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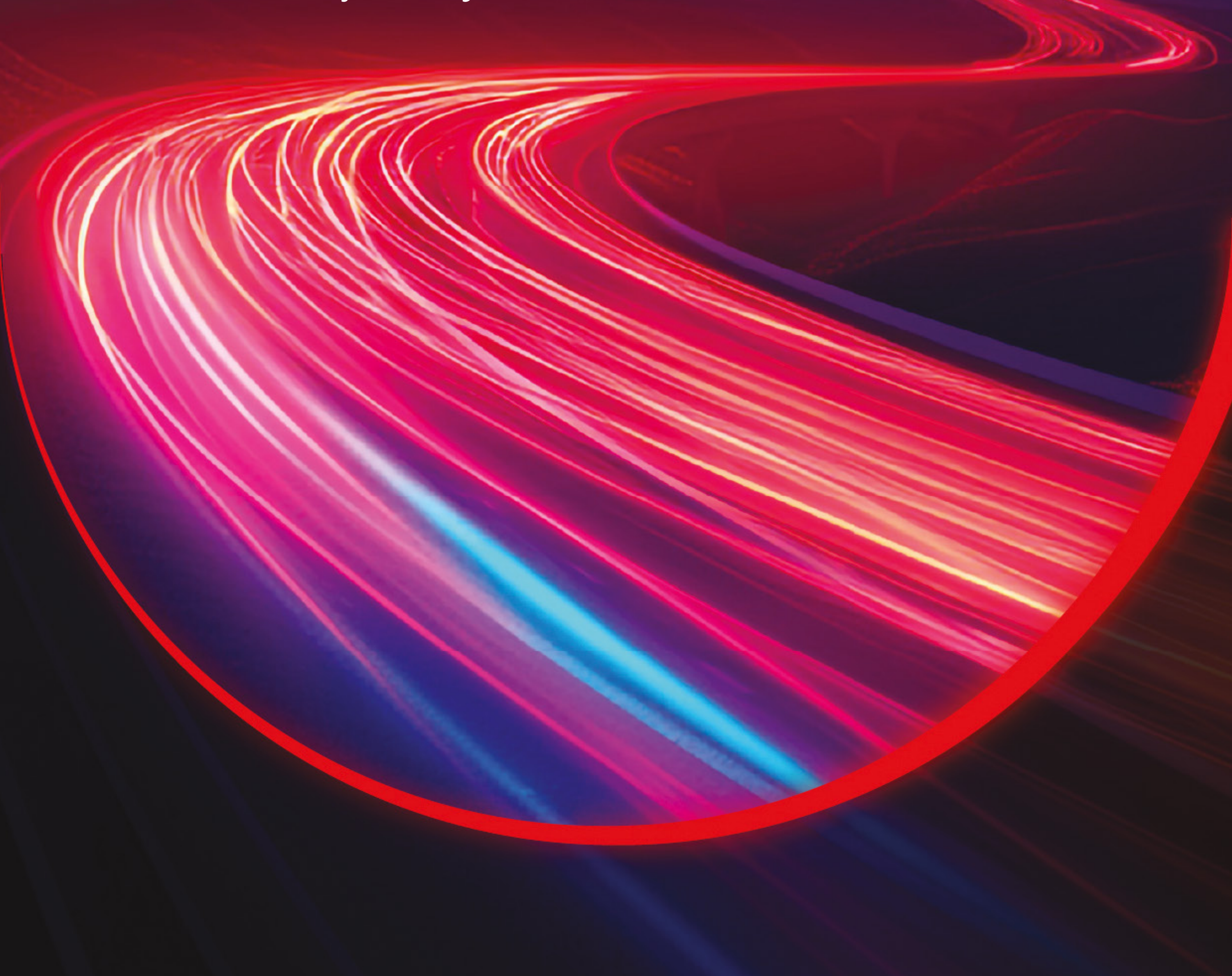
Momentum Group
Annual Financial Statements

Audited results for the year ended 30 June 2026



momentum METROPOLITAN GUARDRISK

MOMENTUM GROUP
Audited Annual Financial Statements
for the year ended 30 June 2026

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

DIRECTORS' RESPONSIBILITY AND APPROVAL

Responsibility for financial statements

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

To enable the Board to meet these responsibilities:

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

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

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

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

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

APPROVAL OF AFS

The AFS, presented on pages 37 to 283, were approved by the Board of directors on 15 September 2026 and are signed on its behalf by:

Tyrone Soondarjee
Chair

Centurion
15 September 2026

Jeanette Marais (Cilliers)
Group Chief Executive Officer

Centurion
15 September 2026

CEO AND FINANCE DIRECTOR CONFIRMATION OF FINANCIAL CONTROLS

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

a) The AFS set out on pages 37 to 283, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards as issued by the IASB.

b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the AFS false or misleading.

c) Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer.

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

e) Where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies.

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

Jeanette Marais (Cilliers)
Group Chief Executive Officer

Centurion
15 September 2026

Risto Ketola
Group Finance Director

Centurion
15 September 2026

CERTIFICATE BY THE GROUP COMPANY SECRETARY

In accordance with the provisions of section 88(2)(e) of the Companies Act, I certify that for the year ended 30 June 2026 the companies have lodged with the registrar of companies all such returns as are required of a company in terms of the Companies Act, and that all such returns are true, correct and up to date.

Gcobisa Tyusha
Group Company Secretary

Centurion
15 September 2026

INDEPENDENT AUDITORS' REPORT

To the shareholders of Momentum Group Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

We have audited the consolidated and separate financial statements of Momentum Group Limited, and its subsidiaries (the Group and Company) set out on pages 37 to 283 which comprise:

- the consolidated and separate statements of financial position as at 30 June 2026;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Momentum Group Limited and its subsidiaries as at 30 June 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

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

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

Independence

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

Reporting in terms of the IRBA Rule on Enhanced Auditor Reporting

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

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

	Consolidated financial statements	Separate financial statements
Final materiality	R630.2 million	R299.5 million
How we determined it	5% of consolidated profit before tax	1% of total assets
Rationale for the materiality benchmark applied	We identified consolidated profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most likely to be measured by users when evaluating a profit-oriented entity and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies and is further based on our professional judgement after consideration of qualitative factors that impact the Group.	We identified total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most likely to be measured by users when evaluating a holding company and is a generally accepted benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for capital-based companies and is further based on our professional judgement after consideration of qualitative factors that impact the Company.

INDEPENDENT AUDITORS' REPORT CONTINUED

To the shareholders of Momentum Group Limited

Group audit scope

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

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

In establishing the Group audit scope, based on our risk assessment we determined the type of work that needed to be undertaken on the financial information of the components. In selecting components, we performed risk assessment procedures across the Group and its components to identify risks of material misstatement. We then identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response. We have identified 39 components for the Group at which we determined that further audit procedures were required.

Of the 39 components we have identified for the Group:

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

For components out of scope, we performed risk assessment analytical procedures to confirm our risk assessment and, where appropriate, tested common controls implemented over components. In our assessment of the residual account balances not covered by the audit procedures, we considered whether these could give rise to a risk of material misstatement of the Group financial statements.

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

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

Key audit matters

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

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

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

Key Audit Matter	How our audit addressed the key audit matter

1. Valuation of insurance and reinsurance contract assets and liabilities, including Guardrisk Life restatement

Refer to the following accounting policies and notes to the consolidated financial statements for the disclosures as it relates to this key audit matter:

- Note 1 (Restatement)
- Note 10 (Insurance Contracts)
- Note 11 (Reinsurance Contracts)
- Note 13 (Contract holder liabilities – Judgements, assumptions and Estimates)
- Note 45.10 (Material group accounting policies – Life and non-life Insurance and Investment contracts)

The Group held insurance and reinsurance contract assets and liabilities due to their insurance operations during the year ended 30 June 2026. These contracts are recognised and measured in accordance with IFRS Accounting Standard 17: Insurance Contracts (IFRS 17). The following net liabilities and assets have been recognised as at 30 June 2026 in this regard:

- Consolidated net insurance liabilities: R202.9 billion (refer to note 10)
- Consolidated net reinsurance liabilities: R6.9 billion (refer to note 11)

Following a review of its IFRS 17 valuation models during the current financial year, Guardrisk Life identified several interrelated valuation and data errors affecting the measurement and presentation of a number of insurance and reinsurance contracts balances, which are detailed in note 1 to the financial statements.

Management exercises professional judgement and utilises assumptions and estimates to measure its insurance and reinsurance contracts issued or held, which comprise a diverse portfolio of contracts including long-term and short-term products. These judgements are made in the context of the measurement methods applied in the context of IFRS 17, which include the General Measurement Model (GMM), the Variable Fee Approach (VFA) and the Premium Allocation Approach (PAA).

The Present Value of Future Cash Flows (PVFCs) reflects management's best estimate of future net cash flows from insurance and reinsurance contracts, based on policy data and various financial and non-financial assumptions.

The following assumptions are considered key in the valuation of the PVFC's of insurance and reinsurance contract assets and liabilities:

- Mortality and morbidity assumptions;
- Persistency assumptions (including lapse, surrender and alteration rates);
- Directly attributable expenses (expense assumptions); and
- Economic assumptions (including risk free, inflation curves and illiquidity premiums).

Management applies complex models and methodologies in their measurement of the insurance and reinsurance contract assets and liabilities, which may materially impact the valuation thereof.

We considered the valuation of insurance and reinsurance contract assets and liabilities to be a matter of most significance to our current year audit of the consolidated financial statements due to:

- The significant judgements and high degree of estimation uncertainty inherent in the valuation of the insurance and reinsurance contract assets and liabilities;
- The complexity of the actuarial models and methodologies applied which increase the risk inherent in the valuations; and
- The significance of insurance and reinsurance contract assets and liabilities to the consolidated financial statements.

Using our actuarial expertise where applicable, we performed the following procedures with respect to this key audit matter. Where applicable, the procedures have been performed to support the valuation of the year end insurance and reinsurance contract assets and liabilities, as well as to support the testing of the Guardrisk Life restatement:

- Evaluated the models and methodology applied, considering whether they were appropriate based on our knowledge of the Group, industry standards, regulatory requirements, and the requirements of IFRS 17.
- Obtained an understanding of management's process for developing the core actuarial models and tested the design and implementation of key controls within the process.
- For material components of liabilities modelled outside the core actuarial system, we evaluated and tested the reasonability with reference to the applicable principles in IFRS 17.

For material portfolios measured using the GMM and VFA approaches, we considered the assumptions as follows:

- Evaluated the mortality, morbidity and persistency assumptions through reviewing management's experience analysis, and testing the inputs into the experience analyses, to evaluate whether the assumptions were a reasonable output thereof.
- Assessed the appropriateness of economic assumptions by comparing them to observable market variables, including discount rates (current and locked-in) and illiquidity premiums.
- Assessed the expense assumptions adopted by management with reference to the Group's underlying expense basis. In doing so, we also considered the relevant functional cost analyses, and the split of attributable and non-attributable expenses for consistency with the applicable requirements of IFRS 17.
- Reviewed the results of model reviews carried out as part of management's independent rolling model validation programme to ensure that models are fit for purpose and align with the requirements of IFRS 17.
- Identified model changes made during the year, and evaluated the material methodology, inputs and assumption changes against supporting data and the requirements of IFRS 17. We further validated the impact of material model changes implemented during the year by setting an expectation for the impact of the change and comparing it to the actual impact.
- Evaluated the build-up and changes in the different liability components (Best Estimate Liability (BEL), Risk Adjustment (RA) and Contractual Service Margin (CSM)), against our understanding of the business, prior year information alongside expected current year changes, and consistency with valuation basis changes.
- Independently tested the CSM, Loss Component (LC) and Loss Recovery Component (LoRC) roll-forwards disclosed in the financial statements using the audited underlying BEL and RA build-up inputs and compared the results to management's calculations.

For the Guardrisk Life restatement, we performed the following specific procedures, in addition to those that were applicable above:

- Inspected management's governance, documentation and rationale supporting the identified errors, model enhancements and resulting restatements, and evaluated these against the requirements of IFRS 17.
- Evaluated the application of the model changes and restatements to prior reporting periods and assessed whether the resulting adjustments were appropriately determined and recorded.
- Tested the classification of acquisition cost and assessed the assumptions applied in the valuation models against the requirements of IFRS 17.
- Using our IT expertise, evaluated the changes in the model data pre and post restatement to ensure that the data changes align with our understanding of the underlying model changes. Tested on a sample basis the accuracy and completeness of the model point data to supporting documentation.

For material portfolios measured using the PAA we:

- Performed independent testing for various components of the liability for incurred claims and liability for remaining coverage.

Outcome:

In performing the procedures above, we determined a range of possible values for the assets and liabilities, and compared them to management's amounts, noting no material differences.

INDEPENDENT AUDITORS' REPORT CONTINUED

To the shareholders of Momentum Group Limited

Key Audit Matter	How our audit addressed the key audit matter
2. Valuation of level 3 assets	

Refer to the following accounting policies and notes to the consolidated financial statements for the disclosures as it relates to this key audit matter:
• Note 5.1 (Owner-occupied properties)
• Note 6 (Investment properties)
• Note 8.1 (Financial assets at fair value through profit and loss)
• Note 8.6 (Financial assets fair value hierarchy)
• Note 43 (Valuation techniques)
• Note 45.5 (Material group accounting policies – Owner-occupied properties)
• Note 45.6 (Material group accounting policies – Investment properties)
• Note 45.7 (Material group accounting policies – Financial assets)
 	
The Group recognised certain assets within the asset categories below that are classified as level 3 in terms of IFRS Accounting Standard 13: Fair value measurements (IFRS 13), implying that their value is determined using unobservable inputs. The following level 3 assets have been recognised by the Group as at 30 June 2026 in this regard and are included in the scope of this key audit matter:
• Owner occupied properties (refer to note 5.1):
  – R3.0 billion
• Investment properties (refer to note 6):
  – R9.2 billion
• Financial assets (refer to note 8.6):
  – R6.4 billion
 	
Management exercises professional judgement and utilises assumptions and estimates to value these assets, as further explained below:
 	
Owner-occupied properties and investment properties
These assets are valued using a discounted cash flow (DCF) methodology which discounts the net rental income to the present, using the market rates applicable at reporting date; or income capitalisation approach based on the aggregate contractual or market-related rent receivable less associated costs. The significant assumptions and judgements applied in the DCF models are capitalisation rates, vacancy rates and discount rates.
	We performed the following procedures with respect to this key audit matter:
	
	Owner-occupied and Investment properties
	Evaluated the design and implementation of the controls supporting the valuations of investment properties by inspecting the minutes of the Investment Committee meetings, which included the appointment of experienced and qualified management experts and approvals of the valuations by the Investment Committee.
	
	Assessed the competence, objectivity and capabilities of the registered professional valuers appointed by management, by confirming their affiliation with applicable professional bodies, and inspecting their valuation reports and comparing their methodology to industry norms.
	
	Using our valuations expertise, for a sample of owner-occupied and investment properties, we assessed the reasonableness of the fair values by performing the following procedures:
	• Reviewed the methodology being used to determine the fair value against industry available information and the applicable IFRS 13 requirements. We compared the methodologies utilised to the prior year and evaluated the reasonability for any significant changes based on our understanding of the nature of the property.
	• Reviewed the assumptions underlying the calculation of fair value, ensuring that the assumptions reflect market participant assumptions and contractual data where applicable. We also considered whether the cash flows are reasonable with reference to contractual or market-linked cash flows as applicable.
	• Assessed whether the forecasts used in the valuation are consistent with market expectations and, where available, compared forecasts to up to date budgets and business plans that have been formally approved by management.
	• Evaluated the reasonability of the capitalisation rate, where applicable, and valuation adjustments, where applicable, taking into consideration relevant industry benchmarks and market data.
	• Assessed the reasonability of the discount rate, where applicable, against relevant market data, adjusted for property specific circumstances.
	• Independently recalculated the valuations utilising the inputs and assumptions referred to above, in accordance with the valuation approach, and compared our results with that of management.
	
	Outcome:
	In performing the procedures above, we determined a range of possible values for the applicable assets and compared them to management's valuations, noting no material differences.

Key Audit Matter	How our audit addressed the key audit matter

2. Valuation of level 3 assets continued

Key Audit Matter

Financial assets at fair value through profit or loss

- Equity securities: Where such assets are valued based on published prices, significant assumptions and judgement are applied with respect to adjustments made to those prices, due to low liquidity or trade inactivity. Where the valuation is based on a net asset value-based valuation model, significant assumptions and judgement are applied with respect to underlying property valuations impacted by capitalisation rates, vacancy rates and potential capitalisation of project costs.
- Debt instruments: Where such assets are valued using a DCF methodology, significant assumptions and judgements are applied with respect to discount rates, volatilities or yield curves. Where the valuation is based on published prices of listed debt instruments, judgement may be applied in adjusting these prices to account for low liquidity or trade inactivity.
- Unit-linked investments: Assets valued based on net asset values (NAVs) or adjusted NAVs are determined by underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics. Management may also apply judgement to determine if adjustment is required to such NAV values, due to significant changes in the above input variables. Assets may also be valued using a market approach such as a DCF or earning multiple methodology. Significant judgement applied in relation to these assets include the valuation multiple, enterprise value, surplus assets, excess liabilities, financial instrument ranking and/or discount rates.

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

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

How our audit addressed the key audit matter

Financial assets at fair value through profit or loss

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

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

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

For unit-linked investments we performed the following procedures:

- We obtained comfort over the units held in the relevant unit-linked investment fund by confirming them directly with external counterparties.
- In order to obtain comfort over the NAV price applied at year-end:
  - We obtained and evaluated the signed financial statements of the unit-linked investment fund and compared the audited NAV to the NAV price applied at year-end.
  - Where the year-end of the unit-linked investment fund was not coterminous, we further compared material NAV price movements to relevant observable market benchmarks for the comparable period.
- Where recent audited financial statements of the investee entity were not available, we obtained evidence on the NAV by performing appropriate audit procedures on the valuation of the underlying assets held within that investee entity, relative to the asset type. We recalculated the fair value of the investment in the unit-linked investment fund by multiplying the units held by the NAV price as at year-end.

Outcome:

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

INDEPENDENT AUDITORS' REPORT CONTINUED

To the shareholders of Momentum Group Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Momentum Group Annual Financial Statements – Audited results for the financial year ended 30 June 2026", which includes Certificate by the Group Company Secretary, Directors' Report, and Report of the Audit Committee as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the document titled "Momentum Group Integrated Report 2026", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditors' report thereon.

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Incorporated and Ernst & Young Incorporated have been the joint auditors of Momentum Group Limited for 2 years, and previous to that Ernst & Young Incorporated was the single auditor of Momentum Group Limited for 5 years (Ernst & Young Incorporated therefore having served 7 years in total).

Signed by:
PricewaterhouseCoopers Inc.
AE099EB252B141A...

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

15 September 2026

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

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

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

15 September 2026

3 Dock Road
V&A Waterfront
Cape Town
8001
South Africa

REPORT ON THE REVIEW OF THE GROUP EMBEDDED VALUE

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

Introduction

We have reviewed the Report on Group Embedded Value of Momentum Group Limited and its subsidiaries ("the Group") as at 30 June 2026, as set out on pages 11 to 29 (the "Report"). The Report is prepared for the purpose of setting out the embedded value of the Group. The directors of Momentum Group Limited are responsible for the preparation and presentation of the Report in accordance with the embedded value basis set out in the Basis of Preparation set out on page 11 of the Report and for determining that the basis of preparation is acceptable in the circumstances. Our responsibility is to express a conclusion on this Report based on our review.

Scope of review

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

Conclusion

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

Basis of Accounting and Restriction on Use

Without modifying our conclusion, we draw attention to page 11 of the Report, which describes the Basis of Preparation. The Report is prepared to set out the embedded value of the Group. As a result, the Report may not be suitable for another purpose. Our report is intended solely for the directors of Momentum Group Limited and should not be used by any other parties. We agree to the publication of our report in the Momentum Group Annual Financial Statements Audited Results for the year ended 30 June 2026 provided it is clearly understood by the recipients of the Momentum Group Annual Financial Statements Audited Results for the year ended 30 June 2026 that they enjoy receipt of our report for information only and that we accept no duty of care to them in respect of our report.

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

15 September 2026

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

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

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

15 September 2026

3 Dock Road
V&A Waterfront
Cape Town
8001
South Africa

REPORT ON GROUP EMBEDDED VALUE

at 30 June 2026

Basis of preparation

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

Embedded value reporting methodology

The EV methodology for covered business is as follows:

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

Reporting segmentation

The Group has aligned its segmental reporting with the updated operating model and the comparatives have been adjusted accordingly. Refer to Annexure C of the Financial Statements for more information.

Covered and non-covered business

All insurance business underwritten by regulated life insurance companies of the Group (except Guardrisk) is included as covered business. This includes Momentum Metropolitan Life and the life insurance businesses in Namibia, Botswana and Lesotho. In addition, the off-balance sheet investment business written through the Momentum Wealth platform (both local and offshore) is included as covered business to be consistent with the on-balance sheet Wealth business. Also included as covered business is Momentum Wealth Namibia. Non-covered business includes the directors' valuations of the investment management entities, the health operations (both local and international), non-life insurance operations, the Guardrisk entities, as well as other non-insurance entities.

Momentum Metropolitan Life Ltd required capital

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

Other covered business

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

Assets backing required capital

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

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2026

Assumptions

Changes in bases and assumptions

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

Economic Assumptions

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

Economic assumptions (South Africa) – covered business[1]	30.06.2026 %	30.06.2025 %
Risk-free spot rates – nominal[2]		
1 year	**7.4**	7.2
5 years	**8.1**	9.0
10 years	**8.9**	10.9
20 years	**9.5**	13.0
Risk-free spot rates – real[2]		
1 year	**2.3**	3.6
5 years	**3.7**	4.7
10 years	**4.0**	5.0
20 years	**4.2**	5.4
Expense inflation spot rates[3]		
1 year	**4.0**	5.0
5 years	**4.3**	4.1
10 years	**4.6**	5.6
20 years	**5.1**	7.2
Real world asset return assumptions[4]		
Equities	**11.9**	11.7
Properties	**9.9**	9.7
Government stock	**8.8**	10.2
Corporate debt[5]	**8.9**	8.6
Money market	**8.0**	7.6
Illiquidity premium – retail annuities[6]	**0.35**	0.35
Illiquidity premium – corporate annuities[6]	**0.50**	0.50
Risk allowance – annual renewable insurance business[7]	**2.5**	2.5
Risk allowance – investment business[7]	**1.5**	1.5
Cost of capital rate	**1.9**	2.2

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

2 Risk-free interest rate curves are derived from observable government bond market yields. Beyond the maturity date of the longest government bond, the Group applies an extrapolation methodology to derive long-term rates, assuming an ultimate spot rate of 9.3% p.a. (30.06.2025: 10.0% p.a.). The ultimate spot rate was revised at 31 December 2025 following the South African Reserve Bank's revision of the long-term inflation target to 3% p.a.

3 An inflation rate of 4.0% p.a. (30.06.2025: 5.0% p.a.) is used over the planning horizon (three years) whereafter the inflation rate is derived from market inputs as the difference between nominal and real yields across the term structure of these curves. An addition to the expense inflation assumption quoted is allowed for in some divisions to reflect the impact of closed books that are in run-off.

4 One-year expected asset returns are used for the analysis of EV earnings over the reporting period. These returns are not capitalised in the EV.

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

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

7 The net of tax risk discount rate for annual renewable insurance contracts is the risk-free return + 2.50%, and for covered investment contracts it is the risk-free return + 1.50%.

Non-economic

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

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

Embedded value results	2026 Rm	2025 Rm
Covered business		
Equity attributable to owners of the parent	**34 521**	32 550
Fair value adjustments on Metropolitan business acquisition and other consolidation adjustments	**104**	(20)
Net assets – non-covered business within life insurance companies	**(3 654)**	(4 126)
Net assets – non-covered business outside life insurance companies	**(8 379)**	(9 118)
Diluted adjusted net worth (ANW) – covered business	**22 592**	19 286
Net value of in-force business	**22 331**	20 769
Diluted embedded value – covered business	**44 923**	40 055
Non-covered business		
Net assets – non-covered business within life insurance companies	**3 654**	4 126
Net assets – non-covered business outside life insurance companies	**8 379**	9 118
Consolidation adjustments[1]	**(195)**	(250)
Adjustments for dilution[2]	**1 006**	982
Diluted adjusted net worth – non-covered business	**12 844**	13 976
Write-up to directors' value (DV)	**8 824**	3 822
Non-covered business	**12 847**	7 286
Holding company expenses[3]	**(3 141)**	(2 254)
International holding company expenses[3]	**(882)**	(1 210)
Diluted embedded value – non-covered business	**21 668**	17 798
Diluted adjusted net worth	**35 436**	33 262
Net value of in-force business	**22 331**	20 769
Write-up to directors' value	**8 824**	3 822
Diluted embedded value	**66 591**	57 853
Required capital – covered business (adjusted for qualifying debt)[4]	**13 402**	10 248
Free surplus – covered business	**9 190**	9 038
Diluted embedded value per share (cents)	**5 060**	4 251
Diluted adjusted net worth per share (cents)	**2 693**	2 444
Number of shares in issue (million)	**1 316**	1 361
Return on embedded value (%) – annualised internal rate of return	**22.3**	17.9

1 Consolidation adjustments include mainly goodwill and intangibles in subsidiaries that are eliminated.
2 Liabilities related to the iSabelo employee incentive scheme are deemed external to the Group in the EV analysis.
3 The holding company expenses reflect the present value of projected recurring head office expenses. The increase in the present value of projected expenses was due to the reduction in the real yields over the period.
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 R19 039 million (30.06.2025: R14 630 million) and is adjusted for qualifying debt of R5 637 million (30.06.2025: R4 382 million). The increase in required capital was primarily driven by higher solvency capital requirements and risk margin following the reduction in nominal yields over the period.

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2026

Analysis of net value of in-force business	2026 Rm	2025 Rm
Momentum Retail	**7 006**	7 452
Gross value of in-force business	**8 275**	8 196
Less cost of required capital	**(1 269)**	(744)
Momentum Investments[1]	**4 842**	4 394
Gross value of in-force business	**4 896**	4 410
Less cost of required capital	**(54)**	(16)
Metropolitan Life	**3 125**	3 106
Gross value of in-force business	**3 425**	3 215
Less cost of required capital	**(300)**	(109)
Momentum Corporate	**5 792**	4 035
Gross value of in-force business	**6 373**	4 698
Less cost of required capital	**(581)**	(663)
Momentum Africa[1]	**1 527**	1 711
Gross value of in-force business	**1 885**	2 048
Less cost of required capital	**(358)**	(337)
Shareholders[2]	**39**	71
Gross value of in-force business	**39**	71
Less cost of required capital	**–**	–
Net value of in-force business	**22 331**	20 769

1 Included in covered business is Wealth business not deemed to be long-term insurance business with a value of in-force of R392 million (30.06.2025: R271 million) for Momentum Investments and negative R11 million (30.06.2025: R3 million) for Momentum Africa.
2 A VIF has been placed on the deferred tax relating to the IFRS 17 phase-in period.

Embedded value by segment – covered business	Adjusted net worth Rm	Net value of in-force Rm	2026 Rm	2025 Rm
Momentum Retail	**6 850**	**7 006**	**13 856**	11 852
Momentum Investments	**1 654**	**4 842**	**6 496**	5 050
Metropolitan Life	**3 000**	**3 125**	**6 125**	5 131
Momentum Corporate	**4 050**	**5 792**	**9 842**	8 560
Momentum Africa	**3 485**	**1 527**	**5 012**	4 735
Operating segments	**19 039**	**22 292**	**41 331**	35 328
Qualifying debt	**(5 637)**	**–**	**(5 637)**	(4 382)
Free surplus[1]	**9 190**	**39**	**9 229**	9 109
Total covered business	**22 592**	**22 331**	**44 923**	40 055

1 Discretionary and surplus capital amounted to R5 567 million (30.06.2025: R5 861 million). The balance of free surplus consists mainly of profits under transfer, covered subsidiaries' adjusted net worth and the excess hedge position in respect of the Group's long-term incentive liabilities.

Embedded value by segment – non-covered business	Adjusted net worth Rm	Write-up to directors' value Rm	2026 Rm	Restated 2025* Rm
Momentum Retail	377	–	377	378
Other	377	–	377	378
Momentum Investments	1 613	2 385	3 998	3 053
Investment and savings	1 432	2 406	3 838	2 902
Momentum Money	181	(21)	160	151
Momentum Corporate	236	(632)	(396)	(87)
Other	236	(632)	(396)	(87)
Momentum Health	1 042	2 733	3 775	2 163
Health[1]	941	3 006	3 947	2 328
Momentum Multiply	101	(273)	(172)	(165)
Guardrisk	3 638	5 557	9 195	6 771
Non-life insurance	77	93	170	107
Cell captives[2]	3 561	5 464	9 025	6 664
Momentum Insure	1 709	1 223	2 932	2 296
Non-life insurance	1 698	1 223	2 921	2 283
Other	11	–	11	13
Momentum Africa	42	(829)	(787)	(877)
Life insurance[3]	–	–	–	112
Health	143	–	143	207
Other	(101)	53	(48)	14
International holding company expenses	–	(882)	(882)	(1 210)
India	1 505	1 528	3 033	2 729
India[4]	1 505	1 528	3 033	2 729
Shareholders	2 682	(3 141)	(459)	1 372
Other	2 682	–	2 682	3 626
Holding company expenses	–	(3 141)	(3 141)	(2 254)
Total non-covered business	12 844	8 824	21 668	17 798
Total embedded value	35 436	31 155	66 591	57 853

* The Group has aligned its segmental reporting with the updated operating model and the comparatives have been adjusted accordingly. Refer to Annexure C of the Financial Statements for more information.

1 The increase in the directors' valuation reflects a material improvement in the future revenue outlook and a positive contribution from management's cost optimisation strategy.

2 The increase in the directors' valuation is supported by earnings growth.

3 The Group has exited its operations in the Ghanaian market.

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

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2026

		Covered business				
Analysis of changes in Group embedded value	Notes	**Adjusted net worth Rm**	**Gross value of in-force Rm**	**Cost of required capital Rm**	**12 mths to 30.06.2026 Total EV Rm**	**12 mths to 30.06.2025 Total EV Rm**
Profit from new business	A, D	(773)	1 350	(86)	**491**	469
Profit from existing business		4 722	504	(609)	**4 617**	4 682
Expected return	B. D	–	2 616	(148)	**2 468**	2 299
Expected real world investment return	C	264	442	–	**706**	898
Release of the cost of capital	D	–	–	303	**303**	347
Expected (or actual) net of tax profit transfer to net worth	E	4 027	(4 027)	–	**–**	–
Operating experience variances	F	378	581	–	**959**	663
Development expenses	G	(62)	–	–	**(62)**	(76)
Operating assumption changes	H	115	892	–	**1 007**	621
Change in cost of capital	D	–	–	(764)	**(764)**	(70)
Embedded value profit/(loss) from operations		3 949	1 854	(695)	**5 108**	5 151
Investment return on adjusted net worth	I	1 128	–	–	**1 128**	1 094
Investment market related variances	J	212	264	–	**476**	794
Exchange rate movements	K	(51)	(50)	–	**(101)**	(6)
Exceptional items	L	–	–	–	**–**	(51)
Embedded value profit/(loss) – covered business		5 238	2 068	(695)	**6 611**	6 982
Transfer of business to non-covered business	M	–	187	2	**189**	–
Other capital transfers	N	1 092	–	–	**1 092**	(132)
Dividend paid		(3 024)	–	–	**(3 024)**	(3 874)
Change in embedded value – covered business		3 306	2 255	(693)	**4 868**	2 976
Non-covered business						
Change in directors' valuation and other items					**6 856**	2 306
Change in holding company expenses					**(559)**	10
Embedded value profit/(loss) – non-covered business					**6 297**	2 316
Transfer of business from covered business	M				**(189)**	–
Other capital transfers	N				**(1 092)**	132
Dividend received					**3 024**	3 874
Dividend paid					**(2 589)**	(2 021)
Allowance for shareholder flows related to iSabelo transaction					**23**	74
Shares repurchased					**(1 604)**	(1 403)
Change in embedded value – non-covered business					**3 870**	2 972
Total change in Group embedded value					**8 738**	5 948
Total embedded value profit					**12 908**	9 298
Return on embedded value (%) – annualised internal rate of return					**22.3**	17.9

Analysis of changes in Group embedded value	Adjusted net worth Rm	Gross value of in-force Rm	Cost of required capital Rm	12 mths to 30.06.2026 Rm	12 mths to 30.06.2025 Rm
Momentum Retail					
Profit from new business	(131)	258	(29)	**98**	45
Expected return	–	1 001	(54)	**947**	961
Expected real world investment return	(118)	120	–	**2**	29
Release of the cost of capital	–	–	96	**96**	96
Expected (or actual) net of tax profit transfer to net worth	1 322	(1 322)	–	**–**	–
Operating experience variances	81	84	–	**165**	147
Development expenses	(31)	–	–	**(31)**	(44)
Operating assumption changes	(91)	(50)	–	**(141)**	(323)
Change in cost of capital	–	–	(538)	**(538)**	(64)
Embedded value profit/(loss) from operations	1 032	91	(525)	**598**	847
Investment return on adjusted net worth	301	–	–	**301**	163
Investment market related variances	(320)	(12)	–	**(332)**	247
Embedded value profit/(loss) – covered business	1 013	79	(525)	**567**	1 257
Momentum Investments					
Profit from new business	(171)	498	30	**357**	509
Expected return	–	428	(1)	**427**	371
Expected real world investment return	168	89	–	**257**	268
Release of the cost of capital	–	–	13	**13**	19
Expected (or actual) net of tax profit transfer to net worth	733	(733)	–	**–**	–
Operating experience variances	50	14	–	**64**	(85)
Development expenses	(4)	–	–	**(4)**	(4)
Operating assumption changes	17	301	–	**318**	312
Change in cost of capital	–	–	(80)	**(80)**	(56)
Embedded value profit/(loss) from operations	793	597	(38)	**1 352**	1 334
Investment return on adjusted net worth	35	–	–	**35**	59
Investment market related variances	131	(111)	–	**20**	230
Embedded value profit/(loss) – covered business	959	486	(38)	**1 407**	1 623
Metropolitan Life					
Profit from new business	(85)	151	(6)	**60**	(13)
Expected return	–	419	(8)	**411**	348
Expected real world investment return	44	147	–	**191**	223
Release of the cost of capital	–	–	35	**35**	63
Expected (or actual) net of tax profit transfer to net worth	708	(708)	–	**–**	–
Operating experience variances	102	121	–	**223**	244
Development expenses	(24)	–	–	**(24)**	(15)
Operating assumption changes	114	94	–	**208**	411
Change in cost of capital	–	–	(212)	**(212)**	113
Embedded value profit/(loss) from operations	859	224	(191)	**892**	1 374
Investment return on adjusted net worth	115	–	–	**115**	108
Investment market related variances	178	(14)	–	**164**	54
Embedded value profit/(loss) – covered business	1 152	210	(191)	**1 171**	1 536

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2026

Analysis of changes in Group embedded value	Adjusted net worth Rm	Gross value of in-force Rm	Cost of required capital Rm	12 mths to 30.06.2026 Rm	12 mths to 30.06.2025 Rm
Momentum Corporate					
Profit from new business	(161)	189	(35)	**(7)**	(51)
Expected return	–	509	(49)	**460**	406
Expected real world investment return	212	50	–	**262**	349
Release of the cost of capital	–	–	99	**99**	97
Expected (or actual) net of tax profit transfer to net worth	882	(882)	–	**–**	–
Operating experience variances	28	435	–	**463**	578
Development expenses	(3)	–	–	**(3)**	(3)
Operating assumption changes	102	811	–	**913**	391
Change in cost of capital	–	–	65	**65**	(95)
Embedded value profit/(loss) from operations	1 060	1 112	80	**2 252**	1 672
Investment return on adjusted net worth	230	–	–	**230**	165
Investment market related variances	149	376	–	**525**	214
Embedded value profit/(loss) – covered business	1 439	1 488	80	**3 007**	2 051
Momentum Africa					
Profit from new business	(225)	254	(46)	**(17)**	(21)
Expected return	–	255	(36)	**219**	205
Expected real world investment return	(42)	36	–	**(6)**	29
Release of the cost of capital	–	–	60	**60**	72
Expected (or actual) net of tax profit transfer to net worth	351	(351)	–	**–**	–
Operating experience variances	30	(73)	–	**(43)**	(79)
Development expenses	–	–	–	**–**	(10)
Operating assumption changes	(27)	(264)	–	**(291)**	(170)
Change in cost of capital	–	–	1	**1**	32
Embedded value profit/(loss) from operations	87	(143)	(21)	**(77)**	58
Investment return on adjusted net worth	347	–	–	**347**	315
Investment market related variances	48	30	–	**78**	6
Exchange rate movements	(51)	(50)	–	**(101)**	(6)
Embedded value profit/(loss) – covered business	431	(163)	(21)	**247**	373
Shareholders					
Expected return	–	4	–	**4**	8
Expected (or actual) net of tax profit transfer to net worth	31	(31)	–	**–**	–
Operating experience variances	87	–	–	**87**	(142)
Embedded value profit/(loss) from operations	118	(27)	–	**91**	(134)
Investment return on adjusted net worth	100	–	–	**100**	284
Investment market related variances	26	(5)	–	**21**	43
Exceptional items	–	–	–	**–**	(51)
Embedded value profit/(loss) – covered business	244	(32)	–	**212**	142

A. Value of new business (VNB)

In determining the VNB for retail and traditional corporate business:

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

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

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

The present value of new business premiums (PVNBP) is calculated at the risk-free discount rate.

Reconciliation of lump sum inflows	12 mths to 30.06.2026 Rm	12 mths to 30.06.2025 Rm
Total lump sum inflows	**66 252**	51 467
Inflows not included in value of new business	**(15 615)**	(6 471)
Wealth off-balance sheet business	**17 459**	13 177
Term extensions on maturing policies	**185**	147
Automatically Continued Policies	**1 788**	1 800
Non-controlling interests and other adjustments	**(2)**	19
Single premiums included in value of new business	**70 067**	60 139

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2026

A. Value of new business (VNB) continued

Value of new business[1, 2]	Momentum Retail Rm	Momentum Investments[3] Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Africa[3] Rm	Total Rm
12 mths to 30.06.2026						
Value of new business	**98**	**357**	**60**	**(7)**	**(17)**	**491**
Gross	**127**	**327**	**66**	**28**	**29**	**577**
Less cost of required capital[4]	**(29)**	**30**	**(6)**	**(35)**	**(46)**	**(86)**
New business premiums	**4 281**	**56 202**	**2 816**	**8 963**	**2 416**	**74 678**
Recurring premiums	**1 201**	**354**	**1 339**	**1 005**	**712**	**4 611**
Protection	**494**	**–**	**894**	**344**	**451**	**2 183**
Long-term savings	**707**	**325**	**439**	**659**	**259**	**2 389**
Annuities[5]	**–**	**29**	**6**	**2**	**2**	**39**
Single premiums	**3 080**	**55 848**	**1 477**	**7 958**	**1 704**	**70 067**
Protection	**–**	**–**	**–**	**–**	**38**	**38**
Long-term savings	**3 080**	**50 547**	**260**	**7 869**	**778**	**62 534**
Annuities	**–**	**5 301**	**1 217**	**89**	**888**	**7 495**
New business premiums (APE)	**1 509**	**5 939**	**1 487**	**1 801**	**883**	**11 619**
Protection	**494**	**–**	**894**	**344**	**455**	**2 187**
Long-term savings	**1 015**	**5 380**	**465**	**1 446**	**337**	**8 643**
Annuities	**–**	**559**	**128**	**11**	**91**	**789**
Present value of new business premiums (PVNBP)	**9 439**	**57 400**	**5 578**	**16 172**	**5 211**	**93 800**
Profitability of new business as a percentage of APE	**6.5**	**6.0**	**4.0**	**(0.4)**	**(1.9)**	**4.2**
Profitability of new business as a percentage of PVNBP	**1.0**	**0.6**	**1.1**	**(0.0)**	**(0.3)**	**0.5**
12 mths to 30.06.2025						
Value of new business	45	509	(13)	(51)	(21)	469
Gross	83	465	(2)	(31)	11	526
Less cost of required capital[4]	(38)	44	(11)	(20)	(32)	(57)
New business premiums	3 785	48 345	3 413	7 117	1 669	64 329
Recurring premiums	1 105	280	1 608	674	523	4 190
Protection	486	–	1 035	204	217	1 942
Long-term savings	619	256	566	468	305	2 214
Annuities[5]	–	24	7	2	1	34
Single premiums	2 680	48 065	1 805	6 443	1 146	60 139
Protection	–	–	–	–	49	49
Long-term savings	2 680	40 788	381	6 172	492	50 513
Annuities	–	7 277	1 424	271	605	9 577
New business premiums (APE)	1 373	5 087	1 788	1 318	638	10 204
Protection	486	–	1 035	204	222	1 947
Long-term savings	887	4 335	604	1 085	354	7 265
Annuities	–	752	149	29	62	992
Present value of new business premiums (PVNBP)	8 720	49 279	6 462	11 730	3 602	79 793
Profitability of new business as a percentage of APE	3.3	10.0	(0.7)	(3.9)	(3.3)	4.6
Profitability of new business as a percentage of PVNBP	0.5	1.0	(0.2)	(0.4)	(0.6)	0.6

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 economic assumptions. Point of sale economic assumptions have been used for life annuity and guaranteed endowment business.
3 Included in covered business is Wealth business not deemed to be long-term insurance business with value of new business of R38 million (30.06.2025: R43 million) for Momentum Investments and R8 million (30.06.2025: R0 million) for Momentum Africa.
4 Momentum Investments is a net provider of capital to the other segments and therefore contributes positively to the overall cost of required capital.
5 Recurring premiums on Annuity business relate mainly to the whole-of-life portion of Capital Protector Annuities.

B. Expected return

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

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

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

C. Expected real world investment return

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

D. Cost of required capital

The expected change in the cost of required capital over the reporting period consists of the unwind, shown under "Expected return", and the expected release of frictional cost incurred over the year, shown under "Release of the cost of capital". The impact of new business added is shown under "Profit from new business", with the balance of movement shown under "Change in cost of capital". The significant increase in cost of required capital over the period was driven by the reduction in yields, resulting in a higher level of required capital.

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

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

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2026

F. Operating experience variances

Operating experience variances	Present value of future profits Rm	Contractual service margin Rm	Risk adjustment Rm	Adjusted net worth Rm	Gross value of in-force Rm	12 mths to 30.06.2026 EV Rm
Momentum Retail	240	(132)	(27)	81	84	**165**
Mortality and morbidity	296	(38)	(1)	257	44	**301**
Terminations, premium cessations and policy alterations	114	(241)	(35)	(162)	192	**30**
Expense variance	43	–	–	43	–	**43**
Other	(213)	147	9	(57)	(152)	**(209)**
Momentum Investments	103	(54)	1	50	14	**64**
Mortality and morbidity	48	(49)	1	–	49	**49**
Terminations, premium cessations and policy alterations	9	(5)	–	4	(115)	**(111)**
Expense variance	(20)	–	–	(20)	–	**(20)**
Other	66	–	–	66	80	**146**
Metropolitan Life	174	(90)	18	102	121	**223**
Mortality and morbidity	116	(5)	(5)	106	3	**109**
Terminations, premium cessations and policy alterations	36	(68)	12	(20)	94	**74**
Expense variance	14	(3)	–	11	3	**14**
Other	8	(14)	11	5	21	**26**
Momentum Corporate	86	(20)	(38)	28	435	**463**
Mortality and morbidity	98	(17)	(37)	44	17	**61**
Terminations, premium cessations and policy alterations	(17)	(3)	(1)	(21)	418	**397**
Expense variance	(28)	–	–	(28)	–	**(28)**
Other	33	–	–	33	–	**33**
Momentum Africa	(26)	52	4	30	(73)	**(43)**
Mortality and morbidity	58	14	(3)	69	(14)	**55**
Terminations, premium cessations and policy alterations	9	21	2	32	(61)	**(29)**
Expense variance	4	7	–	11	(7)	**4**
Other	(97)	10	5	(82)	9	**(73)**
Shareholders	87	–	–	87	–	**87**
Total operating experience variances	664	(244)	(42)	378	581	**959**

F. Operating experience variances continued

Notes on the operating experience variances

Momentum Retail

- The protection business had better-than-expected experience across both mortality and morbidity benefits. The traditional business also contributed marginally to the experience observed.
- Protection business contributed profitable lapse and alteration experience, offset by some negative persistency experience in long-term savings business (shown as VIF only).
- Other variances reflect the increase in reinsurance premium rates on protection business implemented during the current reporting period.

Momentum Investments

- Positive mortality experience variances were reported for life annuities in line with the prior period.
- Negative surrender and adverse fee alteration experience was observed in the long-term savings business, particularly on the local Wealth platform business.
- The negative expense variance relates to a one-off expense on long-term savings business.
- The majority of the "Other" profit relates to the release of expense provisions and refunds received following amendments to supplier contracts.

Metropolitan Life

- Mortality experience profit is mostly driven by better-than-expected funeral mortality experience. While morbidity experience has remained consistent, the annuity longevity remained in line with expectations following the basis update at June 2025.
- The profit from premium cessations is driven by a marked improvement in premium escalation cancellation rates experienced.
- Expense experience contributed positively to the earnings following good expense management, transaction automation and conclusion of the multi-year migration project.

Momentum Corporate

- Positive mortality and morbidity experience continue on group life and with-profit annuity business, offset to some extent by adverse longevity experience on CPI-linked annuities.
- Favourable termination experience is due to better-than-expected retention of group insurance schemes and positive experience variances on gross written premiums received on group schemes. There were also lower-than-expected terminations and cash withdrawals of long-term savings business.
- One-off expenses on IT modernisation detracted from expense experience.
- Other variances reflect higher than anticipated fee income on long-term savings contracts.

Momentum Africa

- Mortality experience variance was driven by positive group life business in Lesotho following the strong growth in new business in the prior year and retail protection business in Namibia.
- The loss of corporate funeral schemes in Botswana impacted terminations.
- Other variances reflect the increase in reinsurance premium rates implemented during the current reporting period.

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2026

F. Operating experience variances continued

Operating experience variances	Adjusted net worth Rm	Gross value of in-force Rm	12 mths to 30.06.2025 EV Rm
Momentum Retail	65	82	147
Mortality and morbidity	216	7	223
Terminations, premium cessations and policy alterations	(21)	41	20
Expense variance	40	–	40
Change in risk adjustment	(3)	–	(3)
Other	(135)	1	(134)
Contractual service margin transfer	(32)	33	1
Momentum Investments	(48)	(37)	(85)
Mortality and morbidity	40	–	40
Terminations, premium cessations and policy alterations	(1)	(96)	(97)
Expense variance	(9)	–	(9)
Change in risk adjustment	–	–	–
Other	(15)	(4)	(19)
Contractual service margin transfer	(63)	63	–
Metropolitan Life	28	216	244
Mortality and morbidity	103	(1)	102
Terminations, premium cessations and policy alterations	141	63	204
Expense variance	(73)	–	(73)
Change in risk adjustment	15	–	15
Other	21	(24)	(3)
Contractual service margin transfer	(179)	178	(1)
Momentum Corporate	384	194	578
Mortality and morbidity	540	–	540
Terminations, premium cessations and policy alterations	(25)	188	163
Expense variance	(97)	–	(97)
Change in risk adjustment	(26)	–	(26)
Other	(2)	–	(2)
Contractual service margin transfer	(6)	6	–
Momentum Africa	(39)	(40)	(79)
Mortality and morbidity	21	–	21
Terminations, premium cessations and policy alterations	(15)	(8)	(23)
Expense variance	(23)	–	(23)
Change in risk adjustment	2	–	2
Other	(52)	(4)	(56)
Contractual service margin transfer	28	(28)	–
Shareholders	(142)	–	(142)
Total operating experience variances	248	415	663

G. Development expenses

Business development expenses within segments.

H. Operating assumption changes

Operating assumption changes	Present value of future profits Rm	Contractual service margin Rm	Risk adjustment Rm	Adjusted net worth Rm	Gross value of in-force Rm	12 mths to 30.06.2026 EV Rm
Momentum Retail	(160)	(8)	77	(91)	(50)	**(141)**
Mortality and morbidity assumptions	354	(213)	23	164	213	**377**
Termination assumptions	(1)	–	(2)	(3)	(82)	**(85)**
Renewal expense assumptions	(27)	(35)	(24)	(86)	26	**(60)**
Modelling, methodology and other changes	(486)	240	80	(166)	(207)	**(373)**
Momentum Investments	85	63	(131)	17	301	**318**
Mortality and morbidity assumptions	(25)	71	(3)	43	(72)	**(29)**
Termination assumptions	–	–	–	–	(207)	**(207)**
Renewal expense assumptions	101	(138)	16	(21)	691	**670**
Modelling, methodology and other changes	9	130	(144)	(5)	(111)	**(116)**
Metropolitan Life	157	(52)	9	114	94	**208**
Mortality and morbidity assumptions	114	(3)	(3)	108	10	**118**
Termination assumptions	(8)	16	(15)	(7)	(13)	**(20)**
Renewal expense assumptions	(224)	66	(10)	(168)	(9)	**(177)**
Modelling, methodology and other changes	275	(131)	37	181	106	**287**
Momentum Corporate	141	(70)	31	102	811	**913**
Mortality and morbidity assumptions	(84)	7	9	(68)	586	**518**
Termination assumptions	–	–	–	–	212	**212**
Renewal expense assumptions	98	(73)	5	30	51	**81**
Modelling, methodology and other changes	127	(4)	17	140	(38)	**102**
Momentum Africa	(194)	171	(4)	(27)	(264)	**(291)**
Mortality and morbidity assumptions	36	(27)	1	10	23	**33**
Termination assumptions	6	(6)	–	–	(42)	**(42)**
Renewal expense assumptions	(313)	189	(3)	(127)	(196)	**(323)**
Modelling, methodology and other changes	77	15	(2)	90	(49)	**41**
Total operating assumption changes	29	104	(18)	115	892	**1 007**

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2026

H. Operating assumption changes continued

Notes on the operating assumption changes

Momentum Retail

- Positive mortality changes were implemented for protection business to align with experience.
- The persistency basis of long-term savings business was updated. An additional allowance for two-pot withdrawals was included in anticipation of the experience in the corporate retirement book.
- The negative expense change is driven primarily by an increase to the book shrinkage assumption applied on traditional business. This is partly offset by the lower expected expense inflation over the planning horizon and lower per-policy expense assumptions on protection and long-term savings businesses.
- Other includes reinsurance modelling changes for the protection business.

Momentum Investments

- The mortality rates were reduced for the Back-to-Back product, resulting in a negative impact on the life annuity policy component. This impact is partially offset by a profit on the whole life protection component.
- Termination rate assumptions were updated to align with positive experience on the long-term savings business. This benefit was offset by changes in the alterations where allowance for tiered fees resulted in lower projected administration fee income.
- The book shrinkage assumption was removed and the fixed expense inflation assumption over the planning horizon was reduced. The per-policy expense assumption was also reduced for long-term savings business.
- The anticipated low-yield environment requires a recalibration of the risk adjustment on life annuities.

Metropolitan Life

- The mortality and morbidity assumptions were updated for protection business following sustained favourable experience.
- Protection termination assumptions were amended following marginally weaker recent experience.
- Expense assumptions were updated in line with projected expenses and now include the introduction of a book shrinkage factor for long-term savings business.
- Other assumptions relate to the net impact of reserve changes following the conclusion of the migration project and data enhancements.

Momentum Corporate

- Increase in the group life underwriting margin assumption and updated recovery rates for claims in payment benefits were partially offset by strengthening of the impaired mortality continuation assurance option assumption.
- Persistency improvements are as a result of reduced termination assumptions for group life risk and long-term savings products.
- The renewal expense basis, including the asset management expense assumptions and expense allocations by product, was updated.
- Impact of modelling changes includes the Income disability incurred but not reported (IBNR) methodology on group life business review, a review of the calculation of stochastic guaranteed liabilities on CPI-linked life annuities and long-term savings business as well as a review of the calculation of administration fees on long-term savings business.

Momentum Africa

- Protection mortality for individuals was lightened in line with experience.
- Higher termination assumptions reflect the exposure in the Lesotho corporate long-term savings business following recent scheme terminations.
- Additional expenses were allocated to the life entities having previously been carried by the international centre, increasing the expense reserves significantly.
- Modelling improvements include a refinement in the Namibia business and pre-paid reinsurance.

H. Operating assumption changes continued

Operating assumption changes	Adjusted net worth Rm	Gross value of in-force Rm	12 mths to 30.06.2025 EV Rm
Momentum Retail	79	(402)	(323)
Mortality and morbidity assumptions	(24)	(13)	(37)
Termination assumptions	(322)	4	(318)
Renewal expense assumptions	(31)	(47)	(78)
Change in risk adjustment	82	–	82
Modelling, methodology and other changes	28	3	31
Contractual service margin transfer	346	(349)	(3)
Momentum Investments	16	296	312
Mortality and morbidity assumptions	242	1	243
Termination assumptions	–	–	–
Renewal expense assumptions	(200)	357	157
Change in risk adjustment	(18)	–	(18)
Modelling, methodology and other changes	–	(70)	(70)
Contractual service margin transfer	(8)	8	–
Metropolitan Life	75	336	411
Mortality and morbidity assumptions	211	(2)	209
Termination assumptions	143	2	145
Renewal expense assumptions	(117)	(37)	(154)
Change in risk adjustment	(45)	–	(45)
Modelling, methodology and other changes	262	(7)	255
Contractual service margin transfer	(379)	380	1
Momentum Corporate	125	266	391
Mortality and morbidity assumptions	72	(46)	26
Termination assumptions	11	125	136
Renewal expense assumptions	(78)	(385)	(463)
Change in risk adjustment	(3)	–	(3)
Modelling, methodology and other changes	43	652	695
Contractual service margin transfer	80	(80)	–
Momentum Africa	(35)	(135)	(170)
Mortality and morbidity assumptions	60	(47)	13
Termination assumptions	(9)	(103)	(112)
Renewal expense assumptions	(39)	(43)	(82)
Change in risk adjustment	24	–	24
Modelling, methodology and other changes	(13)	–	(13)
Contractual service margin transfer	(58)	58	–
Total operating assumption changes	260	361	621

REPORT ON GROUP EMBEDDED VALUE CONTINUED

at 30 June 2026

I. Investment return on adjusted net worth

Investment return on adjusted net worth	12 mths to 30.06.2026 Rm	12 mths to 30.06.2025 Rm
Investment income	**1 197**	921
Capital appreciation and other	**(69)**	173
Investment return on adjusted net worth	**1 128**	1 094

J. Investment market related variances

Investment market related variances represent the impact of higher/lower than assumed investment returns over the reporting period as well as the impact of economic assumption changes at the reporting date.

Over the reporting period nominal and real yields reduced substantially.

- Momentum Retail experienced overall negative market experience mostly on the protection business due to the lower yields observed over the period at unhedgeable durations.
- For Momentum Investments, the life annuity business benefited from the lower yields and spread earnings. The value in-force experience is negative on the long-term savings business due to the lower yield (discount impact on future expense profile) as well as the negative impact on the offshore business due to the appreciation of the South African Rand over the reporting period.
- Metropolitan Life's earnings were similarly supported by the life annuity business, which benefited from lower yields and favourable spread earnings. This was partially offset by the effect of lower yield curves in the protection and long-term savings businesses.
- Momentum Corporate's earnings also relate to its annuity and morbidity income claims in payment portfolios due to the lower yields and spread earnings. The lower yields benefited the value placed on future earnings (VIF) for both protection and long-term savings business.

K. Exchange rate movements

Exchange rate movements reflect foreign currency movements on International covered businesses, particularly a depreciation of the Botswana Pula to the South African Rand.

L. Exceptional items

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

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

Transfers reflect the transfer of member engagement capabilities in Momentum Corporate from covered to non-covered business.

N. Other capital transfers

Other capital transfers include alignment of subsidiary NAVs, recapitalisation of International subsidiaries and changes in intercompany loans.

Sensitivity of the in-force value and the VNB

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

The table below shows the impact on the EV (adjusted net worth, value of in-force and cost of required capital) and VNB (gross and net of the cost of required capital) of independent changes in a range of experience assumptions. For each EV sensitivity, the impacts on policyholder liabilities and matching assets, as well as the value of in-force, are collectively disclosed under the "In-force business" heading. For the market risk sensitivities, the impact on the shareholder fund is disclosed under the "Adjusted net worth" heading. The effect of an equivalent improvement in these experience assumptions would be to increase the base values by a percentage approximately equal to the reductions shown below. The sensitivities have been performed in accordance with APN 107 and industry best practice.

		In-force business			New business written		
Covered business: sensitivities – 30.06.2026	**Adjusted net worth Rm**	**Net value Rm**	**Gross value Rm**	**Cost of required capital[4] Rm**	**Net value Rm**	**Gross value Rm**	**Cost of required capital[4] Rm**
Base value	**22 592**	**22 331**	**24 893**	**(2 562)**	**491**	**577**	**(86)**
10% decrease in future expenses		24 800	27 362	(2 562)	685	771	(86)
% change[1]		11	10	–	40	34	–
10% decrease in lapse, paid-up and surrender rates		22 614	25 176	(2 562)	664	750	(86)
% change		1	1	–	35	30	–
5% decrease in mortality and morbidity for assurance business		26 128	28 690	(2 562)	674	760	(86)
% change		17	15	–	37	32	–
5% decrease in mortality for annuity business		21 619	24 181	(2 562)	452	538	(86)
% change		(3)	(3)	–	(8)	(7)	–
1% reduction in expense inflation rate		24 002	26 564	(2 562)	604	690	(86)
% change		7	7	–	23	20	–
10% reduction in premium indexation take-up rate		21 090	23 652	(2 562)	456	542	(86)
% change		(6)	(5)	–	(7)	(6)	–
10% decrease in non-commission-related acquisition expenses					642	728	(86)
% change					31	26	–
1% reduction in nominal yield curve[2]	22 713	21 616	24 173	(2 557)	540	626	(86)
% change[3]	1	(3)	(3)	–	10	8	–
10% fall in market value of equities and properties	22 323	21 159	23 721	(2 562)			
% change[3]	(1)	(5)	(5)	–			

1 No corresponding changes in variable policy charges are assumed, although in practice it is likely that these will be modified according to circumstances.
2 The sensitivity tests a 1% reduction in the nominal risk-free yield curve across all durations (i.e. observable market yields and ultimate spot rate).
For a 1% reduction in observable nominal yields and the ultimate spot rate remaining unchanged, the Group's EV earnings are estimated to increase by R265 million.
This is a more accurate reflection of the Group's economic exposure to parallel movements in nominal market yields.
3 Bonus rates are assumed to change commensurately.
4 The change in the value of cost of required capital is disclosed as nil where the sensitivity test results in an insignificant change in the value.

DIRECTORS' REPORT

The Board is pleased to present the audited financial statements of Momentum Group Ltd (or the Company) and its subsidiaries (collectively Momentum Group or the Group) for the year ended 30 June 2026. The Board is comfortable that the Group is in compliance with the Companies Act as well as the Company's Memorandum of Incorporation. The material risk factors applicable to the Group can be found in the Integrated Report.

Nature of activities

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

Corporate events

Disposals

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

Held for sale

At 30 June 2026, the Group had committed to the disposal of Momentum Mozambique Limitada and the business met the criteria for classification as held for sale. Further information relating to the proposed disposal and the assets and liabilities classified as held for sale is provided in note 46.

Listed debt

On 12 August 2025, Momentum Metropolitan Life Ltd (MML) redeemed the MMIG04 subordinated debt instrument, with a nominal amount of R270 million, on the first call date. On 19 May 2026, MML listed two subordinated debt instruments, the MML10 floating rate bond and the MML11 fixed rate bond, with a combined value of R1 500 million on the JSE. The issuance aimed to optimise the Group's capital structure.

Share buyback programme

The Group bought back a total of 45 million shares (for a cost of R1 604 million including transaction costs) during the current year. All were cancelled prior to 30 June 2026.

Presentation of financial statements

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

- IFRS Accounting Standards as issued by the IASB.
- IFRIC interpretations by the IFRS Interpretations Committee issued and effective at the time of preparing these statements.
- JSE Listings Requirements, JSE LR 11.32(a).
- Companies Act.
- Financial Pronouncements (as issued by the Financial Reporting Standards Council).
- South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides (as issued by the Accounting Practices Committee).

The accounting policies of the Group have been applied consistently to all years presented except specific restatements listed in note 1. The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of certain accounting estimates as well as the exercise of managerial judgement in the application of the Group's accounting policies. Such judgement, assumptions and estimates are disclosed in the Critical judgements and accounting estimates note on page 43, including changes in estimates that are an integral part of the insurance business.

Segmental report

The Group has updated its internal operating structure and has therefore amended the reporting segments. This enables the Group to report more meaningfully on the way the business is managed by the Group's leaders. The change in the operating structure had no impact on the current or prior year's reported earnings, diluted earnings or headline earnings per share, or on the NAV or net cash flow. Refer to Annexure C for more information.

Solvency assessment and going concern

The Board is satisfied with 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, 2025 (King V)* throughout the year under review, following the Group's early adoption of King V. Refer to the Integrated Report and the King V Application Report for details of the Governance Framework and assessment of its application throughout the year.

Provisions, contingent liabilities and capital commitments

The Group is party to legal proceedings and appropriate provisions are made when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and that amount is measured reliably. The Group has no capital commitments at 30 June 2026 that were not in the ordinary course of business other than what is disclosed in note 31. Refer to note 32 for more information on contingent liabilities.

Results of operations

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

Group earnings and headline earnings attributable to equity holders for the year under review were R6 643 million (2025: R5 978 million) and R6 804 million (2025: R6 002 million) respectively. Group normalised headline earnings were R7 060 million (2025: R6 260 million) and normalised headline earnings per share 530.0 cents (2025: 451.0 cents). Refer to note 2 for a reconciliation of earnings to normalised headline earnings.

Normalised headline earnings adjust the JSE definition of headline earnings for the impact of treasury shares held by the iSabelo Trust and the amortisation of intangible assets arising from business combinations. Additionally, the iSabelo special purpose vehicle, which houses preference shares issued as part of the employee share ownership scheme's funding arrangement is deemed to be external from the Group and the discount at which the iSabelo Trust acquired the Momentum Group Ltd's treasury shares is amortised over a period of 10 years and recognised as a reduction to normalised headline earnings. Group normalised headline earnings are reported by segment and disclosed in note 3. For the current and prior year it is as follows:

	2026		Restated 2025	
Analysis of normalised headline earnings	**Rm**	**% of total**	**Rm**	**% of total**
Momentum Retail	**1 007**	**14**	1 356	22
Momentum Investments	**1 190**	**17**	963	15
Metropolitan Life	**1 148**	**16**	868	14
Momentum Corporate	**1 417**	**20**	1 618	26
Momentum Africa[1]	**387**	**6**	216	3
Guardrisk[1]	**1 040**	**15**	823	13
Momentum Insure	**474**	**7**	438	7
Momentum Health[1]	**367**	**5**	319	5
India	**22**	**–**	(67)	(1)
Shareholders	**8**	**–**	(274)	(4)
Total	**7 060**	**100**	6 260	100

[1] The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model.

Subsidiaries, associates and joint ventures

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

Share capital

Share issue and repurchase

No ordinary shares were issued in the current year. The Group bought back shares as part of its share buyback programme during the current financial year. Refer to note 17 for more details.

Share options

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

The iSabelo Trust has been set up to hold and administer 3% of total issued Momentum Group Ltd's shares until such time as the shares are allocated to employees. At commencement of the programme, units in the iSabelo Trust were allocated to all current South African employees during April 2021. Units will also be allocated, on an annual basis, to new South African employees who joined after the commencement date. Vesting will occur as follows: 10% to vest in year one and 15% thereafter for years two to seven. The shares will be distributed to employees at the end of the 10th anniversary of their initial allocation. Refer to note 18.5 for more details.

Shareholder dividend

Momentum Group Ltd – ordinary shares

During the current year, an interim ordinary dividend of 110 cents per share was declared in March 2026 and a final ordinary dividend of 120 cents per share was declared on 15 September 2026 by the Board, resulting in a total ordinary dividend of 230 cents per share. In the prior year, an interim ordinary dividend of 85 cents per share was declared in March 2025 and a final ordinary dividend of 90 cents per share was declared in September 2025 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, 9 October 2026, and will be paid on Monday, 12 October 2026. 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 96 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, 6 October 2026. The shares will trade ex dividend from the start of business on Wednesday, 7 October 2026. Share certificates may not be dematerialised or rematerialised between Wednesday, 7 October 2026 and Friday, 9 October 2026, both days inclusive. The number of ordinary shares in issue at the declaration date was 1 315 589 862. The Company's income tax number is 975 2050 147.

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

DIRECTORS' REPORT CONTINUED

Shareholders

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

Directorate, secretary and auditor

The Group had the following directors at 30 June 2026:

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

Paul Baloyi resigned as Chair of the Board on 7 November 2025 and as a director of the Board on 20 November 2025. Tyrone Soondarjee was appointed as Interim Chair of the Board on 7 November 2025 and subsequently appointed as Chair of the Board on 17 March 2026. Peter Cooper retired as a non-executive director of the Board on 20 November 2025.

Detailed information regarding the directors and Group Company Secretary of the Company is provided in the Integrated Report.

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

Directors' interest

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

Directors' shareholding

The aggregate direct and indirect holdings in Momentum Group Ltd of the directors of the Company at 30 June 2026 are set out below:

	Direct Beneficial '000	Indirect Beneficial '000	Total 2026 '000	Total 2025 '000
Listed				
Executive directors	**402**	**–**	**402**	366
Non-executive directors	**373**	**514**	**887**	2 299
Total	**775**	**514**	**1 289**	2 665

The above directors' effective Momentum Group Ltd shareholding amounts to 0.10% (2025: 0.20%).

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

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

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

Directors' remuneration

The executive directors have standard employment contracts with the Company or its subsidiaries with a minimum of a one-month notice period. The aggregate remuneration of the Momentum Group Ltd directors for the year ended 30 June 2026 is set out below. The detail in terms of the Listings Requirements of the JSE is set out in note 44.

	Fees R'000	Salary R'000	Short-term incentive payments[1] R'000	Retirement fund R'000	Medical aid R'000	Long-term incentive payment R'000	Total 2026 R'000	Total 2025 R'000
Executive	–	19 263	16 725	1 011	224	72 348	109 571	83 702
Non-executive	24 490	–	–	–	–	–	24 490	24 365
Total	**24 490**	**19 263**	**16 725**	**1 011**	**224**	**72 348**	**134 061**	108 067

[1] Bonus payments relate to the 2025 financial year's bonus.

Refer to note 44 for additional information regarding Directors' emoluments, including information regarding the recognition of the long-term incentive plan (LTIP) and deferred bonus units.

Borrowing powers

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

Events after the reporting period

In July 2026, Momentum Strategic Investments (Pty) Ltd acquired 100% of AtWork Holdings (Pty) Ltd for a purchase consideration comprising an upfront payment of R80 million and contingent consideration of R20 million. The purchase price allocation is currently in progress and, accordingly, the accounting for the acquisition remains provisional pending the finalisation of the process.

The sale of Momentum Mozambique Limitada was concluded on 31 August 2026. At the reporting date, Momentum Mozambique Limitada was classified as held for sale.

The Board declared a final ordinary dividend of 120 cents per share on 15 September 2026.

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

REPORT OF THE AUDIT COMMITTEE

The Audit Committee (the Committee) of the Momentum Group herewith presents its report for the financial year ended 30 June 2026. The Group consists of Momentum Group Ltd (the Company) and its subsidiaries, which include the Momentum Metropolitan Life Group.

Function of the Committee

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

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

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

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

An overview of the Committee's responsibilities, focus areas for the current year and 2027 objectives are included in the Group's 2026 Integrated Report. This report does not elaborate on the complete list of responsibilities of the Committee, as set out in its terms of reference, but instead focuses on the more pertinent matters and required assessments, sign-offs and attestations by the Committee.

Committee composition, attendees and meetings

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

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

Linda de Beer (Chair)
David Park
Nigel Dunkley
Seelan Gobalsamy
Tyrone Soondarjee (resigned from the Committee with effect from 31 May 2026 following his appointment as Chair of the Board)

A brief profile of the current members can be viewed in the 2026 Integrated Report.

The Committee had five scheduled meetings during the year. Three further meetings were held, these were mostly to consider information for the purposes of a trading update. Member attendance is reflected in the 2026 Integrated Report.

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

Focus areas of the Committee for the year

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

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

These matters are elaborated on further in the Integrated Report.

In addition to the above focus areas, already identified and reported in the 2025 Integrated Report, the Committee placed specific focus on engaging one level deeper within the organisational structure to obtain input and feedback from business unit management on the remediation of significant and high-rated Internal and External Audit findings, delays in the completion of subsidiary financial statements and tax returns, and the timely correction of audit differences.

Annual confirmations by the Committee

On an annual basis the Committee assesses the following:

Momentum Group Ltd Annual Financial Statements

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

Furthermore, the Committee considered all related guidance and requirements issued by the JSE, including its 2025 Proactive Monitoring of Financial Statements and in particular, Annexure 3 thereof, the JSE's IFRS 17 limited-scope thematic review and the matters arising from the JSE's review of Momentum Metropolitan Life Limited (MML), in assessing their impact on the Group's financial reporting and disclosures.

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

Going concern

The Committee considered management's assessment of the ability of the Group to continue as a going concern, including key assumptions, forecasts, current and future liquidity, solvency and capital adequacy and has made a recommendation to the Board in accordance with this assessment. The Board's statement on going concern is included on page 30 of the AFS.

Group Finance Director and finance function

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

Integrated Report

The Committee considered the Group's 2026 Integrated Report to satisfy itself as to the integrity thereof, including an appropriate and consistent view of the Group's position and performance relative to operational and financial information known to the Committee.

External Audit quality and independence

The Committee assessed and is satisfied with the suitability of Ernst & Young Inc. (EY) and PricewaterhouseCoopers Inc. (PwC) as the joint auditors of the Group, as well as Christo du Toit and Dilshad Khalfey as the lead engagement partners.

In accordance with paragraphs 5.7(h)(iii) and 6.36 – 6.38 of the JSE Listings Requirements, and in considering auditor independence in accordance with section 94(8) of the Companies Act, the Committee satisfied itself as to the suitability, independence and objectivity of EY and PwC, as well as Christo du Toit and Dilshad Khalfey, in carrying out their duties as External Auditors.

In addition, in accordance with paragraph 5.7(h)(iv) of the JSE Listings Requirements, the appointment of EY and PwC as the Group's joint External Auditors for the 2026 financial year was presented to shareholders and approved at the previous Annual General Meeting and for the 2027 financial year will be presented at the upcoming Annual General Meeting.

External Audit fees are disclosed on page 172 within note 25.5 to the AFS. All the non-audit services (disclosed on page 172, note 25.5 of the AFS) provided by the External Auditors were approved by the Committee in accordance with the policy for the provision of non-audit services.

Internal Audit

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

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

REPORT OF THE AUDIT COMMITTEE CONTINUED

Combined assurance and internal financial control assessment

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

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

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

Details of the Group's combined assurance framework and the results of the assurance work in 2026 are provided in the Integrated Report.

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

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

The Committee's response to key audit matters reported by the External Auditors

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

The Committee considers these matters as follows:

Valuation of insurance and reinsurance contract assets and liabilities, including Guardrisk Life restatement

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

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

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

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

In respect of the Guardrisk Life restatements, the Committee, in consultation with the Guardrisk Audit Committee Chair and the Group Finance Director, was closely involved in overseeing the corrective process. The Committee's primary focus was to preserve the integrity of the Group and the Guardrisk Annual Financial Statements, hence requiring that reclassification errors be corrected at both an entity and Group level. Despite the strain the restatements put on the Group's reporting timelines, the key objectives were to avoid results being misrepresented and external audit being restricted in independently executing their duties.

Valuation of level 3 assets

The Committee has considered the appropriateness and consistency of the methodology applied, as well as the assumptions and judgements made by management to determine the fair value of its property portfolio, investment in non-listed entities and credit exposure in respect of lending activities.

In particular, the Committee dedicated time to the Group's venture capital investments and the valuation thereof. This entailed the Committee revisiting the appropriateness of the investment philosophy, assessing management judgements, assumptions and considering management decisions in respect of measurement requirements in compliance with IFRS Accounting Standards.

The Committee was comfortable with these valuations and that the related judgements in this regard are adequately considered and disclosed.

Planned focus areas of the Committee for 2027

In 2027, the Committee will focus on the following, in addition to its ongoing responsibilities in terms of the Committee terms of reference:

- Monitor the implementation of IFRS 18: Presentation and Disclosure in Financial Statements, including its impact on the presentation of the financial statements' presentation, management-defined performance measures, and related financial statement disclosures.
- Oversee Internal Audit's use of data analytics and automated audit procedures to improve audit effectiveness, expand assurance coverage and enable earlier identification of emerging risks and control weaknesses.
- Strengthen independent assurance services to provide greater optionality and less dependency on a single service provider.
- Oversee the automation of Group financial reporting processes to improve efficiency, strengthen controls and enhance reporting quality.
- Monitor the ongoing work in key subsidiaries in respect of strengthening and maturing the IFRS 17: Insurance Contracts, reporting process to support the Group's year end reporting timelines.

Linda de Beer
Chair: Audit Committee

15 September 2026

STATEMENT OF FINANCIAL POSITION

at 30 June

	Notes	2026 Rm	Restated 2025[1] Rm	Restated 1 July 2024[1] Rm
Assets				
Intangible assets	4	**4 733**	4 844	4 683
Owner-occupied properties	5.1	**3 107**	2 764	2 728
Fixed assets	5.2	**697**	699	591
Investment properties	6	**9 200**	9 573	9 188
Properties under development		**281**	264	267
Investments in associates and joint ventures	7	**2 218**	2 044	1 700
Employee benefit assets	16.2	**3**	470	431
Financial assets at fair value through profit or loss (FVPL)	8.1	**818 736**	710 560	621 890
Financial assets at amortised cost	8.2	**9 290**	7 548	7 834
Insurance contract assets	10	**15 828**	13 143	10 393
Reinsurance contract assets	11	**11 708**	10 113	9 216
Deferred income tax	15	**583**	904	816
Other receivables	9	**1 159**	1 219	1 174
Non-current assets held for sale	46	**566**	950	338
Current income tax assets	28.2	**184**	168	568
Cash and cash equivalents	8.3	**39 594**	36 892	33 898
Total assets		**917 887**	802 155	705 715
Equity				
Equity attributable to owners of the parent		**34 521**	32 550	29 724
Share capital	17	**13 457**	13 457	13 457
Other components of equity	18	**655**	1 040	725
Retained earnings		**20 409**	18 053	15 542
Non-controlling interests		**397**	404	333
Total equity		**34 918**	32 954	30 057
Liabilities				
Insurance contract liabilities	10	**218 715**	187 481	167 681
Investment contracts designated at FVPL	12	**549 578**	482 561	419 573
Financial liabilities at FVPL	14.1	**70 638**	60 360	53 546
Financial liabilities at amortised cost	14.2	**3 593**	3 521	3 678
Reinsurance contract liabilities	11	**18 566**	15 519	13 254
Deferred income tax	15	**2 904**	3 118	3 252
Provisions	32	**359**	276	404
Employee benefit obligations	16.1	**3 132**	3 013	2 111
Other payables	14.3	**14 424**	12 074	11 830
Non-current liabilities held for sale	46	**108**	623	–
Current income tax liabilities	28.2	**952**	655	329
Total liabilities		**882 969**	769 201	675 658
Total equity and liabilities		**917 887**	802 155	705 715

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

INCOME STATEMENT

for the year ended 30 June

	Notes	2026 Rm	Restated 2025[1] Rm
Insurance revenue	3, 10, 19	**61 402**	59 711
Insurance service expenses	3, 10, 20	**(44 588)**	(44 215)
Allocation of reinsurance premiums	3, 21	**(16 630)**	(17 353)
Amounts recoverable from reinsurers for incurred claims	3, 22	**9 353**	10 904
Insurance service result		**9 537**	9 047
Investment income	3, 23.1	**12 520**	11 039
Amortised cost		**2 528**	2 596
Other investment income		**9 992**	8 443
Net realised and unrealised fair value gains	3, 23.2	**93 108**	89 012
Net impairment gains/(loss) on financial assets	3, 23.3	**37**	(19)
Finance expenses from insurance contracts issued	3, 23.4	**(37 294)**	(22 907)
Finance income/(expenses) from reinsurance contracts held	3, 23.5	**96**	(546)
Investment returns due to third-party cell owner	3, 23	**(847)**	(883)
Fair value adjustments on investment contract liabilities	3, 12, 23	**(55 244)**	(61 991)
Fair value adjustments on collective investment scheme (CIS) liabilities	3, 23	**(3 585)**	(5 003)
Net insurance and investment result		**18 328**	17 749
Fee income	3, 3.5, 24	**10 803**	9 891
Contract administration		**4 862**	4 397
Health administration		**3 103**	2 736
Trust and fiduciary services		**1 632**	1 679
Cell captive commission		**167**	141
Other fee income		**1 039**	938
Other operating expenses	3, 25	**(14 364)**	(13 567)
Results of operations		**14 767**	14 073
Share of equity-accounted profit on associates and joint ventures	3, 7	**215**	70
Other expenses related to associates and joint ventures	3	**(11)**	(20)
Other finance costs	3, 26	**(2 368)**	(2 292)
Profit before tax		**12 603**	11 831
Income tax expense	3, 27	**(5 795)**	(5 716)
Earnings for the year		**6 808**	6 115
Attributable to:			
Owners of the parent	2, 3	**6 643**	5 978
Non-controlling interests	3	**165**	137
Earnings for the year		**6 808**	6 115
Basic earnings per ordinary share (cents)	2	**516.2**	445.1
Diluted earnings per ordinary share (cents)	2	**499.5**	435.4

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

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June

	Notes	2026 Rm	2025 Rm
Earnings for the year		**6 808**	6 115
Other comprehensive (loss)/income, net of tax		**(406)**	248
Items that may subsequently be reclassified to income		**(471)**	134
Exchange rate differences on translating foreign operations[1]		**(225)**	162
Share of other comprehensive loss and translation of foreign associates[2]		**(246)**	(28)
Items that will not be reclassified to income		**65**	114
Own credit gains on financial liabilities designated at FVPL	14.1	**–**	18
Land and building revaluation	18	**53**	96
Remeasurements of post-employee benefit funds	18	**(4)**	4
Artwork revaluation		**18**	–
Income tax relating to items that will not be reclassified	18	**(2)**	(4)
Total comprehensive income for the year		**6 402**	6 363
Attributable to:			
Owners of the parent		**6 228**	6 221
Non-controlling interests		**174**	142
Total comprehensive income for the year		**6 402**	6 363

1 The movement in the current year is primarily caused by the strengthening of the ZAR against the GBP and EUR. The decrease was partially offset by an increase relating to a release of R187 million loss following the sale of Metropolitan Life Insurance Ghana Ltd, Metropolitan Health Insurance Ghana Ltd and Metropolitan Pensions Trust Ghana Ltd. As a result, a loss of R187 million was recognised in the income statement.
In the prior year, the movement was primarily caused by the weakening of the ZAR against the GBP and GHS.

2 The significant movement in the current year is primarily caused by the strengthening of the ZAR against the INR.

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital Rm	Share premium Rm	Other components of equity Rm	Retained earnings Rm	Total attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
Balance at 1 July 2024		9	13 448	725	15 542	29 724	333	30 057
Total comprehensive income		–	–	225	5 996	6 221	142	6 363
Income statement		–	–	–	5 978	5 978	137	6 115
Other comprehensive income		–	–	225	18	243	5	248
Dividend declared/paid		–	–	–	(2 021)	(2 021)	(86)	(2 107)
Equity-settled share-based payments	18.5	–	–	25	–	25	–	25
Transfer from retained earnings to other reserves		–	–	65	(65)	–	–	–
Increase relating to transactions with non-controlling interests/owners		–	–	–	4	4	15	19
Shares repurchased and cancelled		–	–	–	(1 403)	(1 403)	–	(1 403)
Balance at 1 July 2025		**9**	**13 448**	**1 040**	**18 053**	**32 550**	**404**	**32 954**
Total comprehensive (loss)/income		**–**	**–**	**(415)**	**6 643**	**6 228**	**174**	**6 402**
Income statement		**–**	**–**	**–**	**6 643**	**6 643**	**165**	**6 808**
Other comprehensive (loss)/income		**–**	**–**	**(415)**	**–**	**(415)**	**9**	**(406)**
Dividend declared/paid		**–**	**–**	**–**	**(2 589)**	**(2 589)**	**(133)**	**(2 722)**
Equity-settled share-based payments	18.5	**–**	**–**	**23**	**–**	**23**	**–**	**23**
Disposal of subsidiary		**–**	**–**	**(52)**	**–**	**(52)**	**(17)**	**(69)**
Transfer from retained earnings to other reserves		**–**	**–**	**59**	**(59)**	**–**	**–**	**–**
Increase relating to transactions with owners		**–**	**–**	**–**	**–**	**–**	**21**	**21**
Decrease relating to transactions with non-controlling interests/owners		**–**	**–**	**–**	**(35)**	**(35)**	**(52)**	**(87)**
Shares repurchased and cancelled		**–**	**–**	**–**	**(1 604)**	**(1 604)**	**–**	**(1 604)**
Balance at 30 June 2026		**9**	**13 448**	**655**	**20 409**	**34 521**	**397**	**34 918**

STATEMENT OF CASH FLOWS

for the year ended 30 June

	Notes	2026 Rm	Restated 2025[1] Rm
Cash flow from operating activities			
Cash utilised in operations	28.1	**(20 247)**	(18 072)
Interest received		**24 563**	25 072
Dividends received		**5 944**	5 113
Income tax paid	28.2	**(5 478)**	(5 275)
Interest paid	28.3	**(2 414)**	(2 453)
Net cash inflow from operating activities		**2 368**	4 385
Cash flow from investing activities			
Net investments in subsidiaries	29	**–**	(156)
Proceeds on sale of associates		**16**	20
Contingent consideration paid relating to business combinations	28.4.4	**(75)**	(67)
Investment in associates and joint ventures		**(346)**	(428)
Net proceeds from disposal of subsidiary	28.5	**138**	–
Loans advanced to related parties		**(239)**	(262)
Loan repayments from related parties		**–**	1
Purchases of owner-occupied properties		**(9)**	(8)
Purchase of fixed assets		**(199)**	(353)
Proceeds from disposal of fixed assets		**13**	28
Purchases of computer software		**(102)**	(55)
Dividends from associates and joint ventures		**123**	86
Net cash outflow from investing activities		**(680)**	(1 194)
Cash flow from financing activities			
Subordinated debt instruments issued	28.4.1	**1 500**	750
Subordinated debt instruments repaid	28.4.1	**(270)**	(750)
Proceeds from carry positions	28.4.2	**323 194**	266 798
Repayment of carry positions	28.4.2	**(318 525)**	(263 548)
Proceeds from other borrowings measured at fair value	28.4.4	**128**	309
Repayment of other borrowings measured at fair value	28.4.4	**(295)**	(5)
Proceeds from borrowings measured at amortised cost		**335**	202
Repayment of borrowings measured at amortised cost		**(296)**	(212)
Proceeds from cumulative redeemable preference shares measured at amortised cost		**300**	1 000
Repayment of cumulative redeemable preference shares measured at amortised cost		**(300)**	(1 000)
Dividends paid to equity holders		**(2 589)**	(2 021)
Dividends paid to non-controlling interest shareholders		**(133)**	(86)
Shares purchased from non-controlling interest shareholders		**(87)**	–
Shares issued to non-controlling interest shareholders		**21**	19
Shares repurchased		**(1 604)**	(1 403)
Net cash inflow from financing activities		**1 379**	53
Net cash flow		**3 067**	3 244
Cash resources and funds on deposit at beginning		**36 964**	33 898
Foreign currency translation		**(424)**	(178)
Cash resources and funds on deposit at end		**39 607**	36 964
Made up as follows:			
Cash and cash equivalents	8.3	**39 594**	36 892
Assets relating to disposal groups held for sale		**13**	72

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

BASIS OF PREPARATION

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

Fair value

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

Other measurement basis

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

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

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

In the prior year, the Ghanaian entities were within the scope of IAS 29 – Financial reporting in hyperinflationary economies. The standard had not been applied due to materiality. These entities have been sold in the current year.

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

Published standards, amendments and interpretations effective for the June 2026 financial period

The following published standards are mandatory for the Group's accounting period beginning on or after 1 July 2025 and have been implemented in accordance with the transitional provisions of these standards:

- IAS 21 (Amendments) – Lack of exchangeability:
  The amendment specifies how the Group should assess whether a foreign currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. This amendment did not have a material impact on the financial statements.
- Disclosure about uncertainties in the financial statements:
  The IASB issued amendments to illustrative examples on IFRS 17, IFRS 1, IAS 1, IAS 8, IAS 36 and IAS 37. The examples are intended to improve the reporting of climate-related and other uncertainties in the financial statements. The amendment was issued in November 2025 and was effective immediately. The Group's disclosures relating to uncertainties are aligned to the guidance set out in the applicable illustrative examples.

CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES

Preparation of financial statements

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

Application of accounting policies

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

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

NOTES TO THE FINANCIAL STATEMENTS

1 Restatement

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

	Before restatement Rm	Unsettled trades Rm	Guardrisk Life: Valuation and data errors Rm	Guardrisk Life: Allocation of insurance acquisition cash flows Rm	Termination accrual Rm	Reinvested distributions Rm	Interest on FVPL instruments Rm	After restatement Rm
Statement of financial position as at 30 June 2025								
Financial assets at amortised cost	7 602	(54)	–	–	–	–	–	7 548
Insurance contract assets	14 464	–	(1 175)	(146)	–	–	–	13 143
Reinsurance contract assets	10 112	–	1	–	–	–	–	10 113
Deferred income tax	526	–	339	39	–	–	–	904
Cash and cash equivalents	36 954	(62)	–	–	–	–	–	36 892
Investment contracts designated at FVPL	(481 765)	–	(14)	–	(782)	–	–	(482 561)
Reinsurance contract liabilities	(16 478)	–	852	107	–	–	–	(15 519)
Other payables	(12 972)	116	–	–	782	–	–	(12 074)
Current income tax liabilities	(652)	–	(3)	–	–	–	–	(655)
as at 1 July 2024								
Insurance contract assets	11 314	–	(854)	(67)	–	–	–	10 393
Reinsurance contract assets	9 228	–	(12)	–	–	–	–	9 216
Deferred income tax	606	–	192	18	–	–	–	816
Investment contracts designated at FVPL	(419 081)	–	63	–	(555)	–	–	(419 573)
Reinsurance contract liabilities	(13 914)	–	611	49	–	–	–	(13 254)
Other payables	(12 385)	–	–	–	555	–	–	(11 830)
Income statement for the year ended 30 June 2025								
Insurance revenue	61 024	–	(208)	(1 105)	–	–	–	59 711
Insurance service expenses	(45 248)	–	(16)	1 049	–	–	–	(44 215)
Allocation of reinsurance premiums	(17 497)	–	109	35	–	–	–	(17 353)
Amounts recoverable from reinsurers for incurred claims	10 856	–	48	–	–	–	–	10 904
Investment income								
Other investment income	35 280	–	–	–	–	–	(26 837)	8 443
Net realised and unrealised fair value gains	62 000	–	–	–	–	–	27 012	89 012
Finance expenses from insurance contracts issued	(22 787)	–	(97)	(23)	–	–	–	(22 907)
Finance income/(expenses) from reinsurance contracts held	(666)	–	97	23	–	–	–	(546)
Fair value adjustments on investment contract liabilities	(61 914)	–	(77)	–	–	–	–	(61 991)
Other finance costs	(2 117)	–	–	–	–	–	(175)	(2 292)
Income tax expense	(5 881)	–	144	21	–	–	–	(5 716)
Earnings for the year	6 115	–	–	–	–	–	–	6 115
Statement of cash flows for the year ended 30 June 2025								
Cash utilised in operations	(20 605)	(62)	–	–	–	2 595	–	(18 072)
Interest received	26 014	–	–	–	–	(942)	–	25 072
Dividends received	6 766	–	–	–	–	(1 653)	–	5 113
Net cash inflow from operating activities	4 447	(62)	–	–	–	–	–	4 385
Net cash flow	3 306	(62)	–	–	–	–	–	3 244
Cash resources and funds on deposit at end	37 026	(62)	–	–	–	–	–	36 964
Made up as follows:								
Cash and cash equivalents	36 954	(62)	–	–	–	–	–	36 892

1 Restatement continued

1.1 Unsettled trades

The Group's accounting policy is to recognise purchases and sales of financial assets on the trade date, i.e. the date on which the Group commits to purchase or sell the financial asset. All trade transactions that the Group enters into before the last day of the reporting period, i.e. 30 June, but where the settlement will only occur after the reporting period, are reported as unsettled trades. This is applied to both purchases and sales across all entities in the Group.

