due to an adjustment in the capital allocation basis between segments.
- Termination assumptions for Capital Protector were updated in line with experience.
- Largely due to methodology changes on Capital Protector.
- Funeral mortality basis assumptions updated in line with experience. The new mortality basis includes an enhancement to differentiate between more durations.
- Termination basis assumptions have been adjusted in line with experience.
- Various modelling and methodology changes.
- The increase in ANW and VIF can mainly be attributed to the increase in profit assumptions relating to lump sum death benefits.
- The decrease in ANW can mainly be attributed to the strengthening of the recovery assumptions in respect of income disability benefits, offset by the release of the remaining Covid-19 provisions.
- Persistency assumptions for Group business were revised in line with experience.
- Release of non-modelled reserves in preparation for IFRS 17 implementation.

Embedded value information continued

H. INVESTMENT RETURN ON ADJUSTED NET WORTH

	12 mths to 30.06.2023 Rm	12 mths to 30.06.2022 Rm
Investment return on adjusted net worth		
Investment income	823	491
Capital appreciation and other ¹	80	(245)
Investment return on adjusted net worth	903	246

¹ This includes the revaluation of owner-occupied properties.

I. INVESTMENT VARIANCES

Investment variances represent the impact of higher/lower than assumed investment returns on current and expected future after tax profits from in-force business.

J. ECONOMIC ASSUMPTION CHANGES

The economic assumption changes include the effect of the change in assumed rate of investment return, expense inflation rate and risk discount rate in respect of local and offshore business.

K. EXCHANGE RATE MOVEMENTS

The impact of foreign currency movements on International covered businesses.

L. TRANSFER OF BUSINESS FROM/TO NON-COVERED BUSINESS

Transfer of business between covered and non-covered business.

M. OTHER CAPITAL TRANSFERS

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

Covered business: sensitivities – 30.06.2023	Adjusted net worth Rm	In-force business			New business written		
		Net value Rm	Gross value Rm	Cost of required capital ³ Rm	Net value Rm	Gross value Rm	Cost of required capital ³ Rm
Base value	13 548	22 152	24 934	(2 782)	600	887	(287)
1% increase in risk discount rate % change		20 523 (7)	23 609 (5)	(3 086) 11	475 (21)	791 (11)	(316) 10
1% reduction in risk discount rate % change		23 987 8	26 431 6	(2 444) (12)	743 24	997 12	(254) (11)
10% decrease in future expenses % change ¹		24 057 9	26 839 8	(2 782) –	784 31	1 071 21	(287) –
10% decrease in lapse, paid-up and surrender rates % change		22 768 3	25 550 2	(2 782) –	773 29	1 060 20	(287) –
5% decrease in mortality and morbidity for assurance business % change		25 234 14	28 016 12	(2 782) –	752 25	1 039 17	(287) –
5% decrease in mortality for annuity business % change		21 764 (2)	24 546 (2)	(2 782) –	554 (8)	841 (5)	(287) –
1% reduction in gross investment return, inflation rate and risk discount rate % change ²	13 661 1	22 049 –	24 831 –	(2 782) –	619 3	906 2	(287) –
1% reduction in inflation rate % change		23 115 4	25 897 4	(2 782) –	694 16	981 11	(287) –
10% fall in market value of equities and properties % change ²	13 415 (1)	21 137 (5)	23 919 (4)	(2 782) –			
10% reduction in premium indexation take-up rate % change		21 338 (4)	24 120 (3)	(2 782) –	563 (6)	850 (4)	(287) –
10% decrease in non-commission- related acquisition expenses % change					745 24	1 032 16	(287) –
1% increase in equity/property risk premium % change		22 660 2	25 442 2	(2 782) –	635 6	922 4	(287) –

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

² Bonus rates are assumed to change commensurately.

³ The change in the value of cost of required capital is disclosed as nil where the sensitivity test results in an insignificant change in the value.

Embedded value information continued

ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE	Adjusted net worth (ANW) Rm	Gross value of in-force (VIF) Rm	Cost of required capital Rm	12 mths to 30.06.2023 Rm	12 mths to 30.06.2022 Rm
Momentum Life					
Embedded value from new business	(334)	321	(56)	(69)	(20)
Expected return – unwinding of RDR	–	947	(70)	877	633
Release from the cost of required capital	–	–	137	137	173
Expected (or actual) net of tax profit transfer to net worth	1 264	(1 264)	–	–	–
Operating experience variances	247	103	–	350	(125)
Development expenses	(34)	–	–	(34)	(30)
Operating assumption changes	172	139	206	517	846
Embedded value profit from operations	1 315	246	217	1 778	1 477
Investment return on adjusted net worth	102	–	–	102	61
Investment variances	598	325	96	1 019	(208)
Economic assumption changes	–	(229)	49	(180)	100
Embedded value profit – covered business	2 015	342	362	2 719	1 430
Momentum Investments					
Embedded value from new business	119	430	(83)	466	346
Expected return – unwinding of RDR	–	179	(36)	143	91
Release from the cost of required capital	–	–	90	90	60
Expected (or actual) net of tax profit transfer to net worth	312	(312)	–	–	–
Operating experience variances	10	(46)	–	(36)	174
Development expenses	(9)	–	–	(9)	(1)
Operating assumption changes	(15)	(101)	12	(104)	190
Embedded value profit/(loss) from operations	417	150	(17)	550	860
Investment return on adjusted net worth	183	–	–	183	58
Investment variances	81	376	(4)	453	(227)
Economic assumption changes	–	5	8	13	11
Embedded value profit/(loss) – covered business	681	531	(13)	1 199	702
Metropolitan Life					
Embedded value from new business	(302)	502	(46)	154	244
Expected return – unwinding of RDR	–	434	(44)	390	310
Release from the cost of required capital	–	–	96	96	88
Expected (or actual) net of tax profit transfer to net worth	886	(886)	–	–	–
Operating experience variances	(121)	(119)	–	(240)	(188)
Development expenses	(21)	–	–	(21)	(20)
Operating assumption changes	(272)	(110)	–	(382)	52
Embedded value profit/(loss) from operations	170	(179)	6	(3)	486
Investment return on adjusted net worth	71	–	–	71	32
Investment variances	71	2	(14)	59	(113)
Economic assumption changes	–	6	–	6	(2)
Embedded value profit/(loss) – covered business	312	(171)	(8)	133	403

ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE CONTINUED	Adjusted net worth (ANW) Rm	Gross value of in-force (VIF) Rm	Cost of required capital Rm	12 mths to 30.06.2023 Rm	12 mths to 30.06.2022 Rm
Momentum Corporate					
Embedded value from new business	(200)	343	(76)	67	68
Expected return – unwinding of RDR	–	557	(171)	386	449
Release from the cost of required capital	–	–	190	190	167
Expected (or actual) net of tax profit transfer to net worth	597	(597)	–	–	–
Operating experience variances	757	171	–	928	325
Development expenses	(2)	–	–	(2)	(1)
Operating assumption changes	(78)	(37)	(70)	(185)	(40)
Embedded value profit/(loss) from operations	1 074	437	(127)	1 384	968
Investment return on adjusted net worth	142	–	–	142	60
Investment variances	111	(20)	130	221	(161)
Economic assumption changes	7	(114)	–	(107)	53
Embedded value profit – covered business	1 334	303	3	1 640	920
Momentum Metropolitan Africa					
Embedded value from new business	(209)	217	(26)	(18)	(12)
Expected return – unwinding of RDR	–	319	(57)	262	219
Expected (or actual) net of tax profit transfer to net worth	407	(407)	–	–	–
Operating experience variances	(10)	62	–	52	(159)
Operating assumption changes	(90)	20	–	(70)	41
Embedded value profit/(loss) from operations	98	211	(83)	226	89
Investment return on adjusted net worth	150	–	–	150	131
Investment variances	169	6	11	186	17
Economic assumption changes	391	(90)	70	371	52
Exchange rate movements	17	33	(5)	45	5
Embedded value profit/(loss) – covered business	825	160	(7)	978	294
Shareholders					
Operating experience variances	(203)	–	–	(203)	(54)
Embedded value loss from operations	(203)	–	–	(203)	(54)
Investment return on adjusted net worth	255	–	–	255	(96)
Investment variances	45	–	–	45	75
Embedded value profit/(loss) – covered business	97	–	–	97	(75)

Additional information

	30.06.2023 Rm	Restated 30.06.2022 Rm
ANALYSIS OF ASSETS MANAGED AND/OR ADMINISTERED¹		
Managed and/or administered by Investments		
Financial assets	565 889	501 913
Momentum Manager of Managers	177 074	150 285
Equilibrium Investment Management	16 762	13 607
Momentum Collective Investments	101 856	96 744
Momentum Asset Management	146 596	137 071
Momentum Global Investments	84 502	70 000
Momentum Alternative Investments ²	9 677	8 458
Momentum Securities	29 422	25 748
Properties – Eris Property Group	17 625	16 509
On-balance sheet	9 987	9 302
Off-balance sheet	7 638	7 207
Momentum Wealth linked product assets under administration	237 155	204 026
On-balance sheet ³	155 912	132 517
Off-balance sheet	81 243	71 509
Managed internally or by other managers within the Group (on-balance sheet) ³	96 457	89 044
Managed by external managers (on-balance sheet)	14 124	14 397
Properties managed internally or by other managers within the Group or externally	1 877	2 761
Non-life Insurance – cell captives on-balance sheet	40 452	30 377
Total assets managed and/or administered	973 579	859 027
Managed and/or administered by Investments		
On-balance sheet ²	288 472	257 836
Off-balance sheet	277 417	244 077
	565 889	501 913
Admin and brokerage assets ⁴	117 814	106 862
Other assets ^{2,4}	448 075	395 051
	565 889	501 913

¹ Assets managed and/or administered, other than CIS assets, are included where an entity earns a fee on the assets. The total CIS assets are included in Momentum Collective Investments only as this is where the funds are housed. Non-financial assets (except properties) have been excluded.

² R305 million restatement relates to disinvestments in a few funds that was erroneously excluded in the June 2022 closing balance. 30 June 2022 has been restated accordingly.

³ In the prior year, R2.6 billion was misclassified between Momentum Wealth linked product assets under administration and Managed internally or by other managers within the Group. 30 June 2022 has been restated accordingly.

⁴ R12.5 billion was incorrectly classified as Admin and brokerage assets instead of as Other assets. 30 June 2022 has been restated accordingly.

	Gross single inflows Rm	Gross recurring inflows Rm	Gross inflow Rm	Gross outflow Rm	Net inflow/ (outflow) Rm
NET FUNDS RECEIVED FROM CLIENTS¹					
12 mths to 30.06.2023					
Momentum Life	794	9 738	10 532	(10 167)	365
Momentum Investments	35 775	951	36 726	(26 882)	9 844
Metropolitan Life	1 993	6 568	8 561	(6 412)	2 149
Momentum Corporate	4 264	14 441	18 705	(19 740)	(1 035)
Momentum Metropolitan Health	–	1 258	1 258	(810)	448
Non-life Insurance	3 113	12 133	15 246	(7 798)	7 448
Momentum Metropolitan Africa	878	4 033	4 911	(3 252)	1 659
Life insurance business fund flows	46 817	49 122	95 939	(75 061)	20 878
Off-balance sheet fund flows					
Managed and/or administered by Investments			89 326	(86 042)	3 284
Properties – Eris Property Group			1 477	(1 046)	431
Momentum Wealth linked product assets under administration			9 826	(12 562)	(2 736)
Total net funds received from clients			196 568	(174 711)	21 857
12 mths to 30.06.2022					
Momentum Life	497	9 392	9 889	(11 250)	(1 361)
Momentum Investments	29 863	869	30 732	(27 035)	3 697
Metropolitan Life	1 789	6 450	8 239	(6 485)	1 754
Momentum Corporate	4 711	12 798	17 509	(19 917)	(2 408)
Momentum Metropolitan Health	–	1 186	1 186	(724)	462
Non-life Insurance	3 128	10 907	14 035	(6 373)	7 662
Momentum Metropolitan Africa	1 605	4 015	5 620	(3 418)	2 202
Life insurance business fund flows	41 593	45 617	87 210	(75 202)	12 008
Off-balance sheet fund flows					
Managed and/or administered by Investments			97 003	(99 080)	(2 077)
Properties – Eris Property Group			1 119	(90)	1 029
Momentum Wealth linked product assets under administration			13 289	(10 702)	2 587
Total net funds received from clients			198 621	(185 074)	13 547

¹ Assets managed and/or administered, other than CIS assets, are included where an entity earns a fee on the assets. The total CIS assets are included in Momentum Collective Investments only as this is where the funds are housed. Non-financial assets (except properties) have been excluded.