The Group identified that certain purchases and sales of financial assets in the prior year were incorrectly reflected as unsettled trades at the reporting date due to unreconciled timing differences in the bank reconciliation process. Subsequent investigation confirmed that these transactions had in fact settled before year end, as evidenced by the related cash flows. As a result, the prior year balances relating to these transactions were restated to correctly reflect the settlement status of the trades at the reporting date. The correction had no impact on profit or loss, earnings per share or total equity but resulted in the reclassification of the affected statement of financial position items.

1.2 Valuation and data errors

Following a review of its IFRS 17 valuation models during the current financial year, Guardrisk identified several interrelated valuation and data errors affecting the measurement and presentation of a number of insurance and reinsurance contracts in the statement of financial position and income statement and related notes. The insurance contracts are measured in terms of the general measurement model (GMM), while the reinsurance contracts are measured in terms of the GMM and the premium allocation approach (PAA) where third-party cell contracts are affected (in-substance reinsurance). The insurance and reinsurance contracts relate to three cells that form a significant part of the Guardrisk statement of financial position. For further information on the measurement models applied and the Group's accounting treatment of in-substance reinsurance contracts held, refer to note 45.

Key areas of the errors are described below:

- Reinsurance contracts: Certain features of reinsurance contracts, such as dynamic premium factors and experience refunds, were inaccurately reflected in valuation models, resulting in incorrect estimates of amounts expected to be recovered from or paid to reinsurers.
- Insurance contracts: Certain policy features, such as joint life features, benefits and premiums, were incorrectly captured in the valuation models, leading to inaccuracies in projected future cash flows, risk adjustments and contractual service margins (CSMs).
- Model input errors: Certain rate tables, such as interest rate tables, used as inputs into valuation models, were incorrect, affecting the measurement of future cash flows.
- Profit share contracts: Profit share contracts with intermediaries are linked to the profitability of the underlying business. The correction of errors mentioned resulted in changes to fulfilment cash flows of profit-sharing arrangements.
- Fair value transition approach: Guardrisk used the fair value transition approach to model transitional balances for GMM valuations with the implementation of IFRS 17 – Insurance Contracts in the 30 June 2024 AFS. As a result of the errors identified, transitional balances were restated. However, for one of the models impacted, transitional balances which were previously modelled at 30 June 2019 were restated using the fair value transition approach at 30 June 2022. While historical information exists in some form, the absence of critical data fields, changes in model and table structures, changes to reinsurance adjustment factors as a result of changes to the treaties over time and the extent of reconstruction required meant that a reliable fully retrospective restatement to 30 June 2019 was impracticable. For these contracts, in line with the IFRS 17 transition guidance, the fair value transition approach was applied at 30 June 2022 with full application of IFRS 17 thereafter.
- Disclosure corrections: The Group applied the full retrospective approach and the fair value approach on transition to IFRS 17. CSM balances calculated in terms of these approaches were incorrectly presented in opening to closing balance reconciliations for contracts measured in terms of the GMM. The comparative period was restated to correct the allocation of CSM balances between the fair value approach and the full retrospective approach.

The valuation models therefore did not reflect key terms and conditions of the insurance and reinsurance contracts, and some incorrect inputs were used in the valuation models. The items described above are regarded as a single error due to the fact that they all stem from the same origin, the inappropriate modelling and inputs into models, which had a knock-on consequence on measurement of the profit share arrangements and the application of the appropriate transition method. Given the complexity of IFRS 17, the impact of the items is extremely interrelated and dependent on sequence of processing. It is therefore not possible to reliably measure the impact of each item separately and is therefore considered to be a single error.

Comparative periods were restated to correct the error. The restatement impacted the statement of financial position at 1 July 2024 and 30 June 2025 and the income statement for the period ended 30 June 2025. The restatement did not have an impact on the statement of cash flows or the earnings and equity of the Group.

These corrections had no impact on Group earnings or NAV as they affected third-party cell business which is fully reinsured by way of both external and, ultimately, in-substance reinsurance.

1.3 Allocation of insurance acquisition cash flows

During the current reporting year, management identified that incurred binder and outsourced service expenses were classified and presented in claims and other directly attributable expenses, instead of insurance acquisition cash flows. The classification error impacted insurance contracts measured in terms of the GMM and PAA for Guardrisk Life. For insurance contracts measured in terms of the GMM, the error resulted in incorrect experience variances on insurance acquisition cash flows and insurance service expenses, and therefore Insurance service revenue and Insurance service expenses were overstated by R1 049 million. At initial recognition expected binder and outsource expenses were overstated, resulting in CSM balances being understated by R146 million at 30 June 2025 (R67 million at 1 July 2024). The recognition of the overstated best estimate liability and understated CSM into Insurance revenue, resulted in overstated insurance revenue of R57 million for the period ended 30 June 2025. For insurance contracts measured in terms of the PAA, the error impacted the insurance reconciliation included in note 10.1.4, but did not impact the income statement. Comparative information has been restated to correct the presentation. The corrections had no impact on earnings or equity of the Group.

As part of the correction, the Group identified an error in the wording of the accounting policy on insurance acquisition cash flows (note 45.10.1.9) for Guardrisk Life. The accounting policy indicated that insurance acquisition cash flows incurred on PAA insurance contracts sold by Guardrisk Life is capitalised when incurred and amortised over the coverage period. The accounting policy at Guardrisk Life is and has always been to expense insurance acquisition cash flows when incurred. The accounting policy wording was updated to reflect the accounting policy at Guardrisk Life.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 Restatement continued

1.4 Termination accrual

Termination accrual

The Group's accounting policy is to reclassify member balances from investment contract liabilities to payables arising from investment contracts when instruction has been received from the member to disinvest amounts. The amounts are reclassified for presentation and disclosure purposes only, and measurement remains at FVPL.

During the current year, management identified that certain member balances relating to employers in liquidation were reclassified from investment contract liabilities to payables arising from investment contracts where no instructions had been received from members. The accounting policy was therefore applied inconsistently. The comparative information has been restated to correct this classification error. The restatement resulted in a reclassification between liability categories only and had no impact on profit or loss, equity, cash flows, total liabilities or earnings per share.

1.5 Reinvested distributions

Investors in investment funds may elect for distributions received from investment funds to be reinvested into the fund or received in cash. Previously, distributions were reflected as cash flows in the statement of cash flows irrespective of whether they were reinvested or received in cash. The accounting treatment of reinvested distributions has been reassessed and it was concluded that such distributions do not give rise to cash flows and should therefore be treated as non-cash transactions.

1.6 Interest on FVPL instruments

During the current year, the Group changed its accounting policy relating to the presentation of interest and fair value movements arising from financial instruments measured at FVPL. Previously, the change in fair value was split between interest income and other fair value movements. The interest income on FVPL financial assets was presented within Investment income, and the interest expense relating to FVPL financing financial liabilities was presented within Other finance costs. The remaining fair value movements were presented within Net realised and unrealised fair value gains.

The Group concluded that presenting the interest income of financial assets measured at FVPL within Net realised and unrealised fair value gains, and the realised and unrealised fair value gains and losses of financing financial liabilities measured at FVPL within Other finance costs, provides more relevant information regarding the performance of these instruments. Financial instruments measured at FVPL are managed, monitored and evaluated on a fair value basis, with fair value being the primary measurement attribute. Separately identifying an interest component for these instruments requires management judgement and may not result in comparable information. Presenting the interest component together with the associated fair value movements within single line items for each class of instrument enhances consistency and comparability across the Group and better reflects the manner in which management assesses the performance of these instruments. June 2025 has therefore been restated to:

- reclassify interest income of R26 238 million relating to FVPL financial assets from Investment income to Net realised and unrealised fair value gains; and
- reclassify fair value losses of R175 million relating to FVPL financing financial liabilities from Net realised and unrealised fair value gains to Other finance costs.

As part of its review of this presentation, the Group identified that the previous methodology applied in determining the amounts presented as interest on FVPL instruments had not been applied consistently across the Group. Certain businesses determined the interest component using an effective interest methodology, while others applied a nominal or contractual interest methodology. Consequently, the amounts separately disclosed within Investment income and Other finance costs for FVPL instruments were not determined on a consistent basis. The impact of correcting the interest amounts previously presented separately determined using the effective interest methodology instead of the nominal or contractual methodology amounted to R599 million. Other investment income was overstated by R599 million and Net realised and unrealised fair value gains was understated by R599 million. The corresponding amount recognised within finance expenses was considered immaterial. This change in policy, including the error in 2025, affects presentation only and has no impact on profit before tax, earnings, headline earnings, earnings per share, total comprehensive income, equity or cash flows.

2 Earnings

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

Group earnings per ordinary share attributable to owners of the parent	Basic earnings		Diluted earnings	
	2026	**2025**	**2026**	**2025**
Earnings (cents per share)	**516.2**	445.1	**499.5**	435.4
Headline earnings (cents per share)	**528.7**	446.9	**511.6**	437.1
Normalised headline earnings (cents per share)			**530.0**	451.0

2 Earnings continued

	Basic earnings		Diluted earnings	
Number of shares (million)	**2026**	**2025**	**2026**	**2025**
Weighted average number of ordinary shares in issue[1]	**1 287**	1 343	**1 287**	1 343
Adjustments for				
Employee share scheme[2]			**43**	30
Weighted average – earnings and headline earnings[1]			**1 330**	1 373
Employee share scheme[2]			**(43)**	(30)
Treasury shares held on behalf of employees			**45**	45
Weighted average – normalised headline earnings[3]			**1 332**	1 388

[1] For basic and diluted earnings and headline earnings per share, treasury shares held by a subsidiary on behalf of employees are deemed to be cancelled. Treasury shares held on behalf of contract holders are not included as treasury shares and are not deducted from equity.

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

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

	Basic earnings		Diluted earnings	
Reconciliation of headline earnings attributable to owners of the parent	**2026 Rm**	**2025 Rm**	**2026 Rm**	**2025 Rm**
Earnings/diluted earnings – equity holders of the Group	**6 643**	5 978	**6 643**	5 978
Profit on sale of associates[1]	**(21)**	(6)	**(21)**	(6)
Investment in associate impairment[2]	**2**	29	**2**	29
Profit on sale of subsidiaries[3]	**(1)**	–	**(1)**	–
Foreign currency translation reserve (FCTR) reversal on sale of foreign subsidiaries[3]	**187**	–	**187**	–
Loss on sale of fixed assets	**5**	6	**5**	6
Net reversal of impairment of owner-occupied property below cost	**(16)**	(10)	**(16)**	(10)
Tax on net reversal of impairment of owner-occupied property below cost	**5**	5	**5**	5
Headline earnings[4]	**6 804**	6 002	**6 804**	6 002
Adjustments for iSabelo[5]			**106**	115
Amortisation of intangible assets relating to business combinations			**150**	143
Normalised headline earnings[6]			**7 060**	6 260

[1] Profit on sale of associates in the current year relates to the disposals of Perpetua Investment Managers (Pty) Ltd (Momentum Investments segment), Sentio Capital Management (Pty) Ltd (Momentum Investments segment) and Human Robot (Pty) Ltd (trading as Tax Tim) (Shareholders segment).

[2] In the prior year, this related to the impairment of Methealth Namibia Administrators (Pty) Ltd (Momentum Africa segment) due to a decline in value of this associate.

[3] Profit on sale of subsidiaries and FCTR reversal on sale of foreign subsidiaries relates to the sale of 100% of Metropolitan Life Insurance Ghana Ltd, Metropolitan Pensions Trust Ghana Ltd and the Group's 85% share of Metropolitan Health Insurance Ghana Ltd (Momentum Africa segment). Refer to note 28.5 for more information.

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

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

[6] Refer to note 3 for an analysis of normalised headline earnings per segment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report

The Group's reporting view reflects the following segments:

- **Momentum Retail:** Momentum Retail includes protection and savings products focused on the middle and affluent client segments. Distribution capabilities in support of covered business are included in Momentum Retail.
- **Momentum Investments:** Momentum Investments consists of wealth platform management, retail annuities and guaranteed investment products, local and offshore asset management and investment solutions, stockbroking solutions and property development and management. Momentum Money is included in this portfolio.
- **Metropolitan Life:** Metropolitan Life focuses on the lower and middle income retail market segment, with a range of protection, savings and annuity products.
- **Momentum Corporate:** Momentum Corporate offers group risk, annuities, pension savings and umbrella fund (FundsAtWork) products.
- **Momentum Africa:** This segment comprises the Group's operations in Botswana, Lesotho and Namibia. This includes life insurance, long-term savings, healthcare administration and asset management.
- **Guardrisk:** Guardrisk is a specialist cell captive insurance group. It offers bespoke risk financing and insurance solutions, supported by access to a broad and diversified panel of related services and reinsurance markets. The segment results include earnings from the short-term insurance business in Namibia.
- **Momentum Insure:** Provides retail non-life insurance to the middle, upper and high-net-worth market segments and small to medium businesses.
- **Momentum Health:** Provides healthcare solutions to individuals, corporates and the public sector within a range of structures and products, including Momentum Multiply, an incentivised wellness product. This segment includes the Group's investment in healthcare within Botswana, Lesotho and Mozambique.
- **India:** This segment mainly consists of the Group's investment in Aditya Birla Health Insurance Company Ltd (ABHI), a health insurance business in India, and Aditya Birla Wellness Company Ltd, together with Momentum Services (ABW), a global capability centre.
- **Shareholders:** The Shareholders segment includes free surplus assets in the life licence and other discretionary investments not specifically allocated to segments (such as venture capital funds). Head office costs not allocated to segments (e.g. holding company costs) and Group financing activities are included in this segment.

The Group has aligned the reporting segments with the updated internal operating structure. This enables the Group to report more meaningfully on the way the business is managed by the Group's leaders. The change in the operating structure had no impact on the current or prior year's reported earnings, diluted earnings or headline earnings per share, or on the NAV or net cash flow. Refer to Annexure C for more information.

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

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

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

Reconciliation of management information to IFRS Accounting Standards

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

3 Segmental report continued

	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Africa Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Health Rm	India Rm	Shareholders Rm	Segmental total Rm	Reconciling items[1] Rm	Total[2] Rm
2026														
Insurance revenue	3.6, 3.7.1	9 643	3 453	6 556	7 725	2 291	25 461	3 218	3 055	-	-	61 402	-	61 402
Insurance service expenses	3.7.2	(7 055)	(2 783)	(5 184)	(6 484)	(1 929)	(16 178)	(2 302)	(2 673)	-	-	(44 588)	-	(44 588)
Contract holder tax[3]		(231)	-	(346)	-	(17)	(1 658)	-	-	-	-	(2 252)	2 252	-
Allocation of reinsurance premiums		(3 007)	-	(46)	(425)	(233)	(12 856)	(63)	-	-	-	(16 630)	-	(16 630)
Amounts recoverable from reinsurers for incurred claims		2 400	-	33	390	186	6 346	(2)	-	-	-	9 353	-	9 353
Insurance service result		1 750	670	1 013	1 206	298	1 115	851	382	-	-	7 285	2 252	9 537
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets[3]	3.7.3	13 427	41 336	9 397	23 252	3 088	4 524	65	96	5	469	95 659	10 006	105 665
Finance (expenses)/income from insurance contracts issued		(8 316)	(13 551)	(8 680)	(5 485)	(2 162)	906	(2)	(4)	-	-	(37 294)	-	(37 294)
Finance income/(expenses) from reinsurance contracts held		1 570	-	8	191	7	(1 680)	-	-	-	-	96	-	96
Investment returns due to third-party cell owner		-	-	-	-	-	(847)	-	-	-	-	(847)	-	(847)
Fair value adjustments on investment contract liabilities		(7 340)	(27 198)	(158)	(17 475)	(898)	(2 187)	-	-	-	12	(55 244)	-	(55 244)
Fair value adjustments on CIS liabilities		-	-	-	-	(164)	-	-	-	-	(24)	(188)	(3 397)	(3 585)
Net insurance and investment result		1 091	1 257	1 580	1 689	169	1 831	914	474	5	457	9 467	8 861	18 328
Fee income		1 419	5 542	40	1 702	117	421	11	3 378	188	1 114	13 932	(3 129)	10 803
Fee income	3.5, 3.6	1 383	4 377	40	1 698	123	421	10	3 260	9	16	11 337	(534)	10 803
Intergroup fee income		36	1 165	-	4	(6)	-	1	118	179	1 098	2 595	(2 595)	-
Other operating expenses	3.7.4	(1 534)	(5 385)	(259)	(1 798)	(347)	(892)	(496)	(3 231)	(209)	(1 681)	(15 832)	1 468	(14 364)
Results of operations		976	1 414	1 361	1 593	(61)	1 360	429	621	(16)	(110)	7 567	7 200	14 767
Shareholder investment return[4]		371	105	143	305	400	(8)	186	13	2	(95)	1 422	(1 422)	-
Share of equity-accounted profit on associates and joint ventures		-	107	-	-	28	-	-	23	38	19	215	-	215
Other expenses related to associates and joint ventures		-	-	-	-	(2)	-	-	-	-	(9)	(11)	-	(11)
Other finance costs		-	-	-	-	-	-	-	-	-	-	-	(2 368)	(2 368)
Profit/(loss) before tax		1 347	1 626	1 504	1 898	365	1 352	615	657	24	(195)	9 193	3 410	12 603
Income tax expense[3]		(350)	(380)	(356)	(481)	(162)	(321)	(163)	(198)	(2)	28	(2 385)	(3 410)	(5 795)
Earnings for the year		997	1 246	1 148	1 417	203	1 031	452	459	22	(167)	6 808	-	6 808

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

2 The total of non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts) located in South Africa is R18 123 million, and the total of such non-current assets located in other countries is R2 113 million.

3 Contract holder tax is reallocated from the Income tax expense line. This represents the following taxes:
- Contract holder tax is reallocated from the Income tax expense line to the Contract holder tax line (insurance contracts) and the Investment income line (investment contracts). This represents contract holder taxes that are directly chargeable to insurance and investment contracts and paid on behalf of contract holders to the revenue authority.
- For Guardrisk this represents tax on earnings in third-party cells that are paid on behalf of the cell owner to the revenue authority. The corresponding tax charges to the cell owner are included within the Allocation of reinsurance premiums line.

4 Shareholder investment return relates to investment return on excess assets. It is separately disclosed for segmental reporting, but is disclosed as investment income, net realised and unrealised fair value gains, certain expenses incurred relating to excess assets and other finance costs in the income statement.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Africa Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Health Rm	India Rm	Shareholders Rm	Total Rm
2026												
Earnings for the year		997	1 246	1 148	1 417	203	1 031	452	459	22	(167)	6 808
Non-controlling interests		-	(38)	-	-	(7)	(29)	-	(95)	-	4	(165)
Earnings/diluted earnings – equity holders of the Group		997	1 208	1 148	1 417	196	1 002	452	364	22	(163)	6 643
(Profit)/loss on sale of associates		-	(30)	-	-	-	-	-	-	-	9	(21)
Investment in associate impairment		-	-	-	-	2	-	-	-	-	-	2
Profit on sale of subsidiaries		-	-	-	-	(1)	-	-	-	-	-	(1)
FCTR reversal on sale of foreign subsidiaries		-	-	-	-	187	-	-	-	-	-	187
Loss on sale of fixed assets		-	1	-	-	-	-	-	-	-	4	5
Net reversal of impairment of owner-occupied property below cost		-	-	-	-	-	-	-	-	-	(16)	(16)
Tax on net reversal of impairment of owner-occupied property below cost		-	-	-	-	-	-	-	-	-	5	5
Headline earnings		997	1 179	1 148	1 417	384	1 002	452	364	22	(161)	6 804
Adjustments for iSabelo		-	2	-	-	-	3	1	3	-	97	106
Amortisation of intangible assets relating to business combinations		10	9	-	-	3	35	21	-	-	72	150
Normalised headline earnings		1 007	1 190	1 148	1 417	387	1 040	474	367	22	8	7 060
Operating profit[1]		1 001	1 525	1 423	1 599	150	1 383	458	516	22	138	8 215
Tax on operating profit		(289)	(419)	(389)	(424)	(121)	(335)	(122)	(161)	(2)	18	(2 244)
Investment return		371	105	143	305	400	(8)	186	13	2	(95)	1 422
Tax on investment return		(76)	(21)	(29)	(63)	(42)	-	(48)	(1)	-	(53)	(333)
Normalised headline earnings	3.3	1 007	1 190	1 148	1 417	387	1 040	474	367	22	8	7 060
Covered	3.4	1 014	980	1 148	1 438	474	-	-	-	-	300	5 354
Non-covered	3.4	(7)	210	-	(21)	(87)	1 040	474	367	22	(292)	1 706
Normalised headline earnings		1 007	1 190	1 148	1 417	387	1 040	474	367	22	8	7 060

[1] Operating profit is normalised headline earnings gross of tax less investment return.

3 Segmental report continued

	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Africa Rm	Guardrisk[1,2] Rm	Momentum Insure Rm	Momentum Health[1] Rm	India Rm	Shareholders Rm	Segmental total Rm	Reconciling items[2,3] Rm	Total[4] Rm
Restated 2025														
Insurance revenue	3.6, 3.7.1	9 043	3 171	6 187	7 754	2 339	25 399	3 294	2 524	–	–	59 711	–	59 711
Insurance service expenses	3.7.2	(6 707)	(2 776)	(4 789)	(6 047)	(2 136)	(17 156)	(2 447)	(2 157)	–	–	(44 215)	–	(44 215)
Contract holder tax[5]		(235)	–	(307)	(1)	(5)	(1 788)	–	–	–	–	(2 336)	2 336	–
Allocation of reinsurance premiums		(2 744)	–	(39)	(781)	(207)	(13 514)	(68)	–	–	–	(17 353)	–	(17 353)
Amounts recoverable from reinsurers for incurred claims		2 425	–	31	431	214	7 816	(13)	–	–	–	10 904	–	10 904
Insurance service result		1 782	395	1 083	1 356	205	757	766	367	–	–	6 711	2 336	9 047
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets[5]	3.7.3	12 743	37 973	6 707	23 369	2 736	5 079	70	125	4	702	89 508	10 524	100 032
Finance (expenses)/income from insurance contracts issued		(4 097)	(7 320)	(6 409)	(3 779)	(1 767)	471	(3)	(3)	–	–	(22 907)	–	(22 907)
Finance income/(expenses) from reinsurance contracts held		403	–	6	233	9	(1 197)	–	–	–	–	(546)	–	(546)
Investment returns due to third-party cell owner		–	–	–	–	–	(883)	–	–	–	–	(883)	–	(883)
Fair value adjustments on investment contract liabilities		(9 076)	(30 017)	(108)	(19 230)	(694)	(2 893)	–	–	–	27	(61 991)	–	(61 991)
Fair value adjustments on CIS liabilities		–	–	–	–	(179)	–	–	–	–	(66)	(245)	(4 758)	(5 003)
Net insurance and investment result		1 755	1 031	1 279	1 949	310	1 334	833	489	4	663	9 647	8 102	17 749
Fee income		1 217	4 764	24	1 661	74	585	9	3 038	182	1 179	12 733	(2 842)	9 891
Fee income	3.5, 3.6	1 190	3 778	22	1 657	74	585	8	2 946	17	21	10 298	(407)	9 891
Intergroup fee income		27	986	2	4	–	–	1	92	165	1 158	2 435	(2 435)	–
Other operating expenses	3.7.4	(1 352)	(4 726)	(337)	(1 636)	(437)	(871)	(470)	(2 995)	(197)	(1 985)	(15 006)	1 439	(13 567)
Results of operations		1 620	1 069	966	1 974	(53)	1 048	372	532	(11)	(143)	7 374	6 699	14 073
Shareholder investment return[6]		216	88	143	223	364	3	201	8	2	(46)	1 202	(1 202)	–
Share of equity-accounted profit/(loss) on associates and joint ventures		–	73	–	–	27	–	–	23	(58)	5	70	–	70
Other income/expenses related to associates and joint ventures		–	9	–	–	(29)	–	–	–	–	–	(20)	–	(20)
Other finance costs		–	–	–	–	–	–	–	–	–	–	–	(2 292)	(2 292)
Profit/(loss) before tax		1 836	1 239	1 109	2 197	309	1 051	573	563	(67)	(184)	8 626	3 205	11 831
Income tax expense[5]		(481)	(247)	(241)	(579)	(118)	(239)	(157)	(168)	–	(281)	(2 511)	(3 205)	(5 716)
Earnings for the year		1 355	992	868	1 618	191	812	416	395	(67)	(465)	6 115	–	6 115

1 The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model. The impact on Momentum Health is an increase in Insurance revenue of R823 million and an increase in Insurance service result of R758 million. The impact on Guardrisk is an increase in Insurance revenue of R405 million and an increase in Insurance service result of R340 million. The impact on Momentum Africa is a decrease in Insurance revenue of R1 287 million and a decrease in Insurance service result of R1 092 million. All other restatements as a result of the change in segments are considered immaterial.

2 Refer to note 1 for more information on the restatements other than footnote 1. All restatements in the note are considered immaterial.

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

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

5 Contract holder tax is reallocated from the Income tax expense line. This represents the following taxes:
- Contract holder tax is reallocated from the Income tax expense line to the Contract holder tax line (insurance contracts) and the Investment income line (investment contracts). This represents contract holder taxes that are directly chargeable to insurance and investment contracts and paid on behalf of contract holders to the revenue authority.
- For Guardrisk this represents tax on earnings in third-party cells that are paid on behalf of the cell owner to the revenue authority. The corresponding tax charges to the cell owner are included within the Allocation of reinsurance premiums line.

6 Shareholder investment return relates to investment return on excess assets. It is separately disclosed for segmental reporting, but is disclosed as investment income, net realised and unrealised fair value gains, certain expenses incurred relating to excess assets and other finance costs in the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Africa[1] Rm	Guardrisk[1] Rm	Momentum Insure Rm	Momentum Health[1] Rm	India Rm	Shareholders Rm	Total Rm
Restated												
2025												
Earnings for the year		1 355	992	868	1 618	191	812	416	395	(67)	(465)	6 115
Non-controlling interests		–	(34)	–	–	(8)	(25)	–	(80)	–	10	(137)
Earnings – equity holders of the Group		1 355	958	868	1 618	183	787	416	315	(67)	(455)	5 978
Profit on sale of associate		–	(6)	–	–	–	–	–	–	–	–	(6)
Investment in associate impairment		–	–	–	–	29	–	–	–	–	–	29
Loss on sale of fixed assets		–	–	–	–	–	–	–	–	–	6	6
Net reversal of impairment of owner-occupied property below cost		–	–	–	–	–	–	–	–	–	(10)	(10)
Tax on net reversal of impairment of owner-occupied property below cost		–	–	–	–	–	–	–	–	–	5	5
Headline earnings		1 355	952	868	1 618	212	787	416	315	(67)	(454)	6 002
Adjustments for iSabelo		–	1	–	–	–	2	2	4	–	106	115
Amortisation of intangible assets relating to business combinations		1	10	–	–	4	34	20	–	–	74	143
Normalised headline earnings		1 356	963	868	1 618	216	823	438	319	(67)	(274)	6 260
Operating profit/(loss)[2]		1 644	1 209	1 044	1 984	(86)	1 083	402	450	(69)	119	7 780
Tax on operating profit/(loss)		(452)	(312)	(284)	(535)	(43)	(263)	(111)	(138)	–	(161)	(2 299)
Investment return		216	88	143	223	364	3	201	8	2	(46)	1 202
Tax on investment return		(52)	(22)	(35)	(54)	(19)	–	(54)	(1)	–	(186)	(423)
Normalised headline earnings	3.3	1 356	963	868	1 618	216	823	438	319	(67)	(274)	6 260
Covered	3.4	1 374	817	867	1 637	349	–	–	–	–	167	5 211
Non-covered	3.4	(18)	146	1	(19)	(133)	823	438	319	(67)	(441)	1 049
Normalised headline earnings		1 356	963	868	1 618	216	823	438	319	(67)	(274)	6 260

[1] The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model.

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

3 Segmental report continued

3.1

	Notes	Contract holder tax Rm	Shareholder investment return Rm	Property subsidiaries not allocated to a reporting segment Rm	CIS subsidiaries not allocated to a reporting segment Rm	Intercompany fees and expenses Rm	Intercompany finance income and costs Rm	Allocation of finance expense Rm	Total reconciling items Rm
Reconciling items									
2026									
Contract holder tax		**2 252**	**–**	**–**	**–**	**–**	**–**	**–**	**2 252**
Insurance service result		**2 252**	**–**	**–**	**–**	**–**	**–**	**–**	**2 252**
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets	3.7.3	**973**	**1 853**	**1 218**	**4 284**	**–**	**(77)**	**1 755**	**10 006**
Fair value adjustments on CIS liabilities		**–**	**–**	**(498)**	**(2 899)**	**–**	**–**	**–**	**(3 397)**
Net insurance and investment result		**3 225**	**1 853**	**720**	**1 385**	**–**	**(77)**	**1 755**	**8 861**
Fee income		**–**	**–**	**–**	**(534)**	**(2 595)**	**–**	**–**	**(3 129)**
Fee income	3.5, 3.6	**–**	**–**	**–**	**(534)**	**–**	**–**	**–**	**(534)**
Intergroup fee income		**–**	**–**	**–**	**–**	**(2 595)**	**–**	**–**	**(2 595)**
Other operating expenses	3.7.4	**–**	**(58)**	**(685)**	**(472)**	**2 595**	**–**	**88**	**1 468**
Results of operations		**3 225**	**1 795**	**35**	**379**	**–**	**(77)**	**1 843**	**7 200**
Shareholder investment return		**–**	**(1 422)**	**–**	**–**	**–**	**–**	**–**	**(1 422)**
Other finance costs		**–**	**(373)**	**(9)**	**(220)**	**–**	**77**	**(1 843)**	**(2 368)**
Profit/(loss) before tax		**3 225**	**–**	**26**	**159**	**–**	**–**	**–**	**3 410**
Income tax expense		**(3 225)**	**–**	**(26)**	**(159)**	**–**	**–**	**–**	**(3 410)**
Earnings for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Restated									
2025[1]									
Contract holder tax		2 336	–	–	–	–	–	–	2 336
Insurance service result		2 336	–	–	–	–	–	–	2 336
Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets	3.7.3	690	1 647	892	5 657	–	(82)	1 720	10 524
Fair value adjustments on CIS liabilities		–	–	(279)	(4 479)	–	–	–	(4 758)
Net insurance and investment result		3 026	1 647	613	1 178	–	(82)	1 720	8 102
Fee income		–	–	–	(407)	(2 435)	–	–	(2 842)
Fee income	3.5, 3.6	–	–	–	(407)	–	–	–	(407)
Intergroup fee income		–	–	–	–	(2 435)	–	–	(2 435)
Other operating expenses	3.7.4	–	(50)	(599)	(439)	2 435	–	92	1 439
Results of operations		3 026	1 597	14	332	–	(82)	1 812	6 699
Shareholder investment return		–	(1 202)	–	–	–	–	–	(1 202)
Other finance costs		–	(395)	(6)	(161)	–	82	(1 812)	(2 292)
Profit/(loss) before tax		3 026	–	8	171	–	–	–	3 205
Income tax expense		(3 026)	–	(8)	(171)	–	–	–	(3 205)
Earnings for the year		–	–	–	–	–	–	–	–

[1] Refer to note 1 for more information on the restatements. All restatements in the note are considered immaterial.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 SEGMENTAL REPORT continued

	2026 Rm	2025 Rm
3.2 India		
3.2.1 Reconciliation of normalised headline earnings[1]		
Health Insurance profit after tax[2]	**77**	11
Momentum Group share of Health Insurance profit after tax (44.1%)	**34**	5
IFRS adjustments	**12**	(53)
Momentum Group share of Health Insurance results (44.1%)	**46**	(48)
Momentum Group share of Wellness results (49%)	**(8)**	(10)
Group support costs	**(47)**	(39)
Group IT and IT services	**27**	28
Other	**4**	2
Normalised headline earnings	**22**	(67)
3.2.2 Additional information[1,3]		
Gross written premiums (Rm)	**12 704**	10 542
Combined ratio	**103%**	105%
Claims ratio	**76%**	71%
In-force lives[4]:		
Retail and Group	**12 950 609**	12 309 058
Rural	**7 808 357**	5 304 373
Byte	**3 022 162**	4 094 706
Total in-force lives	**23 781 128**	21 708 137

[1] The India results have been reported with a three-month lag.
[2] Profit reported per Indian GAAP.
[3] Metrics are reported per Indian GAAP.
[4] This information represents unaudited figures.

	Notes	Change %	2026 Rm	Restated 2025 Rm
3.3 Change in normalised headline earnings				
Momentum Retail		**(26)**	**1 007**	1 356
Momentum Investments		**24**	**1 190**	963
Metropolitan Life		**32**	**1 148**	868
Momentum Corporate		**(12)**	**1 417**	1 618
Momentum Africa[1]		**79**	**387**	216
Guardrisk[1]		**26**	**1 040**	823
Momentum Insure		**8**	**474**	438
Momentum Health[1]		**15**	**367**	319
India		**>100**	**22**	(67)
Normalised headline earnings from operating segments		**8**	**7 052**	6 534
Shareholders		**>100**	**8**	(274)
Total normalised headline earnings	3	**13**	**7 060**	6 260

[1] The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model.

3 Segmental report continued

3.4 Segmental analysis

	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Africa Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Health Rm	India Rm	Shareholders Rm	Total Rm
2026												
Covered												
Protection		609	–	472	843	136	–	–	–	–	–	2 060
Long-term savings		144	165	19	201	4	–	–	–	–	–	533
Annuities and structured products		–	756	514	187	24	–	–	–	–	–	1 481
Traditional		(24)	–	13	–	4	–	–	–	–	–	(7)
Other[1]		(17)	(3)	16	(23)	(28)	–	–	–	–	150	95
Investment return[2]		302	62	114	230	334	–	–	–	–	150	1 192
Total	3	1 014	980	1 148	1 438	474	–	–	–	–	300	5 354
Non-covered												
Investment and savings		–	155	–	–	–	–	–	–	–	–	155
Life insurance		–	–	–	–	12	–	–	–	–	–	12
Health		–	–	–	–	44	–	–	406	–	1	451
Momentum Multiply		–	–	–	–	–	–	–	(72)	–	–	(72)
Cell captives		–	–	–	–	–	989	–	–	–	–	989
Non-life insurance		–	–	–	–	–	37	327	–	–	–	364
Holding company expenses		–	–	–	–	(148)	–	–	–	–	(220)	(368)
India		–	–	–	–	–	–	–	–	18	–	18
Momentum Money		–	(16)	–	–	–	–	–	–	–	–	(16)
Other[3]		–	49	–	(33)	(19)	22	9	21	2	225	276
Investment return		(7)	22	–	12	24	(8)	138	12	2	(298)	(103)
Total	3	(7)	210	–	(21)	(87)	1 040	474	367	22	(292)	1 706
Normalised headline earnings		1 007	1 190	1 148	1 417	387	1 040	474	367	22	8	7 060

[1] Included in Other are once-off items that are not linked to a specific product as well as earnings that are not contract holder related.
[2] For covered business, this is only the return on shareholder assets.
[3] Included in Other are mainly earnings that are not contract holder related.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

3.4 Segmental analysis continued

	Notes	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Africa[1] Rm	Guardrisk[1] Rm	Momentum Insure Rm	Momentum Health[1] Rm	India Rm	Shareholders Rm	Total Rm
Restated 2025												
Covered												
Protection		956	–	301	1 166	116	–	–	–	–	–	2 539
Long-term savings		121	76	166	186	(85)	–	–	–	–	–	464
Annuities and structured products		–	655	287	132	(50)	–	–	–	–	–	1 024
Traditional		138	–	10	–	6	–	–	–	–	–	154
Other[2]		(4)	32	(5)	(12)	47	–	–	–	–	(30)	28
Investment return[3]		163	54	108	165	315	–	–	–	–	197	1 002
Total	3	1 374	817	867	1 637	349	–	–	–	–	167	5 211
Non-covered												
Investment and savings		–	124	–	–	–	–	–	–	–	–	124
Life insurance		–	–	–	–	1	–	–	–	–	–	1
Health		–	–	–	–	42	–	–	327	–	–	369
Momentum Multiply		–	–	–	–	–	–	–	(57)	–	–	(57)
Cell captives		–	–	–	–	–	751	–	–	–	–	751
Non-life insurance		–	–	–	–	–	21	278	–	–	–	299
Holding company expenses		–	–	–	–	(224)	–	–	–	–	(280)	(504)
India		–	–	–	–	–	–	–	–	(73)	–	(73)
Momentum Money		–	(35)	–	–	–	–	–	–	–	–	(35)
Other[4]		(19)	45	1	(23)	18	48	13	42	4	268	397
Investment return		1	12	–	4	30	3	147	7	2	(429)	(223)
Total	3	(18)	146	1	(19)	(133)	823	438	319	(67)	(441)	1 049
Normalised headline earnings		1 356	963	868	1 618	216	823	438	319	(67)	(274)	6 260

1 The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model.
2 Included in Other are once-off items that are not linked to a specific product as well as earnings that are not contract holder related.
3 For covered business, this is only the return on shareholder assets.
4 Included in Other are mainly earnings that are not contract holder related.

3 Segmental report continued

3.5 Segment IFRS 15 – Revenue from Contracts with Customers

	Notes	Total revenue in scope of IFRS 15					
		Contract administration Rm	Trust and fiduciary services Rm	Health administration Rm	Cell captive commission Rm	Other fee income Rm	Total fee income Rm
2026							
Momentum Retail		1 080	66	–	–	237	1 383
Momentum Investments		2 464	1 440	–	–	473	4 377
Metropolitan Life		34	–	–	–	6	40
Momentum Corporate		1 038	622	–	–	38	1 698
Momentum Africa		60	39	–	–	24	123
Guardrisk		186	–	–	167	68	421
Momentum Insure		–	–	–	–	10	10
Momentum Health		–	–	3 103	–	157	3 260
India		–	–	–	–	9	9
Shareholders		–	–	–	–	16	16
Segmental total		4 862	2 167	3 103	167	1 038	11 337
Reconciling items	3.1	–	(535)	–	–	1	(534)
Total	3	4 862	1 632	3 103	167	1 039	10 803
Restated 2025							
Momentum Retail		1 023	49	–	–	118	1 190
Momentum Investments		2 105	1 414	–	–	259	3 778
Metropolitan Life		13	–	–	–	9	22
Momentum Corporate		1 034	580	–	–	43	1 657
Momentum Africa[1]		23	45	–	–	6	74
Guardrisk[1]		196	–	–	141	248	585
Momentum Insure		–	–	–	–	8	8
Momentum Health[1]		3	–	2 736	–	207	2 946
India		–	–	–	–	17	17
Shareholders		–	–	–	–	21	21
Segmental total		4 397	2 088	2 736	141	936	10 298
Reconciling items	3.1	–	(409)	–	–	2	(407)
Total	3	4 397	1 679	2 736	141	938	9 891

[1] The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

3.6 Revenue per geographical basis

	Notes	SA Rm	Namibia Rm	Mauritius Rm	Botswana Rm	Lesotho Rm	Other[1] Rm	Total revenue Rm
2026								
Momentum Retail		**11 026**	**–**	**–**	**–**	**–**	**–**	**11 026**
Momentum Investments		**7 262**	**–**	**–**	**–**	**–**	**568**	**7 830**
Metropolitan Life		**6 596**	**–**	**–**	**–**	**–**	**–**	**6 596**
Momentum Corporate		**9 423**	**–**	**–**	**–**	**–**	**–**	**9 423**
Momentum Africa		**–**	**1 235**	**–**	**488**	**597**	**94**	**2 414**
Guardrisk		**23 549**	**529**	**1 781**	**–**	**–**	**23**	**25 882**
Momentum Insure		**3 228**	**–**	**–**	**–**	**–**	**–**	**3 228**
Momentum Health		**5 336**	**–**	**–**	**246**	**305**	**428**	**6 315**
India		**–**	**–**	**–**	**–**	**–**	**9**	**9**
Shareholders		**16**	**–**	**–**	**–**	**–**	**–**	**16**
Segmental total		**66 436**	**1 764**	**1 781**	**734**	**902**	**1 122**	**72 739**
Reconciling items	3.1	**(377)**	**(4)**	**–**	**–**	**–**	**(153)**	**(534)**
Total	3	**66 059**	**1 760**	**1 781**	**734**	**902**	**969**	**72 205**
Restated 2025								
Momentum Retail		10 233	–	–	–	–	–	10 233
Momentum Investments		6 339	–	–	–	–	610	6 949
Metropolitan Life		6 209	–	–	–	–	–	6 209
Momentum Corporate		9 411	–	–	–	–	–	9 411
Momentum Africa[2]		–	1 226	–	498	470	219	2 413
Guardrisk[2,3]		23 784	490	1 686	–	–	24	25 984
Momentum Insure		3 302	–	–	–	–	–	3 302
Momentum Health[2]		4 645	–	–	254	245	326	5 470
India		–	–	–	–	–	17	17
Shareholders		21	–	–	–	–	–	21
Segmental total		63 944	1 716	1 686	752	715	1 196	70 009
Reconciling items	3.1	(327)	(3)	–	–	–	(77)	(407)
Total	3	63 617	1 713	1 686	752	715	1 119	69 602

1 Other mainly relates to operations in the United Kingdom (UK) of R438 million (2025: R558 million), Mozambique R440 million (2025: R326 million) and Ghana R82 million (2025: R218 million).
2 The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model.
3 Refer to note 1 for more information on the restatements other than footnote 2. All restatements in the note are considered immaterial.

3 Segmental report continued

3.7 Additional information

3.7.1 Insurance revenue[1]

	Notes	Contractual service margin (CSM) release Rm	Risk adjustment release Rm	Insurance revenue excluding CSM and risk adjustment release Rm	Total insurance revenue Rm
2026					
Momentum Retail		**1 287**	**340**	**8 016**	**9 643**
Momentum Investments		**586**	**34**	**2 833**	**3 453**
Metropolitan Life		**728**	**264**	**5 564**	**6 556**
Momentum Corporate		**160**	**13**	**7 552**	**7 725**
Momentum Africa		**243**	**41**	**2 007**	**2 291**
Guardrisk		**745**	**495**	**24 221**	**25 461**
Momentum Insure		**–**	**–**	**3 218**	**3 218**
Momentum Health		**–**	**–**	**3 055**	**3 055**
Total	3	**3 749**	**1 187**	**56 466**	**61 402**
2025					
Momentum Retail		1 116	313	7 614	9 043
Momentum Investments		546	28	2 597	3 171
Metropolitan Life		673	260	5 254	6 187
Momentum Corporate		136	13	7 605	7 754
Momentum Africa		237	46	2 056	2 339
Guardrisk		431	383	24 585	25 399
Momentum Insure		–	–	3 294	3 294
Momentum Health		–	–	2 524	2 524
Total	3	3 139	1 043	55 529	59 711

[1] This information was not presented in prior years but has been included to provide additional information to users.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

3.7 Additional information continued

	Notes	Incurred claims Rm	Incurred expenses (excluding insurance acquisition expenses) Rm	Insurance acquisition expenses Rm	Change in onerous contracts Rm	Change in past service Rm	Total insurance service expenses Rm
3.7.2 Insurance service expenses[1]							
2026							
Momentum Retail		**(5 950)**	**(764)**	**(334)**	**80**	**(87)**	**(7 055)**
Momentum Investments		**(2 707)**	**(168)**	**(47)**	**135**	**4**	**(2 783)**
Metropolitan Life		**(2 853)**	**(1 195)**	**(1 326)**	**151**	**39**	**(5 184)**
Momentum Corporate		**(6 409)**	**(527)**	**(181)**	**(235)**	**868**	**(6 484)**
Momentum Africa		**(954)**	**(518)**	**(344)**	**(114)**	**1**	**(1 929)**
Guardrisk		**(9 223)**	**(2 475)**	**(4 321)**	**(367)**	**208**	**(16 178)**
Momentum Insure		**(1 486)**	**(462)**	**(355)**	**–**	**1**	**(2 302)**
Momentum Health		**(2 130)**	**(329)**	**(189)**	**(25)**	**–**	**(2 673)**
Total	3	**(31 712)**	**(6 438)**	**(7 097)**	**(375)**	**1 034**	**(44 588)**
2025							
Momentum Retail		(5 810)	(733)	(288)	687	(563)	(6 707)
Momentum Investments		(2 520)	(135)	(40)	(82)	1	(2 776)
Metropolitan Life		(2 842)	(1 278)	(1 183)	162	352	(4 789)
Momentum Corporate		(6 366)	(559)	(177)	14	1 041	(6 047)
Momentum Africa		(813)	(517)	(438)	(152)	(216)	(2 136)
Guardrisk		(10 247)	(1 755)	(4 136)	(761)	(257)	(17 156)
Momentum Insure		(1 675)	(504)	(320)	–	52	(2 447)
Momentum Health		(1 703)	(308)	(158)	1	11	(2 157)
Total	3	(31 976)	(5 789)	(6 740)	(131)	421	(44 215)

[1] This information was not presented in prior years but has been included to provide additional information to users.

3 Segmental report continued

3.7 Additional information continued

3.7.3 Investment income, net realised and unrealised fair value gains and net impairment loss on financial assets

	Notes	Interest income Rm	Other Rm	Total Rm
2026				
Momentum Retail		**93**	**13 334**	**13 427**
Momentum Investments		**478**	**40 858**	**41 336**
Metropolitan Life		**79**	**9 318**	**9 397**
Momentum Corporate		**369**	**22 883**	**23 252**
Momentum Africa		**203**	**2 885**	**3 088**
Guardrisk		**376**	**4 148**	**4 524**
Momentum Insure		**23**	**42**	**65**
Momentum Health		**81**	**15**	**96**
India		**2**	**3**	**5**
Shareholders		**447**	**22**	**469**
Segmental total		**2 151**	**93 508**	**95 659**
Reconciling items	3.1	**377**	**9 629**	**10 006**
Total	3	**2 528**	**103 137**	**105 665**
Restated 2025[1]				
Momentum Retail		120	12 623	12 743
Momentum Investments		564	37 409	37 973
Metropolitan Life		83	6 624	6 707
Momentum Corporate		388	22 981	23 369
Momentum Africa[2]		226	2 510	2 736
Guardrisk[2]		291	4 788	5 079
Momentum Insure		21	49	70
Momentum Health[2]		76	49	125
India		2	2	4
Shareholders		503	199	702
Segmental total		2 274	87 234	89 508
Reconciling items	3.1	323	10 201	10 524
Total	3	2 597	97 435	100 032

[1] As part of the accounting policy change described in note 1, interest income on financial instruments measured at FVPL has been reclassified and presented within other. This restatement resulted in a decrease in interest income and a corresponding increase in other recognised within the following operating segments: Momentum Retail (R2 483 million), Momentum Investments (R9 836 million), Metropolitan Life (R2 440 million), Momentum Corporate (R4 723 million), Momentum Africa (R1 306 million), Guardrisk (R2 767 million) and Reconciling items (R2 739 million). The amounts disclosed include the restatements as per footnote 2 below.

[2] The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segmental report continued

3.7 Additional information continued

3.7.4 Other operating expenses

	Notes	Non-attributable insurance expense Rm	Investment contracts - management expenses Rm	Investment contracts - DAC amortisation Rm	Employee benefit expenses Rm	Asset management fees Rm	Consulting fees Rm	Information technology expenses Rm	Other Rm	Total Rm
2026										
Momentum Retail		**(118)**	**(910)**	**(164)**	**(102)**	**(42)**	**(18)**	**(31)**	**(149)**	**(1 534)**
Momentum Investments		**(15)**	**(2 397)**	**(191)**	**(916)**	**(529)**	**(79)**	**(72)**	**(1 186)**	**(5 385)**
Metropolitan Life		**(158)**	**(84)**	**(1)**	**(1)**	**(18)**	**-**	**-**	**3**	**(259)**
Momentum Corporate		**(171)**	**(1 244)**	**(5)**	**(157)**	**-**	**-**	**(5)**	**(216)**	**(1 798)**
Momentum Africa		**(66)**	**(44)**	**-**	**(148)**	**(11)**	**(14)**	**(14)**	**(50)**	**(347)**
Guardrisk		**(417)**	**-**	**-**	**(143)**	**(47)**	**(12)**	**(16)**	**(257)**	**(892)**
Momentum Insure		**(188)**	**-**	**-**	**(248)**	**(2)**	**(11)**	**(27)**	**(20)**	**(496)**
Momentum Health		**-**	**(30)**	**-**	**(1 704)**	**(109)**	**(301)**	**(231)**	**(856)**	**(3 231)**
India		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(209)**	**(209)**
Shareholders[1]		**-**	**(54)**	**-**	**(1 589)**	**(19)**	**(167)**	**(798)**	**946**	**(1 681)**
Segmental total		**(1 133)**	**(4 763)**	**(361)**	**(5 008)**	**(777)**	**(602)**	**(1 194)**	**(1 994)**	**(15 832)**
Reconciling items	3.1	**-**	**-**	**-**	**-**	**(440)**	**-**	**-**	**1 908**	**1 468**
Total	3	**(1 133)**	**(4 763)**	**(361)**	**(5 008)**	**(1 217)**	**(602)**	**(1 194)**	**(86)**	**(14 364)**
Restated 2025										
Momentum Retail		(132)	(925)	(21)	(27)	(28)	-	-	(219)	(1 352)
Momentum Investments		(23)	(2 089)	(158)	(972)	(317)	(188)	21	(1 000)	(4 726)
Metropolitan Life		(254)	(69)	-	(2)	(10)	-	-	(2)	(337)
Momentum Corporate[2]		(123)	(1 166)	(3)	(150)	-	-	(5)	(189)	(1 636)
Momentum Africa[3]		(47)	(67)	-	(135)	(3)	(29)	-	(156)	(437)
Guardrisk[3]		(398)	-	-	(106)	(70)	(4)	(8)	(285)	(871)
Momentum Insure		(174)	-	-	(240)	(7)	(11)	(27)	(11)	(470)
Momentum Health[3]		-	-	-	(1 652)	(154)	(241)	(210)	(738)	(2 995)
India		-	-	-	(147)	-	(25)	-	(25)	(197)
Shareholders[1,2]		-	-	-	(1 492)	(30)	(245)	(851)	633	(1 985)
Segmental total		(1 151)	(4 316)	(182)	(4 923)	(619)	(743)	(1 080)	(1 992)	(15 006)
Reconciling items	3.1	-	-	-	-	(336)	-	-	1 775	1 439
Total	3	(1 151)	(4 316)	(182)	(4 923)	(955)	(743)	(1 080)	(217)	(13 567)

1 Included in Other are intercompany expense recoupments of R1 061 million (2025: R1 137 million).
2 R150 million in Momentum Corporate and R1 078 million in Shareholders were incorrectly included in Other instead of Employee benefit expenses. 2025 has subsequently been restated to correct for this.
3 The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model.

3 Segmental report continued

3.7 Additional information continued

3.7.5 Covered and non-covered additional detail

	Notes	Other operating expenses Covered Rm	Other operating expenses Non-covered Rm	Other finance cost Covered Rm	Other finance cost Non-covered Rm
2026					
Momentum Retail		**(1 208)**	**(315)**	**(17)**	**–**
Momentum Investments		**(3 186)**	**(2 170)**	**(1 661)**	**(36)**
Metropolitan Life		**(264)**	**(6)**	**(243)**	**–**
Momentum Corporate		**(1 420)**	**(356)**	**(89)**	**(22)**
Momentum Africa		**(172)**	**(169)**	**–**	**–**
Guardrisk		**–**	**(875)**	**–**	**(66)**
Momentum Insure		**–**	**(491)**	**–**	**–**
Momentum Health		**–**	**(3 226)**	**–**	**(13)**
India		**–**	**(209)**	**–**	**–**
Shareholders		**(165)**	**(1 507)**	**(599)**	**(101)**
Segmental total		**(6 415)**	**(9 324)**	**(2 609)**	**(238)**
Reconciling items		**(541)**	**1 916**	**697**	**(218)**
Total	3	**(6 956)**	**(7 408)**	**(1 912)**	**(456)**
Restated 2025[1]					
Momentum Retail		(1 149)	(200)	(175)	–
Momentum Investments		(2 763)	(1 927)	(235)	(54)
Metropolitan Life		(333)	(5)	(560)	–
Momentum Corporate		(1 293)	(323)	(233)	(19)
Momentum Africa[2]		(180)	(242)	–	(2)
Guardrisk[2]		–	(849)	–	(66)
Momentum Insure		–	(467)	–	–
Momentum Health[2]		–	(2 993)	–	(6)
India		–	(201)	–	–
Shareholders		(352)	(1 620)	(278)	(211)
Segmental total		(6 070)	(8 827)	(1 481)	(358)
Reconciling items		(506)	1 836	(380)	(73)
Total	3	(6 576)	(6 991)	(1 861)	(431)

1 Refer to note 1 for more information on the restatements other than footnote 2. All restatements in the note are considered immaterial.
2 The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model.

3.7.6 Additional segment metrics

	2026	Restated 2025
Momentum Insure		
Gross written premiums (Rm)	**3 219**	3 294
Momentum Health		
Principal members[1]	**1 730 916**	1 367 332
Number of Africa lives[1]	**55 105**	66 991
Momentum Africa		
Number of Africa lives (Health)[1]	**392 716**	376 168

1 The prior year has been restated based on a new operating model adopted by the Group. This resulted in principal members increasing from 1 318 197 to 1 367 332, while the Momentum Health portion of Number of Africa lives was reallocated from Momentum Africa to Momentum Health.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Intangible assets

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

	Notes	2026 Rm	2025 Rm
Goodwill	4.1	**1 358**	1 358
Customer relationships	4.2	**258**	326
Brands and intellectual property	4.3	**433**	513
Broker network	4.4	**279**	337
DAC on long-term investment business	4.6	**2 152**	2 069
Computer software	4.7	**253**	241
Total		**4 733**	4 844

4.1 Goodwill

	Notes	2026 Rm	2025 Rm
Carrying amount at beginning		**1 358**	1 325
Cost		**3 214**	3 181
Accumulated impairment		**(1 856)**	(1 856)
Business combinations	29	**–**	31
Foreign exchange rate differences		**–**	2
Carrying amount at end		**1 358**	1 358
Cost		**3 214**	3 214
Accumulated impairment		**(1 856)**	(1 856)
Cash-generating units (CGUs)			
Guardrisk – Guardrisk		**831**	831
Eris Property Group – Momentum Investments		**191**	191
Ex-Metropolitan Group – Metropolitan Life (Metropolitan/Momentum merger)		**111**	111
Momentum Health (Pty) Ltd – Momentum Metropolitan Health		**116**	116
Other		**109**	109
Total		**1 358**	1 358

Critical accounting estimates and judgements

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

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

At the end of the defined five-year projection period, a terminal value is determined assuming inflationary growth beyond the five years.

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

4 Intangible assets continued

4.1 Goodwill continued

Critical accounting estimates and judgements continued

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

	2026	2025
Risk-free rate (long-term)	**8.9%**	11.0%
Equity risk premium	**3.5%**	3.5%
Risk premium applied to unlisted equity investments	**2.4%**	2.3%
Total (central rate)	**14.8%**	16.8%

The long-term risk-free rate is set with reference to the 10-year Republic of South Africa (RSA) government bond yield. At 30 June 2026, the 10-year zero-coupon yield to maturity was 8.9% p.a. (2025: 11.0% p.a.)

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

	2026		2025	
	RDR %	Long-term growth rate %	RDR %	Long-term growth rate %
Assumptions				
Guardrisk	**14.8**	**4.0**	16.8	5.0
Eris Property Group	**14.8**	**4.0**	16.8	5.0
Ex-Metropolitan Group	**11.4**	**4.6**	13.5	6.0
Momentum Health	**14.8**	**4.0**	16.8	5.0

Guardrisk, Eris Property Group and Momentum Health are established local companies and the cash flows are reasonably predictable. The central RDR assumption is thus deemed appropriate.

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

4.2 Customer relationships

	Notes	2026 Rm	2025 Rm
Carrying amount at beginning		**326**	397
Cost		**1 458**	1 458
Accumulated amortisation		**(1 102)**	(1 031)
Accumulated impairment		**(30)**	(30)
Additions		**2**	–
Amortisation charges		**(70)**	(71)
Carrying amount at end		**258**	326
Cost		**1 460**	1 458
Accumulated amortisation		**(1 172)**	(1 102)
Accumulated impairment		**(30)**	(30)
The carrying amount is made up as follows:	**To be fully amortised by year:**		
Metropolitan/Momentum merger			
Investment contracts – Momentum Corporate	2030	**144**	188
Momentum Insure – Momentum Insure	2030	**46**	59
Momentum Global Investment Management (MGIM) – Momentum Investments	2031	**58**	71
Other		**10**	8
Total		**258**	326

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Intangible assets continued

	Notes	2026 Rm	2025 Rm
4.3 Brands and intellectual property			
Carrying amount at beginning		**513**	448
Cost		**1 406**	1 273
Accumulated amortisation		**(885)**	(817)
Accumulated impairment		**(8)**	(8)
Business combinations	29	**–**	133
Amortisation charges		**(80)**	(68)
Carrying amount at end		**433**	513
Cost		**1 406**	1 406
Accumulated amortisation		**(965)**	(885)
Accumulated impairment		**(8)**	(8)
The carrying amount is made up as follows:	**To be fully amortised by year:**		
Metropolitan brand – Metropolitan Life (Metropolitan/Momentum merger)	2031	**238**	292
FinGlobal intellectual property – Momentum Retail	2035	**117**	131
Guardrisk brand – Guardrisk	2034	**43**	47
Momentum Insure brand – Momentum Insure	2035	**26**	30
Momentum Insurance (Namibia) brand – Momentum Africa	2031	**9**	10
Other		**–**	3
Total		**433**	513

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

Intellectual property

Included in brands and intellectual property is a carrying amount of R117 million (2025: R131 million) representing intellectual property. The increase in intellectual property in the prior year was as a result of the acquisition of FinGlobal Migration (Pty) Ltd (FinGlobal) of R133 million, which was offset by R2 million amortisation charges. (Refer to Note 29)

	Notes	2026 Rm	2025 Rm
4.4 Broker network			
Carrying amount at beginning		**337**	385
Cost		**725**	754
Accumulated amortisation		**(365)**	(314)
Accumulated impairment		**(23)**	(55)
Business combinations	29	**–**	9
Amortisation charges		**(58)**	(57)
Carrying amount at end		**279**	337
Cost		**725**	725
Accumulated amortisation		**(423)**	(365)
Accumulated impairment		**(23)**	(23)
The carrying amount is made up as follows:	**To be fully amortised by year:**		
Guardrisk (life) – Guardrisk	2029	**179**	205
Guardrisk (non-life) – Guardrisk	2029	**48**	67
Momentum Insure – Momentum Insure	2030	**52**	65
Total		**279**	337

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

4 Intangible assets continued

4.5 Sensitivity analysis of intangible assets acquired in business combinations

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

The Group recognises goodwill, customer relationships and brands relating to the Metropolitan/Momentum merger. The current recoverable amount of these assets is R438 million (2025: R302 million) higher than the carrying amount and has 47% (2025: 34%) headroom available before the Group would need to consider impairing any of the associated goodwill.

For Momentum Insure, the Group recognises intangible assets including customer relationships, broker network and brands on the statement of financial position. The current recoverable amount of these assets is R1 233 million (2025: R357 million) higher than the carrying amount of the CGU and has 42% (2025: 15%) headroom available. Future revenue and expenses included in the risk-adjusted cash flow projections will need to decrease by 11% (2025: 4%) or increase by 13% (2025: 5%) respectively, for the recoverable amount to equate to the carrying amount. A 6.7% (2025: 2.5%) increase in RDR would be required for the recoverable amount to equate to the carrying amount.

For Guardrisk, the Group recognises goodwill, brands and broker network in the statement of financial position. The current recoverable amount of these assets is R4 786 million (2025: R2 892 million) higher than the carrying amount and has 54% (2025: 44%) headroom available. Future revenue and expenses included in the risk-adjusted cash flow projections will need to decrease by 29% (2025: 21%) or increase by 51% (2025: 35%) respectively, for the recoverable amount to equate to the carrying amount.

At 30 June 2026, the recoverable amounts on most subsidiaries were considerably higher than the prior year. This is due to a combination of more favourable investment market conditions (materially lower long-term interest rates) and operational performance (including new clients, benign claims experience and higher assets under management). Due to the increase in recoverable amounts, all the CGUs under consideration at 30 June 2026 would have been able to withstand up to a 30% reduction in recoverable amount, before becoming at risk of impairment in intangible assets. Only in case of a 35% to 40% reduction in recoverable amounts, would recoverable amounts on a number of subsidiaries become materially lower than the carry values and hence at risk of impairment.

In the prior year, had the recoverable amounts of all the CGUs under consideration decreased by 20%, an impairment of R131 million would have been required, with R103 million relating to Momentum Insure intangible assets and R28 million relating to Investment Managers Group.

	2026 Rm	2025 Rm
4.6 Deferred acquisition costs (DAC) on investment contracts		
Carrying amount at beginning	**2 069**	1 866
Additions	**472**	407
Amortisation charges	**(360)**	(203)
Impairment charges	**(24)**	–
Foreign exchange rate differences	**(5)**	(1)
Carrying amount at end	**2 152**	2 069

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Intangible assets continued

	Notes	2026 Rm	2025 Rm
4.7 Computer software			
Carrying amount at beginning		**241**	262
Cost		**729**	946
Accumulated amortisation		**(444)**	(640)
Accumulated impairment		**(44)**	(44)
Additions		**100**	55
Amortisation charges		**(88)**	(76)
Carrying amount at end		**253**	241
Cost		**714**	729
Accumulated amortisation		**(417)**	(444)
Accumulated impairment[1]		**(44)**	(44)

[1] In the current and prior year, fully amortised assets were derecognised, with associated cost and accumulated amortisation written off.

Internally developed software

Included in computer software is a carrying amount of R42 million (2025: R48 million) representing internally developed software. Additions of R13 million (2025: R13 million) were recognised during the year and were offset by amortisation charges of R19 million (2025: R20 million), resulting in a decrease in the carrying amount of internally developed software.

Material computer software

The Momentum Insure segment has computer software of R171 million (2025: R157 million). The increase in the current financial year relates to ongoing development of the Premia line of business system, as well as the acquisition of a technology asset from Ctrl Technologies (Pty) Ltd for R28 million. The software is expected to be fully amortised by 2031. For impairment testing purposes, a RDR of 11% (2025: 13%) and a growth rate of 6% (2025: 6%) were used to determine the present value of the future economic benefits of the software. No impairment was required.

Guardrisk has computer software of R44 million (2025: R30 million) relating to its core policy administration, general ledger and reporting systems, as well as other business systems that are continuously enhanced to support operational requirements, which will be fully amortised by 2028. No impairment was required.

The Momentum Health segment has computer software of R13 million (2025: R20 million) relating to the wellness and rewards platform, which will be fully amortised by 2028. No impairment was required.

Computer software of R11 million (2025: R18 million) is used as a reporting tool for capturing trades, treasury and risk management by various segments. This will be fully amortised by 2028. No impairment was required.

5 Owner-occupied properties and fixed assets

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

	Notes	2026 Rm	Restated 2025 Rm
5.1 Owned owner-occupied properties			
Owned owner-occupied properties		**2 838**	2 503
Owner-occupied properties – disclosed as per IAS16. 29A		**141**	133
Owner-occupied properties – at fair value	5.1.1	**2 979**	2 636
Right-of-use assets		**128**	128
Total		**3 107**	2 764
Historical carrying amount – cost model[1]		**1 788**	1 756
5.1.1 Owner-occupied properties – at fair value			
Fair value at beginning		**2 636**	2 561
Additions		**9**	8
Revaluations charged to other comprehensive income		**53**	96
Revaluations charged to income statement (IAS16.29A)		**5**	4
Depreciation charges		**(49)**	(43)
Net impairment reversals to income statement		**16**	10
Transfer from investment properties		**309**	–
Fair value at end		**2 979**	2 636

[1] The prior year historical carrying amount was incorrectly presented as R1 272 million. The comparative information has been restated accordingly.

5 Owner-occupied properties and fixed assets continued

5.1 Owned owner-occupied properties continued

5.1.1 Owner-occupied properties – at fair value continued

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

Owner-occupied properties are classified as level 3.

In the current year, the revaluation increase mainly relates to revaluation gains within the Shareholders segment of R35 million (2025: R44 million revaluation gain) on the Centurion Head Office, R1 million (2025: R8 million revaluation gain) on Parc du Cap 7 and 8, R8 million (2025: R10 million) on Cornubia, R3 million (2025: R1 million revaluation gain) on Meersig and R4 million (2025: R10 million revaluation gain) on the Parkade. This was offset by a decrease in revaluations on Parc Du Cap 6 of R6 million (2025: R16 million revaluation gain). These are market-related movements in the fair value of the properties.

The increase in owner-occupied property during the year was mainly attributable to the transfer of a portion of 102 Rivonia from investment property following the commencement of occupation by Momentum Health Consultants on 1 June 2026.

Critical accounting estimates and judgements

All properties are valued using a discounted cash flow (DCF) method or the income capitalisation approach, based on the aggregate contractual or market-related rent receivable less associated costs. The DCF discounts projected cash flows at a rate that is consistent with comparable market transactions. Increases in the carrying amount arising on revaluation of owner-occupied buildings are recognised in a land and building revaluation reserve in other comprehensive income, except to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. Decreases that offset previous increases in respect of the same asset are charged against the revaluation reserve, and all other decreases are charged to the income statement. All owner-occupied properties were internally valued at 30 June 2026. Valuations are performed every six months.

Assumptions	Valuation technique	Base assumption[1]	Change in assumption	Balance before assumption change	Change in fair value: Decrease in assumption Rm	Change in fair value: Increase in assumption Rm
2026						
Capitalisation rate						
Office buildings	DCF & income capitalisation	**8.25% – 11.00%**	**100bps**	**2 858**	**231**	**(183)**
Parkade	Income capitalisation	**9.25%**	**100bps**	**94**	**10**	**(8)**
Discount rate						
Office buildings	DCF	**12.75% – 15.00%**	**100bps**	**2 110**	**98**	**(90)**
Restated 2025[2]						
Capitalisation rate						
Office buildings	DCF & income capitalisation	8.25% – 12.00%	100bps	2 418	228	(184)
Parkade	Income capitalisation	9.25%	100bps	91	9	(8)
Discount rate[3]						
Office buildings	DCF	12.75% – 15.00%	100bps	1 687	96	(91)

1 The base assumption has been calculated using an absolute minimum and maximum range.
2 Comparative sensitivities have been restated to reflect the absolute minimum and maximum valuation assumptions rather than weighted average assumptions previously applied, with no impact on the reported fair values of owner-occupied properties.
3 The prior year base assumption for office buildings valued using a discount rate has been restated to exclude Centurion Head Office properties (R730 million), which are valued using an income capitalisation rate. The comparative information has been corrected accordingly.

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

The property market continues to move in a positive trajectory post-Covid, but remains impacted by low economic growth. Further to this, global uncertainty has introduced additional risk into the valuation process. Therefore, a conservative take-up of the vacant space has been assumed, likewise a conservative view has been taken on achievable market rentals. Assumed market rental growth is in the range of 4.5% to 5%.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 Owner-occupied properties and fixed assets continued

	Notes	2026 Rm	2025 Rm
5.2 Fixed assets			
Fixed assets at carrying amount			
Leasehold improvements		**83**	55
Furniture and fittings		**72**	110
Office equipment		**178**	180
Computer equipment		**191**	180
Computer equipment Right-of-use assets		**–**	1
Motor vehicles		**6**	9
Solar plant		**149**	164
Artwork		**18**	–
Total		**697**	699
Carrying amount at beginning		**699**	591
Cost		**2 133**	2 193
Accumulated depreciation		**(1 415)**	(1 583)
Accumulated impairment		**(19)**	(19)
Business combinations	29	**(8)**	2
Additions		**229**	353
Disposals		**(13)**	(28)
Depreciation		**(231)**	(211)
Revaluation relating to Artwork		**18**	–
Transfer to/(from) non-current assets held for sale	46	**9**	(11)
Foreign exchange rate differences		**(6)**	3
Carrying amount at end		**697**	699
Cost		**2 007**	2 133
Accumulated depreciation		**(1 306)**	(1 415)
Fair value relating to Artwork		**18**	–
Accumulated impairment		**(22)**	(19)

Fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses, except for the artwork collection, which is carried at revalued amounts determined with reference to fair value based on regular specialist valuations. As the collection is considered to have an indefinite useful life, no depreciation is charged. Leasehold properties are depreciated over the shorter of their lease terms and estimated useful lives. All other fixed assets are depreciated on a straight-line basis over their estimated useful lives, taking into account residual values, as follows:

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

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

6 Investment properties

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

	Notes	2026 Rm	2025 Rm
Owned investment properties	6.1	**9 188**	9 562
Right-of-use assets		**12**	11
Total		**9 200**	9 573

6.1 Owned investment properties

	Notes	2026 Rm	2025 Rm
At 30 June, investment properties comprised the following property types:			
Shopping malls		**4 718**	4 433
Office buildings[1]		**3 395**	4 025
Industrial		**776**	771
Hotels		**330**	310
Vacant land		**220**	227
Other		**93**	175
Property at valuation		**9 532**	9 941
Accelerated rental income	9	**(344)**	(379)
Total		**9 188**	9 562
Completed properties			
Fair value at beginning		**9 562**	9 177
Capitalised subsequent expenditure		**66**	19
Additions		**17**	3
Disposals		**(51)**	–
Revaluations charged to income statement		**379**	325
Change in accelerated rental income		**35**	3
Transfer to owner-occupied properties		**(309)**	–
Transfer (to)/from non-current assets held for sale	46	**(489)**	40
Foreign exchange rate differences		**(12)**	4
Other		**(10)**	(9)
Fair value at end		**9 188**	9 562

[1] The decrease in office buildings of R630 million primarily relates to the transfer of a portion of the 102 Rivonia property from investment property to owner-occupied property, amounting to R313 million, following occupation by Momentum Group tenants from 1 June 2026. In addition, properties with a carrying amount of R358 million were transferred to held for sale.

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

Investment properties are classified as level 3.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 Investment properties continued

6.1 Owned investment properties continued

Critical accounting estimates and judgements

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

The key valuation inputs include capitalisation rates, discount rates, and the underlying cash flows. The cash flows used are based on contractual arrangements where applicable and appropriate market norms. Each valuation is carried out in isolation, and tested in each individual case by looking at factors including current tenant retention, potential market rentals and potential of long-term vacancies as well as necessary changes in the capitalisation and discount rates. The valuers carried out extensive market research and also collaborated with their professional peers.

				Change in fair value	
Assumptions	Valuation technique	Base assumption[1]	Change in assumption	Decrease in assumption Rm	Increase in assumption Rm
2026					
Capitalisation rate				**814**	**(630)**
Shopping malls	DCF	**7.00% – 11.00%**	**100bps**	**532**	**(408)**
Office buildings	DCF	**7.00% – 11.00%**	**100bps**	**211**	**(166)**
Industrial	DCF	**9.00% – 10.00%**	**100bps**	**45**	**(36)**
Hotels	DCF	**9.00%**	**100bps**	**26**	**(20)**
Discount rate				**600**	**(548)**
Shopping malls	DCF	**12.00% – 15.00%**	**100bps**	**393**	**(355)**
Office buildings	DCF	**12.00% – 15.00%**	**100bps**	**156**	**(145)**
Industrial	DCF	**13.00% – 14.00%**	**100bps**	**39**	**(36)**
Hotels	DCF	**13.00%**	**100bps**	**12**	**(12)**
Vacancy rate				**78**	**(75)**
Shopping malls	DCF	**1.00% – 5.00%**	**100bps**	**50**	**(47)**
Office buildings	DCF	**0.00% – 15.00%**	**100bps**	**22**	**(22)**
Industrial	DCF	**1.00% – 3.00%**	**100bps**	**4**	**(4)**
Hotels	DCF	**1.00%**	**100bps**	**2**	**(2)**
Restated 2025[2]					
Capitalisation rate				655	(498)
Shopping malls	DCF	7.00% – 12.00%	100bps	320	(250)
Office buildings	DCF	7.00% – 12.00%	100bps	274	(199)
Industrial	DCF	9.00%–14.00%	100bps	35	(28)
Hotels	DCF	9.00%	100bps	26	(21)
Discount rate				451	(414)
Shopping malls	DCF	12.00% – 16.00%	100bps	211	(192)
Office buildings	DCF	12.00% – 15.00%	100bps	202	(187)
Industrial	DCF	13.00% – 14.00%	100bps	26	(24)
Hotels	DCF	13.00%	100bps	12	(11)
Vacancy rate				66	(65)
Shopping malls	DCF	1.00% – 5.00%	100bps	32	(31)
Office buildings	DCF	0.00% – 15.00%	100bps	29	(28)
Industrial	DCF	1.00% – 3.00%	100bps	3	(4)
Hotels	DCF	1.00%	100bps	2	(2)

1 The base assumption has been calculated using an absolute minimum and maximum range.
2 Comparative sensitivities have been restated to reflect the absolute minimum and maximum valuation assumptions rather than weighted average assumptions previously applied, with no impact on the reported fair values of investment properties.

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

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

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

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

7 Investments in associates and joint arrangements

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

	Notes	2026 Rm	2025 Rm
Carrying amount at beginning		**2 044**	1 700
Additions[1]		**346**	428
Disposals		**(16)**	(11)
Share of equity-accounted profit		**215**	70
Share of other comprehensive income	18.6	**38**	46
Dividends declared		**(123)**	(86)
Impairment charges		**(2)**	(29)
Foreign exchange rate differences		**(284)**	(74)
Carrying amount at end – non-current		**2 218**	2 044

1 Included in the current year additions is the following:
- Momentum Strategic Investments (Pty) Ltd (MSI) made capital injections into ABHI of R296 million and into Aditya Birla Wellness Private Ltd (ABW) of R5 million in cash.
- MML made capital injections to South African Student Accommodation Impact Investments (Pty) Ltd (SASAII) for R26 million in cash.

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

Equity-accounted associates and joint ventures[1]	%*	Carrying amount Rm	Assets[2] Rm	Liabilities[2] Rm	Profit for the year[2] Rm	Earnings[3] Rm
2026						
ABHI[4]	**44.08%**	**1 434**	**11 958**	**(8 803)**	**78**	**46**
Methealth Namibia Administrators (Pty) Ltd (MHNA)	**49%**	**149**	**158**	**(72)**	**57**	**28**
SASAII	**11.86%**	**153**	**2 977**	**(1 720)**	**39**	**13**
2Cana Solutions (Pty) Ltd (2Cana)	**31%**	**94**	**155**	**(29)**	**44**	**14**
Other[5]		**388**			**257**	**114**
		2 218				**215**
2025						
ABHI[4]	44.08%	1 330	10 504	(7 438)	11	(48)
MHNA	49%	147	117	(40)	55	27
SASAII	11.86%	114	2 214	(1 247)	26	3
2Cana	31%	81	130	(18)	42	13
Other[5]		372			68	75
		2 044				70

* Effective Group percentage held.
1 All entities' principal place of business is in South Africa unless otherwise stated. All entities below are classified as associates unless otherwise stated.
2 This represents the actual assets, liabilities, revenue and profit or loss of the associate or joint venture at the end of the financial year. Other comprehensive income of the associate or joint venture is immaterial in the current and prior year. ABHI has a financial year end of 31 March and as such the summarised financial information disclosed for ABHI represents the financial information at 31 March 2026.
3 Group's share of equity-accounted earnings recognised through profit/loss.
4 The Group's share of equity-accounted earnings takes into account adjustments to the associate's NAV to align the accounting policies of the investment with the rest of the Group, including the application of IFRS 17.
5 Other includes associates and joint venture with a total carrying amount of R209 million (2025: R201 million) relating to Investment Managers Group (IMG).

- ABHI is a health insurance business and was formed by MSI and Aditya Birla Capital Ltd (incorporated in India). Voting rights are proportional to ordinary shareholding, with Aditya Birla Capital Ltd being able to outvote MSI, appoint the CEO of ABHI, who in turn appoints the executive team, and therefore directing the relevant activities of the business. MSI does not have control over this entity. The carrying amount of the associate includes further capital injections advanced to the company in addition to the capital acquired. The principal place of business is in India.
- MHNA is an entity engaged in the administration of medical aid schemes and operates principally in Namibia.
- SASAII is a fund that engages in the development of student accommodation and the purchase and refurbishment of existing student accommodation. To date, 4 properties have been developed providing 5 800 beds, in addition 3 properties are under development and will provide 3 046 beds. Developed properties are owned through special purpose vehicles (private companies) that are subsidiaries of the fund. MML holds 11.86% in this fund and does not have control over this fund, as the relevant activities of the fund are not under the direction of MML. Despite the Group holding less than 20% of the ordinary shares, the Group exerts significant influence as a result of decision-making rights to which the Group remains entitled.
- 2Cana has been responsible for the development of the Momentum Health Solutions (Pty) Ltd (MHS) IT platform which maintains its data on the Oracle system. MHS identified this outsourced function as a potential strategic risk and viewed the acquisition of 2Cana as a way to secure the protection of the intellectual property maintained in the system.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7 Investments in associates and joint arrangements continued

	2026 Rm	2025 Rm
7.1 Detail of investment in ABHI		
Summarised financial information:		
Revenue	**8 094**	7 040
Profit after taxation	**78**	11
Assets		
Non-current assets	**10 114**	9 520
Current assets	**1 844**	984
Liabilities		
Non-current liabilities	**(4 164)**	(3 667)
Current liabilities	**(4 639)**	(3 771)
NAV	**3 155**	3 066
Adjustments to NAV[1]	**(483)**	(621)
Adjusted NAV	**2 672**	2 445
Effective holding	**44.08%**	44.08%
Calculated carrying amount	**1 178**	1 078
Capital contributions[2]	**153**	129
Goodwill	**103**	123
Carrying amount of investment in associate[3]	**1 434**	1 330

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

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

3 ABHI received a demand order of 1.2 billion Indian Rupees (INR) [R208 million (2025: R250 million)] during the financial year ended 31 March 2023, with respect to eligibility of Goods and Services Tax (GST) input tax credits on marketing expenses for the period July 2017 to December 2022. Penalties of 100% and interest at 24% have not been included in the order amount. Based on the legal opinion obtained, ABHI management is of the opinion that the demand order is not legally tenable and filed an appeal. ABHI has deposited an amount of INR 204 million [R35 million (2025: R44 million)] as a deposit, under protest. The tax item is subject to the specific and general indemnities afforded to the minority shareholder as part of their investment in ABHI. Should the impact of the GST item exceed INR 475 million [R82 million (2025: R100 million)], the minority shareholder would be indemnified by ABHI from the losses exceeding INR 475 million pro-rata to its shareholding. In the event that aggregated losses incurred by ABHI (greater than INR 100 million each) is in excess of INR 1 billion [R173 million (2025: R210 million)], the minority shareholder will be indemnified by ABHI for their share of the entire loss. Aditya Birla Capital Ltd and the Group will indirectly bear the losses (plus indemnity paid on behalf of the minority shareholder) owing to and pro-rata to their shareholding in ABHI.

8 Financial assets

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

The Group classifies its financial assets into the following categories:

- Financial assets at FVPL
- Financial assets at amortised cost

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

Critical judgements and estimates

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

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

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

	Notes	2026 Rm	Restated 2025[1] Rm
The Group's financial assets are summarised below:			
Financial assets at FVPL	8.1	**818 736**	710 560
Financial assets at amortised cost	8.2	**9 290**	7 548
Cash and cash equivalents	8.3	**39 594**	36 892
Total financial assets		**867 620**	755 000

1 Refer to note 1 for more information on the restatements. All restatements in the note are considered immaterial.

8 Financial assets continued

8.1 Financial assets at FVPL

	2026 Rm	Restated 2025[1] Rm
Unit-linked investments[2]	**330 354**	289 191
Debt securities	**289 510**	243 654
Equity securities[2]	**161 758**	146 205
Carry positions	**99**	268
Funds on deposit and other money market instruments[2]	**35 534**	29 605
Derivative financial assets	**1 481**	1 637
Total	**818 736**	710 560
Open-ended	**490 623**	436 930
Current	**75 427**	60 804
Non-current	**252 686**	212 826
1 to 5 years	**81 739**	73 556
5 to 10 years	**39 490**	42 829
> 10 years	**131 457**	96 441
Total	**818 736**	710 560

[1] The maturity profile disclosed in the prior year was corrected in the current year. As a result of the correction, the June 2025 comparative maturity profile has been restated as follows:
- Open-ended balance increased by R1 824 million.
- Current balance decreased by R4 464 million.
- Non-current (1-5 years) balance increased by R871 million.
- Non-current (5-10 years) balance increased by R1 105 million.
- Non-current (>10 years) balance increased by R664 million.

[2] R1 184 million of Unit-linked investments should have been classified as Equity securities. June 2025 has been restated accordingly.

General

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

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

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

	2026		2025	
Derivative financial instruments	Assets Rm	Liabilities Rm	Assets Rm	Liabilities Rm
Held for trading	**1 481**	**1 946**	1 637	1 534

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.1 Financial assets at FVPL continued

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

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

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

	2026			2025		
	Effective exposure Rm	Assets Rm	Liabilities Rm	Effective exposure Rm	Assets Rm	Liabilities Rm
Derivatives held for trading						
Equity derivatives		415	397		634	34
Options, OTC	4	71	2	4	5	3
Options, exchange traded	86	314	–	151	348	–
Futures, OTC	2 053	2	42	1 849	28	1
Futures, exchange traded	2 091	1	4	1 534	3	23
Swaps, OTC*	(322)	27	349	243	250	7
CFD, OTC	1 914	–	–	1 587	–	–
Interest rate derivatives		654	1 490		760	1 468
Options, exchange traded	–	1	–	–	–	–
Swaps, OTC*	(840)	648	1 480	(720)	755	1 465
Forward rate agreement, OTC	(5)	5	10	3	5	3
Bonds		270	33		227	–
Options, exchange traded	180	–	–	239	–	–
Futures, OTC	10 566	266	27	7 312	214	–
Futures, exchange traded	9 852	4	6	9 120	13	–
Credit derivatives		–	1		–	1
Swaps, OTC*	(1)	–	1	(1)	–	1
Currency derivatives		142	25		16	31
Options, OTC	92	5	2	–	–	–
Futures, OTC	1 264	25	7	1 001	16	10
Futures, exchange traded	(284)	–	15	(341)	–	3
Swaps, OTC*	111	112	1	(17)	–	17
CFD, OTC	(1)	–	–	(1)	–	1
Options, exchange traded	(3)	–	–	(74)	–	–
Total derivative financial instruments		**1 481**	**1 946**		1 637	1 534

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

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

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

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

Offsetting

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

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

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

8 Financial assets continued

8.1 Financial assets at FVPL continued

Offsetting continued

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

	2026 Rm	2025 Rm
Derivative financial assets		
Recognised financial assets	**1 481**	1 637
Related amounts not set off in the statement of financial position		
Financial instruments	**(769)**	(759)
Cash collateral received	**(348)**	(546)
Net amount	**364**	332
Derivative financial liabilities		
Recognised financial assets	**1 946**	1 534
Related amounts not set off in the statement of financial position		
Financial instruments	**(769)**	(759)
Cash collateral issued	**(724)**	(666)
Net amount	**453**	109

	2026 Rm	Restated 2025[1] Rm
8.2 Financial assets at amortised cost		
Unsettled trades	**2 366**	1 226
Accounts receivable	**6 115**	5 604
Less: provision for impairment	**(155)**	(199)
Loans	**964**	917
Related party loans		
Loans due from associates	**31**	23
Preference shares	**34**	36
Staff loans	**44**	46
Other related party loans	**186**	193
Less: provision for impairment	**(85)**	(103)
Other loans		
Policy loans related to investment contracts	**29**	29
Due from agents, brokers and intermediaries	**229**	274
Less: provision for impairment	**(24)**	(99)
Other[2]	**520**	518
Total financial assets at amortised cost	**9 290**	7 548
Current	**8 492**	6 552
Non-current	**798**	996
Total	**9 290**	7 548

1 Refer to note 1 for more information on the restatements.
2 Includes loans advanced of R16 million (2025: R25 million), R298 million (2025: R307 million) in respect of underlying assets in a credit fund classified as a CIS, and R71 million (2025: R62 million) relates to fully secured loans advanced to clients with investment holdings.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.2 Financial assets at amortised cost continued

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

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

Reconciliation of expected credit losses	Accounts receivable Rm	Debt securities Rm	Funds on deposit and other money market instruments Rm	Other related party loans Rm	Due from agents, brokers and inter-mediaries Rm	Total Rm
2026						
Balance at beginning	**(199)**	**–**	**–**	**(103)**	**(99)**	**(401)**
Additional provision	**4**	**–**	**–**	**–**	**(14)**	**(10)**
Reversed to the income statement	**21**	**–**	**–**	**12**	**23**	**56**
Other[1]	**19**	**–**	**–**	**6**	**66**	**91**
Balance at end	**(155)**	**–**	**–**	**(85)**	**(24)**	**(264)**
2025						
Balance at beginning	(178)	(70)	(46)	(94)	(92)	(480)
Additional provision	(16)	–	–	(12)	(6)	(34)
Reversed to the income statement	2	7	–	–	5	14
Transfer to non-current assets held for sale	–	63	15	–	–	78
Other[1]	(7)	–	31	3	(6)	21
Balance at end	(199)	–	–	(103)	(99)	(401)

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

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

	2026 Rm	Restated 2025[1] Rm
8.3 Cash and cash equivalents		
Bank and other cash balances	**19 142**	17 717
Funds on deposit and other money market instruments – maturity < 90 days	**20 452**	19 175
	39 594	36 892

[1] Refer to note 1 for more information on restatements.

Expected credit loss on cash and cash equivalents is immaterial.

8 Financial assets continued

Financial assets summarised by measurement category in terms of IFRS 9 – Financial Instruments	FVPL Mandatorily Rm	FVPL Designated[1] Rm	FVPL Total fair value Rm	Amortised cost Rm	Total Rm
8.4 Financial assets measurement					
2026					
Unit-linked investments	**330 354**	**–**	**330 354**	**–**	**330 354**
Debt securities	**62 206**	**227 304**	**289 510**	**–**	**289 510**
Equity securities[2]	**161 758**	**–**	**161 758**	**–**	**161 758**
Carry positions	**–**	**99**	**99**	**–**	**99**
Funds on deposit and other money market instruments	**16 840**	**18 694**	**35 534**	**–**	**35 534**
Derivative financial assets	**1 481**	**–**	**1 481**	**–**	**1 481**
Financial assets at amortised cost	**–**	**–**	**–**	**9 290**	**9 290**
Cash and cash equivalents	**–**	**–**	**–**	**39 594**	**39 594**
Total financial assets	**572 639**	**246 097**	**818 736**	**48 884**	**867 620**
Restated 2025[3]					
Unit-linked investments[4]	289 191	–	289 191	–	289 191
Debt securities	50 520	193 134	243 654	–	243 654
Equity securities[2,4]	146 205	–	146 205	–	146 205
Carry positions	–	268	268	–	268
Funds on deposit and other money market instruments	14 562	15 043	29 605	–	29 605
Derivative financial assets	1 637	–	1 637	–	1 637
Financial assets at amortised cost	–	–	–	7 548	7 548
Cash and cash equivalents	–	–	–	36 892	36 892
Total financial assets	502 115	208 445	710 560	44 440	755 000

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

[2] Equity securities are classified as FVPL at inception.

[3] Refer to note 1 for more information on the restatements other than footnote 4. There were immaterial restatements within the different categories.

[4] R1 184 million Unit-linked investments classified mandatorily at FVPL should have been classified as Equity securities mandatorily at FVPL. June 2025 has been restated accordingly. Both impacts are included in the "Mandatorily" column.