Additional information continued

ANALYSIS OF ASSETS BACKING SHAREHOLDER EXCESS	30.06.2023		Restated 30.06.2022¹	
	Rm	%	Rm	%
Equity securities	1 416	5.3	1 161	4.7
Preference shares	342	1.3	356	1.4
CISs	1 094	4.1	966	3.9
Debt securities	7 369	27.5	7 208	29.3
Properties	4 209	15.7	3 850	15.7
Owner-occupied properties	2 505	9.3	2 477	10.1
Investment properties	1 704	6.4	1 373	5.6
Cash and cash equivalents and funds on deposit	13 149	49.1	10 400	42.2
Intangible assets	3 580	13.4	4 617	18.8
Other net assets	1 437	5.4	2 646	10.9
	32 596	121.8	31 204	126.9
Redeemable preference shares	(262)	(1.0)	(252)	(1.0)
Subordinated redeemable debt	(4 299)	(16.0)	(5 327)	(21.6)
Treasury shares held on behalf of employees	(773)	(2.9)	(641)	(2.6)
Treasury shares held on behalf of contract holders	(498)	(1.9)	(407)	(1.7)
Shareholder excess per reporting basis	26 764	100.0	24 577	100.0

¹ Refer to note 12 for more information on the restatements.

NUMBER OF EMPLOYEES	30.06.2023	30.06.2022
Indoor staff	10 058	9 940
SA	8 941	8 867
International	1 117	1 073
Field staff	5 933	6 618
Momentum Life and Investments	1 104	1 430
Metropolitan Life	3 497	4 002
International	1 332	1 186
Total	15 991	16 558

Stock exchange performance

	30.06.2023	30.06.2022
12 months		
Value of listed shares traded (rand million)	17 040	15 944
Volume of listed shares traded (million)	985	885
Shares traded (% of average listed shares in issue)	73	62
Trade prices		
Highest (cents per share)	2 010	2 270
Lowest (cents per share)	1 386	1 405
Last sale of year (cents per share)	1 806	1 426
Percentage (%) change during year	27	(27)
Percentage (%) change – life insurance sector (J857)	13	(8)
Percentage (%) change – top 40 index (J200)	18	–
30 June		
Price/normalised headline earnings (segmental) ratio	5.3	5.0
Dividend yield % (dividend on listed shares)	6.6	7.0
Dividend yield % – top 40 index (J200)	4.3	3.8
Total shares issued (million)		
Ordinary shares listed on JSE	1 425	1 498
Treasury shares held on behalf of employees	(45)	(45)
Treasury shares held on behalf of contract holders	(25)	(29)
Basic number of shares in issue	1 355	1 424
Adjustment to employee share scheme ¹	11	7
Convertible redeemable preference shares	28	28
Diluted number of shares in issue	1 394	1 459
Adjustment to employee share scheme ¹	(11)	(7)
Treasury shares held on behalf of contract holders	25	29
Treasury shares held on behalf of employees	45	45
Diluted number of shares in issue for normalised headline earnings purposes²	1 453	1 526
Market capitalisation at end (Rbn) ³	26	22

¹ The diluted number of shares in issue includes the dilutive potential ordinary shares from the iSabelo employee scheme. The diluted number of shares in issue for normalised headline earnings does not include this adjustment as these shares are deemed to be issued.

² The diluted number of shares in issue takes into account all issued shares, assuming conversion of the convertible redeemable preference shares, and includes the treasury shares held on behalf of contract holders as well as the treasury shares held on behalf of employees.

³ The market capitalisation is calculated on the fully diluted number of shares in issue.

Report by the Social, Ethics and Transformation Committee

This report from the Committee is presented in accordance with the requirements of the Companies Act, 71 of 2008 and the King IV Report. The Committee is required to report through one of its members to the Company's shareholders on the matters within its mandate at the Company's Annual General Meeting (AGM) to be held on 23 November 2023. The Committee Chair and fellow members will be attending the AGM to deal with any questions.

Reporting on the Committee's composition, meeting attendance, performance, role, focus areas and activities are contained in the Integrated and Sustainability Reports. Shareholders are referred to the detailed Integrated and Sustainability Reports published on the Company's website.

The Committee is satisfied that it has fulfilled its responsibilities as prescribed by the Companies Act and its Terms of Reference. The Committee contributed in ensuring that the Board was equipped to fulfil its role and responsibilities as envisaged by Principles 1, 2, 3, 13 and 16 of King IV.

Questions to the Committee may be sent to the Group Company Secretary prior to or during the AGM.



Linda de Beer

Chair: Momentum Metropolitan Social, Ethics and Transformation Committee

Notice of Annual General Meeting

MOMENTUM METROPOLITAN HOLDINGS LIMITED
Incorporated in the Republic of South Africa
Registration number: 2000/031756/06
ISIN: ZAE000269890
JSE share code: MTM
A2X share code: MTM
NSX share code: MMT
(Momentum Metropolitan Holdings or the Company)

NOTICE OF MEETING

Notice is hereby given that the 22nd (twenty-second) Annual General Meeting (AGM) of Momentum Metropolitan Holdings will be held on Thursday, 23 November 2023 at 08:30 (SA time), at the Momentum Metropolitan offices, 268 West Avenue, Centurion.

This notice is important and requires your immediate attention

If you are in any doubt about what action you should take, consult your broker, Central Securities Depository Participant (CSDP), banker, financial adviser, accountant or other professional adviser immediately.

If you have disposed of all your shares in the company, please forward this document, together with the enclosed form of proxy, to the purchaser of such shares or the broker, banker or other agent through whom you disposed of such shares.