Business model assessment

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

Life insurance companies

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

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.4 Financial assets measurement continued

Business model assessment continued

Other companies

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

Consolidated CISs

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

Impairment

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

8.5 Credit risk

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

Credit risk exposure arising from financial assets

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

	Notes	2026 Rm	Restated 2025 Rm
Financial assets at FVPL			
Debt securities		**289 510**	243 654
Stock and loans to government and other public bodies		**161 208**	126 233
Other debt instruments[1]		**128 302**	117 421
Funds on deposit and other money market instruments[1]		**35 534**	29 605
Unit-linked investments (categorised as interest-bearing and money market)	42	**35 483**	28 330
CISs[2]		**31 696**	25 963
Other unit-linked investments[3]		**3 787**	2 367
Derivative financial assets – held for trading		**1 481**	1 637
Carry positions		**99**	269
Financial assets at amortised cost		**9 290**	7 548
Unsettled trades[4]		**2 366**	1 226
Accounts receivable		**5 960**	5 405
Loans		**964**	917
Cash and cash equivalents[4]		**39 594**	36 892
Total financial assets bearing credit risk		**410 991**	347 935

1 Amandla Renewable Energy Fund (Pty) Ltd holds collateral in respect of preference shares held by the associated special purpose vehicle, Amandla Ilanga (RF) (Pty) Ltd. The security has subsequently been ceded to the holder of the senior preference shares issued by the special purpose vehicle as part of initially securing the senior funding. The material terms of the security cession include that the bare dominium in respect of the asset remains with the cedent and the cessionary only receives the right to sell the security upon default as well as only to the extent that value is owed by the cedent in terms of the cession agreement. The fair value of the security ceded is R743 million (2025: R704 million).
2 R1 042 million CISs should have been classified as Equity securities. June 2025 has been restated accordingly.
3 R142 million Other unit-linked investments should have been classified as Equity securities. June 2025 has been restated accordingly.
4 Refer to note 1 for more information on the restatements.

8 Financial assets continued

8.5 Credit risk continued

Staging definitions

Stage	Unsettled trades and accounts receivable	Debt securities and funds on deposit and other money market instruments	Loans	Due from agents, brokers and intermediaries	Basis for recognition of expected credit loss provision
Stage 1	• Low risk of default • Strong capability to meet contractual payments	• Low risk of default • Strong capability to meet contractual payments	• Loans are recoverable • Low risk of default • Strong capability to meet contractual payments • Repayment of interest and capital payments in line with terms of agreements • No restructuring of the loan has occurred	• Low risk of default • Strong capability to meet contractual payments	12 months expected losses
Stage 2	• Significant increase in credit risk • Repayments are more than 30 days and less than 90 days past due	• Financial assets move to stage 2 if the instruments' investment grade falls with two rating grades	• Loans are recoverable • Repayment of interest and capital not in line with the terms of agreements, i.e. more than 30 days past due • Loans have been restructured due to the inability to repay interest and capital. The requirement for a restructure of this nature indicates deterioration of credit quality, which results in the loan being classified as stage 2 • Deterioration of credit quality	• Significant increase in credit risk • Repayments are more than 30 days and less than 90 days past due	Lifetime expected losses
Stage 3	• Significant increase in credit risk • Repayments are more than 90 days past due	• Financial assets move to stage 3 if the instruments' investment grade falls an additional two rating grades since classified as stage 2	• Loans are partially recoverable • Loan is in default, i.e. repayment of interest and capital payments are not in line with the terms of the agreement and default relates to amounts 90 days past due • Significant deterioration in credit quality	• Broker balances are more than 90 days past due or where legal action has been taken • Out-of-service brokers and financial planners	Lifetime expected losses
Written off	Long outstanding amounts due are evaluated on a case-by-case basis and would generally be written off when there is no alternative for the debtor to return to solvency and/or legal action taken was unsuccessful.				

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.5 Credit risk continued

Significant increase in credit risk	Criteria
Unsettled trades, accounts receivable, due from agents, broker and intermediaries and loans	To determine a significant change in credit risk, both historical data and forward-looking information are taken into account. This includes existing or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations, a breach of contract, significant changes in the value of any collateral supporting the obligation and reductions in financial support from a parent entity.
Debt securities and funds on deposit and other money market instruments	Significant increase in credit risk means that the credit rating of the instrument has dropped by two ratings.

Financial asset	Impairment information
Unsettled trades and accounts receivable	Impairment of accounts receivable is based on the recoverability of balances grouped together based on shared credit risk characteristics, e.g. instrument type. Balances generally relate to amounts where the timing of settlement is within one month. Historic payments as well as forward-looking information are also taken into account.
Debt securities and funds on deposit and other money market instruments	The expected credit loss is calculated using information extracted from the reports published by the rating agencies annually.
Loans	For related party loans the solvency of the counterparty is taken into account as well as any collateral held. Policy loans are collateralised by the insurance policy and therefore the expected credit loss is negligible.
Due from agents, brokers and intermediaries	Impairment of amounts due from agents, brokers and intermediaries is mainly due to intermediaries moving to out-of-service status and unproductive agent accounts.

8 Financial assets continued

8.5 Credit risk continued

Credit risk balances – expected credit loss	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
2026				
Financial assets at amortised cost				
Unsettled trades	**2 366**	**–**	**–**	**2 366**
Accounts receivable	**5 725**	**283**	**107**	**6 115**
Provision for impairment	**(65)**	**(15)**	**(75)**	**(155)**
Policy loans related to investment contracts	**29**	**–**	**–**	**29**
Due from agents, brokers and intermediaries	**49**	**49**	**131**	**229**
Provision for impairment	**–**	**(7)**	**(17)**	**(24)**
Related party loans and other	**580**	**–**	**235**	**815**
Provision for impairment	**–**	**–**	**(85)**	**(85)**
Total	**8 684**	**310**	**296**	**9 290**
Restated 2025[1]				
Financial assets at amortised cost				
Unsettled trades	1 226	–	–	1 226
Accounts receivable	5 198	210	196	5 604
Provision for impairment	(90)	(11)	(98)	(199)
Policy loans related to investment contracts	29	–	–	29
Due from agents, brokers and intermediaries	33	36	205	274
Provision for impairment	–	(1)	(98)	(99)
Related party loans and other	630	–	186	816
Provision for impairment	(1)	–	(102)	(103)
Total	7 025	234	289	7 548

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.5 Credit risk continued

Reconciliation of expected credit losses	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
2026				
Accounts receivable				
Opening balance	**(90)**	**(11)**	**(98)**	**(199)**
Movement recognised in the income statement	**11**	**(5)**	**19**	**25**
Other	**14**	**1**	**4**	**19**
Closing balance	**(65)**	**(15)**	**(75)**	**(155)**
Due from agents, brokers and intermediaries				
Opening balance	**–**	**(1)**	**(98)**	**(99)**
Movement recognised in the income statement	**–**	**–**	**9**	**9**
Other	**–**	**(6)**	**72**	**66**
Closing balance	**–**	**(7)**	**(17)**	**(24)**
Related party loans and other				
Opening balance	**(1)**	**–**	**(102)**	**(103)**
Movement recognised in the income statement	**1**	**–**	**11**	**12**
Other	**–**	**–**	**6**	**6**
Closing balance	**–**	**–**	**(85)**	**(85)**
2025				
Accounts receivable				
Opening balance	(107)	(6)	(65)	(178)
Movement recognised in the income statement	19	(3)	(30)	(14)
Other	(2)	(2)	(3)	(7)
Closing balance	(90)	(11)	(98)	(199)
Debt securities				
Opening balance	–	–	(70)	(70)
Movement recognised in the income statement	–	–	7	7
Transfer to non-current assets held for sale	–	–	63	63
Closing balance	–	–	–	–
Funds on deposit and other money market instruments				
Opening balance	(12)	(3)	(31)	(46)
Transfer to non-current assets held for sale	12	3	–	15
Other	–	–	31	31
Closing balance	–	–	–	–
Due from agents, brokers and intermediaries				
Opening balance	(8)	–	(84)	(92)
Movement recognised in the income statement	(8)	–	7	(1)
Other	16	(1)	(21)	(6)
Closing balance	–	(1)	(98)	(99)
Related party loans and other				
Opening balance	(1)	–	(93)	(94)
Movement recognised in the income statement	–	–	(12)	(12)
Other	–	–	3	3
Closing balance	(1)	–	(102)	(103)

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

8 Financial assets continued

8.5 Credit risk continued

Sensitivities

Accounts receivable and due from agents, brokers and intermediaries	As most of the balances in stage 1 are short-term in nature and the majority of the balance in stage 3 has been provided for, the impairment amounts for stages 1 and 3 are not considered to be sensitive to changes in the forward-looking information. A deterioration of the forward-looking information for balances in stage 2 is also not expected to be material as the gross amounts are not material.
Debt securities and funds on deposit and other money market instruments	Considered to have low credit risk and therefore the expected credit loss is not considered to be sensitive.
Loans	Most of the loan balances outstanding are considered to have low credit risk as the borrower has a strong capacity to meet its obligations and has a low risk of default. The expected credit loss is therefore not considered to be sensitive to changes in forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.5 Credit risk continued

Credit quality of financial assets

The assets in the Group's maximum exposure table on page 80 are analysed in the table below, using national scale long-term credit ratings issued by rating agencies, or national scale ratings generated by an internal model where rating agency ratings are not available. The internal rating scale is based on internal definitions and influenced by definitions published by external rating agencies including Moody's, Standard & Poor's (S&P) and Global Credit Rating (GCR). Refer to Annexure A for the definitions used in this section.

	AAA Rm	AA Rm	A Rm	BBB Rm	BB Rm	B Rm	CCC Rm	CC Rm	Unrated Rm	Total Rm
2026										
Financial assets at FVPL										
Debt securities										
Stock and loans to government and other public bodies	**150 993**	**7 045**	**1 065**	**665**	**1 087**	**–**	**68**	**–**	**285**	**161 208**
Other debt instruments	**94 559**	**19 455**	**8 027**	**39**	**362**	**12**	**1**	**–**	**5 847**	**128 302**
Derivative financial assets	**1 126**	**13**	**30**	**–**	**–**	**–**	**–**	**–**	**312**	**1 481**
Carry positions	**99**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**99**
Cash and cash equivalents and funds on deposit and money market instruments	**60 346**	**3 917**	**5 900**	**1 916**	**1 560**	**272**	**–**	**–**	**1 217**	**75 128**
Other unrated instruments										
Other financial assets at amortised cost[1]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9 290**	**9 290**
Unit-linked investments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**35 483**	**35 483**
Total	**307 123**	**30 430**	**15 022**	**2 620**	**3 009**	**284**	**69**	**–**	**52 434**	**410 991**
Restated 2025[2]										
Financial assets at FVPL										
Debt securities										
Stock and loans to government and other public bodies	115 261	2 595	6 069	356	1 343	4	88	–	517	126 233
Other debt instruments	47 077	57 328	9 293	148	615	–	96	–	2 864	117 421
Derivative financial assets	248	1 015	24	–	–	–	–	–	350	1 637
Carry positions	–	269	–	–	–	–	–	–	–	269
Cash and cash equivalents and funds on deposit and money market instruments	28 326	28 602	4 722	1 417	234	1 393	1	194	1 608	66 497
Other unrated instruments										
Other financial assets at amortised cost[1]	–	–	–	–	–	–	–	–	7 548	7 548
Unit-linked investments[3]	–	–	–	–	–	–	–	–	28 330	28 330
Total	190 912	89 809	20 108	1 921	2 192	1 397	185	194	41 217	347 935

[1] Unrated other financial assets at amortised cost include accounts receivable R5 960 million (2025: R5 405 million), unsettled trades R2 366 million (Restated 2025: R1 226 million) and loans R964 million (2025: R917 million).
- Unsettled trades are exposed to insignificant credit risk due to the short-term nature of the instruments – settled within 30 days and thus no expected credit loss is raised on the balance.
- Accounts receivable consists mainly of intermediary receivables R2 506 million (2025: R2 140 million). This relates to premiums collected on behalf of the cell captive business from policyholders. Premiums can be monthly or an annual premium. Monthly premiums are normally settled within 30 days and annual premiums are settled within 30 days or sometimes settled quarterly over the year. The creditworthiness of the intermediary is assessed upon onboarding of the intermediary. An expected credit loss is recognised in respect of this balance in accordance with IFRS 9. The remaining balance of accounts receivable represents balances that are expected to be settled within 30 days and expected credit loss allowances are recognised.
- Loans consist of loans advanced by a consolidated credit fund and interest receivable on government bonds. In respect of loans advanced, monthly risk reports are prepared on a monthly basis to assess the recoverability of each loan and an expected credit loss is raised where required.

[2] Refer to note 1 for more information on the restatements. For cash and cash equivalents and funds on deposits and money market instruments the restatement was against the AAA category. The restatements are considered immaterial.

[3] R1 184 million Unit-linked investments should have been classified as Equity securities. June 2025 has been restated accordingly.

8 Financial assets continued

8.5 Credit risk continued

Credit quality of financial assets continued

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

- Unsettled trades totalling R2 366 million (Restated 2025: R1 226 million), included in stage 1 issued by an unrated counterparty. No related impairment due to the low risk of default of unsettled trades due to their short-term nature, i.e. settled within a relatively short period of time.
- Accounts receivable totalling R5 725 million (2025: R5 198 million), included in stage 1 and associated impairment of R65 million (2025: R90 million) issued by an unrated counterparty due to the low risk of default.
- Accounts receivable totalling R283 million (2025: R210 million), included in stage 2 and associated impairment of R15 million (2025: R11 million) issued by an unrated counterparty due to an increase in credit risk as repayments are more than 30 days but less than 90 days past due.
- Accounts receivable totalling R107 million (2025: R196 million), included in stage 3 and associated impairment of R75 million (2025: R98 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Due from agents, brokers and intermediaries totalling R49 million (2025: R33 million), included in stage 1 issued by an unrated counterparty due to the low risk of default.
- Due from agents, brokers and intermediaries totalling R49 million (2025: R36 million), included in stage 2 and related impairment of R7 million (2025: R1 million) issued by an unrated counterparty due to an increase in credit risk as repayments are more than 30 days but less than 90 days past due.
- Due from agents, brokers and intermediaries totalling R131 million (2025: R205 million), included in stage 3 and related impairment of R17 million (2025: R98 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.
- Related party loans and other totalling R580 million (2025: R630 million), included in stage 1 and related impairment of R1 million (2025: R1 million) issued by an unrated counterparty due to the low risk of default.
- Related party loans and other totalling R234 million (2025: R186 million), included in stage 3 and related impairment of R85 million (2025: R102 million) issued by an unrated counterparty due to a significant increase in credit risk as repayments are more than 90 days past due.

8.6 Financial assets fair value hierarchy

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

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

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2026				
Securities at FVPL	608 007	204 354	6 375	818 736
Unit-linked investments				
CISs[1]				
Local unlisted or listed quoted	188 866	857	–	189 723
Local unlisted unquoted	–	3 479	–	3 479
Foreign unlisted or listed quoted	106 934	1 743	–	108 677
Foreign unlisted unquoted	–	782	93	875
Other unit-linked investments				
Local unlisted or listed quoted	8 786	–	–	8 786
Local unlisted unquoted	–	14 361	2 292	16 653
Foreign unlisted or listed quoted	545	460	–	1 005
Foreign unlisted unquoted	–	–	1 156	1 156
Debt securities				
Stock and loans to government and other public bodies				
Local listed	141 873	8 904	–	150 777
Foreign listed	1 893	5 584	–	7 477
Unlisted	–	2 190	763	2 953
Other debt instruments				
Local listed	2	47 526	30	47 558
Foreign listed	–	27 098	64	27 162
Unlisted	–	53 418	165	53 583
Equity securities				
Local listed	87 948	21	2	87 971
Foreign listed	71 124	961	363	72 448
Unlisted	–	23	1 316	1 339
Funds on deposit and other money market instruments	2	35 532	–	35 534
Carry positions	–	99	–	99
Derivative financial assets – held for trading	34	1 316	131	1 481
Total	608 007	204 354	6 375	818 736

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.6 Financial assets fair value hierarchy continued

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Restated 2025				
Securities at FVPL	523 764	179 611	7 185	710 560
Unit-linked investments				
CISs[1]				
Local unlisted or listed quoted	168 621	697	–	169 318
Local unlisted unquoted	–	5	–	5
Foreign unlisted or listed quoted	94 070	1 466	33	95 569
Foreign unlisted unquoted[2]	–	626	49	675
Other unit-linked investments				
Local unlisted or listed quoted	8 079	13	–	8 092
Local unlisted unquoted[3]	–	11 019	2 509	13 528
Foreign unlisted or listed quoted	808	10	–	818
Foreign unlisted unquoted	–	–	1 186	1 186
Debt securities				
Stock and loans to government and other public bodies				
Local listed	105 613	7 922	–	113 535
Foreign listed	3 069	5 654	–	8 723
Unlisted	–	2 802	1 174	3 976
Other debt instruments				
Local listed	–	47 521	36	47 557
Foreign listed	–	22 538	64	22 602
Unlisted	–	46 956	305	47 261
Equity securities				
Local listed	80 959	–	13	80 972
Foreign listed	62 519	1 043	166	63 728
Unlisted[2,3]	–	17	1 488	1 505
Funds on deposit and other money market instruments	–	29 605	–	29 605
Carry positions	–	268	–	268
Derivative financial assets – held for trading	26	1 449	162	1 637
Total	523 764	179 611	7 185	710 560

1 CISs are classified as level 1 when there is an active market of transactions between investors and CISs based on a published price.
2 R1 042 million level 2 CIS foreign unlisted unquoted should have been classified as level 3 Equity securities unlisted. June 2025 has been restated accordingly.
3 R142 million level 3 Other unit-linked investments should have been classified as level 3 Equity securities. June 2025 has been restated accordingly.

8 Financial assets continued

8.6 Financial assets fair value hierarchy continued

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

	At FVPL				
	Unit-linked investments Rm	Debt securities Rm	Equity securities Rm	Derivative financial assets Rm	Total Rm
2026					
Opening balance	**3 777**	**1 579**	**1 667**	**162**	**7 185**
Total (losses)/gains in net realised and unrealised fair value gains in the income statement					
Realised (losses)/gains	**(25)**	**(15)**	**251**	**(6)**	**205**
Unrealised (losses)/gains	**(510)**	**81**	**(375)**	**(3)**	**(807)**
Foreign exchange rate differences	**(2)**	**–**	**(128)**	**(16)**	**(146)**
Accrued interest in investment income in the income statement	**–**	**55**	**–**	**–**	**55**
Purchases	**752**	**81**	**1 398**	**–**	**2 231**
Sales	**(484)**	**(92)**	**(133)**	**–**	**(709)**
Settlements	**(48)**	**(688)**	**(996)**	**(6)**	**(1 738)**
Transfers into level 3 from level 2[1]	**81**	**21**	**–**	**–**	**102**
Transfers out to level 2	**–**	**–**	**(3)**	**–**	**(3)**
Closing balance	**3 541**	**1 022**	**1 681**	**131**	**6 375**
Restated 2025					
Opening balance[2]	3 510	1 698	1 630	139	6 977
Transfer from other asset classes	29	–	(29)	–	–
Total gains/(losses) in net realised and unrealised fair value gains in the income statement					
Realised gains/(losses)	13	(12)	(19)	13	(5)
Unrealised gains/(losses)[2]	449	71	(71)	1	450
Foreign exchange rate differences[2]	2	–	65	8	75
Accrued interest in investment income in the income statement	–	50	–	–	50
Purchases[2]	587	611	28	–	1 226
Sales	(798)	(773)	(5)	–	(1 576)
Settlements	(15)	(66)	(3)	–	(84)
Transfers into level 3 from level 1[3]	–	–	8	–	8
Transfers into level 3 from level 2[1]	–	–	92	1	93
Transfers out to level 2	–	–	(29)	–	(29)
Closing balance	3 777	1 579	1 667	162	7 185

1 Transfers into level 3 from level 2 relates mainly to assets with stale prices in the current and prior year.
2 R1 184 million Unit-linked investments should have been classified as Equity securities. June 2025 has been restated accordingly. The restatement impacts the following lines in the table above: Opening balance R1 269 million, Unrealised gains/(losses) -R167 million, Foreign exchange rate differences R66 million and Purchases R16 million.
3 Transfers into level 3 from level 1 relates mainly to assets with stale prices in the prior year.

The amount of total gains and losses for the year included in net realised and unrealised fair value gains in the income statement for assets held at the end of the year is R602 million loss (Restated 2025: R445 million gain) for the Group.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial assets continued

8.6 Financial assets fair value hierarchy continued

Refer to note 43.2 for the valuation techniques relating to this note.

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

	At FVPL		
	Equity securities Rm	Unit-linked investments Rm	Debt securities Rm
2026			
Carrying amount	1 681	3 541	1 022
Assumption change	10% increase/ (decrease) in value	1% increase/ (decrease) in discount rates/valuation multiple	1% increase/ (decrease) in discount rates
Effect of increase in assumption	168	35	36
Effect of decrease in assumption	(168)	(35)	(35)
Restated 2025[1]			
Carrying amount	1 667	3 777	1 579
Assumption change	10% increase/ (decrease) in value	1% increase/ (decrease) in discount rates/valuation multiple	1% increase/ (decrease) in discount rates
Effect of increase in assumption	167	38	13
Effect of decrease in assumption	(167)	(38)	(10)

[1] R1 184 million Unit-linked investments classified mandatorily at FVPL should have been classified as Equity securities mandatorily at FVPL. June 2025 has been restated accordingly. Equity securities sensitivity disclosure has been included this year for the first time as a result of the restatement.

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

	2026		Restated 2025[1]	
	Carrying amount Rm	Fair value* Rm	Carrying amount Rm	Fair value* Rm
Financial assets at amortised cost	9 290	9 290	7 548	7 548
Unsettled trades	2 366	2 366	1 226	1 226
Accounts receivable	5 960	5 960	5 405	5 405
Loans	964	964	917	917
Cash and cash equivalents	39 594	39 594	36 892	36 892
Total	48 884	48 884	44 440	44 440

* The carrying amount of the assets above approximate fair value due to their short-term nature.
[1] Refer to note 1 for more information on the restatements.

9 Other receivables

	2026 Rm	2025 Rm
Accelerated rental income	**344**	379
Prepayments	**628**	559
Other	**187**	281
Total	**1 159**	1 219
Current	**713**	726
Non-current	**446**	493
Total	**1 159**	1 219

10 Insurance contracts

Portfolios of insurance contract assets and liabilities

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

	2026			Restated 2025		
Insurance contracts issued	**Assets Rm**	**Liabilities Rm**	**Net liabilities Rm**	**Assets Rm**	**Liabilities Rm**	**Net liabilities Rm**
GMM[1]	**(15 728)**	**108 770**	**93 042**	(13 048)	85 361	72 313
VFA	**(2)**	**78 688**	**78 686**	(23)	73 892	73 869
PAA	**(98)**	**31 257**	**31 159**	(72)	28 228	28 156
Total	**(15 828)**	**218 715**	**202 887**	(13 143)	187 481	174 338
Segmental split						
Momentum Retail	**(1 496)**	**34 599**	**33 103**	(1 961)	29 836	27 875
Momentum Investments	**–**	**60 009**	**60 009**	–	47 764	47 764
Metropolitan Life	**(4 091)**	**53 812**	**49 721**	(3 290)	46 730	43 440
Momentum Corporate	**–**	**33 613**	**33 613**	–	30 843	30 843
Momentum Africa[2]	**(427)**	**16 262**	**15 835**	(409)	14 755	14 346
Guardrisk[1,2]	**(9 736)**	**19 526**	**9 790**	(7 411)	16 583	9 172
Momentum Insure	**(45)**	**846**	**801**	(42)	837	795
Momentum Health[2]	**(33)**	**48**	**15**	(30)	133	103
Total	**(15 828)**	**218 715**	**202 887**	(13 143)	187 481	174 338
Current[1,3]	**(3 465)**	**45 075**	**41 610**	(2 970)	40 609	37 639
Non-current[1,3]	**(12 363)**	**173 640**	**161 277**	(10 173)	146 872	136 699
Total	**(15 828)**	**218 715**	**202 887**	(13 143)	187 481	174 338

1 Refer to note 1 for more information on the restatements other than that discussed in footnote 2 and 3. This restatement resulted in GMM assets changing from R14 369 million to R13 048 million and Guardrisk assets changing from R8 732 million to R7 411 million.

2 The prior year has been restated based on a new operating model adopted by the Group, refer to Annexure C. This restatement resulted in Momentum Africa liabilities changing from R15 786 million to R14 755 million, Guardrisk liabilities changing from R15 664 million to R16 583 million and Momentum Health liabilities changing from R21 million to R133 million.

3 The split between current and non-current insurance contract assets and liabilities was previously incorrectly apportioned based on percentage. The methodology was refined in the current year to correctly base it on actual classifications. The prior year was restated accordingly. The impact of the restatement was an increase in the current assets of R178 million and a decrease in the non-current assets of R178 million, a decrease in the current liabilities of R178 million and an increase in the non-current liabilities of R178 million.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

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

The tables that follow disclose the roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC.

	LRC			LIC for contracts under the PAA			
	Excluding loss component Rm	Loss component Rm	LIC for contracts not under the PAA Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Assets for insurance acquisition cash flows under the PAA Rm	Total Rm
10.1.1 Total reconciliation							
2026							
Opening insurance contract liabilities	156 336	6 989	8 121	15 511	524	–	187 481
Opening insurance contract assets	(17 520)	2 449	1 935	35	–	(42)	(13 143)
Net opening balance	138 816	9 438	10 056	15 546	524	(42)	174 338
Cash flows							
Premiums received	74 456	–	–	–	–	–	74 456
Claims and other directly attributable expenses paid	–	–	(29 047)	(25 745)	–	–	(54 792)
Insurance acquisition cash flows	(10 049)	–	–	(885)	–	(45)	(10 979)
Net cash flows	64 407	–	(29 047)	(26 630)	–	(45)	8 685
Changes in the income statement							
Insurance revenue	(61 402)	–	–	–	–	–	(61 402)
Contracts under the fair value approach	(4 481)	–	–	–	–	–	(4 481)
Other contracts	(56 921)	–	–	–	–	–	(56 921)
Insurance service expenses	6 212	376	18 256	19 865	(121)	–	44 588
Incurred claims and other directly attributable expenses	–	(1 155)	18 134	19 866	149	–	36 994
Changes that relate to past service – adjustments to the LIC	–	–	122	(884)	(270)	–	(1 032)
Losses on onerous contracts and reversal of those losses	–	1 531	–	–	–	–	1 531
Insurance acquisition cash flows amortisation	6 212	–	–	–	–	–	6 212
Insurance acquisition cash flows recognised when incurred	–	–	–	883	–	–	883
Investment components	(16 341)	–	10 524	5 814	3	–	–
Insurance service result	(71 531)	376	28 780	25 679	(118)	–	(16 814)
Finance expenses from insurance contracts issued	33 598	1 342	715	1 577	62	–	37 294
Other changes	79	–	–	18	(12)	–	85
Total changes in the income statement	(37 854)	1 718	29 495	27 274	(68)	–	20 565
Other movements	(486)	(128)	(20)	(106)	(3)	42	(701)
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(42)	–	–	–	–	42	–
Contracts transferred on disposal of subsidiary[1]	54	4	(1)	(14)	–	–	43
Transfers to held for sale[2]	15	(41)	–	(56)	(1)	–	(83)
Foreign exchange rate differences	(513)	(91)	(19)	(37)	(2)	–	(662)
Other movements	–	–	–	1	–	–	1
Net closing balance	164 883	11 028	10 484	16 084	453	(45)	202 887
Closing insurance contract liabilities	185 447	8 354	8 477	15 986	451	–	218 715
Closing insurance contract assets	(20 564)	2 674	2 007	98	2	(45)	(15 828)
Net closing balance	164 883	11 028	10 484	16 084	453	(45)	202 887

[1] The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information. Due to this transaction the Net opening balance does not include a total amount of R581 million as this was transferred to held for sale as at 30 June 2025. Income statement and cash flow movements have been included given the requirement to measure these contracts in accordance with IFRS 17 despite the reclassification to held for sale. These income statement and cash flow movements are considered immaterial. These are subsequently removed in the Contracts transferred on disposal of subsidiary line.

[2] The Group is in the process disposing of Momentum Mozambique Limitada. Refer to note 46 for further information.

10 Insurance contracts continued

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

10.1.1 Total reconciliation continued

	LRC			LIC for contracts under the PAA			
	Excluding loss component Rm	Loss component Rm	LIC for contracts not under the PAA Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Assets for insurance acquisition cash flows under the PAA Rm	Total Rm
Restated 2025[1]							
Opening insurance contract liabilities	138 419	6 064	7 226	15 399	572	–	167 680
Opening insurance contract assets	(14 319)	2 385	1 576	(7)	–	(28)	(10 393)
Net opening balance	124 100	8 449	8 802	15 392	572	(28)	157 287
Cash flows							
Premiums received	73 867	–	–	–	–	–	73 867
Claims and other directly attributable expenses paid	–	–	(28 067)	(24 649)	–	–	(52 716)
Insurance acquisition cash flows	(10 047)	–	–	(978)	–	(42)	(11 067)
Net cash flows	63 820	–	(28 067)	(25 627)	–	(42)	10 084
Changes in the income statement							
Insurance revenue	(59 711)	–	–	–	–	–	(59 711)
Contracts under the fair value approach	(4 934)	–	–	–	–	–	(4 934)
Other contracts	(54 777)	–	–	–	–	–	(54 777)
Insurance service expenses	5 764	118	18 185	20 241	(93)	–	44 215
Incurred claims and other directly attributable expenses	–	(1 172)	17 965	19 909	142	–	36 844
Changes that relate to past service – adjustments to the LIC	–	–	220	(647)	(235)	–	(662)
Losses on onerous contracts and reversal of those losses	–	1 290	–	–	–	–	1 290
Insurance acquisition cash flows amortisation	5 764	–	–	–	–	–	5 764
Insurance acquisition cash flows recognised when incurred	–	–	–	979	–	–	979
Investment components	(14 788)	–	10 411	4 373	4	–	–
Insurance service result	(68 735)	118	28 596	24 614	(89)	–	(15 496)
Finance expenses from insurance contracts issued	19 969	941	719	1 236	42	–	22 907
Other changes	1	–	–	(1)	3	–	3
Total changes in the income statement	(48 765)	1 059	29 315	25 849	(44)	–	7 414
Other movements	(339)	(70)	6	(68)	(4)	28	(447)
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(28)	–	–	–	–	28	–
Transfers to held for sale[2]	(416)	(81)	8	(88)	(4)	–	(581)
Foreign exchange rate differences	100	11	(2)	17	–	–	126
Other movements	5	–	–	3	–	–	8
Net closing balance	138 816	9 438	10 056	15 546	524	(42)	174 338
Closing insurance contract liabilities	156 336	6 989	8 121	15 511	524	–	187 481
Closing insurance contract assets	(17 520)	2 449	1 935	35	–	(42)	(13 143)
Net closing balance	138 816	9 438	10 056	15 546	524	(42)	174 338

[1] Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movements discussed in note 10.1.2.

[2] The Group was in the process of exiting its operations in the Ghanaian market. Refer to note 28.5 for more information on the subsequent sale.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

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

	LRC Excluding loss component Rm	LRC Loss component Rm	LIC for contracts not under the PAA Rm	Total Rm
10.1.2 GMM				
2026				
Opening insurance contract liabilities	76 802	6 141	2 418	85 361
Opening insurance contract assets	(17 429)	2 446	1 935	(13 048)
Net opening balance	59 373	8 587	4 353	72 313
Cash flows				
Premiums received	27 677	–	–	27 677
Claims and other directly attributable expenses paid	–	–	(18 442)	(18 442)
Insurance acquisition cash flows	(6 639)	–	–	(6 639)
Net cash flows	21 038	–	(18 442)	2 596
Changes in the income statement				
Insurance revenue	(23 277)	–	–	(23 277)
Contracts under the fair value approach	(2 231)	–	–	(2 231)
Other contracts	(21 046)	–	–	(21 046)
Insurance service expenses	3 069	(5)	15 573	18 637
Incurred claims and other directly attributable expenses	–	(909)	15 376	14 467
Changes that relate to past service – adjustments to the LIC	–	–	197	197
Losses on onerous contracts and reversal of those losses	–	904	–	904
Insurance acquisition cash flows amortisation	3 069	–	–	3 069
Insurance acquisition cash flows recognised when incurred	–	–	–	–
Investment components	(2 791)	–	2 791	–
Insurance service result	(22 999)	(5)	18 364	(4 640)
Finance expenses from insurance contracts issued	21 175	1 342	435	22 952
Other changes	–	–	–	–
Total changes in the income statement	(1 824)	1 337	18 799	18 312
Other movements	(116)	(60)	(3)	(179)
Contracts transferred on disposal of subsidiary[1]	4	(1)	(1)	2
Foreign exchange rate differences	(120)	(59)	(2)	(181)
Other movements	–	–	–	–
Net closing balance	78 471	9 864	4 707	93 042
Closing insurance contract liabilities	98 828	7 242	2 700	108 770
Closing insurance contract assets	(20 357)	2 622	2 007	(15 728)
Net closing balance	78 471	9 864	4 707	93 042

[1] The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information. Due to this transaction the Net opening balance does not include a total amount of R84 million as this was transferred to held for sale as at 30 June 2025. Income statement and cash flow movements have been included given the requirement to measure these contracts in accordance with IFRS 17 despite the reclassification to held for sale. These income statement and cash flow movements are considered immaterial. These are subsequently removed in the Contracts transferred on disposal of subsidiary line.

10 Insurance contracts continued

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

10.1.2 GMM continued

	LRC			
	Excluding loss component Rm	Loss component Rm	LIC for contracts not under the PAA Rm	Total Rm
Restated 2025[1]				
Opening insurance contract liabilities	63 660	5 501	2 218	71 379
Opening insurance contract assets	(14 247)	2 384	1 576	(10 287)
Net opening balance	49 413	7 885	3 794	61 092
Cash flows				
Premiums received	28 270	–	–	28 270
Claims and other directly attributable expenses paid[2]	–	–	(17 617)	(17 617)
Insurance acquisition cash flows[2]	(6 169)	–	–	(6 169)
Net cash flows	22 101	–	(17 617)	4 484
Changes in the income statement				
Insurance revenue	(21 344)	–	–	(21 344)
Contracts under the fair value approach	(2 336)	–	–	(2 336)
Other contracts	(19 008)	–	–	(19 008)
Insurance service expenses	2 749	(208)	15 432	17 973
Incurred claims and other directly attributable expenses[2]	–	(875)	14 878	14 003
Changes that relate to past service – adjustments to the LIC	–	–	554	554
Losses on onerous contracts and reversal of those losses	–	667	–	667
Insurance acquisition cash flows amortisation	2 749	–	–	2 749
Insurance acquisition cash flows recognised when incurred	–	–	–	–
Investment components	(2 474)	–	2 474	–
Insurance service result	(21 069)	(208)	17 906	(3 371)
Finance expenses from insurance contracts issued	8 978	941	264	10 183
Other changes	–	–	–	–
Total changes in the income statement	(12 091)	733	18 170	6 812
Other movements	(50)	(31)	6	(75)
Transfers to held for sale[3]	(64)	(28)	8	(84)
Foreign exchange rate differences	14	(3)	(2)	9
Other movements	–	–	–	–
Net closing balance	59 373	8 587	4 353	72 313
Closing insurance contract liabilities	76 802	6 141	2 418	85 361
Closing insurance contract assets[4]	(17 429)	2 446	1 935	(13 048)
Net closing balance	59 373	8 587	4 353	72 313

[1] Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movements identified in footnote 2 and 4.

[2] For LIC for contracts not under the PAA, the claims and other directly attributable expense paid changed from R18 991 million to R17 617 million and incurred claims and other directly attributable expenses changed from R16 253 million to R14 878 million. For LRC excluding loss component, the insurance acquisition cash flows changed from R4 795 million to R6 169 million. This relates to the Allocation of insurance acquisition cash flows restatement. Refer to note 1 for further information.

[3] The Group was in the process of exiting its operations in the Ghanaian market. Refer to note 28.5 for more information on the subsequent sale.

[4] The LRC excluding loss component changed from R18 628 million to R17 429 million. This is mainly driven by the opening insurance contract assets changing from R15 181 million to R14 247 million and Insurance revenue from other contracts changing from R19 874 million to R19 008 million.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

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

	LRC			
	Excluding loss component Rm	Loss component Rm	LIC for contracts not under the PAA Rm	Total Rm
10.1.3 VFA				
2026				
Opening insurance contract liabilities	67 390	799	5 703	73 892
Opening insurance contract assets	(26)	3	–	(23)
Net opening balance	67 364	802	5 703	73 869
Cash flows				
Premiums received	5 330	–	–	5 330
Claims and other directly attributable expenses paid	–	–	(10 605)	(10 605)
Insurance acquisition cash flows	(464)	–	–	(464)
Net cash flows	4 866	–	(10 605)	(5 739)
Changes in the income statement				
Insurance revenue	(4 076)	–	–	(4 076)
Contracts under the fair value approach	(2 250)	–	–	(2 250)
Other contracts	(1 826)	–	–	(1 826)
Insurance service expenses	209	358	2 683	3 250
Incurred claims and other directly attributable expenses	–	(150)	2 758	2 608
Changes that relate to past service – adjustments to the LIC	–	–	(75)	(75)
Losses on onerous contracts and reversal of those losses	–	508	–	508
Insurance acquisition cash flows amortisation	209	–	–	209
Insurance acquisition cash flows recognised when incurred	–	–	–	–
Investment components	(7 733)	–	7 733	–
Insurance service result	(11 600)	358	10 416	(826)
Finance expenses from insurance contracts issued	11 497	–	280	11 777
Other changes	–	–	–	–
Total changes in the income statement	(103)	358	10 696	10 951
Other movements	(355)	(23)	(17)	(395)
Contracts transferred on disposal of subsidiary[1]	17	4	–	21
Foreign exchange rate differences	(372)	(27)	(17)	(416)
Other movements	–	–	–	–
Net closing balance	71 772	1 137	5 777	78 686
Closing insurance contract liabilities	71 826	1 085	5 777	78 688
Closing insurance contract assets	(54)	52	–	(2)
Net closing balance	71 772	1 137	5 777	78 686

[1] The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information. Due to this transaction the Net opening balance does not include a total amount of R402 million as this was transferred to held for sale as at 30 June 2025. Income statement and cash flow movements have been included given the requirement to measure these contracts in accordance with IFRS 17 despite the reclassification to held for sale. These income statement and cash flow movements are considered immaterial. These are subsequently removed in the Contracts transferred on disposal of subsidiary line.

10 Insurance contracts continued

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

10.1.3 VFA continued

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

[1] The Group was in the process of exiting its operations in the Ghanaian market. Refer to note 28.5 for more information on the subsequent sale.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

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

	LRC		LIC			
	Excluding loss component Rm	Loss component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Assets for insurance acquisition cash flows Rm	Total Rm
10.1.4 PAA						
2026						
Opening insurance contract liabilities	12 144	49	15 511	524	–	28 228
Opening insurance contract assets	(65)	–	35	–	(42)	(72)
Net opening balance	12 079	49	15 546	524	(42)	28 156
Cash flows						
Premiums received	41 449	–	–	–	–	41 449
Claims and other directly attributable expenses paid	–	–	(25 745)	–	–	(25 745)
Insurance acquisition cash flows	(2 946)	–	(885)	–	(45)	(3 876)
Net cash flows	38 503	–	(26 630)	–	(45)	11 828
Changes in the income statement						
Insurance revenue	(34 049)	–	–	–	–	(34 049)
Contracts under the fair value approach	–	–	–	–	–	–
Other contracts	(34 049)	–	–	–	–	(34 049)
Insurance service expenses	2 934	23	19 865	(121)	–	22 701
Incurred claims and other directly attributable expenses	–	(96)	19 866	149	–	19 919
Changes that relate to past service – adjustments to the LIC	–	–	(884)	(270)	–	(1 154)
Losses on onerous contracts and reversal of those losses	–	119	–	–	–	119
Insurance acquisition cash flows amortisation	2 934	–	–	–	–	2 934
Insurance acquisition cash flows recognised when incurred	–	–	883	–	–	883
Investment components	(5 817)	–	5 814	3	–	–
Insurance service result	(36 932)	23	25 679	(118)	–	(11 348)
Finance expenses from insurance contracts issued	926	–	1 577	62	–	2 565
Other changes	79	–	18	(12)	–	85
Total changes in the income statement	(35 927)	23	27 274	(68)	–	(8 698)
Other movements	(15)	(45)	(106)	(3)	42	(127)
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(42)	–	–	–	42	–
Contracts transferred on disposal of subsidiary[1]	33	1	(14)	–	–	20
Transfers to held for sale[2]	15	(41)	(56)	(1)	–	(83)
Foreign exchange rate differences	(21)	(5)	(37)	(2)	–	(65)
Other movements	–	–	1	–	–	1
Net closing balance	14 640	27	16 084	453	(45)	31 159
Closing insurance contract liabilities	14 793	27	15 986	451	–	31 257
Closing insurance contract assets	(153)	–	98	2	(45)	(98)
Net closing balance	14 640	27	16 084	453	(45)	31 159

[1] The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information. Due to this transaction the Net opening balance does not include a total amount of R95 million as this was transferred to held for sale as at 30 June 2025. Income statement and cash flow movements have been included given the requirement to measure these contracts in accordance with IFRS 17 despite the reclassification to held for sale. These income statement and cash flow movements are considered immaterial. These are subsequently removed in the Contracts transferred on disposal of subsidiary line.

[2] The Group is in the process disposing of Momentum Mozambique Limitada. Refer to note 45 for further information.

10 Insurance contracts continued

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

10.1.4 PAA continued

	LRC		LIC			
	Excluding loss component Rm	Loss component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Assets for insurance acquisition cash flows Rm	Total Rm
Restated 2025[1]						
Opening insurance contract liabilities	10 652	68	15 399	572	–	26 691
Opening insurance contract assets	(69)	–	(7)	–	(28)	(104)
Net opening balance	10 583	68	15 392	572	(28)	26 587
Cash flows						
Premiums received	39 711	–	–	–	–	39 711
Claims and other directly attributable expenses paid[2]	–	–	(24 649)	–	–	(24 649)
Insurance acquisition cash flows[2]	(3 326)	–	(978)	–	(42)	(4 346)
Net cash flows	36 385	–	(25 627)	–	(42)	10 716
Changes in the income statement						
Insurance revenue	(34 168)	–	–	–	–	(34 168)
Contracts under the fair value approach	–	–	–	–	–	–
Other contracts	(34 168)	–	–	–	–	(34 168)
Insurance service expenses	2 839	(12)	20 241	(93)	–	22 975
Incurred claims and other directly attributable expenses	–	(171)	19 909	142	–	19 880
Changes that relate to past service – adjustments to the LIC	–	–	(647)	(235)	–	(882)
Losses on onerous contracts and reversal of those losses	–	159	–	–	–	159
Insurance acquisition cash flows amortisation	2 839	–	–	–	–	2 839
Insurance acquisition cash flows recognised when incurred	–	–	979	–	–	979
Investment components	(4 377)	–	4 373	4	–	–
Insurance service result	(35 706)	(12)	24 614	(89)	–	(11 193)
Finance expenses from insurance contracts issued	837	–	1 236	42	–	2 115
Other changes	1	–	(1)	3	–	3
Total changes in the income statement	(34 868)	(12)	25 849	(44)	–	(9 075)
Other movements	(21)	(7)	(68)	(4)	28	(72)
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	(28)	–	–	–	28	–
Transfers to held for sale[3]	5	(8)	(88)	(4)	–	(95)
Foreign exchange rate differences	(3)	1	17	–	–	15
Other movements	5	–	3	–	–	8
Net closing balance	12 079	49	15 546	524	(42)	28 156
Closing insurance contract liabilities	12 144	49	15 511	524	–	28 228
Closing insurance contract assets	(65)	–	35	–	(42)	(72)
Net closing balance	12 079	49	15 546	524	(42)	28 156

[1] Refer to note 1 for more information on the restatements. No material changes have been noted.
[2] Claims and other directly attributable expenses paid under LIC present value of future cash flows and insurance acquisition cash flows under LRC excluding loss component have been restated in the current year. Insurance acquisition cash flows were disclosed as capitalised and amortised instead of being disclosed as expensed when incurred. The disclosure of Claims and directly attributable expenses and Insurance acquisition cash flows was also corrected to more accurately reflect the impact of acquisition cash flows which were previously disclosed as Claims and directly attributable expenses. These movements are considered immaterial and relate to the Allocation of insurance acquisition cash flows restatement in note 1. Refer to note 1 for more information.
[3] The Group was in the process of exiting its operations in the Ghanaian market. Refer to note 28.5 for more information on the subsequent sale.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances

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

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
10.2.1 Total reconciliation					
2026					
Opening insurance contract liabilities	142 888	2 401	3 786	10 178	159 253
Opening insurance contract assets	(30 649)	3 787	3 898	9 893	(13 071)
Net opening balance	112 239	6 188	7 684	20 071	146 182
Cash flows					
Premiums received	33 007	–	–	–	33 007
Claims and other directly attributable expenses paid	(29 047)	–	–	–	(29 047)
Insurance acquisition cash flows	(7 103)	–	–	–	(7 103)
Net cash flows	(3 143)	–	–	–	(3 143)
Changes in the income statement					
Changes that relate to current service	(2 069)	(1 181)	(866)	(2 885)	(7 001)
CSM recognised in profit or loss for the services provided	–	–	(866)	(2 885)	(3 751)
Change in risk adjustment for non-financial risk for risk expired	–	(1 186)	–	–	(1 186)
Experience adjustments	(2 069)	5	–	–	(2 064)
Changes that relate to future service	(3 224)	937	(140)	3 840	1 413
Changes in estimates that adjust the CSM	876	(238)	(140)	(498)	–
Change in estimates that result in (reversal of losses)/losses on onerous contracts	311	198	–	–	509
Contracts initially recognised in the year	(4 411)	977	–	4 338	904
Changes that relate to past service	132	(10)	–	–	122
Adjustments to the LIC	132	(10)	–	–	122
Insurance service result	(5 161)	(254)	(1 006)	955	(5 466)
Finance expenses from insurance contracts issued	30 249	1 760	557	2 163	34 729
Other changes	–	–	–	–	–
Total changes in the income statement	25 088	1 506	(449)	3 118	29 263
Other movements	(485)	(17)	(41)	(31)	(574)
Contracts transferred on disposal of subsidiary[1]	20	2	–	1	23
Foreign exchange rate differences	(505)	(19)	(41)	(32)	(597)
Other movements	–	–	–	–	–
Net closing balance	133 699	7 677	7 194	23 158	171 728
Closing insurance contract liabilities	168 472	3 291	3 379	12 316	187 458
Closing insurance contract assets	(34 773)	4 386	3 815	10 842	(15 730)
Net closing balance	133 699	7 677	7 194	23 158	171 728

[1] The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information. Due to this transaction the Net opening balance does not include a total amount of R486 million as this was transferred to held for sale as at 30 June 2025. Income statement and cash flow movements have been included given the requirement to measure these contracts in accordance with IFRS 17 despite the reclassification to held for sale. These income statement and cash flow movements are considered immaterial. These are subsequently removed in the Contracts transferred on disposal of subsidiary line.

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

10.2.1 Total reconciliation continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
Restated 2025[1]					
Opening insurance contract liabilities	126 369	2 203	3 923	8 494	140 989
Opening insurance contract assets	(25 626)	3 389	3 671	8 277	(10 289)
Net opening balance	100 743	5 592	7 594	16 771	130 700
Cash flows					
Premiums received	34 156	–	–	–	34 156
Claims and other directly attributable expenses paid	(28 067)	–	–	–	(28 067)
Insurance acquisition cash flows	(6 721)	–	–	–	(6 721)
Net cash flows	(632)	–	–	–	(632)
Changes in the income statement					
Changes that relate to current service	(1 480)	(1 038)	(750)	(2 389)	(5 657)
CSM recognised in profit or loss for the services provided	–	–	(750)	(2 389)	(3 139)
Change in risk adjustment for non-financial risk for risk expired	–	(1 043)	–	–	(1 043)
Experience adjustments	(1 480)	5	–	–	(1 475)
Changes that relate to future service	(3 731)	651	293	3 921	1 134
Changes in estimates that adjust the CSM	(931)	(281)	293	919	–
Change in estimates that result in losses on onerous contracts	35	32	–	–	67
Contracts initially recognised in the year	(2 835)	900	–	3 002	1 067
Changes that relate to past service	223	(3)	–	–	220
Adjustments to the LIC	223	(3)	–	–	220
Insurance service result	(4 988)	(390)	(457)	1 532	(4 303)
Finance expenses from insurance contracts issued	17 466	1 001	549	1 776	20 792
Other changes	–	–	–	–	–
Total changes in the income statement	12 478	611	92	3 308	16 489
Other movements	(350)	(15)	(2)	(8)	(375)
Transfers to held for sale[2]	(465)	(18)	–	(3)	(486)
Foreign exchange rate differences	115	3	(2)	(5)	111
Other movements	–	–	–	–	–
Net closing balance	112 239	6 188	7 684	20 071	146 182
Closing insurance contract liabilities	142 888	2 401	3 786	10 178	159 253
Closing insurance contract assets	(30 649)	3 787	3 898	9 893	(13 071)
Net closing balance	112 239	6 188	7 684	20 071	146 182

[1] Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movements identified in note 10.2.9.

[2] The Group was in the process of exiting its operations in the Ghanaian market. Refer to note 28.5 for more information on the subsequent sale.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
10.2.2 GMM					
2026					
Opening insurance contract liabilities	72 426	1 776	1 473	9 686	85 361
Opening insurance contract assets	(30 624)	3 785	3 898	9 893	(13 048)
Net opening balance	**41 802**	**5 561**	**5 371**	**19 579**	**72 313**
Cash flows					
Premiums received	27 677	–	–	–	27 677
Claims and other directly attributable expenses paid	(18 442)	–	–	–	(18 442)
Insurance acquisition cash flows	(6 639)	–	–	–	(6 639)
Net cash flows	**2 596**	**–**	**–**	**–**	**2 596**
Changes in the income statement					
Changes that relate to current service	(1 338)	(1 079)	(533)	(2 791)	(5 741)
CSM recognised in profit or loss for the services provided	–	–	(533)	(2 791)	(3 324)
Change in risk adjustment for non-financial risk for risk expired	–	(1 084)	–	–	(1 084)
Experience adjustments	(1 338)	5	–	–	(1 333)
Changes that relate to future service	(3 038)	769	(295)	3 468	904
Changes in estimates that adjust the CSM	1 457	(342)	(295)	(820)	–
Change in estimates that result in losses on onerous contracts	41	156	–	–	197
Contracts initially recognised in the year	(4 536)	955	–	4 288	707
Changes that relate to past service	209	(12)	–	–	197
Adjustments to the LIC	209	(12)	–	–	197
Insurance service result	**(4 167)**	**(322)**	**(828)**	**677**	**(4 640)**
Finance expenses from insurance contracts issued	18 472	1 760	557	2 163	22 952
Other changes	–	–	–	–	–
Total changes in the income statement	**14 305**	**1 438**	**(271)**	**2 840**	**18 312**
Other movements	**(137)**	**(11)**	**–**	**(31)**	**(179)**
Contracts transferred on disposal of subsidiary[1]	–	1	–	1	2
Foreign exchange rate differences	(137)	(12)	–	(32)	(181)
Other movements	–	–	–	–	–
Net closing balance	**58 566**	**6 988**	**5 100**	**22 388**	**93 042**
Closing insurance contract liabilities	93 334	2 605	1 285	11 546	108 770
Closing insurance contract assets	(34 768)	4 383	3 815	10 842	(15 728)
Net closing balance	**58 566**	**6 988**	**5 100**	**22 388**	**93 042**

[1] The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information. Due to this transaction the Net opening balance does not include a total amount of R84 million as this was transferred to held for sale as at 30 June 2025. Income statement and cash flow movements have been included given the requirement to measure these contracts in accordance with IFRS 17 despite the reclassification to held for sale. These income statement and cash flow movements are considered immaterial. These are subsequently removed in the Contracts transferred on disposal of subsidiary line.

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

10.2.2 GMM continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
Restated 2025[1]					
Opening insurance contract liabilities	60 183	1 581	1 658	7 957	71 379
Opening insurance contract assets	(25 624)	3 389	3 671	8 277	(10 287)
Net opening balance	34 559	4 970	5 329	16 234	61 092
Cash flows					
Premiums received	28 270	–	–	–	28 270
Claims and other directly attributable expenses paid	(17 617)	–	–	–	(17 617)
Insurance acquisition cash flows	(6 169)	–	–	–	(6 169)
Net cash flows	4 484	–	–	–	4 484
Changes in the income statement					
Changes that relate to current service	(937)	(929)	(403)	(2 326)	(4 595)
CSM recognised in profit or loss for the services provided	–	–	(403)	(2 326)	(2 729)
Change in risk adjustment for non-financial risk for risk expired	–	(934)	–	–	(934)
Experience adjustments	(937)	5	–	–	(932)
Changes that relate to future service	(3 660)	531	(104)	3 903	670
Changes in estimates that adjust the CSM	(548)	(355)	(104)	1 007	–
Change in estimates that result in (reversal of losses)/ losses on onerous contracts[1]	(128)	14	–	–	(114)
Contracts initially recognised in the year	(2 984)	872	–	2 896	784
Changes that relate to past service	557	(3)	–	–	554
Adjustments to the LIC	557	(3)	–	–	554
Insurance service result	(4 040)	(401)	(507)	1 577	(3 371)
Finance expenses from insurance contracts issued	6 857	1 001	549	1 776	10 183
Other changes	–	–	–	–	–
Total changes in the income statement	2 817	600	42	3 353	6 812
Other movements	(58)	(9)	–	(8)	(75)
Transfers to held for sale[2]	(72)	(9)	–	(3)	(84)
Foreign exchange rate differences	14	–	–	(5)	9
Other movements	–	–	–	–	–
Net closing balance	41 802	5 561	5 371	19 579	72 313
Closing insurance contract liabilities	72 426	1 776	1 473	9 686	85 361
Closing insurance contract assets	(30 624)	3 785	3 898	9 893	(13 048)
Net closing balance	41 802	5 561	5 371	19 579	72 313

1 Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movements identified in note 10.2.9.
2 The Group was in the process of exiting its operations in the Ghanaian market. Refer to note 28.5 for more information on the subsequent sale.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM		Total Rm
			Contracts under fair value approach Rm	Other contracts Rm	
10.2.3 VFA					
2026					
Opening insurance contract liabilities	70 462	625	2 313	492	73 892
Opening insurance contract assets	(25)	2	–	–	(23)
Net opening balance	70 437	627	2 313	492	73 869
Cash flows					
Premiums received	5 330	–	–	–	5 330
Claims and other directly attributable expenses paid	(10 605)	–	–	–	(10 605)
Insurance acquisition cash flows	(464)	–	–	–	(464)
Net cash flows	(5 739)	–	–	–	(5 739)
Changes in the income statement					
Changes that relate to current service	(731)	(102)	(333)	(94)	(1 260)
CSM recognised in profit or loss for the services provided	–	–	(333)	(94)	(427)
Change in risk adjustment for non-financial risk for risk expired	–	(102)	–	–	(102)
Experience adjustments	(731)	–	–	–	(731)
Changes that relate to future service	(186)	168	155	372	509
Changes in estimates that adjust the CSM	(581)	104	155	322	–
Change in estimates that result in losses on onerous contracts	270	42	–	–	312
Contracts initially recognised in the year	125	22	–	50	197
Changes that relate to past service	(77)	2	–	–	(75)
Adjustments to the LIC	(77)	2	–	–	(75)
Insurance service result	(994)	68	(178)	278	(826)
Finance expenses from insurance contracts issued	11 777	–	–	–	11 777
Other changes	–	–	–	–	–
Total changes in the income statement	10 783	68	(178)	278	10 951
Other movements	(348)	(6)	(41)	–	(395)
Contracts transferred on disposal of subsidiary[1]	20	1	–	–	21
Foreign exchange rate differences	(368)	(7)	(41)	–	(416)
Other movements	–	–	–	–	–
Net closing balance	75 133	689	2 094	770	78 686
Closing insurance contract liabilities	75 138	686	2 094	770	78 688
Closing insurance contract assets	(5)	3	–	–	(2)
Net closing balance	75 133	689	2 094	770	78 686

[1] The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information. Due to this transaction the Net opening balance does not include a total amount of R402 million as this was transferred to held for sale as at 30 June 2025. Income statement and cash flow movements have been included given the requirement to measure these contracts in accordance with IFRS 17 despite the reclassification to held for sale. These income statement and cash flow movements are considered immaterial. These are subsequently removed in the Contracts transferred on disposal of subsidiary line.

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

10.2.3 VFA continued

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

[1] The Group was in the process of exiting its operations in the Ghanaian market. Refer to note 28.5 for more information on the subsequent sale.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
10.2.4 Total reconciliation: Momentum Retail					
2026					
Opening insurance contract liabilities	25 685	1 123	641	2 387	29 836
Opening insurance contract assets	(8 133)	1 522	–	4 650	(1 961)
Net opening balance	17 552	2 645	641	7 037	27 875
Cash flows					
Premiums received	10 879	–	–	–	10 879
Claims and other directly attributable expenses paid	(9 803)	–	–	–	(9 803)
Insurance acquisition cash flows	(1 576)	–	–	–	(1 576)
Net cash flows	(500)	–	–	–	(500)
Changes in the income statement					
Changes that relate to current service	(1 343)	(335)	(121)	(1 166)	(2 965)
CSM recognised in profit or loss for the services provided	–	–	(121)	(1 166)	(1 287)
Change in risk adjustment for non-financial risk for risk expired	–	(340)	–	–	(340)
Experience adjustments	(1 343)	5	–	–	(1 338)
Changes that relate to future service	(1 401)	76	(42)	1 658	291
Change in estimates that adjust the CSM	(1 159)	(169)	(42)	1 370	–
Change in estimates that result in (reversal of losses)/ losses on onerous contracts	84	128	–	–	212
Contracts initially recognised in the year	(326)	117	–	288	79
Changes that relate to past service	98	(11)	–	–	87
Adjustments to the LIC	98	(11)	–	–	87
Insurance service result	(2 646)	(270)	(163)	492	(2 587)
Finance expenses from insurance contracts issued	6 929	637	8	741	8 315
Other changes	–	–	–	–	–
Total changes in the income statement	4 283	367	(155)	1 233	5 728
Other movements	–	–	–	–	–
Foreign exchange rate differences	–	–	–	–	–
Other movements	–	–	–	–	–
Net closing balance	21 335	3 012	486	8 270	33 103
Closing insurance contract liabilities	29 946	1 294	486	2 873	34 599
Closing insurance contract assets	(8 611)	1 718	–	5 397	(1 496)
Net closing balance	21 335	3 012	486	8 270	33 103

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

10.2.4 Total reconciliation: Momentum Retail continued

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
10.2.5 Total reconciliation: Momentum Investments					
2026					
Opening insurance contract liabilities	43 067	357	689	3 653	47 766
Opening insurance contract assets	–	–	–	–	–
Net opening balance	43 067	357	689	3 653	47 766
Cash flows					
Premiums received	4 623	–	–	–	4 623
Claims and other directly attributable expenses paid	(5 147)	–	–	–	(5 147)
Insurance acquisition cash flows	(116)	–	–	–	(116)
Net cash flows	(640)	–	–	–	(640)
Changes in the income statement					
Changes that relate to current service	16	(34)	(113)	(472)	(603)
CSM recognised in profit or loss for the services provided	–	–	(113)	(472)	(585)
Change in risk adjustment for non-financial risk for risk expired	–	(34)	–	–	(34)
Experience adjustments	16	–	–	–	16
Changes that relate to future service	(486)	191	(7)	241	(61)
Change in estimates that adjust the CSM	(132)	155	(7)	(16)	–
Change in estimates that result in losses/(reversal of losses) on onerous contracts	(72)	6	–	–	(66)
Contracts initially recognised in the year	(282)	30	–	257	5
Changes that relate to past service	(4)	–	–	–	(4)
Adjustments to the LIC	(4)	–	–	–	(4)
Insurance service result	(474)	157	(120)	(231)	(668)
Finance expenses from insurance contracts issued	12 847	255	75	374	13 551
Other changes	–	–	–	–	–
Total changes in the income statement	12 373	412	(45)	143	12 883
Other movements	–	–	–	–	–
Foreign exchange rate differences	–	–	–	–	–
Other movements	–	–	–	–	–
Net closing balance	54 800	769	644	3 796	60 009
Closing insurance contract liabilities	54 800	769	644	3 796	60 009
Closing insurance contract assets	–	–	–	–	–
Net closing balance	54 800	769	644	3 796	60 009

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

10.2.5 Total reconciliation: Momentum Investments continued

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
10.2.6 Total reconciliation: Metropolitan Life					
2026					
Opening insurance contract liabilities	42 360	419	1 456	2 493	46 728
Opening insurance contract assets	(4 527)	689	184	364	(3 290)
Net opening balance	37 833	1 108	1 640	2 857	43 438
Cash flows					
Premiums received	8 196	–	–	–	8 196
Claims and other directly attributable expenses paid	(7 833)	–	–	–	(7 833)
Insurance acquisition cash flows	(1 389)	–	–	–	(1 389)
Net cash flows	(1 026)	–	–	–	(1 026)
Changes in the income statement					
Changes that relate to current service	(497)	(264)	(295)	(432)	(1 488)
CSM recognised in profit or loss for the services provided	–	–	(295)	(432)	(727)
Change in risk adjustment for non-financial risk for risk expired	–	(264)	–	–	(264)
Experience adjustments	(497)	–	–	–	(497)
Changes that relate to future service	(648)	173	348	283	156
Change in estimates that adjust the CSM	(507)	41	348	118	–
Change in estimates that result in (reversal of losses)/ losses on onerous contracts	27	13	–	–	40
Contracts initially recognised in the year	(168)	119	–	165	116
Changes that relate to past service	(39)	–	–	–	(39)
Adjustments to the LIC	(39)	–	–	–	(39)
Insurance service result	(1 184)	(91)	53	(149)	(1 371)
Finance expenses from insurance contracts issued	8 218	144	38	280	8 680
Other changes	–	–	–	–	–
Total changes in the income statement	7 034	53	91	131	7 309
Other movements	–	–	–	–	–
Foreign exchange rate differences	–	–	–	–	–
Other movements	–	–	–	–	–
Net closing balance	43 841	1 161	1 731	2 988	49 721
Closing insurance contract liabilities	49 408	531	1 434	2 439	53 812
Closing insurance contract assets	(5 567)	630	297	549	(4 091)
Net closing balance	43 841	1 161	1 731	2 988	49 721

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

10.2.6 Total reconciliation: Metropolitan Life continued

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
10.2.7 Total reconciliation: Momentum Corporate					
2026					
Opening insurance contract liabilities	18 571	122	491	499	19 683
Opening insurance contract assets	–	–	–	–	–
Net opening balance	18 571	122	491	499	19 683
Cash flows					
Premiums received	447	–	–	–	447
Claims and other directly attributable expenses paid	(2 352)	–	–	–	(2 352)
Insurance acquisition cash flows	(62)	–	–	–	(62)
Net cash flows	(1 967)	–	–	–	(1 967)
Changes in the income statement					
Changes that relate to current service	(52)	(13)	(65)	(95)	(225)
CSM recognised in profit or loss for the services provided	–	–	(65)	(95)	(160)
Change in risk adjustment for non-financial risk for risk expired	–	(13)	–	–	(13)
Experience adjustments	(52)	–	–	–	(52)
Changes that relate to future service	1	28	(52)	333	310
Change in estimates that adjust the CSM	(306)	26	(52)	332	–
Change in estimates that result in losses on onerous contracts	243	–	–	–	243
Contracts initially recognised in the year	64	2	–	1	67
Changes that relate to past service	(3)	(1)	–	–	(4)
Adjustments to the LIC	(3)	(1)	–	–	(4)
Insurance service result	(54)	14	(117)	238	81
Finance expenses from insurance contracts issued	3 947	17	55	23	4 042
Other changes	–	–	–	–	–
Total changes in the income statement	3 893	31	(62)	261	4 123
Other movements	–	–	–	–	–
Foreign exchange rate differences	–	–	–	–	–
Other movements	–	–	–	–	–
Net closing balance	20 497	153	429	760	21 839
Closing insurance contract liabilities	20 497	153	429	760	21 839
Closing insurance contract assets	–	–	–	–	–
Net closing balance	20 497	153	429	760	21 839

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

10.2.7 Total reconciliation: Momentum Corporate continued

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
10.2.8 Total reconciliation: Momentum Africa					
2026					
Opening insurance contract liabilities	12 575	270	509	913	14 267
Opening insurance contract assets	(776)	86	5	276	(409)
Net opening balance	**11 799**	**356**	**514**	**1 189**	**13 858**
Cash flows					
Premiums received	3 401	–	–	–	3 401
Claims and other directly attributable expenses paid	(2 734)	–	–	–	(2 734)
Insurance acquisition cash flows	(532)	–	–	–	(532)
Net cash flows	**135**	**–**	**–**	**–**	**135**
Changes in the income statement					
Changes that relate to current service	(246)	(41)	(51)	(192)	(530)
CSM recognised in profit or loss for the services provided	–	–	(51)	(192)	(243)
Change in risk adjustment for non-financial risk for risk expired	–	(41)	–	–	(41)
Experience adjustments	(246)	–	–	–	(246)
Changes that relate to future service	70	55	(32)	178	271
Change in estimates that adjust the CSM	49	(12)	(32)	(5)	–
Change in estimates that result in losses/(reversal of losses) on onerous contracts	(4)	36	–	–	32
Contracts initially recognised in the year	25	31	–	183	239
Changes that relate to past service	11	–	–	–	11
Adjustments to the LIC	11	–	–	–	11
Insurance service result	**(165)**	**14**	**(83)**	**(14)**	**(248)**
Finance expenses from insurance contracts issued	1 999	9	5	118	2 131
Other changes	–	–	–	–	–
Total changes in the income statement	**1 834**	**23**	**(78)**	**104**	**1 883**
Other movements	**(461)**	**(7)**	**(41)**	**(14)**	**(523)**
Contracts transferred on disposal of subsidiary[1]	20	2	–	1	23
Foreign exchange rate differences	(481)	(9)	(41)	(15)	(546)
Other movements	–	–	–	–	–
Net closing balance	**13 307**	**372**	**395**	**1 279**	**15 353**
Closing insurance contract liabilities	14 107	296	388	993	15 784
Closing insurance contract assets	(800)	76	7	286	(431)
Net closing balance	**13 307**	**372**	**395**	**1 279**	**15 353**

[1] The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information. Due to this transaction the Net opening balance does not include a total amount of R486 million as this was transferred to held for sale as at 30 June 2025. Income statement and cash flow movements have been included given the requirement to measure these contracts in accordance with IFRS 17 despite the reclassification to held for sale. These income statement and cash flow movements are considered immaterial. These are subsequently removed in the Contracts transferred on disposal of subsidiary line.

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

10.2.8 Total reconciliation: Momentum Africa continued

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

[1] The Group was in the process of exiting its operations in the Ghanaian market. Refer to note 28.5 for more information on the subsequent sale.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
10.2.9 Total reconciliation: Guardrisk					
2026					
Opening insurance contract liabilities	630	110	–	233	973
Opening insurance contract assets	(17 213)	1 490	3 709	4 603	(7 411)
Net opening balance	**(16 583)**	**1 600**	**3 709**	**4 836**	**(6 438)**
Cash flows					
Premiums received	5 461	–	–	–	5 461
Claims and other directly attributable expenses paid	(1 178)	–	–	–	(1 178)
Insurance acquisition cash flows	(3 428)	–	–	–	(3 428)
Net cash flows	**855**	**–**	**–**	**–**	**855**
Changes in the income statement					
Changes that relate to current service	53	(494)	(221)	(528)	(1 190)
CSM recognised in profit or loss for the services provided	–	–	(221)	(528)	(749)
Change in risk adjustment for non-financial risk for risk expired	–	(494)	–	–	(494)
Experience adjustments	53	–	–	–	53
Changes that relate to future service	(760)	414	(355)	1 147	446
Change in estimates that adjust the CSM	2 931	(279)	(355)	(2 297)	–
Change in estimates that result in losses on onerous contracts	33	15	–	–	48
Contracts initially recognised in the year	(3 724)	678	–	3 444	398
Changes that relate to past service	69	2	–	–	71
Adjustments to the LIC	69	2	–	–	71
Insurance service result	**(638)**	**(78)**	**(576)**	**619**	**(673)**
Finance (income)/expenses from insurance contracts issued	(3 691)	698	376	627	(1 990)
Other changes	–	–	–	–	–
Total changes in the income statement	**(4 329)**	**620**	**(200)**	**1 246**	**(2 663)**
Other movements	**(24)**	**(10)**	**–**	**(17)**	**(51)**
Foreign exchange rate differences	(24)	(10)	–	(17)	(51)
Other movements	–	–	–	–	–
Net closing balance	**(20 081)**	**2 210**	**3 509**	**6 065**	**(8 297)**
Closing insurance contract liabilities	(286)	248	(2)	1 455	1 415
Closing insurance contract assets	(19 795)	1 962	3 511	4 610	(9 712)
Net closing balance	**(20 081)**	**2 210**	**3 509**	**6 065**	**(8 297)**

10 Insurance contracts continued

10.2 Reconciliation of the measurement components of insurance contract balances continued

10.2.9 Total reconciliation: Guardrisk continued

	Present value of future cash flows[1] Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
Restated 2025[1]					
Opening insurance contract liabilities	289	56	–	226	571
Opening insurance contract assets[2]	(13 121)	1 281	3 481	2 846	(5 513)
Net opening balance	(12 832)	1 337	3 481	3 072	(4 942)
Cash flows					
Premiums received	4 036	–	–	–	4 036
Claims and other directly attributable expenses paid[3]	(1 160)	–	–	–	(1 160)
Insurance acquisition cash flows[3]	(2 858)	–	–	–	(2 858)
Net cash flows	18	–	–	–	18
Changes in the income statement					
Changes that relate to current service	(38)	(383)	(100)	(330)	(851)
CSM recognised in profit or loss for the services provided	–	–	(100)	(330)	(430)
Change in risk adjustment for non-financial risk for risk expired	–	(383)	–	–	(383)
Experience adjustments	(38)	–	–	–	(38)
Changes that relate to future service	(1 254)	364	(22)	1 717	805
Change in estimates that adjust the CSM	171	(201)	(22)	52	–
Change in estimates that result in losses on onerous contracts	524	16	–	–	540
Contracts initially recognised in the year	(1 949)	549	–	1 665	265
Changes that relate to past service	27	2	–	–	29
Adjustments to the LIC	27	2	–	–	29
Insurance service result	(1 265)	(17)	(122)	1 387	(17)
Finance (income)/expenses from insurance contracts issued	(2 503)	282	350	382	(1 489)
Other changes	–	–	–	–	–
Total changes in the income statement	(3 768)	265	228	1 769	(1 506)
Other movements	(1)	(2)	–	(5)	(8)
Foreign exchange rate differences	(1)	(2)	–	(5)	(8)
Other movements	–	–	–	–	–
Net closing balance	(16 583)	1 600	3 709	4 836	(6 438)
Closing insurance contract liabilities	630	110	–	233	973
Closing insurance contract assets[4]	(17 213)	1 490	3 709	4 603	(7 411)
Net closing balance	(16 583)	1 600	3 709	4 836	(6 438)

[1] Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movements identified in footnotes 2, 3 and 4.
[2] CSM for contracts under the fair value approach changed from Rnil to R3 481 million and the CSM for other contracts changed from R5 724 million to R2 846 million, this movement mostly relates to the disclosure correction mentioned in note 1.
[3] Claims and other directly attributable expenses paid changed from R2 534 million to R1 160 million and Insurance acquisition cash flows changed from R1 484 million to R2 858 million. This relates to the Allocation of insurance acquisition cash flows restatement. Refer to note 1 for further information.
[4] CSM for contracts under the fair value approach changed from Rnil to R3 709 million and the CSM for other contracts changed from R6 967 million to R4 603 million, this movement mostly relates to the disclosure correction mentioned in note 1.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

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

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

		2026			Restated 2025[1]		
		Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.1	**Total reconciliation**						
	Estimates of the present value of future cash outflows	**19 986**	**6 333**	**26 319**	17 103	7 469	24 572
	Insurance acquisition cash flows[2]	**4 797**	**2 132**	**6 929**	4 267	2 697	6 964
	Claims and other directly attributable expenses	**15 189**	**4 201**	**19 390**	12 836	4 772	17 608
	Estimates of the present value of future cash inflows	**(25 147)**	**(5 583)**	**(30 730)**	(20 794)	(6 613)	(27 407)
	Risk adjustment for non-financial risk	**823**	**154**	**977**	689	211	900
	CSM	**4 338**	**–**	**4 338**	3 002	–	3 002
	Losses recognised on initial recognition	**–**	**904**	**904**	–	1 067	1 067
10.3.2	**GMM**						
	Estimates of the present value of future cash outflows	**19 317**	**4 557**	**23 874**	16 323	5 179	21 502
	Insurance acquisition cash flows[3]	**4 735**	**1 786**	**6 521**	4 216	2 233	6 449
	Claims and other directly attributable expenses	**14 582**	**2 771**	**17 353**	12 107	2 946	15 053
	Estimates of the present value of future cash inflows	**(24 419)**	**(3 991)**	**(28 410)**	(19 898)	(4 588)	(24 486)
	Risk adjustment for non-financial risk	**814**	**141**	**955**	679	193	872
	CSM	**4 288**	**–**	**4 288**	2 896	–	2 896
	Losses recognised on initial recognition	**–**	**707**	**707**	–	784	784

[1] Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movement identified in footnote 2.

[2] Insurance acquisition cash flows for Non-onerous contracts issued changed from R4 893 million to R4 267 million.

[3] Insurance acquisition cash flows for Non-onerous contracts issued changed from R4 842 million to R4 216 million.

		2026			2025		
		Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.3	**VFA**						
	Estimates of the present value of future cash outflows	**669**	**1 776**	**2 445**	780	2 290	3 070
	Insurance acquisition cash flows	**62**	**346**	**408**	51	464	515
	Claims and other directly attributable expenses	**607**	**1 430**	**2 037**	729	1 826	2 555
	Estimates of the present value of future cash inflows	**(728)**	**(1 592)**	**(2 320)**	(896)	(2 025)	(2 921)
	Risk adjustment for non-financial risk	**9**	**13**	**22**	10	18	28
	CSM	**50**	**–**	**50**	106	–	106
	Losses recognised on initial recognition	**–**	**197**	**197**	–	283	283

10 Insurance contracts continued

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

	2026			2025		
	Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.4 Total reconciliation: Momentum Retail						
Estimates of the present value of future cash outflows	**2 495**	**948**	**3 443**	2 511	901	3 412
Insurance acquisition cash flows	**631**	**235**	**866**	604	228	832
Claims and other directly attributable expenses	**1 864**	**713**	**2 577**	1 907	673	2 580
Estimates of the present value of future cash inflows	**(2 880)**	**(889)**	**(3 769)**	(2 889)	(835)	(3 724)
Risk adjustment for non-financial risk	**97**	**20**	**117**	96	19	115
CSM	**288**	**–**	**288**	282	–	282
Losses recognised on initial recognition	**–**	**79**	**79**	–	85	85
10.3.5 Total reconciliation: Momentum Investments						
Estimates of the present value of future cash outflows	**4 208**	**210**	**4 418**	6 181	314	6 495
Insurance acquisition cash flows	**100**	**11**	**111**	134	10	144
Claims and other directly attributable expenses	**4 108**	**199**	**4 307**	6 047	304	6 351
Estimates of the present value of future cash inflows	**(4 488)**	**(212)**	**(4 700)**	(6 884)	(175)	(7 059)
Risk adjustment for non-financial risk	**23**	**7**	**30**	26	10	36
CSM	**257**	**–**	**257**	677	–	677
Losses recognised on initial recognition	**–**	**5**	**5**	–	149	149
10.3.6 Total reconciliation: Metropolitan Life						
Estimates of the present value of future cash outflows	**1 325**	**3 179**	**4 504**	1 581	3 760	5 341
Insurance acquisition cash flows	**64**	**1 423**	**1 487**	65	1 716	1 781
Claims and other directly attributable expenses	**1 261**	**1 756**	**3 017**	1 516	2 044	3 560
Estimates of the present value of future cash inflows	**(1 501)**	**(3 171)**	**(4 672)**	(1 778)	(3 643)	(5 421)
Risk adjustment for non-financial risk	**11**	**108**	**119**	11	141	152
CSM	**165**	**–**	**165**	186	–	186
Losses recognised on initial recognition	**–**	**116**	**116**	–	258	258

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Insurance contracts continued

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

		2026			2025		
		Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.7	**Total reconciliation: Momentum Corporate**						
	Estimates of the present value of future cash outflows	54	363	417	142	535	677
	Insurance acquisition cash flows	10	44	54	2	50	52
	Claims and other directly attributable expenses	44	319	363	140	485	625
	Estimates of the present value of future cash inflows	(55)	(298)	(353)	(150)	(458)	(608)
	Risk adjustment for non-financial risk	–	2	2	–	4	4
	CSM	1	–	1	8	–	8
	Losses recognised on initial recognition	–	67	67	–	81	81
10.3.8	**Total reconciliation: Momentum Metropolitan Africa**						
	Estimates of the present value of future cash outflows	1 758	873	2 631	1 160	1 312	2 472
	Insurance acquisition cash flows	252	241	493	110	412	522
	Claims and other directly attributable expenses	1 506	632	2 138	1 050	900	1 950
	Estimates of the present value of future cash inflows	(1 961)	(645)	(2 606)	(1 358)	(1 113)	(2 471)
	Risk adjustment for non-financial risk	20	11	31	14	30	44
	CSM	183	–	183	184	–	184
	Losses recognised on initial recognition	–	239	239	–	229	229

		2026			Restated 2025[1]		
		Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm	Non-onerous contracts issued Rm	Onerous contracts issued Rm	Total Rm
10.3.9	**Total reconciliation: Guardrisk**						
	Estimates of the present value of future cash outflows	10 146	760	10 906	5 528	647	6 175
	Insurance acquisition cash flows[2]	3 740	178	3 918	3 352	281	3 633
	Claims and other directly attributable expenses	6 406	582	6 988	2 176	366	2 542
	Estimates of the present value of future cash inflows	(14 262)	(368)	(14 630)	(7 735)	(389)	(8 124)
	Risk adjustment for non-financial risk	672	6	678	542	7	549
	CSM	3 444	–	3 444	1 665	–	1 665
	Losses recognised on initial recognition	–	398	398	–	265	265

[1] Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movement identified in footnote 2.

[2] Insurance acquisition cash flows for Non-onerous contracts issued changed from R3 978 million to R3 352 million.

10 Insurance contracts continued

10.4 CSM recognition analysis

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

	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm
2026										
GMM	**2 421**	**2 086**	**1 808**	**1 568**	**1 360**	**4 510**	**2 194**	**1 062**	**959**	**17 968**
VFA	**395**	**376**	**304**	**268**	**233**	**760**	**326**	**132**	**70**	**2 864**
Total	**2 816**	**2 462**	**2 112**	**1 836**	**1 593**	**5 270**	**2 520**	**1 194**	**1 029**	**20 832**
2025										
GMM	2 174	1 906	1 653	1 434	1 247	4 156	2 026	977	870	16 443
VFA	391	355	304	265	230	738	321	130	71	2 805
Total	2 565	2 261	1 957	1 699	1 477	4 894	2 347	1 107	941	19 248

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

10.5 Derecognition of insurance acquisition cash flow assets

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

	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm
2026										
GMM	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
VFA	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
PAA	**(45)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(45)**
Total	**(45)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(45)**
2025										
GMM	–	–	–	–	–	–	–	–	–	–
VFA	–	–	–	–	–	–	–	–	–	–
PAA	(42)	–	–	–	–	–	–	–	–	(42)
Total	(42)	–	–	–	–	–	–	–	–	(42)

11 Reinsurance contracts

Portfolios of reinsurance contract assets and liabilities

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

	2026			Restated 2025		
	Assets Rm	Liabilities Rm	Net (liabilities)/ assets Rm	Assets Rm	Liabilities Rm	Net (liabilities)/ assets Rm
GMM[1]	**7 098**	**(8 968)**	**(1 870)**	5 348	(6 619)	(1 271)
PAA[1]	**4 610**	**(9 598)**	**(4 988)**	4 765	(8 900)	(4 135)
Total	**11 708**	**(18 566)**	**(6 858)**	10 113	(15 519)	(5 406)
Segmental split						
Momentum Retail	**5 595**	**(17)**	**5 578**	4 133	(15)	4 118
Metropolitan Life	**93**	**(52)**	**41**	62	(29)	33
Momentum Corporate	**1 661**	**–**	**1 661**	1 661	–	1 661
Momentum Africa[2]	**236**	**(22)**	**214**	307	(25)	282
Guardrisk[1,2]	**3 898**	**(18 475)**	**(14 577)**	3 724	(15 450)	(11 726)
Momentum Insure	**225**	**–**	**225**	226	–	226
Total	**11 708**	**(18 566)**	**(6 858)**	10 113	(15 519)	(5 406)
Current[1,3]	**5 992**	**(2 042)**	**3 950**	6 191	(3 325)	2 866
Non-current[1,3]	**5 716**	**(16 524)**	**(10 808)**	3 922	(12 194)	(8 272)
Total	**11 708**	**(18 566)**	**(6 858)**	10 113	(15 519)	(5 406)

1 Refer to note 1 for more information on the restatements other than that discussed in footnote 2 and 3. The effect of this restatement is considered immaterial other than the change in PAA liabilities from R9 928 million to R8 900 million and the change in Guardrisk liabilities from R16 349 million to R15 450 million.

2 The prior year has been restated based on a new operating model adopted by the Group. The effects of these movements are considered immaterial.

3 The split between current and non-current reinsurance contract assets and liabilities was previously incorrectly apportioned based on percentage. The methodology was refined in the current year to correctly base it on actual classifications. The prior year was restated accordingly. The impact of the restatement was an increase in the current assets of R10 650 million and a decrease in the non-current asset of R10 650 million, a decrease in the current liabilities of R10 650 million and an increase in the non-current liabilities of R10 650 million.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

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

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

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts not under the PAA Rm	Amounts recoverable on incurred claims for contracts under the PAA		
	Excluding loss-recovery component Rm	Loss-recovery component Rm		Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
11.1.1 Total reconciliation						
2026						
Opening reinsurance contract assets	1 568	2 286	1 987	4 126	146	10 113
Opening reinsurance contract liabilities	(15 740)	27	189	5	–	(15 519)
Net opening balance	**(14 172)**	**2 313**	**2 176**	**4 131**	**146**	**(5 406)**
Cash flows						
Reinsurance premiums paid	9 321	–	–	–	–	9 321
Reinsurance recoveries received	–	–	(3 527)	(3 569)	–	(7 096)
Capital balances and related transactions with third-party cell owners – share capital and dividends[1]	4 341	–	–	–	–	4 341
Net cash flows	**13 662**	**–**	**(3 527)**	**(3 569)**	**–**	**6 566**
Changes in the income statement						
Allocation of reinsurance premiums	(16 630)	–	–	–	–	(16 630)
Contracts under the fair value approach	(354)	–	–	–	–	(354)
Other contracts	(16 276)	–	–	–	–	(16 276)
Amounts recoverable from reinsurers for incurred claims	–	(24)	3 357	6 054	(34)	9 353
Amounts recoverable for incurred claims and other expenses	–	(203)	3 207	5 842	48	8 894
Changes that relate to past service – adjustments to the AIC[2]	–	–	150	212	(82)	280
Changes in the loss-recovery component	–	179	–	–	–	179
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–	–
Investment components	(21)	–	–	21	–	–
Net (expenses)/income from reinsurance contracts held	(16 651)	(24)	3 357	6 075	(34)	(7 277)
Finance (expenses)/income from reinsurance contracts held	(527)	222	133	251	17	96
Investment returns due to third-party cell owner	(847)	–	–	–	–	(847)
Other changes	–	–	–	–	–	–
Total changes in the income statement	**(18 025)**	**198**	**3 490**	**6 326**	**(17)**	**(8 028)**
Other movements	3 006	(44)	(1)	(2 951)	–	10
Capital balances and related transactions with third-party cell owners – settlement[1]	2 946	–	–	(2 946)	–	–
Contracts transferred on disposal of subsidiary[3]	1	–	–	1	–	2
Foreign exchange rate differences	60	(44)	(1)	(6)	–	9
Other movements	(1)	–	–	–	–	(1)
Net closing balance	**(15 529)**	**2 467**	**2 138**	**3 937**	**129**	**(6 858)**
Closing reinsurance contract assets	3 287	2 442	1 923	3 927	129	11 708
Closing reinsurance contract liabilities	(18 816)	25	215	10	–	(18 566)
Net closing balance	**(15 529)**	**2 467**	**2 138**	**3 937**	**129**	**(6 858)**
Reinsurance contract assets consist of:						
Reinsurance asset relating to amounts due from cell owners						8
Other reinsurance contract assets						11 700
Reinsurance contract assets						**11 708**
Reinsurance contract liabilities consist of:						
Reinsurance liability relating to amounts due to cell owners						(7 515)
Other reinsurance contract liabilities						(11 051)
Reinsurance contract liabilities						**(18 566)**

1 Refer to Note 45.10.17 In-substance reinsurance contracts held.
2 Assets for incurred claims (AIC)
3 The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information. Due to this transaction the Net opening balance does not include a total amount of R4 million as this was transferred to held for sale as at 30 June 2025. Income statement and cash flow movements have been included given the requirement to measure these contracts in accordance with IFRS 17 despite the reclassification to held for sale. These income statement and cash flow movements are considered immaterial. These are subsequently removed in the Contracts transferred on disposal of subsidiary line.

11 Reinsurance contracts continued

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

11.1.1 Total reconciliation continued

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts not under the PAA Rm	Amounts recoverable on incurred claims for contracts under the PAA		Total Rm
	Excluding loss-recovery component[1] Rm	Loss-recovery component Rm		Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	
Restated 2025[1]						
Opening reinsurance contract assets	1 329	1 977	1 838	3 939	133	9 216
Opening reinsurance contract liabilities	(13 451)	27	170	–	–	(13 254)
Net opening balance	(12 122)	2 004	2 008	3 939	133	(4 038)
Cash flows						
Reinsurance premiums paid	9 109	–	–	–	–	9 109
Reinsurance recoveries received	–	–	(3 472)	(3 819)	–	(7 291)
Capital balances and related transactions with third-party cell owners – share capital and dividends[2]	4 725	–	–	–	–	4 725
Net cash flows	13 834	–	(3 472)	(3 819)	–	6 543
Changes in the income statement						
Allocation of reinsurance premiums	(17 355)	–	–	–	–	(17 355)
Contracts under the fair value approach	(67)	–	–	–	–	(67)
Other contracts	(17 288)	–	–	–	–	(17 288)
Amounts recoverable from reinsurers for incurred claims	–	135	3 566	7 201	1	10 903
Amounts recoverable for incurred claims and other expenses	–	(182)	3 276	7 330	68	10 492
Changes that relate to past service – adjustments to the AIC[3]	–	–	290	(129)	(67)	94
Changes in the loss-recovery component	–	317	–	–	–	317
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–	–
Investment components	(15)	–	–	15	–	–
Net (expenses)/income from reinsurance contracts held	(17 370)	135	3 566	7 216	1	(6 452)
Finance (expenses)/income from reinsurance contracts held	(1 125)	184	75	308	12	(546)
Investment returns due to third-party cell owner	(883)	–	–	–	–	(883)
Other changes	–	–	–	–	–	–
Total changes in the income statement	(19 378)	319	3 641	7 524	13	(7 881)
Other movements	3 494	(10)	(1)	(3 513)	–	(30)
Capital balances and related transactions with third-party cell owners – settlement[2]	3 518	–	–	(3 518)	–	–
Transfers to held for sale[4]	(2)	–	–	(2)	–	(4)
Foreign exchange rate differences	21	(10)	(1)	(1)	–	9
Other movements	(43)	–	–	8	–	(35)
Net closing balance	(14 172)	2 313	2 176	4 131	146	(5 406)
Closing reinsurance contract assets	1 568	2 286	1 987	4 126	146	10 113
Closing reinsurance contract liabilities[5]	(15 740)	27	189	5	–	(15 519)
Net closing balance	(14 172)	2 313	2 176	4 131	146	(5 406)
Reinsurance contract assets consist of:						
Reinsurance asset relating to amounts due from cell owners						56
Other reinsurance contract assets						10 057
Reinsurance contract assets						10 113
Reinsurance contract liabilities consist of:						
Reinsurance liability relating to amounts due to cell owners[6]						(6 890)
Other reinsurance contract liabilities						(8 629)
Reinsurance contract liabilities						(15 519)

1 Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movement identified in footnote 5.
2 Refer to Note 45.10.17 In-substance reinsurance contracts held.
3 Assets for incurred claims (AIC).
4 The Group was in the process of exiting its operations in the Ghanaian market. Refer to note 28.5 for more information on the subsequent sale.
5 Assets for remaining coverage excluding loss-recovery component changed from R16 939 million to R15 740 million, this is driven mainly by opening reinsurance contract liabilities changing from R14 380 million to R13 451 million and finance expenses changing from R1 264 million to R1 125 million.
6 Reinsurance liability relating to amounts due to cell owners changed from R7 918 million to R6 890 million.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

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

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts not under the PAA Rm	Total Rm
	Excluding loss-recovery component Rm	Loss-recovery component Rm		
11.1.2 GMM				
2026				
Opening reinsurance contract assets	1 075	2 286	1 987	5 348
Opening reinsurance contract liabilities	(6 835)	27	189	(6 619)
Net opening balance	**(5 760)**	**2 313**	**2 176**	**(1 271)**
Cash flows				
Reinsurance premiums paid	2 940	–	–	2 940
Reinsurance recoveries received	–	–	(3 527)	(3 527)
Net cash flows	**2 940**	**–**	**(3 527)**	**(587)**
Changes in the income statement				
Allocation of reinsurance premiums	(3 884)	–	–	(3 884)
Contracts under the fair value approach	(354)	–	–	(354)
Other contracts	(3 530)	–	–	(3 530)
Amounts recoverable from reinsurers for incurred claims	–	(24)	3 357	3 333
Amounts recoverable for incurred claims and other expenses	–	(203)	3 207	3 004
Changes that relate to past service – adjustments to the AIC	–	–	150	150
Changes in the loss-recovery component	–	179	–	179
Effect of changes in non-performance risk of reinsurers	–	–	–	–
Investment components	–	–	–	–
Net (expenses)/income from reinsurance contracts held	**(3 884)**	**(24)**	**3 357**	**(551)**
Finance income from reinsurance contracts held	228	222	133	583
Investment returns due to third-party cell owner	–	–	–	–
Other changes	–	–	–	–
Total changes in the income statement	**(3 656)**	**198**	**3 490**	**32**
Other movements	**1**	**(44)**	**(1)**	**(44)**
Foreign exchange rate differences	1	(44)	(1)	(44)
Other movements	–	–	–	–
Net closing balance	**(6 475)**	**2 467**	**2 138**	**(1 870)**
Closing reinsurance contract assets	2 733	2 442	1 923	7 098
Closing reinsurance contract liabilities	(9 208)	25	215	(8 968)
Net closing balance	**(6 475)**	**2 467**	**2 138**	**(1 870)**

11 Reinsurance contracts continued

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

11.1.2 GMM continued

	Assets for remaining coverage		Amounts recoverable on incurred claims	
	Excluding loss-recovery component Rm	Loss-recovery component Rm	for contracts not under the PAA Rm	Total Rm
Restated 2025[1]				
Opening reinsurance contract assets	693	1 977	1 838	4 508
Opening reinsurance contract liabilities	(4 492)	27	170	(4 295)
Net opening balance	(3 799)	2 004	2 008	213
Cash flows				
Reinsurance premiums paid	2 752	–	–	2 752
Reinsurance recoveries received	–	–	(3 472)	(3 472)
Net cash flows	2 752	–	(3 472)	(720)
Changes in the income statement				
Allocation of reinsurance premiums	(3 693)	–	–	(3 693)
Contracts under the fair value approach	(67)	–	–	(67)
Other contracts	(3 626)	–	–	(3 626)
Amounts recoverable from reinsurers for incurred claims	–	135	3 566	3 701
Amounts recoverable for incurred claims and other expenses	–	(182)	3 276	3 094
Changes that relate to past service – adjustments to the AIC	–	–	290	290
Changes in the loss-recovery component	–	317	–	317
Effect of changes in non-performance risk of reinsurers	–	–	–	–
Investment components	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(3 693)	135	3 566	8
Finance (expenses)/income from reinsurance contracts held	(1 023)	184	75	(764)
Investment returns due to third-party cell owner	–	–	–	–
Other changes	–	–	–	–
Total changes in the income statement	(4 716)	319	3 641	(756)
Other movements	3	(10)	(1)	(8)
Foreign exchange rate differences	3	(10)	(1)	(8)
Other movements	–	–	–	–
Net closing balance	(5 760)	2 313	2 176	(1 271)
Closing reinsurance contract assets	1 075	2 286	1 987	5 348
Closing reinsurance contract liabilities	(6 835)	27	189	(6 619)
Net closing balance	(5 760)	2 313	2 176	(1 271)

[1] Refer to note 1 for more information on the restatements. No material changes have been noted in this note.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

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

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts under the PAA		
	Excluding loss-recovery component Rm	Loss-recovery component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
11.1.3 PAA					
2026					
Opening reinsurance contract assets	493	–	4 126	146	4 765
Opening reinsurance contract liabilities	(8 905)	–	5	–	(8 900)
Net opening balance	(8 412)	–	4 131	146	(4 135)
Cash flows					
Reinsurance premiums paid	6 381	–	–	–	6 381
Reinsurance recoveries received	–	–	(3 569)	–	(3 569)
Capital balances and related transactions with third-party cell owners – share capital and dividends[1]	4 341	–	–	–	4 341
Net cash flows	10 722	–	(3 569)	–	7 153
Changes in the income statement					
Allocation of reinsurance premiums	(12 746)	–	–	–	(12 746)
Contracts under the fair value approach	–	–	–	–	–
Other contracts	(12 746)	–	–	–	(12 746)
Amounts recoverable from reinsurers for incurred claims	–	–	6 054	(34)	6 020
Amounts recoverable for incurred claims and other expenses	–	–	5 842	48	5 890
Changes that relate to past service – adjustments to the AIC	–	–	212	(82)	130
Changes in the loss-recovery component	–	–	–	–	–
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Investment components	(21)	–	21	–	–
Net (expenses)/income from reinsurance contracts held	(12 767)	–	6 075	(34)	(6 726)
Finance (expenses)/income from reinsurance contracts held	(755)	–	251	17	(487)
Investment returns due to third-party cell owner	(847)	–	–	–	(847)
Other changes	–	–	–	–	–
Total changes in the income statement	(14 369)	–	6 326	(17)	(8 060)
Other movements	3 005	–	(2 951)	–	54
Capital balances and related transactions with third-party cell owners – settlement[1]	2 946	–	(2 946)	–	–
Contracts transferred on disposal of subsidiary[2]	1	–	1	–	2
Foreign exchange rate differences	59	–	(6)	–	53
Other movements	(1)	–	–	–	(1)
Net closing balance	(9 054)	–	3 937	129	(4 988)
Closing reinsurance contract assets	554	–	3 927	129	4 610
Closing reinsurance contract liabilities	(9 608)	–	10	–	(9 598)
Net closing balance	(9 054)	–	3 937	129	(4 988)
Reinsurance contract assets consist of:					
Reinsurance asset relating to amounts due from cell owners					8
Other reinsurance contract assets					4 602
Reinsurance contract assets					4 610
Reinsurance contract liabilities consist of:					
Reinsurance liability relating to amounts due to cell owners					(7 515)
Other reinsurance contract liabilities					(2 083)
Reinsurance contract liabilities					(9 598)

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

[2] The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information. Due to this transaction the Net opening balance does not include a total amount of R4 million as this was transferred to held for sale as at 30 June 2025. Income statement and cash flow movements have been included given the requirement to measure these contracts in accordance with IFRS 17 despite the reclassification to held for sale. These income statement and cash flow movements are considered immaterial. These are subsequently removed in the Contracts transferred on disposal of subsidiary line.

11 Reinsurance contracts continued

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

11.1.3 PAA continued

	Assets for remaining coverage		Amounts recoverable on incurred claims for contracts under the PAA		
	Excluding loss-recovery component[1] Rm	Loss-recovery component Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total Rm
Restated 2025[1]					
Opening reinsurance contract assets	636	–	3 939	133	4 708
Opening reinsurance contract liabilities	(8 959)	–	–	–	(8 959)
Net opening balance	(8 323)	–	3 939	133	(4 251)
Cash flows					
Reinsurance premiums paid	6 357	–	–	–	6 357
Reinsurance recoveries received	–	–	(3 819)	–	(3 819)
Capital balances and related transactions with third-party cell owners – share capital and dividends[2]	4 725	–	–	–	4 725
Net cash flows	11 082	–	(3 819)	–	7 263
Changes in the income statement					
Allocation of reinsurance premiums	(13 662)	–	–	–	(13 662)
Contracts under the fair value approach	–	–	–	–	–
Other contracts	(13 662)	–	–	–	(13 662)
Amounts recoverable from reinsurers for incurred claims	–	–	7 201	1	7 202
Amounts recoverable for incurred claims and other expenses	–	–	7 330	68	7 398
Changes that relate to past service – adjustments to the AIC	–	–	(129)	(67)	(196)
Changes in the loss-recovery component	–	–	–	–	–
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Investment components	(15)	–	15	–	–
Net (expenses)/income from reinsurance contracts held	(13 677)	–	7 216	1	(6 460)
Finance (expenses)/income from reinsurance contracts held	(102)	–	308	12	218
Investment returns due to third-party cell owner	(883)	–	–	–	(883)
Other changes	–	–	–	–	–
Total changes in the income statement	(14 662)	–	7 524	13	(7 125)
Other movements	3 491	–	(3 513)	–	(22)
Capital balances and related transactions with third-party cell owners – settlement[2]	3 518	–	(3 518)	–	–
Transfers to held for sale[3]	(2)	–	(2)	–	(4)
Foreign exchange rate differences	18	–	(1)	–	17
Other movements	(43)	–	8	–	(35)
Net closing balance	(8 412)	–	4 131	146	(4 135)
Closing reinsurance contract assets	493	–	4 126	146	4 765
Closing reinsurance contract liabilities[4]	(8 905)	–	5	–	(8 900)
Net closing balance	(8 412)	–	4 131	146	(4 135)
Reinsurance contract assets consist of:					
Reinsurance asset relating to amounts due from cell owners					56
Other reinsurance contract assets					4 709
Reinsurance contract assets					4 765
Reinsurance contract liabilities consist of:					
Reinsurance liability relating to amounts due to cell owners					(6 890)
Other reinsurance contract liabilities					(2 010)
Reinsurance contract liabilities					(8 900)

1 Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movement identified in footnote 4.
2 Refer to Note 45.10.17 In-substance reinsurance contracts held.
3 The Group was in the process of exiting its operations in the Ghanaian market. Refer to note 28.5 for more information on the subsequent sale.
4 Assets for remaining coverage excluding loss-recovery component changed from R9 933 million to R8 905 million, this is driven mainly by opening reinsurance contract liabilities changing from R9 529 million to R8 959 million and finance expenses changing from R651 million to R102 million.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances

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

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
11.2.1 Total reconciliation					
2026					
Opening reinsurance contract assets	6 111	655	78	(1 496)	5 348
Opening reinsurance contract liabilities	(10 466)	528	1 641	1 677	(6 620)
Net opening balance	(4 355)	1 183	1 719	181	(1 272)
Cash flows					
Reinsurance premiums paid	2 940	–	–	–	2 940
Reinsurance recoveries received	(3 526)	–	–	–	(3 526)
Net cash flows	(586)	–	–	–	(586)
Changes in the income statement					
Changes that relate to current service	(261)	(204)	(255)	(160)	(880)
CSM recognised in profit or loss for the services received	–	–	(255)	(160)	(415)
Change in the risk adjustment for non-financial risk for risk expired	–	(206)	–	–	(206)
Experience adjustments	(261)	2	–	–	(259)
Changes that relate to future service	(1 340)	215	25	1 279	179
Changes in estimates that adjust the CSM	447	(67)	25	(405)	–
Changes in estimates that do not adjust the CSM	(60)	32	–	–	(28)
Contracts initially recognised in the year	(1 727)	250	–	1 477	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	76	76
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	131	131
Changes that relate to past service	157	(7)	–	–	150
Adjustments to the AIC	157	(7)	–	–	150
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(1 444)	4	(230)	1 119	(551)
Finance (expenses)/income from reinsurance contracts held	(78)	413	166	80	581
Other changes	–	–	–	–	–
Total changes in the income statement	(1 522)	417	(64)	1 199	30
Other movements	(33)	(8)	–	(3)	(44)
Foreign exchange rate differences	(33)	(8)	–	(3)	(44)
Other movements	–	–	–	–	–
Net closing balance	(6 496)	1 592	1 655	1 377	(1 872)
Closing reinsurance contract assets	6 474	716	70	(166)	7 094
Closing reinsurance contract liabilities	(12 970)	876	1 585	1 543	(8 966)
Net closing balance	(6 496)	1 592	1 655	1 377	(1 872)

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

11.2.1 Total reconciliation continued

			CSM		
	Present value of future cash flows Rm	**Risk adjustment for non-financial risk Rm**	**Contracts under fair value approach Rm**	**Other contracts Rm**	**Total Rm**
Restated 2025[1]					
Opening reinsurance contract assets	5 653	570	117	(1 833)	4 507
Opening reinsurance contract liabilities	(7 198)	486	1 644	774	(4 294)
Net opening balance	(1 545)	1 056	1 761	(1 059)	213
Cash flows					
Reinsurance premiums paid	2 752	–	–	–	2 752
Reinsurance recoveries received	(3 472)	–	–	–	(3 472)
Net cash flows	(720)	–	–	–	(720)
Changes in the income statement					
Changes that relate to current service	(530)	(150)	(81)	163	(598)
CSM recognised in profit or loss for the services received	–	–	(81)	163	82
Change in risk adjustment for non-financial risk for risk expired	–	(152)	–	–	(152)
Experience adjustments	(530)	2	–	–	(528)
Changes that relate to future service	(796)	99	(138)	1 152	317
Changes in estimates that adjust the CSM	136	(184)	(138)	186	–
Changes in estimates that do not adjust the CSM	256	34	–	–	290
Contracts initially recognised in the year	(1 188)	249	–	939	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	81	81
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	(54)	(54)
Changes that relate to past service	289	–	–	–	289
Adjustments to the AIC	289	–	–	–	289
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(1 037)	(51)	(219)	1 315	8
Finance (expenses)/income from reinsurance contracts held	(1 046)	180	177	(74)	(763)
Other changes	–	–	–	–	–
Total changes in the income statement	(2 083)	129	(42)	1 241	(755)
Other movements	(7)	(2)	–	(1)	(10)
Foreign exchange rate differences	(7)	(2)	–	(1)	(10)
Other movements	–	–	–	–	–
Net closing balance	(4 355)	1 183	1 719	181	(1 272)
Closing reinsurance contract assets	6 111	655	78	(1 496)	5 348
Closing reinsurance contract liabilities	(10 466)	528	1 641	1 677	(6 620)
Net closing balance	(4 355)	1 183	1 719	181	(1 272)

[1] Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movements identified in note 11.2.6.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
11.2.2 Total reconciliation – Momentum Retail					
2026					
Opening reinsurance contract assets	4 726	555	76	(1 224)	4 133
Opening reinsurance contract liabilities	(22)	4	3	–	(15)
Net opening balance	4 704	559	79	(1 224)	4 118
Cash flows					
Reinsurance premiums paid	3 258	–	–	–	3 258
Reinsurance recoveries received	(2 759)	–	–	–	(2 759)
Net cash flows	499	–	–	–	499
Changes in the income statement					
Changes that relate to current service	(581)	(54)	(26)	7	(654)
CSM recognised in profit or loss for the services received	–	–	(26)	7	(19)
Change in risk adjustment for non-financial risk for risk expired	–	(56)	–	–	(56)
Experience adjustments	(581)	2	–	–	(579)
Changes that relate to future service	(1 303)	(1)	42	1 195	(67)
Changes in estimates that adjust the CSM	(1 175)	(43)	42	1 176	–
Changes in estimates that do not adjust the CSM	(119)	23	–	–	(96)
Contracts initially recognised in the year	(9)	19	–	(10)	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	47	47
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	(18)	(18)
Changes that relate to past service	121	(8)	–	–	113
Adjustments to the AIC	121	(8)	–	–	113
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(1 763)	(63)	16	1 202	(608)
Finance income/(expenses) from reinsurance contracts held	1 610	78	8	(127)	1 569
Other changes	–	–	–	–	–
Total changes in the income statement	(153)	15	24	1 075	961
Other movements	–	–	–	–	–
Foreign exchange rate differences	–	–	–	–	–
Other movements	–	–	–	–	–
Net closing balance	5 050	574	103	(149)	5 578
Closing reinsurance contract assets	5 078	570	96	(149)	5 595
Closing reinsurance contract liabilities	(28)	4	7	–	(17)
Net closing balance	5 050	574	103	(149)	5 578

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

11.2.2 Total reconciliation – Momentum Retail continued

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
11.2.3 Total reconciliation – Metropolitan Life					
2026					
Opening reinsurance contract assets	99	(8)	13	(42)	62
Opening reinsurance contract liabilities	(18)	14	–	(25)	(29)
Net opening balance	81	6	13	(67)	33
Cash flows					
Reinsurance premiums paid	40	–	–	–	40
Reinsurance recoveries received	(26)	–	–	–	(26)
Net cash flows	14	–	–	–	14
Changes in the income statement					–
Changes that relate to current service	(32)	1	(3)	14	(20)
CSM recognised in profit or loss for the services received	–	–	(3)	14	11
Change in risk adjustment for non-financial risk for risk expired	–	1	–	–	1
Experience adjustments	(32)	–	–	–	(32)
Changes that relate to future service	22	(3)	–	(12)	7
Changes in estimates that adjust the CSM	9	(4)	–	(5)	–
Changes in estimates that do not adjust the CSM	–	2	–	–	2
Contracts initially recognised in the year	13	(1)	–	(12)	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	5	5
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	–	–
Changes that relate to past service	–	–	–	–	–
Adjustments to the AIC	–	–	–	–	–
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(10)	(2)	(3)	2	(13)
Finance income/(expenses) from reinsurance contracts held	11	2	1	(7)	7
Other changes	–	–	–	–	–
Total changes in the income statement	1	–	(2)	(5)	(6)
Other movements	–	–	–	–	–
Foreign exchange rate differences	–	–	–	–	–
Other movements	–	–	–	–	–
Net closing balance	96	6	11	(72)	41
Closing reinsurance contract assets	133	(2)	11	(48)	94
Closing reinsurance contract liabilities	(37)	8	–	(24)	(53)
Net closing balance	96	6	11	(72)	41

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

11.2.3 Total reconciliation – Metropolitan Life continued

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
11.2.4 Total reconciliation – Momentum Corporate					
2026					
Opening reinsurance contract assets	–	–	–	–	–
Opening reinsurance contract liabilities	(2)	–	–	–	(2)
Net opening balance	(2)	–	–	–	(2)
Cash flows					–
Reinsurance premiums paid	10	–	–	–	10
Reinsurance recoveries received	(1)	–	–	–	(1)
Net cash flows	9	–	–	–	9
Changes in the income statement					–
Changes that relate to current service	(5)	–	–	–	(5)
CSM recognised in profit or loss for the services received	–	–	–	–	–
Change in risk adjustment for non-financial risk for risk expired	–	–	–	–	–
Experience adjustments	(5)	–	–	–	(5)
Changes that relate to future service	–	–	–	–	–
Changes in estimates that adjust the CSM	–	–	–	–	–
Changes in estimates that do not adjust the CSM	–	–	–	–	–
Contracts initially recognised in the year	–	–	–	–	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	–	–
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	–	–
Changes that relate to past service	2	–	–	–	2
Adjustments to the AIC	2	–	–	–	2
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Net expenses from reinsurance contracts held	(3)	–	–	–	(3)
Finance income/(expenses) from reinsurance contracts held	–	–	–	–	–
Other changes	–	–	–	–	–
Total changes in the income statement	(3)	–	–	–	(3)
Other movements	–	–	–	–	–
Foreign exchange rate differences	–	–	–	–	–
Other movements	–	–	–	–	–
Net closing balance	4	–	–	–	4
Closing reinsurance contract assets	4	–	–	–	4
Closing reinsurance contract liabilities	–	–	–	–	–
Net closing balance	4	–	–	–	4

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

11.2.4 Total reconciliation – Momentum Corporate continued

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
11.2.5 Total reconciliation: Momentum Africa					
2026					
Opening reinsurance contract assets	209	42	(2)	(8)	241
Opening reinsurance contract liabilities	2	–	–	(13)	(11)
Net opening balance	211	42	(2)	(21)	230
Cash flows					–
Reinsurance premiums paid	184	–	–	–	184
Reinsurance recoveries received	(246)	–	–	–	(246)
Net cash flows	(62)	–	–	–	(62)
Changes in the income statement					–
Changes that relate to current service	(13)	(5)	(7)	(15)	(40)
CSM recognised in profit or loss for the services received	–	–	(7)	(15)	(22)
Change in risk adjustment for non-financial risk for risk expired	–	(5)	–	–	(5)
Experience adjustments	(13)	–	–	–	(13)
Changes that relate to future service	(80)	9	4	81	14
Changes in estimates that adjust the CSM	(67)	1	4	62	–
Changes in estimates that do not adjust the CSM	(14)	5	–	–	(9)
Contracts initially recognised in the year	1	3	–	(4)	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	24	24
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	(1)	(1)
Changes that relate to past service	5	–	–	–	5
Adjustments to the AIC	5	–	–	–	5
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(88)	4	(3)	66	(21)
Finance income/(expenses) from reinsurance contracts held	2	4	–	(3)	3
Other changes	–	–	–	–	–
Total changes in the income statement	(86)	8	(3)	63	(18)
Other movements	(3)	–	–	1	(2)
Foreign exchange rate differences	(3)	–	–	1	(2)
Other movements	–	–	–	–	–
Net closing balance	60	50	(5)	43	148
Closing reinsurance contract assets	60	50	(5)	54	159
Closing reinsurance contract liabilities	–	–	–	(11)	(11)
Net closing balance	60	50	(5)	43	148

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

11.2.5 Total reconciliation: Momentum Africa continued

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM: Contracts under fair value approach Rm	CSM: Other contracts Rm	Total Rm
11.2.6 Total reconciliation – Guardrisk					
2026					
Opening reinsurance contract assets	1 077	66	(9)	(222)	912
Opening reinsurance contract liabilities	(10 426)	510	1 638	1 715	(6 563)
Net opening balance	(9 349)	576	1 629	1 493	(5 651)
Cash flows					
Reinsurance premiums paid[1]	(552)	–	–	–	(552)
Reinsurance recoveries received	(494)	–	–	–	(494)
Net cash flows	(1 046)	–	–	–	(1 046)
Changes in the income statement					
Changes that relate to current service	370	(146)	(219)	(166)	(161)
CSM recognised in profit or loss for the services received	–	–	(219)	(166)	(385)
Change in risk adjustment for non-financial risk for risk expired	–	(146)	–	–	(146)
Experience adjustments	370	–	–	–	370
Changes that relate to future service	21	210	(21)	15	225
Changes in estimates that adjust the CSM	1 680	(21)	(21)	(1 638)	–
Changes in estimates that do not adjust the CSM	73	2	–	–	75
Contracts initially recognised in the year	(1 732)	229	–	1 503	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	–	–
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	150	150
Changes that relate to past service	29	1	–	–	30
Adjustments to the AIC	29	1	–	–	30
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Net income/(expenses) from reinsurance contracts held	420	65	(240)	(151)	94
Finance (expenses)/income from reinsurance contracts held	(1 701)	329	157	217	(998)
Other changes	–	–	–	–	–
Total changes in the income statement	(1 281)	394	(83)	66	(904)
Other movements	(30)	(8)	–	(4)	(42)
Foreign exchange rate differences	(30)	(8)	–	(4)	(42)
Other movements	–	–	–	–	–
Net closing balance	(11 706)	962	1 546	1 555	(7 643)
Closing reinsurance contract assets	1 199	98	(32)	(23)	1 242
Closing reinsurance contract liabilities	(12 905)	864	1 578	1 578	(8 885)
Net closing balance	(11 706)	962	1 546	1 555	(7 643)

[1] The inflow position for reinsurance premiums is due to Financial Reinsurance transactions. -R2 739 million of financial reinsurance recoveries received by Guardrisk Life is included in this number.

11 Reinsurance contracts continued

11.2 Reconciliation of the measurement components of reinsurance contract balances continued

11.2.6 Total reconciliation – Guardrisk continued

			CSM		
	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Contracts under fair value approach Rm	Other contracts Rm	Total Rm
Restated 2025[1]					
Opening reinsurance contract assets	655	21	(12)	(144)	520
Opening reinsurance contract liabilities[2]	(7 164)	469	1 635	812	(4 248)
Net opening balance	(6 509)	490	1 623	668	(3 728)
Cash flows					
Reinsurance premiums paid[3]	(429)	–	–	–	(429)
Reinsurance recoveries received	(601)	–	–	–	(601)
Net cash flows	(1 030)	–	–	–	(1 030)
Changes in the income statement					
Changes that relate to current service	8	(98)	(59)	(16)	(165)
CSM recognised in profit or loss for the services received	–	–	(59)	(16)	(75)
Change in risk adjustment for non-financial risk for risk expired	–	(98)	–	–	(98)
Experience adjustments	8	–	–	–	8
Changes that relate to future service	(315)	111	(98)	735	433
Changes in estimates that adjust the CSM[4]	565	(152)	(98)	(315)	–
Changes in estimates that do not adjust the CSM	360	30	–	–	390
Contracts initially recognised in the year	(1 240)	233	–	1 007	–
Recognition of loss-recovery component from onerous underlying contracts	–	–	–	–	–
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	43	43
Changes that relate to past service	24	2	–	–	26
Adjustments to the AIC	24	2	–	–	26
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–
Net (expenses)/income from reinsurance contracts held	(283)	15	(157)	719	294
Finance (expenses)/income from reinsurance contracts held	(1 520)	73	163	107	(1 177)
Other changes	–	–	–	–	–
Total changes in the income statement	(1 803)	88	6	826	(883)
Other movements	(7)	(2)	–	(1)	(10)
Foreign exchange rate differences	(7)	(2)	–	(1)	(10)
Other movements	–	–	–	–	–
Net closing balance	(9 349)	576	1 629	1 493	(5 651)
Closing reinsurance contract assets	1 077	66	(9)	(222)	912
Closing reinsurance contract liabilities[5]	(10 426)	510	1 638	1 715	(6 563)
Net closing balance	(9 349)	576	1 629	1 493	(5 651)

[1] Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movements identified in footnotes 2, 4 and 5.
[2] Present value of future cash flows changed from R7 821 million to R7 164 million. CSM for contracts under the fair value approach changed from R453 million to R1 635 million and the CSM for other contracts changed from R2 458 million to R812 million, this movement mostly relates to the disclosure correction mentioned in note 1.
[3] The inflow position for reinsurance premiums is due to Financial Reinsurance transactions. -R2 131 million of financial reinsurance recoveries received by Guardrisk Life is included in this number.
[4] Present value of future cash flows changed from R1 428 million to R565 million, and CSM from other contracts changed from R1 321 million to R315 million.
[5] CSM for contracts under the fair value approach changed from R533 million to R1 638 million and the CSM for other contracts changed from R3 000 million to R1 715 million, this movement mostly relates to the disclosure correction mentioned in note 1.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Reinsurance contracts continued

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

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

	2026			Restated 2025[1]		
	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm
11.3.1 Total reconciliation						
Estimates of the present value of future cash inflows	**7 320**	**654**	**7 974**	3 458	464	3 922
Estimates of the present value of future cash outflows	**(9 099)**	**(602)**	**(9 701)**	(4 660)	(450)	(5 110)
Risk adjustment for non-financial risk	**198**	**52**	**250**	229	20	249
CSM	**1 581**	**(104)**	**1 477**	973	(34)	939
Income recognised on initial recognition	**–**	**–**	**–**	–	–	–

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

	2026			2025		
	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm
11.3.2 Total reconciliation: Momentum Retail						
Estimates of the present value of future cash inflows	**799**	**335**	**1 134**	879	303	1 182
Estimates of the present value of future cash outflows	**(824)**	**(319)**	**(1 143)**	(870)	(279)	(1 149)
Risk adjustment for non-financial risk	**15**	**4**	**19**	13	3	16
CSM	**10**	**(20)**	**(10)**	(22)	(27)	(49)
Income recognised on initial recognition	**–**	**–**	**–**	–	–	–
11.3.3 Total reconciliation: Metropolitan Life						
Estimates of the present value of future cash inflows	**29**	**–**	**29**	36	–	36
Estimates of the present value of future cash outflows	**(16)**	**–**	**(16)**	(19)	–	(19)
Risk adjustment for non-financial risk	**(1)**	**–**	**(1)**	(2)	–	(2)
CSM	**(12)**	**–**	**(12)**	(15)	–	(15)
Income recognised on initial recognition	**–**	**–**	**–**	–	–	–
11.3.4 Total Reconciliation: Momentum Africa						
Estimates of the present value of future cash inflows	**78**	**26**	**104**	85	24	109
Estimates of the present value of future cash outflows	**(75)**	**(28)**	**(103)**	(83)	(24)	(107)
Risk adjustment for non-financial risk	**3**	**–**	**3**	2	–	2
CSM	**(6)**	**2**	**(4)**	(4)	–	(4)
Income recognised on initial recognition	**–**	**–**	**–**	–	–	–

11 Reinsurance contracts continued

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

	2026			Restated 2025[1]		
	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm	Contracts originated in a net gain Rm	Contracts originated not in a net gain Rm	Total Rm
11.3.5 Total Reconciliation: Guardrisk						
Estimates of the present value of future cash inflows	**6 414**	**293**	**6 707**	2 458	137	2 595
Estimates of the present value of future cash outflows	**(8 184)**	**(255)**	**(8 439)**	(3 688)	(147)	(3 835)
Risk adjustment for non-financial risk	**181**	**48**	**229**	216	17	233
CSM	**1 589**	**(86)**	**1 503**	1 014	(7)	1 007
Income recognised on initial recognition	**–**	**–**	**–**	–	–	–

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

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

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

11.4 CSM recognition analysis

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

	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm
2026										
GMM	**(6)**	**(5)**	**(10)**	**(11)**	**(10)**	**(41)**	**(31)**	**(21)**	**(23)**	**(158)**
Total	**(6)**	**(5)**	**(10)**	**(11)**	**(10)**	**(41)**	**(31)**	**(21)**	**(23)**	**(158)**
2025										
GMM	(225)	(191)	(147)	(129)	(112)	(342)	(182)	(88)	(85)	(1 501)
Total	(225)	(191)	(147)	(129)	(112)	(342)	(182)	(88)	(85)	(1 501)

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Investment contracts

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

	Notes	2026 Rm	Restated 2025[1] Rm
Investment contract liabilities designated at FVPL[2]	12.1	**532 599**	466 492
Liabilities to first-party cell captive owners	12.2	**16 979**	16 069
Total		**549 578**	482 561
Current[1]		**542 771**	474 299
Non-current		**6 807**	8 262
Total		**549 578**	482 561

[1] Refer to note 1 for more information on the restatements. The more noteworthy restatements have been discussed in footnote 2.
[2] Investment contract liabilities designated at FVPL changed from R465 710 million to R466 492 million. Refer to note 1 for more information.

12.1 Investment contract liabilities designated at FVPL

	2026 Rm	Restated 2025[1] Rm
Balance at beginning	**466 492**	405 412
Contract holder movements	**66 334**	61 154
Deposits received	**77 278**	58 195
Contract benefit payments	**(60 202)**	(53 423)
Fees on investment contracts	**(4 615)**	(4 151)
Fair value adjustment to policyholder liabilities under investment contracts	**54 110**	60 677
Other	**(237)**	(144)
Foreign exchange rate differences	**(227)**	(74)
Balance at end	**532 599**	466 492

[1] The prior year has been restated due to the methodology being applied incorrectly on termination accrual for certain member liabilities. This resulted in an increase of R555 million of the total investment contract liability as at 1 July 2024, the contracts benefit payments for 2025 reduced by R226 million and fair value adjustment to policyholder liabilities under investment contracts increased by R1 million. This resulted in an increase of R782 million as at 30 June 2025. Refer to note 1 for more information.

12.2 Liabilities to first-party cell captive owners

	2026 Rm	Restated 2025[1] Rm
Balance at beginning	**16 069**	14 161
Contract holder movements	**1 367**	1 801
Deposits received	**2 041**	1 201
Contract benefit payments	**(1 665)**	(860)
Fees on investment contracts	**(150)**	(157)
Fair value adjustment to policyholder liabilities under investment contracts	**1 134**	1 314
Cell captive income	**(585)**	(565)
Changes in share capital, dividends[2]	**(116)**	(93)
Other items relating to cell captives[3]	**708**	961
Foreign exchange rate differences	**(457)**	107
Balance at end	**16 979**	16 069

[1] Refer to note 1 for more information on the restatements. Refer to Guardrisk restatement, no material changes have been noted in this note.
[2] Includes net proceeds in share issues of R137 million (2025: R80 million) and dividend distributions of R252 million (2025: R173 million).
[3] The year-on-year movement in other items refer to, among others, the movement in amounts due to/from cell owners, reinsurers and net assets. In some instances, the risks in first-party cell captive arrangements are reinsured. Since a first-party cell captive arrangement is accounted for as a financial instrument at FVPL, the economic impact of the reinsurance is included in the measurement of the financial instrument and the fair value movement in the financial instrument.

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

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

Refer to note 13 for the assumptions and estimates used.

13 Contract holder liabilities – judgements, assumptions and estimates

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

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

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

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

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

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

Key assumptions:

Mortality, morbidity and persistency assumptions

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

Lapse rates are a key non-financial assumption used in the measurement of life and savings insurance contract assets and liabilities. To improve the information available to users of the financial statements, additional lapse rate information has been disclosed for the first time in the current period. The introduction of this additional disclosure had no impact on the Group's statement of financial position, statement of comprehensive income, statement of changes in equity or statement of cash flows. Momentum Myriad is a life insurance product offered in the Momentum Retail segment, which represents a significant portion of the Group's life insurance business and for which lapse rates are a key assumption. The lapse assumptions applied to Momentum Myriad vary depending on factors such as product design, premium growth characteristics, policy duration and policyholder behaviour patterns. These factors result in a wide range of lapse assumptions, as reflected in the table below. The following lapse rates were applied in measuring the Myriad insurance contract assets and liabilities for the period ended 30 June 2026 and are unchanged from 30 June 2025.

Lapse rates (%)

Duration	Minimum	Average	Maximum
Year 1	4	15.9	55.0
Year 2	4	11.1	18.0
Years 3 – 20	2	6.9	15.9
Years 21+	2	4.7	7.2

Attributable expenses

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

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

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

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

Investment return and inflation rate assumptions

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 Contract holder liabilities – judgements, assumptions and estimates continued

Investment return and inflation rate assumptions continued

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

Risk-free spot rates – nominal:

%		1 year	5 year	10 year	20 year
South Africa	**2026/06/30**	**7.4**	**8.1**	**8.9**	**9.5**
	2025/06/30	7.2	9.0	10.9	13.0
Namibia	**2026/06/30**	**7.1**	**9.7**	**11.0**	**12.2**
	2025/06/30	7.4	9.6	11.9	12.9
Botswana	**2026/06/30**	**10.9**	**11.8**	**13.0**	**13.8**
	2025/06/30	4.6	8.8	9.2	12.8
Lesotho	**2026/06/30**	**7.4**	**8.1**	**8.9**	**9.5**
	2025/06/30	7.2	9.0	10.9	13.0
Ghana[1]	**2026/06/30**	**14.0**	**14.0**	**14.0**	**14.0**
	2025/06/30	28.0	28.0	28.0	28.0

Risk-free spot rates – real:

%		1 year	5 year	10 year	20 year
South Africa	**2026/06/30**	**2.3**	**3.7**	**4.0**	**4.2**
	2025/06/30	3.6	4.7	5.0	5.4
Namibia	**2026/06/30**	**3.5**	**3.5**	**3.5**	**3.5**
	2025/06/30	3.5	3.5	3.5	3.5
Botswana	**2026/06/30**	**3.5**	**3.5**	**3.5**	**3.5**
	2025/06/30	2.5	2.5	2.5	2.5
Lesotho	**2026/06/30**	**2.3**	**3.7**	**4.0**	**4.2**
	2025/06/30	3.6	4.7	5.0	5.4
Ghana[1]	**2026/06/30**	**3.6**	**3.6**	**3.6**	**3.6**
	2025/06/30	3.2	3.2	3.2	3.2

[1] The Group has exited its operations in the Ghanaian market. Refer to note 28.5 for more information.

The Group uses judgement in determining the CPI inflation rate assumptions used to project future renewal expenses over the planning horizon (three years). The assumptions are based on management's assessment of likely inflationary pressures given current business planning activities. As at 30 June 2026, the assumed CPI inflation rate over the three-year planning horizon was 4.0% p.a. (2025: 5.0%).

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

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

13 Contract holder liabilities – judgements, assumptions and estimates continued

Illiquidity premium

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

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

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

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

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

Illiquidity premium	2026	2025
Non-profit annuity business – retail	**0.35%**	0.35%
Non-profit annuity business – corporate	**0.50%**	0.50%

Future bonuses

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

Extrapolation of yield curve

The Group constructs its own government bond yield curve for pricing, risk management and financial reporting purposes. The Group's long-term insurance liabilities extend beyond the longest observable bond. For valuing these liabilities, a yield curve extrapolation methodology is required. The Group follows an Ultimate Spot Rate extrapolation methodology that is based on the Group's view on the long-term expected real yields, inflation rates and bond term premia. The ultimate spot rate is 9.3% (2025: 10.0%).

Investment guarantees

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

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

Year	1	2	3	4	5	10	15	20	25	30	35	40
2026	**7.1**	**7.4**	**7.6**	**7.9**	**8.1**	**8.9**	**9.5**	**9.6**	**9.4**	**9.2**	**8.9**	**8.6**
2025	7.7	8.0	8.3	8.6	8.9	10.8	12.3	13.0	13.1	12.8	12.3	11.7

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 Contract holder liabilities – judgements, assumptions and estimates continued

Investment guarantees continued

The following instruments have been valued by the model:

Instrument	2026 Price (% of nominal)	2026 Volatility	2025 Price (% of nominal)	2025 Volatility
A 1-year put on the FTSE/JSE Top 40 index, with a strike price equal to 0.8 of spot	**1.8%**	**26.2%**	0.8%	21.0%
A 1-year at-the-money (spot) put on the Financial Times Stock Exchange (FTSE)/JSE Top 40 index	**6.8%**	**22.6%**	4.8%	18.0%
A 1-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 1.0399 (2025: 1.0480)	**8.5%**	**22.0%**	6.8%	17.5%
A 5-year at-the-money (spot) put on the FTSE/JSE Top 40 index	**6.1%**	**20.4%**	4.0%	18.2%
A 5-year put on the FTSE/JSE Top 40 index, with a strike price equal to 1.04^5 of spot	**11.9%**	**19.3%**	8.5%	17.0%
A 5-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 1.3029 (2025: 1.3624)	**14.9%**	**19.0%**	13.0%	16.5%
A 20-year at-the-money (spot) put on the FTSE/JSE Top 40 index	**1.3%**	**22.9%**	0.2%	22.7%
A 20-year put on the FTSE/JSE Top 40 index, with a strike price equal to $(1.04)^{20}$ of spot	**8.0%**	**22.4%**	1.9%	22.6%
A 20-year put on the FTSE/JSE Top 40 index, with a strike price equal to a forward of 3.7763 (2025: 7.0631)	**23.1%**	**22.2%**	24.2%	22.9%
A 5-year put, with a strike price equal to $(1.04)^5$ of spot, on an underlying index constructed as 60% FTSE/JSE Top 40 and 40% ALBI, with rebalancing of the underlying index back to these weights taking place annually	**4.9%**	**11.6%**	3.2%	10.8%
A 20-year put on an interest rate with a strike price equal to the present 5-year forward rate at maturity of the put, which pays out if the 5-year interest rate at the time of maturity (in 20 years) is lower than this strike price	**0.3%**	**n/a**	0.2%	n/a

Tax

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

Risk adjustment

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

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

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

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

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

13 Contract holder liabilities – judgements, assumptions and estimates continued

Risk adjustment continued

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

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

Cash-back benefit

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

Premium variances

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

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

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

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

Intercompany fees

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

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

Investment contracts with discretionary participation features

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

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

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

Insurance contracts with direct participation features

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

Third-party cell captive arrangements

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

Non-distinct investment components

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 Contract holder liabilities – judgements, assumptions and estimates continued

Coverage units

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

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

Basis and other changes

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

14 Financial liabilities

Refer to note 45.11 and 45.21 for the accounting policies relating to this note.

The Group classifies its financial liabilities into the following categories:

- Financial liabilities at FVPL
- Financial liabilities at amortised cost

The classification depends on the purpose for which the financial liabilities were acquired. Management determines the classification of its financial liabilities at initial recognition.

The Group's financial liabilities are summarised below:

	Notes	2026 Rm	Restated 2025[1] Rm
Financial liabilities at FVPL	14.1	**70 638**	60 360
Financial liabilities at amortised cost	14.2	**3 593**	3 521
Other payables (excluding deferred revenue liability (DRL))[1]	14.3	**13 998**	11 712
Total		**88 229**	75 593

[1] Refer to note 1 for more information on the restatements. The more noteworthy restatements are discussed in footnote 2 in note 14.3.

	Notes	2026 Rm	2025 Rm
14.1 Financial liabilities at FVPL			
CIS liabilities[1]		**38 597**	34 507
Subordinated debt instruments[2]		**5 637**	4 382
Carry positions[1]		**23 636**	18 954
Derivative financial liabilities[1,2]	8.1	**1 946**	1 534
Preference shares issued by subsidiaries[2]		**465**	426
Other borrowings		**357**	557
Total		**70 638**	60 360
Current		**60 640**	52 102
Non-current		**9 998**	8 258
Total		**70 638**	60 360

[1] The contractual amount required to be paid on maturity or redemption equates to the fair value of the instrument.
[2] Refer to note 38.2 for more information on the global transition to alternative benchmark rates.

- The change in the fair value of financial liabilities designated at FVPL due to own credit risk amounted to Rnil (2025: a gain of R18 million); cumulatively the movement in fair value due to own credit risk amounts to R65 million gain (2025: R65 million gain). This was calculated by measuring the daily changes in the instrument's credit spreads against the equivalent risk-free assets and then accumulating the impact of the changes in the market value for the period. The contractual amount to pay at maturity on the subordinated debt instruments is R5 500 million for the current and R4 270 million for the prior year.
- CIS liabilities – certain CISs have been classified as investments in subsidiaries; refer to note 42. Consequently, scheme interests not held by the Group are classified as third-party liabilities as they represent demand deposit liabilities measured at fair value. *(fair value interest rate risk and cash flow interest rate risk)*
- Subordinated debt instruments (unsecured) – A fair value loss of R22 million (2025: R70 million fair value loss) was recognised in profit or loss. During the current year, Rnil fair value gain (2025: R18 million fair value gain) was recognised on the subordinated debt instruments which has been accounted for in other comprehensive income. The fair value loss was offset by other market factors. Refer to note 36 for more detail. *(fair value interest rate risk and cash flow interest rate risk)*

14 Financial liabilities continued

14.1 Financial liabilities at FVPL continued

- Carry positions (secured) – this relates to a carry position reported by the Group that represents a sale and repurchase of assets in specific group annuity portfolios. These carry positions are secured by government stock with a value of R30 285 million (2025: R23 690 million). Offsetting has not been applied. *(fair value interest rate risk)*

  The legal ownership of the securities in respect of the above transactions is transferred to the counterparty. However, the Group retains a contractual obligation to repurchase the securities at a future date. These transactions are subject to margin requirements, which are governed by the Global Master Repurchase Agreement (GMRA). Margining is triggered when the exposure exceeds a predefined threshold.
- The preference shares issued by subsidiaries primarily relate to senior variable rate cumulative redeemable preference shares ("senior preference shares") issued to external parties by Amandla Ilanga which is a subsidiary of Amandla Renewable Energy Fund (RF) (Pty) Ltd, an asset holding entity. These preference shares are measured at fair value in order to eliminate an accounting mismatch. The contractual capital amount required to be paid as at 30 June 2026 amounts to R302 million (2025: R302 million). There is no recourse to the Group in case of default on these preference shares. *(cash flow interest rate risk)* The senior preference shares were used by Amandla Ilanga to fund an investment in a project company. The company that was funded breached its financial covenants during the current and prior year, which have not yet been remedied. As a consequence, Amandla Ilanga breached its financial covenants in respect of the senior preference shares, which have not yet been remedied. The preference shares have a carrying amount of R444 million (2025: R406 million). The holder of the senior preference shares has the ability to agree a timeframe with Amandla Ilanga within which Amandla Ilanga is required to remedy the breaches. Should Amandla Ilanga fail to remedy the breaches within the agreed timeframe, the holder may then call for repayment of the senior preference shares. The holder has not taken any formal action with respect to the breaches.
- Amandla Renewable Energy Fund (RF) (Pty) Ltd holds collateral in respect of preference shares held by the associated special purpose vehicle, Amandla Ilanga SPV (RF) (Pty) Ltd. The security has subsequently been ceded to the holder of the senior preference shares issued by the special purpose vehicle as part of initially securing the senior funding. The material terms of the security cession include that the bare dominium in respect of the asset remains with the cedent and the cessionary only receives the right to sell the security upon default as well as only to the extent that value is owed by the cedent in terms of the cession agreement. The fair value of the security ceded is R743 million (2025: R704 million).
- Other borrowings also include outstanding contingent consideration of R209 million (2025: R242 million) of which R202 million relates to the acquisition of subsidiaries and R7 million relates to the acquisition of a joint venture *(no interest rate risk)*. In addition, R140 million of other borrowings relates to short positions held in equity *(no interest rate risk)* and debt securities *(fair value interest rate risk)*.
- In the current and prior year, these instruments, excluding "Other borrowings" and "Derivative financial liabilities", would have been disclosed as at amortised cost under IFRS 9 had they not been designated at FVPL.

14.2 Financial liabilities at amortised cost

	2026 Rm	2025 Rm
Term loans[1]	**1 356**	1 586
Cumulative redeemable preference shares[1, 2]	**1 625**	1 630
Lease liabilities	**160**	158
Other[3]	**452**	147
Total	**3 593**	3 521
Current	**779**	1 319
Non-current	**2 814**	2 202
Total	**3 593**	3 521

1 Refer to note 38.2 for more information on the global transition to alternative benchmark rates.
2 Cumulative redeemable preference shares are those issued by a subsidiary in the Group, MSI. More detail is disclosed in note 14.2.2.
3 Includes R406 million (2025: R145 million) related to the class A preference shares issued by Momentum Metropolitan iSabelo (RF) (Pty) Ltd. During the current year, the class A preference shares were refinanced and the proceeds received were used to repay a portion of the intercompany class B preference shares held by Momentum Group Ltd. The refinancing was treated as a deemed redemption and new issue with an immaterial profit and loss impact. The initial funding was used to purchase the Momentum Group Ltd shares for the Employee Share Ownership Plan.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 Financial liabilities continued

14.2 Financial liabilities at amortised cost continued

14.2.1 Term loans

Term loans include property development loans that were subsequently converted to term loans. Details of which are as follows:

- A R306 million (2025: R368 million) loan from Standard Bank Ltd relates to developed property held by a subsidiary, 129 Rivonia Road (Pty) Ltd. Interest on the loan is levied at three-month Johannesburg Interbank Average Rate (JIBAR) plus 1.85%. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(cash flow interest rate risk)*
- A R231 million (2025: R223 million) loan from FirstRand Bank Ltd in order to develop property held by a subsidiary, 102 Rivonia Road (Pty) Ltd. Interest on the loan is levied at 11.17%. The loan is secured by the underlying property and there is a letter of support issued by Group for the obligations of the subsidiary committing to ensure that the company is sufficiently capitalised to be able to meet its obligation to the debt funders. *(no interest rate risk)*
- A R126 million (2025: R126 million) loan from Standard Bank Ltd relates to developed property held by a subsidiary, Momentum Umhlanga (Pty) Ltd. Interest on the loan is fixed at 9.09% (2025: three-month JIBAR plus 1.75%). The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(no interest rate risk)*
- A R192 million (2025: R192 million) loan from Absa Bank Ltd in order to develop property held by a subsidiary, Chuma Mall (Pty) Ltd. Interest on the loan is levied at the prime lending rate less 0.75% (2025: three-month JIBAR plus 3%). The loan is secured by the underlying property and there is no recourse to the Company in case of default. *(cash flow interest rate risk)*
- An R8 million (2025: R119 million) loan from Rand Merchant Bank to fund the acquisition of Seneca Investment Managers Ltd by MGIM (100% held subsidiary of Momentum Group Ltd). Interest on the loan is levied at a fixed rate of 6.31%. The loan is secured by MGIM and there is no recourse to the Group in case of default. *(no interest rate risk)*
- A R54 million (2025: R62 million) loan from Nedbank Ltd relates to a developed property held by a subsidiary, Taung Mall (Pty) Ltd. Interest on the loan is levied at a variable rate equal to three-month JIBAR plus a margin of 2.79% (2025: 0.75% below prime rate). The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(cash flow interest rate risk)*
- A R144 million (2025: R149 million) loan from Absa Bank in order to develop property held by a subsidiary, Momentum Rosslyn (Pty) Ltd. Interest on the loan is levied at the prime rate less a margin of 1.10% per annum. The loan is secured by the underlying property and there is no recourse to the Group in case of default. *(cash flow interest rate risk)*
- The remaining term loans of R295 million (2025: R347 million) relate to property entities within the Group and bear interest at fixed rates. There is no recourse to the Group in the event of default for these loans. *(no interest rate risk)*

14.2.2 Cumulative redeemable preference shares

Momentum Strategic Investments (Pty) Ltd had the following cumulative redeemable preference shares issued at R1 million per share.

	2026	2025
Rand Merchant Bank (Class A)	**600**	300
Sanlam Alternative Investments Fund (Class C)	**–**	300
Investec Bank Limited (Class E)	**1 000**	1 000
Total	**1 600**	1 600

Details regarding the preference shares are as follows:

- Class A cumulative redeemable preference shares: As at 30 June 2025, Rand Merchant Bank held 300 Class A cumulative redeemable preference shares at R1 million par value per share with a redemption date of 28 June 2026 and dividends calculated at 73% of three-month JIBAR plus 168 basis points. On 30 April 2026, the redemption date was extended to 28 April 2029, and the dividend rate was amended to 73% of the South African Rand Overnight Index Average (ZARONIA) plus 165 basis points. This resulted in a deemed redemption and a new issue with an immaterial profit and loss impact. On the same date, an additional 300 Class A preference shares were issued on the same terms, resulting in 600 Class A cumulative redeemable preference shares in issue at the reporting date.
- Class C cumulative redeemable preference shares: The 300 Class C cumulative redeemable preference shares, with a par value of R1 million per share, previously held by Sanlam Alternative Investments Fund were redeemed on 30 April 2026. The Preference dividends were calculated at 73% of three-month JIBAR plus 165 basis points. The redemption of the Class C cumulative redeemable preference shares was funded by the issuance of an additional 300 Class A preference shares to Rand Merchant Bank.
- Class E cumulative redeemable preference shares: 1,000 Class E cumulative redeemable preference shares, with a par value of R1 million per share, held by Investec Bank Limited. These shares have a scheduled redemption date of 28 January 2030. Preference dividends are calculated at 73% of three-month JIBAR plus 165 basis points.

Dividends on all cumulative redeemable preference shares are payable semi-annually on 31 March and 30 September. The issuer has the option to voluntarily redeem the preference shares. All cumulative redeemable preference shares in issue are exposed to cash flow interest rate risk.

14 Financial liabilities continued

	2026 Rm	Restated 2025[1] Rm
14.3 Other payables		
Payables arising from investment contracts[1,2]	**3 623**	3 260
Financial instruments	**10 375**	8 452
Unsettled trades	**3 042**	1 838
Commission creditors	**875**	844
Health saver liability	**305**	303
Collateral	**487**	554
Other payables[3]	**5 666**	4 913
Total included in financial liabilities	**13 998**	11 712
Deferred revenue liability	**426**	362
Total other payables	**14 424**	12 074
Current	**13 733**	11 562
Non-current	**691**	512
Total other payables	**14 424**	12 074

1 Refer to note 1 for more information on the restatements. The more noteworthy restatements have been discussed in footnote 2.
2 Payables arising from investment contracts changed from R4 042 million to R3 260 million. Payables arising from investment contracts of R782 million were incorrectly classified as Other payables in the prior year. The prior year has been restated accordingly. Refer to note 1 for more information
3 Other payables include accruals, sundry liabilities and creditors, unallocated deposits and VAT payables.

	2026 Rm	2025 Rm
Reconciliation of deferred revenue liability		
Balance at beginning	**362**	318
Deferred income relating to new business	**158**	129
Amount recognised in income statement	**(94)**	(85)
Balance at end	**426**	362
Current	**128**	141
Non-current	**298**	221
1 to 5 years	**216**	163
5 to 10 years	**77**	53
> 10 years	**5**	5
Balance at end	**426**	362

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 Financial liabilities continued

Financial liabilities summarised by measurement category in terms of IFRS 9	FVPL Mandatorily Rm	FVPL Designated Rm	FVPL Total fair value Rm	Amortised cost Rm	Not in scope of IFRS 9 Rm	Total Rm
14.4 Financial liabilities measurement						
2026						
Investment contracts designated at FVPL	**–**	**549 578**	**549 578**	**–**	**–**	**549 578**
CIS liabilities	**–**	**38 597**	**38 597**	**–**	**–**	**38 597**
Subordinated debt instruments	**–**	**5 637**	**5 637**	**–**	**–**	**5 637**
Carry positions	**–**	**23 636**	**23 636**	**–**	**–**	**23 636**
Preference shares	**–**	**465**	**465**	**–**	**–**	**465**
Derivative financial liabilities	**1 946**	**–**	**1 946**	**–**	**–**	**1 946**
Other borrowings	**357**	**–**	**357**	**–**	**–**	**357**
Financial liabilities at amortised cost	**–**	**–**	**–**	**3 433**	**160**	**3 593**
Other payables (excluding deferred revenue liability)	**–**	**3 623**	**3 623**	**10 375**	**–**	**13 998**
Total financial liabilities	**2 303**	**621 536**	**623 839**	**13 808**	**160**	**637 807**
Restated 2025[1]						
Investment contracts designated at FVPL[1,2]	–	482 561	482 561	–	–	482 561
CIS liabilities	–	34 507	34 507	–	–	34 507
Subordinated debt instruments	–	4 382	4 382	–	–	4 382
Carry positions	–	18 954	18 954	–	–	18 954
Preference shares	–	426	426	–	–	426
Derivative financial liabilities	1 534	–	1 534	–	–	1 534
Other borrowings	557	–	557	–	–	557
Financial liabilities at amortised cost	–	–	–	3 361	160	3 521
Other payables (excluding deferred revenue liability)[1,2]	–	3 260	3 260	8 452	–	11 712
Total financial liabilities	2 091	544 090	546 181	11 813	160	558 154

[1] Refer to note 1 for more information on the restatements. The more noteworthy restatements have been discussed in footnote 2.
[2] Investment contract liabilities designated at FVPL changed from R481 765 million to R482 561 million and Payables arising from investment contracts changed from R4 042 million to R3 260 million. Please refer to note 1 for more information.

14 Financial liabilities continued

14.5 Financial liabilities hierarchy

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

The following liabilities are carried at fair value and have been split into a fair value hierarchy:

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2026				
Investment contracts designated at FVPL	–	549 573	5	549 578
Financial liabilities at FVPL	38 754	31 189	695	70 638
CIS liabilities	38 576	–	21	38 597
Subordinated debt instruments	–	5 637	–	5 637
Carry positions	–	23 636	–	23 636
Preference shares	–	–	465	465
Derivative financial liabilities – held for trading	30	1 916	–	1 946
Other borrowings	148	–	209	357
Payables arising from investment contracts	–	3 623	–	3 623
Total	38 754	584 385	700	623 839
Restated 2025[1]				
Investment contracts designated at FVPL[1]	–	482 557	4	482 561
Financial liabilities at FVPL	34 832	24 836	692	60 360
CIS liabilities	34 493	–	14	34 507
Subordinated call notes	–	4 382	–	4 382
Carry positions	–	18 953	–	18 953
Preference shares	–	–	426	426
Derivative financial liabilities – held for trading	27	1 501	6	1 534
Other borrowings	312	–	246	558
Payables arising from investment contracts[1]	–	3 260	–	3 260
Total	34 832	510 653	696	546 181

[1] Refer to note 1 for more information on the restatements. Investment contract liabilities designated at FVPL changed from R481 765 million to R482 561 million and Payables arising from investment contracts changed from R4 042 million to R3 260 million. Please refer to note 1 for more information.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 Financial liabilities continued

14.5 Financial liabilities hierarchy continued

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

	Notes	At FVPL					
		Investment contracts designated at FVPL Rm	CIS liabilities Rm	Preference shares Rm	Other borrowings Rm	Derivative financial liabilities – held for trading Rm	Total Rm
2026							
Opening balance		**4**	**14**	**426**	**246**	**6**	**696**
Realised (gains)/losses		**(1)**	**–**	**–**	**17**	**(3)**	**13**
Unrealised losses		**1**	**7**	**39**	**24**	**–**	**71**
Settlements		**–**	**–**	**–**	**(78)**	**(3)**	**(81)**
Contract holder movements							
Investment return		**1**	**–**	**–**	**–**	**–**	**1**
Closing balance		**5**	**21**	**465**	**209**	**–**	**700**
2025							
Opening balance		11	15	377	250	–	653
Realised losses		1	–	–	–	–	1
Unrealised (gains)/losses		(2)	(1)	49	63	–	109
Settlements		–	–	–	(67)	–	(67)
Contract holder movements		–	–	–			
Benefits paid		(6)	–	–	–	–	(6)
Transfers into level 3		–	–	–	–	6	6
Closing balance		4	14	426	246	6	696

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

Sensitivities

Preference shares

A 1% increase/decrease in the interest rate of the level 3 preference shares would result in an increase/decrease of R15 million (2025: R3 million) and R14 million (2025: R2 million) in the fair value.

Other borrowings

The contingent consideration recognised in respect of the acquisition of IMG will increase/decrease by R2 million (2025: R2 million) and R2 million (2025: R2 million) when the fair values of the underlying assets are increased/decreased by 10% respectively.

A 1% increase/decrease in the risk discount rate will result in a decrease/increase in the contingent consideration, recognised in respect of the acquisition of IMG, of R2 million (2025: R3 million) and R2 million (2025: R3 million) respectively.

The contingent consideration recognised in respect of the acquisition of Zestlife Investments (Pty) Ltd (Zest Life), will result in a decrease of the liability when the probability of the following criteria is increased by 10%:

	Year 1 Rm	Year 2 Rm	Year 3 Rm	Year 4 Rm
2026				
Probability of losing the key distribution relationship	**(10)**	**(9)**	**(9)**	**–**
Probability of not outperforming the key metric	**(15)**	**(15)**	**(15)**	**(8)**
2025				
Probability of losing the key distribution relationship	(10)	(9)	(9)	–
Probability of not outperforming the key metric	(21)	(21)	(15)	(8)

14 Financial liabilities continued

14.5 Financial liabilities hierarchy continued

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

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

	2026		Restated 2025[1]	
	Carrying amount Rm	Fair value Rm	Carrying amount Rm	Fair value Rm
Financial liabilities at amortised cost	**3 433**	**3 433**	3 363	3 363
Cumulative redeemable preference shares	**1 625**	**1 625**	1 630	1 630
Term loans	**1 356**	**1 360**	1 586	1 586
Other	**452**	**448**	147	147
Other payables (excluding deferred revenue liability and Payables arising from investment contracts)[1]	**10 375**	**10 859**	8 452	8 242
Total	**13 808**	**14 292**	11 815	11 605

[1] Refer to note 1 for more information on the restatements. The restatement in this note is considered immaterial.

Calculation of fair value

- The estimated fair value of the cumulative redeemable preference shares is determined by rates obtained in the market. The interest rates are linked to 73% three-month JIBAR and 73% ZARONIA plus a spread. The carrying amount approximates fair value as the terms of the current arrangement are market-related. *(level 2)*
- For other liabilities at amortised cost and other payables, the carrying amount approximates fair value due to their short-term nature. *(level 2)*
- The carrying amount of term loans approximates fair value, as the majority bear variable interest rates that reflect current market conditions.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15 Deferred income tax

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

	2026 Rm	Restated 2025[1] Rm
Deferred tax asset	**583**	904
Deferred tax liability	**(2 904)**	(3 118)
Total	**(2 321)**	(2 214)
15.1 Deferred tax is made up as follows:		
Accruals and provisions	**443**	237
Accelerated wear and tear	**(239)**	(152)
Revaluations	**(2 020)**	(1 821)
Properties	**(303)**	(266)
Financial instruments	**(1 500)**	(1 318)
Other	**(217)**	(237)
Prepayments	**(3)**	(19)
Deferred tax on intangible assets as a result of past business combinations	**(243)**	(290)
Deferred revenue liability	**8**	5
Difference between published and statutory policyholder liabilities	**5**	4
Tax losses	**606**	832
Phase-in[2,3]	**(561)**	(780)
DAC	**(6)**	(12)
Zeroisation of assets[4]	**(146)**	(173)
Other[1,3,4]	**(165)**	(45)
Total	**(2 321)**	(2 214)
Current	**(313)**	303
Non-current	**(2 008)**	(2 517)
Total	**(2 321)**	(2 214)

1 Refer to note 1 for more information on the restatements. All restatements in the note are considered immaterial.

2 The deferred tax raised is due to the legislated transitional changes to the insurance liabilities pursuant to the changes to the Income Tax Act to facilitate the industry's implementation of IFRS 17 – Insurance Contracts. The deferred tax raised will gradually be released over multiple reporting periods corresponding with the change in current tax over the prescribed phase-in period.

3 A portion of the Group's phase-in provision amounting to R87 million was previously included within the "Other" component of deferred tax liabilities. The comparative balances have been reclassified accordingly and are now separately disclosed under the "Phase-in provision" line item.

4 The comparative other deferred tax balance has been disaggregated to separately present deferred tax arising from the zeroisation of insurance assets in Guardrisk Life. The disaggregation has been made to provide more useful and transparent information to users of the financial statements.

15 Deferred income tax continued

	2026 Rm	Restated 2025[1] Rm
15.2 Movement in deferred tax		
Balance at beginning	**(2 214)**	(2 436)
Charge to the income statement	**(52)**	269
Accruals and provisions	**206**	98
Accelerated wear and tear	**(87)**	(9)
Revaluations	**(199)**	(435)
Properties	**(37)**	(15)
Financial instruments	**(182)**	(380)
Other	**20**	(40)
Deferred tax movement on intangible assets as a result of past business combinations	**40**	54
Deferred revenue liability	**3**	1
Difference between published and statutory policyholder liabilities	**1**	1
Tax losses	**(226)**	(1 741)
Phase in[2]	**219**	172
DAC	**6**	–
Prepayments	**16**	(31)
Other[1]	**(31)**	2 159
Charge to other comprehensive income	**(4)**	(4)
Other	**(51)**	(47)
Foreign exchange rate differences	**–**	4
Balance at end	**(2 321)**	(2 214)
Unused tax losses for which no deferred tax asset has been recognised	**3 929**	4 346
Potential tax benefit	**1 061**	1 173

1 Refer to note 1 for more information on the restatements. All restatements in the note are considered immaterial.
2 The phase-in relates to the systematic release of the deferred tax raised due to the transitional changes to the insurance liability as a result of the implementation of IFRS 17.

Creation of deferred tax assets and recognition of deferred tax liabilities

Deferred tax assets are raised for tax losses where the recoverability thereof was probable at year end. The deferred tax asset is generally raised to the extent it will be utilised within 3-5 years. Further detail of which is provided in note 15.1. Remaining balances are not recognised.

Included in the deferred tax asset of R583 million (2025: R904 million) raised due to tax losses, is a deferred tax asset of R8 million (2025: R9 million), the utilisation of which depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the subsidiary has suffered a loss in either the current or preceding year. Based on approved budgets prepared by management of these subsidiaries, the Group considers it probable that the deferred tax asset will be used against future taxable profits. The deferred tax assets on losses are calculated after considering the assessed loss utilisation limitation of 80%, whereby only 80% of the profit is set off against losses for the year. The limitation effectively defers the utilisation of the assessed loss to future periods.

The deferred tax asset recognised by the Group relates mainly to historic trading losses brought forward in Guardrisk Life Ltd's Individual Policyholder Fund (IPF), Guardrisk Insurance Company Ltd and Momentum Insurance (Pty) Ltd. Management considers it probable that the tax asset will be used against future taxable profits within a five-year projection period.

No deferred tax liability is recognised on temporary differences of R1 732 million (2025: R2 321 million) relating to the unremitted earnings of international subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. Deferred tax not raised in respect of associates and joint ventures is not considered to be material.

Critical accounting estimates and judgements

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16 Employee benefit obligations and assets

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

	Notes	2026 Rm	Restated 2025 Rm
16.1 Employee benefit obligations			
Post-retirement medical benefits	16.1.1	**69**	62
Cash-settled arrangements	16.1.2	**1 240**	1 280
Leave pay liability[1]		**441**	417
Staff and management bonuses[1]		**1 382**	1 254
Total employee benefit obligations		**3 132**	3 013
Current		**2 531**	2 390
Non-current		**601**	623
Total employee benefit obligations		**3 132**	3 013

[1] In the prior year, Leave pay liability and Staff and management bonuses were aggregated in Other employee benefit obligations. In the current year, these were disaggregated to provide more useful information to users.

Employee benefit expenses are included in the income statement. Refer to note 25.

	2026 Rm	2025 Rm
16.1.1 Post-retirement medical benefits		
Balance at beginning – unfunded	**62**	68
Current service costs	**1**	1
Interest expense	**6**	8
Actuarial losses/(gains) – other comprehensive income	**8**	(6)
Settlements	**(2)**	–
Benefits paid and transferred	**(6)**	(9)
Balance at end – unfunded	**69**	62
Current	**8**	8
Non-current	**61**	54
Balance at end – unfunded	**69**	62

Valuation methodology

Liabilities for qualifying employees and current retirees are taken as the actuarial present value of all future medical contribution subsidies, using the long-term valuation assumptions. The current medical scheme contribution rates are projected into the future using the long-term healthcare inflation rate, while the value of the portion subsidised by the employer after retirement is discounted back to the valuation date using the valuation rate of interest. The projected unit credit method is used to calculate the liabilities.

16 Employee benefit obligations and assets continued

16.1 Employee benefit obligations continued

	2026 Rm	2025 Rm
16.1.2 Cash-settled arrangements		
Retention and remuneration schemes		
Balance at beginning	**1 280**	795
Additional provisions[1]	**870**	1 088
Benefits paid	**(896)**	(606)
Foreign exchange rate differences	**(14)**	3
Balance at end	**1 240**	1 280
Current	**700**	711
Non-current	**540**	569
Balance at end	**1 240**	1 280

[1] The significant decrease in the current year is attributable to overall lower number of units vested in the current year in comparison to the prior year.

Momentum Group Ltd share schemes

Subsequent to the merger, the Group started share schemes linked to Momentum Group Ltd shares.

Momentum Group Ltd Long-term Incentive Plan (LTIP)

The purpose of the LTIP is to incentivise and retain key senior staff members. The LTIP comprises three separate long-term incentives, the first being a grant of retention units, the second being an award of performance units, and the third being a grant of deferred bonus units. There are currently no retention units in issue.

Performance units
The performance units have certain performance criteria linked to the units measured over a three-year period. The Group will have to meet the performance criteria before the performance units become payable. The units will therefore begin vesting after year three in three equal tranches, and the Group's performance will be averaged over the same period to determine whether the criteria have been met.

Deferred bonus units
The deferred bonus units represent the deferred portion of short-term incentives above a threshold. These units vest subject to the employee remaining in the employ of the Group on the vesting date, and not being subject to disciplinary action during the period between the award date and the vesting date.

When the performance units and deferred bonus units have vested on the vesting date, they represent the right to receive a cash sum on the settlement date equal to the fair market price of a Momentum Group Ltd share (average of 20 trading days before the settlement date).

Momentum Sales Phantom Shares (MSPS)

In November 2013, Momentum Sales began issuing phantom shares to sales staff. Allocations made vest in three equal tranches on the third, fourth and fifth anniversary, after the grant date. When the shares vest, the Group will make a cash payment to the employee to the value of the share price on vesting date. No shares are issued by the Group and therefore the scheme is cash-settled.

Momentum Group Limited Share Appreciation Rights Scheme (SAR)

The SAR commenced in October 2018, and is a performance-based cash-settled option scheme in terms of which certain executives are allocated SARs in the Company's shares. The SARs simulate "at-the-money" call options on the Company's shares, meaning that the growth in the share price between the allocation date and the vesting date will accrue to the participant at the vesting date. The measurement of performance takes place after a period of four years, and vesting then takes place in equal thirds after four, five and six years, at the ruling Momentum Group Ltd share price based on the 20 day volume-weighted average price up to payment date. Resignation before the vesting date results in the forfeiture of any unsettled units.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16 Employee benefit obligations and assets continued

16.1 Employee benefit obligations continued

16.1.2 Cash-settled arrangements continued

	LTIP		MSPS	SAR
	Performance units '000	Deferred bonus units '000	'000	Retention units '000
Units in force at 1 July 2024	44 576	26 322	2 317	495
Units granted during year	11 093	10 088	440	–
Units exercised/released during year	(8 994)	(12 547)	(512)	(495)
Units cancelled/lapsed during year	(450)	(868)	(110)	–
Units in force at 1 July 2025	**46 225**	**22 995**	**2 135**	**–**
Units granted during year	**13 754**	**9 612**	**286**	**–**
Units exercised/released during year	**(11 613)**	**(15 116)**	**(510)**	**–**
Units cancelled/lapsed during year	**(2 254)**	**(763)**	**(188)**	**–**
Units in force at 30 June 2026	**46 112**	**16 728**	**1 723**	**–**

Market value of range at date of exercise/release	2026 Cents	2025 Cents
LTIP		
Performance units	**3345 – 3620**	2216 – 3043
Deferred bonus units	**3357 – 3822**	2216 – 3428
MSPS	**3043 – 3396**	2866 – 3037
SAR		
Retention units	**–**	2708 – 2831

Units outstanding (by expiry date) for the LTIP, MSPS, and SAR at 30 June 2026 are as follows:

	LTIP		MSPS
	Performance units '000	Deferred bonus units '000	'000
2026			
Financial year 2026/2027	**12 311**	**9 401**	**512**
Financial year 2027/2028	**12 060**	**5 138**	**502**
Financial year 2028/2029	**11 154**	**2 185**	**385**
Financial year 2029/2030	**6 835**	**4**	**229**
Financial year 2030/2031	**3 752**	**–**	**95**
Total outstanding shares	**46 112**	**16 728**	**1 723**
2025			
Financial year 2025/2026	11 009	12 691	558
Financial year 2026/2027	12 540	7 314	566
Financial year 2027/2028	12 248	2 990	550
Financial year 2028/2029	7 351	–	315
Financial year 2029/2030	3 077	–	146
Total outstanding shares	46 225	22 995	2 135

Refer to note 44 for the valuation assumptions relating to these schemes.

16 Employee benefit obligations and assets continued

	2026 Rm	2025 Rm
16.2 Employee benefit assets		
Sage Group Pension Fund (SGPF)	**–**	467
Other	**3**	3
Total	**3**	470

Sage Group Pension Fund

This was a defined benefit fund that provided pension benefits to members who previously belonged to the Sage Life Ltd Staff Pension and Life Assurance scheme. In the prior year, the plan assets exceeded the defined benefit obligations of nil.

In terms of a decision taken by the Board of Trustees of the Fund, all sources of surplus that accrued after the surplus apportionment date of the Fund were to be allocated to the Employer Surplus Account. In view of this, the asset ceiling had been set equal to the funded status (plan assets).

The Financial Sector Conduct Authority (FSCA) approved the preliminary liquidation account in January 2023 and liquidation payments were set to commence once the FSCA provided the necessary approval for payments to proceed after the public inspection period was completed and any objections are resolved. The payments were subsequently received in August 2025 after the FSCA granted approval for the payments to proceed.

17 Share capital and share premium

Refer to note 45.19 for the accounting policies relating to this note.

In December 2010, Metropolitan Holdings Ltd, now Momentum Group Ltd, became the legal parent company of Momentum Group Ltd, now MML, by acquiring all the shares in MML from FirstRand Ltd. As this was accounted for as a reverse acquisition under IFRS 3 – Business Combinations (revised), the share capital and share premium of the Group in the consolidated financial statements were based on the value of those of MML at the time of the merger. The equity structure in terms of the number of authorised and issued shares in the consolidated financial statements reflects the equity structure of Momentum Group Ltd.

Authorised share capital of Momentum Group Ltd

- 2 billion ordinary shares of 0.0001 cents each.
- 129 million (76 million A1, 13 million A2 and 40 million A3) variable rate cumulative redeemable convertible preference shares of 0.0001 cents each.

Issued share capital

The issued share capital of the Group reflects the issued share capital of Momentum Group Ltd.

	2026 Rm	2025 Rm
Balance at beginning and end	**13 457**	13 457
Share capital	**9**	9
Share premium	**13 448**	13 448
Total	**13 457**	13 457

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17 Share capital and share premium continued

Number of ordinary shares in issue (prior to weighting)	2026 Million	2025 Million
Ordinary shares in issue		
Balance at beginning	**1 361**	1 405
Shares repurchased and cancelled	**(45)**	(44)
Balance at end	**1 316**	1 361
Total ordinary shares in issue	**1 316**	1 361
Treasury shares held on behalf of employees	**(45)**	(45)
Basic number of shares in issue	**1 271**	1 316
Adjustment to employee share scheme shares	**41**	27
Diluted number of shares in issue	**1 312**	1 343
Adjustment to employee share scheme shares	**(41)**	(27)
Treasury shares held on behalf of employees	**45**	45
Diluted number of shares in issue for normalised headline earnings purposes	**1 316**	1 361
Reconciliation of basic number of shares in issue		
Balance at beginning	**1 316**	1 360
Share repurchased and cancelled	**(45)**	(44)
Balance at end	**1 271**	1 316

Share buyback programme

The Group bought back a total of 45 million shares during the current year at an average purchase price of R35.71 per share, for a cost of R1 604 million (including transaction costs). In the prior year, the Group bought back 44 million shares at an average purchase price of R31.43, for a cost of R1 403 million (including transaction costs). All shares were cancelled prior to 30 June 2026. None of the shares acquired in the current and prior year were treasury shares.

18 Other components of equity

	Notes	2026 Rm	2025 Rm
Land and building revaluation reserve	18.1	**466**	421
FCTR	18.2	**(194)**	282
Non-distributable reserve	18.3	**36**	88
Employee benefit revaluation reserve	18.4	**105**	86
Equity-settled share-based payment arrangements	18.5	**173**	150
Share of associates and joint ventures other comprehensive income	18.6	**51**	13
Artwork revaluation reserve	18.7	**18**	–
Total		**655**	1 040

18.1 Land and building revaluation reserve

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

	2026 Rm	2025 Rm
Balance at beginning	**421**	332
Earnings directly attributable to other components of equity	**49**	91
Revaluation	**53**	96
Deferred tax on revaluation	**(4)**	(5)
Transfer to retained earnings	**(4)**	(2)
Balance at end	**466**	421

18.2 FCTR

Refer to note 45.3 for the accounting policies relating to this note.

	2026 Rm	2025 Rm
Balance at beginning	**282**	140
Foreign exchange rate differences	**(518)**	82
Transfer from retained earnings	**42**	60
Balance at end	**(194)**	282

Foreign exchange rate differences on translation of investments in foreign associates is included.

18.3 Non-distributable reserve

	2026 Rm	2025 Rm
Balance at beginning	**88**	80
Transfer from retained earnings	**–**	8
Disposal of subsidiary	**(52)**	–
Balance at end	**36**	88

18.4 Employee benefit revaluation reserve

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

	2026 Rm	2025 Rm
Balance at beginning	**86**	82
Earnings directly attributable to other components of equity	**(2)**	5
Remeasurement of post-employment benefit obligations	**(4)**	4
Deferred tax on remeasurement	**2**	1
Transfer from\(to) retained earnings	**21**	(1)
Balance at end	**105**	86

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 Other components of equity continued

	2026 Rm	2025 Rm
18.5 Equity-settled share-based payment arrangements		
B-BBEE share-based payment reserve		
Balance at beginning	**150**	124
Share schemes – value of services provided	**23**	26
Balance at end	**173**	150

iSabelo Trust

To achieve our long-term strategic business objectives and to strengthen our broad-based black economic empowerment (B-BBEE) ownership, Momentum Group has made available an Employee Share Ownership Plan to its employees. iSabelo is structured to benefit all permanently employed South African based employees to promote inclusivity.

Units were granted to all permanent Momentum Group employees based in South Africa who were employed by the Group as at 28 February 2021. The units were granted to these eligible employees during April 2021.

These units are allocated on a deferred delivery basis over a seven-year period. All units need to be held for an initial period of 10 years (lock-in period) before they can be redeemed for Momentum Group Ltd shares. At the end of the lock-in period, the iSabelo Trust will exchange the units for Momentum Group Ltd shares.

Employees will retain the proportional vesting of units for the portion of the seven years they were employed by Momentum Group, however if they leave within the first year of the scheme they will forfeit their entire allocation. Units were granted annually to new permanent South African based employees of the Group who joined between the period 1 March 2021 to 30 April 2025, under the same terms as above. No further units will be allocated to any new employees after April 2025.

The fair value used in determining the allocation is based on the unit price on grant date, adjusted for various variables. Refer to note 44 for more details regarding the valuation assumptions. The total unit allocation costs relating to the current period for the iSabelo Trust amounting to R23 million (2025: R25 million) (refer to note 25) have been included in the income statement.

Refer to note 44 for valuation assumptions relating to this scheme.

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

	Grant date[1]	Allocation date[1]	Redemption date	Weighted average remaining contractual life	Grant date fair value cents per unit	Number of units '000
Units awarded F2021	22-Apr-21	12-Apr-21	12-Apr-31	4.8 years	64	359 479
Units awarded F2022	29-Apr-22	28-Apr-22	28-Apr-32	5.8 years	48	72 410
Units awarded F2023	24-Apr-23	24-Apr-23	24-Apr-33	6.8 years	36	76 458
Units awarded F2024	24-Apr-24	24-Apr-24	24-Apr-34	7.8 years	84	62 880
Units awarded F2024	08-Jun-24	08-Jun-24	24-Apr-34	7.8 years	122	8 089
Units awarded F2025	24-Apr-25	24-Apr-25	24-Apr-35	8.8 years	148	52 148

[1] The IFRS 2 grant date refers to the date that there was a shared understanding of the terms and conditions of the arrangement. The allocation date refers to the date the units were allocated to the employees.

18 Other components of equity continued

18.5 Equity-settled share-based payment arrangements continued

iSabelo Trust continued

To meet the trust deed requirements, additional units were allocated to existing black female employees during May 2026 (referred to as top-up units). The top-up units were granted to existing employees who previously received an award. The vesting date of the top-up award corresponds to the original vesting date of their original award. This resulted in an additional 19 963 618 top-up units being allocated during the year at an incremental fair value of R0.33 per top-up unit granted.

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

	Modification date	Number of units '000	Redemption date	Weighted average remaining contractual life
Units awarded F2021	06-May-26	11 840	12-Apr-31	4.8 years
Units awarded F2022	06-May-26	1 411	28-Apr-32	5.8 years
Units awarded F2023	06-May-26	1 948	24-Apr-33	6.8 years
Units awarded F2024	06-May-26	2 222	24-Apr-34	7.8 years
Units awarded F2025	06-May-26	2 543	24-Apr-35	8.8 years

	Weighted average price Cents	Number of units '000
Movements on units awarded:		
As at 1 July 2024	63	332 565
Units awarded due to reinstatement	48	264
Units awarded	148	52 148
Awarded units lapsed due to resignation	62	(42 924)
Awarded units cancelled due to non-acceptance	148	(5 676)
As at 1 July 2025	75	336 377
Awarded units lapsed due to resignation	65	(25 135)
Awarded units cancelled due to non-acceptance	33	(330)
Top-up units awarded	33	19 964
As at 30 June 2026	73	330 876

	2026 Rm	2025 Rm
18.6 Share of associates and joint ventures other comprehensive income		
Balance at beginning	13	(33)
Other comprehensive income from associates and joint ventures	38	46
Balance at end	51	13
18.7 Artwork Revaluation Reserve		
Balance at beginning	–	–
Revaluation	18	–
Balance at end	18	–

During the current year, the Group recognised artwork owned by the Group as fixed assets. The artworks are displayed in administrative and reception areas for aesthetic purposes and to support the Group's corporate identity. As the artworks are considered to have an indefinite useful life, no depreciation is charged; however, they are subject to annual impairment assessments.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19 Insurance revenue

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

	2026 Rm	Restated 2025[1] Rm
Contracts not measured under the PAA		
Amounts relating to the changes in the LRC	**24 075**	22 618
Expected incurred claims and other expenses after loss component allocation	**19 261**	18 451
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	**1 152**	1 008
CSM recognised in profit or loss for the services provided	**3 751**	3 139
Other[2,3]	**(89)**	20
Insurance acquisition cash flows recovery	**3 278**	2 925
Insurance revenue from contracts not measured under the PAA	**27 353**	25 543
Insurance revenue from contracts measured under the PAA	**34 049**	34 168
Total	**61 402**	59 711

[1] Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movement identified in footnote 3.
[2] Other includes variances on premiums and insurance acquisition cash flows.
[3] Other changed from R1 739 million to R20 million. Refer to note 1 for more information.

20 Insurance service expenses

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

	2026 Rm	Restated 2025[1] Rm
Incurred claims and other directly attributable expenses[2]	**36 994**	36 844
Changes that relate to past service – adjustments to the LIC	**(1 032)**	(662)
Losses on onerous contracts and reversal of those losses	**1 531**	1 290
Insurance acquisition cash flows amortisation	**6 212**	5 764
Insurance acquisition cash flows recognised when incurred	**883**	979
Total	**44 588**	44 215

[1] Refer to note 1 for more information on the restatements. The effect of most restatements in this note are considered immaterial, with the more noteworthy movement identified in footnote 2.
[2] Incurred claims and other directly attributable expenses changed from R38 461 million to R36 844 million. Refer to note 1 for more information.

21 Allocation of reinsurance premiums

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

	2026 Rm	Restated 2025[1] Rm
Contracts not measured under the PAA		
Amounts relating to the changes in the assets for remaining coverage	**3 882**	3 693
Expected recovery of incurred claims and other expenses after loss-recovery component allocation	**4 158**	3 560
Change in the risk adjustment for non-financial risk for the risk expired after loss-recovery component allocation	**204**	150
CSM recognised in profit or loss for the services received	**415**	(82)
Other	**(895)**	65
Allocation of reinsurance premiums from contracts not measured under the PAA	**3 882**	3 693
Allocation of reinsurance premiums from contracts measured under the PAA	**12 748**	13 662
Total	**16 630**	17 355

[1] Refer to note 1 for more information on the restatements. All restatements in the note are considered immaterial.

22 Amounts recoverable from reinsurers for incurred claims

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

	2026 Rm	Restated 2025[1] Rm
Amounts recoverable for incurred claims and other expenses	**8 894**	10 492
Changes that relate to past service – adjustments to the AIC	**280**	94
Changes in the loss-recovery component	**179**	317
Total	**9 353**	10 903

[1] Refer to note 1 for more information on the restatements. All restatements in the note are considered immaterial.

23 Net investment result

	Notes	2026			Restated 2025		
		Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
Investment income[1]	23.1	1 896	10 624	12 520	1 710	9 329	11 039
Net realised and unrealised fair value gains[1]	23.2	36 846	56 262	93 108	24 022	64 990	89 012
Net impairment gain/(loss) on financial assets	23.3	–	37	37	–	(19)	(19)
Finance expenses from insurance contracts issued[1]	23.4	(37 294)	–	(37 294)	(22 907)	–	(22 907)
Finance expense from reinsurance contracts held[1]	23.5	96	–	96	(546)	–	(546)
Investment returns due to third-party cell owner		(847)	–	(847)	(883)	–	(883)
Fair value adjustments on investment contract liabilities[1]		–	(55 244)	(55 244)	–	(61 991)	(61 991)
Fair value adjustments on CIS liabilities		–	(3 585)	(3 585)	–	(5 003)	(5 003)
Total		697	8 094	8 791	1 396	7 306	8 702

[1] As part of the accounting policy change described in Note 1 (Restatement), interest income on financial instruments measured at FVPL has been reclassified and presented within “Net realised and unrealised fair value gains”. This restatement resulted in decreases in “Investment income: Insurance related” of R12 156 million and in “Investment income: Non-insurance related” of R14 681 million, and increases in “Net realised and unrealised fair value gains: Insurance related” of R12 156 million and “Net realised and unrealised fair value gains: Non-insurance related” of R14 681 million. All other restatements in the note are considered immaterial.

23.1 Investment income

Refer to note 45.22.2 for the accounting policies relating to this note.

	2026			Restated 2025[1]		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
Interest income	573	1 955	2 528	603	1 993	2 596
At amortised cost using the effective interest method						
Cash and cash equivalents	539	1 851	2 390	549	1 854	2 403
Financial assets at amortised cost	20	96	116	6	113	119
Funds on deposit and other money market instruments	–	8	8	–	26	26
Debt securities	14	–	14	48	–	48
Dividend income at FVPL	1 106	7 123	8 229	882	6 010	6 892
Listed	427	2 574	3 001	550	2 815	3 365
Unlisted	679	4 549	5 228	332	3 195	3 527
Rental income	216	1 396	1 612	221	1 295	1 516
Investment properties	216	1 385	1 601	221	1 285	1 506
Owner-occupied properties	–	11	11	–	10	10
Other income	1	150	151	4	31	35
Total	1 896	10 624	12 520	1 710	9 329	11 039

[1] As part of the accounting policy change described in Note 1 (Restatement), interest income on financial instruments measured at FVPL has been reclassified and presented within “Net realised and unrealised fair value gains”. This restatement resulted in a decrease in “Interest income at FVPL: Insurance related” of R12 156 million and in “Interest income at FVPL: Non-insurance related” of R14 681 million.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 Net investment result continued

	2026			Restated 2025		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.2 Net realised and unrealised fair value gains						
Refer to note 45.6, 45.7 and 45.11 for the accounting policies relating to this note.						
Financial assets	**36 743**	**55 932**	**92 675**	23 937	64 753	88 690
Designated at FVPL[1]	**27 190**	**9 030**	**36 220**	16 644	6 999	23 643
Mandatorily at FVPL[1]	**6 351**	**44 868**	**51 219**	6 383	56 103	62 486
Net derivative financial instruments – gains	**3 202**	**2 074**	**5 276**	910	1 706	2 616
Net realised and unrealised foreign exchange differences on financial instruments not at FVPL	**–**	**(40)**	**(40)**	–	(55)	(55)
Investment property	**103**	**295**	**398**	84	244	328
Valuation gains	**103**	**276**	**379**	84	241	325
Change in accelerated rental income	**–**	**19**	**19**	–	3	3
Other investments	**–**	**35**	**35**	1	(7)	(6)
Total	**36 846**	**56 262**	**93 108**	24 022	64 990	89 012

[1] As part of the accounting policy change described in Note 1 (Restatement), interest income on financial instruments measured at FVPL has been reclassified and presented within "Net realised and unrealised fair value gains". This restatement resulted in increases in "Financial assets: Designated at FVPL: Insurance related" of R11 487 million, "Financial assets: Designated at FVPL: Non-insurance related" of R5 183 million, "Financial assets: Mandatorily at FVPL: Insurance related" of R669 million and "Financial assets: Mandatorily at FVPL: Non-insurance related" of R9 498 million. All other restatements on this note are considered immaterial.

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

	2026			2025		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.3 Net impairment gain/(loss) on financial assets						
Refer to note 45.7 for the accounting policies relating to this note.						
Financial assets at amortised cost						
Accounts receivable	**–**	**25**	**25**	–	(14)	(14)
Debt securities	**–**	**–**	**–**	–	7	7
Related party loans	**–**	**12**	**12**	–	(12)	(12)
Total	**–**	**37**	**37**	–	(19)	(19)

	2026			Restated 2025		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.4 Finance expenses from insurance contracts issued						
Refer to note 45.10 for the accounting policies relating to this note.						
Changes in fair value of underlying items	**(11 783)**	**–**	**(11 783)**	(10 518)	–	(10 518)
Interest accreted using locked-in rates[1]	**(3 593)**	**–**	**(3 593)**	(3 113)	–	(3 113)
Interest accreted using current rates[1]	**(4 457)**	**–**	**(4 457)**	(4 686)	–	(4 686)
Effect of changes in interest rates and other financial assumptions[1]	**(17 489)**	**–**	**(17 489)**	(4 586)	–	(4 586)
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates[1]	**(77)**	**–**	**(77)**	(169)	–	(169)
Effects of risk mitigation option	**105**	**–**	**105**	167	–	167
Foreign exchange rate differences	**–**	**–**	**–**	(2)	–	(2)
Total	**(37 294)**	**–**	**(37 294)**	(22 907)	–	(22 907)

[1] Refer to note 1 for more information on the restatements. All restatements in the note are considered immaterial.