Identification

In accordance with the provisions of section 63(1) of the Companies Act, all attendees and participants at the AGM will be required to provide reasonably satisfactory identification (such as a valid passport or South African identity document, smartcard, or driver's licence).

Any shareholder of the company that is a legal entity must authorise a person to act as its representative at the AGM through a letter of representation. The company's transfer secretaries (JSE Investor Services Proprietary Limited) may facilitate this process.

Proxy forms

It is requested that proxy forms be lodged with the transfer secretaries (JSE Investor Services Proprietary Limited). Completed proxy forms must be sent by email to meetfax@jseinvestorservices.co.za or posted to JSE Investor Services Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, to reach them 48 hours before the AGM, **by no later than 08:30 (SA time) on Tuesday, 21 November 2023**.

Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to the proxy form unless previously recorded by the transfer secretaries or waived by the Chair of the AGM.

REPORTS AVAILABLE ONLINE

The following documents are available online at <https://www.momentummetropolitan.co.za/investor-relations/reports>

- The 2023 Integrated Report and accompanying Sustainability Report
- 2023 Notice of AGM (this/the Notice). This Notice is distributed to all registered holders of the company's shares (as at the relevant record date)
- The complete set of Annual Financial Statements
- The remuneration policy and implementation plan

PURPOSE OF MEETING

The purpose of this AGM is to:

- present the Audited Annual Financial Statements of the Company and its subsidiaries (the Group) for the year ended 30 June 2023 (including the directors' report and the Group Audit and Actuarial Committee reports) in accordance with section 30(3)(d) and section 61(8)(a) of the Companies Act
- consider and, if deemed fit, pass, with or without modification, the resolutions set out below
- consider any other matters raised by shareholders.

1. Ordinary resolution number 1

Election of directors appointed to the Board during the year

"Resolved that the following directors, who were appointed to the Board subsequent to the 2022 AGM, and are eligible for election, be and are hereby elected as directors of the Company, each by way of a separate vote:

- 1.1 Dr Ann Frances Leautier, as an independent non-executive director
- 1.2 Mr Phillip Matlakala, as an independent non-executive director
- 1.3 Mr Devrajh Tyrone Soondarjee, as an independent non-executive director."

Brief biographies of each director are available on page 94 of this Notice

Explanatory note:

The Board has arrangements in place for the periodic, staggered rotation of non-executive directors to introduce, over time, directors with new skills, insights and perspectives as well as to ensure appropriate diversity on the Board. This Board initiative is ongoing and seeks to balance the introduction of new directors while retaining valuable knowledge and experience of the business, and maintaining continuity.

In accordance with the provisions of the Company's MOI, a director appointed by the Board is obliged to retire at the first AGM after their appointment. The above directors therefore retire at this AGM and are eligible for election by shareholders.

Based on the recommendations of the Nominations Committee regarding the composition of the Board, the Board is recommending the election of the directors listed above.

2. Ordinary resolution number 2

Directors retiring by rotation in terms of the Company's MOI and in compliance with the JSE Listings Requirements.

- 2.1 "Resolved that Mr Peter Cooper, who retires by rotation in accordance with the MOI of the Company and is eligible for re-election, be and is hereby re-elected as an independent non-executive director of the Company."
- 2.2 "Resolved that Mr Paballo Joel Makosholo, who retires by rotation in accordance with the MOI of the Company and is eligible for re-election, be and is hereby re-elected as an independent non-executive director of the Company."

Brief biographies of the two directors available for re-election are available on page 94 of this Notice.

Explanatory note:

The MOI of the Company and the JSE Listings Requirements require that one third of the directors shall retire at every AGM and that, if eligible, such directors may be re-elected by shareholders.

3. Ordinary resolution number 3

Re-appointment of independent auditors

"Resolved as an ordinary resolution that the Company hereby approves the re-appointment of Ernst & Young Inc. as the independent auditors of the Company, with Ms Cornea de Villiers as the designated audit partner, for the ensuing financial year or until the next AGM, whichever is the later date."

Explanatory note:

In terms of section 90(1) of the Companies Act, the auditor of a company must be appointed at the AGM each year. To be re-appointed, the auditor must satisfy the requirements of section 22.15(h) of the JSE Listings Requirements. The Audit Committee has reviewed the required information in compliance with the JSE Listings Requirements and the provisions of the Companies Act and to assess the suitability as required in terms of paragraph 3.84(g)(iii) of the JSE Listings Requirements, and has recommended the re-appointment of Ernst & Young Inc. as auditors of the Company, with Ms Cornea de Villiers as the designated audit partner for the ensuing year.

4. Ordinary resolution number 4

Election of members of the Audit Committee

"Resolved that the following independent non-executive directors of the Company be and are hereby appointed with immediate effect to serve as members of the Audit Committee, each by way of a separate vote:

- 4.1 To re-appoint Ms Linda de Beer as member and Chair of the Audit Committee;
- 4.2 To re-appoint Mr Nigel John Dunkley as a member of the Audit Committee;
- 4.3 To re-appoint Mr Thanaseelan Gobalsamy as a member of the Audit Committee;
- 4.4 To re-appoint Mr David James Park as a member of the Audit Committee; and
- 4.5 To appoint Mr Devrajh Tyrone Soondarjee as a member of the Audit Committee."

Brief biographies of each director are available on page 94 of this Notice.

Explanatory note:

In terms of section 94(2) of the Companies Act, the Company is required to elect an audit committee comprising at least three members, each of whom must satisfy the requirements set out in section 94(4) of the Companies Act.

5. Ordinary resolution number 5

Authority to implement resolutions

"Resolved that any director of the Company or the Group Company Secretary be and is hereby authorised to do all such things and sign all documents and take all such action as they consider necessary to implement all resolutions passed at the AGM at which this Ordinary Resolution number 5 is considered."

Explanatory note:

The directors of the Company or the Group Company Secretary are authorised in terms of this resolution to implement the resolutions adopted at this AGM, and to take all such actions as may be necessary for this purpose.