23 Net investment result continued

	2026			Restated[1,2] 2025		
	Insurance related Rm	Non-insurance related Rm	Total Rm	Insurance related Rm	Non-insurance related Rm	Total Rm
23.5 Finance (expense)/income from reinsurance contracts held Refer to note 45.10 for the accounting policies relating to this note.						
Interest accreted	**330**	**–**	**330**	207	–	207
Effect of changes in interest rates and other financial assumptions	**(298)**	**–**	**(298)**	(760)	–	(760)
Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates	**64**	**–**	**64**	7	–	7
Total	**96**	**–**	**96**	(546)	–	(546)

1 Refer to note 1 for more information on the restatements, other than footnote 2. All restatements in the note are considered immaterial.
2 Income and expense were reallocated between line items in note 23.5 to better align the allocation in note 23.5 with the allocation in note 23.4. The restatement resulted in Interest accreted increasing by R222 million, Effect of changes in interest rates and other financial assumptions decreasing by R291 million and Effect of changes in fulfilment cash flows at current rates when CSM is unlocked at locked-in rates increasing by R69 million.

24 Fee income

Refer to note 45.22.1 for the accounting policies relating to this note.

	2026 Rm	2025 Rm
Contract administration	**4 862**	4 397
Investment contract administration	**4 766**	4 308
Release of deferred front-end fees	**96**	89
Health administration	**3 103**	2 736
Trust and fiduciary services	**1 632**	1 679
Asset management	**796**	831
Retirement fund administration	**635**	606
Asset administration	**201**	242
Cell captive commission	**167**	141
Other fee income	**1 039**	938
Momentum Multiply fee income	**89**	131
Administration fees received	**51**	138
Commissions	**225**	231
Other[1]	**674**	438
Total	**10 803**	9 891

1 Included in Other in the current year are once-off amounts related to: an amount of R134 million relating to rebates and forex share, and R134 million relating to refunds received.

Revenue disaggregation

Revenue from contracts with customers is disaggregated by type of revenue and also split per the Group's reporting segments. This most accurately depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

25 Expenses

	Notes	2026 Rm	2025 Rm
Insurance benefits and claims	25.1	**44 608**	44 782
Depreciation, amortisation and impairment expenses	25.2	**642**	615
Employee benefit expenses	25.3	**10 177**	10 056
Sales remuneration	25.4	**9 196**	8 727
Other expenses	25.5	**12 937**	12 251
Total		**77 560**	76 431
Represented by			
Insurance and other directly attributable expenses		**63 196**	62 864
Other operating expenses		**14 364**	13 567
Total		**77 560**	76 431

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

25.1 Insurance benefits and claims

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

	2026 Rm	2025 Rm
Life insurance contracts	**32 745**	33 238
Death and disability claims	**16 150**	15 992
Maturity claims	**3 942**	5 343
Annuities	**8 858**	8 186
Surrenders	**3 207**	2 839
Terminations, disinvestments and withdrawal benefits	**588**	878
Non-life insurance benefits incurred	**11 019**	10 816
Health and capitation benefits incurred	**844**	728
Total	**44 608**	44 782

25.2 Depreciation, amortisation and impairment expenses

Refer to note 45.4 and 45.5 for the accounting policies relating to this note.

	Notes	2026 Rm	2025 Rm
Depreciation		**362**	353
Owner-occupied properties	5.1	**49**	43
Fixed assets	5.2	**231**	211
Right-of-use assets		**82**	99
Amortisation		**296**	272
Customer relationships	4.2	**70**	71
Brands and intellectual property	4.3	**80**	68
Broker network	4.4	**58**	57
Computer software	4.7	**88**	76
Reversals of impairments of owner-occupied properties	5.1	**(16)**	(10)
Total		**642**	615

25 Expenses continued

25.3 Employee benefit expenses

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

	Notes	2026 Rm	2025 Rm
Salaries		**8 218**	7 924
Defined contribution retirement fund		**485**	477
Contributions to medical aid funds		**265**	267
Share-based payment expenses – Cash-settled arrangements	16.1.2	**870**	1 088
Training costs		**168**	146
Retirement fund assets		**–**	(39)
Share-based payment expenses – Equity-settled arrangements	18.5	**23**	25
Post-retirement medical benefits		**9**	10
Other		**139**	158
Total		**10 177**	10 056

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

25.4 Sales remuneration

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

	Notes	2026 Rm	2025 Rm
Incurred commission and sales remuneration expenses for the acquisition of insurance contracts (refer to note 20 for insurance service expenses)		**7 439**	7 211
Incurred commission and sales remuneration expenses for the acquisition of investment contracts		**1 382**	1 312
Amortisation of DAC on investment contracts	4.6	**360**	203
Impairment of DAC on investment contracts		**24**	–
Impairment (reversals)/losses of amounts due from agents, brokers and intermediaries	8.2	**(9)**	1
Total		**9 196**	8 727

25.5 Other expenses

	2026 Rm	2025 Rm
Asset management fees	**6 131**	5 843
Consulting fees	**1 096**	1 209
Information technology expenses	**1 369**	1 164
Direct property operating expenses on investment property	**783**	704
Office costs	**455**	461
Marketing costs	**745**	710
Other indirect taxes	**509**	505
Momentum Multiply benefit payments	**35**	90
Travel expenses	**311**	249
Auditors' remuneration	**269**	208
Audit fees	**263**	203
Fees for other services	**6**	5
Bank charges	**126**	136
Bad debts written off	**15**	31
Lease charges[1]	**54**	42
Policy services	**159**	170
Other expenses	**880**	729
Total	**12 937**	12 251

[1] Included in Lease charges is R53 million (2025: R31 million) relating to short-term leases and R1 million (2025: R11 million) relating to variable lease payments.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

25 Expenses continued

25.5 Other expenses continued

Auditors' remuneration

Outlined below are the audit fees as reported to the Audit Committee. These numbers may differ from the actual expenses included above due to immaterial timing differences.

	2026 Rm	2025 Rm
Audit Fees: statutory audit	**199**	185
Ernst & Young Inc. (EY)	**94**	86
PricewaterhouseCoopers Inc. (PwC)	**95**	86
Other auditors	**10**	13
Prior year fee variations	**20**	–
EY	**3**	–
PwC	**17**	–
Total audit fees	**219**	185
Agreed upon procedures and other services performed by professional services firms required as statutory auditors	**3**	3
EY	**1**	1
PwC	**2**	2
Other auditors	**–**	–
Non-audit services performed by professional services firms	**–**	1
EY	**–**	1
Total non-audit services	**3**	4

	2026	2025
Total non-audit services as a % of current year audit fees		
EY	**2%**	2%
PwC	**2%**	2%
Other auditors	**0%**	1%

26 Other finance costs

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

	2026 Rm	Restated 2025[1] Rm
Finance costs on financing financial liabilities		
Subordinated debt instruments	**395**	466
Cost of carry positions	**1 519**	1 338
Redeemable preference shares	**162**	181
Cost of trading positions	**71**	43
Other finance costs	**221**	264
Total	**2 368**	2 292
Designated at FVPL	**2 024**	1 903
Mandatorily at FVPL	**41**	63
Amortised cost	**303**	326
Total	**2 368**	2 292

[1] Refer to note 1 for more information on the restatements. All restatements in the note are considered immaterial.

Finance costs include interest on financial liabilities at amortised cost, as well as interest and the net realised and unrealised fair value gains and losses on financing financial liabilities at FVPL.

27 Income tax expense

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

Income tax expenses/(credits)	2026 Rm	Restated 2025[1] Rm
Current taxation	**5 743**	5 985
Shareholder tax		
South African normal tax – current year	**2 640**	2 558
South African normal tax – prior year	**(22)**	115
Foreign countries – normal tax	**87**	107
Foreign withholding tax	**217**	190
Global minimum tax	**82**	–
Contract holder tax		
Tax on contract holder funds – current year	**923**	762
Tax on contract holder funds – prior year	**29**	(16)
Tax attributable to cell captive owners	**1 787**	2 269
Deferred tax	**52**	(269)
Shareholder tax		
South African normal tax – current year	**(224)**	(17)
South African normal tax – prior year	**8**	–
Foreign countries – normal tax	**4**	(6)
Foreign withholding tax	**–**	(2)
Contract holder tax		
Tax on contract holder funds – current year	**107**	174
Tax attributable to cell captive owners	**157**	(418)
Total	**5 795**	5 716

[1] Refer to note 1 for more information on the restatements. All restatements in the note are considered immaterial.

Global Minimum Tax:

South Africa has officially enacted the Global Minimum Tax Act (Act No. 46 of 2024) and the Global Minimum Tax Administration Act (Act No. 47 of 2024), aligning with the Organisation for Economic Co-operation and Development's (OECD) Pillar Two framework under the Inclusive Framework on Base Erosion and Profit Shifting. These laws were gazetted in December 2024 and are effective for tax years beginning on or after 1 January 2025. The legislation introduces a minimum effective tax rate of 15%, applicable to multinational enterprise (MNE) groups and large domestic groups with consolidated annual revenues exceeding EUR 750 million in at least two of the four preceding fiscal years. The rules apply on a jurisdiction-by-jurisdiction basis, and include the Income Inclusion Rule (IIR) and the Qualified Domestic Minimum Top-up Tax (DMTT) to ensure compliance across both inbound and outbound structures. The Group has assessed its potential exposure to Pillar Two income taxes, taking into account transitional safe harbour provisions and the OECD's administrative guidance issued in 2023. The assessment is based on the Group's latest financial statements, country-by-country reporting, and tax filings.

As of the reporting date, either the effective tax rates exceed the 15% threshold or the safe harbour exclusions apply in most jurisdictions where the Group operates, except for Namibia, Mauritius, Lesotho, India and Guernsey.

A total Top-up Tax liability in South Africa of R33 million for the prior year under the IIR was estimated and an amount of R1 million for Mauritius Qualified Domestic Minimum Top-up Tax.

This will be accounted for as a prior period under-provision.

A further estimate was also determined for the current year of R41 million for South African IIR, relating to Lesotho, Namibia and India jurisdictions.

The exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar 2 income taxes, as provided in the amendments to IAS 12 issued in May 2023, has been applied by the Group. The Group will continue to monitor developments and ensure full compliance with the new regulatory framework as part of its commitment to responsible tax governance.

Tax rate reconciliation	2026 %	Restated 2025[1] %
Tax calculated at standard rate of South African tax on earnings	**27.0**	27.0
Capital gains tax	**0.8**	2.1
Prior year adjustments	**(0.7)**	–
Foreign taxes differential due to different statutory rates	**(0.7)**	(1.4)
Non-taxable income[2]	**(5.5)**	(7.0)
Non-deductible expenses[3]	**3.3**	4.3
Tax losses for which no deferred tax asset was recognised	**1.3**	1.2
Other	**(0.7)**	1.6
Change in tax rate[4]	**0.6**	–
Shareholder effective tax rate	**25.4**	27.8
Cell captive tax – to be recovered from cell owners	**7.2**	6.5
Taxation on contract holder funds	**13.4**	14.1
Effective rate	**46.0**	48.4

[1] Refer to note 1 for more information on the restatements.
[2] Non-taxable income mainly comprises dividend income which is not taxable.
[3] Non-deductible expenses comprises Shareholders expenses which are not directly attributable to an income generating unit (including depreciation and impairments) and are thus not deductible for tax purposes.
[4] The change in the corporate tax rate relates to the reduction in Namibia's corporate income tax rate from 32% to 30%, effective for financial years commencing on or after 1 January 2025.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

28 Cash flow notes

	2026 Rm	Restated 2025 Rm
28.1 Cash utilised in operations		
Profit before tax[1]	**12 603**	11 831
Adjusted for		
Items separately disclosed		
Dividend income	**(8 229)**	(6 892)
Interest income[2]	**(30 010)**	(29 512)
Finance costs[3]	**2 392**	2 236
Adjustments to reconcile profit before tax to net cash flows		
Share of losses of associates and joint ventures	**(215)**	(70)
Depreciation and amortisation expenses	**658**	625
Impairment charges	**(23)**	20
Profit on sale of associates and joint ventures	**(21)**	(9)
Losses on foreign exchange differences and fair value gains and losses relating to investing and financing activities	**565**	373
Equity-settled share-based payments	**23**	26
Cash flow from operating assets and liabilities		
Movements in financial assets and liabilities[1]	**(98 518)**	(79 522)
Properties under development	**(17)**	3
Other receivables	**54**	(42)
Employee benefit assets and obligations	**611**	852
Investment contract liabilities[1]	**67 702**	62 955
Intangible assets related to investment contracts	**(88)**	(204)
Investment properties	**(427)**	(341)
Insurance contract assets and liabilities[1]	**28 355**	17 757
Reinsurance assets and liabilities[1]	**1 448**	1 370
Other operating liabilities[1]	**2 890**	472
Cash utilised in operations	**(20 247)**	(18 072)

[1] The restatements in note 1 have the following impacts on the cash utilised in operations:
Movements in financial assets and liabilities increased by R2 533 million as a result of the Unsettled trades and Reinvested distributions.
All other restatements were considered immaterial.

[2] Interest income includes R72 million (2025: R78 million) related to interest earned on policy loans and R27 411 million (2025: R26 836 million) interest income on financial assets at FVPL.

[3] Finance costs includes R125 million (2025: R118 million) related to interest accrued on late claims.

	2026 Rm	Restated 2025 Rm
28.2 Income tax paid		
(Payable)/Receivable at beginning	**(487)**	239
Current income tax asset	**168**	568
Current income tax liability	**(655)**	(329)
Charged to income statement[1]	**(5 743)**	(5 985)
Transfer to disposal groups held for sale	**(7)**	(10)
Business combinations	**–**	(6)
Sale of business	**(9)**	–
Payable at end	**768**	487
Current income tax asset	**184**	168
Current income tax liability[1]	**(952)**	(655)
Total	**(5 478)**	(5 275)

[1] The restatements in note 1 resulted in reallocations between lines in the income tax paid note. The overall impact on income tax paid is nil and the total figure remains unchanged from the prior year. All restatements in the note are considered immaterial.

	2026 Rm	2025 Rm
28.3 Interest paid		
Redeemable preference shares at amortised cost	**(112)**	(241)
Unsecured subordinated debt instruments	**(370)**	(389)
Cost of trading positions	**(71)**	(51)
Cost of carry positions	**(1 506)**	(1 348)
Other	**(355)**	(424)
Total	**(2 414)**	(2 453)

28 Cash flow notes continued

	Notes	2026 Rm	2025 Rm
28.4 Liabilities arising from financing activities			
Subordinated debt instruments	28.4.1	**5 637**	4 382
Carry positions	28.4.2	**23 636**	18 954
Preference shares	28.4.3	**465**	426
Other borrowings	28.4.4	**357**	557
Financial liabilities at amortised cost	28.4.5	**3 593**	3 521
Total		**33 688**	27 840

	Notes	2026 Rm	Restated 2025 Rm
28.4.1 Subordinated debt instruments			
Due at beginning		**4 382**	4 323
Subordinated debt instruments		**1 500**	750
Other finance costs[1]		**395**	466
Interest paid		**(370)**	(389)
Subordinated debt instruments repaid		**(270)**	(750)
Own credit gains included in other comprehensive income		**–**	(18)
Due at end		**5 637**	4 382
28.4.2 Carry positions			
Due at beginning		**18 954**	15 714
Proceeds from carry positions		**323 194**	266 798
Repayment of carry positions		**(318 525)**	(263 548)
Other finance costs[1]		**1 519**	1 338
Interest paid		**(1 506)**	(1 348)
Due at end		**23 636**	18 954

[1] As part of the accounting policy change described in Note 1 (Restatement), net fair value gains/(losses) on financial liabilities measured at FVPL have been reclassified and presented within Other finance costs. All restatements in the note are considered immaterial.

	Notes	2026 Rm	2025 Rm
28.4.3 Preference shares at FVPL			
Due at beginning		**426**	377
Fair value movement		**39**	49
Due at end		**465**	426
28.4.4 Financial liabilities at FVPL: Other borrowings			
Due at beginning		**557**	257
Proceeds from other borrowings		**128**	309
Repayment of other borrowings		**(295)**	(5)
Contingent consideration paid		**(75)**	(67)
Fair value movement		**42**	63
Due at end		**357**	557
28.4.5 Financial liabilities at amortised cost			
Due at beginning		**3 521**	3 678
Repayment of borrowings measured at amortised cost		**(296)**	(212)
Repayment of capital portion of leases		**(91)**	(102)
Repayment of capital portion of term loans		**(178)**	(77)
Repayment of other borrowings		**(27)**	(33)
Proceeds from borrowings measured at amortised cost		**324**	85
Proceeds from cumulative redeemable preference shares measured at amortised cost		**300**	1 000
Repayment of cumulative redeemable preference shares measured at amortised cost		**(300)**	(1 000)
New leases entered into		**87**	64
Accrued interest on leases		**12**	14
Interest paid on leases		**(8)**	(11)
Preference shares interest repaid		**(112)**	(241)
Preference shares interest accrued		**123**	132
Accrued interest on other borrowings		**90**	225
Interest paid on other borrowings		**(139)**	(209)
Modification of preference shares		**–**	(1)
Modifications of leases		**(4)**	(3)
Business combinations relating to leases		**10**	(11)
Foreign exchange rate differences on leases		**(4)**	4
Foreign exchange rate differences on other borrowings		**(11)**	7
Due at end		**3 593**	3 521

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

28 Cash flow notes continued

28.5 Disposal of subsidiaries

	2026 Rm
Assets/(liabilities) disposed of:	
Intangible assets	2
Owner-occupied properties	10
Fixed assets	7
Financial assets at FVPL	89
Financial assets at amortised cost	541
Insurance contract assets	11
Reinsurance contract assets	2
Other receivables	1
Current income tax asset	9
Cash and cash equivalents	109
Insurance contract liabilities	(494)
Financial liabilities at amortised cost	(5)
Employee benefit obligations	(5)
Other payables	(14)
Net assets sold	263
Non-controlling interests disposed of	(17)
Profit on sale of subsidiaries	1
Cash flow from sale of subsidiaries	247
Cash inflow recon	
Cash flow from sale of subsidiaries	247
Cash disposed of included in net assets of subsidiary	(109)
Net cash inflow from sale of subsidiary	138

During September 2025, the Group, through its wholly owned subsidiary, Metropolitan International Holdings (Pty) Ltd, disposed of its entire shareholding in its Ghana operations. A profit on disposal of R1 million was recognised.

29 Business combinations

June 2026

There were no business combinations in the current year.

June 2025

FinGlobal Migration (Pty) Ltd

In the prior year, on 30 April 2025, the Group, through its wholly owned subsidiary, MSI, acquired 100% of the shares in FinGlobal for a purchase consideration of R215 million. The purchase consideration consisted of an initial cash payment of R215 million. The acquisition extends Momentum Group's advice offering to clients with emigration services which can be bolted on to any of the Group's distribution channels as an additional service offering.

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

	2025 Rm
Fair value of net assets	
Intangible assets	142
Tangible assets	6
Financial instrument assets	48
Cash and cash equivalents	59
Deferred income tax liabilities	(47)
Financial instrument liabilities	(12)
Other liabilities	(12)
Net identifiable assets acquired	184
Goodwill recognised	31
Purchase consideration in total	215
Revenue since acquisition	16
Earnings since acquisition	3

FinGlobal was purchased for R215 million. Cash and cash equivalents were recognised as part of the net assets acquired of R59 million, resulting in a net cash outflow of R156 million as a result of the acquisition.

The above acquisition resulted in goodwill of R31 million being recognised attributable to certain anticipated operating synergies. The goodwill is not deductible for tax purposes. If the acquisition was made on 1 July 2024, revenue would have increased by R95 million and an additional profit after tax of R30 million would have been recognised.

30 Related party transactions

30.1 Major shareholders and Group companies

Kagiso Tiso Holdings (Pty) Ltd (KTH) is considered to be a related party by virtue of its role as the Group's B-BBEE partner.

Apart from the shareholder's role as a related party discussed above, no other Momentum Group Ltd shareholders have significant influence and thus no other shareholder is a related party.

Significant subsidiaries of the Group are listed in note 41. Details of the associates and joint ventures of the Group are contained in note 7 and note 42.

Various CISs in which the Group invests are defined as subsidiaries as the Group controls them in terms of IFRS 10; these are listed in note 41. CISs over which the Group has significant influence but not control are classified as investments in associates carried at fair value included as part of Financial assets at FVPL; details are included in note 42.

Other related parties include directors, key management personnel and their families. Key management personnel for the Group are defined as the executive and non-executive directors. It is not considered necessary to disclose details of key management family members and the separate entities that they influence or control. To the extent that specific transactions have occurred between the Group and these related parties (as defined in IAS 24 – Related party disclosures) the details are included in the aggregate disclosure contained below under key management, where full details of all relationships and terms of the transactions are provided.

30.2 Transactions with directors and key management personnel and their families

Remuneration is paid to executive directors and key management personnel of the Group, as well as to non-executive directors (in the form of fees). Remuneration paid to directors is disclosed in note 44.

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

	2026 Rm	2025 Rm
Salaries and other short-term employee benefits	**109**	114
Post-employment benefits	**1**	1
Share-based payment expense	**84**	148
Directors' fees	**24**	24
Total	**218**	287

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

The executive directors participate in the Group's long-term retention schemes, the details of which are in note 16.2.

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

	2026		2025	
	Insurance Rm	Investment Rm	Insurance Rm	Investment Rm
Fund value	**-**	**263**	–	225
Aggregate life and disability cover	**53**	**n/a**	53	n/a
Deposits/premiums for the year	**1**	**49**	1	21
Withdrawals/claims for the year	**-**	**(30)**	–	(24)

In aggregate, the Group earned fees and charges totalling R1.4 million (2025: R1.9 million) on the insurance and investment products set out above.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

30 Related party transactions continued

30.3 B-BBEE partner

The Group's B-BBEE partner, KTH, has a direct holding of 6.5% (2025: 6.3%) interest in the Group.

30.4 Contract administration

Certain companies in the Group carry out third-party contract and other administration activities for other related companies in the Group. These transactions are entered into at market-related rates. These fees are eliminated on consolidation.

30.5 Transactions with associates

Transactions with associates relate to loans advanced and preference share investments (refer to note 8.2). Loans to associates are not material and therefore the disclosures in accordance with IAS 24.18 on the amount of the outstanding balance and associated ECL have not been provided for each associate.

30.6 Post-employment benefit plans

Refer to note 16 for details of the Group's employee benefit plans.

31 Capital and lease commitments and receivables

	2026 Rm	2025 Rm
Capital commitments		
Authorised but not contracted	**388**	479
Authorised and contracted	**34**	58
Total	**422**	537

The above commitments, which are in respect of computer software, building refurbishments, and new business opportunities, will be financed from internal sources. The Group has also made capital commitments of R301 million for 2026 for India and R41 million for Shareholders.

Loan commitments

As at 30 June 2026, the Group had no undrawn loan commitments.

Lease commitments

The minimum future lease payments relating to short-term leases, low-value asset leases and variable lease payments payable under non-cancellable leases on property and equipment:

	2026 Rm	2025 Rm
Less than 1 year	**2**	7
Between 1 and 5 years	**3**	4
More than 5 years	**2**	3
Total	**7**	14

The minimum future lease payments receivable under non-cancellable operating leases on investment properties:

	2026 Rm	2025 Rm
Less than 1 year	**631**	445
Between 1 to 2 years	**530**	361
Between 2 to 3 years	**423**	269
Between 3 to 4 years	**361**	217
Between 4 to 5 years	**322**	204
Between 5 to 6 years	**168**	459
Between 6 to 7 years	**80**	14
Between 7 to 8 years	**195**	13
Between 8 to 9 years	**19**	13
Between 9 to 10 years	**4**	–
More than 10 years	**68**	103
Total	**2 801**	2 098

32 Provisions and contingent liabilities

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

Provisions	Reinter-mediation Rm	Deregis-tration of closed schemes Rm	Operational incident and related provision Rm	Other Rm	Total Rm
2026					
Balance at beginning	**101**	**74**	**–**	**101**	**276**
Additional provision	**15**	**5**	**90**	**56**	**166**
Amounts utilised	**(5)**	**(1)**	**–**	**(40)**	**(46)**
Unused amounts reversed	**(36)**	**–**	**–**	**(2)**	**(38)**
Other[1]	**6**	**–**	**–**	**(4)**	**2**
Foreign exchange rate differences	**–**	**–**	**–**	**(1)**	**(1)**
Balance at end	**81**	**78**	**90**	**110**	**359**
2025					
Balance at beginning	139	71	–	194	404
Additional provision	16	4	–	41	61
Amounts utilised	(4)	–	–	(149)	(153)
Unused amounts reversed	(67)	(1)	–	29	(39)
Other[1]	17	–	–	(16)	1
Foreign exchange rate differences	–	–	–	2	2
Balance at end	101	74	–	101	276

[1] In the current year, Other includes increases arising due to the passage of time and the effect of changes in the discount rate. Included within Other provisions in the prior year was the R74 million relating to the provision for deregistration of closed schemes provision.

Reintermediation

There is an obligation to reintermediate clients that are not linked to a financial adviser. A provision was made to provide for the expenses that will be incurred to reintermediate these clients with in-force policies to a financial adviser. It is expected that the provision will be utilised over the next five years, but there is uncertainty about the number of advisers and clients that will participate in this reintermediation programme, as well as the timing, which impacts the amount of the provision and timing of the utilisation. The provision will be reassessed annually and adjusted as required based on the actual experience associated with the number of financial advisers and clients that will participate in this reintermediation programme.

Deregistration of closed schemes

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

Operational incident and related provision

During the year, the Group identified an operational incident involving unauthorised transactions affecting certain clients. The provision represents management's best estimate based on the information available at the reporting date for the estimated cost of restoring affected clients to the provisions they would have occupied had the incident not occurred. The amount ultimately settled may vary because of changes in relevant investment values and the finalisation of the remediation process. Settlement is expected within the next financial year.

The Group is pursuing potential recoveries under applicable insurance arrangements and from other parties. No recovery asset has been recognised because receipt was not virtually certain at the reporting date. Management considers an inflow from insurance to be probable; however, it is not practicable to disclose a reliable estimate of the amount or timing of that recovery at this stage. Certain additional information ordinarily required by IAS 37 has not been disclosed because management considers that doing so could seriously prejudice the Group's position in the related insurance and recovery processes. The Group has nevertheless disclosed the general nature of the matter and the reason for omitting this information.

Contingent liability

Commercial dispute

A subsidiary of the Group, Eris Property Group Proprietary Limited, is involved in ongoing dispute resolution proceedings arising from a commercial dispute relating to property development and management. The matter remains subject to further legal processes and its ultimate outcome is uncertain. Based on legal advice obtained and the information available at the reporting date, management concluded that recognition of a provision is not appropriate given the uncertainties associated with the matter. Accordingly, the matter is disclosed as a contingent liability.

It is not deemed probable that an outflow will arise and, if an outflow does arise, the amount and timing thereof is significantly uncertain. As a result, the financial effect, if any, cannot presently be estimated with sufficient reliability.

33 Events after the reporting period

In July 2026, MSI acquired 100% of AtWork Holdings (Pty) Ltd for a purchase consideration comprising an upfront payment of R80 million and contingent consideration of R20 million. The purchase price allocation is currently in progress and, accordingly, the accounting for the acquisition remains provisional pending the finalisation of the process.

The sale of Momentum Mozambique Limitada was concluded on 31 August 2026. At the reporting date, Momentum Mozambique Limitada was classified as held for sale.

The Board declared a final ordinary dividend of 120 cents per share on 15 September 2026.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

34 Financial and insurance risk management

The Group recognises that sound risk and capital management is an integral part of generating sustainable shareholder value while protecting client interests, and therefore seeks to strike the appropriate balance between different stakeholder needs. Risk and capital management forms part of the decision-making process that enables the Group in its entirety to ensure that risk-taking is a consciously chosen strategic decision.

The Group is exposed to financial risk and insurance risk through the insurance and investment products issued to policyholders and financial instruments and reinsurance contracts held. Uncertainty or risk is the essence of an insurance contract. Insurance contracts contain uncertainties regarding the probability of an insured event occurring, the timing of the insured event or the cash flows arising from the insured event.

The Board-approved Risk Appetite Framework articulates the level and type of risk that the Group is prepared to seek, accept or tolerate in pursuit of its strategic objectives. The risk taxonomy describes the structure of the risk categories used in the Group Risk Management Framework and provides generic definitions of these risk categories. This ensures consistency in the approaches to risk management applied across the group. The risk strategy seeks to guide the way in which the Group assumes risk through the qualitative expression of its appetite for exposure to the different types and sources of risk and is supported by quantitative tolerances and limits which are set to ensure that underlying risk exposures remain within appetite.

The risk taxonomy and risk strategy differentiate between quantitative financial and insurance risk, and qualitative risks that include operational, strategic, compliance, conduct and business risk. While some of these risk exposures are interdependent, the Group enjoys significant risk diversification between these different risk types as a result of the diversity of its business operations.

The Board is responsible for the total process of risk management, as well as forming an opinion on the effectiveness of the respective processes employed in the Group's risk management, balance sheet management and compliance functions. The Risk, Capital and Compliance Committee has an independent role and makes recommendations to the Momentum Group Board for its consideration and final approval in respect of risk management and oversight. It also ensures that the Group has implemented and maintains an effective risk management system comprising the totality of strategies, policies and procedures for identifying, measuring, monitoring, managing and reporting of all material risks that will enhance the Group's ability to achieve its strategic objectives.

34.1 Insurance risks

Life insurance risk: Life insurance risk is the risk of loss or adverse change in the value of life insurance contracts resulting from changes in the timing, frequency, or severity of current or expected future risk claims or policyholder persistency. This can be through the realisation of an operating experience loss or the change in insurance liabilities. Life insurance risk relates to risk exposures across mortality, morbidity (including disability), retrenchment, longevity, and policy terminations and alterations. Exposure to life insurance risk could result in changes in fulfilment cash flows attributable to life insurance contracts and changes to profit or loss for the Group.

Non-life insurance risk: Non-life insurance risk is the risk of unexpected underwriting losses due to higher claims than expected or by less-than-expected efficiency of the mitigation strategies put in place. Non-life insurance risk includes premium, reserve, lapse and catastrophe risk exposures. Exposure to non-life insurance risk could result in changes in fulfilment cash flows attributable to non-life insurance contracts and changes to profit or loss for the Group.

Health insurance risk: Health insurance risk is the risk of loss, or adverse change in the value of insurance liabilities, due to health insurance experience being worse than expected or future expected experience being worse than previously assumed. Exposure to health insurance risk could result in changes in fulfilment cash flows attributable to health insurance contracts and changes to profit or loss for the Group. The Group has exposure to health insurance risk through health insurance contracts issued in South Africa, Lesotho, Botswana, Mozambique, and India.

34.2 Financial risks

Market risk: Market risk is the risk of financial loss due to adverse movements in the market value of assets supporting liabilities relative to the value of those liabilities, or due to a decrease in the NAV, as a consequence of changes in market conditions or as a result of the performance of investments held. This includes exposure to equities, property, credit and basis spreads, price inflation, interest rates and currencies. The carrying amounts of some insurance and reinsurance contracts are sensitive to changes in equity prices, property prices and interest rates. Market risk can result in changes in profit or loss for the Group.

Liquidity risk: Liquidity risk is the risk that the Group, though solvent, has inadequate liquid financial resources to meet its financial and insurance obligations as and when they fall due, or can only secure these resources at excessive cost. The Group differentiates between funding liquidity risk (the risk of losses arising from difficulty in raising funding to meet obligations when they become due or from excessive funding costs), market liquidity risk (the risk of losses arising when engaging in financial instrument transactions due to inadequate market depth and/or breadth or a market disruption), and surrender liquidity risk (liquidity risk arising from large unexpected client withdrawals of investments).

Credit risk: Credit risk is the risk of losses arising from the potential that a counterparty will fail to meet its obligations in accordance with agreed terms. It could arise from the decrease in the value of an asset subsequent to the downgrading of a counterparty. The Group is exposed to credit risk through loans granted to policyholders, amounts due from reinsurers, trade and other receivables, derivative instruments, cash and cash equivalents and debt instruments held.

34 Financial and insurance risk management continued

34.3 Business risks

The issue of insurance contracts exposes the Group to, among others, the following business risks:

Expense risk: Expense risk: Expense risk is the risk of loss or adverse change in value, arising from the variation in the level, trend or volatility of expenses incurred. This may be due to inefficiencies, higher-than-expected expense inflation, lower-than-expected volumes of new business or higher-than-expected terminations resulting in a smaller in-force book size. Budget controls are in place to mitigate this risk. The Group performs expense investigations annually and sets pricing and valuation assumptions to be in line with actual experience, with allowance for expense inflation and known future developments. The expense inflation assumption furthermore allows for the expected gradual shrinking of the number of policies arising from the run-off of certain books that are closed to new business.

Business volume risk: There is a risk that the Group may not sell sufficient volumes of new business to meet the expenses associated with distribution and administration. A significant portion of the new business acquisition costs is variable and relates directly to sales volumes. The fixed cost component can be scaled down if there is an indication of a permanent decline in business volumes, but this will happen over a period of time. A further mitigating factor is that the distribution channels used to generate new insurance and investment business are used to distribute a range of product lines within the Group, such as health insurance and non-life insurance.

34.4 First and third-party cell captive

Through Guardrisk the Group issues life and non-life insurance policies to policyholders. The insurance policies are issued in first- or third-party cell captive arrangements.

The economic substance of a first-party cell captive arrangement is that the cell owner (as policyholder) retains the insurance risk and financial risks accepted by the Group through the insurance policy issued.

First-party cell arrangements expose the Group to market risk and credit risk through the financial instruments held and liquidity risk from payments due to the cell owner (as policyholder). However, these risks are transferred to the cell owner (as policyholder). On a net basis the Group is exposed to the insurance and financial risks in the cell structure through fee income.

The economic substance of a third-party cell captive arrangement is that the insurance risk accepted by the Group, from policyholders, is transferred to the cell owner. Third-party cell captive arrangements are accounted for as in-substance reinsurance agreements held by the Group. Insurance policies issued in third-party cell captive arrangements expose the Group to insurance risk, market risk, liquidity risk and credit risk.

For further information on the accounting treatment of transactions within first- and third-party cell arrangements, refer to the accounting policies.

34.5 Claims development

Temporary and permanent health insurance – Liability for incurred claims

The Group provides temporary and permanent health insurance benefits to policyholders. The insurance policies are predominantly sold by Momentum Corporate and Momentum Retail. The nature of these insurance benefits results in uncertainties regarding the amount and timing of benefit payments. These uncertainties are resolved over a period of time, in some cases, longer than 12 months, since the claim was incurred. As a result, claims development tables have been included for both segments. For further information regarding temporary and permanent health insurance benefits, please refer to note 36.2.1.

The table was added for the period ended 30 June 2026 to comply with the requirements of IFRS 17. Comparative information was restated. The restatement had no impact on Group's statement of financial position, statement of comprehensive income, statement of changes in equity, or statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

34 Financial and insurance risk management continued

34.5 Claims development continued

Temporary and permanent health insurance – Liability for incurred claims continued

Momentum Corporate

- **Present value of expected claim payments at 30 June**
  The present value of expected claim payments is part of the liability for incurred claims and relates to claims incurred by 30 June. Expected claim payments include incurred claims as well as claims incurred, but not yet reported. The information is presented per claim event date. Changes to the present value of expected claim payments is a result of, among others, changes in estimates of expected claim payments, adjustments for the time value of money, claims incurred, claims incurred but not reported and claims paid. For example, the amount of R8 574 million in the 2026 column relates to the present value of expected claims incurred by 30 June 2026.

	Financial year							
Claim event date	2019 Rm	2020 Rm	2021 Rm	2022 Rm	2023 Rm	2024 Rm	2025 Rm	2026 Rm
Prior to 30 June 2019	5 482	4 726	4 419	3 942	3 791	3 444	3 117	2 875
1 July 2019 – 30 June 2020	–	1 059	683	617	608	571	529	515
1 July 2020 – 30 June 2021	–	–	1 404	756	695	569	519	502
1 July 2021 – 30 June 2022	–	–	–	1 576	1 092	793	672	651
1 July 2022 – 30 June 2023	–	–	–	–	1 090	1 079	798	786
1 July 2023 – 30 June 2024	–	–	–	–	–	1 325	1 224	933
1 July 2024 – 30 June 2025	–	–	–	–	–	–	1 113	1 241
1 July 2025 – 30 June 2026	–	–	–	–	–	–	–	1 071
Total	5 482	5 785	6 506	6 891	7 276	7 781	7 972	8 574

- **Changes in estimates**
  The table indicates changes in the measurement of expected claim payments. The measurement changes were incurred during the relevant period, but relate to claims incurred by 30 June of the previous period. For example, the amount of R458 million incurred in the period ended 30 June 2026 is a measurement adjustment for claims incurred by 30 June 2025. The Group transitioned to IFRS 17 on 1 July 2022.

	Financial year			
	2023 Rm	2024 Rm	2025 Rm	2026 Rm
Changes that relate to past service	(324)	(442)	(597)	(458)

34 Financial and insurance risk management continued

34.5 Claims development continued

Temporary and permanent health insurance – Liability for incurred claims continued

Momentum Corporate continued

- **Claim payments expected to take place over the following period**
  The table incorporates claim payments expected to take place over the period. The expected claim payments are payments for claims incurred at 30 June the previous period. The information is presented by claim event date. For example, the amount of R1 606 million in the 2026 column represents the claims payments expected to take place in the period ended 30 June 2026 for claims incurred at 30 June 2025.

	Financial year						
Claim event date	2020 Rm	2021 Rm	2022 Rm	2023 Rm	2024 Rm	2025 Rm	2026 Rm
Prior to 30 June 2019	1 023	919	824	744	697	638	582
1 July 2019 – 30 June 2020	96	304	151	123	114	103	93
1 July 2020 – 30 June 2021	–	98	399	160	120	107	96
1 July 2021 – 30 June 2022	–	–	90	399	175	128	120
1 July 2022 – 30 June 2023	–	–	–	95	370	176	142
1 July 2023 – 30 June 2024	–	–	–	–	109	292	184
1 July 2024 – 30 June 2025	–	–	–	–	–	111	274
1 July 2025 – 30 June 2026	–	–	–	–	–	–	115
Total	1 119	1 321	1 464	1 521	1 585	1 555	1 606

- **Claims paid during the period**
  The table incorporates claim payments that took place over the period for claims incurred at 30 June of the previous period. The information is presented by claim event date. For example, the amount of R1 575 million in the 2026 column represents claim payments that took place in the period ended 30 June 2026 for claims incurred at 30 June 2025.

	Financial year						
Claim event date	2020 Rm	2021 Rm	2022 Rm	2023 Rm	2024 Rm	2025 Rm	2026 Rm
Prior to 30 June 2019	1 061	909	806	744	688	633	585
1 July 2019 – 30 June 2020	75	196	146	126	114	102	94
1 July 2020 – 30 June 2021	–	68	201	146	119	107	97
1 July 2021 – 30 June 2022	–	–	70	230	164	134	122
1 July 2022 – 30 June 2023	–	–	–	82	234	175	147
1 July 2023 – 30 June 2024	–	–	–	–	92	250	187
1 July 2024 – 30 June 2025	–	–	–	–	–	80	260
1 July 2025 – 30 June 2026	–	–	–	–	–	–	83
Total	1 136	1 173	1 223	1 328	1 411	1 481	1 575

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

34 Financial and insurance risk management continued

34.5 Claims development continued

Temporary and permanent health insurance – Liability for incurred claims continued

Momentum Corporate continued

- **Claims paid vs expected claim payments at 30 June**
  The table compares claims paid with claims expected to be paid during the reporting period, for claims incurred at 30 June of the previous period. For example, for the period ended 30 June 2026, the amount of claims paid was less than the amount of expected claim payments by R31 million. The claims paid variance was 2% of expected claim payments and claims paid as a percentage of expected claims payments was 98%.

	Financial year						
	2020	2021	2022	2023	2024	2025	2026
Claims paid versus expected claim payments (Rm)	18	(148)	(241)	(193)	(174)	(74)	(31)
Claims paid variance as a percentage of expected claim payments at 30 June (%)	2%	(11%)	(16%)	(13%)	(11%)	(5%)	(2%)
Claims paid as a percentage of expected claim payments at 30 June (%)	102%	89%	84%	87%	89%	95%	98%

Momentum Retail

- **Present value of expected claim payments at 30 June**
  The present value of expected claim payments is part of the liability for incurred claims and relates to claims incurred by 30 June. Expected claim payments include incurred claims as well as claims incurred, but not yet reported. The information is presented per claim event date. Changes to the present value of expected claim payments is a result of, among others, changes in estimates of expected claim payments, adjustments for the time value of money, claims incurred, claims incurred but not reported and claims paid. For example, the amount of R1 711 million in the 2026 column relates to the present value of expected claims incurred by 30 June 2026.

	Financial year							
Claim event date	2019 Rm	2020 Rm	2021 Rm	2022 Rm	2023 Rm	2024 Rm	2025 Rm	2026 Rm
Prior to 30 June 2019	602	512	457	520	512	512	505	514
1 July 2019 – 30 June 2020	–	205	134	102	131	141	127	146
1 July 2020 – 30 June 2021	–	–	207	148	167	171	171	188
1 July 2021 – 30 June 2022	–	–	–	206	148	156	153	187
1 July 2022 – 30 June 2023	–	–	–	–	141	144	130	147
1 July 2023 – 30 June 2024	–	–	–	–	–	120	134	170
1 July 2024 – 30 June 2025	–	–	–	–	–	–	185	215
1 July 2025 – 30 June 2026	–	–	–	–	–	–	–	144
Total	602	717	798	976	1 099	1 244	1 405	1 711

- **Changes in estimates**
  The table indicates changes in the measurement of expected claim payments. The measurement changes were incurred during the relevant period, but relate to claims incurred by 30 June of the previous period. For example, the amount of R267 million incurred in the period ended 30 June 2026 is a measurement adjustment of claims incurred by 30 June 2025. The Group transitioned to IFRS 17 on 1 July 2022.

	Financial year			
	2023 Rm	2024 Rm	2025 Rm	2026 Rm
Changes that relate to past service	180	172	153	267

34 Financial and insurance risk management continued

34.5 Claims development continued

Temporary and permanent health insurance – Liability for incurred claims continued

Momentum Retail continued

- **Claims payments expected to take place over the following period**
  The table incorporates claim payments expected to take place over the period. The expected claim payments are payments for claims incurred at 30 June the previous period. The information is presented by claim event date. For example, the amount of R229 million in the 2026 column represents claims payments expected to take place in the period ended 30 June 2026 for claims incurred at 30 June 2025.

	Financial year						
Claim event date	**2020 Rm**	**2021 Rm**	**2022 Rm**	**2023 Rm**	**2024 Rm**	**2025 Rm**	**2026 Rm**
Prior to 30 June 2019	71	73	78	84	87	81	81
1 July 2019 – 30 June 2020	1	12	13	16	17	21	19
1 July 2020 – 30 June 2021	–	–	11	21	22	21	28
1 July 2021 – 30 June 2022	–	–	1	24	22	22	21
1 July 2022 – 30 June 2023	–	–	–	10	22	16	16
1 July 2023 – 30 June 2024	–	–	–	–	10	18	19
1 July 2024 – 30 June 2025	–	–	–	–	–	13	33
1 July 2025 – 30 June 2026	–	–	–	–	–	–	12
Total	72	85	103	155	180	192	229

- **Claims paid during the period**
  The table incorporates claim payments that took place over the period for claims incurred at 30 June of the previous period. The information is presented by claim event date. For example, the amount of R235 million in the 2026 column represents claim payments that took place in the period ended 30 June 2026 for claims incurred at 30 June 2025.

	Financial year						
Claim event date	**2020 Rm**	**2021 Rm**	**2022 Rm**	**2023 Rm**	**2024 Rm**	**2025 Rm**	**2026 Rm**
Prior to 30 June 2019	83	78	83	79	95	77	77
1 July 2019 – 30 June 2020	13	21	19	17	16	18	23
1 July 2020 – 30 June 2021	–	12	22	20	21	18	20
1 July 2021 – 30 June 2022	–	–	18	27	22	20	24
1 July 2022 – 30 June 2023	–	–	–	16	25	15	14
1 July 2023 – 30 June 2024	–	–	–	–	13	25	19
1 July 2024 – 30 June 2025	–	–	–	–	–	18	40
1 July 2025 – 30 June 2026	–	–	–	–	–	–	18
Total	96	111	142	159	192	191	235

- **Claims paid vs expected claim payments at 30 June**
  The table compares claims paid with claims expected to be paid during the reporting period. For example, for the period ended 30 June 2026 claims paid exceeded expected claim payments by R6 million. The claims paid variance was 3% of expected claim payments and claims paid as a percentage of expected claims payments was 103%.

	Financial year						
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Claims paid versus expected claim payments (Rm)	24	26	39	4	12	(1)	6
Claims paid variance as a percentage of expected claim payments at 30 June (%)	33%	31%	38%	3%	7%	(1%)	3%
Claims paid as a percentage of expected claim payments at 30 June (%)	133%	131%	138%	103%	107%	99%	103%

34.6 Risk management

The Group accounts for insurance contracts issued and reinsurance contracts held per the measurement models set out in the accounting policies (note 45) and as disclosed in notes 10 and 11. Notes 35 to 40 provide information on the processes in place to manage and mitigate the financial and insurance risks to which the Group is exposed.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

34 Financial and insurance risk management continued

34.6 Risk management continued

Insurance and reinsurance contracts	Insurance risk						Financial risk				Measurement models		
	Expense risk	Morbidity and mortality risk	Persistency risk	Premium risk	Reserve risk	Catas-trophe risk	Credit risk	Liquidity risk	Interest rate risk	Market price risk	General meas-urement model	Variable fee approach	Premium allocation approach
Life insurance contracts													
Individual insurance contracts													
Market-related	x	x	x				x	x	x	x		x	
Discretionary Participation	x	x	x				x	x	x	x	x	x	
With-profit annuities	x	x					x	x	x	x		x	
Non-profit annuities	x	x					x	x	x		x		
Other non-profit business	x	x	x			x	x	x	x	x	x		x
Group insurance contracts													
Market-related	x	x	x				x	x	x	x			
Discretionary Participation	x	x	x				x	x	x	x			
With-profit annuities	x	x					x	x	x	x		x	
Non-profit annuities	x	x					x	x	x		x		
Other non-profit business	x	x	x			x	x	x	x	x			x
Non-life insurance contracts	x		x	x	x	x	x	x	x				x
Health insurance	x	x	x	x	x	x	x	x					x
Third-party cell captive arrangements													
Life insurance	x	x	x				x	x	x	x	x		x
Non-life insurance	x		x	x	x	x	x	x	x				x
Reinsurance contracts held	x	x				x	x	x	x		x		x
In-substance reinsurance contracts held	x	x					x	x	x				x

The **life insurance contracts** reflected in the tables above are included as follows in the segmental breakdowns provided in note 3.3 and in the tables below. Market-related and With-Profit Annuity business are included under Long-Term Savings. Discretionary Participation business is included under Long-term Savings (if smoothed bonus) and Traditional (if conventional with-profit). Non-profit annuities are included under Annuities and Structured Products. Other non-profit business consists mostly of Protection business.

34 Financial and insurance risk management continued

34.6 Risk management continued

Carrying amounts of insurance products issued	MML Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Africa Rm	Momentum Health Rm	Total Rm
2026						
Covered						
Protection	**26 460**	**–**	**–**	**1 791**	**–**	**28 251**
Long-term savings	**41 975**	**–**	**–**	**8 833**	**–**	**50 808**
Annuities and structured products	**85 007**	**–**	**–**	**4 843**	**–**	**89 850**
Traditional	**23 000**	**–**	**–**	**293**	**–**	**23 293**
Other	**(3)**	**–**	**–**	**16**	**–**	**13**
Total	**176 439**	**–**	**–**	**15 776**	**–**	**192 215**
Non-covered						
Investment and savings	**–**	**–**	**–**	**–**	**–**	**–**
Life insurance	**–**	**–**	**–**	**–**	**–**	**–**
Health	**–**	**–**	**–**	**131**	**–**	**131**
Momentum Multiply	**–**	**–**	**–**	**–**	**–**	**–**
Cell captives	**–**	**9 790**	**–**	**–**	**–**	**9 790**
Non-life insurance	**–**	**–**	**801**	**1 185**	**–**	**1 986**
Total	**–**	**9 790**	**801**	**1 316**	**–**	**11 907**
Insurance Contracts	**176 439**	**9 790**	**801**	**17 092**	**–**	**204 122**
2025						
Covered						
Protection	19 397	–	–	1 591	–	20 988
Long-term savings	38 527	–	–	8 436	–	46 963
Annuities and structured products	69 527	–	–	3 896	–	73 423
Traditional	22 511	–	–	288	–	22 799
Other	(40)	–	–	1	–	(39)
Total	149 922	–	–	14 212	–	164 134
Non-covered						
Investment and savings	–	–	–	–	–	–
Life insurance	–	–	–	–	–	–
Health	–	–	–	192	(9)	183
Momentum Multiply	–	–	–	–	–	–
Cell captives[1,2]	–	9 172	–		–	9 172
Non-life insurance	–	–	795	914	–	1 709
Total	–	9 172	795	1 106	(9)	11 064
Insurance Contracts	149 922	9 172	795	15 318	(9)	175 198

1 Refer to note 1 for more information on the restatements. This restatement resulted in Guardrisk net insurance contract liabilities changing from R6 932 million to R9 113 million.

2 The prior year has been restated based on a new operating model adopted by the Group, refer to Annexure C. This restatement resulted in Momentum Africa net insurance contract liabilities changing from R15 377 million to R15 318 million and Guardrisk net insurance contract liabilities changing from R9 113 million to R9 172 million.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

35 Capital management

35.1 Capital management objectives

The Board has the ultimate responsibility for the efficient management of capital within the Group. The balance sheet management function is responsible for the day-to-day activities relating to capital management and for making timely, prudent recommendations to the relevant governance committees.

The key objectives of the Group's capital management programme are to maintain compliance with minimum regulatory SCR as defined in the Insurance Act 18 of 2017 and its associated Prudential Standards, as well as the target SCR cover ratios as approved as part of the Group's Risk Appetite Framework. The focus on maintaining an optimal solvency position will always be balanced with the aim of not retaining excessive surplus capital on the statement of financial position. In order to do this, the Group continues to focus on optimising capital consumption, the Group capital structure, capital deployment and capital distribution. When these activities are combined, capital management drives value creation within the Group. The capital management programme is underpinned by appropriate links to the Group's Risk Appetite Framework and governance processes while focusing on the effective implementation and execution of the principles.

35.2 Capital Management Framework

The Group's Capital Management Framework rests on the following key principles:

Capital requirements and definition of capital

The risks inherent in the Group's business activities drive the need to hold sufficient capital reserves to protect the business against the adverse impacts of unexpected risk events. This is the primary aim of holding capital on the statement of financial position. In addition, holding capital on the statement of financial position enables the Group to support its business strategy.

Within the Group, capital is measured and monitored on both the IFRS Accounting Standards and regulatory basis. On the IFRS Accounting Standards basis, capital is defined as the total equity plus subordinated debt. On the regulatory basis, capital is defined as the total eligible own funds calculated in line with the technical specifications of the Prudential Standards, together with any applicable Prudential Authority approvals obtained.

The table below shows the Group's total capital as of 30 June 2026 and the comparative amount as of 30 June 2025.

Capital type	2026 Rm	2025 Rm
IFRS Accounting Standards NAV	**34 918**	32 954
Subordinated debt	**5 637**	4 382
Total	**40 555**	37 336

Own funds and solvency capital requirements

The regulatory capital coverage is determined as the ratio of own funds to the SCR. The calculation of the own funds and SCR are in accordance with the technical specifications of the Prudential Standards applicable to all of the Group's local insurance entities.

Capital coverage

The Group specifies capital coverage ratios and ranges for the Group and its regulated insurance entities, which are defined under its Risk Appetite Framework. The regulatory capital coverage is determined as the ratio of Own Funds to the SCR.

Capital allocation

As a general principle, subsidiaries are capitalised to ensure medium-term regulatory solvency while additional capital is held centrally to support the long-term regulatory solvency of the entities. MML houses Momentum Group's shareholder assets, therefore, MML is capitalised in excess of what its own covered business requires.

Investment of assets backing shareholder capital

The assets held in the shareholder capital portfolios, housed within MML, are financial assets that are in excess of the assets required to meet policyholder obligations and are directly attributable to the Group's shareholders. These assets back the Group's minimum required capital, approved capital buffers, the subordinated debt programme, as well as discretionary and surplus capital. The assets backing shareholder capital portfolios are invested in line with approved risk appetite and mandates.

Capital planning process

The Group's capital planning process facilitates value creation by aligning corporate strategy, capital allocation and performance measurement. This process is conducted on a forward-looking basis through regular solvency and liquidity projections that take into account capital sourcing requirements, strategic capital deployment and subsidiary capital requirements.

35 Capital management continued

35.2 Capital Management Framework continued

Dividends

The Momentum Group Board approved an amended dividend policy which targets an ordinary dividend payout of 50% of normalised headline earnings, with a target payout of 40% to 60% of normalised headline earnings. Momentum Group will aim to maintain a sustainable ordinary dividend payout. In addition to the ordinary dividend, the Group will consider share buybacks or special dividends to distribute surplus capital.

Alignment of capital with subsidiaries

The Group provides the over-arching guiding principles regarding capital management for all subsidiaries as it is the main provider of capital to these subsidiaries.

35.3 Overview of capital management developments

35.3.1 Changes in capital structure

Subordinated debt raising and settlement

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

On 19 May 2026, MML listed two subordinated debt instruments, the MML10 floating rate bond and the MML11 fixed rate bond, with a combined value of R1 500 million on the JSE Ltd. The issuance aimed to optimise the Group's capital structure.

35.3.2 Subordinated debt profile

The table below provides a summary of MML's subordinated debt instruments currently in issue, all of which are unsecured.

Instrument code	Amount issued (Rm)	Coupon rate	Tenor	Date issued	Interest rate
2026					
MML01	**290**	**JIB03+175 bps**	**7 years**	**Dec-19**	**Floating**
MML02	**460**	**9.29%**	**7 years**	**Dec-19**	**Fixed**
MML03	**300**	**JIB03+194 bps**	**7.1 years**	**Feb-21**	**Floating**
MML04	**450**	**7.89%**	**7.1 years**	**Feb-21**	**Fixed**
MML05	**865**	**JIB03+160 bps**	**5 years**	**May-22**	**Floating**
MML06	**135**	**10.01%**	**7 years**	**May-22**	**Fixed**
MML06 tap	**410**	**10.01%**	**5.6 years**	**Oct-23**	**Fixed**
MML07	**340**	**JIB03+134 bps**	**5.6 years**	**Oct-23**	**Floating**
MML08	**250**	**JIB03+129 bps**	**5.5 years**	**Nov-24**	**Floating**
MML09	**500**	**9.52%**	**5.5 years**	**Nov-24**	**Fixed**
MML10	**500**	**ZARONIA+109 bps**	**5 years**	**May-26**	**Floating**
MML11	**1 000**	**8.62%**	**5 years**	**May-26**	**Fixed**
Total	**5 500**				
2025					
MMIG04	270	11.30%	10 years	Aug-15	Fixed
MML01	290	JIB03+175 bps	7 years	Dec-19	Floating
MML02	460	9.29%	7 years	Dec-19	Fixed
MML03	300	JIB03+194 bps	7.1 years	Feb-21	Floating
MML04	450	7.89%	7.1 years	Feb-21	Fixed
MML05	865	JIB03+160 bps	5 years	May-22	Floating
MML06	135	10.01%	7 years	May-22	Fixed
MML06 tap	410	10.01%	5.6 years	Oct-23	Fixed
MML07	340	JIB03+134 bps	5.6 years	Oct-23	Floating
MML08	250	JIB03+129 bps	5.5 years	Nov-24	Floating
MML09	500	9.52%	5.5 years	Nov-24	Fixed
Total	4 270				

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

35 Capital management continued

35.3 Overview of capital management developments continued

35.3.2 Subordinated debt profile continued

The table below shows the maturity profile of MML's subordinated debt:

Bond code	Bond Issue Amount (Rm)	Date Issued	Outstanding Tenor	Year of maturity
2026				
MML01	**290**	**Dec-19**	**0.4 years**	**2026**
MML02	**460**	**Dec-19**	**0.4 years**	**2026**
MML03	**300**	**Feb-21**	**1.7 years**	**2028**
MML04	**450**	**Feb-21**	**1.7 years**	**2028**
MML05	**865**	**May-22**	**0.9 years**	**2027**
MML06	**135**	**May-22**	**2.9 years**	**2029**
MML06 tap	**410**	**Oct-23**	**2.9 years**	**2029**
MML07	**340**	**Oct-23**	**2.9 years**	**2029**
MML08	**250**	**Nov-24**	**3.9 years**	**2030**
MML09	**500**	**Nov-24**	**3.9 years**	**2030**
MML10	**500**	**May-26**	**4.9 years**	**2031**
MML11	**1 000**	**May-26**	**4.9 years**	**2031**
Total	**5 500**			
2025				
MMIG04	270	Aug-15	0.1 years	2025
MML01	290	Dec-19	1.4 years	2026
MML02	460	Dec-19	1.4 years	2026
MML03	300	Feb-21	2.7 years	2028
MML04	450	Feb-21	2.7 years	2028
MML05	865	May-22	1.9 years	2027
MML06	135	May-22	3.9 years	2029
MML06 tap	410	Oct-23	3.9 years	2029
MML07	340	Oct-23	3.9 years	2029
MML08	250	Nov-24	4.9 years	2030
MML09	500	Nov-24	4.9 years	2030
Total	4 270			

35.4 Capital coverage

MML has adopted a target range for regulatory solvency cover of 1.6 to 2.0 times the SCR, pre-foreseeable dividend. This makes allowance for the capital required to support the covered business against a range of severe but plausible scenarios, as well as the wider strategic investments of the Group. The regulatory solvency cover of MML (after foreseeable dividends) was within the target range at 30 June 2026 (and also within the target range at 30 June 2025).

The Prudential Authority has designated Momentum Group as an insurance group. The Momentum Group has received approval to calculate its Group solvency position using the Accounting Consolidation method (for MML, Momentum Insure Company Ltd and the Asset Holding Intermediaries held by these entities) as well as certain additional methodology approvals that have a minor impact on Group solvency.

The Momentum Group targets an SCR cover range of 1.35 to 1.65 times SCR, pre-foreseeable dividend. The Momentum Group's solvency position is determined by aggregating the adjusted own funds and SCR under the regulatory framework of all the underlying entities, after elimination of intragroup arrangements. The prescribed Deduction and Aggregation method is applied in aggregating the adjusted solo own funds and solo SCRs of the controlling company and its participations. For entities for which approval has been received for inclusion in the Accounting Consolidation group, the eligible own funds and SCR are calculated using a consolidated balance sheet approach as required by the Framework for Financial Soundness of Insurance Groups. The SCR cover of the Group was within the target range at 30 June 2026 (and at 30 June 2025).

35 Capital management continued

35.5 Credit ratings

MML and the Guardrisk Group entities are the main rated entities within the Group. Therefore, this section provides an update on these entities.

In May 2026, Moody's published their press release for MML and Guardrisk. In that press release, Moody's affirmed the MML credit ratings and Guardrisk credit ratings, while changing the outlook from "stable" to "positive". The change in the credit rating outlook was due to a similar change in the South African sovereign credit rating outlook. The table below shows the relevant Momentum Group entity credit ratings as at 30 June 2026.

		National scale		Global scale		
Entity	**Type**	**2026**	**2025**	**2026**	**2025**	**Outlook**
MML						
MML	Insurance Financial Strength (IFS)	**Aaa.za (AAA)**	Aaa.za (AAA)	**Ba1 (BB+)**	Ba1 (BB+)	**Positive**
MML	Issuer rating	**Aa1.za (AA+)**	Aa1.za (AA+)	**Ba2 (BB)**	Ba2 (BB)	**Positive**
Subordinated debt	n/a	**Aa3.za (AA-)**	Aa3.za (AA-)	**Ba3 (BB-)**	Ba3 (BB-)	**Positive**
Guardrisk						
Guardrisk Insurance Company Ltd	IFS	**Aaa.za (AAA)**	Aaa.za (AAA)	**Ba1 (BB+)**	Ba1 (BB+)	**Positive**
Guardrisk Life Insurance Company Ltd	IFS	**Aaa.za (AAA)**	Aaa.za (AAA)	**Ba1 (BB+)**	Ba1 (BB+)	**Positive**
Guardrisk International Ltd PCC	IFS	**n/a**	n/a	**Ba1 (BB+)**	Ba1 (BB+)	**Positive**

36 Insurance and investment business

36.1 Classes of insurance and investment contract business

Individual and group contracts with market exposure: Market-related business

Market-related or unit-linked contracts are those invested in investment portfolios where there is a direct relationship between the returns earned on the underlying portfolio and the returns credited to the contract. The market-related policyholder contracts may be investment contracts or insurance contracts.

The amount and timing of cash flows from these contracts are impacted, among others, by investment returns, timing of insured events and policyholder behaviour, exposing the Group to insurance risk.

Since there is a direct relationship between the returns credited to the policyholder contract and the returns earned on the underlying items, the policyholder is exposed to market risk, credit risk and liquidity risk associated with the underlying items.

In instances where fee income is based on investment returns or the fair value of underlying items or where recoupment of expenses is impacted by investment conditions, the Group is exposed to financial risks associated with the underlying items to the extent of the unrealised fee income. Fee income linked to investment performance is assessed under IFRS 17 to determine whether it forms part of the insurance contract boundary or is accounted for separately under IFRS 15.

The Group is exposed to reputational risk if actual investment performance is not in line with policyholder expectations.

Individual and group contracts with market exposure: Discretionary participation business

Discretionary participation business includes smoothed bonus business, conventional with-profit business and group with-profit annuities. The discretionary participation business contracts may be insurance contracts or investment contracts.

The investment return earned on the underlying portfolios, after tax and charges, is credited to contracts in the form of bonuses. The use of bonuses is a mechanism to smooth returns to policyholders in order to reduce the risk of volatile investment performance. Any returns not yet distributed are retained in a bonus stabilisation account (BSA) for future distribution to policyholders. The BSA can be negative. The amount and timing of benefit payments on discretionary participation business are impacted, among others, by investment returns, declared bonuses, timing of insured events and policyholder behaviour.

Bonuses can be vested or non-vested and are declared considering a number of factors, including actual investment returns, previous bonus rates declared, product design, affordability, management discretion and contract holders' reasonable expectations. In principle, all returns on the underlying portfolio are credited to the underlying contracts over time.

A portion of discretionary participation fund values or benefits is usually deemed vested and thereby constitutes a form of investment guarantee in certain circumstances. This includes amounts invested and vested bonuses for smoothed bonus business, sums assured for conventional with-profit business and current annuity levels for with-profit annuity business.

The Group carries the same risks for these contracts as it does for market-related business. In addition, the Group is exposed to financial risks, specifically market risk, to the extent that investment returns do not support the vested guarantees or policyholder expectations.

In instances where fee income is based on investment returns or the fair value of underlying items, the Group is exposed to market risk and credit risk associated with the underlying items, to the extent of the unrealised fee income. The contracts described above are measured under IFRS 17 using either the GMM or the VFA, depending on the nature of the contract and the presence of direct participation features.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

36 Insurance and investment business continued

36.1 Classes of insurance and investment contract business continued

Non-profit annuity business

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

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

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

Other non-profit business

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

Investment guarantees

The terms and conditions of some insurance and investment contracts contain the following types of investment guarantees:

- A minimum guaranteed maturity value is attached to the majority of the discretionary participation business and some market-related business. Some products also provide minimum benefits on early duration deaths and on early terminations.
- Discretionary participation business has a minimum death or maturity value equal to the vested benefits.
- Some older blocks of retirement annuity business have guaranteed annuity options on maturity. The options give contract holders the right to purchase conventional annuity contracts at guaranteed rates specified at the inception dates of the retirement annuity contracts. The liabilities in respect of these types of guarantees are much less significant than the liabilities in respect of minimum guaranteed maturity values and minimum vested benefits.
- In instances where regulatory requirements indicate that pension income cannot reduce in nominal terms, inflation-linked annuities contain a minimum annual increase rate.
- The Group has books of universal life business that offer minimum maturity values, based on a specified rate of investment return. These guaranteed rates range from 0% to 4.5% p.a. for the bulk of business. This applies to smoothed bonus portfolios as well as certain market-linked portfolios (the latter mostly closed to new business).
- On some smoothed bonus portfolios, there is also a guarantee to policyholders that the average annual bonus rate, measured over the lifetime of the contract, will not be less than a contractual minimum (around 4.5% p.a.).
- The Group also carries conventional business that offers minimum guarantees on maturity, surrender and death, with different forms of guarantees that apply in each event.

The amount and timing of investment guarantee payments are impacted by future investment returns relative to guarantees provided. Investment guarantees expose the Group to market risk, credit risk, and liquidity risk. The investment guarantees described are considered in the calculation of fulfilment cash flows and the CSM under IFRS 17. The Group assesses whether guarantees create embedded derivatives or require separate measurement under IFRS 17.

36.2 Life insurance risks

Life insurance risk is the risk of loss or adverse change in the value of life insurance contracts resulting from changes in the timing, frequency, or severity of current or expected future risk claims or policyholder persistency. This can be through the realisation of an operating experience loss or a change in insurance liabilities.

In determining the value of insurance contracts, assumptions need to be made regarding future rates of mortality and morbidity, termination rates, retrenchment rates, expenses and investment performance. Insured events are random and the actual number and amount of claims and benefits will vary from year to year. The uncertainty of these rates may result in actual experience being different from that assumed and hence actual cash flows being different from those projected. In adverse circumstances, actual claims and benefits may exceed the liabilities held. Statistically, the larger the portfolio of similar insurance contracts, the smaller the relative variability around the expected outcome will be. Similarly, diversification of the portfolio with respect to risk factors reduces life insurance risk.

Life insurance risk management

The HAFs have a duty under the Insurance Act, 18 of 2017 to evaluate and provide advice to the Board of directors and management on the financial soundness of the insurer. This includes the accuracy of the calculations and the appropriateness of the assumptions underlying the valuation of the insurer's technical provisions and calculation of the insurer's capital requirements, calculated in accordance with the requirements of the Insurance Act, 18 of 2017 and its associated Prudential Standards. The HAFs report on these matters to the Board, Actuarial Committee and the Prudential Authority. The Actuarial Committee supports the HAFs in their responsibility for the oversight of insurance risk. The Actuarial Committee has been appointed by the Board to ensure that the technical actuarial aspects specific to insurance companies are debated and, where necessary, independently reviewed.

36 Insurance and investment business continued

36.2 Life insurance risks continued

The main insurance risks, as well as the Group's approach to the management of these risks, are set out below:

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

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

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

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

Individual insurance business

These are contracts providing benefits on death, disability, accident, medical events and survival that are sold directly to individuals. These contracts may also bear significant financial risk.

Factors affecting demographic risks for individual insurance business include the following:

- The most significant factors that could substantially change the frequency of claims are epidemics or widespread changes in lifestyle (smoking, exercise, eating), resulting in more or earlier claims.
- Economic conditions can potentially affect retrenchment claims as well as morbidity claims where benefits are determined in terms of the ability to perform an occupation.
- Medical advances can potentially affect the size and severity of medical claims (including critical illness claims).
- Anti-selection, such as where a client who has a pre-existing condition or disease purchases a product where a benefit will be paid on death or in the event of contracting such a disease.
- The effect of selective terminations, which means policyholders are less likely to terminate voluntarily if the cover is more likely to be needed in the foreseeable future.
- Concentration risk, which is the risk of a large number of claims from a single event or in a particular geographical area.

Demographic risks are managed as follows:

- Risk premiums on most with-cover smoothed bonus and market-related contracts may be adjusted within the terms and conditions of the contracts. The ability of the Group to adjust these charges so that on average they reflect actual mortality experience reduces mortality risk. There is residual mortality risk resulting from delays in identifying worsening experience and adjusting charges as well as marketing pressures and client expectation management.
- To reduce cross-subsidisation of risks and the possibility of anti-selection, premium rates differentiate on the basis of some or all of age, gender, occupation, smoker status, education, income level, geographic region and the results of underwriting investigations. Experience investigations have shown that these are reliable indicators of the risk exposure.
- Guarantee periods shorter than the policy term on risk business enable the Group to review premium rates on in-force contracts during the life of those contracts.
- Applications for risk cover above certain limits are reviewed by experienced underwriters and evaluated against established standards.
- Compulsory testing for the human immunodeficiency virus (HIV) is carried out in all cases where the applications for risk cover exceed limits specified for a product. Where HIV tests are not required, this is fully reflected in the pricing and experience is closely monitored.
- Underwriting is done to identify non-traditional risks and take appropriate action, such as applying additional premium loadings or altering benefit terms.
- Reinsurance agreements are used to limit the risk on any single policy and aggregation of policies. A primary objective of reinsurance is to align the risk profile with the Group's risk strategy and risk appetite. Each business unit determines its own reinsurance programme in line with its scale and the types of business written. There is no reinsurance in place for funeral products.
- Concentration risk is reduced by diversification of business over a large number of uncorrelated risks and several classes of insurance, as well as by company-wide catastrophe reinsurance.

Group insurance business

Factors affecting risks from group insurance business include the following:

- Contracts are similar to individual insurance contracts but there is greater risk of correlation between claims on group schemes because the assured lives live in the same geographical location or work in the same industry; hence a higher degree of concentration risk exists.
- The products are mostly simple designs with a one-year renewable term. In most cases the products are compulsory for all employees although members can have a degree of choice when selecting risk benefits.
- Underwriting on group business is generally much less stringent than for individual business as there is typically less scope for anti-selection. The main reason for this is that participation in the Group's insurance programmes is normally compulsory, and as a rule members have limited choice in the level of benefits. Where choice in benefits and levels is offered, this is accompanied by an increase in the level of underwriting to limit anti-selection.
- Smaller schemes are priced using standard mortality and morbidity tables. The price for an individual scheme can be adjusted for certain risk factors, such as age, salary or gender structure, region or industry.
- For large schemes (typically 400 or more members), a scheme's past experience is an important input in setting rates for the scheme. The larger the scheme, the more weight is given to the scheme's past experience.
- AIDS risk is no longer material, given the impact of anti-retrovirals and the reduction in AIDS cases.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

36 Insurance and investment business continued

36.2 Life insurance risks continued

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

Group insurance business continued

Risks from group insurance business are managed as follows:

- Anti-selection risk is managed by an "actively at work" clause, which requires members to be actively at work and attending to their normal duties for cover to take effect. In addition, pre-existing conditions may be excluded.
- A standard proportional reinsurance treaty is in place covering group business. Facultative reinsurance arrangements are in place for large schemes if adverse experience on the scheme could have a significant impact on profit and loss.
- Catastrophe reinsurance cover is used for group business, as there is considerably more concentrations of risks compared to individual business.

Non-profit annuity business

Non-profit annuity contracts provide a specified regular income, normally for the life of the annuitant. The principal risk in this case is longevity risk – the risk that the annuitants may live longer than assumed in the pricing of the contract.

Factors affecting longevity risk include the following:

- Increased longevity due to medical advances and improvement in socio-economic conditions.
- Selection bias – individuals purchasing annuities are in better health and therefore live longer than assumed in the pricing basis.

Longevity risk is managed as follows:

- Mortality on non-profit annuities is monitored and future mortality improvements are allowed for in the pricing.
- Annuity products are sometimes sold in combination with whole life cover, which provides a natural hedge against longevity and mortality risk.
- Premium rates differentiate on the basis of age and sex.

Permanent health insurance business

The Group also pays permanent health insurance income to disabled employees, the bulk of which is from employee benefit insured schemes. The income payments continue to the earlier of death, recovery or retirement of the disabled employee.

Factors affecting risks from permanent health insurance business include the following:

- Lower-than-expected recovery or mortality rates result in claims being paid for longer periods.

Risks from permanent health insurance business are managed as follows:

- Claims are reviewed at inception to determine the eligibility of the claim. Ongoing claims in payment are reviewed regularly to ensure that claimants continue to qualify for benefits.
- Rehabilitation is managed and encouraged.

Termination and alteration risk

Termination and alteration risk is the risk of loss or adverse change in the value of life insurance contracts due to adverse lapse, surrender, paid-up or alteration (including premium indexation take-up) experience, or to a change in the expected exercise rates of such policyholder options.

Expenses such as commission and acquisition costs are largely incurred at the outset of the contract. These upfront costs are expected to be recouped over the term of the contract from fees and charges in respect of the contract. Therefore, if the contract or premiums are terminated before the contractual date, expenses might not have been fully recovered, resulting in losses being incurred.

Terminations can have the effect of increasing insurance risk, e.g. contract holders whose health has deteriorated are less likely on average to terminate a contract providing medical, disability or death benefits.

For certain risk policies, the risk at later durations is that terminations are less than assumed when pricing and valuing policies because upfront costs have largely been recouped and a termination at that stage releases a liability.

Factors affecting termination and alteration risks include the following:

- Economic conditions – economic hardship can cause an increase in terminations due to a reduced ability to afford premiums or a need for funds.

Termination and alternation risks are managed as follows:

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

36 Insurance and investment business continued

36.2 Life insurance risks continued

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

Retrenchment risk

Retrenchment risk is the risk of loss, or of adverse changes in the value of life insurance contracts due to retrenchment rates being higher than expected or future expected retrenchment rates being higher than previously assumed.

The Group has limited exposure to retrenchment risk and may consider future opportunities which provide adequate risk-adjusted return and can be appropriately mitigated. The risk is seen as an enabler to get more exposure to other risks to which the Group has a risk-seeking attitude. When writing retrenchment risk, the Group carefully considers the design of benefits, benefit term, premium guarantees as well as the expected diversification across employers and industries.

36.2.2 Guardrisk

Life insurance cover is also provided to corporate clients (through first-party cells) and to the public (through third-party cells). The Group earns fee income from administering first and third-party cell captive arrangements for cell owners.

Through the issue of insurance contracts, the Group is exposed to uncertainty regarding the timing, frequency and severity of future insurance claims and other fulfilment cash flows. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The principal risk that the cell owner and ultimately the Group face under insurance contracts is that the actual fulfilment cash flows exceed the amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amounts of claims and benefits will vary from year to year from the estimate amounts determined using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. As each of the cell shareholders operate independently from the other, the Group's total insurance risk profile is well diversified.

The Group has developed its marketing strategy to ensure that there is diversity in the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

An Audit and Risk Committee (a subcommittee of the Guardrisk Board) considers both underwriting and counterparty exposures in order to minimise risks of non-performance on portfolios as well as to clarify risk obligations with clients. The committee deals with specialised risks related to life and non-life insurance business being conducted by the Group through Guardrisk. The committee oversees the appropriateness and viability of major product development initiatives to confirm compliance with regulatory, legal, tax and accounting standards.

The Group carefully evaluates all retentions of risks in terms of statistical and underwriting disciplines, as well as specific and limited board mandates for each insurance programme. In this way security of cell insurance structures is maintained.

The cell owner shareholders agreements protect the Group from losses arising from business conducted in cells due to the rights and obligations of both parties as set out in the various cell owner shareholders agreements. For insurance risks, the agreements are accounted for as in-substance reinsurance contracts held.

Individual cells not meeting capital requirements pose a solvency risk and are monitored monthly. If necessary, capital is requested from such cell owners. The Group's exposure to risk on this business is limited to the credit risk of the cell owner.

For contracts where death is the insured risk, the main source of uncertainty is that epidemics such as AIDS, pandemics, and wide-ranging lifestyle changes, such as eating, smoking and exercise habits, could result in future mortality being significantly worse than in the past for the age groups in which the Group has significant exposure to mortality risk. However, continuing improvements in medical care and social conditions could result in improvements in longevity in excess of those allowed for in the estimates used to determine the liability for contracts where the Group is exposed to longevity risk. As a result of reinsurance programmes in place, the Group's liabilities are not materially affected by variations in mortality.

In addition, for contracts without fixed terms, it is assumed that the Group will be able to increase mortality risk charges in future years in line with emerging mortality experience. At present, these risks do not vary significantly in relation to the location of the risk insured by the Group.

Undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. For contracts with fixed and guaranteed benefits and fixed future premiums, the risk is either reinsured to the cell or reinsurers.

The Group has the right to alter the premium rates based on its mortality experience and hence minimise its exposure to mortality risk. The Group manages these risks through its underwriting strategy and reinsurance arrangements. The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits.

Products in cells have a limit on the sum assured. Increasing levels of cover trigger an increasing number of underwriting requirements. Bespoke reinsurance agreements are used, with retention levels varying between products.

The Group participates with several of the cell shareholders in the underwriting risks of their business. The Group carefully evaluates all retention of risks in terms of statistical and underwriting disciplines, as well as specific and limited board mandates for each insurance programme.

The Group reinsures the excess over the retentions under a variety of quota share and surplus reinsurance arrangements. In certain contracts, stop loss reinsurance arrangements protect the retained line against attrition losses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

36 Insurance and investment business continued

36.2 Life insurance risks continued

36.2.2 Guardrisk continued

The insurance contracts issued expose the Group to insurance risks associated with the insured events, liquidity risk and credit risk. Investments held to fund the payment of insurance benefits within each cell captive arrangement expose the Group to market risk, liquidity risk and credit risk.

First-party and third-party cell captive arrangements transfer the risks to the cell owners. On a net basis the Group is exposed to the insurance risks and financial risks contained within each cell captive arrangement through the fee income and to the extent that the Group retained any of these risks through risk sharing arrangements.

36.3 Non-life insurance risks

The Group has similar governance structures in place for non-life insurance as those that are in place for life insurance. This includes a HAF with similar roles and responsibilities as set out in note 36.2.

36.3.1 Momentum Insure

The Group sells non-life insurance products that provide insurance cover over personal possessions and property of individual or corporate policyholders. Insurance products are sold with either a monthly or an annual premium payable by the covered party or entity.

Insurance risks to which the Group is exposed relate to property, personal accident, liability, motor, transportation and other perils that may result from an insurance contract. The Group is exposed to uncertainty regarding the timing, frequency and severity of future claims.

The theory of probability forms the basis of the risk management model. Through the continuous sale of insurance products and subsequent growth in the pool of insured risks, the Group can diversify its portfolio of risks and therefore reduce the impact of variability of insurance claims affecting the portfolio. Aggregated data on perils reduces uncertainty with regards to timing and severity of insured events. This enables the Group to manage the risks while subject to less uncertainty.

The Group has developed an Enterprise Risk Management (ERM) Framework in respect of the non-life insurance business to provide reasonable assurance that the Group's risks are being prudently and soundly managed. The framework is designed according to acceptable principles from Corporate Governance and Risk Management standards. The ERM Framework outlines the key risks facing the business and how these risks are managed, monitored and reported.

Products are priced and risks accepted using statistical regression techniques which identify risk factors through correlations identified in past loss experiences. Risks are priced and accepted on an individual basis and as such there is a minimal cross-subsidy between risks.

Individual risks are automatically accepted up to predetermined thresholds which vary by product and risk type. Risks with exposure that exceed certain thresholds are automatically referred and underwritten individually by the underwriting department. These thresholds are set at a substantially lower level than the reinsurance retention limits.

Furthermore, risks are rated individually based on information captured by staff for each risk. Conditions and exclusions are also automatically set at an individual risk level.

No risks which exceed the upper limits of the reinsurance cover purchased can be accepted without the necessary facultative reinsurance cover being arranged.

No-claims bonuses (which reward clients for not claiming) and safety bonuses (which reward clients for adhering to, monitoring and reporting safety criteria) form part of the Group's underwriting strategy. Multi-claimants are monitored and managed by tightening conditions of cover or ultimately cancelling cover.

The Group manages exposure to insurance risk through a reinsurance programme. Reinsurance contracts provide coverage against material losses linked to a single insured risk, or a group of insured risks in the case of a catastrophe event. Reinsurance contracts held expose the Group to credit risk. The Group enters into reinsurance agreements with reinsurers which have adequate credit ratings.

Risk concentrations are monitored quarterly. The Group aims to diversify its insurance risk exposure from non-life insurance contracts across South Africa. However, a concentration of non-life insurance risks is evident in the Gauteng province of South Africa. To manage the concentration of insurance risk, the Group has entered into a catastrophe excess of loss reinsurance treaty, that would limit the loss of the Group following the occurrence of a catastrophe. Large international reinsurers with global exposures are preferred; the financial standing of such reinsurers would be less impacted by a catastrophe event in South Africa.

The investments held by the Group to fund fulfilment cash flows on non-life insurance contracts expose the Group to market risk and credit risk.

36 Insurance and investment business continued

36.3 Non-life insurance risks continued

36.3.2 Guardrisk

Insurance cover is provided to corporate clients (through first-party cells and contingency policies) and to the public (through third-party cells). The Group earns fee income from administering first and third-party cell captive arrangements for cell owners. Fee income from cell captive arrangements is evaluated to determine whether it relates to insurance services under IFRS 17 or administrative services under IFRS 15.

Insurance contracts are issued for monthly, annual and multi-year periods. The Group provides coverage for the following classes of risk: motor, property, agriculture, engineering, marine, aviation, transport, rail, legal expense, liability, consumer credit, trade credit, guarantee, accident and health, travel, miscellaneous as well as reinsurance on all the classes above. Insurance premiums are regularly monitored and where necessary, adjustments are made to premiums to consider competition, the underwriting cycle, reinsurance and capital requirements.

Through the issue of insurance contracts, the Group is exposed to uncertainty regarding the timing, frequency and severity of future insurance claims and other fulfilment cash flows. The principal risk that the cell owner and ultimately the Group faces under its insurance contracts is that the actual claims payments exceed the amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random and the actual number and amounts of claims will vary from year to year.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome is likely to be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio.

As each of the cell owners operate independently from the other, the Group's total insurance risk profile is well diversified. The underwriting strategy is directed at a portfolio of underwritten risks that are well diversified in terms of risk, industry and geography.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs.

The Group also issues contingency policies. This business is usually written for a one-year period with the policies covering multiple risks. Reinsurance is generally structured above the layer provided by the contingency policy. The corporate insured in a contingency policy is entitled to a share in the underwriting result if there is favourable claims experience. There is an aggregate excess of loss treaty in place for all contingency policies.

An Audit and Risk Committee (a subcommittee of the Guardrisk Board) considers both underwriting and counterparty exposures in order to minimise risks of non-performance on portfolios as well as to clarify risk obligations with clients. The committee deals with specialised risks related to non-life insurance business being conducted by Guardrisk. The committee oversees the appropriateness and viability of major product development initiatives to confirm compliance with regulatory, legal, tax and accounting standards.

The cell owner shareholders' agreements protect the Group from losses arising from business conducted in cells due to the rights and obligations of both parties set out in the various cell owner shareholders' agreements. For insurance risks, the agreements are accounted for as in-substance reinsurance contracts held.

Individual cells not meeting capital requirements pose a solvency risk and are monitored on a monthly basis. If necessary, capital is requested from such cell owners. The Group's exposure to risk on this business is limited to the credit risk of the cell owner. Reinsurance agreements are concluded to minimise the solvency risk.

The Group shares in the emerging underwriting experience of selected cell arrangements. Before entering new risk sharing agreements with cell owners, a thorough internal assessment process is followed. The Group also underwrites specific niche corporate and commercial business for its own account.

The Group obtains reinsurance cover for insurance risk accepted in the cell captive arrangements or through risk sharing arrangements. Reinsurance is acquired on a proportional and non-proportional basis. The key objective when placing reinsurance is to optimise capital requirements and protection of the retained lines of both Guardrisk and the cell owners.

Risks relating to the cell captive business are adequately spread across the major classes of insurance risk and is spread geographically.

The Group is exposed to a concentration of insurance risk in some geographical regions in South Africa. To manage this concentration of insurance risk, the Group has entered into a catastrophe excess of loss reinsurance treaty that would limit the loss of the Group to predetermined levels following the occurrence of a localised catastrophe in a specific area.

Catastrophe modelling is performed to determine the impact of different types of catastrophe events (including natural disasters) in different geographical areas, at different levels of severity and at different times of the day. Catastrophe cover is placed with reinsurers with a reputable credit rating and cognisance is taken of the geographical spread of the other risks underwritten by the reinsurers to reduce correlation of the Group's exposure with the balance of their exposure.

These reinsurance models are run at least annually to take account of changes in the portfolio and to take the latest potential loss information into account.

Guardrisk Board subcommittees oversee the risk universe from general operations and investments respectively.

For each cell or policy accepted by the Group, a business take-on process is followed that utilises multi-disciplinary teams to determine major exposures to insurance risk. This take-on process varies in extent and detail depending on the significance of the new cell facility. Where the business take-on process identifies significant down-side risk, measures are put in place to manage the residual retained risks to remain within risk appetite. Guardrisk manages insurance risk for its own account through a structured multi-layered risk management framework. Focusing on specialist lines and commercial lines, the risk selection follows a prudent approach combining statistical methods with skilled underwriting knowledge guided by board-approved mandates. Underwriting strategies are designed around a well-diversified portfolio across risk types, industries, and geographies, with limits and controls around risk selection. Retained risk is balanced through bespoke reinsurance arrangements placed with reinsurers vetted against reinsurance placement criteria.

The insurance contracts issued expose the Group to insurance risks associated with the insured events, liquidity risk and credit risk. Investments held to fund the payment of insurance benefits within each cell captive arrangement exposes the Group to market risk, liquidity risk and credit risk. First-party and third-party cell captive arrangements transfer the risks to the cell owners. The Group is exposed to the insurance risks and financial risks contained within each cell captive arrangement through the fee income and to the extent that the Group retained any of these risks through risk sharing arrangements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

36 Insurance and investment business continued

36.4 Health insurance risks

The Group sells health insurance policies to policyholders in South Africa, Botswana, Lesotho, Ghana, Mozambique and India. These policies expose the Group to morbidity risk, anti-selection risk, expense risks, credit risk and liquidity risk. The Group accounts for the investment in ABHI in terms of the equity method. As such, the underlying exposures to and information about insurance contracts issued and reinsurance contracts held by ABHI are not included in this note or the insurance and financial risk disclosures.

The principal risk that the Group faces under its insurance contracts is that the actual claims payments exceed the amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random and the actual number and amounts of claims will vary from year to year.

To mitigate against this principal risk, products are priced using statistical regression techniques which identify risk factors through correlations identified in past loss experiences. Where appropriate deterministic methods are used based on past claims experience with allowance for medical inflation and utilisation changes. Premiums on all contracts are annually renewable, allowing the insurer to update pricing based on current experience. Monitoring of claims experiences forms an integral part of risk mitigation.

To mitigate against the costs of claims being higher than expected in the pricing basis, reimbursements to healthcare service providers are at agreed tariff rates, which are annually negotiated. The maturity of these agreements varies by territory, based on the provider landscape. Claims are monitored and managed when trends of abuse start to emerge.

The Group has developed an underwriting framework to enforce appropriate risk selection criteria and to mitigate against anti-selection risk by including appropriate waiting periods, exclusions and premium loadings.

Detailed expense analyses and retrospective reviews are performed annually to ensure that the pricing basis makes allowance for all expenses. Expenses are managed relative to approved budgets.

Premium payment terms vary across territories but are mostly payable monthly in advance. Premium debtors are closely monitored for appropriate intervention when required.

The Group mitigates liquidity risk by ensuring that sufficient cash and liquid investments are available to settle obligations when due. Liquidity risk is managed by preparing cash flow forecasts and using these to determine whether sufficient cash and liquid investments are available. The investments held to back health insurance liabilities expose the Group to market risk and credit risk.

36.5 Concentration risks

The Group is well diversified geographically, by product type and by business segment. This largely mitigates concentration risk in respect of insurance risks. Where necessary, residual areas of concern are managed using reinsurance or catastrophe insurance as noted in the above insurance risk commentary. See the segmental disclosures in note 3 for a depiction of the diversified nature of the Group.