6. Non-binding advisory vote 1

Remuneration policy as set out in the Remuneration Report of the Company

"Resolved that, by way of a non-binding advisory vote, the shareholders endorse the remuneration policies of the Company as set out in the Remuneration Report, available online at <https://www.momentummetropolitan.co.za/investor-relations/reports/annual-general-meeting>"

Explanatory note:

The King IV Report on Corporate Governance (King IV™)* recommends that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM. This enables shareholders to express their views on the remuneration policies adopted.

This resolution is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's remuneration policy.

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7. Non-binding advisory vote 2

Implementation report as set out in the Remuneration Report of the Company

"Resolved that, by way of a non-binding advisory vote, the shareholders endorse the implementation report as set out in the Remuneration Report of the Company, available online at <https://www.momentummetropolitan.co.za/investor-relations/reports>"

Explanatory note:

In terms of principle 14 of King IV, the Company's implementation report should be tabled to the shareholders to endorse the non-binding advisory vote in the same manner as an ordinary resolution at the AGM. This enables shareholders to express their views on the implementation report adopted. Failure to endorse the non-binding advisory vote will not have any legal consequences for existing arrangements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's implementation report.

The minimum percentage of voting rights required for the advisory votes to be endorsed is 50% plus 1 (fifty percent plus one) of the voting rights exercised by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights.

In the event that at least 25% (twenty-five percent) of the voting rights exercised on the advisory votes are against either the remuneration policy or the implementation report or both, the Board will then commit to implementing the consultation process set out in the remuneration policy read together with King IV and the JSE Listings Requirements.

8. Special resolution number 1

Approval of amendment to the Company's memorandum of incorporation (MOI)

"Resolved as a special resolution to amend the Company's MOI by removing clause 24.2.4 in its totality as well as any reference in the MOI to the following 'reached 70 (seventy) years of age since the previous Annual General Meeting, unless the Board resolves otherwise,'

Explanatory note:

The reason for special resolution number 1 is to remove the limitation currently entailed in the Company's MOI that any director who has reached the age of 70 (seventy) years since the previous AGM, should retire at the next AGM unless the Board resolves otherwise.

9. Special resolution number 2

General authority to repurchase shares

"Resolved that the Board of Directors of the Company is hereby authorised, by way of a renewable general authority, to approve the purchase of its own ordinary shares by the Company, or to approve the purchase of ordinary shares in the Company by any subsidiary of the company, upon such terms and conditions as the Board of Directors of the Company may from time to time determine, provided that:

- the general repurchase of ordinary shares in the aggregate in any one financial year by the Company does not exceed 5% (five percent) of the Company's issued ordinary share capital as at the beginning of the financial year
- the general repurchase of securities will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited)
- authorisation thereto has been given by the Company's MOI
- this general authority shall only be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution
- general repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected (the JSE should be consulted for a ruling if the applicant's securities have not traded in such five-day business day period)
- at any point in time, a company may only appoint one agent to effect any repurchases on the Company's behalf
- a resolution has been passed by the Board of Directors confirming that the Board has authorised the general repurchase, that the company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Group
- any such general repurchase will be subject to the applicable provisions of the Companies Act
- any such general repurchases are subject to exchange control regulations and approval at that point in time
- the number of shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 10% (ten percent) in aggregate of the number of issued shares in the Company at the relevant times
- the Company or its subsidiary may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period

- when the Company has cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be made in accordance with paragraph 11.27 of the JSE Listings Requirements.”

Explanatory note:

The purpose of this resolution is to provide general approval and authority in terms of Section 48 of the Companies Act and paragraph 5.72 of the JSE Listings Requirements for the Company and/or a subsidiary of the Company to acquire the Company's issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company, subject to the limitations set out in the notes to this resolution.

The directors of the Company currently have no specific intention to act in terms of the authority to be granted by the passing of this resolution, but will continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect any repurchases as contemplated in this resolution.

The directors undertake that, after considering the effect of the general repurchase of shares as contemplated in this Special Resolution number 1, they will not undertake any such general repurchase of shares unless:

- the Company and the Group will be able to repay their debts as they become due in the ordinary course of business for a period of 12 months following the date of such repurchase
- the Company and the Group's assets will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the repurchase
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months following the date of the repurchase.

10. Special resolution number 3

General authority to provide financial assistance to subsidiaries and other related and interrelated entities in terms of sections 44 and 45 of the Companies Act

“Resolved that the directors of the Company may, to the extent required by the Companies Act, and subject to compliance with the requirements of the Company's MOI and the JSE Listings Requirements, authorise the Company to provide direct or indirect financial assistance, including by way of loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or interrelated to the Company or any of its subsidiaries, and/or to any shareholder of such subsidiary or related or interrelated company or entity, all as contemplated in section 44 and/or section 45 of the Companies Act, for such amounts and on such terms and conditions as the directors of the Company may determine.”

Explanatory note:

This resolution is to authorise the provision by the Company of financial assistance to subsidiaries and other related and interrelated entities, specifically and only for the purpose of facilitating the Group's normal commercial and financing activities within and among Group companies.

This special resolution number 2 deliberately excludes from its scope any reference to “any person” (as provided for in section 44 of the Companies Act) and also excludes from its ambit “directors and officers” (as provided for in section 45 of the Companies Act).

In the absence of this special resolution number 2, the Company would be unable to undertake its normal day-to-day business and financing operations within the Group.

This special resolution number 2 is required:

- in terms of section 44 of the Companies Act, to authorise the directors of the Company to permit the Company to provide financial assistance to the entities reflected in the text of the Special Resolution for the purpose of, or in connection with, the subscription for any securities or options issued or to be issued by the Company or any company related or interrelated to the Company, or for the purchase of any securities of the Company or a company related or interrelated to the company
- in terms of section 45 of the Companies Act, to grant the directors of the company a general authority to authorise the company to grant direct or indirect financial assistance, including in the form of loans or the guaranteeing of their debts to (among others) the category of persons set out in the text of the resolution, subject to the Board not authorising any financial assistance to any such persons unless it is satisfied that:
 - considering all reasonably foreseeable financial circumstances of the Company at that time, the Company will, immediately after providing such financial assistance, satisfy the solvency and liquidity test stipulated in the Companies Act
 - the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company
 - any conditions or restrictions in respect of the granting of financial assistance set out in the Company's MOI have been satisfied.