The table below shows the concentration of individual life insurance contract benefits (gross and net of reinsurance) by sums insured at risk:

	2026			2025		
Sum insured per benefit (R)	**Number of benefits**	**Amount (gross) Rm**	**Amount (net) Rm**	**Number of benefits**	**Amount (gross) Rm**	**Amount (net) Rm**
0 – 20 000	**2 720 451**	**22 883**	**22 708**	3 002 080	24 187	24 001
20 001 – 50 000	**879 659**	**29 852**	**29 458**	851 024	28 689	28 271
50 001 – 100 000	**269 328**	**19 475**	**18 609**	257 207	18 513	17 612
100 001 – 200 000	**80 220**	**10 152**	**8 238**	72 946	9 902	7 954
200 001 – 500 000	**152 343**	**43 509**	**33 607**	146 957	44 526	34 356
500 001 – 1 000 000	**223 505**	**128 373**	**93 242**	216 189	129 030	93 025
> 1 000 000	**554 345**	**1 493 569**	**818 969**	544 581	1 410 145	766 078
Subtotal	**4 879 851**	**1 747 813**	**1 024 831**	5 090 984	1 664 992	971 297
Cell captive business	**10 936 099**	**953 668**	**474 244**	11 449 523	887 979	481 836
Total	**15 815 950**	**2 701 481**	**1 499 075**	16 540 507	2 552 971	1 453 133

36 Insurance and investment business continued

36.5 Concentration risks continued

The table below shows the concentration of group schemes by scheme size (as determined by the number of lives covered):

Lives covered by scheme	2026	2025
0 – 1 000	**8 269**	8 237
1 001 – 5 000	**325**	353
> 5 001	**174**	188
Subtotal	**8 768**	8 778
Cell captive business	**87**	89
Total	**8 855**	8 867

The following table shows the distribution of number of annuitants by total amount:

	2026			2025		
Annuity amount per annum	Number of annuitants	Total amount per annum (gross) Rm	Total amount per annum (net)[1] Rm	Number of annuitants	Total amount per annum (gross) Rm	Total amount per annum (net) Rm
0 – 10 000	**44 828**	**232**	**232**	47 262	242	241
10 001 – 50 000	**43 223**	**1 206**	**1 204**	43 045	1 190	1 189
50 001 – 100 000	**17 879**	**1 302**	**1 300**	17 166	1 244	1 242
100 001 – 200 000	**13 599**	**1 924**	**1 909**	12 823	1 810	1 795
> 200 001	**12 038**	**4 836**	**4 625**	11 038	4 398	4 214
Subtotal	**131 567**	**9 500**	**9 270**	131 334	8 884	8 681
Cell captive business	**1 292**	**81**	**13**	1 292	79	13
Total	**132 859**	**9 581**	**9 283**	132 626	8 963	8 694

[1] In the current period the total amount per annum net of reinsurance column was added to comply with the requirements of IFRS 17. Comparative information was restated.

37 Liquidity risk

Liquidity risk is the risk that the Group, though solvent, has inadequate liquid financial resources to meet its financial and insurance obligations as and when they fall due, or can only secure these resources at excessive cost. The Group differentiates between funding liquidity risk (the risk of losses arising from difficulty in raising funding), market liquidity risk (the risk of losses arising from transactions due to inadequate market depth and/or market breadth or from market disruption), and surrender liquidity risk (the risk of losses arising from large, unexpected client withdrawals of investments).

Liquidity risk governance

Liquidity risk for the Group is managed in terms of the Group liquidity risk management policy, which is a policy of the Group ERM function.

The Executive Capital Committee (ECC) is responsible for the Group's liquidity and funding risk management, while the Board Risk, Capital and Compliance Committee provide oversight for funding and liquidity risk assumed on behalf of shareholders. This includes the funding and liquidity risk on guaranteed and non-profit policyholder liabilities and shareholder portfolios.

Liquidity risk management

The principal risk relating to liquidity comprises the unfunded derivative exposure in the shareholder-backed portfolios. This risk gives rise to margin calls and is sensitive to market disruption that causes roll-over risk of unfunded positions.

Liquidity risk also emanates from the Group's exposure to policyholder behaviour, e.g. unanticipated benefit withdrawals or risk-related claims. The insurance and investment contract liabilities comprise the bulk of the liabilities of the Group. Management of the liquidity risk is described below.

37.1 Unfunded derivative exposure in the yield enhancement portfolios

The liquidity risk exposure is managed by ensuring that the Group can cover all outflows in the event of a hypothetical liquidity stress event lasting a month. This is supported by setting aside a contingent liquidity buffer backed by assets that can be realised in cash over a period of a month and a contingent liquidity plan.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

37 Liquidity risk continued

37.2 Undrawn loan commitments

Undrawn loan commitments represent contractual obligations that may require future cash outflows if counterparties elect to draw on these facilities. As at 30 June 2026 and in the prior year, the Group had no undrawn loan commitments.

37.3 Policyholder liabilities

Non-profit annuity policyholder benefits

These contracts provide guaranteed annuity benefits and all liquidity risks arising from these contracts are borne by the shareholders. The expected liability outflow is matched as closely as possible with assets of an appropriate nature and term in order to match the duration and convexity of the portfolio and thus mitigate the interest rate risk exposure.

The asset portfolio is a diversified portfolio of liquid cash and fixed-interest instruments (government bonds, corporate bonds, interest rate swaps and promissory notes) that closely matches the liquidity profile of the liability cash flow.

Conventional with-profit and smoothed bonus policyholder benefits

When a claim is incurred, investments are disposed of to the extent that cash flows into the fund are insufficient to cover the settlement of the claim. Investments are easy to realise as they consist of mainly listed equity securities of large entities, government stock or funds on deposit.

The investment policy and mandates take the expected cash flows into account. By limiting the cash flow mismatch, the risk of premature realisation of investments or reinvestment of excess cash is mitigated. In addition, investment guidelines and limits are used to limit exposure to illiquid investments.

Maturity dates are generally known in advance and contractual claims can be projected. Cash flow projections are performed to aid in portfolio and cash flow management. Where the product design allows early termination value, the settlement value is not normally guaranteed, but is determined at the Group's discretion (subject to legislation). This limits the loss on early termination.

When a policyholder fund is shrinking (i.e. outflows exceed inflows), care is taken to ensure that the investment strategy and unit pricing structure of the fund are appropriate to meet liquidity requirements. In practice, such a fund is often merged with funds with positive cash flows to avoid unnecessary constraints on investment choices.

Linked and market-related policyholder benefits

Except for liquidity risk related to investment guarantees and risk benefit claims, the contracts do not expose the Group to significant liquidity risk, as the risk is borne by the policyholders. The investment policy and mandates take the expected liability cash flow into account. By limiting the cash flow mismatch, the risk of early realisation of assets or reinvestment of excess cash is mitigated. In addition, investment guidelines and limits are used to limit exposure to illiquid assets.

Other policyholder benefits

The liquidity risk arising from embedded investment guarantees is managed by backing these liabilities with sufficiently liquid financial instruments.

Policyholder contracts that provide mostly lump sum risk benefits do not normally give rise to significant liquidity risk when compared to policies that provide mostly savings benefits. Policyholder funds supporting risk benefits normally have substantial cash inflows from which claims can be paid. Accrued liabilities are matched by liquid assets to meet cash outflows in excess of expected inflows.

Terms and conditions of some large corporate policy contracts incorporate liquidity requirements. Examples of such contractual provisions include the payment of benefits in specie, or a provision for sufficient lag times between the termination notification and the payment of benefits.

Non-life insurance benefits

The Group mitigates liquidity risk on non-life insurance benefits by maintaining prudent levels of liquid investments.

Health insurance benefits

The Group mitigates liquidity risk by ensuring that sufficient cash and liquid investments are available to settle obligations when due. Liquidity risk is managed by preparing cash flow forecasts and using these to determine whether sufficient cash and liquid investments are available.

Guardrisk

Each cell captive arrangement is exposed to liquidity risk from claims arising from life and non-life insurance contracts. Terms and conditions of cell captive arrangements indicate that the cell owner is responsible for ensuring that the cell remains solvent. As such cell owners can be called on to make further capital contributions to the cell captive arrangement. Liquidity risk for investment contract liabilities is matched by investing in assets as specified in the policy agreement and therefore matching the payment profile of the relevant policy. The Group is exposed to liquidity risk in each cell captive arrangement to the extent that the Group entered into a risk sharing arrangement with the cell owner with regards to risks accepted by the cell captive arrangement.

37 Liquidity risk continued

37.4 Shareholder funds

The significant shareholder liabilities of the Group are the carry positions, the subordinated call notes issued by MML and the cumulative redeemable preference shares issued by MSI.

The Group holds sufficient cash and liquid marketable financial instruments in its shareholders' funds to meet its commitments as and when they fall due. The investments backing the shareholder funds are invested in a diversified portfolio of liquid cash, floating rate instruments and interests in subsidiaries and/or related entities. The investment mandate and guidelines that govern the investment of shareholder funds, restrict investment choices to high-quality assets.

The projected liquidity requirements of the shareholder portfolio are identified, measured and reported on a regular basis to the ECC. The reports take the expected shareholder cash flows (e.g. committed mergers and acquisition activity and liquidity needs of related entities) into account in order to identify material funding liquidity gaps early. The identification of potential liquidity gaps contributes towards mitigating the funding liquidity risk and market liquidity risks of the shareholder portfolios.

37.5 Liquidity risk tables

37.5.1 Insurance and reinsurance business

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

Fulfilment cash flow recognition for insurance contract liabilities

An analysis of the expected recognition of the fulfilment cash flows remaining at the end of the reporting period is provided in the following table. The analysis indicates the expected amount and timing of fulfilment cash flows. For Guardrisk the expected recognition of fulfilment cash flows remaining at the end of the reporting period only considers the net promoter exposure, since claims and expenses are recovered from third-party cell owners via the in-substance reinsurance arrangements.

Fulfilment cash flows (discounted)	Payable on demand Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2026												
GMM	**68**	**8 335**	**7 212**	**6 651**	**6 246**	**5 841**	**23 554**	**15 138**	**9 467**	**13 980**	**96 492**	**108 770**
VFA	**5 443**	**9 500**	**8 885**	**6 353**	**5 770**	**5 198**	**17 263**	**8 912**	**4 552**	**3 948**	**75 824**	**78 688**
PAA	**–**	**18 028**	**1 384**	**886**	**702**	**609**	**2 079**	**1 194**	**782**	**1 258**	**26 922**	**31 257**
Total	**5 511**	**35 863**	**17 481**	**13 890**	**12 718**	**11 648**	**42 896**	**25 244**	**14 801**	**19 186**	**199 238**	**218 715**
2025												
GMM	118	7 599	6 685	6 103	5 657	5 233	19 712	10 807	5 476	6 509	73 899	85 361
VFA	5 071	7 354	8 525	5 868	5 440	5 205	17 105	8 593	4 308	3 618	71 087	73 892
PAA	–	15 834	1 349	801	621	522	1 646	863	570	1 657	23 863	28 228
Total	5 189	30 787	16 559	12 772	11 718	10 960	38 463	20 263	10 354	11 784	168 849	187 481

Fulfilment cash flow recognition for insurance contract assets

An analysis of the expected recognition of the fulfilment cash flows remaining at the end of the reporting period is provided in the following table. The analysis indicates the expected amount and timing of fulfilment cash flows. For Guardrisk the expected recognition of fulfilment cash flows remaining at the end of the reporting period only considers the net promoter exposure, since claims and expenses are recovered from third-party cell owners via the in-substance reinsurance arrangements.

Fulfilment cash flows (discounted)	Payable on demand Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2026												
GMM	**92**	**(1 962)**	**(2 160)**	**(2 123)**	**(1 723)**	**(1 357)**	**(3 595)**	**(1 347)**	**(250)**	**1 757**	**(12 668)**	**(16 687)**
VFA	**–**	**(41)**	**(24)**	**(14)**	**(8)**	**(2)**	**9**	**40**	**16**	**22**	**(2)**	**(2)**
PAA	**–**	**(33)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(33)**	**(98)**
Total	**92**	**(2 036)**	**(2 184)**	**(2 137)**	**(1 731)**	**(1 359)**	**(3 586)**	**(1 307)**	**(234)**	**1 779**	**(12 703)**	**(16 787)**
Restated 2025												
GMM[1]	245	(1 774)	(1 944)	(1 854)	(1 483)	(1 169)	(2 823)	(864)	(144)	692	(11 118)	(13 048)
VFA	–	(21)	(17)	(7)	(4)	(2)	3	13	10	2	(23)	(23)
PAA	–	(30)	–	–	–	–	–	–	–	–	(30)	(72)
Total	245	(1 825)	(1 961)	(1 861)	(1 487)	(1 171)	(2 820)	(851)	(134)	694	(11 171)	(13 143)

[1] Refer to note 1 for more information on the restatements. This restatement resulted in GMM carrying amount changing from R14 369 million to R13 048 million.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

37 Liquidity risk continued

37.5 Liquidity risk tables continued

37.5.1 Insurance and reinsurance business continued

Fulfilment cash flow recognition for reinsurance contract assets

An analysis of the expected recognition of the fulfilment cash flows remaining at the end of the reporting period is provided in the following table. The analysis indicates the expected amount and timing of fulfilment cash flows. For Guardrisk the expected recognition of fulfilment cash flows remaining at the end of the reporting period only considers the net promoter exposure, since claims and expenses are recovered from third-party cell owners via the in-substance reinsurance arrangements.

Fulfilment cash flows (discounted)	Payable on demand Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2026												
GMM	**1 630**	**740**	**169**	**67**	**64**	**73**	**420**	**546**	**573**	**2 107**	**6 389**	**7 098**
PAA	**–**	**1 982**	**326**	**186**	**122**	**102**	**326**	**171**	**101**	**121**	**3 437**	**4 610**
Total	**1 630**	**2 722**	**495**	**253**	**186**	**175**	**746**	**717**	**674**	**2 228**	**9 826**	**11 708**
2025												
GMM	1 544	1 080	328	206	167	159	712	558	415	1 035	6 204	5 348
PAA	–	2 157	320	163	99	80	235	115	76	215	3 460	4 765
Total	1 544	3 237	648	369	266	239	947	673	491	1 250	9 664	10 113

Fulfilment cash flow recognition for reinsurance contract liabilities

An analysis of the expected recognition of the fulfilment cash flows remaining at the end of the reporting period is provided in the following table. The analysis indicates the expected amount and timing of fulfilment cash flows. For Guardrisk the expected recognition of fulfilment cash flows remaining at the end of the reporting period only considers the net promoter exposure, since claims and expenses are recovered from third-party cell owners via the in-substance reinsurance arrangements.

Fulfilment cash flows (discounted)	Payable on demand Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2026												
GMM	**10**	**(12)**	**(19)**	**(15)**	**(13)**	**(11)**	**(37)**	**(21)**	**(14)**	**(24)**	**(156)**	**(8 968)**
PAA	**–**	**(634)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(634)**	**(9 598)**
Total	**10**	**(646)**	**(19)**	**(15)**	**(13)**	**(11)**	**(37)**	**(21)**	**(14)**	**(24)**	**(790)**	**(18 566)**
Restated 2025[1]												
GMM	10	(2)	(5)	(5)	(5)	(5)	(19)	(11)	(6)	(10)	(58)	(6 619)
PAA	–	(673)	–	–	–	–	–	–	–	–	(673)	(8 900)
Total	10	(675)	(5)	(5)	(5)	(5)	(19)	(11)	(6)	(10)	(731)	(15 519)

[1] Refer to note 1 for more information on the restatements. The effect of this restatement is considered immaterial other than the change in PAA carrying amount from R9 928 million to R8 900 million.

37 Liquidity risk continued

37.5 Liquidity risk tables continued

37.5.2 Investment contract liabilities

An analysis of the expected cash flows remaining at the end of the reporting period is provided in the following table. For Guardrisk the expected cash flows remaining at the end of the reporting period only considers the net promoter exposure, due to the first-party cell captive arrangements.

Expected cash flows (undiscounted)	Payable on demand Rm	0–1 year Rm	1–2 years Rm	2–3 years Rm	3–4 years Rm	4–5 years Rm	5–10 years Rm	10–15 years Rm	15–20 years Rm	> 20 years Rm	Total Rm	Carrying amount Rm
2026												
Investment contract liabilities	**513 986**	**2 405**	**2 558**	**1 709**	**1 127**	**862**	**138**	**124**	**107**	**182**	**523 198**	**523 198**
Restated 2025[1]												
Investment contract liabilities	448 755	1 433	2 400	2 687	1 631	1 074	115	95	78	182	458 450	458 450

[1] Refer to note 1 for more information on the restatements. The restatement resulted in the investment contract liabilities payable on demand cash flows changing from R447 973 million to R448 755 million and the carrying amount changing from R457 668 million to R458 450 million.

37.5.3 Financial liabilities at FVPL

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

Contractual cash flows (undiscounted)	Carrying amount Rm	Total Rm	Open-ended Rm	0–1 year Rm	1–2 years Rm	2–3 years Rm	3–4 years Rm	4–5 years Rm	5–10 years Rm	10–15 years Rm	15–20 years Rm	> 20 years Rm
2026												
CISs – outside interest	**38 597**	**38 597**	**38 597**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Subordinated call notes	**5 637**	**6 898**	**–**	**2 069**	**1 088**	**1 165**	**947**	**1 629**	**–**	**–**	**–**	**–**
Carry positions	**23 636**	**23 638**	**–**	**23 568**	**24**	**–**	**–**	**46**	**–**	**–**	**–**	**–**
Preference shares	**465**	**691**	**–**	**670**	**–**	**–**	**–**	**–**	**21**	**–**	**–**	**–**
Other borrowings	**357**	**545**	**39**	**145**	**78**	**15**	**9**	**9**	**43**	**43**	**43**	**121**
Payables arising from investment contracts	**3 623**	**3 623**	**–**	**3 623**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**72 315**	**73 992**	**38 636**	**30 075**	**1 190**	**1 180**	**956**	**1 684**	**64**	**43**	**43**	**121**
Restated 2025												
CISs – outside interest	34 507	34 507	34 507	–	–	–	–	–	–	–	–	–
Subordinated call notes	4 382	5 396	–	643	1 935	958	1 039	821	–	–	–	–
Carry positions	18 954	18 981	–	18 981	–	–	–	–	–	–	–	–
Preference shares[1]	426	428	–	406	–	–	–	–	–	22	–	–
Other borrowings	557	577	–	84	88	397	–	3	1	4	–	–
Payables arising from investment contracts[2]	3 260	3 260	–	3 260	–	–	–	–	–	–	–	–
Total	62 086	63 149	34 507	23 374	2 023	1 355	1 039	824	1	26	–	–

[1] The prior year contractual cash flows relating to preference shares have been restated to correct the allocation of cash flows between maturity buckets and the omission of the consolidation eliminations. The impact on the 0-1 year bucket is an increase of R358 million, a R52 million decrease in the 1-2 years bucket, a R10 million decrease in the 2-3 years bucket, a R307 million decrease in the 5-10 year bucket and a R196 million decrease in the 10-15 year bucket.

[2] The prior year was restated to correct the omission of payables arising from investment contracts measured at FVPL. As a result, the carrying amount and the 0-1 year maturity bucket increased by R3 260 million.

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

The cash flows relating to the subordinated debt instruments have been allocated to their respective maturity dates. They will be funded from cash resources at that time. The shareholder funds include sufficient cash resources to fund the coupon payments under these debt instruments.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

37 Liquidity risk continued

37.5 Liquidity risk tables continued

37.5.4 Financial liabilities carried at amortised cost

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

Contractual cash flows (undiscounted)	Carrying amount Rm	Total Rm	Open-ended Rm	0-1 year Rm	1-2 years Rm	2-3 years Rm	3-4 years Rm	4-5 years Rm	5-10 years Rm	10-15 years Rm	15-20 years Rm	> 20 years Rm
2026												
Financial liabilities at amortised cost	**3 593**	**4 155**	**–**	**954**	**309**	**1 191**	**1 102**	**75**	**486**	**5**	**6**	**27**
Cumulative redeemable preference shares	**1 625**	**2 022**	**–**	**109**	**118**	**737**	**1 058**	**–**	**–**	**–**	**–**	**–**
Lease liabilities	**160**	**223**	**–**	**60**	**49**	**37**	**11**	**10**	**18**	**5**	**6**	**27**
Other	**452**	**452**	**–**	**47**	**–**	**–**	**–**	**–**	**405**	**–**	**–**	**–**
Term loans	**1 356**	**1 458**	**–**	**738**	**142**	**417**	**33**	**65**	**63**	**–**	**–**	**–**
Other payables (excluding payables arising from investment contracts)	**10 375**	**10 401**	**4**	**10 230**	**66**	**14**	**8**	**39**	**40**	**–**	**–**	**–**
Total	**13 968**	**14 556**	**4**	**11 184**	**375**	**1 205**	**1 110**	**114**	**526**	**5**	**6**	**27**
Restated 2025												
Financial liabilities at amortised cost	3 521	3 704	–	1 654	477	123	148	1 128	167	4	–	3
Cumulative redeemable preference shares	1 630	1 742	–	742	–	–	–	1 000	–	–	–	–
Lease liabilities	158	183	–	66	56	25	10	8	11	4	–	3
Other	147	147	–	3	–	–	–	–	144	–	–	–
Term loans	1 586	1 632	–	843	421	98	138	120	12	–	–	–
Other payables[1] (excluding payables arising from investment contracts)	8 452	8 457	4	8 229	18	9	6	125	66	–	–	–
Total	11 973	12 161	4	9 883	495	132	154	1 253	233	4	–	3

[1] Refer to Note 1 for further information on the restatement. The restatement resulted in other payables decreasing from R12 610 million to R8 452 million. Payables arising from investment contracts amounting to R782 million were incorrectly classified as other payables in the prior year, and R116 million was incorrectly recognised as unsettled trades within other payables. In addition, the prior year was restated to correct the inclusion of payables arising from investment contracts measured at FVPL within other payables. The impact on the carrying amount and the 0-1 year bucket is a decrease of R3 260 million. The impact on the remaining time buckets is immaterial.

37.5.5 Liquidity profile of assets

The following table illustrates that the Group's assets are fairly liquid in order to meet the liquidity needs of obligations if the Group should be required to settle earlier than expected:

	2026		Restated 2025[1]	
Total asset liquidity	**%**	**Rm**	**%**	**Rm**
High[2]	**75**	**683 319**	74	590 430
Medium[3]	**23**	**212 208**	24	188 273
Low/illiquid[4]	**2**	**15 503**	2	15 344
Other assets not included above				
– intangible assets		**4 733**		4 844
– employee benefit assets		**3**		470
– accelerated rental income		**344**		381
– prepayments		**628**		559
– deferred income tax		**583**		904
– non-current assets held for sale		**566**		950
Total assets		**917 887**		802 155

[1] Refer to Note 1 for further information on the restatements. The impact of the restatements was immaterial, except for the decrease in medium liquid assets from R189 647 million to R188 273 million. This was driven by a R1 321 million decrease in insurance contract liabilities and a R1 million increase in reinsurance contract assets relating to the valuation and data error restatement, as well as a R54 million decrease in financial assets at amortised cost relating to the unsettled trades restatement.

[2] Highly liquid assets are those that are considered to be realisable within one month (e.g. level 1 financial assets at fair value, including funds on deposit and other money market instruments > 90 days, cash and cash equivalents), the current values of which might not be realised if a substantial short-term liquidation were to occur due to demand-supply principles.

[3] Medium liquid assets are those that are considered to be realisable within six months (e.g. level 2 and level 3 financial assets at fair value, except for funds on deposit and other money market instruments > 90 days, loans at amortised cost, insurance contracts, reinsurance contracts).

[4] Low/illiquid assets are those that are considered to be realisable in excess of six months (e.g. intangible assets, investment and owner-occupied properties, property and equipment, equity-accounted associates).

37 Liquidity risk continued

37.5 Liquidity risk tables continued

37.5.6 Maturity profile of derivative financial instruments

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

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

Derivatives held for trading	Carrying amount Rm	Total Rm	0 - 1 year Rm	1 - 5 years Rm	>5 years Rm
2026					
Assets					
Equity derivatives	**415**	**414**	**103**	**310**	**1**
Interest rate derivatives	**654**	**852**	**168**	**405**	**279**
Bond derivatives	**270**	**273**	**273**	**–**	**–**
Credit derivatives	**–**	**–**	**–**	**–**	**–**
Currency derivatives	**142**	**262**	**83**	**163**	**16**
Total net undiscounted cash flow projections	**1 481**	**1 801**	**627**	**878**	**296**
Liabilities					
Equity derivatives	**397**	**400**	**400**	**–**	**–**
Interest rate derivatives	**1 490**	**2 005**	**205**	**1 068**	**732**
Bond derivatives	**33**	**30**	**30**	**–**	**–**
Credit derivatives	**1**	**(5)**	**(3)**	**(2)**	**–**
Currency derivatives	**25**	**16**	**23**	**(7)**	**–**
Total net undiscounted cash flow projections	**1 946**	**2 446**	**655**	**1 059**	**732**
Restated 2025[1]					
Assets					
Equity derivatives	634	638	288	–	350
Interest rate derivatives	760	1 774	52	102	1 620
Bond derivatives	227	255	254	1	–
Credit derivatives	–	–	–	–	–
Currency derivatives	16	8	8	–	–
Total net undiscounted cash flow projections	1 637	2 675	602	103	1 970
Liabilities					
Equity derivatives	34	34	34	–	–
Interest rate derivatives	1 468	2 638	140	823	1 675
Bond derivatives	–	23	23	–	–
Credit derivatives	1	(10)	(3)	(7)	–
Currency derivatives	31	(31)	5	(36)	–
Total net undiscounted cash flow projections	1 534	2 654	199	780	1 675

[1] The maturity analysis for derivative financial assets and liabilities was previously presented on a net basis. It is now presented on a gross basis, and the comparative prior year information has been restated and disaggregated accordingly to enhance comparability and improve the usefulness of the disclosures.

Derivative financial instruments	2026 Rm	2025 Rm
Assets	**1 481**	1 637
Liabilities	**(1 946)**	(1 534)
Net (liabilities)/assets	**(465)**	103

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk

Market risk is the risk of financial loss due to adverse movements in the market value of assets supporting liabilities relative to the value of those liabilities, or due to a decrease in the NAV, as a consequence of changes in market conditions or as a result of the performance of investments held. This includes exposure to equities, property, credit and basis spreads, price inflation, interest rates and currencies. Financial instruments, insurance contracts and reinsurance contracts held by the Group are subject to the components of market risk as follows:

	Carrying amount				
	2026 Rm	Restated 2025[1] Rm	Market price risk	Interest rate risk	Currency risk
Assets					
Carried at FVPL					
Unit-linked investments[2]	**330 354**	289 191	✓✓	✓	✓
Debt securities	**289 510**	243 654	✓	✓✓	✓
Equity securities[2]	**161 758**	146 205	✓✓		✓
Carry positions	**99**	268	✓	✓✓	
Funds on deposit and other money market instruments	**35 534**	29 605	✓	✓✓	✓
Derivative financial assets	**1 481**	1 637	✓✓	✓✓	✓
Carried at amortised cost					
Unsettled trades	**2 366**	1 226			✓
Accounts receivable	**5 960**	5 405		✓	✓
Debt securities	**–**	–		✓✓	✓✓
Funds on deposit and other money market instruments	**–**	–		✓✓	✓✓
Loans	**964**	917		✓✓	✓
Cash and cash equivalents	**39 594**	36 892		✓✓	✓
Other non-financial assets					
Insurance contract assets	**15 828**	13 143	✓✓	✓✓	
Reinsurance contract assets	**11 708**	10 113	✓	✓✓	
Other receivables	**1 159**	1 219			
Other[3]	**21 572**	22 680			
Total assets	**917 887**	802 155			
Liabilities					
Carried at FVPL					
Investment contracts designated at FVPL	**549 578**	482 561	✓✓	✓✓	✓
Payables arising from investment contracts[4]	**3 623**	3 260	✓✓	✓✓	✓
CIS liabilities	**38 597**	34 507	✓✓	✓	✓
Subordinated call notes	**5 637**	4 382	✓	✓✓	
Carry positions	**23 636**	18 954	✓	✓✓	
Derivative financial liabilities	**1 946**	1 534	✓✓	✓✓	✓
Preference shares	**465**	426	✓	✓✓	
Other borrowings	**357**	557	✓	✓	✓
Carried at amortised cost					
Term loans	**1 356**	1 586		✓✓	
Cumulative redeemable preference shares	**1 625**	1 630		✓✓	
Lease liabilities	**160**	158		✓✓	✓
Other	**452**	147		✓	
Other payables (excluding deferred revenue liabilities)					
Unsettled trades	**3 042**	1 838			✓
Commission creditors	**875**	844			✓
Health saver liability	**305**	303		✓	
Other	**6 153**	5 467			✓
Other non-financial liabilities					
Deferred revenue	**426**	362			
Insurance contract liabilities	**218 715**	187 481	✓✓	✓✓	
Reinsurance contract liabilities	**18 566**	15 519	✓	✓✓	
Other	**7 455**	7 685			
Total liabilities	**882 969**	769 201			

✓✓ High exposure
✓ Medium/low exposure
1 Refer to note 1 for more information on the restatements.
2 R1 184 million as Unit-linked investments should have been classified as Equities securities. June 2025 has been restated accordingly.
3 Includes investment properties and owner-occupied properties that are exposed to property risk disclosed in note 38.4.
4 In the prior year, payables arising from investment contracts were incorrectly excluded from the market price risk and interest rate risk exposures and has been restated.

38 Market risk continued

Market risk governance

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

The ECC is responsible for the Group's market risk management relative to risk appetite needs. Segmental product management committees are responsible for residual market risk exposures deriving from product design features and product management processes.

The Board Risk, Capital and Compliance Committee provides oversight over all market risks assumed on behalf of shareholders. The Momentum Group Product Management Committee provides oversight over the management of policyholder market risk.

Policyholder market risk is managed through various management-level governance committees established for this purpose. These committees monitor the performance of investment portfolios against client outcome requirements. This includes consideration of the appropriateness of the matching of assets and liabilities of the various policyholder portfolios where policyholder benefits are impacted by investment returns.

For policyholder liabilities, the financial instruments backing each major line of business are segregated to ensure that they are used exclusively to provide benefits for the relevant contract holders. The valuation of these financial instruments is subject to various market risks, particularly interest rate and price risk. Each portfolio consists of an asset mix deemed appropriate for the specific product.

Management of market risks from insurance and investment contracts

The Group attempts to mitigate market risks associated with guaranteed policyholder obligations by making use of liability-driven investment mandates and hedging strategies. Non-hedgeable market risks are mitigated through risk limits, product design and adequate costing of products. The Group uses derivative instruments for risk management and portfolio efficiency purposes. The use of derivative instruments for speculative purposes is not tolerated.

Market and reputational risks are managed through the rigorous investment research process applied by the Group's investment managers. Market risks from market-related/unit-linked insurance and investment contracts are transferred to the policyholder, subject to the terms and conditions of the policy.

Individual and group contracts with DPF

In the event of adverse investment performance, the BSA may be negative. In such an event, the following actions can be taken:

- Lower bonuses can be declared.
- A market value adjuster may be applied in the event of voluntary withdrawal in cases where the withdrawal benefit exceeds the market value. For some group contracts, an alternative option is to pay out the termination value over an extended term (usually 10 years). These measures are primarily to protect the remaining policyholders.
- Funds may be transferred from the shareholder portfolio into the BSA on a temporary or permanent basis.
- For those contracts where a portion of bonuses declared is non-vested, the Group has the right to remove previously declared non-vested bonuses in the event of a fall in the market value of assets.
- Short-term derivative hedging or other derisking strategies can be used to protect the funding level against further deterioration due to poor investment performance.

The Group has issued the Principles and Practices of Financial Management (PPFMs) that are applied in the management of discretionary participation business. The PPFMs detail the investment strategies and bonus philosophies for the discretionary participation portfolios. In addition, management reports to the Fair Practice Committee (a subcommittee of the Momentum Group Board) on an annual basis regarding compliance with the PPFMs.

Investment Guarantee risk management

The risk of being unable to meet investment guarantees in respect of minimum maturity values and other guaranteed benefits is managed by including expected guarantee payments in the measurement of contracts and by holding additional statutory capital. Stochastic modelling is used to quantify the reserves and capital required to finance possible shortfalls in respect of minimum maturity values and other guaranteed benefits. The stochastic model is calibrated to market data. The shareholders' exposure to fluctuations in expected benefit payments is mitigated by the use of hedging strategies, subject to available instruments and the overall risk profile of the business.

Due to the long-term nature of guarantees and lack of investments with appropriate duration it is not possible to completely match risk exposures from investment guarantees with appropriate investments. Remaining risks are borne by the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk continued

Management of market risks from insurance and investment contracts continued

Non-profit annuity business

To hedge against the interest rate risk, the Group invests in an actively managed portfolio of government and corporate bonds, promissory notes from banks, swaps and other interest rate derivatives which provide a high degree of matching to the interest risk profile of the liabilities. The mismatch risk is managed on a dedicated risk management system that includes daily monitoring of approved limits. Index-linked annuities, which provide increases in line with inflation, are generally matched with index-linked bonds or bank-issued matching structures. Where cash flow matching is not possible, or not desirable from an overall risk profile perspective, interest rate risk is minimised by ensuring the values of assets and liabilities respond similarly to minor changes in interest rates.

Structured products

The interest rate exposure on these policies is hedged through holding appropriate interest sensitive instruments. In cases where structured assets back this business, the assets will have a credit rating that corresponds to senior bank debt, equivalent to a long-term national scale rating of A+.

Other non-profit business

The market risks on these insurance contracts are mitigated through an actively managed combination of interest rate securities and interest rate derivatives, as well as contractual rights to review regular premium rates charged to clients. The investments held to fund benefit payments or manage risks will expose the Group to market risk and limited credit risk.

Shareholder cash flows in respect of individual contracts with investment components

The Group is subject to market risk as any changes in policyholder fund prices or long-term interest rates will result in a change in the value placed on shareholder cash flows. This risk is mitigated through diversification against other market risks as well as through the deployment of hedging strategies to the extent risk exposures outside the tolerances provided by risk appetite.

Exposure to market price risk – VFA

Insurance contracts measured in terms of the VFA expose the Group to market price risk from the underlying items. The carrying amount of the insurance contracts assets and liabilities measured in terms of the VFA indicates the gross exposure to market price from the underlying items. The Group carries underlying items on the statement of financial position and therefore the net exposure to market price risk is the Group' share in the fair value of the underlying items.

Risk mitigation option – VFA

Changes in the amount of the Group's share of the fair value of the underlying items are accounted for in the contractual service margin. The CSM is recognised in insurance revenue as the Group renders insurance contract services. The Group's share of the fair value of the underlying items expose the Group to financial risks. The Group makes use of derivative financial instruments to manage the exposures to financial risks. For specific portfolios of insurance contracts, the Group makes use of the risk mitigation option to account for a portion of the impact of time value of money and financial risks on the Group's share of the fair value of underlying items in insurance finance income and expenses and not in the CSM. The use of the risk mitigation option aims to reduce accounting mismatches between the fair value gains or losses on derivative instruments accounted for in profit or loss before tax and the Group's share of the changes in fair value in underlying items accounted for in the CSM. Refer to note 23.4 for the effect of the application of the risk mitigation option during the reporting period.

38.1 Equity risk

Equity risk is the risk of financial loss as a result of adverse movements in the market value or implied volatility of equities, and/or the income from equities. Equities (listed and unlisted) are reflected at market values, which are susceptible to fluctuations. The risks from these fluctuations can be separated into systemic risk (affecting all equity instruments) and specific risk (affecting individual securities). In general, specific risk can be reduced through diversification, while systemic risk cannot.

Equity risk management

In general, liabilities for guaranteed benefits are not backed by equity instruments. Equity risk associated with fee income charged on policyholder assets is generally tolerated, as a desirable exposure that is consequential to the Group's business. The investment mandates for shareholder funds backing capital requirements place emphasis on capital preservation and liquidity. However, these mandates may also expose shareholders to equity risk taken in accordance with the Group's Risk Appetite Framework.

The Group manages its listed equity risk by employing the following procedures:

- Mandating specialist equity fund managers to invest in listed equities where there is an active market and where there is access to a broad spectrum of financial information relating to the companies invested in.
- Diversifying across many securities to reduce specific risk.
- Considering the risk-reward profile of holding equities and assuming appropriate risk in order to obtain higher expected returns on assets.

38 Market risk continued

38.1 Equity risk continued

Equity risk management continued

Unlisted equity investment risks are managed as follows:

- Mandating asset managers and specialist alternative investment boutiques to invest in diversified pools of private equity partnerships and other unlisted equity investments.
- Achieving diversification across sector, stage, vintage and geography.
- All investments are subject to prudential limits stipulated by the Momentum Group Private Equity Investments Committee, represented by specialist investment professionals and independent Momentum Group representatives.
- Mitigating the risk of potential subjective valuation due to the nature of unlisted investments by utilising the guideline developed by the South African Venture Capital and Private Equity Association (SAVCA) to provide a framework for valuation and disclosure in this regard. This framework is consistent with best practice exercised and recommended by the European Venture Capital and Private Equity Association.

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

38.2 Interest rate risk

Interest rate risk is the risk of financial loss arising from adverse movements in nominal and real interest rates.

Interest rate risk management

Exposure of insurance contracts issued and reinsurance contracts held to interest rates

The present values of fulfilment cash flows and therefore the carrying amounts of insurance and reinsurance contract assets and liabilities are sensitive to changes in the discount rates used. The Group makes use of a risk-free yield curve to identify risk-free interest rates to be used in determining the discount rates. Changes in the risk-free yield curves or movements along the curve affect the discount rates used.

The carrying amounts of insurance contracts assets and liabilities and reinsurance contract assets and liabilities measured under the GMM and the VFA indicate exposure to interest rate risk.

Depending on the terms of the insurance contract and accounting policies, some insurance contracts measured under the PAA expose the Group to interest rate risk.

PAA – Exposure to interest rates	2026 Rm	2025 Rm
Insurance contract liabilities	**12 543**	11 798
Insurance contract assets	**(40)**	–
Net insurance contract liabilities	**12 503**	11 798
Reinsurance contract liabilities	**(6)**	(8)
Reinsurance contract assets	**2 308**	2 189
Net reinsurance contract assets	**2 302**	2 181

Depending on the measurement model used, the impact of changes in discount rates affect current profit or loss before tax through insurance or reinsurance finance income or expense, insurance service results or future profit or loss before tax through releases from the CSM. For further information on how changes in discount rates are accounted for, refer to the relevant accounting policies. The Group is exposed to interest rate risk in the various countries where it operates. For further information on the risk-free yield curves used in determining the relevant discount rates, refer to note 13.

Interest rate risk on guaranteed liabilities are highly matched, e.g. via government bonds or banks structures, to the extent available matching assets exists. The Group is averse to duration mismatch risks, although limited mismatches to individual government bond maturities may be tolerated where appropriately rewarded and in accordance with explicit risk management limits. Where aspects of long-term product features give rise to exposures that cannot be cost effectively hedged in the South African market, such features would be mitigated through appropriate risk limits, pricing and management actions such as premium reviews and bonus decisions.

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

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

Exposure of financial instruments to interest rates

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate financial assets and financial liabilities, and on the fair value of other investments. Fair values of fixed maturity investments included in the Group's investment portfolios are subject to changes in prevailing market interest rates. The table overleaf provides a split of interest-bearing assets that are exposed to cash flow interest rate risk and those that are exposed to fair value interest rate risk. Debt securities with no interest rate risk exposure are securities where the valuation is driven by factors other than interest rates, such as capital structured notes where the valuation is derived from the underlying investments. Financial assets at amortised cost with short-term cash flows are considered not to have any interest rate risk since the effect of interest rate risk on these balances is not considered significant. The Group has included unit-linked investments under the interest rate risk disclosure. Although the Group does not manage unit-linked investments with a focus on interest rate sensitivity, as the investment risk is borne by policyholders, these investments are nonetheless subject to changes in market interest rates that may affect their fair value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk continued

38.2 Interest rate risk continued

Interest rate risk management continued

Instrument class	Notes	Carrying amount Rm	Cash flow interest rate risk Rm	Fair value interest rate risk Rm	No interest rate risk Rm	Weighted average rate %
2026						
At FVPL						
Unit-linked investments (categorised as interest-bearing and money market)	42	**35 484**	**–**	**35 484**	**–**	**n/a**
Debt securities[1]		**289 510**	**92 676**	**178 930**	**17 904**	**6.4**
Funds on deposit and other money market instruments		**35 534**	**7 850**	**27 661**	**23**	**5.5**
Derivative financial assets		**1 481**	**–**	**1 481**	**–**	**n/a**
Derivative financial liabilities		**(1 946)**	**–**	**(1 946)**	**–**	**n/a**
Carry positions		**99**	**–**	**99**	**–**	**n/a**
At amortised cost						
Loans and receivables at amortised cost[1]		**9 290**	**1 331**	**–**	**7 959**	**3.5**
Cash and cash equivalents[1]		**39 594**	**34 262**	**–**	**5 332**	**3.4**
Total		**409 046**	**136 119**	**241 709**	**31 218**	
Restated 2025						
At FVPL						
Unit-linked investments (categorised as interest-bearing and money market)[2]	42	28 472	–	28 472	–	n/a
Debt securities[1,3]		243 654	89 340	140 719	13 595	6.5
Funds on deposit and other money market instruments		29 605	10 674	18 907	24	5.5
Derivative financial assets		1 637	–	1 637	–	n/a
Derivative financial liabilities		(1 534)	–	(1 534)	–	n/a
Carry positions		268	–	268	–	n/a
At amortised cost						
Loans and receivables at amortised cost[1,4,5]		7 548	1 317	–	6 231	3.4
Cash and cash equivalents[1,4]		36 892	32 350	–	4 542	3.8
Total		346 542	133 681	188 469	24 392	

1. Included in the no interest rate risk balances are equity-linked notes within debt securities, whose returns are linked to underlying equity or index performance rather than interest rates; non-interest-bearing receivables and unsettled trades within loans and receivables at amortised cost; and fixed-rate balances within cash and cash equivalents, for which the impact of changes in market interest rates is not considered material.
2. R1 184 million Unit-linked investments should have been classified as Equity securities. June 2025 has been restated accordingly.
3. An amount of R2 103 million was incorrectly included as part of No interest rate risk instead of Fair value interest rate risk. June 2025 has been restated accordingly.
4. Refer to note 1 for more information on the restatements other than footnote 3. The impact on Cash and cash equivalents at amortised cost is contained to the "Cash flow interest rate risk" and on Loans and receivables at amortised cost is contained to the "No interest rate risk."
5. Weighted average rate for loans and receivables at amortised cost was restated to 3.4% from 6.7% due to a calculation error in the prior year.

Liability exposure to interest rates is reflected in note 14.

Future Change in the Reference Interest Rate: Transition from JIBAR to ZARONIA

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

In line with SARB guidance, from 1 May 2026, financial institutions and market participants were required to cease issuing new financial instruments referencing JIBAR. The SARB has announced 31 December 2026 as the JIBAR cessation date. The transition of legacy exposures is expected to continue through to the end of 2026, which coincides with the formal cessation of JIBAR.

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

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

The Group has established a dedicated, cross-functional programme to manage the transition from JIBAR to ZARONIA. With in this programme management continues to assess the operational, financial reporting, risk management and contractual implications arising from the transition. This programme includes:

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

38 Market risk continued

38.2 Interest rate risk continued

Future Change in the Reference Interest Rate: Transition from JIBAR to ZARONIA continued

Significant milestones have been achieved in the transition programme. The Group has established the capability to execute new ZARONIA-linked transactions across key product classes, including: from June 2024, linear derivative instruments such as interest rate swaps; and from May 2025, cash market and funded assets such as money market instruments and floating rate notes. In accordance with market transition requirements, from 1 May 2026 the Group ceased entering into new JIBAR-referenced transactions, except in limited circumstances permitted by the market transition framework.

Following the amendments introduced by Interest Rate Benchmark Reform – Phase 2, the Group will apply the practical expedients available for modifications that arise directly as a result of the benchmark reform and that are on economically equivalent terms. For financial instruments measured at amortised cost or at FVPL, contractual changes solely due to replacing JIBAR with ZARONIA (including any necessary spread adjustments) will be treated as a modification without derecognition, and no immediate gain or loss is expected to arise on transition, provided the conditions under IFRS 9 are met. Management has assessed the impact of benchmark reform activities completed to date and concluded that no significant gain or loss has arisen from modifications resulting from the transition process.

For investment contracts without significant insurance risk that reference JIBAR, modifications will be assessed under the same principles.

As the cessation of JIBAR will only occur on 31 December 2026 and transition activities remain ongoing, management is not yet able to reliably determine the extent of exposures that may remain outstanding at the cessation date and consequently be subject to contractual modification.

Quantitative information regarding JIBAR-linked exposures is therefore presented as at 30 June 2026.

Accordingly, quantitative disclosure of remaining JIBAR-linked exposures is presented as at 30 June 2026.

Quantitative Exposure to JIBAR-Linked Financial Instruments

	Notional/Principal Exposure	
	2026 Rm	**Restated 2025 Rm**
Total assets recognised on the statement of financial position subject to JIBAR reform yet to transition		
Derivative financial assets[1]	**33 774**	32 273
Other financial assets[2]	**90 417**	102 273
Total liabilities recognised on the statement of financial position subject to JIBAR reform yet to transition		
Derivative financial liabilities[1]	**23 181**	23 734
Other financial liabilities[2,3]	**5 816**	4 328
Total exposure[4]	**153 188**	162 608

[1] Derivative assets and liabilities include interest rate swaps, cross-currency swaps, and futures directly referencing JIBAR, including futures, bond options and CFDs indirectly referencing JIBAR.
[2] Financial assets and liabilities include floating rate and credit-linked debt instruments, bonds, cash and short-term deposits.
[3] The prior year has been restated to include Cumulative redeemable preference shares (R1 630 million) and term loans (R653 million) exposed to JIBAR.
[4] Exposures represent notional or principal amounts referencing JIBAR as at the reporting date.

Developments subsequent to 30 June 2026:

- The Life Assurance trading entity of the Group has adhered to the ISDA Fallbacks Protocol, which enables the standardised transition of derivative contracts to being ZARONIA-based after the JIBAR cessation date.
- Momentum Investments is in the process of adhering to the ISDA Fallbacks Protocol.

This will have no impact on valuations of such instruments as at 30 June 2026.

38.3 Currency risk

Currency risk is the risk that the Rand value and/or future cash flows of financial assets and liabilities will fluctuate due to changes in foreign exchange rates. Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign operations in Momentum Africa and India contain insurance and reinsurance contract assets and liabilities. Translation of the financial position, results and cash flows of foreign operations from foreign currencies into Rand for presentation purposes does not create currency risk for the Group.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk continued

38.3 Currency risk continued

To the extent that offshore assets are held in respect of contracts where the contract holder benefits are a function of the returns on the underlying assets, currency risk is minimised.

Details of currency risk contained in investments in local CISs that are not subsidiaries have not been included in the table below as the look-through principle was not applied.

Assets and liabilities denominated in Namibian Dollar and Lesotho Maloti currencies that are pegged to the South African Rand on a 1:1 basis do not represent significant currency risk for the Group. The geographical area of Africa also includes Botswana and Mozambique. Ghana was included in the prior year but has been subsequently sold in the current year.

The Group's exposure to foreign currency risk comprises both shareholder assets directly held and the Group's exposure to future asset-based fee income earned on policyholder portfolios invested in foreign assets. The following exposures, denominated in foreign currencies, where the currency risk (including translation risk) resides with the Group, are included in the Group's statement of financial position at 30 June:

	Africa Rm	UK £ Rm	US $ Rm	Euro € Rm	Asian Pacific[1] Rm	Other[1] Rm	Total Rm
2026							
Closing exchange rate		***21.7481***	***16.3872***	***18.7325***			
Financial assets							
Investment securities							
At FVPL							
Unit-linked investments	**19**	**9 534**	**61 278**	**1 265**	**434**	**161**	**72 691**
Equity securities	**397**	**3 937**	**45 782**	**6 764**	**10 183**	**5 286**	**72 349**
Debt securities	**1 858**	**909**	**6 543**	**1 787**	**635**	**183**	**11 915**
Funds on deposit and other money market instruments	**482**	**–**	**699**	**–**	**–**	**22**	**1 203**
Derivative financial assets[2]	**–**	**(188)**	**(1 110)**	**1**	**–**	**1**	**(1 296)**
At amortised cost							
Loans and accounts receivable	**34**	**102**	**699**	**25**	**21**	**17**	**898**
Cash and cash equivalents	**490**	**427**	**4 662**	**463**	**133**	**60**	**6 235**
Total	**3 280**	**14 721**	**118 553**	**10 305**	**11 406**	**5 730**	**163 995**
Financial Liabilities							
Financial liabilities at FVPL							
CIS liabilities	**–**	**632**	**9 500**	**–**	**213**	**–**	**10 345**
Derivative financial liabilities	**–**	**4**	**90**	**3**	**11**	**3**	**111**
Financial liabilities at amortised cost							
Lease liabilities	**6**	**17**	**1**	**–**	**–**	**–**	**24**
Term loans	**–**	**8**	**–**	**–**	**–**	**4**	**12**
Total	**6**	**661**	**9 591**	**3**	**224**	**7**	**10 492**
Restated 2025							
Closing exchange rate		*24.3490*	*17.7699*	*20.8591*			
Financial assets							
Investment securities							
At FVPL							
Unit-linked investments[2]	17	9 374	53 145	1 392	349	182	64 459
Equity securities[2]	417	4 223	40 308	7 066	6 600	5 427	64 041
Debt securities	1 430	840	5 371	2 424	1 312	3	11 380
Funds on deposit and other money market instruments	457	–	1 569	–	–	24	2 050
Derivative financial assets	–	347	53	–	2	–	402
At amortised cost							
Loans and accounts receivable	31	80	543	28	3	54	739
Cash and cash equivalents	471	494	4 485	653	56	126	6 285
Total	2 823	15 358	105 474	11 563	8 322	5 816	149 356
Financial Liabilities							
Financial liabilities at FVPL							
CIS liabilities	–	816	9 659	–	245	–	10 720
Derivative financial liabilities	–	469	15	13	8	–	505
Financial liabilities at amortised cost							
Lease liabilities	10	21	2	–	–	–	33
Term loans	–	119	–	–	–	5	124
Total	10	1 425	9 676	13	253	5	11 382

[1] The currencies with significant exposures in the Asia Pacific category include the Australian Dollar (AUD), South Korean Won (KRW), Indian Rupee (INR), Japanese Yen (JPY), New Taiwan Dollar (TWD), and Hong Kong Dollar (HKD). The currencies with significant exposures in the Other category are the Swiss Franc (CHF) and Canadian Dollar (CAD).

[2] Unit-linked investments of R1 042 million were reclassified from EUR exposure to Equity securities, comprising R905 million GBP, R112 million USD, and R25 million EUR exposure. June 2025 has been restated accordingly.

38 Market risk continued

38.3 Currency risk continued

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

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

	Africa Rm	UK £ Rm	US $ Rm	Euro € Rm	Total Rm
2026					
Total	**819**	**1 307**	**542**	**856**	**3 524**
Restated 2025[1]					
Total	1 185	2 425	553	1 043	5 206

[1] The NAV of subsidiaries that are exposed to the UK pound was understated by R926 million and subsidiaries exposed to the US dollar by R119 million. The prior year has been restated accordingly.

The UK had a reduction in NAV mainly caused by a special dividend of R757 million (GBP33.5 million) and a shareholder capital reduction of R136 million (GBP6 million). The amount is fully paid in cash to Momentum Strategic Investments (Pty) Ltd.

African exchange rates representing material balances above are:

Closing exchange rate	Botswana	Ghana
2026	**1.1634**	**–**
2025	1.3363	1.7169

Currency risk management

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

The Group holds financial assets denominated in foreign currencies. A sensitivity analysis has been prepared to illustrate the impact on profit or loss before tax of a 10% weakening or strengthening of the Rand against major foreign currencies, based on exposures at the reporting date. A change of this magnitude would result in a corresponding foreign exchange gain or loss for the Group. The Group does not account for foreign exchange translation differences arising on consolidation of foreign operations in other comprehensive income as part of this sensitivity analysis. The analysis takes into account the exposures to foreign currencies and exchange rates at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk continued

38.3 Currency risk continued

This table reflects the same sensitivities applied in the previous table but only for foreign assets held directly for the benefit of shareholders, including direct holdings in private equity and NAV of foreign subsidiaries:

	Africa Rm	UK £ Rm	US $ Rm	Euro € Rm	Total Rm
	10% movement				
2026	**82**	**131**	**54**	**86**	**352**
Restated 2025[1]	119	243	55	104	521

[1] The sensitivity of subsidiaries that are exposed to the UK pound was understated by R93 million and subsidiaries exposed to the US dollar by R12 million. The prior year has been restated accordingly.

38.4 Property risk

Property risk is the risk that the value of investment properties, owner-occupied properties and properties under development, as well as participatory interest in property CISs, will fluctuate as a result of changes in rental income and interest rates.

Property investments are made on behalf of policyholders, shareholders and other investment clients and are reflected at market value. Diversification in property type, geographical location and tenant exposure are all used to reduce the risk exposure.

The Group's exposure to property holdings at 30 June is as follows:

	Notes	2026 Rm	2025 Rm
Investment properties		**9 200**	9 573
Owner-occupied properties		**3 107**	2 764
Properties under development		**281**	264
CIS[1]	42	**4 483**	6 619
Other unit-linked investments	42	**776**	828
Total		**17 847**	20 048
Percentage of total assets		**1.9%**	2.5%

[1] The value of the units held in the CISs are directly linked to the NAV of these funds, which are in turn directly linked to the value of the underlying assets, e.g. a 1% movement in property values will likely translate to a 1% movement in the value of the CIS.

Refer to note 6 for the concentration risk regarding types of properties relating to investment properties. Owner-occupied properties mainly comprise office buildings.

The Group is exposed to tenant default and unlet space within the investment property portfolio. There were no material long outstanding debtors relating to tenants at 30 June 2026 of R45 million (2025: R25 million). The carrying amount of unlet and vacant investment property as at 30 June 2026 was R817 million (2025: R1 072 million).

38.5 Insurance and market risk sensitivity analysis

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

- Insurance risk through insurance contracts issued and reinsurance contracts held.
- Market risk through investments held to back insurance contracts issued, reinsurance contracts held and investment contracts issued.

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

38 Market risk continued

38.5 Insurance and market risk sensitivity analysis continued

Insurance and market risk sensitivity analysis for insurance contracts – increases/(decreases)	Gross of reinsurance		Net of reinsurance	
	Impact on profit or loss Rm	Change in CSM Rm	Impact on profit or loss Rm	Change in CSM Rm
38.5.1 Life insurance and investment contracts				
2026				
Insurance risks				
10% decrease in future expenses	**718**	**1 145**	**703**	**1 165**
10% decrease in lapse, paid-up and surrender rates	**(488)**	**448**	**(349)**	**545**
5% decrease in mortality and morbidity for assurance business	**2 187**	**3 034**	**1 523**	**3 099**
5% decrease in mortality and morbidity for annuity business	**(406)**	**(607)**	**(394)**	**(600)**
1% reduction in expense inflation rate	**536**	**855**	**525**	**870**
10% reduction in premium indexation take-up rate	**(309)**	**(1 138)**	**(370)**	**(1 194)**
Market risks				
1% reduction in gross investment return and inflation rate[1]	**(759)**	**(60)**	**(197)**	**(61)**
10% fall in market value of equities and properties	**(240)**	**(362)**	**(241)**	**(362)**
2025				
Insurance risks				
10% decrease in future expenses	578	1 091	520	1 168
10% decrease in lapse, paid-up and surrender rates	(139)	474	(36)	505
5% decrease in mortality and morbidity for assurance business	1 431	2 869	1 168	2 975
5% decrease in mortality and morbidity for annuity business	(177)	(581)	(172)	(572)
1% reduction in expense inflation rate	340	740	293	804
10% reduction in premium indexation take-up rate	(109)	(1 088)	(61)	(1 248)
Market risks				
1% reduction in gross investment return and inflation rate	(422)	(46)	(77)	(91)
10% fall in market value of equities and properties	(202)	(367)	(202)	(367)

[1] The sensitivity tests a 1% reduction in the nominal risk-free yield curve across all durations (i.e. observable market yields and ultimate spot rate). For a 1% reduction in observable nominal yields and the ultimate spot rate remaining unchanged, the Group's earnings are expected to decrease by R312 million (gross of reinsurance) and increase by R143 million (net of reinsurance). This is a more accurate reflection of the Group's earnings exposure to parallel movements in nominal market yields.

Investment contracts

Market risk sensitivity analysis for investment contracts – increases/(decreases)	Impact on profit or loss	
	2026 Rm	2025 Rm
1% reduction in gross investment return and inflation rate	**(70)**	(16)
10% fall in market value of equities and properties	**(77)**	(53)

Insurance contracts with direct participation features

For contracts with direct participation features, funds are invested in line with the relevant investment mandates governed by the Momentum Group Investment Committee as well as the PPFM for contracts with discretionary participation features. The fair value of the underlying funds is shown below, together with sensitivities that illustrate the key underlying market risk exposures.

Insurance contracts with direct participation features	Carrying amount Rm	% change in carrying amount	
		10% reduction in equity and property prices	1% reduction in interest rates
2026			
Fair value of underlying funds	**74 677**	**(7%)**	**2.0%**
2025			
Fair value of underlying funds	71 065	(7%)	1.5%

Insurance risk and market risk sensitivities for insurance contracts – increases/(decreases)	Impact on profit or loss 2026		Impact on profit or loss 2025	
	Gross of reinsurance Rm	Net of reinsurance Rm	Gross of reinsurance Rm	Net of reinsurance Rm
38.5.2 Non-life insurance				
Insurance risks				
1% increase in future expenses	**(1)**	**(1)**	(1)	(1)
1% decrease in lapse rates[1]	**(1)**	**(1)**	(1)	(1)
1% increase in claims settlement amount	**(21)**	**(14)**	(20)	(13)
5% increase in percentile of the risk adjustment for non-financial risk	**(23)**	**(17)**	(23)	(16)
Market risks				
1% reduction in gross investment return and inflation rate	**(14)**	**(8)**	(15)	(8)

[1] The sensitivity analysis has been expanded in the current year to include the impact of changes in lapse rates for non-life insurance business. Comparative information has been presented accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

38 Market risk continued

38.5 Insurance and market risk sensitivity analysis continued

Insurance risk and market risk sensitivities for insurance contracts – increases/(decreases)	Impact on profit or loss 2026		Impact on profit or loss 2025	
	Gross of reinsurance Rm	Net of reinsurance Rm	Gross of reinsurance Rm	Net of reinsurance Rm
38.5.3 Health insurance				
Insurance risks				
1% increase in future expenses	**(2)**	**(2)**	(1)	(1)
1% decrease in lapse rates[1]	**–**	**–**	–	–
1% increase in claims settlement amount	**(3)**	**(3)**	(4)	(4)
5% increase in percentile of the risk adjustment for non-financial risk	**(6)**	**(6)**	(11)	(11)
Market risks				
10% fall in market value of equities and properties	**(1)**	**(1)**	(1)	(1)

[1] The sensitivity analysis has been expanded in the current year to include the impact of changes in lapse rates for health insurance business. Comparative information has been presented accordingly.

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

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

Life insurance and market risk sensitivities

- The life insurance and market risk sensitivities are aligned with the embedded value sensitivities for the Group's covered business. The sensitivity analyses are performed as individual point-in-time stresses at the reporting date.
- The carrying amounts of investments backing insurance contracts and investment contracts are adjusted to include changes in the market risk variables. The changes in the carrying amount of investments backing insurance and investment contracts affect the expected cash flows of some of these contracts.
- The carrying amounts of groups of insurance contracts and reinsurance contracts are remeasured based on changes in fulfilment cash flows and the CSM as a result of changes in insurance and market risk variables. The change in the CSM includes remeasurement of the balance due to changes in fulfilment cash flows that affects future services and releases from the CSM for insurance service revenue recognised for the period.
- The carrying amounts of investment contract liabilities issued are remeasured based on changes in expected contractual cash flows as a result of changes in market risk variables.
- The impact on profit or loss includes changes in the carrying amounts of the investments, investment contract liabilities, changes in the amount of the CSM recognised in profit or loss, changes in the measurement of onerous contracts and changes in insurance finance income and expenses.
- The impact of the individual sensitivities on tax were considered for the relevant tax-paying entities.
- The Group does not account for changes in insurance contracts, reinsurance contracts or financial instruments in other comprehensive income. As such the impact on profit or loss represents the impact on Group equity.
- The impact of changes in nominal interest rates is considered in the 1% reduction in gross investment return and inflation rate.

Non-life and Health insurance risk sensitivities

- Fulfilment cash flows per group of insurance and reinsurance contracts at the reporting date are adjusted with the change in the relevant risk variable.
- For each of the risk variables, the changes in the carrying amounts of insurance contracts and reinsurance contracts that impact the profit or loss after tax are aggregated to determine the amount of the sensitivity.
- The impact of the individual sensitivities on tax were considered for the relevant tax-paying entities.
- The impact of changes in nominal interest rates is considered in the 1% reduction in gross investment return and inflation rate.

Reinsurance contracts held: Guardrisk

- Only reinsurance contracts held by promotor cells within Guardrisk are taken into account when determining the net of reinsurance impacts of changes in insurance and market risk variables on profit or loss and CSM balances of the Group.
- The impact of the individual sensitivities on tax were considered for the relevant tax-paying entities.

38.5.5 Shareholder financial instruments

The Group is exposed to financial risks through holding or issuing financial instruments. Shareholder financial instruments are financial instruments that do not back investment or insurance contract liabilities. The table illustrates the sensitivity of the Group's profit or loss to changes in market risks through shareholder financial instruments. The sensitivity analysis is performed on the carrying amounts of the shareholder financial instruments at the reporting date. The sensitivity analysis covers other price risk and interest rate risk. The impact on profit or loss is a pre-tax amount. The impact on equity is equal to the impact on profit or loss and other comprehensive income net of estimated tax expenses based on the shareholder effective tax rate. Currently, the Group does not account for changes in carrying amounts of financial instruments in other comprehensive income. The shareholder effective tax rate of the Group is 25.5% (2025: 27.7%). For further information on the shareholder effective tax rate, refer to note 27.

The sensitivity analysis was added for the period ended 30 June 2026 to comply with the requirements of IFRS 7. Comparative information was restated. The restatement had no impact on Group's statement of financial position, statement of comprehensive income, statement of changes in equity, or statement of cash flows.

38 Market risk continued

38.5 Insurance and market risk sensitivity analysis continued

38.5.5 Shareholder financial instruments continued

Sensitivity adjusted carrying amounts

For financial instruments measured at FVPL, the impact on profit or loss represents the difference between the carrying amount at the reporting date and a recalculated carrying amount that takes into account stressed financial risk variables. The impact of changes in other price risk is estimated by increasing and decreasing the carrying amounts of equity instruments and related instruments with 10%. The impact of changes in interest rates is calculated by discounting expected contractual cash flows at stressed yield curves based on a 100 basis point parallel movement in the yield curve.

Cash flow interest rate risk

Changes in variable interest rates alter interest income and expense. The impact on profit loss is the carrying amount of financial instruments at the reporting date multiplied with a 100 basis point parallel movement in variable interest rates.

Sensitivity adjusted carrying amounts

Other price risk

	June 2026		June 2025	
Market risk sensitivity analysis for shareholder financial instruments – increases/(decreases)	**Carrying amount Rm**	**Impact on profit or loss Rm**	**Carrying amount Rm**	**Impact on profit or loss Rm**
Assumption: ±10% movement in market value				
Financial instruments measured at fair value				
+10% increase in market value				
Shareholder financial instruments – Assets	**4 785**	**437**	4 574	430
Shareholder financial instruments – Liabilities	**(5)**	**–**	(31)	(3)
-10% decrease in market value				
Shareholder financial instruments – Assets	**4 785**	**(452)**	4 574	(441)
Shareholder financial instruments – Liabilities	**(5)**	**–**	(31)	3

Fair value interest rate risk

	June 2026		June 2025	
Market risk sensitivity analysis for shareholder financial instruments – increases/(decreases)	**Carrying amount Rm**	**Impact on profit or loss Rm**	**Carrying amount Rm**	**Impact on profit or loss Rm**
Assumption: ±100 basis point parallel shift in market interest rates				
Financial instruments measured at fair value				
+100 basis point increase in interest rates				
Shareholder financial instruments – Assets	**22 101**	**(263)**	16 437	(91)
Shareholder financial instruments – Liabilities	**(6 787)**	**148**	(5 118)	46
Assumption: ±100 basis point parallel shift in market interest rates				
Financial instruments measured at fair value				
-100 basis point decrease in interest rates				
Shareholder financial instruments – Assets	**22 101**	**323**	16 437	120
Shareholder financial instruments – Liabilities	**(6 787)**	**(208)**	(5 118)	(53)

Cash flow interest rate risk

	June 2026		June 2025	
Market risk sensitivity analysis for shareholder financial instruments – increases/(decreases)	**Carrying amount Rm**	**Impact on profit or loss Rm**	**Carrying amount Rm**	**Impact on profit or loss Rm**
Assumption: ±100 basis point parallel shift in market interest rates				
Financial instruments measured at fair value				
+100 basis point increase in interest rates				
Shareholder financial instruments – Assets	**6 409**	**64**	7 255	73
Shareholder financial instruments – Liabilities	**(3 275)**	**(33)**	(2 723)	(27)
-100 basis point decrease in interest rates				
Shareholder financial instruments – Assets	**6 409**	**(64)**	7 255	(73)
Shareholder financial instruments – Liabilities	**(3 275)**	**33**	(2 723)	27
Financial instruments NOT measured at fair value				
+100 basis point increase in interest rates				
Shareholder financial instruments – Assets	**15 658**	**152**	16 780	174
Shareholder financial instruments – Liabilities	**(3 663)**	**(36)**	(3 940)	(39)
-100 basis point decrease in interest rates				
Shareholder financial instruments – Assets	**15 658**	**(157)**	16 780	(174)
Shareholder financial instruments – Liabilities	**(3 663)**	**36**	(3 940)	39

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

39 Credit risk

The Group is exposed to credit risk through investments in debt securities, cash and cash equivalents, funds on deposit, policyholder loans, money market instruments, derivative financial instruments, reinsurance contracts held, insurance premium debtors and other loans and receivables. Policyholder loans and premium debtors are included in the carrying amounts of insurance contract assets or liabilities.

When debt instruments are held to back market-related or discretionary participation contract liabilities, the policyholder is exposed to the credit risk.

Credit risk governance

The governance of credit risk is comprehensively set out in the ECC terms of reference. The primary responsibility of the ECC is to oversee, and ensure efficient management of risk exposures, which includes shareholders' exposure to credit risk. The product management committees are responsible for setting the credit risk sections of mandates for market-related or discretionary participation policyholder portfolios and for monitoring their performance. The ECC reports to the Group Executive Committee on the effectiveness of credit risk management and provides an overview of the Group's shareholder credit portfolio. The ECC and its subcommittees are responsible for the approval of relevant credit policies and the ongoing review of the Group credit exposure.

Regarding shareholder credit risk management, the committee ensures that:

- The Group Credit Management Framework, methodology and capabilities are adequate.
- The Group credit risk appetite and limits in the shareholder portfolio are clearly understood, communicated and monitored.
- The disciplines and tools that are used to measure, monitor, and manage credit risk exposure and limits are adequate and robust.

Independent oversight is also provided by the Board Risk, Capital and Compliance Committee.

Management of credit risk – Shareholders

Management recognises and accepts that losses may occur through the inability of corporate debt issuers to service their debt obligations. To limit this risk, Balance Sheet Management (BSM) has formulated guidelines regarding investment in corporate debt instruments, including a framework of limits based on the Group's credit risk appetite.

The approval framework consists of two committees, namely an Executive Credit Committee and the BSM Credit Committee. The Executive Credit Committee approves credit risk exposures in excess of the mandate and limits of the BSM Credit Committee.

The following are considered in the approval process:

- The underlying nature of the instrument and credit strength of the counterparty.
- The credit rating of the issuer, either internally generated or externally provided by Moody's, S&P or GCR.
- Current exposure and portfolio diversification effects.

To achieve the above, an internal credit risk function performs ongoing risk management of the credit portfolio which includes:

- The use of stochastic portfolio credit risk modelling in order to gauge the level of portfolio credit risk, consider levels of capital and identify sources of concentration risk and the implications thereof.
- Preparing credit applications and performing annual reviews.

Regular risk management reporting to the ECC includes credit risk exposure reporting, which contains relevant data on the counterparty, credit limits and ratings (internal and external). In addition, the report includes Guardrisk credit exposure and reinsurance credit exposure. Counterparty exposures in excess of set credit limits are monitored and corrective action is taken where required. Credit mitigation instruments are used where appropriate. These include collateral, netting agreements and guarantees or credit derivatives.

Concentration risk

Concentration risk for debt instruments is managed at the credit portfolio level. Concentration risk management in the credit portfolio is based on individual name limits and exposures (which are reported to and approved by the ECC) and the monitoring of industry concentrations.

Unit-linked investments

The Group is exposed to credit risk generated by debt instruments in which CISs invest and other unit-linked investments in which the Group invests. The Group's exposure to these funds is classified at fund level (refer to note 42 for unit-linked categories) and not at the underlying asset level. This includes the investments in associated CISs. Although the funds are not rated, fund managers are required to invest in credit assets within the defined parameters stipulated in the fund's mandate. These rules limit the extent to which fund managers can invest in unlisted and/or unrated credit assets and generally restrict funds to the acquisition of investment grade assets. Further credit risk reduction measures are obligatory for South African CISs as required by control clauses within the CIS Control Act, 45 of 2002.

39 Credit risk continued

Derivative contracts

The Group enters into derivative contracts with local and international banks approved by the credit committees on terms set out by the industry standard (ISDA). In terms of these ISDA agreements, derivative assets and liabilities can be set off with the same counterparty, resulting in only the net exposure being included in the overall Group counterparty exposure analysis. The ISDA agreements allow for margining of derivative exposures as stipulated in the Credit Support Annexure to the main ISDA Master Agreement as agreed between the parties. For exchange-traded options, credit risk is largely mitigated through the formal trading mechanism of the derivative exchange.

Scrip lending

The Group is authorised to conduct lending activities as a lender in respect of local listed equity securities and listed government stock to appropriately accredited institutions. In general, the lender retains the full economic risks and rewards of securities lent. Scrip lending agreements are governed by the Global Master Securities Lending Agreement (GMSLA).

The main risk in scrip lending activities is the risk of default by the borrower of securities, i.e. the borrower fails to return the borrowed securities. Borrower default risk is mitigated by requiring borrowers to post adequate levels of high-quality collateral and/or provide indemnity guarantees.

Where collateral is received, the Group monitors collateral levels daily and the status of collateral coverage is reported to the executive BSM on a quarterly basis. This collateral serves as security for the scrip lending arrangements in the event of default by the borrowers. Where the borrower default risk is mitigated by means other than collateral, the Group monitors the counterparty credit exposure to be within approved limits and the Group ensures that credit risk capital is held against counterparty credit exposure.

Commission debtors

Commission debtors arise when upfront commission paid on recurring premium policies is clawed back on a sliding scale within the first two years of origination.

Reinsurance

Under the terms of a reinsurance contract, the Group is compensated by the reinsurer for losses on an underlying set of insurance contracts issued by the Group. Consequently, the Group is exposed to the credit risk of the reinsurer through assets for remaining coverage and assets for incurred claims.

The Group prefers contracting with reinsurers that are licensed in South Africa or licensed in an equivalent jurisdiction recognised by the South African regulator. The credit rating of the reinsurance company is assessed when placing the business and when there is a change in the status of the reinsurer.

Regular monthly reconciliations are performed regarding recoveries from reinsurers, and the payment of premiums to reinsurers.

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

Financial assets credit risk exposure

For the Group's maximum exposure to credit risk refer to note 8.5.

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

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

Financial liabilities designated at FVPL

The change in the fair value of financial liabilities designated at FVPL due to own credit risk amounted to a gain of Rnil (2025: a gain of R18 million).

In May 2026, Moody's published their press release for MML and Guardrisk. In that press release, Moody's affirmed the MML credit ratings and Guardrisk credit ratings, while changing the outlook from "stable" to "positive". The change in the credit rating outlook was due to a similar change in the South African sovereign credit rating outlook. Refer to note 35 for further information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

39 Credit risk continued

Security and credit enhancements

The following collateral is held in order to mitigate the credit risk:

Linked notes

The Group has put options with Rand Merchant Bank (RMB) against the linked notes listed and issued by RMB for the guaranteed capital amounts invested for when the market value of the underlying instruments supporting the notes decreases below the guaranteed amounts. The carrying amount of these investments included in other debt securities at FVPL was R388 million at 30 June 2026 (2025: R373 million).

Transfer of financial assets

The Group is involved in the transfer of financial assets through scrip lending and sale and repurchase of assets agreements. Refer below for detail on scrip lending arrangements as well as related security and credit enhancements. Also refer to the accounting policies for more details on the nature of the arrangements.

The Group's assets include assets such as scrip lending and sell and buyback transactions. Where the financial instruments are sold to a counterparty for cash, with a commitment to repurchase at a later date, the financial instrument is not derecognised and shown on the Statement of financial position.

The Group sells the contractual rights to cash flows, it does not have the right to use the transferred asset during the term. There is collateral of R1 915 million (2025: R1 333 million) on the scrip lent. The carrying amount of scrip on loan in the current year was R1 657 million (2025: R1 159 million) and consisted of local listed equity securities. Fair value of the asset transferred, and the associated liability are tabled below:

	2026 Rm	2025 Rm
Carry position liability	**23 636**	18 954
Underlying assets	**30 285**	23 690

Financial assets at amortised cost

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

Policy loans

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

Premium debtors

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

Guardrisk

First and third-party cell captive arrangements may hold financial instruments and cash and cash equivalents that expose the Group to credit risk. The terms and conditions of the cell captive arrangements transfer exposure to credit risk to the first- and third-party cell owners. To the extent that amounts are due from cell owners, the Group is exposed to credit risk. Balances due from third-party cell owners are included in the carrying amounts of reinsurance contract assets or liabilities.

This risk is managed by a detailed assessment of potential cell shareholders' creditworthiness based on the ability to meet the responsibility and obligations in terms of the shareholders' agreement. The financial condition of the reinsurers and intermediaries in relation to their credit standing is evaluated on an ongoing basis. The Group limits the level of credit risk it accepts by placing limits on its exposures to a single counterparty. The exposure limits of each reinsurer vary depending on their credit rating.

Credit risk exposure arising from insurance contracts issued and reinsurance contracts held

There is no exposure to credit risk relating to insurance contracts issued, since policyholder non-performance risk for insurance contracts is classified as terminations risk as set out in note 36. This includes receivables and pre-coverage assets for insurance acquisition cash flows arising from insurance contracts. Furthermore, these amounts arising from insurance contracts are not within the scope of IFRS 9 and therefore also not subject to calculations of expected credit losses.

39 Credit risk continued

Credit risk exposure arising from insurance contracts issued and reinsurance contracts held continued

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

	2026 Rm	Restated 2025[1] Rm
Reinsurance contract assets	**11 708**	10 113
Assets for remaining coverage	**5 729**	3 854
Amounts recoverable on incurred claims	**5 979**	6 259
Total credit risk exposure arising from reinsurance contracts	**11 708**	10 113

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

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

Reinsurer	2026	2025
Swiss Re Africa Ltd	**AA-**	AA-
General Reinsurance Africa Ltd	**AA+**	AA+
Hannover Re South Africa	**AA-**	AA-
RGA Americas Reinsurance Company Ltd, South Africa Branch	**AA-**	AA-
Munich Re Africa Branch	**AA**	AA
SCOR Re Africa Branch	**A+**	A+

40 Financial risk inherent in consolidated CISs and other investment products

The Group consolidates a number of CISs and other investment products. Refer to note 42 for information on the schemes consolidated.

As a result of exercising control over these schemes and other investment products, the Group's Risk Management Framework is applicable to the risk management of these portfolios.

Because of the specific nature of this type of business, the risk management principles may be applied differently to managing the risks relevant to them. This section describes how the financial risk management of the schemes differs from the overall financial risk management.

The management company has a dedicated independent risk unit that continuously monitors the overall risk of the portfolios against stated mandate limits and the portfolio risk appetites over time. To avoid conflicts of interest, the unit is separate from the investment team and reports directly to the chief risk officer of the management company.

When considering any new investment for a portfolio, the risks and expected returns are critical elements in the investment decision. Before an instrument is included in a portfolio, risks are carefully considered at instrument and portfolio level. The portfolio's mandate is also assessed.

A portfolio's market risk appetite is measured as a function of current market conditions and its investment objective and mandate in conjunction with its relevant benchmark.

Credit and liquidity risk are mitigated through diversification of issuers in line with credit policy. All amounts disclosed include amounts attributable to the consolidated collective investment portfolios.

The CISs and other investment products not consolidated are included in note 42 as CISs and Investments in associates. These are designated at FVPL.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

41 Significant subsidiary companies

Companies	Country of incorporation, where not South Africa	Interest held 2026 %	Interest held 2025 %	Cost[1] 2026 Rm	Cost[1] 2025 Rm	Loans to subsidiaries[2] 2026 Rm	Loans to subsidiaries[2] 2025 Rm
41.1 Interest in significant subsidiary companies							
41.1.1 Significant companies							
MML		**100**	100	**17 751**	17 751		
Subsidiary companies							
Momentum Global Investment Management Ltd	UK	**100**	100				
Momentum Wealth (Pty) Ltd		**100**	100				
102 Rivonia Road (Pty) Ltd		**80**	80				
129 Rivonia (Pty) Ltd		**100**	*				
Momentum Wealth International Ltd	Guernsey	**100**	100				
Subsidiary company							
Momentum International Insurance PCC Ltd	Guernsey	**100**	100				
Momentum Investments Management (Pty) Ltd		**100**	100				
Subsidiary company							
Momentum Multi-Manager (Pty) Ltd		**100**	100				
Momentum Asset Management (Pty) Ltd		**100**	100				
Metropolitan International Support (Pty) Ltd[3]		**100**	100	**2 964**			
Subsidiary company							
Momentum International Holdings (Pty) Ltd[3]		**100**	100	**–**	2 749		
Subsidiary companies							
Momentum Metropolitan Namibia Ltd	Namibia	**99.2**	99.2				
Metropolitan Life of Botswana Ltd	Botswana	**100**	100				
Momentum Mozambique LDA	Mozambique	**66.7**	66.7				
Metropolitan Life Insurance Ghana Ltd	Ghana	**–**	100				
Metropolitan Lesotho Holding Group Ltd	Lesotho	**100**	–				
Subsidiary company							
Metropolitan Lesotho Ltd[3]	Lesotho	**100**	100	**–**	120		
Momentum Finance (Pty) Ltd		**100**	100	**600**	600	**3**	3
Eris Property Group (Pty) Ltd		**77**	77	**407**	407		
Metropolitan Capital (Pty) Ltd		**100**	100				
Momentum Group-Wide Services (Pty) Ltd		**100**	100	**352**	352		
Momentum Trust Ltd		**100**	100	**171**	171		
Momentum Strategic Investments (Pty) Ltd		**100**	100	**7 469**	7 287		
Subsidiary companies							
Metropolitan Health Corporate (Pty) Ltd		**70.5**	70.5				
Momentum Consult (Pty) Ltd		**100**	100				
Momentum Insure Company Ltd		**100**	100				
MMI Short Term Insurance Administration (Pty) Ltd		**100**	100				
Momentum Securities (Pty) Ltd		**100**	100				
Investment Managers Group (Pty) Ltd		**100**	100				
IMG Affiliates 2 (Pty) Ltd		**100**	100				
IMG Affiliates 2B (Pty) Ltd		**67**	67				
FinGlobal Migration (Pty) Ltd		**100**	100				
Momentum Health (Pty) Ltd		**73**	73				
Subsidiary company							
Momentum Multiply (Pty) Ltd		**100**	100				
Guardrisk Group (Pty) Ltd		**100**	100				
Subsidiary companies							
Guardrisk Life Ltd		**100**	100				
Guardrisk Insurance Company Ltd		**100**	100				
Guardrisk International Ltd PCC		**100**	100				
Zest Life Investments (Pty) Ltd		**100**	100				
Momentum Insure Ltd (Namibia)	Namibia	**100**	*				
Momentum Strategic Investments (UK) Ltd	UK	**100**	100				
Subsidiary companies							
Euroguard Insurance Company PCC Ltd	Gibraltar	**100**	100				
Anthemis Exponential Ventures LLP	UK	**100**	100				
Equity-settled shared-based payments Investment[4]				**173**	151		
Less: impairments (refer to note 41.1.2)				**(593)**	(615)		
Total interest in subsidiary companies				**29 294**	28 973	**3**	3

1 The Company made capital injections of R120 million (2025: R190 million) into Metropolitan International Holdings (Pty) Ltd (MIH), R165 million into Momentum Strategic Investments (Pty) Ltd and R120 million into Metropolitan International Support (Pty) Ltd (MIS). In the prior year, R95 million capital injection was made to Momentum Trust Ltd. The capital injections were fully funded through cash.

2 These loans have been provided as a long-term source of additional capital for the subsidiary.

3 Due to the Momentum Africa restructure, the Company transferred its entire holding in Metropolitan Lesotho (Pty) Ltd to Metropolitan Lesotho Holding Group Ltd for R120 million in cash. Also, Metropolitan International Holdings (Pty) Ltd transferred its entire holding for R2.8 billion to MIS. There was no profit or loss on disposal of these companies.

4 The investment in subsidiary is as a result of the iSabelo share-based transaction, for which the Company has the responsibility to settle the liability raised in the respective subsidiaries with its own shares. Refer to Note 18.5 for the Share-based payment disclosures.

* This was not considered to be a significant subsidiary in the prior year.

41 Significant subsidiary companies continued

41.1 Interest in significant subsidiary companies continued

	2026 Rm	2025 Rm
41.1.2 Subsidiary cumulative impairments		
Metropolitan International Holdings (Pty) Ltd	–	25
Momentum Finance (Pty) Ltd	**405**	392
Momentum Group-Wide Services (Pty) Ltd	**62**	80
Momentum Trust Ltd	**126**	118
Total	**593**	615

	2026 Rm	2025 Rm
41.1.3 Other loans to/(from) significant subsidiaries		
Momentum Strategic Investments (Pty) Ltd	–	1
Metropolitan Capital (Pty) Ltd	**314**	300
Gross loans to subsidiaries	**314**	301
Less: impairments	**(217)**	(153)
Loans to subsidiary companies	**97**	148
MML	**(690)**	(458)
Loans from subsidiary companies	**(690)**	(458)

Loans to/(from) subsidiary companies are generally interest-free, unsecured and repayable on demand, therefore the carrying amount approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

41 Significant subsidiary companies continued

41.2 Interest in significant CIS subsidiaries

41.2.1 Significant CIS subsidiaries

At 30 June, the following CISs were significant subsidiaries of the Group:

	Interest held		Carrying amount	
	2026 %	2025 %	2026 Rm	2025 Rm
Curate Global Sustainable Equity Fund	87.8	92.8	23 107	19 243
Momentum Money Market Fund	60.9	59.7	11 052	9 283
Momentum GF Global Equity Fund	79.6	87.1	9 691	17 915
Momentum Bond Fund	96.6	96.8	9 153	7 682
Momentum Global Systematic Equity Fund	100.0	100.0	8 505	2 970
Momentum Income Plus Fund	69.1	67.4	8 080	7 194
Momentum Thematic Growth Equity Fund	100.0	100.0	8 015	8 307
Curate Global Emerging Markets Equity Fund	93.6	93.8	7 519	4 349
Momentum Focus 6 Fund of Funds	90.4	90.2	6 261	5 730
Momentum Trending Equity Fund	96.0	99.7	5 488	5 420
Momentum Ultra Long-Term Value Fund	91.5	90.5	5 122	4 151
Momentum SA Flexible Fixed Interest Fund	77.4	81.2	4 698	3 580
Momentum Enhanced Yield Fund	63.0	63.2	4 593	4 443
Momentum Value Equity Fund	99.6	99.6	4 116	3 971
Momentum Opportunistic Equity Fund	100.0	100.0	4 101	3 794
Momentum RCIS QI Property Fund of Hedge Funds	98.8	*	3 341	*
Momentum Focus 7 Fund of Funds	87.0	86.4	3 325	2 789
Momentum Global Growth Fund IC Ltd	90.7	91.4	2 624	2 922
Momentum Diversified Income Fund	73.3	69.5	2 549	2 082
Momentum Core Equity Fund	93.7	80.6	2 447	2 613
Momentum Focus 5 Fund of Funds	79.3	78.9	2 373	2 000
Momentum High Growth Fund	100.0	100.0	2 297	2 914
Momentum Macro Value Fund	100.0	100.0	2 294	2 992
Momentum Property Equity Fund	95.4	94.9	2 176	1 284
Momentum RCIS QI Property Hedge Fund	100.0	99.9	2 080	1 619
Momentum Capped SWIX Index Fund	82.6	84.4	1 970	1 875
Momentum GF Global Sustainable Equity Feeder Fund	65.0	67.3	1 898	1 249
Momentum Emerging Manager Growth Fund	100.0	100.0	1 734	1 558
Momentum Global Managed Fund IC Ltd	87.0	87.4	1 675	1 803
Curate Momentum Balanced Fund	76.4	**	1 671	**
Momentum Flexible Income Fund	76.7	78.3	1 671	992
Momentum GF Global Fixed Income Fund	100.0	100.0	1 670	2 854
Momentum SA Real Growth Property Fund	100.0	100.0	1 669	1 038
Momentum RCIS Multi-Managed ZAR Capi Alpha QI Hedge Fund	100.0	100.0	1 362	1 162
Momentum Equity Fund	32.0	33.2	1 332	1 329
Momentum RCIS QI Multi Sector Property Hedge Fund	100.0	*	1 302	*
Momentum RCIS Rubix QI Hedge Fund	100.0	100.0	1 233	1 030
Momentum RCIS Multi-Managed ZAR Equity Hedge QI Hedge Fund	99.6	99.5	1 196	1 179
Momentum Macro Growth Fund	100.4	100.0	1 089	1 055
Curate Global Value Equity Fund	68.1	62.6	1 081	1 037
Momentum Real Growth Property Fund	84.7	84.4	1 061	922
Momentum Real Return Fund	100.0	100.0	1 045	854
Momentum Managed Bond Fund	99.9	100.0	1 041	814
Curate Momentum Flexible Property Fund	96.7	**	929	**
Curate Global Growth Equity Fund	68.7	77.1	907	1 334
Momentum Focus 3 Fund of Funds	79.1	77.9	740	536
Momentum Active Bond Fund	51.9	75.8	734	622
Curate Global Quality Equity Fund	58.7	62.4	574	955
Momentum RCIS ZAR Diversified QI Fund of Hedge Funds	74.0	80.4	515	685
Total			**175 106**	154 130

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

All the above CISs are incorporated in South Africa, except for the funds listed in Note 41.2.2:

41.2.2 Domicile

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

42 Unconsolidated structured entities

A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding who controls it. The Group considers certain CISs and other unit-linked investments to be structured entities. This note provides information on significant unconsolidated structured entities in which the Group holds an interest.

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

42.1 CISs and other unit-linked investments

Unit-linked investments comprise local and foreign CISs as well as other unit-linked investments. CISs are categorised into property, equity, money market, mixed assets and interest-bearing instruments based on the Association for Savings and Investment South Africa (ASISA) classification of the South Africa regulated CIS portfolios.

The category of unit-linked investments with no ASISA classification has been assessed based on the mandate and objective of the fund, with reference to the ASISA classification guidelines. Where the Group is the contract holder of investment contracts at another institution, but does not have title to the underlying investment assets, it has been allocated to the class of underlying asset composition/exposure that exceeds 80%. If no single asset composition exceeds 80%, it has been allocated to the mixed asset class.

Unlisted and unquoted unit-linked instruments are mainly exposed to equity, comprising investments in hedge funds and private equity funds, or interest-bearing instruments, comprising mezzanine funding and structured guaranteed income products. It includes investments where the exposure is subject to the underlying investments, comprising investments in pooled funds as well as investments backing policies where the Group is the policyholder of an investment contract issued by other insurance companies.