11. Special Resolution Number 4

Non-executive directors' remuneration

"Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the fees, as set out below, to its non-executive directors for their services as directors with effect from 1 January 2024 for twelve months, plus any value added tax (VAT) applicable."

		CURRENT FEES	PROPOSED FEES
11.1	Board Chair (as an all-inclusive fee)	2 270 000	2 405 000
11.2	Non-executive director	520 000	550 000
11.3	Actuarial Committee Chair	435 000	460 000
11.4	Actuarial Committee Member	220 000	233 000
11.5	Audit Committee Chair	461 000	488 000
11.6	Audit Committee Member	220 000	233 000
11.7	Fair Practices Committee Chair	293 000	310 000
11.8	Fair Practices Committee Member	178 000	188 000
11.9	Investments Committee Chair	293 000	310 000
11.10	Investments Committee Member	178 000	188 000
11.11	Nominations Committee Chair	Part of Board Chair fee	
11.12	Nominations Committee Member	128 000	135 000
11.13	Remuneration Committee Chair	362 000	383 000
11.14	Remuneration Committee Member	178 000	188 000
11.15	Risk, Capital and Compliance Committee Chair	435 000	460 000
11.16	Risk, Capital and Compliance Committee Member	220 000	233 000
11.17	Social, Ethics and Transformation Committee Chair	293 000	310 000
11.18	Social, Ethics and Transformation Committee Member	178 000	188 000
11.19	Ad hoc fee per hour	5 090	5 400
11.20	Permanent invitee - the fee will be the membership fee of the committee that the invitee sits on		

The above amounts exclude VAT

Explanatory note:

This resolution is to authorise the Company to pay fees (including any applicable VAT thereon) to its non-executive directors for their services as directors effective 1 January 2024 for twelve months.

The Board has resolved, on the recommendation of the Remuneration Committee, to propose for approval Special Resolution number 3, authorising the payment of fees to the non-executive directors of the Company for their services as directors, in accordance with the existing all-inclusive fee model, together with the payment of any applicable VAT, as stipulated in the scale of fees above.

MAJORITY REQUIRED FOR THE ADOPTION OF RESOLUTIONS

Unless otherwise indicated, in order for the Ordinary Resolutions to be adopted, the support of a simple majority (that is, 50% plus one share) of the total number of voting rights exercised on the resolutions is required unless a higher requirement has been prescribed in terms of the JSE Listings Requirements.

The **Non-binding Resolutions** are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to the existing arrangements. Should 25% or more of the votes exercised on these non-binding resolutions be cast against either or both of these non-binding resolutions, the Board undertakes to engage with identified dissenting shareholders as to the reasons therefore and take appropriate action (as determined at the discretion of the Board) to reasonably address issues raised as envisaged in King IV and the JSE Listings Requirements.

For the **Special Resolutions** to be adopted, the support of at least 75% of the total number of voting rights exercised on the resolutions is required.

Votes recorded as abstentions are not taken into account to determine the final percentage of votes cast in favour of the resolutions.

ELECTRONIC PARTICIPATION

Shareholders or their proxies may also participate in the AGM by way of electronic means. Such shareholder will need to contact Momentum Metropolitan Holdings Group Company Secretary, gcobisa.tyusha@mmltd.co.za or +27 12 673 1931 by no later than 08:30 on Tuesday, 21 November 2023 so that the Company can provide for a teleconference dial-in facility. Please note that shareholders or their proxies will not be entitled to exercise voting rights at the AGM by way of a teleconference call. Shareholders must ensure that, when intending to participate via teleconference, the voting proxies are sent through to the transfer secretaries by no later than 08:30 on Tuesday, 21 November 2023. Participants must dial the provided teleconference number five minutes prior to the start of the AGM.

Disclosure in terms of section 11.26 of the JSE Listings Requirements

- **Major shareholders:** Can be found on the Company's website <https://www.momentummetropolitan.co.za/en/about/shareholder-structure>
- **Share capital:** Information relating to the share capital of the Company can be found on pages 248 and 249 of the Annual Financial Statements.
- **Material changes:** There has been no material change in the financial or trading position of the Company and its subsidiaries subsequent to the publication of the Company's Audited Financial Statements for the year ended 30 June 2023 and the date of this Notice.
- **Directors' responsibility statement:** The directors, whose names are set out in the integrated report (which is available at <https://www.momentummetropolitan.co.za/investor-relations/reports>, collectively and individually, accept full responsibility for the accuracy of the information pertaining to all the resolutions set out in this Notice and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that these resolutions contain all information required by law and the JSE Listings Requirements.

RECORD DATES

Record date to receive the notice: **Friday, 22 September 2023**

Date of posting of notice: **Friday, 29 September 2022**

Last date to trade to be eligible to attend and vote at the AGM: **Tuesday, 14 November 2023**

Record date to be eligible to vote: **Friday, 17 November 2023**

Last date of lodging of proxy forms: **Tuesday, 21 November 2023 at 08:30**

PROXIES AND VOTING

Voting on all resolutions will take place by ballot. Every shareholder of the Company present in person or represented by proxy shall have one vote for every share in the Company held by such shareholder.

If you are a registered shareholder as at the record date:

- you are entitled to attend the AGM in person and vote at the AGM
- alternatively, you may appoint a proxy to attend, participate and vote at the AGM, on your behalf. Any appointment of a proxy:
 - may be effected by using the attached form of proxy
 - must be delivered in accordance with the instructions contained in the attached form of proxy, failing which it will not be effective.
- a proxy need not be a shareholder of the Company.

If you hold dematerialised shares, through a CSDP or broker, other than dematerialised shareholders with "own name" registration as at the record date:

- and wish to attend the AGM, you must inform your CSDP or broker of your intention to attend and obtain the necessary letter of representation in order to attend the AGM
- and do not wish to attend the AGM but would like your vote to be recorded at the AGM, you should provide your CSDP or broker with your voting instructions. This must be done in the manner and time stipulated in the mandate between you and the CSDP or broker concerned
- you must not complete the attached proxy form.

Included in this notice are the following:

- The resolutions to be proposed at the AGM, together with explanatory notes. There are also guidance notes if you wish to attend the AGM or to vote by proxy.
- A proxy form for completion, signature and submission to the transfer secretaries of the Company by shareholders holding the Company's ordinary shares in certificated form or recorded in sub-registered electronic form in their own name.



By order of the Board
Group Company Secretary

Annexure 1 – directors' profiles

PROFILES OF DIRECTORS TO BE ELECTED TO THE BOARD OR AUDIT COMMITTEE

Dr Ann Frances (Frannie) Leautier

BSc (Civil Engineering) MSc (Transportation), PhD (Engineering), PhD (Law), Honorary PhD (Humane Letters)

Frannie is a seasoned finance and development expert with long-standing global experience leading and transforming organisations in the private, public and not-for-profit spheres. She is currently a Senior Partner at SouthBridge Group and CEO of SouthBridge Investments. In addition to her global experience in finance, she brings deep knowledge and experience working in Africa and board governance matters.

Ms Linda de Beer

CA(SA), MCom (Tax), Chartered Director

Linda's background is in technical accounting, corporate governance, JSE Listings Requirements and international standard setting. She currently chairs the Public Interest Oversight Board (PIOB), based in Spain, which monitors the setting of international standards for auditors and serves on the Board of Trustees of the International Valuations Standards Council in London. She is also an honorary professor (professor in practice) at the University of Johannesburg. Linda currently serves on the boards of Aspen Holdings Limited and Shoprite Holdings Limited.

Mr Phillip Matlakala

B Juris, B Proc, Programme in Taxation and Financial Planning

Phillip is a highly experienced businessman and independent non-executive director, having spent over 30 years in the insurance industry, both in South Africa and in the rest of Africa regions. He spent many years in Momentum Metropolitan, serving in various roles, including as CEO of Metropolitan Retail prior to his retirement in 2014.

Mr Nigel John Dunkley

BCompt Hons, CA(SA), AMP (Oxford), Advanced Taxation Certificate

Nigel's varied experience in the insurance industry includes 22 years spent in various executive positions in the Momentum Metropolitan Group. He left in 2013 to own and manage a hotel, golf and leisure business, while maintaining his connections with the Group, acting as a non-executive director of the Group's interests in the UK, Guernsey, Gibraltar and South Africa.

Mr Devrajh Tyrone Soondarjee

BAcc (Hons), Postgraduate Diploma in Auditing, CA(SA)

Tyrone is a seasoned and commercially orientated Chartered Accountant with over 35 years' of experience in the corporate sector. He has held a wide range of senior executive roles in the financial services, telecoms and professional services industries. His previous roles include chair of Grindrod Bank Limited and CFO of Cell C Limited. He was also the group financial director of the Sasfin Banking Group for 10 years and director of finance at Deloitte, for 10 years.

Mr Thanaseelan (Seelan) Gobalsamy

BCom (Accountancy and Law), Postgraduate Diploma in Accounting, Advanced Taxation Certificate, CA(SA), AMP (Harvard)

Currently, the group CEO of Omnia Holdings, Seelan has a track record of redefining companies' strategic direction and business turnarounds. He previously held CEO positions at Stanlib Asset Management, Liberty Holdings Emerging Markets, Liberty Corporate and Old Mutual Corporate. His extensive international experience was gained across multiple geographies and sectors in complex emerging and developed markets.

Mr Peter Cooper

BCom (Hons), HDip Tax Law, CA(SA)

Peter served as the chief executive officer and financial director of RMB Holdings Limited (RMH) and Rand Merchant Investment Holdings Limited (RMI) until 2014. He is currently a non-executive director of Shoprite Holdings Limited.

Mr David James Park

BSc (Actuarial Science), FFA, FASSA

An independent consultant specialising in life insurance, David is an active member of the Actuarial Society of South Africa. He sits on the Professional Matters Board and is involved in the development and provision of technical and professional training to trainee actuaries. During his time as a director/partner at Deloitte, he was the statutory actuary of several life insurance companies, a key adviser to several insurance companies, and was involved in the development of the current South African insurance legislation.

Mr Paballo Joel Makosholo

NDip (Cost and Management Accounting), CTA, MCom (SA and International Tax), CA(SA)

Currently group chief executive at Kagiso Tiso Holdings, Paballo was previously chief financial officer at Kagiso Trust and chief operations officer at Kagiso Capital. His more than 15 years' experience in auditing, investment and finance was gained in highly volatile and complex business environments.

Form of proxy

MOMENTUM METROPOLITAN HOLDINGS LIMITED
 Incorporated in the Republic of South Africa
 Registration number: 2000/031756/06
 ISIN: ZAE000269890
 JSE Share code: MTM
 A2X Share code: MTM
 NSX Share Code: MMT
 (Momentum Metropolitan Holdings or the Company)

This proxy form relates to the 22nd (twenty-second) Annual General Meeting (AGM) of Momentum Metropolitan Holdings to be held on Thursday, 23 November 2023 at 08:30 (SA time), at the Momentum Metropolitan offices, 268 West Avenue, Centurion.

The proxy is for use by certificated and dematerialised shareholders whose shares are registered in their own names by the record date, Friday, 17 November 2023. All other dematerialised shareholders must contact their CSDP or broker to make the relevant arrangements concerning voting and attendance at the meeting.

Please print clearly when using this form and see the instructions and notes at the end of this form for an explanation of the use of this proxy form and the rights of the shareholder and the proxy.

I/We (full names) _____

of (address) _____

Contact details: (mobile) _____ (work) _____ (email) _____

Being a shareholder of the Company and being the registered owner/s of _____ ordinary shares in the company

Hereby appoint _____

Or failing him/her, the chair of the meeting, to attend and participate in the meeting and to speak for me/us on my/our behalf and to vote or abstain from voting on my/our behalf at the AGM of the Company and/or any adjournment or postponement thereof.

My proxy shall vote as below (indicate with a cross how you wish your votes to be cast. If you do not do so, the proxy may vote or abstain at his/her discretion).