	2026 Rm	Restated 2025[1] Rm
CISs		
Local and foreign	**302 754**	265 567
Equity	**104 812**	86 431
Interest-bearing[1]	**27 324**	21 690
Property	**4 483**	6 619
Mixed	**161 574**	146 216
Money market	**4 372**	4 273
Commodity	**189**	338
Other unit-linked investments		
Local and foreign	**27 600**	23 624
Equity[1]	**5 529**	5 133
Interest-bearing	**3 774**	2 197
Property	**776**	828
Mixed	**17 207**	14 777
Money market	**13**	312
Commodity	**301**	377
At FVPL: unit-linked investments	**330 354**	289 191

[1] R1 184 million Unit-linked investments should have been classified as Equity securities. June 2025 has been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

42 Unconsolidated structured entities continued

42.2 Investments in associates at FVPL

The Group holds a significant investment in the following associates at FVPL:

	Carrying amount Rm	% interest held	Nature of relationship	Principal place of business
2026				
Momentum Africa Real Estate Fund	**309**	**26.8%**	**Standard investment**	**London**
2025				
Momentum Africa Real Estate Fund	379	32.3%	Standard investment	London

Summarised financial information relating to the associate above:

	Momentum Africa Real Estate Fund Rm
2026	
Current assets	**6**
Non-current assets	**1 071**
Current liabilities	**38**
Non-current liabilities	**1 039**
Revenue	**56**
Profit	**30**
2025	
Current assets	13
Non-current assets	1 178
Current liabilities	17
Non-current liabilities	1 174
Revenue	57
Loss	12

42 Unconsolidated structured entities continued

42.3 Other unconsolidated structured entities

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

Name of entity	Investment type	Nature and purpose of business	How is the entity financed?	Note size 2026 Rm	Note size 2025[1] Rm	Carrying amount[2] 2026 Rm	Carrying amount[2] 2025 Rm	Income received[3] 2026 Rm	Income received[3] 2025 Rm
Grayston Drive Autos (RF) Ltd	Floating rate note/vanilla bonds	Special purpose vehicle set up by Investec Bank Ltd to finance their automobiles book	Funding received from the South African capital market	**3 000**	3 000	**493**	489	**39**	23
The Thekwini Fund 17 (RF) Ltd	Floating rate note/vanilla bonds	Special purpose vehicle set up by South African Home Loans (Pty) Ltd to finance mortgage loans	Funding received from the South African capital market	*	3 935	*	477	*	53
The Thekwini Fund 18 (RF) Ltd	Floating rate note/vanilla bonds	Special purpose vehicle set up by South African Home Loans (Pty) Ltd to finance mortgage loans	Funding received from the South African capital market	**3 393**	3 757	**543**	724	**45**	71
The Thekwini Fund 19 (RF) Ltd	Floating rate note/vanilla bonds	Special purpose vehicle set up by South African Home Loans (Pty) Ltd to finance mortgage loans	Funding received from the South African capital market	**4 832**	4 785	**796**	814	**61**	64
The Thekwini Fund 20 (RF) Ltd	Asset-backed floating rate notes	Special purpose vehicle set up by SA Home Loans (Pty) Ltd to acquire and securitise residential mortgage loans.	Funded through the issuing of asset-backed notes in the South African debt capital market.	**4 916**	**	**510**	**	**21**	**
The Thekwini Warehousing Conduit (RF) Ltd	Fixed rate notes	Asset Backed Commercial Paper set up by South African Home Loans (Pty) Ltd to fund pools of home loans pursuant to a securitisation scheme	The issuance of fixed and/or floating rate, asset-based commercial paper	**2 860**	2 818	**1 042**	568	**11**	5
Harcourt Street 1 (RF) Ltd	Floating rate notes	The issuer of the funds borrowed or raised from such debt instruments to acquire assets of any kind, but are typically associated with property investment and management	Funding received from the South African capital market	**2 271**	1 783	**419**	537	**11**	7
				21 272	20 078	**3 803**	3 609	**188**	223

* This listed securitisation is not considered to be significant in the current year.
** This listed securitisation was not considered to be significant in the prior year.
1 This is a change in presentation in the current year. During the current year, management developed and sourced the information of the size of the unconsolidated structured entities for completeness and to align with the requirements of IFRS 12. The prior year has been restated to enhance comparability.
2 Included in securities at FVPL in the statement of financial position. The carrying amount represents the Group's maximum exposure.
3 Consists of interest income and fair value gains/(losses).

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

43 Valuation techniques

The Group's in-house valuation experts perform the valuations of financial assets required for financial reporting purposes. Discussions of valuation processes and results are held at least biannually, in line with the Group's biannual reporting dates.

The valuation of the Group's assets and liabilities has been classified using a fair value hierarchy that reflects the significance of the inputs used in the valuation. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

Instruments classified as level 1 have been valued using published price quotations in an active market and include the following classes of financial assets and liabilities:

- Local and foreign listed equity securities.
- Stock and loans to government and other public bodies, excluding stock and loans to other public bodies listed on the JSE interest rate market.
- Local and foreign listed and unlisted quoted CISs (this also refers to the related CIS liabilities).
- Derivative financial instruments, excluding OTC derivatives.
- Other unit-linked investments.

Critical accounting estimates and judgements

For venture capital fund investments that are classified as equity securities and 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.

43 Valuation techniques continued

43.1 Fair value classification on level 2 instruments

The following are the methods and assumptions for determining the fair value when a valuation technique is used in respect of instruments classified as level 2. Refer to note 8.6 for details of the instruments split into the different levels.

Instrument	Valuation basis	Main assumptions
Equities and similar securities		
– Foreign listed and unlisted	DCF, earnings multiple, published prices	Cost of capital, earnings multiple, CPI, budgets, cash flow forecasts
Stock and loans to other public bodies		
– Listed, local	Published yield of benchmark bond	Nominal bond curve, swap curve, credit spread, real bond curve, inflation curve
	Published price quotation	Nominal bond curve, swap curve, credit spread, real bond curve, inflation curve
– Listed, foreign	Published price quotation	Nominal bond curve, credit spread, currency rates
– Unlisted	DCF	Nominal bond curve, swap curve, real bond curve, CPI, credit spread
Other debt securities		
– Listed, local	Published prices, DCF	Nominal bond curve, real bond curve, swap curve, CPI, credit spread, JIBAR rate, yield curve, issue spread, money market curve
– Listed, foreign	Published prices, DCF	Nominal bond curve, credit spread and currency rates
– Unlisted	DCF	Nominal bond curve, swap curve, real bond curve, CPI, credit spread, currency rates, issue spread, money market curve, graded non-convertible debenture quotes
	DCF, Black-Scholes model	Yield curves, discount rates, volatilities
Funds on deposit and other money market instruments		
– Listed	DCF	Money market curve
	Published prices	Money market curve, credit spread
	Published yield of benchmark bond	Money market curve, credit spread
– Unlisted	DCF	Money market curve, nominal bond curve, swap curve, credit spread, inflation curve
Unit-linked investments	Adjusted NAV or NAV	Underlying asset and liability values
Derivative assets and liabilities	Black-Scholes model (European options), binomial tree (American/Bermudan options), DCF	Nominal bond curve, swap curve, real bond curve, CPI, credit spread, volatility, forward equity, currency rates
Subordinated debt instruments (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
Payables arising from investment contracts	Fair value of underlying assets	Fair value of underlying assets

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

43 Valuation techniques continued

43.2 Fair value classification on level 3 instruments

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

Financial assets	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Securities at FVPL				
Equity securities				
Foreign listed	Published prices	Adjustments for low liquidity or inactivity	Liquidity discount: 0% to 30% (2025: 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]
Debt securities				
Stock and loans to government and other public bodies				
Unlisted	DCF	Discount rate	9.50% to 11.50% (2025: 8.00% to 11.50%)	The higher the discount rate, the lower the fair value of the assets
Other debt instruments				
Unlisted	DCF, Black-Scholes model	Discount rate, volatilities, yield curve	Multiple unobservable inputs[1]	Could vary significantly based on multiple inputs. The higher the discount rate, the lower the fair value of the assets. A normal yield curve will result in a lower fair value and a downward-sloping curve will result in higher fair values
	DCF	Discount rate	7.98% (2025: 9.00% to 10.22%); 8.02% to 11.70% (2025: 8.50% to 15.06%)	The higher the discount rate, the lower the fair value of the assets
	Last quoted price multiplied by number of units held	Price per unit	78c (2025: 78c)	The higher the price per unit, the higher the fair value

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

43 Valuation techniques continued

43.2 Fair value classification on level 3 instruments continued

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

Financial assets continued	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Unit-linked investments				
CISs				
Foreign unlisted unquoted	Market approach – Earnings multiple method & DCF	Valuation multiple, enterprise value, surplus assets, excess liabilities, financial instrument ranking, discount rates	Could vary significantly due to range of holdings	The higher the valuation multiple, enterprise value, surplus excess and financial instrument ranking, the greater the fair value. The higher the excess liabilities, the lower the fair value. The higher the discount rate, the lower the fair value of the assets
Other unit-linked investments				
Local unlisted unquoted	Market approach – Earnings multiple method & DCF	Valuation multiple, enterprise value, surplus assets, excess liabilities, financial instrument ranking, discount rates	Could vary significantly due to range of holdings	The higher the valuation multiple, enterprise value, surplus excess and financial instrument ranking the greater the fair value. The higher the excess liabilities the lower the fair value. The higher the discount rate, the lower the fair value of the assets
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics	Could vary significantly due to range of holdings[1]	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Foreign unlisted unquoted	Market approach – Earnings multiple method & DCF	Valuation multiple, enterprise value, surplus assets, excess liabilities, financial instrument ranking, discount rates	Could vary significantly due to range of holdings	The higher the valuation multiple, enterprise value, surplus excess and financial instrument ranking the greater the fair value. The higher the excess liabilities the lower the fair value. The higher the discount rate, the lower the fair value of the assets
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics	Could vary significantly due to range of holdings[1]	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Derivative financial assets	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics	Could vary significantly due to range of holdings[1]	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Financial liabilities				
Other borrowings	DCF	Risk discount rate	1% (30.06.2025: 1%)	The higher the discount rate, the lower the fair value of the liability
	DCF	Probability of losing the key distribution relationship Probability of not outperforming the key metric	0% to 100% (2025: 0% to 100%)	The higher the probability, the lower the fair value of the liability
Preference shares	DCF	Discount rate	10.99% to 14.44% (2025: 11.55% to 14.43%)	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 FINANCIAL STATEMENTS CONTINUED

43 Valuation techniques continued

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

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

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

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration

44.1 Cash-settled arrangements

44.1.1 Valuation assumptions relating to outstanding LTIP units at 30 June

Performance units granted

			Units granted (thousands)[1]	
	Award date	Vesting date	2026	2025
26th tranche[2,3]	01-Oct-21	01-Oct-24	**181**	330
28th tranche[2,3]	01-Oct-22	01-Oct-25	**504**	697
29th tranche[2,3]	01-Apr-23	01-Apr-26	**3**	6
30th tranche[2,3]	01-Oct-23	01-Oct-26	**692**	625
31st tranche[2,3]	01-Oct-24	01-Oct-27	**499**	9 229
32nd tranche[2,3]	01-Oct-25	01-Oct-28	**11 029**	–
33rd tranche[2,3]	01-Apr-26	01-Apr-29	**228**	–

	Valuation assumptions included in 2026:			
	Outstanding tranche period in years	Take-up rate on units outstanding	Current vesting probability excluding attrition	Share price at year end
26th tranche[2,3]	**0.00**	**0%**	**100%**	**R40.63**
28th tranche[2,3]	**0.00**	**0%**	**100%**	**R40.63**
29th tranche[2,3]	**0.00**	**0%**	**100%**	**R40.63**
30th tranche[2,3]	**0.25**	**99%**	**70%**	**R40.63**
31st tranche[2,3]	**1.25**	**94%**	**69%**	**R40.63**
32nd tranche[2,3]	**2.25**	**87%**	**60%**	**R40.63**
33rd tranche[2,3]	**2.75**	**87%**	**60%**	**R40.63**

	Valuation assumptions included in 2025:			
	Outstanding tranche period in years	Take-up rate on units outstanding	Current vesting probability excluding attrition	Share price at year end
26th tranche[2,3]	0.00	0%	100%	R34.29
28th tranche[2,3]	0.25	99%	100%	R34.29
29th tranche[2,3]	0.75	96%	100%	R34.29
30th tranche[2,3]	1.25	94%	68%	R34.29
31st tranche[2,3]	2.25	87%	71%	R34.29

1 This relates to units granted during the current year and units granted during prior years that are still outstanding at year end.
2 This relates to dividend offers made during the year.
3 In terms of the Momentum Group Ltd LTIP rules, the date at which the achievement of performance conditions is measured, is prior to the ultimate vesting date. After year 3 of the scheme, the measurement of performance and the vesting percentage in respect of all units is confirmed. Vesting and settlement then takes place one third on this date, one third a year thereafter, and one third two years thereafter.

Refer to Long-term incentive table of unvested awards – executive directors section of the Integrated Report for more information regarding the Directors' LTIP remuneration.

Vesting rate assumptions regarding performance units in the table above

As stated on pages 233 to 234, the performance units in the LTIP are subject to performance criteria.

The share-based payment provision is calculated by estimating the vesting probability, based on forecasted performance against their respective targets. The total shareholder return (TSR) peer comparison is weighted 10% (October 2025 tranche), 15% (October 2024 tranche) and 20% (October 2023 tranche) respectively towards the overall long-term incentive performance targets, with the remaining 90% (October 2025 tranche), 85% (October 2024 tranche) and 80% (October 2023 tranche) allocation being decided on by other relevant performance measurement criteria (normalised headline earnings; VNB; ROE; strategic enablers and environmental, social and governance (ESG) positive impact).

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

In order to estimate the TSR vesting probability, a share price projection Monte Carlo simulation model is used. This involves 100 000 simulations of the point-in-time price at the performance end date for all companies and computing the corresponding TSR value for each. The projection model as at the end of June 2026 assumed interest rates implied by the nominal government curve, Momentum Group Ltd dividend yield of 4.94% (2025: 4.37%), Momentum Group Ltd volatility of 24.31% (2025: 25.78%) (historically estimated), a Momentum Group Ltd spot price of R40.63 (2025: R34.29) per share, and a term to the performance end date as per the LTIP tranche being valued.

The closing liability value at reporting date is calculated as follows: number of shares in-force at reporting date; multiplied by the closing share price at reporting date; multiplied by the vesting probability at reporting date; multiplied by the allowance for expected attrition up to maturity at reporting date; multiplied by time apportionment at reporting date[4].

4 This is calculated as a percentage and calculated as: (reporting date less offer date) divided by (vesting date less offer date).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.1 Cash-settled arrangements continued

44.1.1 Valuation assumptions relating to outstanding LTIP units at 30 June continued

Vesting rate assumptions regarding performance units in the table above continued

There are currently three LTIP schemes in flight which were awarded in October 2023, October 2024 and the latest LTIP tranche was issued in October 2025.

The October 2023 LTIP tranche was issued with performance criteria normalised headline earnings, VNB, ROE and TSR. Normalised headline earnings and VNB targets set for each of the financial years 2024 to 2026. Each year's target contributes 33.33% to the total three-year allocated weightings of 30%. The ROE target will be measured for the end of the three-year measurement period (June 2026) with a total weighting of 20%. The TSR target was set and measured against the peer group (Discovery, Old Mutual and Sanlam) as an average over the three-year performance measurement period with a total weighting of 20%. As at June 2026 the 2023 LTIP liability was calculated using a 70% vesting probability assumption.

The October 2024 LTIP tranche was issued with performance criteria normalised headline earnings, VNB, ROE, TSR, three strategic enablers and two ESG criteria. Normalised headline earnings and VNB targets set for each of the financial years 2025 to 2027 whereby each year's target contributes 8.3%, 8.3% and 8.4% respectively – the total allocated weightings are 25%. The ROE target will be measured for the end of the three-year measurement period (June 2027) with a total weighting of 15%. The TSR target was set and measured against the peer group (Discovery, Old Mutual and Sanlam) as an average over the three-year performance measurement period with a total weighting of 15%. Each of the three strategic enablers contribute 5% weight and are to be measured at the end of the performance period with a total weighting of 15%. The two ESG criteria are measured at the end of the performance period and are weighted 2.5% each and 5% in total. As at June 2026 the 2024 LTIP liability was calculated using a 69.41% vesting probability assumption.

The October 2025 LTIP tranche was issued with performance criteria normalised headline earnings, VNB, ROE, TSR, three strategic enablers and two ESG criteria. Normalised headline earnings and VNB targets for F2026 to F2028, contributes 33.33% annually to the three-year weightings of 30%. The ROE target is to be measured at the end of the three-year period (June 2028) and contributes 10%. The TSR target is to be measured against peers (Discovery, Old Mutual, Sanlam) over the three-year performance period and contributes 10%.Each of the three strategic enablers contribute 5% weight and are to be measured at the end of the performance period with a total weighting of 15%. The two ESG criteria are measured at the end of the performance period and are weighted 2.5% each and 5% in total. As at June 2026 the 2025 LTIP liability was calculated using a 59.75% vesting probability assumption.

Deferred bonus units granted

			Units granted (thousands)[1]	
	Award date	Vesting date	2026	2025
29th tranche	01-Oct-22	01-Oct-25	**–**	261
32nd tranche	01-Apr-23	01-Apr-26	**–**	3
34th tranche	01-Oct-23	01-Oct-25	**–**	211
35th tranche	01-Oct-23	01-Oct-26	**232**	211
36th tranche	01-Oct-24	01-Oct-25	**–**	2 978
37th tranche	01-Oct-24	01-Oct-26	**160**	2 978
38th tranche	01-Oct-24	01-Oct-27	**161**	2 978
39th tranche	01-Apr-25	01-Apr-26	**–**	12
40th tranche	01-Apr-25	01-Apr-27	**–**	12
41st tranche	01-Apr-25	01-Apr-28	**–**	12
42nd tranche	01-Oct-25	01-Oct-26	**27**	n/a
43rd tranche	01-Oct-25	01-Oct-27	**27**	n/a
44th tranche	01-Oct-25	01-Oct-28	**27**	n/a
45th tranche	01-Oct-25	01-Apr-26	**–**	n/a
46th tranche	01-Oct-25	01-Apr-27	**2 154**	n/a
47th tranche	01-Oct-25	01-Apr-28	**2 154**	n/a
48th tranche	01-Oct-25	01-Apr-29	**2 154**	n/a
49th tranche	01-Apr-26	01-Oct-26	**4**	n/a
50th tranche	01-Apr-26	01-Oct-27	**4**	n/a
51st tranche	01-Apr-26	01-Oct-28	**4**	n/a
52nd tranche	01-Apr-26	01-Oct-29	**4**	n/a

[1] This relates to units granted during the current year and units granted during prior years that are still outstanding at year end.

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.1 Cash-settled arrangements continued

44.1.1 Valuation assumptions relating to outstanding LTIP units at 30 June continued

	Valuation assumptions include in 2026:			
	Outstanding tranche period in years	Take-up rate on units outstanding	Current vesting probability excluding attrition	Share price at year end
29th tranche	n/a	n/a	n/a	n/a
32nd tranche	n/a	n/a	n/a	n/a
34th tranche	n/a	n/a	n/a	n/a
35th tranche	0.25	99%	100%	R40.63
36th tranche	n/a	n/a	n/a	n/a
37th tranche	0.25	99%	100%	R40.63
38th tranche	1.25	93%	100%	R40.63
39th tranche	n/a	n/a	n/a	n/a
40th tranche	n/a	n/a	n/a	n/a
41st tranche	n/a	n/a	n/a	n/a
42nd tranche	0.25	99%	100%	R40.63
43rd tranche	1.25	93%	100%	R40.63
44th tranche	2.25	87%	100%	R40.63
45th tranche	n/a	n/a	n/a	R40.63
46th tranche	0.75	96%	100%	R40.63
47th tranche	1.75	90%	100%	R40.63
48th tranche	2.75	84%	100%	R40.63
49th tranche	0.25	99%	100%	R40.63
50th tranche	1.25	93%	100%	R40.63
51st tranche	2.25	87%	100%	R40.63
52nd tranche	3.25	83%	100%	R40.63

	Valuation assumptions include in 2025:			
	Outstanding tranche period in years	Take-up rate on units outstanding	Current vesting probability excluding attrition	Share price at year end
29th tranche	0.25	99%	100%	R34.29
32nd tranche	0.75	96%	100%	R34.29
34th tranche	0.25	99%	100%	R34.29
35th tranche	1.25	93%	100%	R34.29
36th tranche	0.25	99%	100%	R34.29
37th tranche	1.25	93%	100%	R34.29
38th tranche	2.25	87%	100%	R34.29
39th tranche	0.75	96%	100%	R34.29
40th tranche	1.75	90%	100%	R34.29
41st tranche	2.75	84%	100%	R34.29
42nd tranche	n/a	n/a	n/a	n/a
43rd tranche	n/a	n/a	n/a	n/a
44th tranche	n/a	n/a	n/a	n/a
45th tranche	n/a	n/a	n/a	n/a
46th tranche	n/a	n/a	n/a	n/a
47th tranche	n/a	n/a	n/a	n/a
48th tranche	n/a	n/a	n/a	n/a
49th tranche	n/a	n/a	n/a	n/a
50th tranche	n/a	n/a	n/a	n/a
51st tranche	n/a	n/a	n/a	n/a
52nd tranche	n/a	n/a	n/a	n/a

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.1 Cash-settled arrangements continued

44.1.2 Valuation assumptions relating to outstanding MSPS units at 30 June:

	Award date	Vesting date	Units granted '000[1]	Valuation assumptions include: Outstanding tranche period in years	Take-up rate on units outstanding	Current vesting probability excluding attrition
2026						
43rd tranche	01-Nov-25	01-Nov-28	**94 657**	**2.40**	**100%**	**95%**
44th tranche	01-Nov-25	01-Nov-29	**94 657**	**3.40**	**100%**	**95%**
45th tranche	01-Nov-25	01-Nov-30	**94 661**	**4.40**	**100%**	**95%**
2025						
40th tranche	01-Nov-24	01-Nov-27	145 928	2.40	100%	95%
41st tranche	01-Nov-24	01-Nov-28	145 928	3.40	100%	95%
42nd tranche	01-Nov-24	01-Nov-29	145 925	4.40	100%	95%

[1] This relates to units granted during the year that are still outstanding at year end.

44.1.3 Payments of tranches vested during the current or prior year

LTIP: Performance units	The 22nd (vested October 2022), 24th (vested October 2023) and 26th (vested October 2024) tranches were settled in October 2024 at R28.31 per share totalling R232.0 million. The 23rd (vested April 2023) and 25th (vested April 2024) tranches were settled in April 2025 at R30.24 and R30.43 per share totalling R1.6 million. The 24th (vested October 2023), 26th (vested October 2024) and 28th (vested October 2025) tranches were settled in October 2025 at R33.57 per share totalling R364.0 million. The 25th (vested April 2024) tranche was settled in April 2026 at R36.20 per share totalling R2.3 million. Ad hoc payments totalling R24.2 million (2025: R21.4 million).
LTIP: Deferred bonus units	The 24th, 28th and 33rd (vested October 2024) tranches were settled in October 2024 at R28.31 per share totalling R326.0 million. The 27th and 31st (vested April 2025) tranches were settled in April 2025 at R30.24 per share totalling R6.6 million. The 29th, 34th and 36th (vested October 2025) tranches were settled in October 2025 at R33.57 per share totalling R416.6 million. The 32nd and 39th (vested April 2026) tranches were settled in April 2026 at R36.20 per share totalling R79.2 million. Ad hoc payments totalling R18.0 million (2025: R23.5 million).
SAR Retention	The tranche with a settlement date of October 2024 was settled in October 2024 at R28.31 per share totalling R13.6 million. Ad hoc payments totalling Rnil (2024: R0.4 million).

Share-based payment expense

The share-based payment expense relating to cash-settled schemes is R870 million (2025: R1 088 million) for the Group and is disclosed under employee benefit expenses in note 25.

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.2 Equity-settled arrangements

44.2.1 Valuation assumptions relating to outstanding iSabelo units at 30 June 2026

The valuation model

The value of the share scheme is calculated using an option-based model.

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

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

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

In order to incorporate the impact of employees leaving over the scheme duration, an employee attrition rate of 14% (2025: 14%) was used.

Key inputs

For the valuation the following key parameters were used:

Key model parameters

2026 Market-based parameters	1st tranche	2nd tranche	3rd tranche	4th tranche	5th tranche	1st top-up	Comment
Share price	R18.89	R16.49	R18.37	R20.15	R32.43	R38.76	Share price as at issue date
Volatility	40.00%	40.00%	26.30%	23.79%	24.47%	24.47%	Based on market rates
Risk-free rate	10.87%	10.61%	11.40%	12.64%	10.93%	9.03%	10-year point on GOVI Zero NACS
Contractual parameters							
Dividend yield	4%	4%	4%	4%	4%	4%	Constant dividend yield assumed over the projection period
Funding charges	72% of prime	72% of prime	72% of prime	72% of prime	72% of prime	70% of prime	A preference shares
	120% of prime	120% of prime	120% of prime	120% of prime	120% of prime	90% of prime	B preference shares
Employee attrition	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	Based on historic experience

2025 Market-based parameters	1st tranche	2nd tranche	3nd tranche	4th tranche	5th tranche	Comment
Share price	R18.89	R16.49	R18.37	R20.15	R32.43	Share price as at issue date
Volatility	40.00%	40.00%	26.30%	23.79%	24.47%	Based on market rates
Risk-free rate	10.87%	10.61%	11.40%	12.64%	10.93%	10-year point on GOVI Zero NACS
Contractual parameters						
Dividend yield	4%	4%	4%	4%	4%	Constant dividend yield assumed over the projection period
Funding charges	72% of prime	72% of prime	72% of prime	72% of prime	72% of prime	A preference shares
	120% of prime	120% of prime	120% of prime	120% of prime	120% of prime	B preference shares
Employee attrition	14.00%	14.00%	14.00%	14.00%	14.00%	Based on historic experience

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.3 Directors' remuneration

The Group's executive directors are contracted as full-time, permanent employees. The notice period for executive directors is one month written notice. Bonus payments and the vesting of long-term incentives that are in place at the time of an individual's termination of service are subject to the rules of the relevant incentive scheme, subject to the discretion of the Remuneration Committee based on recommendations by the Group CEO.

Non-executive directors receive a fixed annual fee that is inclusive of all Board and committee attendance, as well as all other services performed on behalf of the Group. The Group pays for all travelling and accommodation expenses in respect of Board meetings.

	JC Marais (Cilliers)		RS Ketola		D Mbethe		Total	
R'000	2026	2025	2026	2025	2026	2025	2026	2025
Guaranteed remuneration	**8 850**	8 422	**6 383**	6 041	**5 265**	4 940	**20 498**	19 403
Salary and allowances	**8 422**	7 956	**6 004**	5 685	**4 837**	4 540	**19 263**	18 181
Retirement fund contribution	**342**	388	**293**	278	**376**	353	**1 011**	1 019
Medical aid contribution	**86**	78	**86**	78	**52**	47	**224**	203
Short-term incentive payments	**7 200**	4 900	**5 125**	3 850	**4 400**	3 750	**16 725**	12 500
Long-term incentive payments	**29 072**	21 988	**25 186**	18 070	**18 090**	11 741	**72 348**	51 799
Executive directors	**45 122**	35 310	**36 694**	27 961	**27 755**	20 431	**109 571**	83 702
Value of shares granted	**30 837**	25 118	**20 393**	16 951	**16 178**	13 984	**67 408**	56 053
Value of total units outstanding at year end	**100 246**	91 216	**72 354**	71 354	**55 224**	52 779	**227 824**	215 349

The table above sets out the remuneration of the executive directors in terms of the requirements of section 30(4)(4)(6) of the Companies Act and includes all remuneration paid to executive directors during the year.

	Total fees	
	2026 R'000	2025 R'000
PC Baloyi[1]	**1 269**	2 967
P Cooper[1]	**895**	1 832
L de Beer	**2 295**	2 078
NJ Dunkley	**2 092**	2 690
T Gobalsamy	**1 288**	1 258
SC Jurisich	**2 382**	2 298
AF Leautier	**1 765**	1 644
P Matlakala	**2 166**	2 113
HP Meyer	**1 383**	1 120
DJ Park	**1 891**	1 832
S Rapeti	**1 221**	1 120
JJ Sieberhagen[2]	**2 648**	1 874
T Soondarjee	**3 195**	1 539
Non-executive directors	**24 490**	24 365

[1] Resigned November 2025.
[2] Appointed March 2025.

44 Cash and equity-settled arrangements valuation assumptions and directors' remuneration continued

44.4 Directors' shareholding in Momentum Group Ltd

Listed shares	Direct Beneficial '000	Indirect Beneficial '000	Total 2026 '000	Total 2025 '000
Executive directors				
JC Marais (Cilliers)	226	–	226	217
RS Ketola	110	–	110	85
D Mbethe	66	–	66	64
Non-executive directors				
P Cooper	–	–	–	1 452
NJ Dunkley	73	–	73	73
SC Jurisich	1	–	1	1
HP Meyer	295	514	809	769
JJ Sieberhagen	4	–	4	4
Total	775	514	1 289	2 665

Shareholding of directors who stepped down/retired in the current year

Listed shares	Direct Beneficial '000	Indirect Beneficial '000	Total 2025 '000
P Cooper	500	952	1 452
Total	500	952	1 452

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

45 Material Group accounting policies

45.1 New IFRS Accounting Standards and amendments

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

- IFRS 9 and IFRS 7 (Amendments) – Classification and measurement of financial instruments. The amendment is effective for annual periods on or after 1 January 2026.
- IAS 28 (Amendments) – Fair value option for investments in associates and joint ventures. The amendment is effective for annual periods on or after 1 January 2027.
- IFRS 18 – Presentation and Disclosure in Financial Statements – The standard is effective for annual periods on or after 1 January 2027. IFRS 18 establishes a framework for presenting financial statements to enhance transparency and comparability between reporting entities. The standard introduces sub-totals in the income statement and requires the allocation of income and expenses into the sections created by the sub-totals. IFRS 18 introduces the concept of management-defined performance measures (MPMs) and requires disclosure to be made for MPMs. The standard provides principles to be considered in determining the content and level of granularity of line items in the primary financial statements and the notes to the financial statements. The adoption of IFRS 18, for the annual period ending 30 June 2028, will result in changes to the Group's income statement, notes to the financial statements and restatement of the comparative period. The adoption of IFRS 18 should not result in changes to the Group's earnings. The Group is assessing main business activities and the consequential impacts on the Group's income statement and the extent that MPMs are used to communicate the Group's financial performance.
- Management is currently assessing the impact of these new standards, amendments and interpretations on the Group's financial statements. While the assessment is ongoing, IFRS 18 and, potentially, the amendments to IFRS 9 and IAS 28 are expected to have the most significant impact. The remaining new standards, amendments and interpretations are not expected to materially affect the Group's financial position, financial performance or disclosures.

45.2 Consolidation

45.2.1 Subsidiaries

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

Initial measurement

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.2 Consolidation continued

45.2.1 Subsidiaries continued

Disposals

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

Transactions with non-controlling interest shareholders

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

Measurement – Momentum Group Ltd separate financial statements

Investment in subsidiary companies are stated at cost less any impairment losses.

45.2.2 Associates

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

Measurement

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

Investments in CISs where the Group has significant influence are recognised at FVPL and are not equity accounted where they back contract holder liabilities. Initial measurement is at fair value on trade date, with subsequent measurement at fair value based on quoted repurchase prices at the close of business on the last trading day on or before the reporting date. Fair value adjustments on CISs are recognised in the income statement. The related income from these schemes is recognised as interest or dividends received, as appropriate.

Impairment

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

Measurement – Momentum Group Ltd separate financial statements

Investments in CISs where the Company has significant influence are carried as investments at FVPL and are not equity accounted where they back contract holder liabilities. Initial measurement is at fair value on trade date, with subsequent measurement at fair value based on quoted repurchase prices at the close of business on the last trading day on or before the reporting date. Fair value adjustments on CISs are recognised in the income statement. The related income from these schemes is recognised as interest or dividends received, as appropriate.

45.2.3 Joint arrangements

The Group applies IFRS 11 – Joint Arrangements to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures. Depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method.

Measurement

Interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

45.3 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rand (the presentation currency), which is the functional currency of the parent. The financial statements have been rounded to the nearest R million.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities, measured at FVPL, are recognised as part of their fair value gain or loss.

Subsidiary undertakings

Foreign entities are entities of the Group that have a functional currency different from the presentation currency. Assets and liabilities of these entities are translated into the presentation currency at the rates of exchange ruling at the reporting date. Income and expenditure are translated into the presentation currency at the average rate of exchange for the year.

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

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

45 Material Group accounting policies continued

45.4 Intangible assets

45.4.1 Goodwill

Recognition and measurement

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

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

Impairment

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

45.4.2 Deferred acquisition costs (DAC)

On long-term investment business

Incremental costs that are directly attributable to securing rights to receive fees for asset management services sold with investment contracts are recognised as an asset if the entity expects to recover them. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The asset represents the contractual right to benefit from receiving fees for providing investment management services, and is amortised over the policy term, as a constant percentage of expected gross profit margins (including investment income) arising from the contract or on a straight-line basis. The pattern of expected profit margins is based on historical and expected future experience and is updated at the end of each accounting period.

Impairment

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

45.4.3 Other intangible assets

Other intangible assets include customer relationships, brand and intellectual property, broker network and computer software.

Subsequent measurement

Other intangible assets are carried at cost less accumulated amortisation and impairment. The assets are amortised over their expected useful lives using the straight-line method. The customer relationships are amortised over 3 to 19 years, brands over 10 to 20 years, intellectual property over 5 to 20 years, the broker networks over 5 to 20 years and computer software over 10 years. If an intangible asset has an indefinite useful life, no amortisation is recorded on that intangible asset.

45.5 Owner-occupied properties

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

Measurement

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

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

Increases in the carrying amount arising on revaluation of buildings are credited to a land and building revaluation reserve in other comprehensive income, except for where IAS16.29A has been applied. Increases/decreases in the carrying amount for these properties are treated in the same manner as investment properties and are credited/debited through profit and loss. This has been applied to properties where the Group issues insurance contracts with direct participation features and hold the underlying properties.

Decreases that offset previous increases in respect of the same asset are charged against the revaluation reserve, and all other decreases are charged to the income statement.

Depreciation

Owner-occupied property buildings are depreciated on a straight-line basis, over 50 years, to allocate their revalued amounts less their residual values over their estimated useful lives. Property and equipment related to the buildings are depreciated over five to 20 years. Land is not depreciated. The residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

Accumulated depreciation relating to these properties is eliminated against the gross carrying amount of the properties and the net amount is restated to the revalued amount. Subsequent depreciation charges are adjusted based on the revalued amount for each property.

Disposals

When owner-occupied properties are sold or when the properties are no longer classified as owner-occupied, the amounts included in the land and buildings revaluation reserve are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.6 Investment properties

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

Measurement

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

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

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

Transfers to and from investment properties

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

45.7 Financial assets

Classification

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

- Financial assets at FVPL, including derivative financial assets
- Financial assets at amortised cost

The classification of financial instruments is based on contractual cash flows characteristics and models through which financial instruments are managed (business model).

The Group reclassifies debt investments when its business model for managing those assets changes.

- **Debt instruments**

  Debt instruments are measured at amortised cost when the debt is held for collection of contractual cash flows, where those cash flows represent solely payments of the principal amount outstanding and interest on the principal amount. The Group designates debt securities and funds on deposit and other money market instruments at FVPL upon initial recognition when it eliminates or significantly reduces a measurement or recognition inconsistency, referred to as an accounting mismatch, that would otherwise arise as a result of movements in related liabilities being recorded in profit or loss.

- **Equity instruments**

  The Group subsequently measures all equity investments at fair value. The Group's management has elected to present fair value gains and losses on equity instruments in profit and loss.

Recognition and measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the financial assets. These are recognised as unsettled trades until the settlement date occurs.

Financial assets at FVPL is subsequently carried at fair value. Financial assets at amortised cost is recognised initially at fair value and subsequently carried at amortised cost, using the *effective interest method* less provision for impairment.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For financial assets at amortised cost, the Group determines at each reporting date whether there has been a significant increase in credit risk since initial recognition of the financial asset by assessing the likelihood or risk of default occurring since initial recognition based on all reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition. Where there is no significant increase in credit risk since initial recognition or for assets that have low credit risk at reporting date, a 12 month expected credit loss is recognised. Where a significant increase in credit risk since initial recognition occurred a lifetime expected credit loss is calculated.

The Group views financial assets at amortised cost to be low credit risk when there is a low risk of default and the borrower has the strong capacity to meet its contractual cash flow obligations in the near term. The low credit risk exemption has not been applied by the Group.

Management considers whether there is reasonable expectation that a balance can be recovered from a counterparty and if not, balances are written off.

45 Material Group accounting policies continued

45.7 Financial assets continued

Impairment – Momentum Group Ltd separate financial statements

Intercompany loan impairment is calculated at each reporting date using probability of default and the loss given default (LGD) rates. Probability of default rates considers historical defaults as well as forward-looking estimates based on macroeconomic factors obtained from rating agencies. Loans without repayment terms consider any senior external or internal loans which need to be repaid before the intercompany loan to determine a probability of default, since it reduces the liquid assets available to repay that intercompany loan. Management applies its own judgement, on an individual loan basis, to adjust the prescribed LGD to include forward-looking information. Management considers whether there is reasonable expectation that a balance can be recovered from a counterparty and if not, balances are written off.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. The Group also derecognises a financial asset when the Group retains the contractual rights of the assets but assumes a corresponding liability to transfer these contractual rights to another party and consequently transfers substantially all the risks and benefits associated with the asset. Any gain or loss arising on derecognition of assets at amortised cost is recognised directly in the income statement and presented in net realised and unrealised fair value gains together with foreign exchange gains and losses.

Interest and dividend income

Financial assets at FVPL

Dividend income arising on financial assets is disclosed under investment income in the income statement. Interest income arising on financial assets at FVPL is included in net realised and unrealised fair value gains and losses.

Offsetting

Financial assets and liabilities were set off and the net balance reported in the statement of financial position where there was a legally enforceable right to set off, where it is the intention to settle on a net basis or to realise the asset and settle the liability simultaneously, where the maturity date for the financial asset and liability was the same, and where the financial asset and liability were denominated in the same currency.

Scrip lending

The equities or bonds on loan by the Group, and not the collateral security, are reflected in the statement of financial position of the Group at year end. Scrip lending fees received are included under fee income. The Group continues to recognise the related income on the equities and bonds on loan. Collateral held is not recognised in the financial statements unless the risks and rewards relating to the asset have passed to the Group.

45.8 Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including DCF and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative, subject to the offsetting principles as described under the financial assets accounting policies above.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (that is, the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (that is, without modification or repackaging), or is based on a valuation technique whose variables include only observable market data.

When unobservable market data has an impact on the valuation of derivatives, the entire initial change in fair value indicated by the valuation model is not recognised immediately in the income statement but over the life of the transaction on an appropriate basis, or when the input becomes observable, or when the derivative matures or is closed out.

The subsequent fair value of exchange-traded derivatives is based on a closing market price while the value of OTC derivatives is determined by using valuation techniques that incorporate all factors that market participants would consider in setting the price. Changes in the fair value of derivative instruments are recognised immediately in the income statement within net realised and unrealised fair value gains and losses.

Embedded derivative liabilities are separated and fair-valued through income when they are not closely related to their host contracts and meet the definition of a derivative, or where the host contract is not carried at fair value.

45.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost, which approximates fair value. Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less and are subject to an insignificant risk of change in value. Bank balances held to meet short-term cash commitments are included in funds on deposit and other money market instruments with a maturity of three months or less. Operating bank balances are included in bank and other cash balances.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts

Scope of the standard

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

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

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

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

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

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

Insurance components included in non-life insurance contracts issued in Namibia are treated as separate insurance contracts.

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

45.10.1 Insurance contracts issued and reinsurance contracts held

45.10.1.1 Presentation

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

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

45.10.1.2 Initial recognition

The Group recognises a group of insurance contracts from the earliest of the beginning of the coverage period of the group of contracts, the date when the first payment from a policyholder in the group becomes due or for a group of onerous contracts, when the group of contracts becomes onerous.

Insurance contracts that meet the recognition criteria on an individual basis are included in the group of insurance contracts recognised. The Group considers whether insurance contracts form an onerous group of insurance contracts prior to the commencement of the coverage period or the premium due date. The existence of such a group of insurance contracts will result in recognition of an onerous group of insurance contracts.

The Group recognises a group of reinsurance contracts held from the earlier of the beginning of the coverage period of the group of reinsurance contracts held and the recognition date of an onerous group of underlying insurance contracts, if the related reinsurance contract held was entered into at or before the recognition date of the onerous group of underlying insurance contracts.

The Group defers the recognition of a group of reinsurance contracts held that provide proportionate coverage, until the recognition of the underlying insurance contracts, if this date is later than the beginning of the coverage period of the group of reinsurance contracts held.

45.10.1.3 Modification

The terms of an insurance contract can be modified, for example by agreement between the parties to the contract or by a change in regulation. If the modification of the insurance contract meets specific criteria, the Group derecognises the original insurance contract and recognises a new contract in terms of the relevant IFRS Accounting Standard. If the specific criteria are not met, the modification is accounted for as changes in estimates of fulfilment cash flows. The exercise of an implicit or implied right included in the terms of a contract, by either the Group or the policyholder is not a modification.

The terms of a reinsurance contract can be modified, for example by agreement between the parties to the contract or by a change in regulation. If the modification of the reinsurance contract meets specific criteria, the Group derecognises the original reinsurance contract and recognises a new contract in terms of the relevant IFRS Accounting Standard. If the specific criteria are not met, the modification is accounted for as changes in estimates of fulfilment cash flows. The exercise of a right included in the terms of a contract is not a modification.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.4 Derecognition

The Group derecognises an insurance contract when, and only when it is extinguished, i.e. when the obligations specified in the insurance contract expires or are discharged or cancelled or if a modification of the insurance contracts results in a derecognition of an insurance contract.

On the derecognition of an insurance contract the Group adjusts the fulfilment cash flows of the group of insurance contracts to no longer include the present value of future cash flows and risk adjustment related to the insurance contract. Adjustments to the fulfilment cash flows results in opposite adjustments to the CSM to the extent possible. In addition, the number of coverage units for expected remaining insurance contract services is adjusted to reflect the coverage units derecognised from the group.

When an insurance contract is transferred to a third party, any premium paid on the transfer of the insurance contract is accounted for in the CSM, to the extent possible.

The CSM or loss component of the group of insurance contracts that contains the new insurance contract incorporates the notional premium that the Group would have charged if a similar insurance contract was issued and other fulfilment cash flows on the modification date. The fulfilment cash flows of new insurance contracts are measured as if the notional premium was received on the modification date.

When an insurance contract measured in terms of the PAA is derecognised, the expected insurance revenue for the period is reduced and any loss component or incurred claims for the group of insurance contracts is adjusted, to no longer include the insurance contract.

The Group derecognises a reinsurance contract when, and only when it is extinguished, i.e. when the rights and obligations specified in the reinsurance contract expires or are discharged or cancelled or if a modification of the reinsurance contracts results in a derecognition of an insurance contract.

On the derecognition of a reinsurance contract the Group adjusts the fulfilment cash flows of the group of reinsurance contracts to no longer include the present value of future cash flows and risk adjustment related to the reinsurance contract.

Adjustments to the fulfilment cash flows result in opposite adjustments to the CSM. In addition, the number of coverage units for expected remaining reinsurance contract services is adjusted to reflect the coverage units derecognised from the group.

The CSM of the group of reinsurance contracts that contains the new reinsurance contract incorporates the notional premium that the Group would have paid if a similar reinsurance contract was entered into and other fulfilment cash flows on the modification date. The fulfilment cash flows of new reinsurance contracts are measured as if the notional premium was paid on the modification date.

When a reinsurance contract measured in terms of the PAA approach is derecognised, the allocation of reinsurance service premiums for the period is reduced and any loss-recovery component or incurred claims for the group of reinsurance contracts is adjusted, to no longer include the reinsurance contract.

45.10.1.5 Portfolios and groups

A portfolio of insurance contracts comprises contracts subject to similar risks, that are managed together. The identification of portfolios of insurance contracts involves judgement. In identifying portfolios of insurance contracts, the Group considers the perils and insured events that are covered by the insurance contracts. In addition, the Group considers management information and decision-making processes to identify the insurance contracts are managed together.

The Group has identified a group of insurance contracts issued and reinsurance contracts held as the contracts that are issued/held during the financial year of the Group. Contracts issued/held between and including the 1st of July and 30th of June the following year, are included in the same group of insurance contracts. In limited instances, a group of insurance contracts will consist of insurance contracts issued during a shorter period than an annual period, for example insurance contracts issued within a month.

At initial recognition the insurance contracts in a portfolio of insurance products are allocated into mandated groups of insurance contracts based on expected profitability. Insurance contracts that are onerous are allocated into a group that contains the onerous contracts. The remaining insurance contracts are allocated into a group that contains insurance contracts that are expected to be profitable, but might become onerous in the future. The allocation is performed on a set of insurance contracts or per individual insurance contract. The process makes use of fulfilment cash flows, qualitative factors and sensitivity analyses to allocate the insurance contracts into groups of insurance contracts. Once an insurance contract has been allocated to a particular group of insurance contracts, the contract remains in the particular group for the remainder of the coverage period of the contract.

A reinsurance treaty sets out the legal relationship between the insurer and the reinsurer. The Group accounts for reinsurance treaties by recognising a series of reinsurance contracts held. The Group measures reinsurance contracts with reference to the fulfilment cash flows of the underlying insurance contracts that receive reinsurance coverage and the relevant terms and conditions as specified in the reinsurance treaties. These reinsurance contracts held, are allocated into groups of reinsurance contracts originated in a net gain and groups of reinsurance contracts originated not in a net gain. The allocation is determined by whether the underlying group of insurance contracts is expected to be profitable (net gain) or onerous (not in a net gain) at initial recognition of the reinsurance contracts held.

In other instances, reinsurance contracts held are allocated into portfolios of reinsurance contracts held and then into groups of reinsurance contracts held that are expected to result in a gain or groups of reinsurance contracts held that are not expected to result in a net gain.

Insurance contracts that are onerous are allocated into a group that contains the onerous contracts. The remaining insurance contracts are allocated into a group that contains insurance contracts that are expected to be profitable, but might become onerous in the future.

The Group prepares interim and annual financial statements. At the interim reporting date, the CSM or loss component of a group of insurance contracts is adjusted for the impact of changes in accounting estimates. Such estimates include changes in fulfilment cash flows that relate to future service and estimates of remaining future service. When preparing the next set of annual financial statements, changes in accounting estimates made to the CSM or loss component at the previous interim reporting date, is reversed and the CSM or loss component at the annual reporting date, is based on the annual financial period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.6 Measurement of fulfilment cash flows

The measurement of a group of insurance contracts and reinsurance contracts considers the fulfilment cash flows within the boundary of the group of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. Cash flows within the boundary of an insurance contract are those that relate directly to the fulfilment of the contract, including cash flows for which the entity has discretion over the amount or timing of the cash flows.

Fulfilment cash flows are the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.

References to “expenses” in the accounting policy include cash flow items and incurred expenses, such as depreciation, amortisation and some employee benefits.

Insurance acquisition expenses
In selling, underwriting and issuing insurance contracts the Group incurs expenses that are included in fulfilment cash flows and are treated as insurance acquisition expenses. Examples of such expenses include commission expenses, marketing expenses, distribution channel expenses, policy issue costs, policyholder risk assessment costs, and policyholder communication costs. The expenses include both successful and unsuccessful efforts to market and sell insurance contracts.

Commission expenses relate to the sale of insurance contracts to policyholders and are included in fulfilment cash flows as insurance acquisition cash flows. Commission expenses include commission earned by brokers and intermediaries on the initial sale of insurance contracts, qualifying adjustments to insurance contracts and renewal of insurance contracts.

Expenses incurred to market the Group’s products are included in fulfilment cash flows, while expenses incurred to market the Group’s brands or to stimulate demand for financial services products are not included in fulfilment cash flows. Examples of marketing expenses that are included in fulfilment cash flows include the costs of placing advertisements in printed or online media, sponsorships and costs associated with direct marketing teams.

The Group makes use of distribution channels to distribute products to policyholders. The expenses incurred to maintain or expand these distribution channels and networks are included in fulfilment cash flows. Examples of such expenses are commission expenses, employee benefit expenses, provision of marketing material, broker and intermediary training expenses and costs incurred to provide administrative support to brokers and intermediaries. The expenses linked to the creation of new distribution channels are not directly attributable to fulfilling the insurance contract. Expenses relating to the development of insurance products are not included in fulfilment cash flows.

In underwriting policyholder risk, the Group incurs expenses that are included in fulfilment cash flows. These expenses include employee benefits, software expenses, costs associated with financial, medical and lifestyle underwriting processes and the costs of communicating with policyholders, brokers and intermediaries.

Administration and maintenance
The Group incurs expenses to perform administration and maintenance activities on insurance contracts. These expenses relate directly to the fulfilment of the insurance contract and are included in fulfilment cash flows. Administration and maintenance activities include premium billing, processing insurance contract changes, policyholder communication and meeting compliance requirements. Expenses associated with the administration and maintenance of insurance contracts are employee benefits, software expenses, communication costs, and line of business system expenses. Commission expenses that reimburse brokers and intermediaries to assist with ongoing administration, maintenance and servicing of the insurance contract are included in fulfilment cash flows.

Claims

The Group incurs expenses in recording, investigating, processing, resolving claims and settlement of claims under insurance contracts. These expenses are directly attributable to the fulfilment of the insurance contract with the policyholder and are included in fulfilment cash flows. The expenses include legal fees, internal costs of investigating claims, costs incurred to process claim payments, employee benefits, communication expenses and software expenses.

Investment management
Investment management expenses are included in fulfilment cash flows to the extent that the investment management activities enhance or increase policyholder benefits, are part of unavoidable product or risk management activities or are part of the insurance contract services agreed with the policyholder. Other investment management expenses are not included in fulfilment cash flows. Investment management expenses include fees to service providers, employee benefits, research costs and software costs. Investment returns earned on investments backing liabilities are not included in fulfilment cash flows.

Compulsory reporting and risk management
The issue of insurance contracts obliges the Group to perform risk management activities and compulsory reporting to stakeholders and regulators, and to comply with legislation and regulations. The expenses associated with these activities are included in fulfilment cash flows. Examples of these expenses are employee benefit expenses, software expenses, subscription expenses and depreciation and amortisation expenses.

Executive remuneration
The Group analyses executive remuneration expenses with the aim of identifying expenses that are attributable to the fulfilment of insurance contracts. Executive remuneration that relates to strategic leadership activities or operational management of the Group is not included in fulfilment cash flows.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.6 Measurement of fulfilment cash flows continued

Overhead expenses
The Group incurs fixed and variable overhead costs and expenses. To the extent that these expenses support the activities and functions mentioned above, the expenses are included in fulfilment cash flows. Examples of these expenses include office and equipment rental, employee benefit expenses, software subscriptions, depreciation and amortisation expenses and utility expenses.

Amounts receivable from intermediaries and brokers
In general, the Group collects premiums directly from policyholders. Such premium cash flows are included in fulfilment cash flows and the measurement of insurance contract assets and liabilities, until the premiums are paid into the Group's bank accounts. Guardrisk accounts for premiums receivable from intermediaries and brokers as financial instruments. The premium cash flows are included in fulfilment cash flows until the premiums are paid into the intermediaries' or brokers' bank accounts.

Management judgement
Management applies judgement in identifying expenses that are directly attributable to the fulfilment of the insurance contract and are included in fulfilment cash flows. The Group makes use of established allocation principles and methodologies to allocate these expenses to portfolios and groups of insurance contracts.

Reinsurance contracts held
Fulfilment cash flows for reinsurance contracts held include expected reinsurance premiums ceded, expected recoveries from reinsurers and a risk adjustment for non-financial risk.

Treatment of cash flows relating to tax in fulfilment cash flows
The Group recovers some tax expenses from policyholders through a policyholder tax charge. Initially, the relevant tax cash outflows and policyholder tax charge are included in fulfilment cash flows on an expected cash flows basis. Recognition of investment returns results in tax obligations for the Group. Taxes which are directly recovered from policyholder benefits are included as fulfilment cash flows, but are presented as part of income tax expenses on the income statement. At the same point in time, the Group recognises the policyholder tax charge (equal to the income tax expense) as insurance revenue through a reduction in the liability for remaining coverage.

Discount rates
The Group applies the 'bottom-up' approach in determining the discount rate to be used in the measurement of fulfilment cash flows at initial and subsequent measurement of a group of insurance contracts and reinsurance contracts held.

This approach entails the calculation of a discount rate by identifying and then adjusting a risk-free interest rate to reflect the characteristics of the fulfilment cash flows and the insurance and reinsurance contracts. The Group makes use of a risk-free yield curve to identify risk-free interest rates to be used in determining the discount rates.

The risk-free yield curve is based on traded government bonds depending on availability of reliable market information. In instances or jurisdictions where reliable market information is not available, the Group uses stable risk-free rates as appropriate.

In adjusting the risk-free interest rate, the Group targets consistency between the currency of the fulfilment cash flows and the currency of the risk-free interest rate and how inflation is incorporated in setting the fulfilment cash flows and the discount rate. The Group aims to ensure that financial risks are not double counted in determining the fulfilment cash flows and the discount rate. In some instances, the Group adds an illiquidity premium to the risk-free rate, to reflect differences in the liquidity of the risk-free interest rate and the group of insurance or reinsurance contracts.

For insurance and reinsurance contracts measured under the GMM, the discount rate determined at initial recognition is used, for the remainder of the coverage period, to accrete interest to or adjust the CSM for changes in estimates of cash flows relating to future services.

For insurance contracts measured under the VFA, the current discount rate at the reporting date is used to adjust the CSM for changes in estimates of cash flows relating to future services.

When a group of insurance contracts is recognised, the discount rate determined at initial recognition, is used to measure the fulfilment cash flows of insurance contracts added to the group, during the financial period.

45.10.1.7 CSM

The CSM is recognised at initial recognition of the group of insurance contracts at an amount that is opposite, but equal to the expected net fulfilment cash inflows. At initial recognition, the CSM of a group of reinsurance contracts held can be either positive or negative. The CSM is calculated as the amount that is opposite, but equal to the net fulfilment cash flows.

GMM
Interest is accreted over the reporting period to the CSM carrying amount at the locked-in discount rate, determined at initial recognition of the group of insurance or reinsurance contracts. The interest income/expense is included in reinsurance/insurance finance income and expenses on the income statement.

Changes in fulfilment cash flows that relate to future services are accounted for in the CSM. Changes in fulfilment cash flows relating to financial risks or changes in financial risks are accounted for in insurance/reinsurance finance income and expenses. The present value of the adjustment to the CSM is calculated with the locked-in discount rate determined at initial recognition of the group of insurance or reinsurance contracts. The present value of the fulfilment cash flows at the reporting date is calculated with the current discount rate. The difference between the adjustment to the CSM and the adjustment to related fulfilment cash flows is accounted for in insurance/reinsurance finance income and expenses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.7 CSM continued

VFA
Changes in the fulfilment cash flows caused by changes in the Group's share of the fair value of the underlying items are accounted for in the CSM. Changes in fulfilment cash flows caused by changes in the time value of money or financial risk not related to the underlying items are accounted for in the CSM. These adjustments to the CSM are not discounted. Changes in other fulfilment cash flows that relate to future services are accounted for in the CSM at amounts discounted at current discount rates. The Group makes use of the risk mitigation option to account for a portion of the impact of time value of money and financial risks on the Group's share of the fair value of underlying items in insurance finance income and expenses and not in the CSM.

Insurance revenue
Insurance revenue consists of expected expenses to provide insurance contract services to policyholders, releases of the risk adjustment associated with services rendered, recovery of insurance acquisition cash flows, income tax expenses recovered from policyholders and release of profit from the CSM. The release of profit from the CSM is based on insurance contract services rendered during the financial period based on the release of coverage units.

Coverage units represent the Group's readiness to render insurance contract services. The measurement of coverage units considers the quantum of the insurance benefits as well as the expected coverage period of the insurance contract.

The expected coverage period reflects persistency and timing of benefits to reflect the insurer standing ready to provide coverage. Where investment services are provided, coverage units are defined to include any additional benefit from investment services provided. The Group makes use of various coverage units in recognising insurance revenue.

The Group discounts coverage units in determining the expected coverage units at the reporting date. The discount rate used is the locked-in interest rate determined at the initial recognition of the group of insurance contracts.

45.10.1.8 Loss component and loss-recovery component

The allocation of insurance contracts into an onerous group of insurance contracts results in the recognition of a loss in insurance service expenses and the identification of a loss component within the fulfilment cash flows of the group of insurance contracts. The loss component indicates the extent to which losses must be reversed or amortised before a CSM can be recognised for the group of insurance contracts.

The Group identifies a loss-recovery component within the fulfilment cash flows if a group of insurance contracts covered by a reinsurance contract held is expected to be onerous at initial recognition or becomes onerous subsequent to initial recognition. The loss-recovery component represents the expected recovery of expected insurance claims from the reinsurer.

Insurance contracts
Changes in fulfilment cash flows that relates to past and current services include the incurring of expected insurance service expenses, the release of the risk adjustment for services provided and the incurring of insurance finance income and expenses. These changes should be allocated on a systematic basis (not on an arbitrary basis) between the loss component and the liability for remaining coverage (without the loss component).

The Group makes use of a Systematic Allocation Ratio in allocating changes in fulfilment cash flows relating to past and current services (incurring of expected insurance service expenses, the release of the risk adjustment for services provided and the incurring of insurance finance income and expenses), between the loss component and the liability for remaining coverage (without the loss component).

Profitable changes in fulfilment cash flows that relate to future services, are allocated to the loss component of the liability for remaining coverage and insurance service expenses, until the loss component is reduced to a zero balance. The profitable changes in fulfilment cash flows relating to future services should reduce the insurance service expenses. An existing loss component can be increased due to further deterioration of expected fulfilment cash flows, or a loss component can be created if the deterioration of expected fulfilment exceeds existing CSM balances.

Once the loss component balance has been reduced to zero, a CSM can be created for the group of insurance contracts when further profitable changes in fulfilment cash flows regarding future services take place. The creation of the CSM will take place in the liability for remaining coverage balance (on the statement of financial position) as a transfer between the present value of fulfilment cash flows and the newly created CSM.

The Group allocates changes in fulfilment cash flows relating to past and current insurance contract services to the loss component and the liability for remaining coverage without the loss component, before adjusting the loss component for changes in the fulfilment cash flows relating to future services.

To avoid accounting for insurance acquisition cash flows twice in the insurance service revenue and insurance service expenses, the Group does not include expected insurance acquisition cash flows in the calculation of the Systematic Allocation Ratio percentage and does not include incurred insurance acquisition cash flows in the changes in fulfilment cash flows relating to past and current services, to be allocated between the loss component and the liability for remaining coverage without the loss component.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.8 Loss component and loss-recovery component continued

Reinsurance contracts held
The loss-recovery component and changes to the loss-recovery component are accounted for by changes to the carrying amount of the reinsurance contract CSM and gains or losses recognised in recovery of claims from the reinsurer. The recognition of a gain indicates the expected recovery of insurance claims in the loss component of an underlying group of insurance contracts, from the reinsurer.

Incurred insurance claims reduce the loss component with a commensurate reduction in the loss-recovery component. Changes in fulfilment cash flows of the loss component regarding insurance claims, result in changes in fulfilment cash flows of the loss-recovery component and the reinsurance CSM. Decreases in other fulfilment cash flows of the loss component (relative to the initial recognition) result in decreases in the fulfilment cash flows of the loss-recovery component and changes to the reinsurance CSM. These subsequent changes to the loss-recovery component are accounted for in the same manner as the initial recognition of the loss-recovery component. Increases in fulfilment cash flows of the loss component that are not covered by the reinsurance contract do not impact the loss-recovery component fulfilment cash flows.

At the reporting date the amount of the loss-recovery component cannot exceed the amount of the loss component of the onerous group of insurance contracts, expected to be recovered from the reinsurer. Any excess results in a reversal of previously recognised gains in the recovery from reinsurers with a corresponding adjustment to the reinsurance CSM.

45.10.1.9 PAA

Application of the PAA
The following paragraphs contain the Group's accounting policies regarding the measurement of insurance and reinsurance contracts accounted for in terms of the PAA.

The PAA is a simplified version of the GMM. It is the accounting policy of the Group to apply the PAA for the measurement of groups of insurance contracts issued and groups of reinsurance contracts held, that qualify to be measured in terms of this measurement model.

The PAA can be applied if the coverage period of the insurance contracts or reinsurance contracts included in the group, is 12 months or less. In instances where the coverage period is in excess of 12 months, the Group applies a further eligibility assessment to determine whether the PAA may be applied.

Determining whether the assessment has been passed, involves management judgement. As a guideline, the carrying amounts under the PAA should materially approximate the carrying amounts under the GMM, for the best-estimate scenario as well as selected sensitivity scenarios for key assumptions, for the assessment to be passed. The best-estimate scenario must meet the requirements of fulfilment cash flows. Sensitivity scenarios should cover key assumptions, be considered "plausible" and represent reasonable and supportable estimates of the future. If the sensitivity eligibility assessment for one of the key assumptions is failed, management considers the impact of the particular result on the overall assessment and the reasons why the assessment failed, before concluding whether the total eligibility assessment has been passed or not.

In some instances, credit life insurance products are measured in terms of the GMM and not the PAA (although the application of the PAA is allowed).

Measurement
The carrying amount of the liability for remaining coverage includes premiums received in cash and the amortisation of capitalised insurance acquisition cash flows (where applicable). These amounts are reduced by insurance revenue recognised for the reporting period and amortisation of capitalised insurance acquisition cash flows (where applicable). The carrying amount of the liability for incurred claims is determined in the same manner as for insurance contracts measured in terms of the GMM and the VFA.

The carrying amount of the liability for remaining coverage should be adjusted for the impact of the time value of money and financial risks inherent to the expected, future cash flows. The carrying amount of the liability for remaining coverage is based on the present value of estimated, future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in insurance finance income or expenses.

If the Group expects, at initial recognition of a group of insurance contracts, that the time duration between the due date of the respective premiums and the relevant periods of service, is 12 months or less, the preference of the Group, is to not adjust the carrying amount of the liability for remaining coverage for the time value of money and financial risks. There are instances where the fulfilment cash flows are adjusted for the impact of time value of money and financial risks.

For credit life insurance contracts where the coverage period is in excess of 12 months, the Group adjusts the cash flows used to measure the liability for the remaining coverage for the impact of the time value of money and financial risks. Guardrisk Life and Guardrisk Insure do not adjust cash flows included in the measurement of the liability for remaining coverage for the impact of the time value of money and financial risks.

The carrying amount of the liability for incurred claims should be adjusted for the impact of the time value of money and financial risks inherent to the expected, future cash flows. The carrying amount of the liability for incurred claims is based on the present value of estimated, future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in insurance finance income or expenses.

In instances where the settlement period between the incurring of a claim and settlement, is 12 months or less, the preference of the Group is not to adjust the carrying amount of the liability for incurred claims with the time value of money or the impact of financial risks. In such an instance, the calculation of the loss component does not consider the impact of the time value of money and the effect of financial risks. In MML there are instances where the fulfilment cash flows are adjusted for the time value of money and effect of financial risks.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.9 PAA continued

Measurement continued
Momentum Insure does not adjust cash flows included in the measurement of the liability for incurred claims, for the impact of the time value of money and financial risks. An exception to this accounting policy is the measurement of fulfilment cash flows relating to cash-back benefits. The cash-back benefit fulfilment cash flows included in the liability for incurred claims are measured at present value at each reporting date.

Guardrisk Insure adjusts fulfilment cash flows in the measurement of the liability for incurred claims for the impact of the time value of money and financial risks.

Guardrisk Life adjusts fulfilment cash flows in the measurement of the liability for incurred claims for the impact of the time value of money and financial risks where the impact of these adjustments is material.

Reinsurance contracts held
The carrying amount of the asset for remaining coverage includes premiums paid in cash and reinsurance acquisition cash flows capitalised. These amounts are reduced by the allocation of reinsurance premiums and amortisation of capitalised reinsurance acquisition cash flows. The carrying amount of the asset for incurred claims is determined in the same manner as for reinsurance contracts measured in terms of the GMM.

The carrying amount of the asset for remaining coverage should be adjusted for the impact of the time value of money and financial risks inherent to the expected, future cash flows. The carrying amount of the asset for remaining coverage is based on the present value of estimated, future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in reinsurance finance income or expenses.

If the Group expects, at initial recognition of a group of reinsurance contracts, that the time duration between the due date of the respective reinsurance premiums and the relevant periods of service, is 12 months or less, the preference of the Group, is not to adjust the carrying amount of the asset for remaining coverage for the time value of money and financial risks.

The carrying amount of the asset for incurred claims should be adjusted for the impact of the time value of money and financial risks inherent to the expected, future cash flows. The carrying amount of the asset for incurred claims is based on the present value of estimated, future cash flows, increased with the unwind of the discount calculated at initial recognition. The unwind of the discount calculated at initial recognition, is included in reinsurance finance income or expenses.

In instances where the settlement period between the incurring of a claim and settlement, is 12 months or less, the Group does not adjust the carrying amount of the asset for incurred claims with the time value of money or the impact of financial risks. In MML there are instances where the fulfilment cash flows are adjusted for the time value of money and effect of financial risks.

Guardrisk Insure adjusts fulfilment cash flows in the measurement of the asset for incurred claims for the impact of the time value of money and financial risks.

Guardrisk Life adjusts fulfilment cash flows in the measurement of the asset for incurred claims for the impact of the time value of money and financial risks where the impact of these adjustments is material.

Insurance acquisition cash flows
If the coverage period of the group of insurance contracts is 12 months or less, insurance acquisition cash flows are expensed in insurance service expenses, when the cash flow takes place. If the coverage period of the group of insurance contracts is more than 12 months, the insurance acquisition cash flows are capitalised in the liability for remaining coverage on the statement of financial position when incurred and amortised into insurance service expenses over the coverage period.

In general, the Group recognises insurance acquisition cash flows in insurance service expenses when incurred. The health business in Africa and Guardrisk Life expense insurance acquisition cash flows as incurred.

For credit life insurance contracts where the coverage period is in excess of 12 months, the Group capitalises insurance acquisition cash flows in the liability for remaining coverage when incurred and amortises the capitalised expense into insurance service expenses over the coverage period.

Momentum Insure and Guardrisk Insure capitalises insurance acquisition cash flows in the liability for remaining coverage when incurred and amortise the capitalised balances over the coverage period of the group of insurance contracts.

Loss component
The Group assumes that a group of insurance contracts measured in terms of the PAA is not onerous on initial recognition, unless facts and circumstances indicate otherwise. When evidence exists that a group of insurance contracts is possibly onerous, the Group compares the carrying amount of the group of contracts as calculated under the PAA with the carrying amount of the same group of contracts under the GMM.

The excess of the carrying amount under the GMM, over the carrying amount under the PAA is a loss component. The loss component is recognised as a ring-fenced increase to the carrying amount of the liability for remaining coverage and an insurance service expense.

In the instances where the time value of money and the impact of financial risks are not included in the measurement of the liability for incurred claims, the calculation of the carrying amount of the group of contracts under the GMM (for the purposes of the calculation of the loss component) does not include the impact of the time value of money and financial risks.

After initial recognition, the loss component is amortised into the insurance service expenses in the same pattern as the recognition of estimated premiums in insurance service revenue. At every reporting date, the loss component is remeasured to reflect current assumptions and estimates. Any measurement adjustment is recognised in insurance service expenses.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.9 PAA continued

Loss-recovery component
The loss-recovery component is a separate asset within the asset for remaining coverage. The loss-recovery component and changes to the loss-recovery component are accounted for by changes to the carrying amount of the asset for remaining coverage and gains or losses recognised in recovery of claims from the reinsurer.

Incurred insurance claims reduce the loss component with a commensurate reduction in the loss-recovery component. Changes in fulfilment cash flows of the loss component for insurance claims, result in changes in the loss-recovery component. Increases in fulfilment cash flows of the loss component that are not covered by the reinsurance contract do not impact the loss-recovery component.

At the reporting date the amount of the loss-recovery component cannot exceed the amount of the loss component, of the onerous group of insurance contracts, expected to be recovered from the reinsurer. Any excess results in a reversal of previously recognised gains in the recovery from reinsurers with a corresponding adjustment to the loss-recovery component.

45.10.1.10 Insurance acquisition cash flows

GMM and VFA
Insurance acquisition expenses are measured as the net amount of expenses incurred less the recovery or reversal of commission expenses. The Group identifies insurance acquisition expenses per portfolio of insurance contracts.

Insurance acquisition expenses are allocated to groups of insurance contracts that contain the initial insurance contracts as well as groups of insurance contracts that might contain renewal of the initial insurance contracts. At every reporting date the Group assesses the allocation of insurance acquisition expenses to groups of insurance contracts that might contain renewals of the initial insurance contracts. This ensures that the allocation between groups that contain the initial contracts and groups that might contain the renewal insurance contracts remain appropriate.

Insurance acquisition expenses incurred or paid before the recognition of the group of insurance contracts (including insurance acquisition expenses allocated to groups of insurance contracts that might contain renewals of initial insurance contracts) are recognised as insurance acquisition cost assets. Once the group(s) of insurance contracts have been recognised, the insurance acquisition cost assets are derecognised and included in the measurement of the group(s) of insurance contracts.

The Group incurs insurance acquisition expenses to obtain, underwrite and issue insurance contracts to policyholders. Insurance acquisition expenses, among other items, are recovered through premiums received from policyholders. The Group recognises insurance revenue and equal amounts of insurance service expenses to indicate the recovery of insurance acquisition cash flows. This is done by allocating the portion of the premiums that recover insurance acquisition expenses, to financial periods on a straight-line basis based on the passage of time.

45.10.1.11 Insurance revenue

Insurance revenue is the consideration that the Group expects to be entitled to, for rendering insurance contracts services during the financial period.

For insurance contracts measured under the GMM and the VFA, insurance revenue consists of expected expenses in the period to provide insurance contract services to policyholders, releases of the risk adjustment for non-financial risks associated with services rendered, recovery of insurance acquisition cash flows, income tax expenses recovered from policyholders and release of profit from the CSM.

For insurance contracts measured under the PAA, the Group recognises insurance revenue either over the coverage period of the group of insurance contracts or based on the expected pattern of insurance service expenses. The expected recognition pattern of insurance service expenses is used if the passage of the coverage period is not a true indication of services rendered to date.

For credit life insurance products, the Group recognises insurance revenue based on the passage of time. The Group recognises insurance revenue for health insurance contracts issued in the Momentum Africa segment over the expected recognition pattern of insurance service expenses. Guardrisk Insure, Guardrisk Life and Momentum Insure use the passage of time to recognise insurance revenue on groups of insurance contracts measured under the PAA.

45.10.1.12 Insurance service expenses

Incurred claims and other expenses are recognised as liabilities for incurred claims. Liabilities for incurred claims are measured at the present value of expected cash flows and a risk adjustment for non-financial risk.

Incurred claims and other expenses are expensed when incurred and presented under insurance service expenses on the income statement. Insurance service expenses include, among others, allocated insurance acquisition cash flows, policy administration and maintenance expenses, claims expenses (including adjustments for past service), investment management expenses and overhead expenses attributable to the provision of insurance services. The recognition of losses and adjustments to previously recognised losses from onerous groups of insurance contracts are included in insurance service expenses on the income statement. Taxes which are directly recovered from policyholder benefits are included as fulfilment cash flows, but are presented as part of income tax expenses on the income statement. The remainder of incurred expenses are presented on the income statement.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.13 Insurance and reinsurance finance income and expense

Insurance finance income and expenses and reinsurance finance income and expenses are presented separately on the income statement. The Group does not present a portion of insurance finance income and expenses in other comprehensive income.

For insurance contracts and reinsurance contracts, the Group makes use of forward interest rates obtained from risk-free yield curves, to determine the insurance finance income and expense for the unwind of the time value of money discount. In instances or jurisdictions where reliable market information is not available, the Group makes use of stable risk-free interest rates as appropriate.

GMM
The unwind of the time value of money adjustment on fulfilment cash flows and the impact of changes in the discount rate and financial risks are included in insurance finance income and expenses. The accretion of interest to the CSM (at interest rates determined at initial recognition of the group of contracts) is included in insurance finance income and expenses.

VFA
Changes in the amount due to the policyholder and the Group's share in the fair value of the underlying items, due to changes in the fair value of the underlying items are accounted for as insurance finance income and expenses.

PAA
In instances where the Group discounts fulfilment cash flows for insurance contracts issued and reinsurance contracts held for the impact of time value of money and financial risks, the unwind of the discount effect is included in insurance finance income and expenses.

45.10.1.14 Allocation of reinsurance premiums ceded

For groups of reinsurance contracts held measured under the GMM, the reinsurance premiums are expensed in the allocation of reinsurance premiums on the income statement based on reinsurance recoveries expected to be received in the reporting period, releases of the risk adjustment for non-financial risk and amortisation of the CSM.

For groups of reinsurance contracts held measured under the PAA, the reinsurance premiums are expensed over the coverage period of the group of reinsurance contracts. The expected pattern of reinsurance recoveries is used if the passage of coverage period is not a true indication of the services received to date.

For credit life insurance products, the Group expenses reinsurance premiums based on the passage of time. Guardrisk Insure, Guardrisk Life and Momentum Insure use the passage of time to allocate reinsurance premiums over the coverage period for groups of reinsurance contracts held measured in terms of the PAA.

45.10.1.15 Reinsurance commissions and recovery of claims incurred from reinsurers

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

Reinsurance commission that is contingent on claims on the underlying contracts is accounted for as part of the claims that are expected to be reimbursed under the reinsurance contract held. Reinsurance commission that is not contingent on claims of the underlying contracts and is settled on a net basis with premiums ceded, is accounted for as a reduction in the premiums to be paid to the reinsurer.

The Group considers terms and conditions of reinsurance contracts regarding all forms of cash flows between the reinsurer and whether the Group renders a service to the reinsurer or to identify an investment component. If in every scenario an amount is required to be repaid to the cedant an investment component is viewed to be present. Non-distinct investment components are measured at the amounts expected to be repaid by reinsurers.

45.10.1.16 In-substance reinsurance contracts held

The terms and conditions of the in-substance reinsurance contracts indicated that the contract boundary of these in-substance contracts include expected cash flows within a one-year period. The cell management fee may be renewed on an annual basis. The substantive right of the Group to receive reinsurance contract services is therefore limited to a 12-month period. The contract boundary includes cash flows linked to substantive rights and obligations until the next fee renewal date. The terms and conditions allow either the Group or the third-party cell owner to end the agreement with 12 months' notice. As a result, the Group accounts for the in-substance reinsurance contracts held in terms of the PAA.

Amounts due/received from the cell owner for the issue of ordinary or preference shares, are accounted for as amounts due to the third-party cell owner in the asset for remaining coverage. Repurchase of issued shares reduces amounts due to the third-party cell owner. The subscription amounts do not affect profit or loss before tax, except for the accretion of reinsurance finance income and expenses. Investment returns on underlying investments accrues to the cell owner and is accounted for as investment returns to third-party cell owners on the income statement in net insurance and investment results. The investment returns to third-party cell owners is part of finance income and expenses on reinsurance contracts held.

Profits or losses accumulate in the reinsurance asset or liability for remaining coverage through the notional, gross transactions. The cash flows regarding dividends or capital (a net position) settle the rights and obligations created by the in-substance reinsurance contract.

Insurance revenue recognised on underlying insurance contracts are also expensed as reinsurance premiums ceded, over the coverage period. In the instances where third-party reinsurance arrangements are in place or where the cell owner retains insurance risk, reinsurance premiums ceded are reduced appropriately. The financial effect of the in-substance reinsurance contract held is that claims and benefits incurred on underlying insurance contracts are recovered from the cell owner.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.16 In-substance reinsurance contracts held continued

The recognition of insurance service expenses for incurred claims and other expenses should result in the recognition of an asset for incurred claims and recoveries from the reinsurer. If a portion of the insurance risk is retained by the Group or placed with a third-party reinsurer the amount of the asset for incurred claims and recoveries from the reinsurer is reduced appropriately.

Amounts earned by the Group that are contingent on claims are accounted for as part of recoveries from the reinsurer. Amounts earned by the Group that are not contingent on claims are accounted for as a reduction in reinsurance premiums ceded and expensed in the income statement. Examples of such amounts are fees and recoveries of expenses and income tax charges incurred.

The settlement mechanism results in a transfer of the asset for incurred claims to the asset or liability for remaining coverage at each reporting date. Fulfilment cash flows include the impact of possible non-performance by the third-party cell owner.

The in-substance reinsurance contracts held are disclosed as reinsurance contracts held on the income statement, the statement of financial position and the notes to the financial statements. The share subscription amounts and accumulated profits or losses are presented in the notes to the financial statements as capital balances and transactions with third-party cell owners.

45.10.1.17 Miscellaneous items

Cash-back benefits
Cash-back benefits are additional policyholder benefits included in insurance contracts. The cash-back payment is made to qualifying policyholders at the end of the cash-back benefit cycle. The Group accounts for the expected cash-back benefit payment by recognising a liability for incurred claims and a corresponding insurance service expense over the cash-back benefit cycle. The liability for incurred claims and insurance service expense is recognised when the underlying insurance contract is recognised or when the cash-back benefit feature is added to an existing insurance contract.

The liability for incurred claims for cash-back benefits includes the present value of expected fulfilment cash flows and a risk adjustment for non-financial risk included in the expected cash flows. The expected fulfilment cash flows are a probability-weighted average of possible cash flow scenarios.

At every reporting date and the settlement date, the Group adjusts the liability for incurred claims and insurance service expenses with the present value of changes in the expected cash-back benefit payment and the risk adjustment. The unwind of the discount to expected cash-back benefit cash flows is recognised in the insurance service finance income and expenses. The settlement of the actual cash-back benefit payment reduces the liability for incurred claims. The liability for incurred claims is derecognised when the cash-back benefit obligation is settled in full or if the policyholder forfeits the expected cash-back benefit payment.

The Group applied judgement in concluding that the inclusion of the cash-back benefit in an insurance contract does not affect the contract boundary of the insurance contract as the coverage period of the insurance contract is not affected by the cash-back benefit feature. The Group applied judgement in concluding that the cash-back benefit is a policyholder benefit and not a return of premiums, as the cash-back benefit feature is an optional benefit that can be selected by the policyholder at an additional premium and payment of the cash-back benefit payment is partially dependent on whether the policyholder submitted a claim for an insured event.

The measurement of the liability for incurred claims and the insurance service expenses includes assumptions regarding policy lapse rates and frequency of claims.

Variances between estimated and actual premium cash flows
In the accounting policy reference to “premium variance” includes variances on premiums and related cash flows, such as commission expenses. Per group of insurance contracts, the premium variances relate in total to either future services or past services.

Premium variances on insurance contracts with a coverage period of 12 months or less relate to current or past insurance contract services and are accounted for in insurance revenue when the variances take place.

Premium variances on insurance contracts with long coverage periods relate primarily to future insurance contract services and are included in the CSM or allocated to the loss component of the group of insurance contracts.

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

For insurance contracts measured under the VFA, where premiums received are invested in underlying assets backing the insurance contract, the premium variances relate to current or past insurance contract services provided and are accounted for in the obligation to pay the policyholder an amount equal to the fair value of the underlying items. Premium variances on premiums that collect fees and charges from policyholders are accounted for in the CSM or the loss component of the group of insurance contracts. Changes in the group’s variable fee caused by the premium variance, should be accounted for in the CSM and released to insurance revenue over the coverage period.

Profitable premium variances regarding future insurance contract services increase the CSM or reduce the loss component of the liability for remaining coverage, by reversing onerous losses previously recognised in insurance service expenses. Loss-making premium variances regarding future insurance services reduce the CSM or increase the loss component of the liability for remaining coverage by increasing onerous losses previously recognised in insurance service expenses.

For insurance contracts measured under the PAA, insurance revenue is based on the expected amount of premium receipts over the coverage period. At every reporting date the estimate is adjusted for premium variances to ensure that total insurance revenue equates to the premiums received.

Premium variances on insurance contracts managed on a bordereaux-basis are accounted for as part of insurance service expenses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.17 Miscellaneous items continued

Accounting for insurance contracts, investment contracts with discretionary participation features or reinsurance contracts held acquired through a business combination or a transfer of a portfolio of contracts
The acquired contracts are allocated into portfolios and groups of insurance contracts as if the contracts were issued by the Group on the acquisition date. The allocation of contracts into groups of contracts makes use of facts and circumstances on the acquisition date, regardless of when the contracts were issued or entered originally. The PAA and VFA eligibility assessments are performed considering the facts and circumstances on the acquisition date.

GMM and VFA
On the acquisition date the Group determines the remaining fulfilment cash flows of the acquired group of contracts. The consideration received/receivable or paid/payable for the specific group of contracts are added to the remaining fulfilment cash flows to calculate the CSM or loss component on the acquisition date. The inclusion of the consideration received or paid ensures that the CSM or loss component reflects the total, estimated economic impact of the acquisition of the group of contracts.

If the group of insurance contracts, investment contracts with discretionary participation features or reinsurance contracts held were acquired in a business combination, the fair value of the respective group of contracts is used as the consideration paid or received.

A loss recognised on the acquisition of an onerous group of contracts is accounted for as an increase in goodwill or decrease in the gain on bargain purchase on a business combination. The loss component is a ring-fenced part of the existing liability for remaining coverage. A CSM recognised on the acquisition of the group of contracts will be recognised into insurance revenue over the coverage period.

If the acquisition of a group of contracts is not a business combination, a loss component recognised at the acquisition date is accounted for in insurance service expenses. The loss component is a ring-fenced part of the liability for remaining coverage and is not recognised as an additional liability.

PAA
The consideration received or paid for the group of contracts is accounted for as the balance of the liability for remaining coverage on the acquisition date. The consideration received is recognised in insurance revenue in the same manner as expected premium inflows. The consideration paid is recognised as insurance acquisition cash flows and accounted for according to the accounting policy for insurance acquisition cash flows.

If the group of contracts is onerous at the acquisition date (as a result of the consideration paid or otherwise), the onerous loss is recognised in insurance service expenses and a loss component is recognised in the liability for remaining coverage. If the acquisition of the group of contracts was a business combination, the onerous loss is accounted for in goodwill or gain on a bargain purchase.

Reinsurance contracts held
If a group of acquired insurance contracts or investment contracts with discretionary participation features are onerous at the acquisition date, the loss-recovery component in the acquired asset of remaining coverage is calculated as the amount of the loss component times the expected recovery percentage. If the group of contracts was acquired in a business combination, the amount of the loss-recovery component is accounted for in goodwill or a gain on bargain purchase. If the group of contracts were not acquired in a business combination, the amount of the loss-recovery component is accounted for in profit or loss.

Insurance acquisition cash flows
In the instance where the acquiree incurred insurance acquisition cash flows prior to the acquisition date and the cash flows are directly attributable to the portfolio of insurance contracts acquired, the Group recognises an insurance acquisition cash flow asset at fair value for the right to obtain future insurance contracts that are renewals of contracts acquired at the acquisition date and for the right to obtain future, newly issued insurance contracts. Last mentioned right is restricted to the extent that the Group is not required to incur further insurance acquisition cash flows to obtain the mentioned future insurance contracts.

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

The measurement of fulfilment cash flows in the separate financial statements of the issuer of the contracts includes the intercompany fee charged by the service provider. The measurement of the fulfilment cash flows in the consolidated financial statements of the Group, that includes both the issuer of the contracts and the service provider also includes the intercompany fee charged by the service provider. The treatment involves management judgement in concluding that the intercompany fees materially approximate the fulfilment cash flows from the perspective of the service provider.

Own equity instruments
The Group holds own equity instruments to back insurance contracts, measured under the VFA, and investment contracts. Where the investment returns on the own equity instruments impact policyholder benefits, the Group accounts for own equity instruments as financial assets at FVPL, dividend income on these instruments in investment income and fair value gains or losses on these instruments in net realised and unrealised fair value gains.

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.1 Insurance contracts issued and reinsurance contracts held continued

45.10.1.17 Miscellaneous items continued

Value added tax (VAT)
Insurance revenue and claims included in insurance service expenses do not include VAT. Other insurance service expenses include input VAT amounts not recoverable from revenue authorities.

Through non-life insurance businesses, the Group collects output VAT in premiums and reinsurance recoveries on behalf of revenue authorities and recovers input VAT in claim payments, expenses and amounts due to reinsurers, from revenue authorities.

VAT to be collected by Momentum Insure and Guardrisk Insure as part of premiums and reinsurance recoveries and to be paid as part of claims and reinsurance premiums are included in the measurement of insurance contract assets and liabilities and reinsurance contract assets and liabilities. This ensures that the amounts due are reflected at VAT inclusive amounts as appropriate.

Contingency policies
Contingency policies issued by Guardrisk Insure are accounted for as insurance contracts. Policyholders' share in the profits of the contingency policies are accounted for as non-distinct investment components. When insurance claims covered by reinsurance contracts are incurred, an insurance service expense equal to the amount recoverable from the reinsurer is recognised, with the balance of the incurred insurance claim being recovered from the non-distinct investment component. In other instances, incurred claims are recovered from the non-distinct investment component.

Fair value approach – transition to IFRS 17
The Group measured groups of insurance contracts and reinsurance contracts in terms of the fair value approach on 1 July 2022. The fair value measurement incorporated information regarding the item being measured at the measurement date. The fair value approach resulted in the calculation of the CSM or loss component as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows for the group of contracts at 1 July 2022. Excess of the fair value over the fulfilment cash flows was accounted for as a CSM, while excess of fulfilment cash flows over the fair value was accounted for as a loss component. Differences between the fair value and fulfilment cash flows of a group of reinsurance contracts held on 1 July 2022, was included in the CSM. The loss-recovery component was calculated by multiplying the loss component of the underlying group of insurance contracts with the percentage of claims the Group expects to recover from the reinsurer.

45.10.2 Investment contracts

Investment contracts are those where only financial risk is transferred.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided that in the case of a non-financial variable, the variable is not specific to a party to the contract.

The classification of contracts is performed at the inception of each contract. The classification of the contract at inception remains the classification of the contract for the remainder of its lifetime. There is one exception to this principle:

- If the terms of an investment contract change significantly, the original contract is derecognised and a new contract is recognised with the new classification.

The Group designates investment contract liabilities at FVPL upon initial recognition as their fair value is dependent on the fair value of underlying financial assets, derivatives and/or investment properties that are carried at FVPL. The Group follows this approach because it eliminates or significantly reduces a measurement or recognition inconsistency, referred to as an accounting mismatch, that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Measurement

The Group issues investment contracts without fixed terms and contracts with fixed terms and guaranteed terms.

Investment contracts without fixed terms are financial liabilities whose fair value is dependent on the fair value of underlying financial asset portfolios that can include derivatives and are designated at inception as at FVPL.

For investment contracts without fixed terms, fair value is determined using the current unit values that reflect the fair value of the financial assets contained within the Group's unitised investment funds linked to the related financial liability, multiplied by the number of units attributed to the contract holders at the valuation date.

A financial liability is recognised in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Financial liabilities are initially recognised at fair value.

The fair value of financial liabilities is never less than the amount payable on surrender, discounted for the required notice period, where applicable.

For investment contracts with fixed and guaranteed terms (guaranteed endowments and term certain annuities), valuation techniques are used to establish the fair value at inception and at each reporting date. The valuation model values the liabilities as the present value of the maturity values, using appropriate market-related yields to maturity. If liabilities calculated in this manner fall short of the single premium paid at inception of the policy, the liability is increased to the level of the single premium, to ensure that no profit is recognised at inception. This deferred profit liability is recognised in profit or loss over the life of the contract based on factors relevant to a market participant, including the passing of time.

For investment contracts where investment management services are rendered and the contracts provide for minimum investment return guarantees, provision is made for the fair value of the embedded option within the investment contract liability.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.10 Life and non-life insurance and investment contracts continued

45.10.2 Investment contracts continued

Deferred revenue liability

A deferred revenue liability is recognised in respect of fees paid, at inception of the contract, by the policyholder that are directly attributable to a contract. The deferred revenue liability is then released to revenue as the investment management services are provided over the expected duration of the contract, as a constant percentage of expected gross profit margins (including investment income) arising from the contract. The pattern of expected profit margins is based on historical and expected future experience and is updated at the end of each accounting period. The resulting change to the carrying amount of the deferred revenue liability is recognised in revenue and falls within the scope of IFRS 15.

Deferred acquisition costs (DAC)

Refer to the intangible assets section of the accounting policies.

Amounts received and claims incurred

Premiums received under investment contracts are recorded as deposits to investment contract liabilities and claims incurred are recorded as deductions from investment contract liabilities.

45.11 Financial liabilities

Recognition and measurement

The Group classifies its financial liabilities into the following categories:

- Financial liabilities at FVPL
- Financial liabilities at amortised cost

The classification depends on the purpose for which the financial liabilities were acquired. Management determines the classification of its financial liabilities at initial recognition.

- **Financial liabilities at FVPL**

  This category has two subcategories: financial liabilities held for trading and those designated at FVPL at inception.

  A financial liability is classified as held for trading at inception if it is acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading. Derivatives held for trading are classified as mandatorily at FVPL.

  Financial liabilities are designated as at FVPL at inception if they are:

  - eliminating or significantly reducing an accounting mismatch that would otherwise arise from measuring assets and liabilities or recognising the gains and losses on them on different bases; or
  - managed, with their performance being evaluated on a fair value basis; or
  - a financial instrument that includes a significant embedded derivative that clearly requires bifurcation.