Ordinary resolutions		For	Against	Abstain
1.1	To elect Dr Ann Frances Leautier as an independent non-executive director			
1.2	To elect Mr Phillip Matlakala as an independent non-executive director			
1.3	To elect Mr Devrajh Tyrone Soondarjee as an independent non-executive director			
2.1	To re-elect Mr Peter Cooper as an independent non-executive director			
2.2	To re-elect Mr Paballo Joel Makosholo as an independent non-executive director			
3.	To re-appoint Ernst & Young Inc. as the independent auditors of the company, with Ms Cornea de Villiers as the designated audit partner for the ensuing year			
4.1	To re-appoint Ms Linda de Beer to serve as a member and Chair of the Audit Committee			
4.2	To re-appoint Mr Nigel John Dunkley to serve as a member of the Audit Committee			
4.3	To re-appoint Mr Thanaseelan Gobalsamy to serve as a member of the Audit Committee			
4.4	To re-appoint Mr David James Park to serve as a member of the Audit Committee			
4.5	To appoint Mr Devrajh Tyrone Soondarjee to serve as a member of the Audit Committee			
5.	Authorisation for a director or Group Company Secretary of the Company to implement resolutions			
Non-binding advisory resolutions				
6.	Non-binding advisory vote on the remuneration policy of the Company			
7.	Non-binding advisory vote on the implementation report as set out in the remuneration report of the Company			

Special resolutions		For	Against	Abstain
8.	Approval of amendment to the company's memorandum of incorporation ("MOI")			
9.	General authority to repurchase shares			
10.	General authority to provide financial assistance to subsidiaries and other related and inter-related entities in terms of sections 44 and 45 of the Companies Act			
11.	Approval of Non-executive directors' fees for the 2023 financial year			
11.1	Board Chair			
11.2	Non-executive Director			
11.3	Actuarial Committee Chair			
11.4	Actuarial Committee Member			
11.5	Audit Committee Chair			
11.6	Audit Committee Member			
11.7	Fair Practices Committee Chair			
11.8	Fair Practices Committee Member			
11.9	Investments Committee Chair			
11.10	Investments Committee Member			
11.11	Nominations Committee Chair			
11.12	Nominations Committee Member			
11.13	Remuneration Committee Chair			
11.14	Remuneration Committee Member			
11.15	Risk, Capital and Compliance Committee Chair			
11.16	Risk, Capital and Compliance Committee Member			
11.17	Social, Ethics and Transformation Committee Chair			
11.18	Social, Ethics and Transformation Committee Member			
11.19	Ad hoc fee per hour			
11.20	Permanent invitee – the fee will be the membership fee of the committee that the invitee sits on			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. Unless otherwise directed, the proxy will vote as he/she thinks fit.

However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares which you desire to vote.

Signed at _____ on _____ 2023

Signature _____

Please read the notes to the proxy as set out overleaf.

Notes to the proxy form

SUMMARY OF THE RIGHTS OF A SHAREHOLDER TO BE REPRESENTED BY PROXY IN TERMS OF SECTION 58 OF THE COMPANIES ACT, READ WITH THE COMPANY'S MEMORANDUM OF INCORPORATION

1. At any time, a shareholder may appoint any individual, including an individual who is not a shareholder of the company, as a proxy to:
 - participate in, and speak and vote at a shareholders' meeting on behalf of the shareholder, or
 - give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60 of the Companies Act.
2. A shareholder of the company may not appoint two or more persons concurrently as proxies.
3. A proxy may not delegate the proxy's authority to act on behalf of the shareholder to another person.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder; the appointment is revocable unless the proxy appointment expressly states otherwise; and if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder.
5. A registered shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided overleaf, with or without deleting "the chairman of the AGM", but any such deletion must be initialled by the shareholder. Should this space be left blank, the proxy will be exercised by the chairman of the AGM. The person whose name appears first on the proxy form and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
6. A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that shareholder, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's exercisable votes. A shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
8. The completed proxy forms must be lodged with JSE Investor Services Pty Ltd by email to meetfax@jseinvestorservices.co.za or posted to JSE Investor Services Pty Ltd, One Exchange Square, 2 Gwen Lane, Sandown, 2196, to reach them 48 hours before the AGM, that is by Tuesday, 21 November 2023 at 08:30 (SA time). Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to the proxy form prior to the proxy exercising a shareholder's right at the meeting, unless previously recorded or waived by the chairman of the AGM.
9. The proxy form must be dated and signed. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this proxy form must be initialled by the signatory/ies.
10. The proxy appointment in terms of the proxy form shall remain valid only until the end of the AGM to be held on Thursday, 23 November 2023 or at any adjournment thereof.

Administration

DIRECTORS

PC Baloyi (Chair), JC Marais (Cilliers) (Group Chief Executive), HP Meyer (Executive Director), RS Ketola (Group Finance Director), P Cooper, L de Beer, NJ Dunkley, T Gobalsamy, Prof SC Jurisich, AF Leautier, P Makosholo, P Matlakala, DJ Park, TD Soondarjee

GROUP COMPANY SECRETARY

Gcobisa Tyusha

WEBSITE

www.momentummetropolitan.co.za

TRANSFER SECRETARIES – SOUTH AFRICA

JSE Investor Services (Pty) Ltd
(registration number 2000/007239/07)
One Exchange Square, 2 Gwen Lane, Sandown, 2196
PO Box 4844
Telephone: +27 11 713 0800
Email: info@jseinvestorservices.co.za

TRANSFER SECRETARIES – NAMIBIA

Transfer Secretaries (Pty) Ltd
(registration number 93/713)
4 Robert Mugabe Avenue, Windhoek.
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Telephone: +264 61 22 7647
Email: info@nsx.com.na

SPONSOR – SOUTH AFRICA:

Merrill Lynch South Africa (Pty) Ltd t/a BofA Securities

SPONSOR – NAMIBIA:

Simonis Storm Securities (Pty) Ltd

AUDITORS

Ernst & Young Inc.

REGISTERED OFFICE

268 West Avenue, Centurion 0157

REGISTRATION NUMBER

2000/031756/06

JSE CODE

MTM

A2X CODE

MTM

NSX CODE

MMT

ISIN CODE

ZAE000269890

MOMENTUM METROPOLITAN LIFE LTD

(Incorporated in the Republic of South Africa)

REGISTRATION NUMBER

1904/002186/06

LEI

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COMPANY CODE

MMIG