  A financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

  The fair value of financial liabilities quoted in active markets is based on current market prices. Alternatively, where an active market does not exist, fair value is derived from cash flow models or other appropriate valuation models allowing for the Group's own credit risk. These include the use of arm's length transactions, DCF analysis, option pricing models and other valuation techniques commonly used by market participants, making maximum use of market input and relying as little as possible on entity-specific input.

  Financial liabilities are derecognised when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

  Financial liabilities, such as callable notes which are listed on the JSE interest rate market and CIS liabilities (representing the units in CISs where the Group consolidates the CISs and is required to disclose the value of the units not held by the Group as liabilities) are managed, with their performance being evaluated on a fair value basis and designated at FVPL. Carry positions (refer below) are designated at FVPL as it reduces an accounting mismatch. These financial liabilities are recognised initially at fair value, with transaction costs being expensed in the income statement, and are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of financing financial liabilities at FVPL are not presented separately from the interest on these instruments and is included in finance costs. Realised and unrealised gains and losses arising from changes in the fair value of non-financing financial liabilities at FVPL are included in net realised and unrealised fair value gains and losses. Changes in the fair value of the financial liability that relates to changes in own credit risk is recognised in other comprehensive income if it does not create an accounting mismatch.

45 Material Group accounting policies continued

45.11 Financial liabilities continued

Recognition and measurement continued

- **Financial liabilities at FVPL** continued

Carry positions

Carry positions consist of sale and repurchase of assets agreements. These agreements contain the following instruments:

- Repurchase agreements: financial liabilities consisting of financial instruments sold with an agreement to repurchase these instruments at a fixed price at a later date. These financial liabilities are classified as financial liabilities at FVPL.
- Reverse repurchase agreements: financial assets consisting of financial instruments purchased with an agreement to sell these instruments at a fixed price at a later date. These financial assets are classified as financial instruments at FVPL.

Where financial instruments are sold subject to a commitment to repurchase them, the financial instrument is not derecognised and remains in the statement of financial position and is valued according to the Group's accounting policy relevant to that category of financial instrument. The proceeds received are recorded as a liability carried at designated at fair value as it reduces an accounting mismatch (carry positions).

Conversely, where the Group purchases financial instruments subject to a commitment to resell these at a future date and the risk of ownership does not pass to the Group, the consideration paid is included under financial assets carried at fair value where they are managed on a fair value basis.

Fair value movements on carry positions are presented as finance costs.

- **Financial liabilities at amortised cost**

Financial liabilities that are neither held for trading nor at fair value are measured at amortised cost. Financial liabilities at amortised cost are recognised initially at fair value plus transaction cost that are directly attributable to the acquisition of the financial liability. These financial liabilities are then subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the liability using the *effective interest method*.

Convertible redeemable preference shares and convertible bonds
Compound financial instruments issued by the Group comprise convertible preference shares that can be converted to ordinary share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. At initial recognition, the fair value of the liability component of the convertible redeemable preference shares is determined by discounting the net present value of future cash flows, net of transaction costs, at market rate at inception for a similar instrument without the conversion option. This amount is recorded as a liability on the amortised cost basis, using the *effective interest method*, until extinguished on conversion of the preference shares. The remainder of the proceeds is allocated to the conversion option, which is recognised and included in shareholder equity. The value of the equity component is not changed in subsequent periods. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. The dividends on these preference shares are recognised in the income statement in finance costs.

Other payables
Other payables are initially recognised at fair value. Subsequent measurement depends on the nature of the liability. Other payables that are not designated at FVPL are subsequently measured at amortised cost using the effective interest method. Other payables designated at FVPL, are subsequently measured at fair value, with changes in fair value recognised in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement. Changes in own credit risk allocated to other comprehensive income is not recognised in the income statement when derecognised, but rather transferred within equity.

45.12 Deferred income tax

Measurement

Deferred income tax is provided for in full, at current tax rates and in terms of laws substantively enacted at the reporting date in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, using the *liability method*. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax assets are recognised for tax losses and unused tax credits and are carried forward only to the extent that realisation of the related future tax benefit is probable. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In respect of temporary differences arising from the fair value adjustments on investment properties, deferred taxation is provided at the capital gains effective rate, as it is assumed that the carrying amount will be recovered through sale.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.13 Current taxation

Measurement

Current tax is provided for at the amount expected to be paid, using the tax rates and in respect of laws that have been substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Individual policyholder tax and corporate policyholder tax is included in tax on contract holder funds in the income statement.

Offsetting

Current tax assets and liabilities are set off when a legally enforceable right exists and it is the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Dividend withholding tax (DWT)

DWT is levied on the shareholders (or beneficial owners) receiving the dividend, unless they are exempt in terms of the amended tax law. DWT is levied at 20% of the dividend received. The DWT is categorised as a withholding tax, as the tax is withheld and paid to tax authorities by the company paying the dividend or by a regulated intermediary and not by the beneficial owner of the dividend. Where a non-exempt Group company is a beneficial owner of the dividend, the DWT is recorded as an expense in the income statement when the dividend income is earned.

45.14 Indirect taxation

Indirect taxes include various other taxes paid to central and local governments, including VAT (amount that cannot be claimed) and regional service levies. Indirect taxes are disclosed as part of operating expenses in the income statement.

45.15 Provisions

Provisions are recognised when, as a result of past events, the Group has a present legal or constructive obligation of uncertain timing or amount, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. The pre-tax discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

45.16 Contingent liabilities

Contingent liabilities are reflected when the Group has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or it is possible but not probable that an outflow of resources will be required to settle a present obligation, or the amount of the obligation cannot be measured with sufficient reliability.

45.17 Employee benefits

Pension and provident fund obligations

The Group provides defined benefit pension schemes as well as defined contribution pension and provident schemes. The schemes are funded through payments to trustee-administered funds, determined by periodic actuarial calculations.

Post-retirement medical aid obligations

The Group provides a subsidy in respect of medical aid contributions on behalf of qualifying employees and retired personnel. An employee benefit obligation is recognised for these expected future medical aid contributions. This obligation is calculated using the projected unit credit method, actuarial methodologies for the discounted value of contributions and a best estimate of the expected long-term rate of investment return, as well as taking into account estimated contribution increases. The entitlement to these benefits is based on the employees remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment. The actuarial gains and losses are recognised as they arise. The increase or decrease in the employee benefit obligation for these costs is charged to other comprehensive income.

Short-term benefits

Short-term benefits consist of salaries, accumulated leave payments, bonuses and other benefits such as medical aid contributions. These obligations are measured on an undiscounted basis and are expensed as the service is provided. A liability is recognised for the amount to be paid under bonus plans or accumulated leave if the Group has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based compensation

The Group operates equity-settled and cash-settled share-based compensation plans.

Equity-settled compensation plans

The fair value of the employee services received in exchange for the grant of the holding company shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted at grant date, excluding the impact of any non-market-related vesting conditions. Market and non-vesting conditions are reflected in the fair value at grant date. Non-market-related vesting conditions, such as the resignation of employees and retrenchment of staff, are included in assumptions regarding the number of shares expected to vest, which are revised at every reporting date. The impact of the revision of original estimates, if any, is recognised in the income statement, and a corresponding adjustment is made to equity. The vesting of units are accelerated by the entity in the event that the employee dies, is retrenched or retires. Any remaining element of the fair value of the award is expensed immediately through profit or loss. Where an employee resigns any unvested units are forfeited by the employee.

The fair value of equity instruments granted is determined by using standard option pricing models. The valuation technique is consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporates all factors and assumptions that knowledgeable, willing market participants would consider in setting the price of the equity instrument.

45 Material Group accounting policies continued

45.17 Employee benefits continued

Share-based compensation continued

Cash-settled compensation plans

The Group recognises the value of the services received (expense), and the liability to pay for those services, as the employees render services. The liability is measured, initially, and at each reporting date until settled, at the fair value appropriate to the scheme, taking into account the terms and conditions on which the rights were granted, and the extent to which the employees have rendered services to date, excluding the impact of any non-market-related vesting conditions. Non-market-related vesting conditions are included in the assumptions regarding the number of units expected to vest. These assumptions are revised at every reporting date. The impact of the revision of original estimates, if any, is recognised in the income statement, and a corresponding adjustment is made to the liability.

45.18 Assets and liabilities relating to disposal groups held for sale

Assets, liabilities or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This classification is only met if the sale is highly probable and the assets, liabilities or disposal groups are available for immediate sale.

In light of the Group's primary business being the provision of insurance and investment products, non-current assets held as investments for the benefit of policyholders are not classified as held for sale as the ongoing investment management implies regular purchases and sales in the ordinary course of business.

Immediately before classification as held for sale, the measurement (carrying amount) of assets and liabilities in relation to a disposal group is recognised based upon the appropriate IFRS Accounting Standards. On initial recognition as held for sale, the assets and liabilities are recognised at the lower of the carrying amount and fair value less costs to sell.

Any impairment losses on initial classification to held for sale are recognised in the income statement.

The assets, liabilities or disposal groups held for sale will be reclassified immediately when there is a change in intention to sell. Subsequent measurement of the asset, liability or disposal group at that date will be the lower of:

- its carrying amount before the asset, liability or disposal group was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset, liability or disposal group not been classified as held for sale; and
- its recoverable amount at the date of the subsequent decision not to sell.

45.19 Share capital

Share capital is classified as equity where the Group has no obligation to deliver cash or other assets to shareholders. Ordinary shares with discretionary dividends are classified as equity. Preference shares issued by the Group are classified as equity when there is no obligation to transfer cash or other assets to the preference shareholders. The dividends on these preference shares are recognised in the statement of changes in equity. For compound instruments, e.g. convertible redeemable preference shares, the component representing the value of the conversion option at the time of issue is included in equity.

Issue costs

Incremental external costs directly attributable to the issue of new shares are recognised in equity as a deduction, net of tax, from the proceeds. All other share issue costs are expensed.

Treasury shares

Treasury shares are equity share capital of the holding company held by subsidiaries, consolidated CISs and share trusts, irrespective of whether they are held in shareholder or contract holder portfolios. The consideration paid, including any directly attributable costs, is eliminated from shareholder equity on consolidation until the shares are cancelled or reissued. If reissued, the difference between the carrying amount and the consideration received for the shares, net of attributable incremental transaction costs and the related income tax effects, is included in share premium.

45.20 Dividends declared

Dividends declared to shareholders of the Company are recognised on declaration date.

45.21 Puttable non-controlling interests

Puttable non-controlling interests represent put options granted to non-controlling interests of subsidiaries, entitling the non-controlling interests to dispose of their interest in the subsidiaries to the Group at contracted dates.

Recognition and measurement

A financial liability at FVPL is recognised, being the present value of the estimated purchase price value discounted from the expected option exercise date to the reporting date. In raising this liability, the non-controlling interest is derecognised and the excess of the liability is debited to retained earnings.

The estimated purchase price is reconsidered at each reporting date and any change in the value of the liability is recorded in net realised and unrealised fair value gains in the income statement. Interest in respect of this liability is calculated using the *effective interest method* and recorded within finance costs.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

45 Material Group accounting policies continued

45.22 Income recognition

Income comprises the fair value of services, net of VAT, after eliminating income from within the Group. Income is recognised as follows:

45.22.1 Fee income

Contract administration

Fees charged for investment management services provided in conjunction with an investment contract are recognised as income as the services are provided over the expected duration of the contract, as a constant percentage of expected gross profit margins; or as a constant percentage of assets under management; or as a fixed fee. Initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and released on a straight-line basis over the lives of the contracts.

Trust and fiduciary fees received

Fees received from asset management, retirement fund administration and other related administration services offered by the Group are recognised in the accounting period in which the services are rendered. Services are rendered over the expected duration of the contract, except for performance fees which are recognised at a point in time when the performance obligations are met. Where initial fees are received, these are deferred and recognised over the average period of the contract. This period is reassessed annually.

Health administration fee income

Fees received from the administration of health schemes are recognised in the accounting period in which the services are rendered. Services are rendered over the expected duration of the contract.

Cell captive commission

Cell captive fee income includes management fees, which relates to the managing of the cell. Management fees are negotiated with each cell shareholder and are generally calculated as a percentage of premiums received and/or as a percentage of assets. Income is brought to account on the effective commencement or renewal dates of the policies and is recognised over the duration of the contract. A portion of the income is deferred to cover the expected servicing costs, together with a reasonable profit thereon and is recognised as a liability. The deferred income is brought to account over the servicing period on a consistent basis reflecting the pattern of servicing activities.

Other fee income

Administration fees received and multiply fee income are recognised as the service is rendered. Services are rendered over the expected duration of the contract.

Other fees received include scrip lending fees (which are based on rates determined per contract) and policy administration fees that are also recognised as the service is rendered. Scrip lending fees are recognised over the duration of the contract. Policy administration services are rendered either at a point in time or over the duration of the contract depending on when the performance obligations are met.

45.22.2 Investment income

Interest income

Interest income is recognised in the income statement, using the effective interest method for financial assets at amortised cost and taking into account the expected timing and amount of cash flows. Interest income includes the amortisation of any discounts or premiums or other difference between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on the effective interest method for financial assets at amortised cost.

Dividend income

Dividends received are recognised when the right to receive payment is established. Where it is declared out of retained earnings, dividend income includes scrip dividends received, irrespective of whether shares or cash is elected. Dividend income is not recognised when shares of the investee are received and the shareholders receive a pro rata number of shares, there is no change in economic interest of any investor and there is no economic benefit associated with the transaction.

Rental income

Rental income from operating leases is recognised on the straight-line method over the term of the rental agreement.

45.23 Expense recognition

Other expenses include auditors' remuneration, consulting fees, direct property expenses, information technology expenses, marketing costs, indirect taxes and other expenses not separately disclosed, and are expensed as incurred.

45.23.1 Finance costs

Finance costs incurred on qualifying property assets are capitalised until such time as the assets are substantially ready for their intended use. Qualifying assets are those that necessarily take a substantial period of time to get ready for their intended use. Capitalisation is ceased when substantially all activities necessary to prepare the asset for intended use or sale are complete. All other finance costs are recognised in the income statement.

Finance costs relating to financial liabilities at amortised cost are recognised using the effective interest method, and taking into account the expected timing and amount of cash flows. Finance costs also include the amortisation of any discounts or premiums or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on the effective interest method for financial liabilities measured at amortised cost. Finance costs relating to financial liabilities at FVPL include both interest and the net realised and unrealised fair value gains and losses on these financial liabilities.

45.24 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Group Executive Committee that makes strategic decisions. Refer to segmental report for more details.

46 Non-current assets held for sale

Assets and liabilities held for sale

At 30 June 2026	Notes	2026 Rm	2025 Rm
ASSETS			
Owner-occupied properties		–	13
Fixed assets		4	11
Investment properties	6.1	489	58
Financial assets at FVPL		–	87
Financial assets at amortised cost		47	684
Insurance contract assets	10.1.1	–	11
Reinsurance contract assets	11.1.1	–	4
Other receivables		6	–
Current income tax assets		7	10
Cash and cash equivalents		13	72
Total assets		**566**	950
LIABILITIES			
Insurance contract liabilities	10.1.1	83	592
Financial instruments at amortised cost		–	11
Employee benefit obligations		3	6
Other payables		22	14
Total liabilities		**108**	623

The Group has classified Momentum Mozambique Limitada as a disposal group held for sale under IFRS 5. The fair value less costs to sell is greater than the carrying amount of the disposal group, therefore no impairment loss has been recognised on the classification of the disposal group as held for sale.

In addition, the held-for-sale balance comprises investment properties earmarked for disposal to external third-party purchasers. Sale agreements had been concluded for all properties by 30 June 2026, with certain transactions remaining subject to purchaser financing conditions. Transfers are expected to occur within six months of year end. The properties are carried at fair value less costs to sell and no significant gain or loss is expected on disposal. The properties have been classified as level 3. Refer to note 5 for information on the valuation techniques and significant inputs relating to these types of properties. An increase in either the capitalisation rate, or discount rate or vacancy rate would result in the fair value of the property decreasing. A decrease in the capitalisation rate, or discount rate or vacancy rate would result in the fair value of the property increasing.

Segmental allocation of net assets and liabilities	2026 Rm	2025 Rm
Momentum Retail	379	–
Momentum Investments	–	58
Momentum Africa	–	269
Momentum Health	(31)	–
Shareholders	110	–
Total	**458**	327

The investment properties held for sale comprised the following property types	2026 Rm	2025 Rm
Office buildings	358	–
Shopping malls	131	–
Other	–	58
Total	**489**	58

In the prior year, the Group classified its Ghana operations as held for sale under IFRS 5 and was subsequently disposed during the current financial year. The Group also entered into a sales agreement for the sale of one property (Momentum Investments segment).The property type was Other and classified as level 3.

The Group's interest in the assets and disposal group mentioned above has been classified as held for sale in the statement of financial position as at 30 June 2026. This judgement was made based on the facts and circumstances, which existed at that date when a formal assessment was made of whether the assets and disposal group should be classified as held for sale. The Group is satisfied that it meets all the criteria required in order to classify these assets and disposal group as held for sale.

MOMENTUM GROUP LTD
Annual Financial Statements
for the year ended 30 June 2026

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STATEMENT OF FINANCIAL POSITION

at 30 June 2026

	Notes	2026 Rm	2025 Rm
Assets			
Interest in subsidiary companies	2	**29 297**	28 976
Financial instruments		**593**	886
Financial assets at FVPL	3	**459**	703
Financial assets at amortised cost	4	**134**	183
Cash and cash equivalents	5	**59**	514
Total assets		**29 949**	30 376
Equity attributable to owners of the Company			
Share capital and share premium	6	**17 865**	17 865
Other components of equity	7.1	**174**	151
Retained earnings		**11 020**	11 803
Total equity		**29 059**	29 819
Liabilities			
Financial guarantee contracts	8.1	**77**	68
Other payables	9	**739**	485
Current income tax liability	10.1	**74**	4
Total liabilities		**890**	557
Total equity and liabilities		**29 949**	30 376

INCOME STATEMENT

For the year ended 30 June 2026

	Notes	2026 Rm	Restated 2025[1] Rm
Investment income	11	**3 618**	4 103
Interest income – amortised cost		**25**	31
Dividend income – included in revenue		**3 593**	4 072
Other income	13	**7**	1
Net realised and unrealised fair value gains[1]	12	**81**	100
Net income		**3 706**	4 204
Impairment charge on loan assets		**(64)**	(84)
Net impairment charge on investment in subsidiaries		**(3)**	(30)
Other expenses	14	**(81)**	(59)
Expenses		**(148)**	(173)
Results of operations		**3 558**	4 031
Profit before tax		**3 558**	4 031
Income tax	10.2	**(83)**	(12)
Earnings for the year attributable to owners of the Company		**3 475**	4 019

[1] Prior year comparative information has been restated due to a change in accounting policy relating to the presentation of interest and fair value movements on financial instruments measured at FVPL. The interest income from financial assets at FVPL has been removed from the investment income note. The impact is as follows:
Restated 2025: investment income has reduced by R86 million and Restated 2025: net realised and unrealised fair value gains has increased by R86 million.
Refer to note 1 of the Group financial statements for more information on the "Interest on FVPL instruments" restatement.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	2026 Rm	2025 Rm
Earnings for the year	**3 475**	4 019
Other comprehensive income for the year, net of tax	**–**	–
Total comprehensive income for the year attributable to owners of the Company	**3 475**	4 019

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Notes	Share capital Rm	Retained earnings Rm	Other components of equity Rm	Total attributable to owners of the Company Rm
Balance at 1 July 2024		17 865	11 263	126	29 254
Total comprehensive income		–	4 019	–	4 019
Shares repurchased	6	–	(1 403)	–	(1 403)
Dividends declared[1]		–	(2 076)	–	(2 076)
Equity-settled share-based payments	7.1	–	–	25	25
Balance at 1 July 2025		**17 865**	**11 803**	**151**	**29 819**
Total comprehensive income		**–**	**3 475**	**–**	**3 475**
Shares repurchased	6	**–**	**(1 604)**	**–**	**(1 604)**
Dividends declared[2]		**–**	**(2 654)**	**–**	**(2 654)**
Equity-settled share-based payments	7.1	**–**	**–**	**23**	**23**
Balance at 30 June 2026		**17 865**	**11 020**	**174**	**29 059**

[1] Included in the dividends declared is the final ordinary dividend of 65 cents per share which was declared on 25 September 2024 by the Board and an interim ordinary dividends of 85 cents per share which was declared in March 2025 by the Board, resulting in a total ordinary dividend of 150 cents per share.

[2] Included in the dividends declared is the final ordinary dividend of 90 cents per share which was declared on 15 September 2025 by the Board and an interim ordinary dividends of 110 cents per share which was declared in March 2026 by the Board, resulting in a total ordinary dividend of 200 cents per share.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Notes	2026 Rm	2025 Rm
Cash flow from operating activities			
Cash generated by operations	15.1	**8**	11
Dividends received		**3 590**	4 049
Interest received		**25**	31
Interest received from preference shares	3	**166**	–
Net cash inflow from operating activities		**3 789**	4 091
Cash flow from investing activities			
Additions in investments in subsidiary companies		**(405)**	(285)
Loans advanced by the entity to related parties		**(14)**	(16)
Proceeds from disposal of subsidiary		**120**	–
Proceeds from redemption of preference shares	3	**150**	–
Loans repayment from related parties		**3**	–
Net cash outflow from investing activities		**(146)**	(301)
Cash flow from financing activities			
Shares repurchased and cancelled		**(1 604)**	(1 403)
Loans advanced from related parties to the entity	15.3	**625**	900
Loans repaid by the entity to related parties	15.3	**(467)**	(900)
Dividends paid		**(2 652)**	(2 079)
Net cash outflow from financing activities		**(4 098)**	(3 482)
Net cash flow		**(455)**	308
Cash and cash equivalents at beginning		**514**	206
Cash and cash equivalents at end	5	**59**	514
Non-cash investing activities:			
Investment in subsidiary companies		**2 860**	118
Disposal of subsidiary companies		**(2 844)**	(95)

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation and accounting policies

The basis of preparation and accounting policies of the Company are the same as that of the Group, as set out in the Group financial statements. These financial statements should be read in conjunction with the Group financial statements.

2 Interest in subsidiary companies

	Notes	2026 Rm	2025 Rm
Cost less impairment[1-5]		**29 294**	28 973
Loans to subsidiary companies)[3]	41.1.1	**3**	3
Total		**29 297**	28 976
Opening balance		**28 976**	28 629
Cost of interest in subsidiaries acquired[1]		**421**	447
Equity-settled share-based payments Investment[2]		**23**	25
Disposals of interest in subsidiaries[4]		**(120)**	(95)
Impairment expense of investment in subsidiaries[5]		**(3)**	(30)
Closing balance		**29 297**	28 976

General

Details of interests in subsidiary companies are disclosed in note 41 of the Group financial statements.

[1] Additions to the cost of subsidiaries and other movements

The Company made capital injections of R120 million (2025: R190 million) into Metropolitan International Holdings (Pty) Ltd (MIH), R165 million into Momentum Strategic Investments (Pty) Ltd and R120 million into Metropolitan International Support (Pty) Ltd (MIS). In the prior year, R95 million capital injection was made to Momentum Trust Ltd. The capital injections were fully funded through cash.

The Company continued with the process of restructuring the Momentum Group Africa business operations which resulted in MIS being held directly by Momentum Group Ltd and MIH being held directly by MIS. To effect the restructure:

- The Company sold and transferred the MIH Shares for R2.8 billion to MIS in exchange for the allotment and issue to it of the MIS shares. This was a common control transaction, the acquisition of MIS and the disposal of MIH disposal is not shown in the table above.

The Company entered into a financial guarantee contract with RMB, with a guaranteed amount of R16 million, on behalf of MSI. The guarantee was provided in respect of the new preference share funding arrangement and the refinancing of the existing preference shares that MSI agreed to during the year.

[2] Equity-settled share-based payment

Momentum Group has made available an Employee Share Ownership Plan to its employees through the iSabelo Trust. iSabelo is structured to benefit all permanent employed South African based employees to promote inclusivity.

These units are allocated on a deferred delivery basis over a seven-year period. All units need to be held for an initial period of 10 years (lock-in period) before they can be redeemed for Momentum Group Ltd shares. At the end of the lock-in period, the iSabelo Trust will exchange the units for Momentum Group Ltd shares.

The investment in subsidiaries is as a result of the iSabelo share-based transaction, for which the Company has the responsibility to settle the amount raised in the respective subsidiaries with its own shares.

[3] Loans to subsidiary companies

Loans to subsidiary companies are generally interest-free, unsecured and repayable on demand, therefore the carrying amount approximates fair value. These loans are intended to provide the subsidiaries with a long-term source of additional capital and are disclosed as part of the investment in subsidiary. The Company can recall these loans when cash is required. The additional loans to subsidiaries that are of an operational nature are disclosed as loans to subsidiaries at amortised cost. Loans to subsidiaries are measured at amortised cost. Refer to note 4 for disclosure of loans to subsidiaries.

[4] Disposals

The Company disposed of its entire holding in Metropolitan Lesotho (Pty) Ltd for R120 million in cash. There was no profit or loss on disposal of Metropolitan Lesotho (Pty) Ltd.

In the prior year, the Company disposed of its entire holding in Momentum Life Botswana (Pty) Ltd for R22 million and sold its entire holding in Metropolitan Life of Botswana Ltd for R73 million to MIH due to the Momentum Africa restructure. There was no profit or loss on disposal of Metropolitan Life of the Botswana shares

2 Interest in subsidiary companies continued

5 Impairment

Investments in subsidiaries are measured at cost less accumulated impairment and are assessed for impairment when there is an indication of impairment. Investments in subsidiaries are considered impaired where the recoverable amount is below its carrying amount. The recoverable amount of a subsidiary is the higher of its value-in-use and its fair value less cost to sell.

The valuations used cash flow projections which are based on financial budgets approved by management and the Board covering a five-year period. In 2026, the expected cash flows were discounted at a risk discount rate of 14.75% (2025: 16.75%).

In the current year, Momentum Trust Ltd is impaired by R9 million, Momentum Finance is impaired by R13 million and Momentum Group-Wide Services (Pty) Ltd has an impairment reversal of R18 million. The lower NAV in Momentum Trust and Momentum Finance is as a result of decrease in earnings in the current year.

In the prior year, Momentum Trust Ltd was impaired by R42 million, Momentum Group-Wide Services (Pty) Ltd (previously Momentum Metropolitan Infrastructure & Operations (Pty) Ltd) had an impairment reversal of R10 million and Momentum Finance had an impairment reversal of R1 million. The lower NAV in Momentum Trust Ltd was as a result of decrease in earnings in the prior year.

Refer to note 41 of the Group financial statements for the recoverable amounts of the investments.

3 Financial assets at FVPL

	2026 Rm	2025 Rm
Equity securities	**20**	22
Preference shares[1]	**439**	679
Derivative financial assets	**–**	2
Total	**459**	703
Current	**–**	–
Non-current	**459**	703
Total	**459**	703

[1] In 2021, the Company subscribed to 402 313 redeemable preference shares in Momentum Isabelo (RF) (Pty) Ltd (iSabelo)) at R1 000 per share. This investment formed part of the Company's capital contribution into the Employee Share Option Programme (ESOP) Trust.
During the year, iSabelo refinanced its preference shares by issuing additional Class A preference shares to Absa with a notional amount of R280 million. The funds raised through the issuance of Class A preference shares were utilised to voluntarily redeem 150 170 redeemable preference shares at a redemption price of R1 000 per share and to settle accrued interest income of R130 million. In addition, interest income of R36 million was received during the year.
As part of the refinancing of the redeemable preference share, the dividend rate was reduced from 120% of prime to 90% of prime, and the maturity date was extended to 1 April 2031.
The preference shares are unsecured however full settlement of the receivable is dependent on the value of the shares held in the trust at the time of settlement.

Refer to note 18.5 of the Group financial statements for details on the ESOP transaction.

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

4 Financial assets at amortised cost

	Notes	2026 Rm	2025 Rm
Loans to related parties		**131**	183
Loans to subsidiary companies	41.1.3	**314**	301
Less: provision for impairment on loans to subsidiary companies		**(217)**	(153)
Loans to associates		**–**	1
Preference shares		**34**	34
Dividend receivable from subsidiary		**3**	–
Total financial assets at amortised cost		**134**	183
Current		**134**	182
Non-current		**–**	1
Total financial assets at amortised cost		**134**	183

Terms and conditions of material loans

- Loans to subsidiary companies are generally interest-free, unsecured and repayable on demand, therefore the carrying amount approximates fair value. Refer to note 4.1 for credit risk and expected credit loss allowances into stages.
- Preference shares:
  - Momentum Group Ltd holds class B preference shares in Eris Property Fund (Pty) Ltd (EPF). These preference shares are subject to dividends (at risk-free rate of 6.907% plus 5%) compounded semi-annually, disclosed as part of interest income. There was no interest income received in both current and prior year as the EPF shareholders were prepared to forego the rolling up of interest because of the extension of the redemption date. The current redemption date of the preference shares is 15 May 2027 (after extending it by 12 months in the current year). In the prior year, the preference shares were also extended for a 12 months to be redeemed on May 2026. The carrying amount approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Financial assets at amortised cost continued

Impairment

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

In the current year, the impairment for provision on loans to subsidiaries was increased by R64 million (2025: R84 million), the increase in provision relates to Metropolitan Capital (Pty) Ltd. The increase in impairment provision is due to decrease in earnings and a subsequent decrease in NAV.

Impairment of loans to subsidiaries are impaired if the borrowing company does not have sufficient accessible highly liquid assets available at reporting date. The expected credit loss is calculated by considering the means of the loan recovery, the quality of the subsidiary's underlying investments, as well as profitability expectations.

To determine a significant increase in credit risk, the following factors are considered: changes in the NAV of the borrower, changes in management and organisational structure during the year, stability of industry and resilience to volatility and regulatory changes, the type of funding provided to the entity and the repayment behaviour of the borrower.

Loans with repayment terms considers the NAV, frequency in management changes, subordination of the loan and sufficiency of liquid assets of the borrower as well as the remaining repayment term to determine a probability of default.

Loans without repayment terms considers whether the borrower has sufficient accessible highly liquid assets available to determine a probability of default.

The probabilities of default are extracted from a report issued by Moody's. LGD rates applied are extracted from the Solvency Assessment and Management (SAM) Loss Given Default tables prescribed for insurers and adjusted accordingly by management to incorporate forward-looking information.

	Notes	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
4.1 Credit risk balances – expected credit loss					
2026					
Assets					
Loans to related parties		**34**	**–**	**97**	**131**
Loans to subsidiary companies	41.1.3	**–**	**–**	**314**	**314**
Less: provision for impairment on loans to subsidiary companies		**–**	**–**	**(217)**	**(217)**
Preference shares		**34**	**–**	**–**	**34**
Dividend receivable from subsidiary		**3**	**–**	**–**	**3**
Total financial assets at amortised cost		**37**	**–**	**97**	**134**
2025					
Assets					
Loans to related parties		36	–	147	183
Loans to subsidiary companies	41.1.3	1	–	300	301
Less: provision for impairment on loans to subsidiary companies		–	–	(153)	(153)
Preference shares		34	–	–	34
Loans to associates		1	–	–	1
Total financial assets at amortised cost		36	–	147	183

4 Financial assets at amortised cost continued

4.2 Credit risk balances – reconciliation of expected credit losses

	Related party loans[1] Rm	Total Rm
2026		
Balance at the beginning	**(153)**	**(153)**
Increase	**(64)**	**(64)**
Balance at the end	**(217)**	**(217)**
2025		
Balance at the beginning	(69)	(69)
Increase	(84)	(84)
Balance at the end	(153)	(153)

[1] Expected credit losses on loans to related parties include loans disclosed in note 2 and note 4.1.

	Lifetime expected credit losses Stage 3 Rm	Total Rm
2026		
Related party loans		
Opening balance	**(153)**	**(153)**
Movement recognised in the income statement	**(64)**	**(64)**
Closing balance	**(217)**	**(217)**
2025		
Related party loans		
Opening balance	(69)	(69)
Movement recognised in the income statement	(84)	(84)
Closing balance	(153)	(153)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Financial assets at amortised cost continued

4.2 Credit risk balances – reconciliation of expected credit losses continued

Staging definitions

Stage	Loans	Basis for recognition of expected credit loss provision
Stage 1 (Performing)	No significant decrease in NAV since initial recognition of loan No management and organisational structure changes in the year Loans are recoverable and at an entity level is specifically evidenced by: • Repayment of interest and capital (where applicable) in terms of agreements done on dates and amounts as agreed in legal agreement • No restructuring of the loan has occurred • No significant deterioration in credit quality Strong/Adequate capability to meet commitments in terms of the loan agreement.	12 months expected losses
Stage 2 (Under-performing)	Significant decrease in NAV since initial recognition of loan No objective evidence of impairment. Some management and organisational structure changes but not a majority Loans are recoverable and at an entity level is specifically evidenced by: • Positive NAV for company • Repayment of interest and capital not in line with the terms of agreements i.e. more than 30 days past due • Loan have been restructured due to the inability to repay interest and capital. The requirement for a restructure of this nature indicates deterioration of credit quality, which results in the loan being classified as stage 2 • Deterioration of credit quality More vulnerable to changes in conditions that may result in reduction of capacity to meet commitment.	Lifetime expected losses
Stage 3 (Non-performing)	Significant decrease in NAV since initial recognition of loan Objective evidence of impairment Various management and organisational structure changes Loans are partially recoverable and at an entity level is specifically evidenced by: • Significant deterioration in credit quality and impaired credit quality • Negative NAV for company • Loan is in default, i.e. repayment of interest and capital is not in compliance with the terms of the agreement and default does not occur later than 90 days past due Restructured debt	Lifetime expected losses
Written off	Long outstanding amounts due are evaluated on a case-by-case basis and would generally be written off when there is no alternative for the debtor to return to solvency and/or legal action taken was unsuccessful.	

4 Financial assets at amortised cost continued

4.2 Credit risk balances – reconciliation of expected credit losses continued

Significant increase in credit risk	Criteria
Accounts receivable and loans	To determine a significant change in credit risk both historical data and forward-looking information is taken into account. This includes existing or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations, a breach of contract, significant changes in the value of any collateral supporting the obligation and reductions in financial support from a parent entity.

Financial asset	Impairment information
Accounts receivable	Impairment of accounts receivable is based on the recoverability of balances grouped together based on shared credit risk characteristics, e.g. instrument type. Balances generally relate to amounts where the timing of settlement is within one month. Historic payments as well as forward-looking information is also taken into account.
Loans	For related party loans, the solvency of the counterparty is taken into account as well as any collateral held.

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

4.3 Credit risk balances – credit quality

The assets in the table below are presented in gross carrying amounts prior to impairment provision.

	Note	AAA Rm	Unrated Rm	Total Rm
2026				
Financial assets at FVPL				
Preference shares[1]		**–**	**439**	**439**
Bank and other cash balances		**13**	**–**	**13**
Funds on deposits		**46**	**–**	**46**
Financial assets at amortised cost				
Loans to subsidiary companies[2]	41.1.3	**–**	**314**	**314**
Preference shares		**–**	**34**	**34**
Dividend receivable from subsidiary		**–**	**3**	**3**
Total		**59**	**790**	**849**

	Note	BBB Rm	Unrated Rm	Total Rm
2025				
Financial assets at FVPL				
Preference shares[1]		–	679	679
Derivative financial assets		–	2	2
Bank and other cash balances		347	–	347
Funds on deposits		167	–	167
Financial assets at amortised cost				
Loans to subsidiary companies[2]	41.1.3	–	301	301
Preference shares		–	34	34
Loans to associates		–	1	1
Total		514	1 017	1 531

[1] The preference shares are non-current with no past dues or defaults. The preference shares are considered to have a low credit risk as the counterparty has a strong capacity to meet its obligation and a low risk of default. Refer to note 3 for further details on the preference shares.

[2] The loans to subsidiary companies are current with no past dues or defaults. These loans are managed on a group level to minimise the risk of default. The loans to subsidiary companies are considered to have a low credit risk except for the loan to Metropolitan Capital (Pty) Ltd which is considered to have a medium risk due to the loan having a provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 Cash and cash equivalents

	2026 Rm	2025 Rm
Bank and other cash balances	**13**	347
Funds on deposits	**46**	167
Total	**59**	514

Expected credit loss on cash and cash equivalents is immaterial.

The carrying amount approximates fair value due to its short-term nature.

6 Share capital and share premium

Authorised share capital of Momentum Group Ltd

2 billion ordinary shares of 0.0001 cents each.

129 million (76 million A1, 13 million A2 and 40 million A3) variable rate cumulative redeemable convertible preference shares of 0.0001 cents each.

Issued and paid share capital of Momentum Group Ltd

1.32 billion (2025: 1.36 billion) ordinary shares of 0.0001 cents each

Number of shares in issue	2026 Million	2025 Million
Opening balance	**1 361**	1 405
Share buyback	**(45)**	(44)
Closing balance	**1 316**	1 361

	2026 Rm	2025 Rm
Share capital and share premium	**17 865**	17 865
Total	**17 865**	17 865

Share buyback programme

The Group bought back a total of 45 million shares during the current year at an average purchase price of R35.71 per share, for a cost of R1 604 million (including transaction costs). In the prior year, the Group bought back 44 million shares at an average purchase price of R31.43 per share, for a cost of R1 403 million (including transaction costs). All the shares bought back were cancelled as at 30 June 2026.

7 Other components of equity

		2026 Rm	2025 Rm
7.1	**Equity-settled share-based payment arrangements**		
	Balance at the beginning	**151**	126
	Share schemes – value of services provided	**23**	25
	Balance at the end	**174**	151

Further details of the equity-settled share-based payment arrangements are disclosed in note 18.5 of the Group financial statements.

8 Financial liabilities

		2026 Rm	2025 Rm
8.1	**Financial guarantee contracts**		
	Due at the beginning	**68**	23
	New guarantees entered into	**16**	46
	Amortisation	**(7)**	(1)
	Due at the end	**77**	68
	Current	**19**	33
	Non-current	**58**	35
	Total financial guarantee contracts	**77**	68

Financial guarantees have been issued to RMB, Sanlam Alternative Income Fund (SAIF) and Investec on behalf of MSI. The agreements guarantee repayment of preference shares issued to them in the event that MSI is unable to meet its commitment.

On initial recognition, the financial guarantees are measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. On initial recognition of the guarantee, the investment in subsidiary is debited with the fair value of the guarantee.

Subsequently at the end of each reporting period, the guarantees will be measured at the higher of the amount of the expected credit loss and the amount initially recognised less the cumulative amortisation, where appropriate.

During the current year, the R300 million Class C preference shares held by SAIF were fully redeemed. The guarantee on Class C was fully amortised during the year. The R300 million additional Class A preference shares were issued to RMB, bringing the total Class A preference shares to R600 million held by RMB. The Class A maturity date was extended by three years to April 2029. The Company issued a guarantee to RMB for the additional Class A preference shares and extended maturity date of existing preference shares with a fair value of R16 million.

The R1000 million Class E preference shares issued to Investec have a maturity date of 29 January 2030.

The financial guarantee on Class A preference shares is R16 million (2025: R3 million) and R28 million (2025: R35 million) on the Class E preference shares.

Financial guarantees have been provided by the Company to the bondholders of the MML listed subordinated debt, which guarantees that if MML defaults on any of the performance obligations of MML in respect of the issued debt, the Company would step in and take over the obligations towards the bondholders to the extent that the Company remains solvent after such payment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 Financial liabilities continued

8.1 Financial guarantee contracts continued

MML subordinated debt profile

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

Instrument code	Amount issued (Rm)	Tenor	Date issued	Maturity date	Coupon rate	Interest rate type
2026						
MML01	**290**	**7 years**	**Dec 2019**	**Dec 2026**	**3mJibar plus 1.75%**	**Floating**
MML02	**460**	**7 years**	**Dec 2019**	**Dec 2026**	**9.29%**	**Fixed**
MML03	**300**	**7.1 years**	**Feb 2021**	**Mar 2028**	**3mJibar plus 1.94%**	**Floating**
MML04	**450**	**7.1 years**	**Feb 2021**	**Mar 2028**	**7.89%**	**Fixed**
MML05	**865**	**5 years**	**May 2022**	**May 2027**	**3mJibar plus 1.6%**	**Floating**
MML06	**135**	**7 years**	**May 2022**	**May 2029**	**10.01%**	**Fixed**
MML06 tap	**410**	**7 years**	**May 2022**	**May 2029**	**10.01%**	**Fixed**
MML07	**340**	**5.6 years**	**Oct 2023**	**May 2029**	**3mJibar plus 1.34%**	**Floating**
MML08	**250**	**5.5 years**	**Nov 2024**	**May 2030**	**3mJibar plus 1.29%**	**Floating**
MML09	**500**	**5.5 years**	**Nov 2024**	**May 2030**	**9.52%**	**Fixed**
MML10	**500**	**5 years**	**May 2026**	**May 2031**	**3mJibar plus 1.09%**	**Floating**
MML11	**1 000**	**5 years**	**May 2026**	**May 2031**	**8.62%**	**Fixed**
Total	**5 500**					
2025						
MMIG04	270	10 years	Aug 2015	Aug 2025	11.30%	Fixed
MML01	290	7 years	Dec 2019	Dec 2026	JIB03+175 bps	Floating
MML02	460	7 years	Dec 2019	Dec 2026	9.29%	Fixed
MML03	300	7.1 years	Feb 2021	Feb 2028	JIB03+194 bps	Floating
MML04	450	7.1 years	Feb 2021	Feb 2028	7.89%	Fixed
MML05	865	5 years	May 2022	May 2027	JIB03+160 bps	Floating
MML06	135	7 years	May 2022	May 2029	10.01%	Fixed
MML06 tap	410	7 years	Oct 2023	Oct 2029	10.01%	Fixed
MML07	340	5.6 years	Oct 2023	Apr 2029	JIB03+134 bps	Floating
MML08	250	5.5 years	Nov 2024	Apr 2030	JIB03+129 bps	Floating
MML09	500	5.5 years	Nov 2024	Apr 2030	9.52%	Fixed
Total	4 270					

The value of the financial guarantees on the MML subordinated debt is R32 million (2025: R26 million).

On initial recognition, the financial guarantees are measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. On initial recognition of the guarantee, the investment in subsidiary is debited with the fair value of the guarantee.

Subsequently at the end of each reporting period, the guarantees will be measured at the higher of the amount of the expected credit loss and the amount initially recognised less the cumulative amortisation, where appropriate.

9 Other payables

	Notes	2026 Rm	2025 Rm
Other payables		**49**	27
Loans from subsidiary companies	41.1.3	**690**	458
Total		**739**	485
Current		**739**	485
Total		**739**	485

For Other payables, the carrying amount approximates fair value due to its short-term nature. The Other payables amount represents unclaimed dividends of R31 million (2025: R27 million) and R18 million audit fees accrual.

Loans from subsidiary companies are interest-free, unsecured and payable on demand. The carrying amount therefore approximates fair value.

10 Income tax

10.1 Current income tax liability

	2026 Rm	2025 Rm
Movement in liability		
Balance at the beginning	**4**	1
Current normal tax charged to income statement	**9**	10
Global minimum tax charged to the income statement – current year	**41**	1
Global minimum tax charged to the income statement – prior year	**33**	–
Settled during year	**(13)**	(8)
Balance at the end	**74**	4

Current tax is paid on behalf of the Company by its subsidiary through an intercompany loan account facility.

No deferred tax is recognised as the Company receives passive income. Tax adjustments are permanent in nature and are not directly related to the generation of taxable income.

Global minimum tax

South Africa has officially enacted the Global Minimum Tax Act (Act No. 46 of 2024) and the Global Minimum Tax Administration Act (Act No. 47 of 2024), aligning with the OECD Pillar Two framework under the Inclusive Framework on Base Erosion and Profit Shifting. These laws were gazetted in December 2024 and are effective for tax years beginning on or after 1 January 2025. The legislation introduces a minimum effective tax rate of 15%, applicable to multinational enterprise (MNE) groups and large domestic groups with consolidated annual revenues exceeding EUR 750 million in at least two of the four preceding fiscal years. The rules apply on a jurisdiction-by-jurisdiction basis, and include the Income Inclusion Rule (IIR) and the Qualified Domestic Minimum Top-up Tax (DMTT) to ensure compliance across both inbound and outbound structures. The Group has assessed its potential exposure to Pillar Two income taxes, taking into account transitional safe harbour provisions and the OECD's administrative guidance issued in 2023. The assessment is based on the Group's latest financial statements, country-by-country reporting, and tax filings.

As of the reporting date, either the effective tax rates exceed the 15% threshold or the safe harbour exclusions apply in most jurisdictions where the Group operates, except for Namibia, Mauritius, Lesotho, India and Guernsey.

A total Top-up Tax liability in South Africa of R33 million for the prior year under the IIR was estimated, and an amount of R1 million for Mauritius Qualified Domestic Minimum Top-up Tax. This is accounted for as a prior year tax.

A further estimate was also determined for the current year of R41 million for South African IIR, relating to Lesotho, Namibia and India jurisdictions.

The exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar 2 income taxes, as provided in the amendments to IAS 12 issued in May 2023, has been applied by the Group. The Group will continue to monitor developments and ensure full compliance with the new regulatory framework as part of its commitment to responsible tax governance.

10.2 Income tax expense

	2026 Rm	2025 Rm
Current taxation		
South African normal tax	**9**	10
Global minimum tax – current year	**41**	1
Global minimum tax – prior year	**33**	–
Foreign countries – withholding tax[1]	**–**	1
Total	**83**	12
Deferred tax	**–**	–
Total	**83**	12

[1] Foreign dividends withholding taxes in the current year were due to dividends received from Metropolitan Lesotho Ltd. Refer to note 16.3 for transactions with related parties.

	2026 %	2025 %
Tax rate reconciliation		
Tax calculated at standard rate of South African tax on earnings	**27**	27
Non-taxable income[1]	**(28)**	(28)
Non-deductible expense[2]	**1**	1
Effective rate	**–**	–

[1] The Company only receives exempt dividends which are non-taxable and passive income in the form of interest which is taxable.
[2] Non-deductible expenses comprise operating expenses incurred in the ordinary course of business which include directors' fees, audit fees and interest paid on preference shares. The Company receives mainly non-taxable income and as such, expenses that it incurs are non-deductible.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Investment income

	2026 Rm	Restated 2025[1] Rm
Dividend income – subsidiary companies[2]	**3 593**	4 072
Interest income – amortised cost using effective interest method		
Cash and cash equivalents	**25**	31
Total	**3 618**	4 103

1 Prior year comparative information has been restated due to a change in accounting policy relating to the presentation of interest and fair value movements on financial instruments measured at FVPL. The interest income from financial assets at FVPL has been removed from this note. The impact is as follows: Restated 2025: investment income has reduced by R86 million and Restated 2025: net realised and unrealised fair value gains has increased by R86 million. Refer to note 1 of the Group financial statements for more information on the "Interest on FVPL instruments" restatement.
2 In the prior year, the dividend income from foreign subsidiaries was disclosed gross of foreign dividends withholding taxes of R1 million.

12 Net realised and unrealised fair value gains/(losses)

	2026 Rm	Restated 2025[1] Rm
Equity securities[2]	**(2)**	1
Derivative financial asset: held for trading	**6**	13
Financial assets at FVPL[3]	**77**	86
Total	**81**	100

1 Refer to note 11 footnote 1 for detail on the restatement.
2 In the prior year, the fair value gain was shown as "Financial assets at FVPL", this has been updated to provide more useful information to a user and is deemed immaterial.
3 Further details on the preference shares held in iSabelo SPV are disclosed in note 3.

13 Other income

	2026 Rm	2025 Rm
Amortisation on financial guarantee contracts	**7**	1
Total	**7**	1

14 Other expenses

	2026 Rm	2025 Rm
Directors' remuneration[1]	**20**	19
Auditors' remuneration	**47**	25
Other indirect taxes	**10**	10
Consulting fees	**4**	–
Other expenses	**–**	5
Total	**81**	59

1 Further details of the director's remuneration are disclosed in note 44.3 of the Group financial statements.

15 Cash flow from operating activities

	2026 Rm	Restated 2025[1] Rm
15.1 Cash utilised in operations		
Profit before tax	**3 558**	4 031
Adjusted for		
Items presented separately on the face of the statement of cash flow		
Dividends income	**(3 590)**	(4 072)
Interest income	**(25)**	(31)
Interest received from preference shares	**(36)**	–
Non-cash-flow items		
Impairment charges	**67**	114
Net realised and unrealised fair value gains	**(39)**	(89)
Dividend Income – other receivables	**(3)**	–
Changes in operating liabilities		
Other operating assets	**2**	–
Other operating liabilities	**74**	58
Total	**8**	11

[1] Prior year comparative information has been restated due to a change in accounting policy relating to the presentation of interest and fair value movements on financial instruments measured at FVPL. The interest income from financial assets at FVPL has been removed from investment income note. The impact is as follows:
Restated 2025: interest income has reduced by R86 million and Restated 2025: net realised and unrealised fair value gains has increased by R86 million.
Refer to note 1 of the Group financial statements for more information on the "Interest on FVPL instruments" restatement.

	2026 Rm	2025 Rm
15.2 Income tax paid		
Due at the beginning	**4**	1
Current normal tax charged to income statement	**81**	9
Paid by subsidiary on behalf of the Company	**(11)**	(6)
Due at the end	**74**	4
15.3 Loans with related parties arising from financing activities		
Due at the beginning	**458**	398
Loan advanced from related parties	**625**	900
Loan repayment to related parties	**(467)**	(900)
Expenses paid by the subsidiary on behalf of the Company	**67**	57
Loan repayment from related parties	**3**	–
Corporate allocations	**4**	3
Due at the end	**690**	458

The counterparty for the loans with related parties is Momentum Metropolitan Life Ltd.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16 Related party transactions

16.1 Holding company

Shares in Momentum Group Ltd, the ultimate holding company in the Group, are widely held by public and non-public shareholders; refer to the shareholder profile on page 294 of the Group financial statements. Significant subsidiary companies are listed in note 41 of the Group financial statements. Other related parties include directors, key personnel and close members of their families. Refer to note 30 in the Group financial statements for more details.

16.2 Transactions with directors

Remuneration is paid in the form of fees to non-executive directors and remuneration to executive directors and key personnel of the Company. The remuneration, shares held and transactions of the Group Executive Committee members are disclosed in note 44 of the Group financial statements.

16.3 Transactions with related parties

Loans are advanced between Momentum Group Ltd and its subsidiaries and associates as funding. The loans to and from subsidiary companies are included in note 2, 4 and 9 and are detailed in note 41 of the Group financial statements.

Loans to or from subsidiary companies are generally interest-free, unsecured and repayable on demand, therefore the carrying amount approximates fair value.

Details of other transactions with related parties included in the financial statements are listed below.

	2026 Rm	Restated 2025[1] Rm
Dividends from subsidiaries – Momentum Metropolitan Life Ltd	**2 425**	3 872
Dividends from subsidiaries – Metropolitan Lesotho Ltd	**–**	10
Dividends from subsidiaries – Momentum Finance (Pty) Ltd[2]	**12**	–
Dividends from subsidiaries – Momentum Strategic Investments (Pty) Ltd	**675**	190
Dividends from subsidiaries – Metropolitan International Support (Pty) Ltd	**450**	–
Dividends from subsidiaries – Eris Property Group (Pty) Ltd	**26**	–
Dividends from subsidiaries – MPOF General Partner (Pty) Ltd	**5**	–
Finance income – Momentum Isabelo (RF) (Pty) Limited	**77**	85
Income tax paid by Momentum Metropolitan Life Ltd	**11**	6
Dividends paid to Momentum Isabelo Trust	**90**	67
Movement on financial guarantee contracts entered on behalf of Momentum Strategic Investments (Pty) Ltd	**13**	17
Movement on financial guarantee contracts entered on behalf of Momentum Metropolitan Life Ltd	**(6)**	(16)
Impairment charge on investment in subsidiary – Momentum Trust Ltd	**(9)**	(42)
Impairment (charge)/reversal on investment in subsidiary – Momentum Finance (Pty) Ltd	**(13)**	1
Impairment reversal on investment in subsidiary – Momentum Group-Wide Services (Pty) Ltd	**18**	10

1 In the prior year, the impairments of investments in subsidiaries and fair value gains or losses on the financial guarantee contracts was omitted but has been corrected in the table above.
2 Dividend income of R12 million (2025: R359 491) received from Momentum Finance (Pty) Ltd.

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

Refer to note 2 for interest in subsidiary companies.

Refer to note 7.1 for share-based payments

Refer to note 8.1 for financial guarantees on behalf of subsidiary companies

Refer to note 44 of the Group financial statements for further details on related party transactions with directors and key management personnel.

	Expected credit loss		Impairment expense	
	2026 Rm	2025 Rm	2026 Rm	2025 Rm
16.4 Expected credit loss on loans due from related parties				
Metropolitan Capital (Pty) Ltd	**217**	153	**64**	84
Total	**217**	153	**64**	84

17 Contingent liabilities

Contingent liabilities are reflected when the Company has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or it is possible but not probable that an outflow of resources will be required to settle a present obligation, or the amount of the obligation cannot be measured with sufficient reliability. No contingent liabilities arose in both the current and prior years.

18 Capital commitments

The Company has given a guarantee in favour of RMB and Investec that MSI will repay its obligations due to them. The details of this guarantee have been disclosed in note 8.1.

The Company has given a guarantee in favour of MML bondholders of the MML listed subordinated debt that MML will repay its obligations due to them. The details of this guarantee have been disclosed in note 8.1.

19 Risk management policies

Details of financial instruments and risk management strategies are disclosed in note 8 and 34 of the Group financial statements. The more significant financial risks to which the Company is exposed are credit risk and interest rate risk.

The Company's capital is managed with that of the Group. The capital management of the Group is discussed in note 35 of the Group financial statements.

19.1 Classes of financial assets and liabilities

The following table reconciles the assets in the statement of financial position to the classes and portfolios of assets managed in terms of mandates.

	2026 Rm	Restated 2025[1] Rm
Assets		
Carried at FVPL	**459**	703
Preference shares	**439**	679
Equity securities[1]	**20**	22
Derivative financial assets – held for trading	**–**	2
Carried at amortised cost	**134**	183
Loans to subsidiary companies	**97**	148
Loans to associates	**–**	1
Preference shares	**34**	34
Dividends receivable from subsidiary	**3**	–
Cash and cash equivalents	**59**	514
Total assets	**652**	1 400
Liabilities		
Other payables	**739**	485
Loans from subsidiary companies	**690**	458
Other payables	**49**	27
Financial guarantee contracts	**77**	68
Total liabilities	**816**	553

[1] In the prior year, the equity securities were omitted but has been corrected in the table above.

The definitions of classes of financial assets and liabilities are disclosed in note 45 of the Group financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19 Risk management policies continued

19.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's approach to credit risk management is consistent with that of the Group, as detailed in note 39 of the Group financial statements.

The Company's maximum exposure to credit risk is through the following classes of assets:

	2026 Rm	2025 Rm
Financial assets at FVPL		
Derivative financial assets – held for trading	–	2
Preference shares	439	679
Financial assets at amortised cost		
Loans to subsidiary companies	97	148
Preference shares	34	34
Loans to associates	–	1
Cash and cash equivalents	59	514
Total assets bearing credit risk	629	1 378
Liabilities		
Financial instruments		
Financial guarantee contracts	7 262	6 012
Total liabilities bearing credit risk	7 262	6 012

Security and credit enhancements

- For cash and cash equivalents, the credit risk is managed through the Group's credit risk exposure policy described in the Group financial statements.

Using S&P ratings (or the equivalent thereof when S&P ratings are not available), cash and cash equivalents have a AAA (2025: BBB) credit rating. Financial assets at fair values through profit or loss relates to unrated counter parties. Financial assets at amortised cost consist of loans to subsidiary companies, loans to associates and preference shares; all these balances relate to unrated counterparties.

The maximum credit exposure relating to the financial guarantees on MSI preference shares is R1 625 million (2025: R1 630 million). The maximum credit exposure relating to the financial guarantees on MML's listed subordinated debt is R5 637 million (2025: R4 382 million).

19.3 Financial assets hierarchy

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

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2026				
Equity securities	–	–	20	20
Preference shares	–	439	–	439
Derivative financial assets – held for trading	–	–	–	–
Total	–	439	20	459
2025				
Equity securities	–	–	22	22
Preference shares	–	679	–	679
Derivatives financial assets – held for trading	–	2	–	2
Total	–	681	22	703

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

	Equity securities Rm	Total Rm
2026		
Opening balance	22	22
Total unrealised losses in the income statement	(2)	(2)
Closing balance	20	20
2025		
Opening balance	20	20
Total unrealised gains in the income statement	2	2
Closing balance	22	22

19 Risk management policies continued

19.4 Valuation techniques

The valuation of the Company's assets has been classified using a fair value hierarchy that reflects the significance of the inputs used in the valuation. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

Instrument	Valuation basis	Main assumptions
Preference shares	Option pricing based approach	Share price, Momentum Group Ltd ordinary dividend, nominal prime rate, cash flow forecasts

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

Financial asset	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Equity Securities – unlisted	NAV	Underlying property valuations impacted by capitalisation rates, vacancy rates and potential capitalisation of project costs	Could vary significantly based on the value of the underlying properties[1]	The higher the capitalisation rate, the lower the value of the property and the fair value. The higher the vacancy rate, the lower the value of the property and the fair value.
	Adjusted NAV or NAV	Price per unit	Could vary significantly based on the assets and liabilities held by the investee[1]	The higher the NAV, the greater the fair value[1]

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19 Risk management policies continued

19.5 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset, arising from the possibility that the Company could be required to pay its liabilities earlier than expected.

Other payables

Other payables include unclaimed dividends which represent contractual obligations that may require future cash outflows when the shareholders claim the dividends.

Financial guarantee contracts

The liquidity risk exposure is monitored and reported to the Executive Capital Committee and to the MSI board of directors on an ongoing basis to ensure that MSI will be able to meet its commitments on the RMB and Investec preference shares. This is supported by an investment mandate and guidelines that govern the investment of shareholder funds, which restrict investment choices to high-quality assets.

The Shareholder funds liquidity risk management are disclosed in note 37.4 of the Group financial statements.

The following table indicates the maturity analysis of the liabilities:

		Undiscounted cash flows		
	Carrying value Rm	Total Rm	0 – 1 year Rm	1 – 5 years Rm
2026				
Other payables	**49**	**49**	**49**	**–**
Financial guarantee contracts[1,2]	**77**	**8 919**	**8 919**	**–**
Total liabilities	**126**	**8 968**	**8 968**	**–**
Restated 2025[3]				
Other payables	485	485	485	–
Financial guarantee contracts[1]	68	7 120	7 120	–
Total liabilities	553	7 605	7 605	–

[1] The carrying amount of the financial guarantee contracts is R77 million (2025: R68 million). The liquidity exposure relating to the financial guarantees on MSI preference shares is R1 625 million (2025: R1 630 million), which is the fair value of the preference shares held by MSI as at 30 June 2026. The liquidity exposure relating to the financial guarantees on MML's subordinated debt is R5 637 million (2025: R4 382 million), which is the fair value of the subordinated bonds as at 30 June 2026.

[2] For the contractual maturity analysis of the financial guarantee liability, please refer to the MML subordinated debt maturity analysis in Note 37.5.3 of the Group financial statements and Note 37.5.4 of the Group financial statements for the MSI cumulative redeemable preference shares. The financial guarantees have been disclosed within the 0 to 1 year maturity band, reflecting the earliest date on which a default event could occur.

[3] The prior year has been corrected and restated as the contractual maturities for the MML subordinated debt and MSI cumulative redeemable preference shares were disclosed, rather than the maximum exposure for the financial guarantee in event of default. The amount of R5 753 million included in 1 – 5 years in the prior year has been restated to the 0 – 1 year column.

19.6 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate as a result of changes in market prices.

The key component of market risk applicable to the Company is interest rate risk.

19.6.1 Interest rate risk

Interest rate risk is the risk that the value and/or future cash flows of financial instruments held will fluctuate as a result of changes in interest rates.

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate financial assets and financial liabilities, and on the fair value of other investments. Fair values of fixed maturity investments included in the Company's investment portfolios are subject to changes in prevailing market interest rates. Additionally, relative values of alternative investments and the liquidity of the instruments invested in could affect the fair value of interest rate market-related investments. The ongoing assessment by an investment research team of market expectations within the South African interest rate environment drives the process of asset allocation in this category.

The Company is exposed to floating interest rates that result in cash flow interest rate risk. Cash and cash equivalents have a weighted average interest rate of 5.6% (2025: 6%). The preference shares measured at FVPL have a weighted average interest rate of 11.7% (2025: 13%).

The maximum exposure to interest rate risk is R498 million (2025: R1 193 million), which is the carrying amount of the cash and cash equivalents and preference shares.

19.6.2 Sensitivity to market risks

The Company's earnings and NAV are exposed to market risks. The Company has identified that changes in interest rates do not have significant effect on earnings and equity.

The Company is exposed to floating interest rate changes only. Cash requirements fluctuate during the course of the year and are therefore of a short-term nature. Interest rate changes with respect to cash and cash equivalents will therefore not have a significant impact on earnings.

The Company has foreign currency exposure in so far as it relates to foreign dividends declared by its subsidiaries. The Company has no other foreign currency exposure.

20 Financial assets measurement

The assets in the table below are presented in gross carrying amounts prior to impairment provision.

Financial assets summarised by measurement category in terms of IFRS 9	FVPL Mandatorily Rm	Amortised cost[1] Rm	Total Rm
2026			
Equity securities	**20**	**–**	**20**
Preference shares	**439**	**34**	**473**
Intercompany loans to subsidiaries[2]	**–**	**317**	**317**
Cash and cash equivalents	**–**	**59**	**59**
Total financial assets	**459**	**410**	**869**
2025			
Equity securities	22	–	22
Loans to associates	–	1	1
Preference shares	679	34	713
Derivate financial assets	2	–	2
Intercompany loans to subsidiaries[2]	–	304	304
Cash and cash equivalents	–	514	514
Total financial assets	703	853	1 556

[1] The carrying amount of financial assets and liabilities carried at amortised cost approximates fair values.
[2] Loans to subsidiaries included in note 2 and 4 are measured at amortised cost.

21 Financial liability measurement

Financial liabilities summarised by measurement category in terms of IFRS 9	FVPL Mandatorily Rm	Amortised cost[1] Rm	Other measurement basis[2] Rm	Total Rm
2026				
Financial guarantee contracts	**–**	**–**	**77**	**77**
Intercompany loans from subsidiaries	**–**	**690**	**–**	**690**
Other payables	**–**	**49**	**–**	**49**
Total financial liabilities	**–**	**739**	**77**	**816**
Restated 2025[3]				
Financial guarantee contracts	–	–	68	68
Intercompany loans from subsidiaries	–	458	–	458
Other payables	–	27	–	27
Total financial liabilities	–	485	68	553

[1] The carrying amount of financial assets and liabilities carried at amortised cost approximates fair values.
[2] On initial recognition, the financial guarantees are measured at fair value. Subsequently at the end of each reporting period, the guarantees will be measured at the higher of the amount of the expected credit loss and the amount initially recognised less the cumulative amortisation, where appropriate.
[3] The prior year has been corrected and restated to show the financial guarantee contract under "other measurement basis" column, this is due to the subsequent measurement of the financial guarantees as discussed in footnote 2 above.

22 Events after the reporting period

The Board declared a final ordinary dividend of 120 cents per share on 15 September 2026.

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

ANNEXURE A

Abbreviations and definitions

Abbreviations

2Cana	2Cana Solutions (Pty) Ltd
A2X	A2X Markets
ABHI	Aditya Birla Health Insurance Company Ltd
ABW	Aditya Birla Wellness Private Ltd
AFS	Annual Financial Statements
AIC	Assets for incurred claims
AIDS	Acquired immunodeficiency syndrome
ALBI	All Bond Index
Amandla Ilanga	Amandla Ilanga (RF) (Pty) Ltd
ANW	Adjusted net worth
APE	Annual premium equivalent
APN	Advisory practice note
ARC	Assets for remaining coverage
ASISA	Association for Savings and Investment South Africa
ASSA	Actuarial Society of South Africa
B-BBEE	Broad-based black economic empowerment
BSA	Bonus stabilisation accounts
BSM	Balance Sheet Management
CAE	Chief Audit Executive
CAIM	Crown Agents Investment Management Ltd
CFA	Chartered Financial Analyst
CFD	Contract for Differences
CGU	Cash-generating unit
ECC	Executive Capital Committee
CIS	Collective investment scheme
Companies Act	South African Companies Act, 71 of 2008, as amended
CPI	Consumer Price Index
CSA	Credit Support Annex
CSM	Contractual service margin
DAC	Deferred acquisition costs
DCF	Discounted cash flow
DMTT	Domestic Minimum Top-up Tax
DPF	Discretionary participation features
DRL	Deferred revenue liability
DV	Directors' valuation
DWT	Dividend withholding tax
ECL	Expected credit loss
EPF	Eris Property Fund (Pty) Ltd
EIR	Effective interest rate
ERM	Enterprise Risk Management
ESOP	Employee Share Option Programme
ESG	Economic Scenario Generator
EV	Embedded value
FCTR	Foreign currency translation reserve
FinGlobal	FinGlobal Migration (Pty) Ltd
FSCA	Financial Sector Conduct Authority
FSV	Financial Soundness Valuation
FTSE	Financial Times Stock Exchange
FVA	Fair value approach
FVOCI	Fair value through other comprehensive income
FundsAtWork	Pension savings and umbrella fund
FVPL	Fair value through profit or loss
GCR	Global Credit Ratings
GMM	General measurement model
GMSLA	Global Master Securities Lending Agreement
Guardrisk Group	Guardrisk Group (Pty) Ltd
GST	Goods and Services Tax
HAFs	Heads of the Actuarial Function
HIV	Human immunodeficiency virus
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBNR	Incurred but not yet reported
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
IFS	Insurer Financial Strength
IIR	Income Inclusion Rule
IMA	Investment management agreement
IMG	Investment Managers Group (Pty) Ltd
IPEV	International Private Equity and Venture Capital
IPF	Individual Policyholder Fund
iSabelo	Momentum Metropolitan iSabelo RF (Pty) Ltd
ISDA	International Swaps and Derivatives Agreements
ISRE	International Standard on Review Engagements
JIBAR	Johannesburg Interbank Average Rate
JSE	Johannesburg Stock Exchange
King V	King Report on Corporate Governance™ for South Africa, 2025
KTH	Kagiso Tiso Holdings (Pty) Ltd
LIC	Liability for incurred claims
LGD	Loss given default
LoRC	Loss-recovery component

Abbreviations continued

LRC	Liability for remaining coverage
LTIP	Long-term incentive plan
MGIM	Momentum Global Investment Management Ltd
MIH	Metropolitan International Holdings (Pty) Ltd
MIS	Metropolitan International Support (Pty) Ltd
MPMs	Management-defined performance measures
MMA	Momentum Metropolitan Africa
MHNA	Methealth Namibia Administrators (Pty) Ltd
MHS	Momentum Health Solutions (Pty) Ltd
MFC	Momentum Finance Company (Pty) Ltd
the Company/ MGL	Momentum Group Ltd
MML	Momentum Metropolitan Life Ltd
MSI	Momentum Strategic Investments (Pty) Ltd
Momentum Group/the Group	Momentum Group and its subsidiaries
MPG	Market Practitioners Group
MSPS	Momentum Sales Phantom Shares
MNE	Multinational enterprise
NAV	Net asset value
NSX	Namibian Stock Exchange
OECD	Organisation for Economic Co-operation and Development's
OTC	Over-the-counter
PA	Prudential Authority
PAA	Premium allocation approach
PPFM	Principles and practices of financial management
PVNBP	Present value of new business premiums
PVP	Present value of future premiums
RDR	Risk discount rate
RMB	Rand Merchant Bank
RMIA	RMI Investment Managers Affiliates 2 (Pty) Ltd
ROE	Return on equity
ROEV	Return on embedded value
RSA	Republic of South Africa
S&P	Standard & Poor's
SGPF	Sage Group Pension Fund
SAICA	South African Institute of Chartered Accountants
SAM	Solvency Assessment and Management
SAR	Share Appreciation Right
SARB	South African Reserve Bank
SASAII	South African Student Accommodation Impact Investments (Pty) Ltd
SAVCA	South African Venture Capital and Private Equity Association
SCR	Solvency capital requirement
Seneca	Seneca Investment Managers Ltd
SENS	Stock Exchange News Service
TSR	Total shareholder return
UK	United Kingdom
VAR	Value-at-risk
VC	Venture capital
VFA	Variable fee approach
VIF	Present value of in-force covered business
VNB	Value of new business
ZARONIA	South African Rand Overnight Index Average
Zestlife	Zestlife Investments (Pty) Ltd

ANNEXURE A CONTINUED

Abbreviations and definitions

Definitions

Adjusted net worth (ANW)

The ANW is the excess of assets over liabilities on the IFRS Accounting Standards basis. Certain deductions for disregarded assets and impairments have been added back.

Advisory practice notes (APNs)

ASSA issues APNs applicable to various areas of financial reporting and practice that require actuarial input. The APNs are available on the ASSA website (*www.actuarialsociety.org.za*).

Annual premium equivalent (APE)

The APE is a common life industry measure of new business sales. It is calculated as annualised new recurring premiums plus 10% of single premiums.

Bonus stabilisation accounts (BSAs)

BSAs are the difference between the fund accounts of smoothed bonus business, or the discounted value of projected future benefit payments for with-profit annuity business, and the market values of the underlying assets. BSA is an actuarial term that constitutes either an asset or liability in accounting terms. The BSAs are included in insurance contract liabilities.

Carry positions

Carry positions consist of sale and repurchase of assets agreements containing the following instruments:

- Repurchase agreements: financial liabilities consisting of financial instruments sold with an agreement to repurchase these instruments at a fixed price at a later date.
- Reverse repurchase agreements: financial assets consisting of financial instruments purchased with an agreement to sell these instruments at a fixed price at a later date.

Cash-generating units (CGUs)

A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of the cash flows from other assets or groups of assets.

Cell captive

A cell captive is a contractual arrangement entered into between the insurer (referred to as the “cell provider” or “promoter”) and the cell shareholder whereby the risks and rewards associated with certain insurance activities accruing to the cell shareholder, in relation to the insurer, are specified. Cell captives allow clients to purchase cell owner ordinary shares (or a “cell”) in the registered insurance company which undertakes the professional insurance and financial management of the cell including underwriting, reinsurance, claims management, actuarial and statistical analyses, investment and accounting services. The terms and conditions of the cell are governed by the cell owner shareholders agreement.

Cell captive arrangements include:

- “First-party” cell arrangements where the risks that are being insured relate to the cell shareholder’s own operations or operations within the cell shareholder’s group of companies; and
- “Third-party” cell arrangements where the cell shareholder provides the opportunity to its own client base to purchase branded insurance products. For third-party arrangements the cell shareholders agreement meets the definition of a reinsurance contract and is accounted for as such.
- Contingency policy: An insurance contract to provide entry-level insurance cover for first-party risks. These policies provide for payment of a profit share to the insured based on claims experience and related expenses at the end of the policy period.
- “Promoter cell” includes assets and liabilities of the Group shareholders. Assets, liabilities, and equity of the first and third-party cell arrangements are excluded.

Cost of required capital

The cost of required capital represents frictional costs expected to be incurred on the assets supporting required capital and the value of in-force over the lifetime of the in-force business (and new business at point of sale for the purpose of value of new business reporting).

Covered business

Covered business is defined as life insurance business written by the life insurance subsidiaries (excluding Guardrisk); including individual smoothed bonus, linked and market-related business, reversionary bonus business, group smoothed bonus business, annuity business and other non-participating businesses.

Default

Default occurs when a borrower fails to meet the legal obligations of a debt instrument, such as missing scheduled payments of principal or interest.

Current

Current refers to expected recovery and settlement within 12 months.

Directors’ valuation (DV)

DV represents Management’s assessment of fair value for strategic subsidiaries and associates. For ongoing operations, the DV is determined by way of a discounted cash flow calculation, which references a risk-adjusted five-year earnings projection approved by Management. For recent acquisitions and imminent disposals, the DV references the agreed transaction price. This represents the value-in-use as defined in IAS 36.

Definitions continued

Discretionary participation feature (DPF)

A DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

- that are likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the issuer; and
- that are contractually based on:
  - the returns on a specified pool of contracts or a specified type of contract;
  - the realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
  - the profit or loss of the entity or fund that issues the contract.

Effective exposure

The exposure of a derivative financial contract or instrument to the underlying asset by also taking delta (the ratio comparing the change in the price of the underlying asset to the corresponding change in the price of a derivative) into account where applicable.

Effective interest rate

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of a financial instrument, or when appropriate a shorter period, to the net carrying amount of the financial instrument.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period.

Embedded value (EV)

An EV represents the discounted value of expected after-tax future profits from the current business. The EV is defined as:

- the ANW of covered and non-covered business;
- plus the VIF less the cost of required capital; and
- plus the write-up to directors' value of non-covered business.

EV earnings

EV earnings is defined as the change in EV (after non-controlling interests) for the year, after adjustment for any capital movements such as dividends paid, capital injections and cost of treasury shares acquired or disposed of for the year.

Fund account

The fund account is the retrospective accumulation of premiums, net of charges and benefit payments at the declared bonus rates or at the allocated rate of investment return.

Goodwill

An asset that represents the excess of the cost of a business combination over the interest acquired in the net fair value of the identifiable assets, liabilities and contingent liabilities at the acquisition date.

Investment variances

Investment variances reflect the impact on after-tax profits of the variance between actual investment returns earned over the reporting period and the returns assumed as per the discount rates applied to expected future cash flows, or the returns expected for products where future cash flows are not discounted.

New business profit margin

New business profit margin is defined as the VNB expressed as a percentage of the PVNBP. New business profit margin is also expressed as a percentage of APE.

Non-covered business

Non-covered business includes the directors' valuations of the investment management entities, South African health operations, non-life insurance operations, the Guardrisk entities, as well as other non-insurance entities. The Group EV is also adjusted to allow for future holding company and international support expenses.

ANNEXURE A CONTINUED

Abbreviations and definitions

Definitions continued

Non-current

Non-current refers to expected recovery and settlement after 12 months.

Normalised headline earnings

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

Objective evidence of impairment

Objective evidence of impairment is related to the specific circumstances of each individual asset and can be the combined effect of several events. Objective evidence includes, but is not limited to:

- Significant financial difficulty of the issuer or debtor.
- A breach of contract, such as a default or delinquency in payment.
- It becomes probable that the issuer or debtor will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market for that financial asset because of financial difficulties.
- Observable data that there is a measurable decrease in the estimated future cash flows from the asset since the initial recognition of the asset.

Open-ended instruments

The open-ended category includes financial instruments with no fixed maturity date as management is unable to provide a reliable estimate given the volatility of equity markets and policyholder behaviour.

Prescribed officers

Prescribed officers as referred to in the Companies Act, 71 of 2008, are defined as follows – despite not being a director of a particular company, a person is a prescribed officer of the company if that person:

- exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or
- regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company.

The Group does not consider any employee that is not a director to be a prescribed officer as the functions of general executive control over significant portions of the business are performed by the executive directors.

Present value of future premiums (PVP)

The PVP is the present value of future premiums in respect of new business discounted using the relevant discount rate. The future premiums are net of reinsurance and are based on best-estimate assumptions such as future premium growth, mortality and withdrawal experience.

Present value of in-force covered business (VIF)

The gross VIF comprises the best-estimate shareholder cash flows expected to emerge in future from assets backing policyholder liabilities (which include the IFRS 17 risk adjustment and contractual service margin as well as cash flows relating to insurance contracts that are not within the scope of IFRS 17) less an explicit allowance for non-hedgeable risks (represented by the IFRS 17 risk adjustment or a commensurate adjustment where it is not defined). The net VIF is the gross VIF less the cost of required capital. No account is taken of dividend withholding tax.

Related party transactions – key management personnel

Key management personnel are those persons, including close members of their families, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Reporting basis

Reporting basis is the basis on which the financial statements are prepared.

Definitions continued

Required capital

Required capital includes any assets attributed to covered business over and above the amount required to back covered business liabilities whose distribution to shareholders is restricted.

Return on EV

Return on EV is the EV earnings over the period expressed as a percentage of the EV at the beginning of the period, adjusted for capital movements during the year.

Risk discount rate (RDR)

The RDR is the rate at which future expected profits are discounted when calculating the value of in-force business or the VNB for annually renewable insurance contracts and covered investment contracts. The RDR is determined as the risk-free return plus a risk premium. The risk premium allows for the expected non-financial risk in future shareholder cash flows. For long-term insurance contracts measured under IFRS 17, non-financial risk is allowed for explicitly through the IFRS 17 risk adjustment as opposed to using a risk discount rate.

Significant influence

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without control over those decisions.

Unit-linked investments

Unit-linked investments consist of investments in CISs, private equity fund investments and other investments where the value is determined based on the value of the underlying investments.

Unrated

The Group invests in unrated assets where investment mandates allow for this. These investments are, however, subject to internal credit assessments.

Useful life

Useful life is the period over which an asset is expected to be available for use by the Group.

Value of new business (VNB)

The VNB for long-term insurance business measured under IFRS 17 is measured as the aggregate of new business earnings as reflected in the IFRS Accounting Standards Income Statement (net of tax), the IFRS 17 contractual service margin (net of tax) and the present value of future cash flows not measured and reported under IFRS 17, but that are attributable to the underlying insurance contracts (net of tax), less the new business cost of capital.

Credit risk definitions

AAA

National scale ratings denote the highest rating that can be assigned. This rating is assigned to the best credit risk relative to all other issuers.

AA

National ratings denote a very strong credit risk relative to all other issuers.

A

National ratings denote a strong credit risk relative to all other issuers.

BBB

National ratings denote an adequate credit risk relative to all other issuers.

BB

National ratings denote a fairly weak credit risk relative to all other issuers.

B

National ratings denote a significantly weak credit risk relative to all other issuers.

CCC

National ratings denote an extremely weak credit risk relative to other issuers.

C

National ratings denote an extremely weak credit risk relative to other issuers with a strong probability of default.

ANNEXURE B

Additional information

Analysis of assets managed and/or administered[1]	**2026 Rm**	**Restated 2025 Rm**
Managed and/or administered by Investments		
Financial assets	**800 686**	719 081
Momentum Manager of Managers	**344 812**	303 879
Equilibrium Investment Management	**23 724**	18 575
Momentum Collective Investments	**137 477**	120 044
Momentum Asset Management	**96 853**	88 564
Momentum Global Investments	**142 106**	138 509
Momentum Alternative Investments	**14 047**	12 422
Momentum Securities	**41 667**	37 088
Properties – Eris Property Group	**20 237**	17 819
On-balance sheet	**11 670**	11 306
Off-balance sheet	**8 567**	6 513
Momentum Wealth linked product assets under administration	**336 852**	298 510
On-balance sheet	**226 015**	199 430
Off-balance sheet	**110 837**	99 080
Managed internally or by other managers within the Group (on-balance sheet)	**172 152**	139 997
Managed by external managers (on-balance sheet)[2]	**21 880**	19 679
Properties managed internally or by other managers within the Group or externally	**778**	1 156
Guardrisk – cell captives (on-balance sheet)	**49 999**	45 618
Total assets managed and/or administered	**1 402 584**	1 241 860
Managed and/or administered by Investments		
On-balance sheet	**436 934**	393 679
Off-balance sheet	**363 752**	325 402
	800 686	719 081
Admin and brokerage assets	**170 661**	147 991
Other assets	**630 025**	571 090
	800 686	719 081

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 R1 042 million assets were incorrectly not included in Managed by external managers (on-balance sheet). 30 June 2025 has been restated accordingly.

Net funds received from clients[1]	Gross single inflows Rm	Gross recurring inflows Rm	Gross inflow Rm	Gross outflow Rm	Net (outflow)/ inflow Rm
2026					
Momentum Retail	**1 049**	**11 208**	**12 257**	**(12 286)**	**(29)**
Momentum Investments	**53 675**	**1 561**	**55 236**	**(38 850)**	**16 386**
Metropolitan Life	**1 450**	**6 925**	**8 375**	**(6 882)**	**1 493**
Momentum Corporate	**7 281**	**17 283**	**24 564**	**(22 076)**	**2 488**
Momentum Africa	**1 395**	**4 655**	**6 050**	**(4 109)**	**1 941**
Guardrisk	**1 402**	**14 369**	**15 771**	**(10 080)**	**5 691**
Momentum Insure	**–**	**3 156**	**3 156**	**(2 304)**	**852**
Momentum Health	**–**	**1 577**	**1 577**	**(1 214)**	**363**
Life insurance business fund flows	**66 252**	**60 734**	**126 986**	**(97 801)**	**29 185**
Off-balance sheet fund flows					
Managed and/or administered by Investments			**190 914**	**(182 135)**	**8 779**
Properties – Eris Property Group			**2 191**	**(257)**	**1 934**
Momentum Wealth linked product assets under administration			**18 302**	**(14 605)**	**3 697**
Total net funds received from clients			**338 393**	**(294 798)**	**43 595**
Restated 2025					
Momentum Retail	825	10 739	11 564	(11 273)	291
Momentum Investments	40 410	1 257	41 667	(30 968)	10 699
Metropolitan Life	1 833	6 953	8 786	(7 279)	1 507
Momentum Corporate	6 108	16 180	22 288	(22 814)	(526)
Momentum Africa[2]	955	3 255	4 210	(3 156)	1 054
Guardrisk[2]	1 336	11 433	12 769	(10 867)	1 902
Momentum Insure	–	3 226	3 226	(2 460)	766
Momentum Health[2]	–	2 643	2 643	(1 039)	1 604
Life insurance business fund flows	51 467	55 686	107 153	(89 856)	17 297
Off-balance sheet fund flows					
Managed and/or administered by Investments			100 291	(104 103)	(3 812)
Properties – Eris Property Group			200	(2 566)	(2 366)
Momentum Wealth linked product assets under administration			19 095	(19 403)	(308)
Total net funds received from clients			226 739	(215 928)	10 811

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 The prior year has been restated based on a new operating model adopted by the Group. Refer to Annexure C for reconciliations of normalised headline earnings under the old model to normalised headline earnings under the new model.

ANNEXURE B CONTINUED

Additional information

Analysis of assets backing shareholder excess	2026 Rm	2026 %	2025 Rm	2025 %
Equity securities	**2 235**	**6.5**	1 323	4.1
Preference shares	**682**	**2.0**	677	2.1
CISs	**1 407**	**4.1**	1 120	3.4
Debt securities	**12 378**	**35.9**	11 400	35.0
Properties	**4 327**	**12.5**	5 769	17.7
Owner-occupied properties	**2 985**	**8.6**	2 662	8.2
Investment properties	**1 342**	**3.9**	3 107	9.5
Cash and cash equivalents and funds on deposit	**20 382**	**59.0**	16 646	51.1
Intangible assets	**336**	**1.0**	521	1.6
Other net assets	**237**	**0.6**	505	1.6
	41 984	**121.6**	37 961	116.6
Subordinated redeemable debt	**(5 637)**	**(16.3)**	(4 382)	(13.4)
Treasury shares held on behalf of employees	**(1 825)**	**(5.3)**	(1 029)	(3.2)
Shareholder excess per reporting basis	**34 522**	**100.0**	32 550	100.0

Number of employees	2026	2025
Indoor staff	**10 406**	9 880
South Africa	**9 408**	8 662
International	**998**	1 218
Field staff	**3 603**	3 957
Momentum Retail and Investments	**783**	710
Metropolitan Life	**1 948**	2 045
Momentum Africa	**857**	1 187
Momentum Insure	**15**	15
Total	**14 009**	13 837

ANNEXURE C

Changes to segmental reporting

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

These changes have been applied to the prior year. For illustrative purposes, this disclosure supplement provides segmental earnings for the prior year. This supplementary financial information is the responsibility of the directors of Momentum Group.

The short-term insurance business of the Momentum Africa segment will be reported in Guardrisk and the health insurance business reported in Momentum Health. As a result, the Momentum Africa segment will comprise only the life and asset management businesses. However, the Namibia health business will continue to be reported as part of Momentum Africa.

There are no changes to the Momentum Retail, Momentum Investments, Metropolitan Life, Momentum Corporate, Momentum Insure, India and Shareholders reporting segments.

Earnings for the 12 mths ended 30.06.2025	Momentum Retail Rm	Momentum Investments Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Africa Rm	Guardrisk Rm	Momentum Insure Rm	Momentum Health Rm	India Rm	Shareholders Rm	Total Rm
Normalised headline earnings – old segmentation	1 356	963	868	1 618	288	775	438	295	(67)	(274)	6 260
Items to restate into new segments:											
Move of entities from Momentum Africa to Momentum Health	–	–	–	–	(24)	–	–	24	–	–	–
Move of entities from Momentum Africa to Guardrisk	–	–	–	–	(48)	48	–	–	–	–	–
Normalised headline earnings – new segmentation	1 356	963	868	1 618	216	823	438	319	(67)	(274)	6 260

SHAREHOLDER PROFILE

Shareholder	Number of share-holders	% of issued share capital	Shares held (million)
Non-public			
Directors	7	0.1	1
Kagiso Tiso Holdings (Pty) Ltd	1	6.5	86
Government Employees Pension Fund	1	15.7	206
Public			
Private investors	24 516	5.5	73
Pension funds	313	5.2	68
CISs and mutual funds	1 644	62.4	821
Banks and insurance companies	52	4.6	61
Total	26 534	100.0	1 316

An estimated 391 million shares (2025: 419 million shares) representing 29.7% (2025: 30.8%) of total shares are held by foreign investors.

Size of shareholding	Number of share-holders	% of total share-holders	Shares held (million)	% of issued share capital
1 – 5 000	23 760	89.5	13	1.1
5 001 – 10 000	921	3.5	7	0.5
10 001 – 50 000	960	3.6	22	1.7
50 001 – 100 000	235	0.9	17	1.3
100 001– 1 000 000	504	1.9	157	11.9
1 000 001 and more	154	0.6	1 100	83.5
Total	26 534	100.0	1 316	100.0

Beneficial owners	Shares held (million)	% of issued share capital
Government Employees Pension Fund	206	15.6
Kagiso Tiso Holdings (Pty) Ltd	86	6.5
Total	292	22.1

Pursuant to the provisions of section 56(7)(b) of the Companies Act, beneficial shareholdings exceeding 5% in aggregate, as at 30 June 2026, are disclosed.

STOCK EXCHANGE PERFORMANCE

	2026	2025
12 months		
Value of listed shares traded (Rm)	**22 270**	28 483
Volume of listed shares traded (million)	**619**	961
Shares traded (% of average listed shares in issue)	**49**	73
Trade prices		
Highest (cents per share)	**4 147**	3 624
Lowest (cents per share)	**3 201**	2 231
Last sale of year (cents per share)	**4 063**	3 429
Percentage (%) change during year	**18**	50
Percentage (%) change – life insurance sector (J857)	**11**	23
Percentage (%) change – top 40 index (J200)	**13**	18
30 June		
Price/normalised headline earnings (segmental) ratio	**7.7**	7.6
Dividend yield % (dividend on listed shares)	**5.7**	5.1
Dividend yield % – top 40 index (J200)	**3.3**	2.8
Total shares issued (million)		
Ordinary shares listed on JSE	**1 316**	1 361
Treasury shares held on behalf of employees	**(45)**	(45)
Basic number of shares in issue	**1 271**	1 316
Adjustment to employee share scheme[1]	**41**	27
Diluted number of shares in issue	**1 312**	1 343
Adjustment to employee share scheme shares[1]	**(41)**	(27)
Treasury shares held on behalf of employees	**45**	45
Diluted number of shares in issue for normalised headline earnings purposes[2]	**1 316**	1 361
Market capitalisation at end (Rbn)[3]	**53**	47

1 The diluted number of shares in issue includes the potential dilutive ordinary shares from the iSabelo employee scheme. The diluted number of shares in issue for normalised headline earnings does not include this adjustment as these shares are deemed to be issued.
2 The diluted number of shares in issue takes into account all issued shares and includes the treasury shares held on behalf of contract holders as well as the treasury shares held on behalf of employees.
3 The market capitalisation is calculated on the fully diluted number of shares in issue.

SHAREHOLDER DIARY

Financial year end	30 June 2026	
Reporting	Interim results	19 March 2026
	Operating update for the 9 months to March 2026	1 June 2026
	Announcement of year-end results	17 September 2026
	Annual general meeting	26 November 2026

ADMINISTRATION

Momentum Group Ltd

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Company registration
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Auditors
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PricewaterhouseCoopers Inc.

Share codes
JSE – MTM
A2X – MTM
NSX – MMT

Sponsor – South Africa
Tamela Holdings (Pty) Ltd

Transfer secretaries – South Africa
JSE Investor Services (Pty) Ltd
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Sponsor – Namibia
Simonis Storm Securities (Pty) Ltd

Transfer secretaries – Namibia
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Debt sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Ltd